

# **Telenet Group Holding NV**

## **Consolidated financial statements**

# 1. Consolidated statement of financial position

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
<b>Assets</b>			
<b>Non-current assets:</b>			
Property and equipment	5.4	2,114.8	2,288.0
Goodwill	5.5	1,823.8	1,823.8
Other intangible assets	5.6	783.0	695.2
Deferred tax assets	5.15	169.0	214.7
Investments in and loans to equity accounted investees	5.7.1	117.6	111.7
Other investments	5.7.2	7.7	5.7
Derivative financial instruments	5.14	30.8	58.6
Other non-current assets	5.9.1	23.7	33.6
<b>Total non-current assets</b>		<b>5,070.4</b>	<b>5,231.3</b>
<b>Current assets:</b>			
Inventories	5.10	26.5	27.3
Trade receivables	5.8.2	174.3	187.2
Other current assets	5.9.2	135.7	126.1
Cash and cash equivalents	5.11	139.5	82.0
Derivative financial instruments	5.14	57.1	48.1
		<b>533.1</b>	<b>470.7</b>
Assets held for sale	5.7.1	—	0.3
<b>Total current assets</b>		<b>533.1</b>	<b>471.0</b>
<b>Total assets</b>		<b>5,603.5</b>	<b>5,702.3</b>

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
<b>Equity and liabilities</b>			
<b>Equity:</b>			
Share capital	5.12	12.8	12.8
Share premium		80.7	80.7
Other reserves		697.7	686.3
Retained loss		(2,148.1)	(2,249.9)
Remeasurements		(9.6)	(12.3)
<b>Total equity attributable to owners of the Company</b>		<b>(1,366.5)</b>	<b>(1,482.4)</b>
Non-controlling interests	5.12	3.4	28.6
<b>Total equity</b>		<b>(1,363.1)</b>	<b>(1,453.8)</b>
<b>Non-current liabilities:</b>			
Loans and borrowings	5.13	5,080.3	4,918.3
Derivative financial instruments	5.14	174.0	508.0
Deferred revenue	5.19	3.6	3.6
Deferred tax liabilities	5.15	111.7	125.1
Other non-current liabilities	5.16	83.3	56.5
Provisions	5.18.2	14.8	12.2
<b>Total non-current liabilities</b>		<b>5,467.7</b>	<b>5,623.7</b>
<b>Current liabilities:</b>			
Loans and borrowings	5.13	498.8	499.6
Trade payables		166.5	174.9
Accrued expenses and other current liabilities	5.18.1	400.6	399.5
Provisions	5.18.2	88.4	83.6
Deferred revenue	5.19	115.2	122.8
Derivative financial instruments	5.14	58.9	65.6
Current tax liability	5.22	170.5	184.6
		<b>1,498.9</b>	<b>1,530.6</b>
Liabilities directly associated with the assets held for sale	5.7.1	—	1.8
<b>Total current liabilities</b>		<b>1,498.9</b>	<b>1,532.4</b>
<b>Total liabilities</b>		<b>6,966.6</b>	<b>7,156.1</b>
<b>Total equity and liabilities</b>		<b>5,603.5</b>	<b>5,702.3</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The notes are an integral part of these consolidated financial statements.

## 2. Consolidated statement of profit or loss and other comprehensive income

(€ in millions, except per share data)		For the year ended December 31,	
	Note	2021	2020, as restated (*)
<b>Profit for the period</b>			
Revenue	5.19	2,595.8	2,575.2
Cost of services provided	5.20	(1,282.7)	(1,401.6)
<b>Gross profit</b>		<b>1,313.1</b>	<b>1,173.6</b>
Selling, general and administrative expenses	5.20	(713.9)	(579.5)
<b>Operating profit</b>		<b>599.2</b>	<b>594.1</b>
Finance income		308.4	241.1
Net interest income, foreign exchange gain and other finance income	5.21	1.6	241.1
Net gain on derivative finance instruments	5.14 & 5.21	306.7	—
Net gain on extinguishment of debt		0.1	—
Finance expense		(387.8)	(474.2)
Net interest expense, foreign exchange loss and other finance expense	5.21	(387.8)	(206.8)
Net loss on derivative financial instruments	5.14 & 5.21	—	(252.2)
Net loss on extinguishment of debt	5.21	—	(15.2)
<b>Net finance expenses</b>	5.21	<b>(79.4)</b>	<b>(233.1)</b>
Share in the profit of equity accounted investees	5.7.1	(0.7)	0.7
Impairment of investments in equity accounted investees	5.7.1	(12.2)	—
Gain on disposal of assets/liabilities related to a subsidiary or joint venture	5.7.1 & 5.24.2	—	27.5
<b>Profit before income tax</b>		<b>506.9</b>	<b>389.2</b>
Income tax expense	5.22	(113.3)	(50.7)
<b>Profit for the period</b>		<b>393.6</b>	<b>338.5</b>

## Other comprehensive income (loss) for the period, net of income tax

Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset), net of income tax	5.17	2.7	2.2
Equity-accounted investees - share of Other comprehensive income (loss), net of income tax	5.17	—	(1.0)
<b>Other comprehensive income (loss) for the period, net of income tax</b>		<b>2.7</b>	<b>1.2</b>
<b>Total comprehensive income for the period</b>		<b>396.3</b>	<b>339.7</b>
<b>Profit (loss) attributable to:</b>		<b>393.6</b>	<b>338.5</b>
Owners of the Company		394.0	338.9
Non-controlling interests		(0.4)	(0.4)
<b>Total comprehensive income (loss) for the period, attributable to:</b>		<b>396.3</b>	<b>339.7</b>
Owners of the Company		396.7	340.1
Non-controlling interests		(0.4)	(0.4)
<b>Earnings per share</b>			
Basic earnings per share in €	5.23	3.60	3.10
Diluted earnings per share in €	5.23	3.60	3.10

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The notes are an integral part of these consolidated financial statements.

### 3. Consolidated statement of changes in shareholders' equity

Attributable to equity holders of the Company	Note	Number of shares	Share capital	Share premium	Share-based payment reserve	Legal reserve	Reserve for own shares	Other reserves	Retained losses	Remeasurements	Total	Non-controlling interest	Total equity
(€ in millions, except share data)													
<b>December 31, 2020 as reported</b>		<b>113,841,819</b>	<b>12.8</b>	<b>80.7</b>	<b>135.6</b>	<b>64.8</b>	<b>(199.4)</b>	<b>685.3</b>	<b>(2,249.9)</b>	<b>(12.3)</b>	<b>(1,482.4)</b>	<b>28.4</b>	<b>(1,454.0)</b>
Connectify PPA adjustment		—	—	—	—	—	—	—	—	—	—	0.2	0.2
<b>January 1, 2021 as restated *</b>		<b>113,841,819</b>	<b>12.8</b>	<b>80.7</b>	<b>135.6</b>	<b>64.8</b>	<b>(199.4)</b>	<b>685.3</b>	<b>(2,249.9)</b>	<b>(12.3)</b>	<b>(1,482.4)</b>	<b>28.6</b>	<b>(1,453.8)</b>
<b>Total comprehensive income for the period</b>													
Profit for the period		—	—	—	—	—	—	—	394.0	—	394.0	(0.4)	393.6
Other comprehensive income <sup>1</sup>		—	—	—	—	—	—	—	—	2.7	2.7	—	2.7
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>394.0</b>	<b>2.7</b>	<b>396.7</b>	<b>(0.4)</b>	<b>396.3</b>
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners of the Company</b>													
Recognition of share-based compensation	5.12	—	—	—	14.1	—	—	—	—	—	14.1	—	14.1
Own shares acquired	5.12	—	—	—	—	—	(13.5)	—	—	—	(13.5)	—	(13.5)
Own shares sold	5.12	—	—	—	—	—	10.8	—	(10.8)	—	—	—	—
Dividend declared	5.11	—	—	—	—	—	—	—	(300.5)	—	(300.5)	—	(300.5)
Liquidation Telenet Tecteo Bidco NV and Telenet Finance BV		—	—	—	—	—	—	—	19.1	—	19.1	(24.9)	(5.8)
<b>Total contribution by and distributions to owners of the Company</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>14.1</b>	<b>—</b>	<b>(2.7)</b>	<b>—</b>	<b>(292.2)</b>	<b>—</b>	<b>(280.8)</b>	<b>(24.9)</b>	<b>(305.7)</b>
<b>Changes in ownership interests in subsidiaries</b>													
Capital contributions by NCI		—	—	—	—	—	—	—	—	—	—	0.1	0.1

<b>Total transactions with owners of the Company</b>	—	—	—	14.1	—	(2.7)	—	(292.2)	—	(280.8)	(24.8)	(305.6)
<b>December 31, 2021</b>	<b>113,841,819</b>	<b>12.8</b>	<b>80.7</b>	<b>149.7</b>	<b>64.8</b>	<b>(202.1)</b>	<b>685.3</b>	<b>(2,148.1)</b>	<b>(9.6)</b>	<b>(1,366.5)</b>	<b>3.4</b>	<b>(1,363.1)</b>

<sup>1</sup> Remeasurements of defined benefit liabilities/(asset), net of income taxes, equity-accounted investees - share of other comprehensive income (loss), net of income tax

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Attributable to equity holders of the Company (€ in millions, except share data)	Note	Number of shares	Share capital	Share premium	Share-based payment reserve	Legal Reserve	Reserve for own shares	Other reserves	Retained loss	Remeasurements	Total	Non-controlling Interest	Total equity
<b>December 31, 2019 as reported</b>		<b>114,656,785</b>	<b>12.8</b>	<b>80.7</b>	<b>118.9</b>	<b>64.8</b>	<b>(209.2)</b>	<b>721.2</b>	<b>(2,287.8)</b>	<b>(13.5)</b>	<b>(1,512.1)</b>	<b>25.1</b>	<b>(1,487.0)</b>
<b>Total comprehensive income for the period</b>													
Profit for the period		—	—	—	—	—	—	—	338.9	—	338.9	(0.4)	338.5
Other comprehensive income <sup>1</sup>		—	—	—	—	—	—	—	—	1.2	1.2	—	1.2
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>338.9</b>	<b>1.2</b>	<b>340.1</b>	<b>(0.4)</b>	<b>339.7</b>
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners of the Company</b>													
Recognition of share-based compensation	5.12	—	—	—	16.7	—	—	—	—	—	16.7	—	16.7
Own shares acquired	5.12	—	—	—	—	—	(34.4)	—	—	—	(34.4)	—	(34.4)
Own shares sold	5.12	—	—	—	—	—	8.7	—	(8.7)	—	—	—	—
Liquidation own shares	5.12	(814,966)	—	—	—	—	35.5	(35.5)	—	—	—	—	—
Dividend declared	5.12	—	—	—	—	—	—	—	(292.4)	—	(292.4)	—	(292.4)
Other	5.12	—	—	—	—	—	—	(0.4)	0.1	—	(0.3)	—	(0.3)
<b>Total contribution by and distributions to owners of the Company</b>		<b>(814,966)</b>	<b>—</b>	<b>—</b>	<b>16.7</b>	<b>—</b>	<b>9.8</b>	<b>(35.9)</b>	<b>(301.0)</b>	<b>—</b>	<b>(310.4)</b>	<b>—</b>	<b>(310.4)</b>
<b>Changes in ownership interests in subsidiaries</b>													
Capital contributions by NCI		—	—	—	—	—	—	—	—	—	—	3.7	3.7
<b>Total transactions with owners of the Company</b>		<b>(814,966)</b>	<b>—</b>	<b>—</b>	<b>16.7</b>	<b>—</b>	<b>9.8</b>	<b>(35.9)</b>	<b>(301.0)</b>	<b>—</b>	<b>(310.4)</b>	<b>3.7</b>	<b>(306.7)</b>
<b>December 31, 2020</b>		<b>113,841,819</b>	<b>12.8</b>	<b>80.7</b>	<b>135.6</b>	<b>64.8</b>	<b>(199.4)</b>	<b>685.3</b>	<b>(2,249.9)</b>	<b>(12.3)</b>	<b>(1,482.4)</b>	<b>28.4</b>	<b>(1,454.0)</b>

<sup>1</sup> Remeasurements of defined benefit liabilities/(asset), net of taxes, equity-accounted investees - share of other comprehensive income (loss), net of income tax

# 4. Consolidated statement of cash flows

(€ in millions)		For the year ended December 31,	
	Note	2021	2020, as restated (*)
<b>Cash flows provided by operating activities:</b>			
Profit for the period		393.6	338.5
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.20	731.1	754.1
Gain on disposal of property and equipment and other intangible assets	5.20	(4.8)	(4.5)
Income tax expense	5.22	113.3	50.7
Increase in allowance for bad debt	5.8	8.2	3.8
Gain on disposal of assets/liabilities related to a subsidiary or a joint venture	5.7.1 & 5.24.2	—	(27.6)
Net interest income and foreign exchange gain	5.21	(1.6)	(241.1)
Net interest expense, foreign exchange loss and other finance expense	5.21	387.8	206.8
Net loss (gain) on derivative financial instruments	5.14 & 5.21	(306.7)	252.2
Loss (gain) on extinguishment of debt	5.21	(0.1)	15.2
Share in the result of equity accounted investees	5.7.1	0.7	(0.8)
Impairment of investments in equity accounted investees	5.7.1	12.2	—
Share based payments	5.12 & 5.20	28.3	29.9
Change in:			
Trade receivables		6.3	12.6
Other assets		(6.2)	24.1
Deferred revenue		(7.5)	16.7
Trade payables		(8.4)	(61.8)
Other liabilities		(15.1)	0.6
Accrued expenses and other current liabilities		(36.7)	(8.4)
Interest paid		(169.3)	(193.7)
Interest received		—	0.1
Income taxes paid		(95.5)	(110.0)
<b>Net cash provided by operating activities</b>		<b>1,029.6</b>	<b>1,057.4</b>



(€ in millions)		For the year ended December 31,	
	Note	2021	2020, as restated (*)

## Cash flows used in investing activities:

Acquisitions of property and equipment		(277.1)	(278.8)
Acquisitions of intangibles		(202.0)	(193.0)
Acquisitions and disposals of and loans to equity accounted investees	5.7.1	(19.3)	(25.5)
Acquisitions of subsidiaries, net of cash acquired	5.24	(0.4)	(6.1)
Proceeds from sale of property and equipment and other intangibles		1.2	27.8
<b>Net cash used in investing activities</b>		<b>(497.6)</b>	<b>(475.6)</b>

## Cash flows used in financing activities:

Repayments of loans and borrowings	5.13	(419.3)	(565.8)
Proceeds from loans and borrowings	5.13	350.9	410.8
Repayments of loans to related parties	5.13	—	(3.3)
Payments of lease liabilities	5.13	(87.3)	(105.2)
Payments for debt issuance costs	5.13	—	(13.8)
Repurchase of own shares	5.12	(12.8)	(34.4)
Payments related to capital reductions and dividends	5.11	(306.2)	(292.3)
Proceeds from capital transactions with equity participants		0.2	2.8
<b>Net cash used in financing activities</b>	<b>5.13.4</b>	<b>(474.5)</b>	<b>(601.2)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>57.5</b>	<b>(19.4)</b>

Cash and cash equivalents:			
at January 1	5.11	82.0	101.4
at December 31	5.11	139.5	82.0

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The notes are an integral part of these consolidated financial statements.

# 5. Notes to the consolidated financial statements for the year ended December 31, 2021

## 5.1 Reporting entity and basis of preparation

### 5.1.1 Reporting entity

The accompanying consolidated financial statements present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the **"Company"** or **"Telenet"**). Through its broadband network, the Company offers basic and enhanced video services, including pay television services, broadband internet and fixed-line telephony services to residential subscribers in Flanders and certain communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium and parts of Luxembourg. The Company also offers mobile telephony services through its own mobile network.

Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and structured financing entities (**"SEs"**) have been incorporated in Luxembourg in order to structure the Company's financing operations.

### 5.1.2 Basis of preparation

In accordance with the EU Regulation 1606/2002 of July 19, 2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**"EU"**) (**"EU IFRS"**). The financial statements have been prepared on the historical cost basis, except for certain financial instruments and the net assets acquired in a business combination, which are measured at fair value. The assets and related liabilities classified as held-for-sale are measured at their carrying value as the carrying value did not exceed their fair value. The methods used to measure fair values are discussed further in note 5.3.6. The principal accounting policies are set out in section 5.2 below.

### 5.1.3 Functional and presentation currency

These consolidated financial statements are presented in euro (**"€"**), which is the Company's functional currency, rounded to the nearest hundred thousand (€0.1 million) except when indicated otherwise.

### 5.1.4 Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates and management judgment in the process of applying the Company's accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- note 5.3.6: Financial instruments: fair values
- note 5.4: Property and equipment - determination of useful lives
- note 5.5: Impairment testing of goodwill
- note 5.6: Other intangible assets - determination of useful lives
- note 5.7.1: Investments in and loans to equity accounted investees - determination of fair value of the underlying assets and liabilities
- note 5.8: Trade receivables - determination of loss allowances for expected credit losses on doubtful debtors
- note 5.14: Derivative financial instruments: fair values
- note 5.15: Deferred taxes - purchase price allocation upon acquisitions and recognition of deferred tax assets for tax loss carry forwards
- note 5.16: Other non-current liabilities - determination of employment benefit obligations
- note 5.18.2: Provisions - determination of site restoration provision
- note 5.18.2: Provisions - determination of obligations resulting from legal claims, subject to the future outcome of litigation in progress
- note 5.24: Acquisition of subsidiary - Purchase price allocation

- note 5.29: Leases - Lease term / extension options

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data to the extent available.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values we refer to:

- note 5.3.6 *Financial Instruments: fair values*
- note 5.12.2 *Employee share based compensation*, and
- note 5.24 *Acquisition and disposal of subsidiaries*.

## 5.1.5 Going Concern

The consolidated financial statements as of December 31, 2021 showed a negative consolidated equity amounting to €1,363.1 million, mainly as a result of the Company's historical shareholder disbursements policy, including various capital reductions.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range as described in note 5.3.5, even in case of a negative equity on a consolidated level.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account the following, amongst others:

- the forecasted earnings for the next year;
- a projected steadily strong positive cash flow for the next year;
- maturities of financial obligations as disclosed in note 5.3.3.

## 5.1.6 Reporting changes

**Revenue allocation from Telenet's Small and Medium Sized ("SME") and Large Enterprise ("LE") business customers:** As of the second quarter of 2021, the Company's postpaid and total mobile subscriber count includes its SME and LE business customers, which were previously not recorded in the Company's SIM count. As a result of the aforementioned change, the subscription and usage-related revenue generated by Telenet's SME and LE business customers is being reported under mobile telephony revenue as of the second quarter of 2021 (as opposed to business services revenue previously), while the interconnect revenue is now being reported under other revenue (as opposed to business services revenue previously).

**Purchase price allocation for the Connectify acquisition:** The Company's December 31, 2020 statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation ("PPA") and accounting policies alignment for the Connectify acquisition, which was not yet available at year-end 2020. The fair value adjustment on intangible assets (€1.6 million) mainly related to the acquired trade names (€0.6 million), customer relationships (€0.3 million) and other intangible assets subject to amortization, being a technological IPTV platform (€0.7 million). Together with the deferred tax impact of the above-mentioned adjustments (€0.4 million), goodwill was reduced by €1.2 million. The recognition of the fair value of the intangible assets did not result in any material additional amortization expense for the period between the acquisition date (November 30, 2020) and December 31, 2020, and consequently, the consolidated statement of profit and loss and other comprehensive income for the twelve months ended December 31, 2020 has not been restated.

## 5.1.7 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 18, 2022.

## 5.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

No changes to the significant accounting policies have been made, except as explained in note 5.2.19, which addresses new standards, interpretations, amendments and improvements.

## 5.2.1 Basis of consolidation

### Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. The consolidated financial statements include the accounts of Telenet Group Holding NV and all of the entities that it directly or indirectly controls. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

### Structured Entities

The Company has established SEs for financing purposes. The Company does not have any direct or indirect shareholdings in these entities. An SE is consolidated if, based on an evaluation of the substance of its relationship with the Company and the SE's risks and rewards, the Company concludes that it controls the SE.

### Associates and joint ventures

The Company's interest in equity-accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method and are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees, until the date on which significant influence or joint control ceases.

Upon contribution of a subsidiary into a joint venture, the Company recognizes any resulting gain or loss in full in profit or loss at the moment control over the subsidiary is lost, i.e. no elimination is made for a continuing interest in the assets and liabilities contributed.

## 5.2.2 Segment Reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("**CODM**") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the Senior Leadership Team ("**SLT**") and the board of directors.

The CEO, the SLT and the board of directors of Telenet manage the Company's telecommunication business, inclusive of the recent acquisitions of De Vijver Media and Connectify, as a single operation, driven by the Company's fixed and mobile convergence strategy for both the residential and business markets which is demonstrated in the Company's all-in offer called "WIGO" and "YUGO". They assess the Company's performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

For an overview of the Company's revenue by major category, we refer to note 5.19. The table below summarizes the Company's:

- revenues for the year ended December 31, 2021 and 2020 from external customers earned in the Company's country of domicile and in foreign countries; and
- non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts, located in the Company's country of domicile and in foreign countries, as of December 31, 2021 and 2020.

	December 31, 2021			December 31, 2020, as restated (*)		
(€ in millions)	Belgium	Foreign countries	TOTAL	Belgium	Foreign countries	TOTAL
Property & equipment	2,114.8	—	2,114.8	2,288.0	—	2,288.0
Intangible assets	783.0	—	783.0	695.2	—	695.2
<b>Total fixed assets</b>	<b>2,897.8</b>	<b>—</b>	<b>2,897.8</b>	<b>2,983.2</b>	<b>—</b>	<b>2,983.2</b>
	For the year ended December 31, 2021			For the year ended December 31, 2020, as restated (*)		
(€ in millions)	Belgium	Foreign countries	TOTAL	Belgium	Foreign countries	TOTAL
<b>Total revenue</b>	<b>2,595.8</b>	<b>—</b>	<b>2,595.8</b>	<b>2,573.2</b>	<b>2.0</b>	<b>2,575.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The decrease in the revenues in foreign countries is entirely due to the the business of the Coditel S.à r.l. ("SFR-Lux") entity in Luxembourg that was taken over by Eltrona Interdiffusion SA, which subsequently was transformed into a joint venture and is accounted for using the equity method. For detailed information, we refer to Note 5.7.

For the years ended December 31, 2021 and December 31, 2020, no single third party customer accounted for 10% or more of the Company's total revenues.

### 5.2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of property and equipment.

The following useful lives are used for the depreciation of property and equipment:

- Buildings and improvements: 10-33 years
- Network: 4-30 years
- Furniture, equipment and vehicles: 2-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Government grants related to assets are recorded as a deduction from the cost in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the life of a depreciable asset as a reduction of depreciation expense.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of repairs and maintenance of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction. The market price of items of equipment is based on the quoted market prices for similar items.

It is the Company's policy to remove an asset's gross cost and accumulated depreciation at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

## 5.2.4 Intangible assets

Intangible assets with finite useful lives are measured at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

- Network user rights: Life of the contractual right
- Trade name: 10 to 20 years
- Customer relationships and supply contracts: 5 to 10 years
- Broadcasting rights: Life of the contractual right
- Software development costs: 3 to 4 years
- Out of market component on future lease obligations acquired as part of a business combination: Term of the lease agreement

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

If a Cloud Computing Arrangement ("CCA") qualifies as a service contract, the configuration or customization costs are expensed when the service is received, unless

- the underlying asset would give rise to an intangible asset in which case IAS 38 (accounting for intangible assets) should still apply, or
- the nature of the services rendered is 'not distinct', therefore indistinguishable from the service of receiving access to the software and consequently the implementation costs can be deferred over the contract term.

Broadcasting rights are capitalized as an intangible asset when the value of the contract is measurable upon signing. Broadcasting rights with respect to movies are amortized on a straight-line basis over the license period. For broadcasting rights with respect to movies and programs for linear broadcasting on the Company's public TV channels, amortization is based on the actual number of runs to reflect the pattern of consumption of the economic benefits embodied in the content rights. Broadcasting rights with respect to sports contracts are amortized on a straight-line basis over the sports season.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in the statement of profit or loss and other comprehensive income as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned.

The fair value of mobile spectrum licenses acquired in a business combination is based on the market approach, using the price quote of the most recent relevant spectrum license auctions.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

It is the Company's policy to remove an asset's gross cost and accumulated amortization at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

## 5.2.5 Impairment of financial and non-financial assets

### Financial assets

The Company recognizes loss allowances for expected credit losses ("**ECLs**") on:

- financial assets measured at amortized cost;
- debt investments measured at fair value through other comprehensive income ("**OCI**") ("**FVOCI**");
- contract assets

The Company measures loss allowances for its trade receivables, unbilled revenue and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive.

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 90 days due ;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company's interest in equity-accounted investees are assessed at each reporting date to determine whether there is objective evidence of impairment in line with IAS 28.

Objective evidence of impairment includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with IAS 36. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

## Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**"). An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 5.2.6 Acquisition accounting and goodwill

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The cost of an investment in an equity-accounted investee comprises the purchase price and other costs directly attributable to the acquisition of the investment.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Goodwill arising in a business combination is allocated to the acquirer's cash generating units that are expected to benefit from the synergies of the business combination in which goodwill arose. This is irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill will not be reversed in a subsequent period.

Costs that the Company incurs in connection with a business combination, other than those associated with the issue of debt or equity securities, are expensed as incurred.

### 5.2.7 Foreign currency transactions

The Company's functional and presentation currency is the euro, which is also the functional currency of each of the Company's subsidiaries. Transactions in currencies other than the euro are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in profit or loss for the period.



## 5.2.8 Financial instruments

### Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, trade and other payables, and investments and loans to equity accounted investees.

#### Cash and cash equivalents

Cash and cash equivalents consist principally of cash at bank and money market funds with remaining maturities at acquisition of 3 months or less. Except for money market funds, which are recognized at fair value with changes through the statement of profit or loss and other comprehensive income, cash and cash equivalents are carried at amortized cost using the effective interest rate method, less any impairment losses.

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments.

#### Trade receivables

Trade receivables do not carry any interest and are stated at their amortized cost less any allowance for doubtful amounts.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### Loans and borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issuance costs. Finance charges, including premiums payable on settlement or redemption and direct issuance costs, are accounted for on an accrual basis using the effective interest method and are recorded as a component of the related debt to the extent that they are not settled in the period in which they arise.

The Company initially recognizes debt securities issued on the date that they are originated. Such liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Deferred financing fees related to undrawn facilities are recognized as other non-current assets if it is probable that the facility will be drawn down.

In case of a modification or exchange of a debt instrument, a substantial modification is accounted for as an extinguishment. In order to determine if a modification is substantial, the Company compares the present value of the remaining cash flows of the old debt instrument to the present value of the cash flows on the modified instrument (including principal, interest, and other amounts paid to or received from the creditors). If the difference between these present values is greater than 10%, then the modification is deemed substantial. In such case, the associated unamortized deferred financing fees related to the old debt instrument are expensed as a loss on extinguishment of debt. If the outcome of the quantitative assessment shows a difference of less than 10%, a qualitative assessment is performed to determine whether the terms of the two instruments are not substantially different. If the exchange is not a substantial modification, then the remaining unamortized deferred financing fees of the old debt remain and are amortized over the term of the corresponding new debts, using the effective interest method. The modification or exchange of a debt instrument resulting in a new debt denominated in another currency is treated as a substantial modification.

#### Trade payables

Trade payables are not interest bearing and are stated at amortized cost. The carrying amounts of trade payables approximate fair value because of the short maturity of those instruments.

With certain suppliers a vendor financing program is entered into with a financial institution. Under such program, suppliers entering the system are paid by the bank earlier than their regular payment terms at a discount or at their regular payment terms without a discount while Telenet only has to pay the bank after 360 days. Consequently, the vendor financing liabilities are accounted for as current portion of loans and borrowings (note 5.13) on the balance sheet. With respect to the classification of vendor financing in the Company's consolidated statement of cash flows, the Company records:

- for operational expense related invoices ("**OPEX**"): the cash outflows from operations and a corresponding cash inflow in financing activities when the expenses are incurred. When the Company pays the bank, the Company records financing cash outflows;
- for capital expense related invoices ("**CAPEX**"): cash used in financing activities upon payment of the short term debt by the Company to the bank after 360 days.

## Derivative financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding.

The use of derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on the use of derivatives consistent with the Company's risk management strategy.

Derivatives are measured at fair value. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of derivative instruments are recognized immediately in the statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value through the statement of profit or loss and other comprehensive income.

For cross currency and interest rate derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity in the consolidated statement of cash flows.

## Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are presented in the reserve for own shares. When own shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

### 5.2.9 Revenue recognition

Subscription fees for telephony, internet and premium cable television are prepaid by subscribers on a monthly basis and recognized in revenue as the related services are provided, i.e. in the subsequent month. Subscription fees for analog cable television are prepaid by subscribers predominantly on an annual basis and recognized in revenue on a straight-line basis over the following twelve months. Revenue from usage based premium television, mobile and fixed telephone and internet activity is recognized on actual usage.

Upfront installation fees and other fees charged to customers are not considered to have stand-alone value, and revenue from these upfront fees is generally deferred and recognized as revenue over the contractual period, or longer if the up-front fee results in a material renewal right.

Together with subscription fees, basic cable television subscribers are charged a copyright fee for the content received from public broadcasters that is broadcasted over the Company's network. These fees contribute to the cost the Company bears in respect of copyright fees paid to copyright collecting agencies for certain content provided by the public broadcasters and other copyright holders. The Company reports copyright fees collected from cable subscribers on a gross basis as a component of revenue due to the fact that the Company is acting as a principal in the arrangement between the public broadcaster and other copyright holders which does not represent a pass-through arrangement. Indeed, the Company bears substantial risk in setting the level of copyright fees charged to subscribers as well as in collecting such fees as such is determined that the Company controls the relating service before it is transferred to the customer.

With respect to multiple element arrangements, the revenue is generally recognized based on delivery of goods and/or services and whereby the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

Revenue from prepaid mobile phone cards is recognized at face value as deferred income at the time of sale and recognized in revenue upon usage of the call value.

Revenue from termination fees is recognized at the time of the contract cancellation, if and only if, collectibility of the fee is reasonably assured. If collectibility of the termination fee is not reasonably assured at the time of billing, revenue is deferred until cash is received.

Customers may be charged a downgrade fee when they switch to a lower tier service. Generally, the downgrade is not considered to be distinct and downgrade fees are therefore deemed to be part of the overall consideration for the ongoing service. Revenue from downgrade fees is recognized on a straight-line basis over the longer period of (i) the related subscription contract or (ii) the expected remaining length of the customer relationship.

Digital television customers may rent a set-top box from Telenet. When customers elect to change the type of set-top box that they rent from Telenet, they may be charged a swap fee. The swap to a different type of set-top box is not considered to be distinct to the customer and revenue from swap fees

is recognized on a straight-line basis over the shorter period of (i) the expected remaining length of the customer relationship or (ii) the useful life of the set-top box.

Amounts billed for certain premium voice and SMS content are not presented as revenues but are netted against the corresponding expenses, because Telenet carries no legal responsibilities for the collection of these services and acts solely on behalf of the third-party content providers.

Revenue from mobile handset sales transactions, for which the customer entered into a consumer credit agreement with the Company and for which distinct service and payment obligations are applicable from those related to an airtime service contract, is recognized at the time of the sale of the handset as the customer takes full legal title to the handset. This revenue is recognized upon the sale of the handset, if and only if, collectibility of all monthly payments is reasonably assured.

Wholesale revenue earned under MVNO agreements is billed on a monthly basis and recognized in accordance with the usage of the services provided in accordance with the specifications as contractually agreed upon.

Interconnection revenue paid by other telecommunication operators for use of Telenet's network, as well as roaming revenue resulting from receiving or making calls abroad is recognized upon usage.

Revenue from reminder fees are considered to represent a distinct revenue stream and are therefore recognized as revenue.

## **5.2.10 Operating expenses**

Operating expenses consist of interconnection and roaming costs, network operations, maintenance and repair costs and cable programming costs, including employee costs and related depreciation and amortization charges. The Company capitalizes most of its installation costs, including direct labor costs. Copyright and license fees paid to the holders of those rights and their agents are the primary component of the Company's cable programming costs. Other direct costs include costs that the Company incurs in connection with providing its residential and business services, such as interconnection charges and bad debt expense. Network costs consist of costs associated with operating, maintaining and repairing the Company's broadband network and customer care costs necessary to maintain its customer base.

Certain municipalities and provinces levy local taxes on an annual basis on masts, pylons and antennas. These taxes do not qualify as income taxes and are recorded as operational taxes. Given the uncertainties surrounding the lawfulness, the Company continues to account for these as a risk in accordance with IAS 37. As the levy is triggered based on the pylons at the beginning of each fiscal year, a liability and the related expense are recognized in accordance with IFRIC 21 at the beginning of each year. Interest charges related to the non-payment of these taxes are recognized and recorded on a monthly basis.

## **5.2.11 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably measured. Provisions are measured at the Company's best estimate of the expenditure required to settle its liability and are discounted to present value where the effect is material.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

The obligation related to dismantling network sites is recognized as a tangible asset and a corresponding liability which is measured by using appropriate inflation and discount rates.

## **5.2.12 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains a lease. The Company makes a distinction between (i) a service contract and (ii) a lease based on whether the contract conveys the right to control the use of an identified asset, and accounts for these components separately.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset, or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

***i. Leases in which the Company is a lessee***

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, for:

- leases of Canon network
- leases of site rentals
- leases of real estate
- leases of cars
- leases of dark fiber

Site rentals comprise of a right to use a third party's property on which the Company builds its pylons and mobile related equipment. Site sharing consists of Telenet's mobile related equipment placed on pylons that are property of other operators. The Company receives in exchange for the periodic consideration a specific and dedicated place on the pylon in question. In both cases, we determined that it consists of specified assets of which the Company obtains substantially all of the economic benefits and has the right to direct the use and consequently, corresponding right-of-use assets and lease liabilities have been recognized.

With respect to arrangements regarding network equipment, the Company determined that for dark fiber arrangements, an identified asset exists as the specific strand is physically distinct and identified in the contract, for which the Company obtains substantially all of the economic benefits and has the right to direct the use of the identified asset. As a result dark fiber leases satisfy the definition of a lease. Lit fiber arrangements consist of a set amount of capacity provided but do not identify any individual fiber strands and correspondingly do not meet the definition of an identified asset and thus are not considered to be a lease. For duct arrangements in which we do not have exclusive access, the arrangements do not consist of a lease.

The Company assesses the applicable lease term and whether any options to extend the lease term are to be considered 'reasonably certain' to be exercised or not. Specifically for the site rentals, the Company has determined that the extension options are not 'reasonably certain' to be exercised and consequently, these are not taken into account in the determination of the lease term. The Company reassess the lease term in response to changes in market conditions and circumstances.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, including direct expenses, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those for property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, excluding non-lease components and variable lease payments. This lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

In determining its incremental borrowing rate, the company determines and applies the:

- reference rate;
- financing spread adjustment; and
- lease specific adjustment.

The reference rate is based on local currency, the euro, and the lease term and is determined based on market standard rates for a collateralized borrowing from Bloomberg for the following ranges:

- less than 1 year
- 1 year to less than 3 years
- 3 years to less than 5 years
- 5 years to less than 10 years
- 10 years to less than 20 years
- 20 years or greater

This reference rate is refreshed on a monthly basis. The key factors determining the financing spread adjustment to the reference rate are the credit profile and the asset rating of the Company. The credit rating of the Company is provided by Moody's. The reference rate is adjusted to reflect the purchase of an asset and is not deemed uncollateralized. With respect to the adjustment for the specific asset-type of the underlying collateral, IFRS 16 does not specify what type of asset must be used, only that the asset must be of similar value to the right-of-use asset and as such, the Company determined that a lease specific adjustment is not necessary. Based on the asset rating discussion above, we have factored in that the rating is on a collateralized basis.

Given the size of the Telenet's lease portfolio, the Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). As the Company's incremental borrowing rate is determined by range of lease term, adjusted for the credit and asset ratings, on a monthly basis, this leads to homogeneous portfolios in which the discount rate would not materially differ from applying a lease-by-lease approach.

The Company elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Changes in the contractual terms and conditions that increase the scope of the lease at stand-alone prices, are considered modifications that create a separate lease. Temporary extensions of existing leases that came to maturity date and which have not yet been replaced by new long-term agreements are lease modifications that do not increase the scope of the lease and consequently are not separate leases at the effective date of the modification. Therefore, the lease liability is remeasured with a corresponding adjustment to the right of use asset.

With respect to certain specific transactions, the Company (acting as 'seller-lessee') transfers an asset to another entity ('buyer-lessor') which is subsequently leased back by the Company. In accordance with IFRS 15, the Company determined that it does not satisfy a performance obligation as the control of the underlying asset to the buyer-lessor is not transferred. As a result, these transactions are accounted for as a financing transaction.

#### *ii. Leases in which the Company is a lessor*

At lease inception, the Company determines whether each lease is a finance lease or an operating lease. With respect to this classification, the Company makes an assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, it is an operating lease.

Site sharing agreements in which other operators use the pylons that are the property of Telenet, contain a lease and are determined to be operating leases. As a result, the Company does not derecognize the underlying asset. Future contractual rental payments from the lessee are recognized as income and receivables over the lease term as the payments become receivable.

With respect to customer premise equipment ("CPE"), a.o. the set-top boxes and modems offered to residential customers, the Company concluded that the contracts do not contain a lease as the customer (i) does not receive substantially all of the economic benefits of the asset, and (ii) does not clearly direct the use of the CPE. As a result the right to control the use is not conveyed.

Certain customized equipment offerings to business customers qualify as manufacturer or dealer leases. With respect to these finance leases, the Company recognizes (i) revenue, (ii) cost of sales, and (iii) selling profit upon lease commencement in correspondence with its policy for outright sales. At the lease commencement date, the Company recognizes assets held under finance lease as a receivable at an amount equal to the net investment in the lease.

## **5.2.13 Income taxes**

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Current and deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

## **5.2.14 Employee benefits**

### **Pension and other post-employment benefit obligations**

The Company provides both defined benefit and defined contribution plans to its employees, directors and certain members of management.

For defined contribution plans, the Company pays fixed contributions into a separate entity. The Company has no obligation to pay further amounts in case the plan assets are insufficient to pay all employee benefits relating to current and prior service. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

As a result of minimum guaranteed rates of return imposed by law, there is a risk that the Company has to pay additional contributions. Therefore, the Belgian defined contribution plans classify as defined benefit plans.

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The discount rate is based on the yield at the reporting date on high quality corporate bonds (average yield on AA corporate bonds in euro, benchmarked against the iBoxx € AA Corporates index) taking into account the duration of the Company's obligations.

For the defined contribution plans subject to minimum guaranteed rates of return, the defined benefit obligation is based on the higher of the contributions increased by the minimum guaranteed rates of return and the actual accumulated reserves (plans funded through a pension fund) or the paid-up insured benefits (insured plans). For plans whereby the contributions increase by age, the prospective benefits are attributed on a straight line basis over the employee's career.

The net defined benefit liability/(asset) recognized in the balance sheet corresponds to the difference between the defined benefit obligation and the fair value of the plan assets. In case of a surplus, the net defined benefit (asset) is limited to the present value of future economic benefits available in the form of a reduction in contributions or a cash refund.

For insured plans, the fair value of the insurance policies is based on the insurance reserves.

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI.

The Company determines the net interest expense (income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense is recognized in profit or loss.

Past service cost resulting from plan amendments or curtailments is recognized immediately in profit or loss.

The Company also provides post-retirement health care benefits to certain employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

### **Other long term employee benefit obligations**

The Company provides long term service awards to its employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognized immediately in profit or loss.

### **Share-based payments**

The Company issues equity-settled share-based payments to certain employees which are measured at fair value at the date of grant. The grant date fair value of options granted to employees is calculated using a Black-Scholes pricing model and recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Measurement inputs for the Black-Scholes model include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the cumulative impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-settled share-based payments are measured at fair value and recognized as share-based payments expense, with a corresponding increase in long term and short term other liabilities, over the period that the employees become unconditionally entitled to the options.

## Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 5.2.15 Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

### 5.2.16 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and options granted to employees and the CEO as disclosed in note 5.23.2.

### 5.2.17 Finance income and expenses

Finance income mainly comprises interest income on funds invested, changes in the fair value of financial instruments, net gains on financial instruments and foreign exchange gains. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method.

Finance expense mainly comprises interest expense on loans and borrowings, changes in the fair value of financial instruments, net losses on financial instruments and foreign exchange losses.

Foreign currency gains and losses are reported on a net basis.

### 5.2.18 Customer acquisition costs

Customer acquisition costs are the directly attributable costs incurred in signing up a new customer. These include, but are not limited to, incentives paid to retailers, commissions paid to external dealers or agents, and sales commissions to the Company's staff.

Customer acquisition costs paid to a party other than the customer are capitalized as intangible assets if and only if the definition and recognition criteria are met, the costs are incremental to the subscriber contracts, and can be measured reliably. As these criteria are generally not met, customer acquisition costs are generally expensed as incurred.

Cash incentives given to customers are not viewed as customer acquisition costs, but are recognized as a deduction from revenue.

Benefits in kind given to customers, to the extent they do not represent a separate component of the arrangement, are recognized as an expense in the appropriate periods.

### 5.2.19 Changes in accounting policies

The following changes in accounting policies are reflected in the Company's consolidated financial statements as of and for the year ended December 31, 2021.

**Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2** (issued on 27 August 2020) address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

In Phase 2 of its project, the Board amended requirements in IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships. The amendments apply retrospectively from 1 January 2021. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. These amendments have been endorsed by the EU in January 2021 and had no material impact on the Group's consolidated financial statements.

With respect to the fundamental global reform of interest rate benchmarks and the assessment of the expected impact on the Company's outstanding loans and borrowings, as well as on the derivative financial instruments, we refer to note 5.3.4.

**Amendment to IFRS 16 Impact of the initial application of Covid-19-Related Rent Concessions (lessee relief extended)**, issued by the IASB in May 2020, provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient has been extended by 12 months.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual periods beginning on or after April 1, 2021, has been endorsed by the EU in August 2021 and didn't have a material impact on the Company's consolidated financial statements. During the year ended December 31, 2021, the Company, acting as a lessee as well as a lessor, did not renegotiate the terms of its leases as a result of COVID-19, nor did it grant, as a lessor, a lessee a concession of some sort in connection with lease payments.

## 5.2.20 Forthcoming requirements

Standards, annual improvements, amendments and interpretations to existing standards that are not yet effective for the year ended December 31, 2021 and have not been early adopted by the Company.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2021, and have not been applied in preparing these consolidated financial statements. The adoption of these standards, amendments to standards and interpretations, is not expected to have a material impact on the Company's financial result or financial position:

**Amendments to IAS 1 Presentation of Financial statements: Classification of Liabilities as Current or Non-current**, issued on 23 January 2020, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period;
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- clarify how lending conditions affect classification; and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

On July 15, 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 by one year to annual reporting periods beginning on or after January 1, 2023. The amendments have not yet been endorsed by the EU.

On November 19, 2021, the IASB published the exposure draft Non-current Liabilities with Covenants (Proposed amendments to IAS 1). The Exposure Draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions.



**Amendments to IFRS 3 Business Combinations; IAS 16 Property, plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual improvements**, issued on 14 May 2020, include several narrow-scope amendments which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards:

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making. The amendments clarify that the 'costs of fulfilling a contract' comprise both: the incremental costs; and an allocation of other direct costs.
- **Annual Improvements to IFRS Standards 2018–2020** make minor amendments to:
  - *IFRS 1 First-time Adoption of International Financial Reporting Standards*,
  - *IFRS 9 Financial Instruments*, clarification which fees should be included in the 10% test for derecognition of financial liabilities,
  - *IAS 41 Agriculture*, and
  - the Illustrative Examples accompanying *IFRS 16 Leases*

The amendments are effective for annual periods beginning on or after 1 January 2022. These amendments have been endorsed by the EU in July 2021.

**Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies**, issued on 12 February 2021, include narrow-scope amendments to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. The amendments to IAS 1 require companies to disclose their **material** accounting policy information rather than their **significant** accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2023. These amendments have not yet been endorsed by the EU.

**Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates**, issued on 12 February 2021, clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual periods beginning on or after 1 January 2023. These amendments have not yet been endorsed by the EU.

**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**, issued on 6 May 2021, clarifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations. IAS 12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual periods beginning on or after 1 January 2023. These amendments have not yet been endorsed by the EU.

#### **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures**

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor's interests in the associate or joint venture.

The effective date of the amendments has been deferred indefinitely. Early application of the amendments is permitted.

## 5.3 Risk management

### 5.3.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore, managing these risks is very important to the management of the Company. To support its growth and help management and the directors to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the risk management and internal control framework is to enable the Company to meet its objectives. The most important components of this system are described in the Company's Corporate Governance Statement under 8.4 *Internal control and risk management systems*.

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Please refer to sections 8.4.3 *Risk areas* and 3 *Risk factors* for more detailed information.

The Company is involved in a number of legal procedures arisen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with matters such as intellectual property, advertising campaigns, product offerings and acquisition opportunities. Telenet discusses in note 5.26.1 certain procedures, which are still pending and in which the Company is involved. Besides the procedures described in note 5.26.1, Telenet does not expect the legal proceedings in which it is a party or by which it is threatened to have a material adverse effect on the activities or consolidated financial position. However, the Company notes that the outcome of legal proceedings can be extremely difficult to predict, and Telenet offers therefore no guarantees.

### 5.3.2 Credit risk

#### Qualitative disclosures

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, hedging, settlement and other financial activities. The Company is exposed to credit risk from its operating activities and treasury activities.

The largest share of the gross assets subject to credit risk from operating activities are trade receivables from residential and small business customers located throughout Belgium and outstanding receivables towards Telenet's wholesale, interconnect and roaming partners. Accordingly, the Company has no significant concentration of credit risk. The risk of material loss from non-performance from these customers is not considered likely. The Company establishes reserves for doubtful accounts receivable to cover the potential loss from non-payment by these customers.

As for credit risk on financial instruments, the Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an assessment of a potential counterparty's financial condition, credit rating and other credit criteria and risk mitigation tools as deemed appropriate. The Company maintains a policy of entering into such transactions only with highly rated European and US financial institutions. To minimize the concentration of counterparty credit risk, the Company enters into derivative transactions with a portfolio of financial institutions. Likewise, cash and cash equivalents are placed with highly rated financial institutions and only highly rated money market funds are used.

#### Quantitative disclosures

The Company considers its maximum exposure to credit risk to be as follows:

(€ in millions)			
	Note	December 31, 2021	December 31, 2020, as restated (*)
Cash and cash equivalents (including money market funds, certificates of deposits)	5.11	139.5	82.0
Trade receivables	5.8	183.4	193.7
Derivative financial instruments	5.14	87.9	106.7
Receivables from sale of sports broadcasting rights	5.9	—	3.9
Indemnification receivable from acquisitions	5.9	15.1	13.8
Prepaid content	5.9	4.7	6.1
Prepayments	5.9	40.9	45.9
Outstanding guarantees to third parties for own liabilities (cash paid)	5.9	1.7	1.7
Loans to equity accounted investees	5.7	9.5	9.5
<b>Total</b>		<b>482.7</b>	<b>463.3</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

More detailed financial information has been disclosed under the respective notes to the consolidated financial statements of the Company.

### 5.3.3 Liquidity risk

#### Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition, new regulations and potentially adverse outcomes with respect to the Company's litigations as described in note 5.26.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations, interest and tax payments and debt obligations.

Telenet Group Holding NV is a holding company with no source of operating income. It is therefore dependent on capital raising abilities and dividend payments from subsidiaries to generate funds. The terms of the 2020 Amended Senior Credit Facility contain a number of significant covenants that restrict the Company's ability, and the ability of its subsidiaries to, among other things, pay dividends or make other distributions, make capital expenditures, incur additional debt and grant guarantees. The agreements and instruments governing its debt contain restrictions and limitations that could adversely affect the Company's ability to operate its business.

The Company believes that its cash flow from operations and its existing cash resources, together with available borrowings under the 2020 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

The 2020 Amended Senior Credit Facility is discussed in greater detail in note 5.13.1 of the consolidated financial statements of the Company.

The Company has implemented a policy on financial risk management, which has last been reviewed and approved by the Audit and Risk Committee in October 2017. With respect to liquidity and funding risks, the key objectives can be summarized as:

- ensure that at all times the Company has access to sufficient cash resources to meet its financial obligations as they fall due and to provide funds for capital expenditure and investment opportunities as they arise;
- ensure that the Company has sufficient excess liquidity to ensure that the Company can meet its non-discretionary financial obligations in the event of unexpected business disruption;
- ensure compliance with borrowing facilities covenants and undertakings.

A minimum level of cash and cash equivalents is maintained in order to meet unforeseen cash expenses. A limit has also been set regarding the maximum amount that can be deposited and invested per banking counterparty. The Company's funding requirements and funding strategy are reviewed annually.

In September 2016 the Company entered into a €25.0 million bank overdraft facility in order to allow for a more active cash management policy within the context of continued negative short-term interest rates. In April 2020, the Company cancelled the short-term €60.0 million revolving credit facility with availability up to December 31, 2021 and the €400.0 million revolving credit facility with availability up to June 30, 2023. The Company issued a new €510.0 million revolving credit facility ("Revolving Credit Facility I") up to May 31, 2026. This new revolving credit facility can be used for general corporate purposes and carries a margin of 2.25% over EURIBOR (0% floor). In December 2020, the Company extended the short-term €20.0 million revolving credit facility for five years up to September 30, 2026. This extended revolving credit facility carries a margin of 2.25% over EURIBOR (0% floor), which is similar to the margin under the Revolving Credit Facility I.

A limit has been set regarding the maximum amount that can be invested per derivative product type. On top of this limit, the authorized financial counterparties have been determined and limits have been set for each counterparty by reference to their long-term credit rating.

## Quantitative disclosures

The Company's aggregate contractual cash flows as at December 31, 2021 and 2020 were as follows:

<i>Situation as of December 31, 2021</i>		<b>Payments due by period</b>					
<i>(€ in millions)</i>							
<b>Contractual obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>	<b>After 5 years</b>
Long term debt <sup>(1) (3)</sup>	6,051.4	499.9	166.1	175.2	178.0	178.0	4,854.0
Lease obligations <sup>(1) (3)</sup>	520.9	92.6	81.2	56.9	51.2	46.3	192.7
Other contractual obligations <sup>(2)</sup>	1,268.3	260.2	190.2	137.6	85.3	31.0	564.0
Interest rate derivatives <sup>(3)</sup>	(84.1)	27.8	(7.3)	(27.3)	(28.1)	(15.6)	(33.6)
Foreign exchange derivatives	48.9	47.5	1.4	—	—	—	—
Accrued expenses and other current liabilities <sup>(4)</sup>	522.7	522.7	—	—	—	—	—
Trade payables	166.5	166.5	—	—	—	—	—
<b>Total contractual obligations</b>	<b>8,494.6</b>	<b>1,617.2</b>	<b>431.6</b>	<b>342.4</b>	<b>286.4</b>	<b>239.7</b>	<b>5,577.1</b>

<i>Situation as of December 31, 2020, as restated (*)</i>		<b>Payments due by period</b>					
<i>(€ in millions)</i>							
<b>Contractual obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>	<b>After 5 years</b>
Long term debt <sup>(1) (3)</sup>	5,898.6	503.1	129.9	148.9	148.2	148.4	4,820.1
Lease obligations <sup>(1) (3)</sup>	555.5	89.0	80.8	72.1	53.1	48.8	211.7
Other contractual obligations <sup>(2)</sup>	1,180.9	263.2	130.3	87.3	56.5	46.5	597.1
Interest rate derivatives <sup>(3)</sup>	(107.3)	16.7	14.9	(25.2)	(30.5)	(27.4)	(55.8)
Foreign exchange derivatives	57.0	55.4	1.6	—	—	—	—
Accrued expenses and other current liabilities <sup>(4)</sup>	286.4	286.4	—	—	—	—	—
Trade payables	174.9	174.9	—	—	—	—	—
<b>Total contractual obligations</b>	<b>8,046.0</b>	<b>1388,7</b>	<b>357,5</b>	<b>283,1</b>	<b>227,3</b>	<b>216.3</b>	<b>5573,1</b>

1 Interest included.

2 Represents fixed minimum commitments under certain programming and purchase agreements, amounts associated with certain operating costs resulting from the Interkabel acquisition as well as commitments related to the 2G and 3G spectrum (note 5.6).

3 Contractual obligations with a floating interest rate are based on the rate outstanding as at December 31. The contractual obligations also reflect the euro value of nominal exchanges due at maturity of the Company's cross currency interest rates swaps.

4 Excluding compensation and employee benefits, VAT and withholding taxes.

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

### 5.3.4 Market risk

The Company is exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the US dollar and euro. The Company uses financial instruments to manage its exposure to interest rate and foreign exchange rate fluctuations. Each of these risks is discussed below.

#### Qualitative disclosures on foreign exchange risk

The Company undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. Approximately 1.5% (2020: approximately 2.6%) of the Company's costs of operations (primarily the costs of network hardware equipment, software and premium cable television rights) were denominated in US dollars, while all of its revenue was generated in euros. The year-on-year decrease reflected lower USD purchases for foreign content as Telenet created Streamz, a local streaming initiative together with the local media group DPG Media, in which Telenet holds a 50% stake. Through the set-up of this joint venture, certain premium content is directly procured through Streamz as opposed through the broadcasting studios directly previously. Decreases in the value of the euro relative to the US dollar would

increase the cost in euro of the Company's US dollar denominated costs and expenses, while increases in the value of the euro relative to the US dollar would have the reverse effect.

The Company has historically covered a portion of its US dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. The Company uses forward foreign exchange contracts to manage the exchange rate risk arising from:

- purchases of goods and services in foreign currency;
- capital equipment priced in foreign currency or subject to price changes due to movements in exchange rates;
- payments of royalties, franchise or license fees denominated in a foreign currency.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates could have a material adverse effect on the Company's financial condition and results of operations.

The Company taps the USD and the € debt markets in order to diversify its lenders' sources and to maximize the all-in € rate. It is the Company's policy to hedge the currency risk on the capital and the interests arising from the issuance of an USD denominated debt.

In January 2020, Telenet successfully issued and priced a new 8.25-year USD 2,295 million Term Loan ("Facility AR") and a new 9.25-year €1,110 million Term Loan ("Facility AQ"). Telenet has used the net proceeds of these issuances to redeem in full the previous Term Loans AN and AO of USD 2,295 million and €1,110 million, respectively. Through this leverage-neutral transaction, Telenet succeeded in reducing the margin on both term loans by 25 basis points, which further solidifies its Adjusted Free Cash Flow profile after the October 2019 refinancing of the 4.875% Senior Secured Notes due 2027. The currency risk exposure of the USD 2,295 million Term Loan AR and the USD 1.0 billion 5.50% Senior Secured Fixed Notes due 2028 is hedged through cross currency and interest rates swap derivatives.

The outstanding forward foreign exchange derivatives as of December 31, 2021 and 2020, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

The outstanding amounts of loans and borrowings denominated in USD as of December 31, 2021 and 2020, are disclosed in more detail in Note 5.13 to the consolidated financial statements of the Company.

## Managing interest rate benchmark reform and associated risks

In July 2017, the U.K. Financial Conduct Authority (the authority that regulates LIBOR) announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Additionally, the European Money Markets Institute (the authority that administers EURIBOR) has announced that measures will need to be undertaken by the end of 2021 to reform EURIBOR to ensure compliance with E.U. Benchmarks Regulation. In November 2020, ICE Benchmark Administration (the entity that administers LIBOR) announced its intention to continue publishing USD LIBOR rates until June 30, 2023, with the exception of the one-week and two-month rates which, along with all CHF and GBP LIBOR rates, it ceased to publish after December 31, 2021. While this extension allows additional runway on existing contracts using USD LIBOR rates, companies are still encouraged to transition away from using USD LIBOR as soon as practicable and should not enter into new contracts that use USD LIBOR after 2021. The methodology for EURIBOR has been reformed and EURIBOR has been granted regulatory approval to continue to be used. Currently, there is no consensus amongst loan borrowers and investors for what rate(s) should replace USD LIBOR.

In October 2020, the International Swaps and Derivatives Association (the ISDA) launched the Fallback Supplement, which, as of January 25, 2021, amended the standard definitions for interest rate derivatives to incorporate fallbacks for derivatives linked to certain key interbank offered rates (IBORs). The ISDA also launched the Fallback Protocol that enables market participants to incorporate these revisions into their legacy non-cleared derivatives with other counterparties that choose to adhere to the protocol. The fallbacks for a particular currency apply following a permanent cessation of the IBOR in that currency, or in the case of a LIBOR setting, that LIBOR setting becoming permanently unrepresentative, and are adjusted versions of the risk-free rates identified in each currency. Our credit agreements contain provisions that contemplate alternative calculations of the base rate applicable to our LIBOR-indexed and EURIBOR-indexed debt to the extent LIBOR or EURIBOR (as applicable) are not available, which alternative calculations we do not anticipate will be materially different from what would have been calculated under LIBOR or EURIBOR (as applicable). Additionally, no mandatory prepayment or redemption provisions would be triggered under our credit agreements in the event that either the LIBOR rate or the EURIBOR rate is not available. It is possible, however, that any new reference rate that applies to our LIBOR-indexed or EURIBOR-indexed debt could be different from any new reference rate that applies to our LIBOR-indexed or EURIBOR-indexed derivative instruments. For discontinued currencies and tenors, we expect to continue taking steps to mitigate the changes in these benchmark rates, including by amending existing credit agreements and adhering to the Fallback Protocol protocol, where appropriate. We plan to continue to manage this difference and any resulting increased variable-rate exposure through modifications to our debt and/or derivative instruments, however future market conditions may not allow immediate implementation of desired modifications and our subsidiaries may incur significant associated costs.

The Company's Senior Secured Fixed Rate Notes are not subject to any impact of the IBOR reform. The 2020 Amended Senior Credit Facility, the Revolving Credit Facilities and Overdraft Facility have EURIBOR and LIBOR as reference rates. However, at the occasion of new (re)financing transactions over the last few years, the Company asked lenders to consent to a new clause allowing the facility agent and Telenet, without requiring lender consent, to agree on an alternative benchmark rate at any time and make consequential amendments to the involved facilities to implement the new benchmark rate. In October 2020, the Company also implemented a new vendor financing platform with ING replacing the BNP facility / platform. The new ING platform references LIBOR and EURIBOR and also allows Telenet to select a replacement rate.

## Qualitative disclosures on interest rate risk

The Company is mainly exposed to interest rate risk arising from borrowings at floating interest rates, interest bearing investments and leases. The Company limits its exposure to floating interest rates through the use of derivative instruments.

The risk is managed by maintaining an appropriate mix of cross-currency interest rate swap contracts, interest rate cap contracts, interest rate collar contracts.

The Company implemented a policy on financial risk management, which has been reviewed and approved by the Audit and Risk Committee in October 2017. With respect to interest rate risk, the key objectives can be summarized as:

- only long term interest exposures (+ 1 year) are managed;
- all derivative instruments used are designated to actual interest exposures and are authorized under the policy.

As referred to above, the outstanding interest rate derivatives as of December 31, 2021 and 2020, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Under the 2020 Amended Senior Credit Facility, there is a 0% floor. As a result, if EURIBOR is below zero, then EURIBOR is deemed to be zero. The same mechanism applies to the Company's USD-denominated exposure. As the interest rate derivatives entered into by the Company did not include a 0% floor, the Company was at risk if the EURIBOR fell below zero at any time. As such, the company seized a market opportunity in October 2019 to buy back this 0% floor.

## Quantitative disclosures

### Interest rate sensitivity testing

For interest rate derivatives, the Company has used a sensitivity analysis technique that measures the change in the fair value of these financial instruments for hypothetical changes in the relevant base rate applicable at year-end, holding all other factors constant.

A change of 25 basis points in interest rates at the reporting date would have changed the fair values of the Company's interest rate derivatives as set out in the table below:

Situation as of December 31 (€ in millions)	2021		2020, as restated (*)	
	+0.25%	-0.25%	+0.25%	-0.25%
<b>Changes in fair value</b>				
Swaps	52.2	(52.2)	63.7	(63.7)
Floors	(10.5)	10.5	(16.9)	16.9
<b>Total</b>	<b>41.7</b>	<b>(41.7)</b>	<b>46.8</b>	<b>(46.8)</b>

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The following table summarizes the Company's obligations regarding interest payments under the outstanding floating rate indebtedness and interest rate derivatives. The amounts generated from this sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

**Situation as of December 31, 2021**

	Interest payments due by period					
+0.25% (€ in millions)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2020 Amended SCF Term Loan AR	55.7	72.9	79.0	79.7	79.8	110.1
2020 Amended SCF Term Loan AQ	25.3	25.8	28.4	30.5	31.2	91.7
Interest Derivatives	24.8	(12.8)	(35.1)	(36.0)	(23.5)	(46.7)
<b>Total</b>	<b>105.8</b>	<b>85.9</b>	<b>72.3</b>	<b>74.2</b>	<b>87.5</b>	<b>155.1</b>

**Situation as of December 31, 2021**

	Interest payments due by period					
-0.25% (€ in millions)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2020 Amended SCF Term Loan AR	45.9	62.7	68.8	69.5	69.6	96.1
2020 Amended SCF Term Loan AQ	25.3	25.5	25.3	25.3	25.6	75.9
Interest Derivatives	30.8	(2.2)	(21.7)	(20.6)	(7.7)	(20.5)
<b>Total</b>	<b>102.0</b>	<b>86.0</b>	<b>72.4</b>	<b>74.2</b>	<b>87.5</b>	<b>151.5</b>

**Situation as of December 31, 2020, as restated (\*)**

	Interest payments due by period					
+0.25% (€ in millions)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2020 Amended SCF Term Loan AR	45.4	28.3	49.6	49.1	49.3	137.7
2020 Amended SCF Term Loan AQ	25.3	25.3	25.5	25.3	25.3	96.1
Interest Derivatives	13.5	30.7	8.3	2.7	6.0	38.2
<b>Total</b>	<b>84.2</b>	<b>84.3</b>	<b>83.4</b>	<b>77.1</b>	<b>80.6</b>	<b>272.0</b>

**Situation as of December 31, 2020, as restated (\*)**

	Interest payments due by period					
-0.25% (€ in millions)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2020 Amended SCF Term Loan AR	38.3	22.9	40.0	39.7	39.8	111.1
2020 Amended SCF Term Loan AQ	25.3	25.3	25.5	25.3	25.3	96.1
Interest Derivatives	20.6	36.0	17.9	12.2	15.3	63.0
<b>Total</b>	<b>84.2</b>	<b>84.2</b>	<b>83.4</b>	<b>77.2</b>	<b>80.4</b>	<b>270.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. Due to the January 2020 refinancing, the Company does not face any debt amortizations prior to maturity at March 1, 2028. Accordingly, interest rate risk and changes in fair market value should not have a significant effect on its fixed rate debt until the Company would be required to refinance such debt.

For further information, we refer to note 5.13 to the consolidated financial statements of the Company.

**Foreign currency sensitivity testing**

The following table details the Company's sensitivity to a 10% increase and decrease of the relevant foreign exchange rate. The Company utilizes 10% as the sensitivity rate when reporting foreign currency risk internally as it represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis primarily includes the effect on Telenet's US dollar denominated payables (primarily payables associated with network hardware equipment, software and premium cable television rights) and the Company's USD-denominated debt. As described under 5.3.4 *Market risk - Qualitative disclosures on foreign exchange risk*, the Company's USD-denominated debt is hedged through cross-currency interest rate swaps. This offsets part of the foreign currency sensitivity on the Company's Term Loan AR and its USD 1.0 billion Senior Secured Notes due 2028 as outlined in the table below based on the hedged position (if any).

December 31, 2021						
(USD in millions)	Foreign currency	Amount in foreign currency	10% increase		10% decrease	
Trade payables	USD	6.8	(0.5)	On profit or loss	0.7	On profit or loss
USD 1.0 billion Senior Secured Notes due 2028 (Facility AJ)	USD	1,000.0	(79.8)	On profit or loss	97.6	On profit or loss
2020 Amended SCF - Term Loan AR	USD	2,295.0	(183.2)	On profit or loss	223.9	On profit or loss

12/31/2020, as restated (*)						
(USD in millions)	Foreign currency	Amount in foreign currency	10% increase		10% decrease	
Trade payables	USD	7.3	(0.5)	On profit or loss	0.7	On profit or loss
USD 1.0 billion Senior Secured Notes due 2028 (Facility AJ)	USD	1,000.0	(74.4)	On profit or loss	90.9	On profit or loss
2020 Amended SCF - Term Loan AN	USD	2,295.0	(170.7)	On profit or loss	208.6	On profit or loss

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

### 5.3.5 Capital Risk

The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern in order to provide sustainable and attractive returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

At the occasion of the December 2018 Capital Markets Day - and as updated at the end of October last year when Telenet tightened its shareholder remuneration policy - Telenet reconfirmed its leverage framework, maintained at 3.5x to 4.5x Net Total Debt to Consolidated Annualized Adjusted EBITDA ("net total leverage").

In absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment, Telenet intend to stay around the 4.0x mid-point through an attractive and sustainable level of shareholder disbursements. This now includes a gross dividend per share floor of €2.75, representing the upper end of the previous pay-ratio between 50-70% as a percentage of Telenet's Adjusted Free Cash Flow. At December 31, 2021, Telenet's net total leverage was 4.0x, which was modestly up compared to September 30, 2021. This reflected the payment of the intermediate dividend in December 2021 (€150.2 million) as well as the impact of the aforementioned accounting treatment of the Belgian football broadcasting rights and certain premium content on Telenet's Adjusted EBITDA.

Telenet's net covenant leverage, as calculated under the 2020 Amended Senior Credit Facility, differs from its net total leverage as it excludes (i) lease-related liabilities, (ii) any vendor financing-related short-term liabilities and includes (iii) the Credit Facility Excluded Amount (which is the greater of €400.0 million and 0.25x Consolidated Adjusted Annualized EBITDA). Telenet's net covenant leverage reached 3.0x at December 31, 2021, which was also modestly up versus the prior quarter. Telenet's current net covenant leverage ratio is significantly below the springing maintenance covenant of 6.0x and the incurrence test of 4.5x net senior leverage. The aforementioned maintenance covenant only applies, however, in case Telenet would draw 40% or more under its revolving credit facilities. At December 31, 2021, Telenet's revolving credit facilities were fully undrawn as mentioned above.



### 5.3.6 Financial instruments: fair values

#### Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques. Accounts receivable, accounts payable, as well as other assets and liabilities are not included in fair value table as their carrying amount approximates their fair value.

December 31, 2021	Note	Carrying amount	Fair value			
(€ in millions)				Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>Financial assets carried at fair value</b>						
Money market funds	5.11	95.0	95.0	95.0	—	—
Derivative financial assets	5.14	87.9	87.9	—	87.9	—
<b>Total financial assets carried at fair value</b>		<b>182.9</b>	<b>182.9</b>	<b>95.0</b>	<b>87.9</b>	<b>—</b>
<b>Financial liabilities</b>						
<b>Financial liabilities carried at fair value</b>						
Derivative financial liabilities	5.14	(232.9)	(232.9)	—	(232.9)	—
<b>Total financial liabilities carried at fair value</b>		<b>(232.9)</b>	<b>(232.9)</b>	<b>—</b>	<b>(232.9)</b>	<b>—</b>
<b>Financial liabilities carried at amortized cost</b>						
Loans and borrowings (including accrued interest excluding deferred financing fees and lease obligations)	5.13					
- 2020 Amended Senior Credit Facility		3,135.4	3,078.4	—	3,078.4	—
- Senior Secured Fixed Rate Notes <sup>1</sup>		1,449.3	1,463.2	1,463.2	—	—
- Revolving Facility I		1.1	1.1	—	1.1	—
- Nextel Credit Facility		0.4	0.3	—	0.3	—
- SFR network right of use		3.8	1.9	—	1.9	—
- Vendor financing		349.4	349.4	—	349.4	—
- Clientele fee > 20 years		125.7	143.7	—	143.7	—
- Renting debt		0.9	0.8	—	0.8	—
- Loan Connectify & Ucast		0.8	0.7	—	0.7	—
<b>Total financial liabilities carried at amortized cost</b>		<b>5,066.8</b>	<b>5,039.5</b>	<b>1,463.2</b>	<b>3,576.3</b>	<b>—</b>

<sup>1</sup> The Senior Secured Fixed Rate Notes are listed on the Luxembourg stock exchange market

December 31, 2020	Note	Carrying amount	Fair value			
(€ in millions)				Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>Financial assets carried at fair value</b>						
Money market funds	5.11	45.0	45.0	45.0	—	—
Derivative financial assets	5.14	106.7	106.7	—	106.7	—
<b>Total financial assets carried at fair value</b>		<b>151.7</b>	<b>151.7</b>	<b>45.0</b>	<b>106.7</b>	<b>—</b>
<b>Financial liabilities</b>						
<b>Financial liabilities carried at fair value</b>						
Derivative financial liabilities	5.14	(573.6)	(573.6)	—	(573.6)	—
<b>Total financial liabilities carried at fair value</b>		<b>(573.6)</b>	<b>(573.6)</b>	<b>—</b>	<b>(573.6)</b>	<b>—</b>
<b>Financial liabilities carried at amortized cost</b>						
Loans and borrowings (including accrued interest excluding deferred financing fees and lease obligations)	5.13					
- 2020 Amended Senior Credit Facility		2,996.7	2,966.4	—	2,966.4	—
- Senior Secured Fixed Rate Notes <sup>1</sup>		1,388.1	1,434.3	1,434.3	—	—
- Revolving Facility I		1.1	1.1	—	1.1	—
- Nextel Credit Facility		0.8	0.6	—	0.6	—
- SFR network right of use		3.8	1.8	—	1.8	—
- Vendor financing		353.9	353.9	—	353.9	—
- Clientele fee > 20 years		125.5	131.1	—	131.1	—
- Renting debt		1.8	1.7	—	1.7	—
- Loan the Park		0.1	0.1	—	0.1	—
- Loan Connectify & Ucast		0.5	0.4	—	0.4	—
<b>Total financial liabilities carried at amortized cost</b>		<b>4,872.3</b>	<b>4,891.4</b>	<b>1,434.3</b>	<b>3,457.1</b>	<b>—</b>

<sup>1</sup> The Senior Secured Fixed Rate Notes are listed on the Luxembourg stock exchange market

## Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

### Financial instruments measured at fair value

Type	Valuation technique	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurements
Interest rate derivatives	Discounted cash flows: the fair value of the cross-currency and interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if: - the credit risk of the company were lower (higher) - the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows: the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Loans and borrowings: - 2020 Amended Senior Credit Facility - Overdraft facilities	Market comparison technique: The fair values are based on broker quotes. The brokers providing the quotes are among the most active in the trading of the Senior Credit Facility, and regularly provide quotes to the market. No adjustments to this pricing are needed.	Not applicable.	Not applicable.
Loans and borrowings: - Nextel Renting debt - SFR network right of use - Vendor financing - Nextel credit facility - Clientele fee > 20 years - Loan The Park - Loan Connectify & U-Cast	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher).

During the year ended December 31, 2021, no financial assets or liabilities measured at fair value have been transferred between the levels of the fair value hierarchy.

## 5.4 Property and equipment

(€ in millions)	Note	Land, buildings, and leasehold improvements	Network	Construction in progress	Furniture, equipment, and vehicles	Total
<b>Cost</b>						
<b>At January 1, 2020</b>		<b>216.1</b>	<b>3,780.4</b>	<b>158.3</b>	<b>101.5</b>	<b>4,256.3</b>
Additions		26.8	301.7	15.5	17.7	361.7
Disposal assets Coditel S.à.r.l.("SFR-Lux")	5.24.2	(0.6)	(16.3)	—	(0.1)	(17.0)
Transfers		0.8	75.6	(71.2)	—	5.2
Other		—	—	(0.3)	0.6	0.3
Impairment		—	—	(3.7)	—	(3.7)
Write off of fully depreciated assets		(9.1)	(169.1)	—	(4.7)	(182.9)
<b>At December 31, 2020, as restated (*)</b>		<b>234.0</b>	<b>3,972.3</b>	<b>98.6</b>	<b>115.0</b>	<b>4,419.9</b>
Additions		(0.9)	245.9	—	11.1	256.1
Additions decommissioning costs		0.4	4.8	—	0.1	5.3
Transfers		—	93.7	(49.2)	(54.0)	(9.5)
Other		—	—	—	0.5	0.5
Impairment		—	—	(1.2)	—	(1.2)
Write off of fully depreciated assets		(9.3)	(36.5)	—	(7.1)	(52.9)
<b>At December 31, 2021</b>		<b>224.2</b>	<b>4,280.2</b>	<b>48.2</b>	<b>65.6</b>	<b>4,618.2</b>
<b>Accumulated Depreciation</b>						
<b>At January 1, 2020</b>		<b>103.7</b>	<b>1,742.6</b>	<b>—</b>	<b>43.2</b>	<b>1,889.5</b>
Depreciation charge for the year		24.9	393.0	—	9.4	427.3
Disposal assets Coditel S.à.r.l.("SFR-Lux")	5.24.2	(0.3)	(6.3)	—	(0.1)	(6.7)
Transfers		0.7	(0.8)	—	5.3	5.2
Other		—	(0.5)	—	—	(0.5)
Write off fully depreciated assets		(9.1)	(169.1)	—	(4.7)	(182.9)
<b>At December 31, 2020, as restated (*)</b>		<b>119.9</b>	<b>1,958.9</b>	<b>—</b>	<b>53.1</b>	<b>2,131.9</b>
Depreciation charge for the year		26.6	398.8	—	9.0	434.4
Transfers		—	16.0	—	(26.0)	(10.0)
Write off of fully depreciated assets		(9.3)	(36.5)	—	(7.1)	(52.9)
<b>At December 31, 2021</b>		<b>137.2</b>	<b>2,337.2</b>	<b>—</b>	<b>29.0</b>	<b>2,503.4</b>
<b>Carrying Amount</b>						
At December 31, 2021		87.0	1,943.0	48.2	36.6	2,114.8
December 31, 2020, as restated (*)		114.1	2,013.4	98.6	61.9	2,288.0

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Capital expenditures for property and equipment reached €256.1 million for the year ended December 31, 2021, (€361.7 million for the year ended December 31, 2020) mainly related to investments in the Company's network (€245.9 million).

Construction in progress essentially relates to investments into our network and Customer Premises Equipment.

For the year ended December 31, 2021, the Company removed €52.9 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company (€182.9 million for the year ended December 31, 2020).

The Company recognized a gain on disposal of assets of €4.8 million for the year ended December 31, 2021 (€4.5 million for the year ended December 31, 2020), mainly attributable to sale of modems, set-up boxes and sale of scrap material.

For further information regarding lease obligations, we refer to note 5.29.

For further information regarding assets pledged as security, we refer to note 5.13.5.

## 5.5 Goodwill

The total amount of goodwill as of December 31, 2021 amounted to €1,823.8 million (December 31, 2020: €1,823.8 million as restated).

	(€ in millions)
<b>January 1, 2020</b>	<b>1,874.0</b>
Impairment SFR-Lux	(2.8)
Disposal SFR-Lux	(19.8)
Impairment - De Vijver Media	(32.9)
Acquisition of subsidiaries - Connectify / U-Cast	6.0
<b>December 31, 2020 as reported</b>	<b>1,824.5</b>
Purchase price adjustment - Connectify / U-Cast	0.5
Purchase price allocation - Connectify / U-Cast	(1.2)
<b>December 31, 2020 as restated (*)</b>	<b>1,823.8</b>
<b>December 31, 2021</b>	<b>1,823.8</b>

(\*) For detailed information regarding the purchase price allocation of Connectify / U-Cast, we refer to Note 5.24.1.

As of December 31, 2020, the Company identified two cash generating units, being:

- Telenet, and
- De Vijver Media.

Goodwill arising in a business combination is allocated to the acquirer's cash generating units that are expected to benefit from the synergies of the business combination in which goodwill arose. This is irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Upon integration of Connectify/U-Cast's operations into Telenet's business in the course of 2021, the Company concluded that these in 2020 acquired entities do not represent a separate cash generating unit. As of November 30, 2021, the purchase price allocation was finalized. The goodwill arising from this business acquisition amounted to €5.3 million and has been allocated to the cash generating Unit 'Telenet'.

As a result, the Company identified as of December 31, 2021 two cash generating units, being:

- Telenet, and
- SBS Belgium and Woestijnvis (formerly known as De Vijver Media).

The Company performed its annual reviews for impairment during the fourth quarter of 2021 and 2020. During the twelve months ended December 31, 2020, De Vijver Media, as a broadcaster with its three TV channels, and as a content production company, was more significantly impacted by the COVID-19 pandemic in comparison with the other Telenet subsidiaries. In 2020, advertising revenue decreased significantly and content productions were temporarily stopped. The impact of the COVID-19 pandemic, the impact of the reduced involvement in the production of Belgian football content and slower recovery on its operations and financial results were reflected in an updated business plan for De Vijver Media for the period 2022-2026. As per June 30, 2020, respectively December 31, 2020, the recoverable amount of the De Vijver Media cash generating unit was determined based on the value-in-use calculations taking into account the expected cash flows discounted at a pre-tax weighted average cost of capital of 9.7%, respectively 9.4%. The recoverable amount compared to the carrying amount of the CGU amounted to:

(€ in millions)	Recoverable amount	Carrying amount of the CGU	Impairment charge
June 30, 2020	141.1	159.6	(18.5)
December 31, 2020	125.8	140.2	(14.4)
<b>Total Impairment Charge for the twelve months ended December 31, 2020</b>			<b>(32.9)</b>

During the twelve months ended December 31, 2020, the Company consequently recognized a total goodwill impairment charge amounting to €32.9 million (see Note 5.20), reducing the associated goodwill related to this CGU to €33.7 million. The impairment loss was recognized in Selling, general and administration expenses in the consolidated statement of profit and loss and other comprehensive income. No asset other than goodwill was impaired.

The annual review for impairment was performed during the fourth quarter of 2021. The recoverable amount of the cash generating unit SBS Belgium and Woestijnvis (formerly known as De Vijver Media) was based on its value in use, was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method, "DCF") and was determined in a similar manner to the year ended December 31, 2020. The key assumptions for the value in use calculations consist of the discount rates and the CGU's underlying business plan. The Company applied a pre-tax weighted average cost of capital of 8.4% (9.4% for the year ended December 31, 2020). Management concluded that key assumptions and the resulting calculated value in use do not cause the carrying amount to exceed the recoverable amount at December 31, 2021 and thus did not lead to any further impairment with respect to the goodwill related to the CGU SBS Belgium and Woestijnvis.

The recoverable amount of the cash generating unit Telenet was based on its value in use and was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method, "DCF"). The value in use of the cash generating unit Telenet for the year ended December 31, 2021 was determined in a similar manner to the year ended December 31, 2020. The key assumptions for the value in use calculations used to determine the recoverable amount of the Telenet cash generating unit are those regarding the discount rates and expected changes to selling prices, product offerings, direct costs, EBITDA margins and terminal growth rates.

The discount rate used is a pre-tax measure estimated based on past experience, and industry average weighted cost of capital, which in its turn is calculated based on:

- the risk free interest rate (source: Bloomberg, forward 10 yr interest rate curve (date: December 31, 2021) weighted average Euro & USD debt,
- a market risk premium (Source: BIPT WACC, 2021),
- a levered beta specific to cable TV and telecom operators (Source: Damodaran), taking into account the Company's debt to equity ration.

Changes in selling practices and direct costs are based on past practices and expectations of future changes in the market. The calculation uses cash flow projections based on financial budgets approved by management, the Company's Long-Range Plan through 2025, and a pre-tax discount rate of 8% (7.8% for the year ended December 31, 2020) based on current market assessments of the time value of money and the risks specific to the Company. The development of the Long-Range Plan relies on a number of assumptions, including:

- market growth, the evolution of the Company's market share and the resulting trends in the number of subscribers;
- the product mix per subscriber;
- the average revenue per subscriber;
- the expected evolution of various direct and indirect expenses;
- the expected evolution in other variable and fixed costs; and
- the estimated future capital expenditure (excluding capital expenditure that improves or enhances the Company's assets' performance).

The assumptions were derived mainly from:

- available historical data;
- external market research and observations with respect to e.g. inflation, changes in the remuneration index, evolutions of the number of households, connection points, etc.; and
- internal market expectations based on trend reports, the current state of important negotiations, etc.

and are the result of an internal process in which all the above-mentioned information is gathered and aggregated on a consolidated level in correspondence with the Company's strategy.

For the year ended December 31, 2021, cash flows beyond the four-year period have been extrapolated using a negative growth rate of 1% (-2% for the year ended December 31, 2020), based on historical data and macro-economic conditions. This growth rate does not exceed the long-term average

growth rate for the industry as published periodically in the Bulletins of the European Central Bank ("ECB"). The DCF calculation for determining the value in use and net recoverable amount mentioned above was reviewed for reasonableness by comparing the result of the calculation to the market capitalization of the Company. The key assumptions used are reviewed and updated on a yearly basis by the Company's management. Taking into account the considerable excess of the Telenet cash generating unit's recoverable amount over its carrying amount, and based on sensitivity testing performed, management is of the opinion that any reasonably possible changes in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount at December 31, 2021.

## 5.6 Other intangible assets

(€ in millions)	Note	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Total
<b>Cost</b>								
<b>At January 1, 2020</b>		<b>294.6</b>	<b>191.3</b>	<b>817.8</b>	<b>206.3</b>	<b>251.4</b>	<b>35.8</b>	<b>1,797.2</b>
Additions		—	—	153.5	—	77.4	—	230.9
Disposal assets Coditel S.à.r.l. ("SFR-Lux")	5.24.2	—	—	(0.2)	(27.0)	—	(0.5)	(27.7)
Transfer of assets held for sale	5.7	—	—	—	—	(38.3)	—	(38.3)
Transfer		—	—	0.1	—	—	(0.1)	—
Write-off of fully amortized assets		—	0.4	(24.8)	—	(112.0)	(1.3)	(137.7)
Other		—	—	0.3	—	—	—	0.3
<b>December 31, 2020, as reported</b>		<b>294.6</b>	<b>191.7</b>	<b>946.7</b>	<b>179.3</b>	<b>178.5</b>	<b>33.9</b>	<b>1,824.7</b>
Connectify PPA adjustment	5.24.1	—	0.6	—	0.3	—	0.7	1.6
<b>At December 31, 2020, as restated (*)</b>		<b>294.6</b>	<b>192.3</b>	<b>946.7</b>	<b>179.6</b>	<b>178.5</b>	<b>34.6</b>	<b>1,826.3</b>
Additions		16.8	—	244.8	—	121.1	—	382.7
Transfers		—	—	—	(0.5)	—	—	(0.5)
Write-off of fully amortized assets		(30.7)	(7.2)	(173.2)	(0.1)	(2.9)	—	(214.1)
<b>At December 31, 2021</b>		<b>280.7</b>	<b>185.1</b>	<b>1,018.3</b>	<b>179.0</b>	<b>296.7</b>	<b>34.6</b>	<b>1,994.4</b>
<b>Accumulated Amortization</b>								
<b>At January 1, 2020</b>		<b>175.2</b>	<b>131.6</b>	<b>455.7</b>	<b>100.0</b>	<b>133.4</b>	<b>4.2</b>	<b>1,000.1</b>
Amortization charge of the year		25.2	6.4	134.6	22.7	90.4	2.5	281.8
Disposal assets Coditel S.à.r.l. ("SFR-Lux")	5.24.2	—	—	(0.1)	(8.2)	—	(0.1)	(8.4)
Transfer to assets held for sale		—	—	—	—	(12.1)	—	(12.1)
Write-off of fully amortized assets		—	0.4	(24.8)	—	(112.0)	(1.3)	(137.7)
Other		—	—	0.5	—	6.9	—	7.4
<b>At December 31, 2020, as reported</b>		<b>200.4</b>	<b>138.4</b>	<b>565.9</b>	<b>114.5</b>	<b>106.6</b>	<b>5.3</b>	<b>1,131.1</b>
Amortization charge of the year		24.7	4.8	166.4	19.6	76.5	2.4	294.4
Write-off of fully amortized assets		(30.7)	(7.2)	(173.2)	(0.1)	(2.9)	—	(214.1)
<b>At December 31, 2021</b>		<b>194.4</b>	<b>136.0</b>	<b>559.1</b>	<b>134.0</b>	<b>180.2</b>	<b>7.7</b>	<b>1,211.4</b>
<b>Carrying Amount</b>								
At December 31, 2021		86.3	49.1	459.2	45.0	116.5	26.9	783.0
At December 31, 2020, as restated (*)		94.2	53.9	380.8	65.1	71.9	29.3	695.2

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of network user rights, trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company assesses the estimated useful lives of its finite-lived intangible assets each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives.

Additions in broadcasting rights amount to €121.1 million for 2021, which primarily relates to newly acquired sport rights for FA premier league (2022-2025) and €58.1 million for film rights.

Software additions reached €244.8 million for the year ended December 31, 2021, compared to €153.5 million for the year ended December 31, 2020. The high software-related investments represent increased investments in our customer-facing platform as well as investments in driving the customer experience and investments in a new ERP software program.

The write-off of fully amortized assets in 2021 of €214.1 million consisted mainly of fully amortized software (€173.2 million), together with network user rights (€30.7 million), primarily related to Norkring user rights.



## 5.7 Investments in and loans to equity accounted investees and other investments

### 5.7.1 Investments in and loans to equity accounted investees

The following table shows the components of the Company's investments in equity accounted investees:

(€ in millions)	Joint Ventures (**)	Associates	Total
<b>Investments</b>			
<b>At December 31, 2020, as restated (*)</b>	<b>87.9</b>	<b>13.9</b>	<b>101.8</b>
Investment Ads & Data	0.1	—	0.1
Impairment Ads & Data	(0.9)	—	(0.9)
Transfer Ads & Data	1.1	(1.1)	—
Investment Caviar	14.4	—	14.4
Investment in Doccle	3.6	—	3.6
Transfer Doccle	1.2	(1.2)	—
Impairment Eltrona	(12.2)	—	(12.2)
Reclassification from loans	1.0	—	1.0
<b>At December 31, 2021</b>	<b>96.2</b>	<b>11.6</b>	<b>107.8</b>
<b>Share in the result</b>			
<b>At December 31, 2020, as restated (*)</b>	<b>(0.8)</b>	<b>1.2</b>	<b>0.4</b>
Share in the result	(0.8)	1.0	0.2
Dividend	(0.3)	—	(0.3)
Reclass to fully consolidated subsidiary	(0.9)	0.9	—
<b>At December 31, 2021</b>	<b>(2.8)</b>	<b>3.1</b>	<b>0.3</b>
<b>Loans granted</b>			
<b>At December 31, 2020, as restated (*)</b>	<b>4.0</b>	<b>5.5</b>	<b>9.5</b>
New loans granted	1.5	1.4	2.9
Accrued interest	—	0.1	0.1
Repayment of loans	(0.1)	(0.4)	(0.5)
Reclassification to investments	—	(1.0)	(1.0)
Transfer loan to Isabel Group	(1.5)	—	(1.5)
Reclass to fully consolidated subsidiary	1.6	(1.6)	—
<b>At December 31, 2021</b>	<b>5.5</b>	<b>4.0</b>	<b>9.5</b>
<b>Carrying Amount</b>			
At December 31, 2021	<b>98.9</b>	<b>18.7</b>	<b>117.6</b>
At December 31, 2020, as restated (*)	<b>91.1</b>	<b>20.6</b>	<b>111.7</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

(\*\*) Joint ventures include the investments in Eltrona Interdiffusion S.A., Streamz BV, Caviar Group NV, Ads & Data NV and Doccle BV & Doccle.UP NV.

## Eltrona Interdiffusion S.A.

On April 1, 2020, Eltrona, the Luxembourg cable operator, took over, through a merger, the business of Coditel S.à.r.l. ("SFR-Lux"), a former Telenet subsidiary in Luxembourg. Telenet's ownership in Eltrona is 50%-1 share, and the investment held qualifies as a joint venture, accounted for using the equity method. The (gross) initial investment value at acquisition date amounted to €59.5 million. As per December 31, 2020, the Company had not yet completed the allocation of the cost of the investment to the Company's share of the net fair value of Eltrona's identifiable assets and liabilities. As of March 31, 2021, the allocation of the purchase price to the acquired identified net assets was finalized. The fair value adjustment mainly related to property and equipment (€19.2 million), historical goodwill (-€27.8 million), other intangible assets (a.o customer relationships (€15.7 million) and trade name (€1.6 million)) and the deferred tax related to the aforementioned adjustments (€7.7 million).

The result of the fair value adjustments at acquisition can be summarized as follows:

(€ in millions)	Initial IFRS opening balance sheet	Fair value adjustments	Fair value of identifiable net assets
<b>Net assets (01/04/2020)</b>			
Non-current assets	54.1	8.7	62.8
Current assets	23.4	—	23.4
Non-current liabilities	(4.0)	(7.7)	(11.7)
Current liabilities	(20.8)	—	(20.8)
<b>Net assets (100%)</b>	<b>52.7</b>	<b>1.0</b>	<b>53.7</b>
<b>Group's share of the net assets (50%-1)</b>			
Group's share of the net assets (50%-1)	26.4	—	26.9
Goodwill	33.1	—	32.6
<b>Amount recognized as equity investment</b>	<b>59.5</b>	<b>—</b>	<b>59.5</b>

Based on an analysis of Eltrona's new three year plan established during the fourth quarter of 2021, compared to the financial projections in the initial business case upon formation of the joint venture, the Company concluded that, as of December 31, 2021, there was objective evidence of a measurable decrease in the estimated future cash flows of the Eltrona investment and determined that this constituted a trigger for impairment testing under the guidance in IAS 28. The Company tested the investment in question for impairment in the last quarter of 2021, comparing its recoverable amount (value-in-use) against its remaining net book value, in accordance with the guidance in IAS 36 (using the cash flows from the three year plan and using a 1% growth rate in the terminal value) and applying a 9.7% pre-tax discount rate. The difference between value-in-use and the net book value of the investment in Eltrona was determined at €12.2 million. Consequently, the Company recorded a €12.2 million impairment charge in 2021. The impairment loss has been recognized in Impairment of investments in equity accounted investees in the consolidated statement of profit and loss and other comprehensive income.

The following table summarizes the financial information of Eltrona Interdiffusion S.A as included in its own financial statements for the year ended December 31, 2021 and December 31, 2020. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in Eltrona Interdiffusion S.A.

(€ in millions)	2021	2020
<b>Net assets</b>		
Non-current assets	61.3	67.8
Current assets	13.8	10.2
Non-current liabilities	(6.1)	(6.4)
Current liabilities	(19.2)	(15.4)
<b>Net assets (100%)</b>	<b>49.8</b>	<b>56.2</b>
<b>Group's share of the net assets (50%-1)</b>		
Group's share of the net assets (50%-1)	24.9	28.1
Goodwill	20.4	32.6
<b>Carrying amount of interest in joint venture</b>	<b>45.3</b>	<b>60.7</b>
<b>Profit and total comprehensive income</b>		
Revenue	30.6	25.3
Depreciation and amortization	(12.7)	(4.4)
<b>Profit for the period</b>	<b>(5.8)</b>	<b>1.4</b>
<b>Total comprehensive profit (100%)</b>	<b>(5.8)</b>	<b>1.4</b>
<b>Group's share of the total comprehensive income (50%-1)</b>	<b>(2.9)</b>	<b>0.7</b>

#### Streamz BV

Streamz BV ("Streamz") is a joint venture between DPG Media and Telenet which launched a fully-fledged streaming service with local and international content. In first instance, in the course of 2020, Telenet contributed certain content-related assets and liabilities to its then wholly-owned subsidiary Streamz. Subsequently, on September 1, 2020, DPG Media entered into the JV by buying 50% of the shares in the JV from Telenet. The contribution of content-related assets and liabilities to Streamz BV and the subsequent sale of a 50% stake resulted in a gain on disposal of €31.8 million. As a result of these transactions, Telenet holds a stake of 50% in Streamz for a total (gross) initial investment value amounting to €28.4 million. As of September 30, 2021, the Company finalized the allocation of the cost of the investment to the Company's share of the net fair value of Streamz's identifiable assets. No elements of Streamz' assets and liabilities were subject to a fair value adjustment.

The goodwill included in the carrying value of the investment at acquisition date can be summarized as follows:

<b>(€ in millions)</b>	
Consideration transferred (incl. acquisition related costs)	28.4
Net assets of Streamz BV as per September 1, 2020 (50%)	11.9
Goodwill	16.5
<b>Amount recognized as equity investment</b>	<b>28.4</b>

The remaining goodwill mainly relates to future subscription revenues and future programming revenues.

The following table summarizes the financial information of Streamz BV for the year ended December 31, 2021 and December 31, 2020. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in Streamz BV.

(€ in millions)	2021	2020
<b>Net assets</b>		
Non-current assets	33	30
Current assets	6.2	17.4
Non-current liabilities	(8.1)	(8.1)
Current liabilities	(12.5)	(19.3)
<b>Net assets (100%)</b>	<b>18.6</b>	<b>20.0</b>
<b>Group's share of the net assets (50%)</b>		
Group's share of the net assets (50%)	9.3	10.0
Goodwill	16.5	16.5
<b>Carrying amount of interest in joint venture</b>	<b>25.8</b>	<b>26.5</b>
<b>Profit and total comprehensive income</b>		
Revenue	50.4	16.9
Depreciation and amortization	(35.4)	(12.6)
Interest expense	(0.1)	—
<b>Loss for the period</b>	<b>(1.4)</b>	<b>(3.9)</b>
<b>Total comprehensive Loss (100%)</b>	<b>(1.4)</b>	<b>(3.9)</b>
<b>Group's share of the total comprehensive loss (50%)</b>	<b>(0.7)</b>	<b>(1.9)</b>

On September 1, 2020, Telenet, as well as DPG Media granted each a loan to Streamz BV of €4.0 million with a duration of two years.

At December 31, 2021, the carrying amount of the investment was €25.8 million (December 31, 2020: €26.5 million). Telenet's share in the result for the twelve months ended December 31, 2021 amounted to -€0.7 million (for the period ended December 31, 2020: -€1.9 million).

#### Unit-T

On April 26, 2018 Telenet BV and Solutions 30 Group, a leading provider in Europe of solutions for new technologies, signed an agreement to create a new associate ("Unit-T") which provides field services (including installation, repair and maintenance) to Telenet and potentially other Telecommunication companies in the market. The associate was established on July 1, 2018 by consolidating Telenet's field service business and Janssens Field Services ("JFS") which is a business held by the associate-partner Solutions 30. JFS provides services and logistics in Telecom, Security, Utilities and ICT markets and has been one of Telenet's field service providers.

#### Doccle BV / Doccle.Up NV

Doccle is a digital platform enabling producers and consumers to securely store documents and perform administrative tasks. Until June 30, 2021, (i) CM (a health insurance fund), (ii) Acerta (a payroll office), and (iii) Telenet each held a stake of 33% in the JV.

Each of the venturers were also customers of Doccle as they use the platform to organize the communication with and store documents for their customers.

Both other venturers (CM and Acerta) indicated their intention to step out of the JV, upon which all parties entered into a share purchase agreement on February 26, 2021. Following this agreement, CM and Acerta both sold their shares to Telenet at closing date, being July 1, 2021, upon which Telenet became temporarily 100% shareholder. As part of this exit, the Company intended to restructure the existing 33%-33%-33% JV into a 50%-50% joint venture with Isabel Group. On June 10, 2021, Telenet and Isabel Group entered into an SPA whereby Isabel Group would purchase 50% of the shares in the JV. On November 19, 2021, Telenet and Isabel Group NV received the unconditional approval from the Belgian Competition Authority for the entry of Isabel Group for 50% in the ownership of Doccle BV and Doccle.Up NV. The closing of the deal and sale of the shares to Isabel Group occurred on November 30, 2021. The aforementioned transactions resulted in the recognition of a €0.7 million gain in 2021.

At December 31, 2021, the Company's investment in and loans granted to, as well as Telenet's share in the result of the JV can be summarized as follows:

(€ in millions)	Doccle BV	Doccle.Up NV	TOTAL
Equity investment (book value)	2.7	2.1	4.8
Loans receivable	1.0	0.5	1.5
Share in the result for the twelve months ended December 31, 2021	0.1	—	0.1

### Caviar Group

On May 3, 2021, Telenet Group NV completed the acquisition of a 49% stake in Caviar Group NV and 6320 Canal SA (jointly referred to as "Caviar" or the "Caviar Group") for a purchase price of €14.4 million. The Caviar Group is a worldwide entertainment and audio-visual content production group active in Europe and the United States.

The 49% investment in Caviar Group qualifies as a joint venture and is accounted for using the equity method. Telenet recognized its €2.2 million share in the net result of Caviar Group for the period beginning on the transaction closing date, resulting in a carrying value of the investment of €16.6 million on December 31, 2021. Due to the restricted access to financial and operational data prior to closing of the acquisition, the Company was not yet able to perform a detailed allocation of the consideration transferred as of December 31, 2021. The preliminary opening balance sheet is therefore subject to adjustment based on Telenet's assessment of the fair values of the acquired identifiable assets and liabilities. The items with the highest likelihood of changing upon the valuation process include intangible assets associated with tradenames, customer relationships, deferred taxes and goodwill.

The following table summarizes the financial information of Caviar Group. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in Caviar Group.

(€ in millions)	
<b>Net assets (01/05/2021)</b>	
Non-current assets	2.7
Current assets	22.0
Non-current liabilities	(4.2)
Current liabilities	(18.9)
<b>Net assets (100%)</b>	<b>1.6</b>
<b>Group's share of the net assets (49%)</b>	
Group's share of the net assets (49%)	0.8
Goodwill	13.6
<b>Carrying amount of interest in joint venture</b>	<b>14.4</b>
<b>Profit and total comprehensive income (31/12/2021)</b>	
Revenue	97.1
Depreciation and amortization	(0.4)
Interest expense	(0.1)
<b>Loss for the period</b>	<b>4.6</b>
<b>Total comprehensive income(100%)</b>	<b>4.6</b>
<b>Group's share of the total comprehensive income (50%)</b>	<b>2.2</b>

### Ads & Data NV (formerly known as Pebble Media NV)

On April 1, 2021, (i) Telenet/SBS, (ii) Mediahuis, (iii) Proximus/ Skynet, and (iv) Pebble Media NV ("Pebble Media") jointly created a joint venture in order to provide advertisers with the best possible and most efficient solutions for communicating with their target groups across media types and platforms. This JV operates as a national advertising sales agency.

The plans for this joint venture were announced on December 14, 2020, and in the framework of this transaction Telenet would dispose certain Right-of-Use assets and employees to the joint venture, which qualified as assets and liabilities held for sale in accordance with IFRS 5 at December 31, 2020. As per December 31, 2020, the Company accounted for i) assets held for sale of €0.3 million and ii) liabilities directly associated with assets held for sale of €1.8 million.

Pebble Media, a 50%-50% joint venture of Telenet and the VAR (Vlaamse Audiovisuele Regie), formed the basis for the new JV. Pebble Media was incorporated to jointly organize the online advertising of the investors. At the closing date of the transaction, being April 1, 2021, the VAR stepped out

of Pebble Media by selling its 50% stake in Pebble Media to Telenet, immediately followed by a sale of respectively 44.4% and 11.2% of the Pebble Media shares by Telenet to Mediahuis and Proximus, upon which Pebble Media was renamed Ads & Data. At December 31, 2021, Telenet held a 44.4% stake in Ads & Data.

The (gross) initial investment value amounted to €0.2 million. The Company does not expect elements of Ads & Data's' assets and liabilities to be subject to a fair value adjustment. At December 31, 2021, the carrying amount of the investment was €0.7 million. Telenet's share in the result for the twelve months ended December 31, 2021 amounted to €0.4 million.

## 5.7.2 Other investments

### Belgian Mobile ID

In June 2016, Telenet Group took a participation of €1.8 million in Belgian Mobile ID NV (f.k.a. Belgian Mobile Wallet NV). Belgian Mobile Wallet NV launched a Belgian standard for payments via smartphones in spring 2014 allowing consumers to use their smartphones in the future to pay for goods and services, exchange coupons, or use their customer cards. The Company's stake in the share capital was increased during 2017 with €1.5 million as part of a capital increase. In 2018, the Company contributed another €0.9 million to the capital increase of Belgian Mobile ID, and another €0.7 million was contributed in 2019 to bring the total investment value to €4.9 million as at December 31, 2019. In June 2021, the Company contributed €1.7 million to the capital increase of Belgian Mobile ID to bring the total investment value to €6.6 million on December 31, 2021.

### Imec.istart Fund

On March 15, 2017, Telenet Group Holding NV took an 8% stake in the share capital of Imec.istart Fund for €0.2 million. This Fund was incorporated to invest in pre-seed and seed stage opportunities in privately held technology companies which are selected for the imec.istart program and which have a potential for significant value creation in fast growing market segments in or outside of the territory of the European Union. In 2019 the Company increased its share in Imec-istart fund by €0.4 million. As from that moment, the investment value amounts to €0.6 million. Subsequently, the Company contributed €0.5 million to capital increases of Imec-istart fund, bringing the total investment value to €1.1 million on December 31, 2021.

## 5.8 Trade receivables

### 5.8.1 Non-current

Non-current trade receivables arise from Installment sales related to the long-term receivables on handset financing contracts. As of December 31, 2021 and 2020, the Company did not hold any non-current trade receivables.

### 5.8.2 Current

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
Trade receivables	183.4	193.7
Less: allowance for bad debt	(9.1)	(6.5)
<b>Trade receivables, net</b>	<b>174.3</b>	<b>187.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

At December 31, 2021 and 2020, respectively, the aging of the Company's current trade receivables can be detailed as follows:

Past due							Total
(€ in millions)	Not due	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
December 31, 2021	125.8	34.1	3.8	3.3	1.9	14.5	183.4
December 31, 2020, as restated (*)	129.5	22.8	4.8	2.3	1.7	32.7	193.7

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

All invoices related to residential customers are due within 20 days. Invoices related to BASE residential mobile customers are due within 8 to 12 days. For other clients, the payment due date is set at 30 or 60 days. At December 31, 2021, a total amount of €57.6 million (2020: €64.3 million) was past due.

The Company recognizes loss allowances for ECLs in conformity with IFRS 9. Based on the necessary and appropriate underlying aging documentation of the outstanding receivables, and the history of amounts written off to profit and loss related to the respective billing periods, the Company determines an actual loss rate which is used as expected credit loss and which is applied on the aging buckets of the outstanding receivables.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The following table shows the development of the provision for impairment of trade receivables:

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
Provision for impairment of trade receivables at the beginning of the year	(6.5)	(9.4)
Additions	(5.1)	(2.5)
Reversals and write-offs	2.5	5.4
<b>Provision for impairment of trade receivables at the end of the year</b>	<b>(9.1)</b>	<b>(6.5)</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income.

The Company does not hold any receivables in foreign currency. In application of IFRS 9, the Company recognizes loss allowances for expected credit losses on its trade receivables, unbilled revenue and contract assets.

## 5.9 Other assets

### 5.9.1 Non-current

(€ in millions)	Note	December 31, 2021	December 31, 2020 as restated (*)
Outstanding guarantees to third parties for own liabilities (cash paid)		1.7	1.7
Deferred financing fees		3.2	4.3
Contract assets	5.19	1.2	1.0
Receivables from sale of sports broadcasting rights		—	1.2
Surplus of post retirement plan assets	5.17	9.3	14.2
Non-current lease receivable		3.2	4.9
Other		5.1	6.3
<b>Other non-current assets</b>		<b>23.7</b>	<b>33.6</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Non-current assets decreased by €9.9 million, which is primarily driven by the decrease in i) surplus of post retirement plan assets (decrease of €4.9 million), ii) Non-current lease receivable, for which there is a decrease of €1.7 million and iii) the receivable from sale of sports broadcasting rights, for which there is a decrease of €1.2 million.

The Company presents the deferred financing fees related to undrawn Term Loans and Revolving Credit Facilities as other non-current assets. At December 31, 2021, the Revolving Credit Facility I was undrawn.

The lease receivables are related to certain customized equipment offerings to business customers which qualify as manufacturer or dealer leases.

The contract assets amounting to €1.2 million at December 31, 2021 are mainly related to multiple element arrangements.

The outstanding guarantees consist of amounts paid towards third parties for the Company's liabilities as at December 31, 2021.

## 5.9.2 Current

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
Recoverable withholding taxes		0.3	—
Prepaid content		4.7	6.1
Prepayments		40.9	45.9
Unbilled revenue		59.1	47.1
Receivables from sale of sports broadcasting rights		—	2.7
Indemnification receivable from acquisitions	5.3.2	15.1	13.8
Contract assets	5.19	6.2	4.8
Settlement receivables		0.6	1.4
Current lease receivable		1.9	1.9
Other		6.9	2.4
<b>Other current assets</b>		<b>135.7</b>	<b>126.1</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Unbilled revenue generally represents revenue for which the Company has already provided a service or product and has a right to invoice in accordance with the customer agreement but for which the customer has not yet been invoiced and thus relate to unconditional rights to receivables and are not to be considered contract assets. The outstanding balance for unbilled revenue increased by €12.0 million for the year ended December, 31, 2021 which is mainly driven by the change in sales for De Vijver Media now being partially processed externally through the Company's equity accounted investee Ads & Data.

The receivables from the sale of sports broadcasting rights decreased by €2.7 million to €0 million due to the fact that all invoices concerning the sale of sports broadcasting rights were sent out.

Indemnification receivables from acquisitions amounted to €16.4 million and consist of amounts receivable from KPN related to Pylon taxes ( we refer to 5.18.2).

The contract assets amounting to €6.2 million and are mainly related to accrued revenue related to multiple element arrangements.

## 5.10 Inventories

For the year ended December 31, 2021, inventories amounted to €26.5 million (December 31, 2020: €27.3 million) consisting of mobile handsets, tablets and other telephony and internet related customer premise equipment.

The net book value of inventories also includes inventory impairments to reduce the carrying values to the net realizable value. These inventory impairments amounted to €1.2 million and €0.9 million as at December 31, 2021 and 2020, respectively.

For the year ended December 31, 2021, the Company recognized €103.0 million (December 31, 2020: €105.4 million) as "costs related to sold inventory".

## 5.11 Cash and cash equivalents

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
Cash at bank and on hand	44.5	37.0
Money market funds	95.0	45.0
<b>Total cash and cash equivalents</b>	<b>139.5</b>	<b>82.0</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

At December 31, 2021, Telenet held €139.5 million of cash and cash equivalents compared to €82.0 million at December 31, 2020. In order to minimize the concentration of counterparty risk, Telenet's cash equivalents and AAA-rated money market funds are placed with highly rated European and US financial institutions and Telenet strives to invest at least 75% of Telenet's cash and cash equivalents in AAA-rated money market funds.



Relative to December 31, 2020, Telenet's cash balance at December 31, 2021 increased by €57.5 million, reflecting the business's solid cash flow generation. In 2021, Telenet paid aggregate dividends of €300.5 million, up 3% year-on-year. This included the payment of a €1.3750 gross dividend per share in May 2021 and a €1.3750 intermediate gross dividend per share in December 2021. Pending shareholder approval in April 2022, Telenet intends to pay the remaining half of the aforementioned dividend floor in early May 2022. Telenet also used €12.8 million of net cash under the Share Repurchase Program 2021, through which Telenet had repurchased 412,709 shares by December 31, 2021.

In addition to Telenet's available cash balance of €139.5 million as per December 31, 2021, Telenet also had full access to €555.0 million of available commitments under its 2020 Amended Senior Credit Facility and its other revolving credit facilities, subject to compliance with the covenants mentioned above under 5.3.4 **Capital risk**.

On December 31, 2021, the Money Market funds with a daily liquidity had a weighted average interest rate of -0.96% (December 31, 2020: -0.93%) and represented 68% of the total consolidated cash (December 31, 2020: 55%). The investments of Telenet's cash and cash equivalents at December 31, 2021 and 2020 were in compliance with the Company's Risk Management policies.

At December 31, 2021 and 2020 and subject to compliance with certain covenants, the Company had access to the following liquidity:

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
Available commitment under Revolving Credit Facility I	510.0	510.0
Available commitment under Revolving Credit Facility	20.0	20.0
<b>Total cash and cash equivalents</b>	<b>530.0</b>	<b>530.0</b>

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Excluding €25.0 million available under the banking overdraft facility.

## 5.12 Shareholders' equity

### 5.12.1 Shareholders' equity

On December 31, 2021, Telenet Group Holding NV had the following shares issued, all without par value and all of which are treated as one class in the earnings per share calculation:

113,841,819 ordinary shares (December 31, 2020: 113,841,819 shares), including:

- 94,843 Liquidation Dispreference Shares (December 31, 2020: 94,843 shares), held by Interkabel and Binan Investments B.V. (a subsidiary of Liberty Global Plc), which have the same rights as the ordinary shares except that they are subject to an €8.02 liquidation dispreference, such that in any liquidation of Telenet Group Holding NV the Liquidation Dispreference Shares would only participate in the portion of the proceeds of the liquidation that exceed €8.02 per share. Liquidation Dispreference Shares may be converted into ordinary shares at a rate of 1.04 to 1; and
- 30 Golden Shares (December 31, 2020: 30 shares) held by the intermunicipalities. The intermunicipalities, currently holding the Golden Shares are: Fluvius Antwerpen, Intergem, IKA, Iverlek, Imewo and Gaselwest.. These have the same rights as the ordinary shares and also give their holders the right to appoint representatives to the Regulatory Board, which oversees the public interest guarantees related to Telenet's offering of digital television.

As of December 31, 2021, the Company's share capital amounted to €12.8 million (December 31, 2020: €12.8 million). At the extraordinary meeting of shareholders of April 26, 2017, the powers of the board of directors in connection with the authorized capital were renewed (maximum amount of €5.0 million).

### Own shares

#### Share Repurchase Program

On October 28, 2021, the Company announced the initiation of a €45.0 million share repurchase program (the "Share Repurchase Program 2021"). Under this Share Repurchase Program, Telenet could repurchase from time to time up to 1.1 million shares for a maximum consideration of €45.0 million until February 28, 2022. This program is funded with the Company's existing cash balances.

## Own shares

As of December 31, 2021, the Company held 4,784,078 own shares. During the twelve months ended December 31, 2021, the Company acquired 435,709 own shares under the Share Repurchase Program 2021 for a total amount of €13.5 million.

In 2020, a total of 1,100,000 shares were repurchased for a total amount of €34.4 million under the Share Repurchase Program 2020.

No stock options were exercised during the 12 months ended December 31, 2021. Following the (partial) vesting and settlement in own shares in 2021 of the:

- Performance Share Plan 2018,
- Restricted Share Plan 2019,
- Restricted Share Plan 2020,
- Compensation Restricted Share Plan May 2021, and
- Compensation Restricted Share Plan December 2021,

the Company delivered in 2021 in total 250,189 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to 10.8 million, with no cash received, the Company realized a loss of €10.8 million.

## 5.12.2 Employee share based compensation

### Employee Stock Option Plan 2016

On March 22, 2016, the board of directors approved a general stock option plan for the Company's Senior Leadership Team, one other manager and the CEO for a total number of 741,806 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "**Employee Stock Option Plan 2016**" or "**ESOP 2016**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On April 14, 2016, the board of directors authorized a grant under this plan to certain beneficiaries. On June 14, 2016, a total of 695,631 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2016 were exercised during the year ended December 31, 2021. The contractual term to exercise the ESOP 2016 stock options expired on April 15, 2021. As a result, all the at that moment outstanding an unexercised 518,475 stock options expired and consequently there are no longer outstanding stock options under this plan.

### Employee Stock Option Plan 2016 bis

On October 25, 2016, the board of directors approved a new general stock option plan for the employees for a total number of 467,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "**Employee Stock Option Plan 2016 bis**" or "**ESOP 2016 bis**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On November 7, 2016, the board of directors authorized a grant under this plan to certain beneficiaries. On January 6, 2017, a total of 359,000 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2016 bis were exercised during the year ended December 31, 2021. The contractual term to exercise the ESOP 2016 stock options expired on November 7, 2021. As a result, all the at that moment outstanding and unexercised 286,185 stock options expired and consequently there are no longer outstanding stock options under this plan.

### Employee Stock Option Plan 2017

On March 20, 2017, the board of directors approved Telenet's General Stock Option Plan 2017 for the Company's Senior Leadership, one other manager and the Company's CEO for a total number of 553,292 stock options on existing shares (the "**Employee Stock Option Plan 2017**" or "**ESOP 2017**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 553,292 stock options, with an exercise price of €58,14 per stock option, occurred on June 8, 2017. On June 30, 2017 a total of 403,266 stock options were accepted.

The vesting of the stock options under the ESOP 2017 occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2017 were exercised during the year ended December 31, 2021.

### Employee Stock Option Plan 2017 bis

On July 31, 2017, the board of directors approved a new general stock option plan for the employees for a total number of 753,109 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 26, 2017 (the "**Employee Stock Option Plan 2017 bis**" or "**ESOP 2017 bis**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On September 25, 2017, the board of directors authorized a grant under this plan to certain beneficiaries. On November 24, 2017, a total of 413,664 stock options, with an exercise price of €55.59 per stock option, were accepted.

The vesting of these stock options occurs per quarter and over 4 years with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% during each of the following quarters.

No stock options under the ESOP 2017 bis were exercised during the year ended December 31, 2021.

### Employee Stock Option Plan 2018

On March 19, 2018, the board of directors approved Telenet's General Stock Option Plan 2018 for the Company's Senior Leadership, the Company's CEO and certain employees for a total number of 1,402,903 stock options on existing shares (the "**Employee Stock Option Plan 2018**" or "**ESOP 2018**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 1,402,903 stock options, with an exercise price of €42.72 per stock option, occurred on June 6, 2018. On June 30, 2018, a total of 604,021 stock options were accepted. While the CEO, who had time till August 1 2018, accepted the 204,942 granted options in full on August 1, 2018.

The vesting of the stock options under the ESOP 2018 occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2018 were exercised during the year ended December 31, 2021.

### Employee Stock Option Plan 2018 bis

On October 30, 2018, the board of directors approved a new general stock option plan for the new chief financial officer for a total number of 53,781 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 26, 2017 (the "**Employee Stock Option Plan 2018 bis**" or "**ESOP 2018 bis**"). These were offered to the beneficiary on November 2, 2018. Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On December 12, 2018, a total of 53,781 stock options, with an exercise price of €44.62 per stock option were accepted.

The vesting of these stock options occurs per quarter and over 4 years with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% during each of the following quarters.

No stock options under the ESOP 2018 bis were exercised during the year ended December 31, 2021.

### Employee Stock Option Plan 2019

On February 11, 2019, the board of directors approved a new general stock option plan for the CEO, the Senior Leadership Team and a selected number of employees, (the "**Employee Stock Option Plan 2019**" or "**ESOP 2019**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On May 6, 2019, the board of directors authorized a grant under this plan to certain beneficiaries with an exercise price of €46.54 per stock option. On June 24, 2019, a total of 713,286 of the 808,724 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% during each of the following quarters.

No stock options under the ESOP 2019 were exercised during the year ended December 31, 2020.

## Employee Stock Option Plan 2020

On March 16, 2020, the board of directors approved a new general stock option plan for the CEO, the Senior Leadership Team and a selected number of employees (the "**Employee Stock Option Plan 2020**" or "**ESOP 2020**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On May 11, 2020 the board of directors authorized a grant under this plan to certain beneficiaries with an exercise price of €35.17. On June 23, 2020, a total of 1,009,087 of the 1,140,955 offered stock options were accepted.

The vesting of these stock options occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2020 were exercised during the year ended December 31, 2021.

The details regarding the stock option plans issued by the Company and still outstanding at December 31, 2021 are summarized in the table below:

Stock Option Plan	Date approved by the board of directors	Issuance of stock options			Stock options granted		Beneficiaries
		Total number of stock options issued	Name of the grant	Date offered	Number of stock options offered	Number of stock options accepted	
ESOP 2017 Stock Options	March 20, 2017	553,292	ESOP 2017	June 8, 2017	553,292	403,266	CEO and certain employees
ESOP 2017 bis Stock Options	July 31, 2017	753,109	ESOP 2017 bis	September 25, 2017	753,109	413,664	certain employees
ESOP 2018 Stock Options	March 19, 2018	1,402,903	ESOP 2018	June 6, 2018	1,197,961	604,021	certain employees
			CEO ESOP 2018	June 6, 2018	204,942	204,942	CEO
ESOP 2018 bis Stock Options	October 30, 2018	53,781	ESOP 2018 bis	November 2, 2018	53,781	53,781	certain employee
ESOP 2019 Stock Options	February 11, 2019	808,724	ESOP 2019	May 6, 2019	808,724	713,286	CEO and certain employees
ESOP 2020 Stock Options	March 16, 2020	1,140,955	ESOP 2020	May 11, 2020	1,140,955	1,009,087	CEO and certain employees

The fair value of the stock options is determined using the Black-Scholes pricing model which is based on the following variables:

- the expected term (life) of the option
- the volatility of the underlying share price
- the type of option
- the underlying stock price
- the strike price
- the expected dividend, and
- the risk-free rate

The Company considers historical exercise trends in its calculation of the expected life of stock options granted. The risk free interest rate is based on the return of the Belgian government loans on the secondary market. The expected volatility for stock options is generally based on historical volatilities on past Telenet stock quotes for a period equal to the expected average life of the options. The expected dividend is based on the shareholders' remuneration policy of the Company.

The grant dates for accounting purposes, as well as the underlying assumptions for determining the grant date fair value can be summarized as follows:

	Grant date (for accounting purposes)	Fair value at grant date (in euro)	Share price at grant date (in euro)	Exercise price (in euro)		Expected volatility	Expected option life	Expected dividends	Risk-free interest rate
				Initially	Adjusted				
ESOP 2017 Stock Options	June 30, 2017	5.81 - 8.33	55.15	58.14	51.60	21.0% - 22.7%	4.3 years	0.0%	-0.46% - -0.23%
ESOP 2017 bis Stock Options	November 24, 2017	8.84 - 11.28	58.99	55.59	49.34	20.3% - 22.1%	4.3 years	0.0%	-0.56% - -0.36%
ESOP 2018 Stock Options	June 30, 2018	4.01 - 5.99	40.00	42.72	37.91	20.7% - 22.4%	4.3 years	0.0%	-0.54% - -0.37%
CEO ESOP 2018 Stock Options	August 1, 2018	7.70 - 9.03	43.90	42.72	37.91	23.3% - 24.3%	4.4 years	0.0%	-0.48% - -0.20%
ESOP 2018 bis Stock Options	December 12, 2018	2.29 - 3.01	39.70	44.62	—	24.6% - 25.6%	4.3 years	5.2%	-0.45% - -0.16%
ESOP 2019 Stock Options	June 24, 2019	5.50 - 5.95	48.80	46.54	—	24.4% - 25.9%	4.3 years	4.3%	-0.66% - -0.53%
ESOP 2020 Stock Options	June 23, 2020	4.48 - 5.61	37.44	35.16	—	28.8% - 34.5%	4.3 years	6.2%	-0.57% - -0.50%

## All plans

A summary of the activity in the Company's stock option plans for the years ended December 31, 2021, and 2020 is as follows:

Outstanding Stock Options		
	Number of stock options	Average Exercise Prices (in euro)
<b>January 1, 2020</b>	<b>3,675,101</b>	<b>43.27</b>
<b>Granted</b>		
Employee Stock Option Plan 2020	1,009,087	35.17
<b>Forfeited</b>		
Stock Option Plan 2015 stock options forfeited	(5,555)	45.15
Stock Option Plan 2016 stock options forfeited	(74,658)	40.36
Stock Option Plan 2016 bis stock options forfeited	(29,692)	41.68
Stock Option Plan 2017 stock options forfeited	(8,309)	51.60
Stock Option Plan 2017 bis stock options forfeited	(4,564)	49.34
Stock Option Plan 2018 stock options forfeited	(28,742)	37.91
Stock Option Plan 2019 stock options forfeited	(6,349)	46.54
Stock Option Plan 2020 stock options forfeited	(2,473)	35.17
<b>Expired</b>		
CEO Stock Option Plan 2015 options expired	(102,811)	44.88
Stock Option Plan 2015 stock options expired	(277,996)	45.15
<b>December 31, 2020</b>	<b>4,143,039</b>	<b>41.21</b>
<b>Forfeited</b>		
Stock Option Plan 2017 stock options forfeited	(50,395)	51.60
Stock Option Plan 2017 bis stock options forfeited	(51,284)	49.34
Stock Option Plan 2018 stock options forfeited	(8,919)	37.91
Stock Option Plan 2019 stock options forfeited	(3,875)	46.54
Stock Option Plan 2020 stock options forfeited	(13,557)	35.17
<b>Expired</b>		
Stock Option Plan 2016 stock options expired	(518,475)	40.36
Stock Option Plan 2016 bis stock options expired	(268,185)	41.68
<b>December 31, 2021</b>	<b>3,228,349</b>	<b>41.04</b>

No stock options have been exercised during the year ended December 31, 2021 and December 31, 2020. No stock options have been granted during the year ended December 31, 2021. The following table summarizes information about stock options outstanding and exercisable as of December 31, 2021:

Class of options	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life	Current exercise prices (in euro)
ESOP 2017 stock options	365,640	365,640	5 months	51.60
ESOP 2017 bis stock options	386,893	386,893	9 months	49.34
ESOP 2018 stock options	768,313	688,674	17 months	37.91
ESOP 2018 bis stock options	53,781	43,024	22 months	44.62
ESOP 2019 stock options	660,665	464,442	28 months	46.54
ESOP 2020 stock options	993,057	500,475	40 months	35.17
<b>Total outstanding</b>	<b>3,228,349</b>	<b>2,449,148</b>		

Total compensation expense associated with the Company's stock option plans amounted to €3.8 million in 2021 (2020: €8.5 million) which are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which are partly reflected in equity (€3.2 million) and partly as a liability (€0.6 million) in the consolidated statement of financial position.

## Performance shares

On November 5, 2018, the Company granted its Senior Leadership Team members (including its chief executive officer) and one other manager a total of 60,082 performance shares (the **"2018 Telenet Performance Shares"**). The performance target applicable to the 2018 Telenet Performance Shares is the achievement of an Adjusted EBITDA CAGR (under US GAAP), when comparing Adjusted EBITDA during the period beginning on January 1, 2018 and ending on December 31, 2020 to the Adjusted EBITDA for the period that began on January 1, 2017 and ended on December 31, 2017. A performance range of 75% to 130% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 75% to 200% of their 2018 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2018 Telenet Performance Shares will vest on November 5, 2021. Compensation costs attributable to the 2018 Telenet Performance Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income. On February 2, 2021, the Remuneration and Nomination Committee decided that the performance criteria for the 2018 Telenet Performance Shares had been achieved, and therefore, the earned 2018 Telenet Performance Shares vested at 85% on November 5, 2021. This performance share plan was paid out in shares on a net basis.

On May 6, 2019, the Company granted its CEO, Senior Leadership Team and a selected number of employees a total of 113,291 performance shares (the **"2019 Telenet Performance Shares"**). On June 24, 2019, a total of 111,466 of the 113,291 offered performance shares were accepted. The performance target applicable to the 2019 Telenet Performance Shares is the achievement of an Adjusted EBITDA less property & equipment additions CAGR (under US GAAP), when comparing the Adjusted EBITDA less property & equipment additions during the period beginning on January 1, 2019 and ending on December 31, 2021 to the Adjusted EBITDA less property & equipment additions for the period that began on January 1, 2018 and ended on December 31, 2018. A performance range of 50% to 122% of the target Adjusted EBITDA less property & equipment additions would generally result in award recipients earning 50% to 150% of their 2019 Telenet Performance Shares, subject to reduction or forfeiture based on individual service requirements. The earned 2019 Telenet Performance Shares will vest on May 6, 2022.

On May 11, 2020 the Company granted its CEO, Senior Leadership Team and a selected number of employees a total of 159,367 performance shares (the **"2020 Telenet Performance Shares"**). On June 23, 2020, a total of 156,981 of the 159,367 offered performance shares were accepted. The performance target applicable to the 2020 Telenet Performance Shares is the achievement of an Adjusted EBITDA less property & equipment additions CAGR (under US GAAP), when comparing the Adjusted EBITDA less property & equipment additions during the period started as of January 1, 2020 and ending on December 31, 2022 to the Adjusted EBITDA less property & equipment additions for the period started on January 1, 2019 and ended on December 31, 2019. A performance range of -0.3% to +0.3% of the target Adjusted EBITDA less property & equipment additions CAGR would generally result in award recipients earning 50% to 150% of their 2020 Telenet Performance Shares, subject to reduction or forfeiture based on individual service requirements. The earned 2020 Telenet Performance Shares will vest on May 11, 2023. Compensation costs attributable to the 2020 Telenet Performance Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

On August 4, 2021 the Company granted its CEO, Senior Leadership Team and a selected number of employees a total of 298,183 performance shares (the **"2021 Telenet Performance Shares"**). On September 24, 2021, all 298,183 offered performance shares were accepted. The performance target applicable to the 2021 Telenet Performance Shares is the achievement of certain financial targets, such as EBITDA CAGR (under US GAAP) and an Adjusted EBITDA less property & equipment additions CAGR (under US GAAP), when comparing the EBITDA and Adjusted EBITDA less property & equipment additions during the period started as of January 1, 2021 and ending on December 31, 2023 to the EBITDA and Adjusted EBITDA less property & equipment additions for the period started on January 1, 2020 and ended on December 31, 2020. A performance range of +0.9% to +2.7% of the EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2021 Telenet Performance Shares. A performance range of -6.0% to -2.0% of the target Adjusted EBITDA less property & equipment additions CAGR would generally result in award recipients earning 50% to 150% of their 2021 Telenet Performance Shares, subject to reduction or forfeiture based on individual service requirements. Besides the aforementioned financial performance criteria, also four non-financial targets were determined that impact the vesting of the granted performance shares under this plan. The earned 2021 Telenet Performance Shares will vest on August 4, 2024. Compensation costs attributable to the 2021 Telenet Performance Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

On August 4, 2021 the Company granted its CEO a total of 127,710 performance shares (the **"2021 CEO Telenet Performance Shares"**). On September 24, 2021, all 127,710 offered performance shares were accepted. The performance target applicable to the 2021 Telenet Performance Shares is the achievement of the same financial targets as mentioned under the 2021 Telenet Performance Shares plan. In addition to these financial targets, five non-financial targets were determined that impact the vesting of the granted performance shares under this particular plan. The earned 2021 CEO Telenet Performance Shares will vest on August 4, 2024. Compensation costs attributable to the 2021 CEO Telenet Performance Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

In 2021, Telenet recognized €7.8 million of compensation expense in respect of the Telenet Performance Shares plans (2020: €3.6 million) which is included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which is partly reflected in equity (€3.2 million) and partly as a liability (€4.6 million) in the consolidated statement of financial position.

## Restricted shares

On May 6, 2019, the Company granted certain key management personnel a total of 106,786 restricted shares (the "**2019 Telenet Restricted Shares**"). On June 24, 2019, a total of 94,556 of the 106,786 offered restricted shares were accepted. The vesting of these restricted shares occurs annually over a period of 2 years, with a vesting of 40% of the restricted shares granted on May 6, 2020 and a vesting of 60% on May 6, 2021, subject to reduction or forfeiture based on individual service requirements. However, upon vesting, the Telenet shares remain blocked for trading for a period of 2 years, i.e. respectively until May 6, 2021 and May 6, 2022.

On May 11, 2020 the Company granted certain key management personnel a total of 129,144 restricted shares (the "**2020 Telenet Restricted Shares**"). On June 23, 2020, a total of 113,876 of the 129,144 offered restricted shares were accepted. The vesting of these restricted shares occurs annually over a period of 2 years, with a vesting of 40% of the restricted shares granted on May 11, 2021 and a vesting of 60% on May 11, 2022, subject to reduction or forfeiture based on individual service requirements. However, upon vesting, the Telenet shares remain blocked for trading for a period of 2 years, i.e. respectively until May 11, 2023 and May 11, 2024. Compensation costs attributable to the 2020 Telenet Restricted Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

On August 4, 2021 the Company granted certain key management personnel a total of 155,065 restricted shares (the "**2021 Telenet Restricted Shares**"). On September 24, 2021, all of the 155,065 offered restricted shares were accepted. The vesting of these restricted shares occurs annually over a period of 2 years, with a vesting of 40% of the restricted shares granted on August 4, 2022 and a vesting of 60% on August 4, 2023, subject to reduction or forfeiture based on individual service requirements. However, upon vesting, the Telenet shares remain blocked for trading for a period of 2 years, i.e. respectively until August 4, 2024 and August 4, 2025. Compensation costs attributable to the 2021 Telenet Restricted Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

As a consequence of the established formal dividend policy, the Company's share price is affected at the moment of a dividend pay-out. The Company decided to redress for the negative impact of such a downwards adjustment to the Company's share price for the beneficiaries of long term incentive plans. The holders of vested & unvested stock options, unvested performance shares and unvested restricted shares have been granted. Compensation Restricted Shares in May 2021 (the "**May 2021 Compensation Restricted Shares**") and December 2021 (the "**December 2021 Compensation Restricted Shares**"). Similar Compensation Restricted Shares were granted in July 2020 and December 2020, immediately vesting upon grant date, being July 9 and December 7, 2020.

These Compensation Restricted Shares immediately vested upon grant and were settled in shares by the Company at the same time. The Compensation Restricted Share Plans do not contain any service requirement and as a consequence, the compensation expense related to these plans was integrally recognized on the grant date being respectively May 10 and December 8, 2021.

Total compensation expense associated with the Company's restricted shares plans amounted to €16.7 million in 2021 (2020: €17.7 million) which is included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which is partly reflected in equity (€7.8 million) and partly as a liability (€8.9 million) in the consolidated statement of financial position.



## 5.13 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to risks, including interest rate and liquidity risk, see note 5.3.

The balances of loans and borrowings specified below include accrued interest and debt premiums or discounts as of December 31, 2021 and 2020.

(€ in millions)	December 31, 2021	December 31, 2020
<b>2020 Amended Senior Credit Facility:</b>		
Term Loan AR	2,013.6	1,874.9
Term Loan AQ	1,121.8	1,121.8
<b>Senior Secured Fixed Rate Notes:</b>		
USD1000 million Senior Secured Notes due 2028	900.6	839.4
€600 million Senior Secured Notes due 2028	548.7	548.7
Revolving Credit Facility	1.1	1.1
Nextel Credit Facility	0.4	0.8
SFR network right of use	3.8	3.8
Vendor financing	349.4	353.9
Lease obligations	520.9	555.5
Clientele fee > 20 years	125.6	125.5
Renting debt	0.9	1.8
Loan The Park, Connectify & U-Cast	0.8	0.6
	<b>5,587.6</b>	<b>5,427.8</b>
Less: deferred financing fees	(8.5)	(10.0)
	<b>5,579.1</b>	<b>5,417.8</b>
Less: current portion	(498.8)	(499.6)
<b>Total non-current loans and borrowings</b>	<b>5,080.3</b>	<b>4,918.2</b>

As of December 31, 2021 and 2020, all loans and borrowings were denominated in € except for Term Loan AR and the USD 1,000 million Senior Secured Notes due 2028, which are denominated in USD. Fixed interest rates applied to 31.1% of the total loans and borrowings at December 31, 2021 (December 31, 2020: 31.1%). The weighted average interest rates at December 31, 2021, were 3.36% on fixed rate loans (December 31, 2020: 3.36%) and 3.04% on floating rate loans (December 31, 2020: 3.29%).

### 5.13.1 2020 Amended Senior Credit Facility

During the year ended December 31, 2020, Telenet finalized several (re)financing transactions. In January 2020, Telenet issued and priced a new 8.25-year USD 2,295 million Term Loan ("Facility AR") and a new 9.25-year €1,110 million Term Loan ("Facility AQ"). Telenet has used the net proceeds of these issuances to redeem in full the previous Term Loans AN and AO of USD 2,295 million and €1,110 million, respectively.

In April 2020, Telenet issued a new 6.2-year €510.0 million revolving credit facility, replacing the former €460.0 million revolving credit facilities with certain availabilities up to June 2023. The new RCF has the following characteristics: (i) maturity of May 31, 2026, (ii) a margin of 2.25% over EURIBOR (floored at 0%) and (iii) a commitment fee of 40% of the margin. The new RCF can be used for general corporate purposes, which may include acquisitions, distributions to shareholders and general working capital requirements of the Company.

In December 2020, Telenet extended its €20.0 million bilateral Revolving Credit Facility by another five years to September 30, 2026. The applicable margin under the extended facility has been determined at 2.25% over EURIBOR (floored at 0%), representing the same margin as under Telenet's €510.0 million Revolving Credit Facility I which also matures in 2026. The extended facility can customarily be used for general corporate purposes.

### 5.13.2 Senior Secured Notes

In December 2017, Telenet issued €600.0 million and USD 1.0 billion Senior Secured Fixed Rate Notes due 2028 at par. The Notes will mature on March 1, 2028 and carry a fixed coupon of 3.50% and 5.50%, for the €-denominated Notes and USD-denominated Notes, respectively, due on a semi-annual basis as of mid-January 2018.

In April 2020, Telenet through its financing subsidiary Telenet Finance Luxembourg Notes S.à r.l. has completed the 10% repurchase of its 3.50% €600.0 million Senior Secured Fixed Rate Notes due March 2028 for an aggregate amount of €56.6 million. As a result of this transaction, the principal amount under these Notes decreased to €540.0 million. The Notes were repurchased at a weighted average price of 94.375% over the period March 12, 2020 up to April 7, 2020 through an independent financial intermediary, who repurchased such Notes on Telenet Finance Luxembourg Notes S.à r.l. 's behalf. Telenet Finance Luxembourg Notes S.à r.l. canceled the repurchased Notes in full, including the settlement of accrued interest.

### 5.13.3 Repayment schedule

Aggregate future principal payments on the total borrowings under all of the Company's loans and borrowings other than leases, vendor financing, the SFR network right of use liability, and the the Clientele fee > 20 years as of December 31, 2021 and 2020 are shown in the following tables:

(€ in millions)	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
<b>December 31, 2021</b>						
<b>2020 Amended Senior Credit Facility</b>						
Term Loan AQ	1,110.0	1,110.0	—	April 30, 2029	Floating   6-month Euribor (0% floor) + 2.25%	Semi-annually (Jan. and Jul.)
Term Loan AR (USD 2,295 million)	2,015.5	2,015.5	—	April 30, 2028	Floating   USD Libor 6-month (0% floor) + 2.00%	Monthly
Revolving Credit Facility I	510.0	—	510.0	May 31, 2026	Floating   1-month Euribor (0% floor) + 2.25%	Quarterly (commitment fees only)
<b>Other</b>						
Revolving Credit Facility	20.0	—	20.0	September 30, 2026	Floating   1-month EURIBOR (0% floor) + 2.25%	Quarterly (commitment fees only)
BNP Overdraft Facility	25.0	—	25.0	December 31, 2021	Floating   1-month EURIBOR (0% floor) + 1.60%	Quarterly (commitment fees only)
<b>Senior Secured Fixed Rate Notes</b>						
USD 1.0 billion Senior Secured Notes due 2028 (Term Loan AJ)	878.2	878.2	—	March 1, 2028	Fixed   5.50%	Semi-annually (Jan. and Jul.)
€600 million Senior Secured Notes due 2028 (Term Loan AK)	540.0	540.0	—	March 1, 2028	Fixed   3.50%	Semi-annually (Jan. and Jul.)
<b>Total notional amount</b>	<b>5,098.7</b>	<b>4,543.7</b>	<b>555.0</b>			

(€ in millions)	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
<b>December 31, 2020</b>						
<b>2020 Amended Senior Credit Facility</b>						
Term Loan AQ	1,110.0	1,110.0	—	April 30, 2029	Floating   6-month Euribor (0% floor) + 2.25%	Semi-annually (Jan. and Jul.)
Term Loan AR (USD 2,295 million)	1,877.2	1,877.2	—	April 30, 2028	Floating   USD Libor 6-month (0% floor) + 2.00%	Monthly
Revolving Credit Facility I	510.0	—	510.0	May 31, 2026	Floating   1-month Euribor (0% floor) + 2.25%	Quarterly (commitment fees only)
<b>Other</b>						
Revolving Credit Facility	20.0	—	20.0	September 30, 2026	Floating   1-month EURIBOR (0% floor) + 2.25%	Quarterly (commitment fees only)
BNP Overdraft Facility	25.0	—	25.0	December 31, 2021	Floating   1-month EURIBOR + 1.60%	Quarterly (commitment fees only)
<b>Senior Secured Fixed Rate Notes</b>						
USD 1.0 billion Senior Secured Notes due 2028 (Term Loan AJ)	818.0	818.0	—	March 1, 2028	Fixed   5.50%	Semi-annually (Jan. and Jul.)
€600 million Senior Secured Notes due 2028 (Term Loan AK)	540.0	540.0	—	March 1, 2028	Fixed   3.50%	Semi-annually (Jan. and Jul.)
<b>Total notional amount</b>	<b>4,900.2</b>	<b>4,345.2</b>	<b>555.0</b>			

### 5.13.4 Reconciliation of movements of liabilities to cash flows used in financing activities

The following table summarizes the movements of liabilities and shareholders' equity to cash flows used in financing activities for the year ended December 31, 2021:

(€ in millions)	2020 Amended Senior Credit Facility	Senior Secured Fixed Rate Notes	Vendor Financing	Lease obligations	Other loans & borrowings	Deferred financing fees	Total changes from financing cash flows
<b>At December 31, 2020, as restated (*)</b>	<b>2,996.7</b>	<b>1,388.1</b>	<b>353.9</b>	<b>555.5</b>	<b>133.7</b>	<b>(10.0)</b>	
<b>Changes from financing cash flows</b>							
Repayments of loans and borrowings	—	—	(409.0)	—	(10.3)	—	(419.3)
Proceeds from loans and borrowings	—	—	350.7	—	0.1	—	350.8
Payments of lease liabilities	—	—	—	(87.3)	—	—	(87.3)
<b>Total changes from financing cash flows</b>	<b>—</b>	<b>—</b>	<b>(58.3)</b>	<b>(87.3)</b>	<b>(10.2)</b>	<b>—</b>	<b>(155.8)</b>
<b>The effect from changes in foreign exchange rate</b>	<b>138.0</b>	<b>60.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(0.2)</b>	<b>198.1</b>
<b>Liability related other changes</b>							
New leases and new vendor financing	—	—	45.7	49.0	—	—	
Non cash settlement VAT	—	—	7.6	—	—	—	
Amortization deferred financing fees	0.5	—	—	—	8.8	6.0	
Loss on extinguishment and modification of debt	—	—	—	—	—	(0.1)	
Interest expense	66.9	65.6	7.3	27.3	3.7	0.2	
Interest paid	(66.7)	(64.7)	(6.4)	(23.9)	(6.9)	—	
Other	—	—	(0.4)	0.3	3.5	(4.4)	
<b>Total liability related other changes</b>	<b>0.7</b>	<b>0.9</b>	<b>53.8</b>	<b>52.7</b>	<b>9.1</b>	<b>1.7</b>	
<b>At December 31, 2021</b>	<b>3,135.4</b>	<b>1,449.3</b>	<b>349.4</b>	<b>520.9</b>	<b>132.6</b>	<b>(8.5)</b>	

(€ in millions)	Share capital	Share premium	Share-based payment reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss	Remeasurements	Non controlling interests	Total changes from financing cash flows
<b>At December 31, 2020, as restated (*)</b>	<b>12.8</b>	<b>80.7</b>	<b>135.6</b>	<b>64.8</b>	<b>(199.4)</b>	<b>685.3</b>	<b>(2,249.9)</b>	<b>(12.3)</b>	<b>28.6</b>	
<b>Changes from financing cash flows</b>										
Repurchase of own shares	—	—	—	—	(13.5)	—	—	—	—	(13.5)
Realized loss on own shares sold	—	—	—	—	10.8	—	(10.8)	—	—	—
Payments related to capital reductions and dividends	—	—	—	—	—	—	(300.5)	—	—	(300.5)
Proceeds from capital transactions with equity participants	—	—	—	—	—	—	19.1	—	(24.9)	(5.8)
<b>Total changes from financing cash flows</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2.7)</b>	<b>—</b>	<b>(292.2)</b>	<b>—</b>	<b>(24.9)</b>	<b>(319.8)</b>
<b>Total equity related other changes</b>	<b>—</b>	<b>—</b>	<b>14.1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>394.0</b>	<b>2.7</b>	<b>(0.3)</b>	
<b>At December 31, 2021</b>	<b>12.8</b>	<b>80.7</b>	<b>149.7</b>	<b>64.8</b>	<b>(202.1)</b>	<b>685.3</b>	<b>(2,148.1)</b>	<b>(9.6)</b>	<b>3.4</b>	
<b>Total changes from financing cash flows</b>										<b>(319.8)</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The following table summarizes the movements of liabilities and shareholders' equity to cash flows used in financing activities for the year ended December 31, 2020:

(€ in millions)	2020 Amended Senior Credit Facility	Senior Secured Fixed Rate Notes	Vendor Financing	Lease obligations	Other loans & borrowings	Deferred financing fees	Total changes from financing cash flows
<b>At December 31, 2019, as restated</b>	<b>3,158.4</b>	<b>1,522.5</b>	<b>358.0</b>	<b>569.2</b>	<b>138.8</b>	<b>(13.9)</b>	
<b>Changes from financing cash flows</b>							
Repayments of loans and borrowings	(65.0)	(56.8)	(429.0)	—	(15.0)	—	(565.8)
Proceeds from loans and borrowings	65.0	—	345.7	—	0.1	—	410.8
Repayments of loans to related parties	—	—	—	—	(3.3)	—	(3.3)
Payments of lease liabilities	—	—	—	(105.2)	—	—	(105.2)
Payments for debt issuance costs	—	—	—	—	—	(13.8)	(13.8)
<b>Total changes from financing cash flows</b>	<b>—</b>	<b>(56.8)</b>	<b>(83.3)</b>	<b>(105.2)</b>	<b>(18.2)</b>	<b>(13.8)</b>	<b>(277.3)</b>
<b>The effect from changes in foreign exchange rate</b>	<b>(165.6)</b>	<b>(72.6)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.3</b>	
<b>Liability related other changes</b>							
New finance leases and new vendor financing	—	—	69.2	90.6	—	—	
Non cash settlement VAT	—	—	11.6	—	—	—	
Amortization deferred financing fees	0.6	—	—	0.5	9.0	2.1	
Loss on extinguishment and modification of debt	10.8	(3.2)	—	—	—	7.5	
Interest expense	80.3	66.6	7.9	34.4	5.3	—	
Interest paid	(82.6)	(69.4)	(8.2)	(30.6)	(2.8)	—	
Other	(5.2)	1.0	(1.3)	(3.4)	1.6	7.8	
<b>Total liability related other changes</b>	<b>3.9</b>	<b>(5.0)</b>	<b>79.2</b>	<b>91.5</b>	<b>13.1</b>	<b>17.4</b>	
<b>At December 31, 2020</b>	<b>2,996.7</b>	<b>1,388.1</b>	<b>353.9</b>	<b>555.5</b>	<b>133.7</b>	<b>(10.0)</b>	

	Share capital	Share premium	Share - based payment reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss	Remeasurements	Non-controlling interest	Total changes from financing cash flows
(€ in millions)										
<b>At December 31, 2019, as restated</b>	<b>12.8</b>	<b>80.7</b>	<b>118.9</b>	<b>64.8</b>	<b>(209.2)</b>	<b>721.2</b>	<b>(2,287.8)</b>	<b>(13.5)</b>	<b>25.1</b>	
<b>Changes from financing cash flows</b>										
Repurchase of own shares	—	—	—	—	(34.4)	—	—	—	—	(34.4)
Realized loss on own shares sold	—	—	—	—	8.7	—	(8.7)	—	—	—
Payments related to capital reductions and dividends	—	—	—	—	—	—	(292.3)	—	—	(292.3)
Proceeds from capital transactions with equity participants	—	—	—	—	—	—	—	—	2.8	2.8
<b>Total changes from financing cash flows</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(25.7)</b>	<b>—</b>	<b>(301.0)</b>	<b>—</b>	<b>2.8</b>	<b>(323.9)</b>
<b>Total equity related other changes</b>	<b>—</b>	<b>—</b>	<b>16.7</b>	<b>—</b>	<b>35.5</b>	<b>(35.9)</b>	<b>338.9</b>	<b>1.2</b>	<b>0.5</b>	
<b>At December 31, 2020</b>	<b>12.8</b>	<b>80.7</b>	<b>135.6</b>	<b>64.8</b>	<b>(199.4)</b>	<b>685.3</b>	<b>(2,249.9)</b>	<b>(12.3)</b>	<b>28.4</b>	
<b>Total changes from financing cash flows</b>							<b>(601.2)</b>			

### 5.13.5 Guarantees and covenants

Telenet's net covenant leverage, as calculated under the Senior Credit Facility, differs from its net total leverage as it excludes (i) lease-related liabilities, (ii) any vendor financing-related short-term liabilities and includes (iii) the Credit Facility Excluded Amount (which is the greater of €400.0 million and 0.25x Consolidated Adjusted Annualized EBITDA). Telenet's net covenant leverage reached 3.0x at December 31, 2021, which was unchanged compared to December 31, 2020 as a result of the Company's shareholder distributions in 2021 a part of its shareholder remuneration policy. Telenet's current net covenant leverage ratio is significantly below the springing maintenance covenant of 6.0x and the incurrence test of 4.5x net senior leverage. The aforementioned maintenance covenant only applies, however, in case Telenet would draw 40% or more under its revolving credit facilities. At December 31, 2021, Telenet's revolving credit facilities were fully undrawn.

### 2020 Amended Senior Credit Facility and Senior Secured Notes

At 31 December 2021, Telenet BV, Telenet Group NV, Telenet International Finance S.à r.l. and Telenet Financing USD LLC guaranteed (and continue to guarantee) the obligations of each of Telenet BV, Telenet Group NV, Telenet International Finance S.à r.l. and Telenet Financing USD LLC under the Senior Credit Facility, to the extent permitted by law and subject to any applicable guarantee limitations.

In addition, the following security has been granted under the Senior Credit Facility by Telenet Group Holding NV, Telenet Group NV and Telenet International Finance S.à r.l.:

- pledges of all shares of Telenet BV, Telenet Group NV, Telenet International Finance S.à r.l. and Telenet Financing USD LLC; and
- pledge of receivables owed to Telenet Group Holding NV by Finance Center Telenet S.à r.l. under a subordinated shareholder loan and all receivables owed by other group members to Telenet Group Holding NV under future subordinated shareholder loans.

As of December 31, 2021, the Company was in compliance with all of its financial covenants.

In respect of the obligations under the notes issued by Telenet Finance Luxembourg Notes S.à r.l., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of Telenet Finance Luxembourg Notes S.à r.l.'s rights, title and interest under the finance documents described in the Senior Credit Facility, the intercreditor agreement dated October 10, 2007 (as amended and restated from time to time and most recently on 10 August 2017), the additional facility AJ accession agreement and the additional facility AK accession agreement pursuant to which Telenet Finance Luxembourg Notes S.à r.l. has become a lender under the Senior Credit Facility;
- all of Telenet Finance Luxembourg Notes S.à r.l.'s rights, title and interest under the fee letters and the service agreement related to the notes issuances; and
- all sums of money held from time to time in Telenet Finance Luxembourg Notes S.à r.l.'s bank account.

The payment obligations of Telenet International Finance S.à r.l. under the fee letters and the service agreement are guaranteed by Telenet Group NV to Telenet Finance VI Luxembourg S.C.A.

## Other guarantees and security

Telenet BV financed the construction and further expansion of the property located at Liersesteenweg 4, 2800 Mechelen by entering into various real estate leasing arrangements (onroerende leasingsovereenkomsten) with KBC Bank NV and Belfius Leasing Services NV, in the framework of which it has granted building rights (*recht van opstal*) to such parties. To further secure the construction and real estate leasing arrangements with KBC Bank NV and Belfius Leasing Services NV, Telenet BV has also granted non-exercised mortgages and mortgage mandates to KBC Bank NV and Belfius Leasing Services NV.

### 5.13.6 Vendor Financing

The Company uses a vendor financing program under which suppliers entering the system are paid by the bank earlier than their regular payment terms at a discount or at their regular payment terms without a discount while Telenet has 360 days to pay the bank. Consequently, the vendor financing liabilities are accounted for as loans and borrowings on the balance sheet.

As at December 31, 2021, the outstanding liabilities with respect to vendor financing (€349.4 million; December 31, 2020: €353.9 million) consist of:

- €39.8 million capex related invoices (December 31, 2020: €51.5 million),
- €306.3 million operating expense related invoices (December 31, 2020: €299.5 million), and
- €3.3 million accrued interest (December 31, 2020: €2.9 million).

During the year ended December 31, 2021, the Company repaid €65.1 million of capex related invoices (2020: €194.8 million) and €344.0 million of opex related invoices (2020: €234.2 million).

As a result of the capex-related vendor financing, the Company's net cash used in investing activities was favorably impacted for the equivalent amount. Upon payment of the short term debt by Telenet to the bank after 360 days, the Company will record cash used in financing activities.

For opex related invoices the Company records cash outflows from operations and a corresponding cash inflow in financing activities when the expenses are incurred. When the Company pays the bank, the Company records financing cash outflows.



## 5.14 Derivative financial instruments

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure.

As of December 31, 2021 and 2020, the outstanding forward foreign exchange derivatives were as follows:

	December 31, 2021	December 31, 2020
<b>Forward Purchase Contracts</b>		
Notional amount (USD in millions)	55.7	55.4
Weighted average strike price (US dollar per euro)	1.185	1.154
Maturity	100% maturing in 2022	97% maturing in 2021 - 3% maturing in 2022

The Company entered into several cross currency interest rates swaps (CCIRS) to hedge the foreign exchange exposure of its USD-denominated debt and to swap the USD payable floating rate into a Euro payable fixed rate.

As of December 31, 2021 and 2020, the outstanding interest rate derivatives and cross currency interest rates swaps ("CCIRS") were as follows:

	December 31, 2021	December 31, 2020
<b>Interest Rate Swaps EUR</b>		
<b>Section 1: Paying EUR floating rate / Receiving EUR fixed rate</b>		
Notional amount (€ in millions)	125.0	125.0
Average pay interest rate	EURIBOR 6M	EURIBOR 6M
Average receive interest rate	0.14 %	0.14 %
Maturity	2022	2022
Notional amount (€ in millions)	1,032.0	1,032.0
Average pay interest rate	EURIBOR 3M / EURIBOR 6M	EURIBOR 3M / EURIBOR 6M
Average receive interest rate	0.08 %	0.08 %
Maturity	2023	2023
Notional amount (€ in millions)	270.0	270.0
Average pay interest rate	EURIBOR 3M	EURIBOR 3M
Average receive interest rate	0.34 %	0.34 %
Maturity	2025	2025
<b>Section 2: Paying EUR fixed rate / Receiving EUR floating rate</b>		
Notional amount (€ in millions)	125.0	125.0
Average pay interest rate	1.75 %	1.75 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity	2022	2022
Notional amount (€ in millions)	827.0	827.0
Average pay interest rate	0.32 %	0.32 %
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity	2023	2023
Notional amount (€ in millions)	625.0	625.0
Average pay interest rate	1.28 %	1.28 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M

Maturity	2023	2023
Notional amount (€ in millions)	270.0	270.0
Average pay interest rate	1.09 %	1.09 %
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity (1)	2025	2025
Notional amount (€ in millions)	2,298.0	2,298.0
Average pay interest rate	4.75 %	4.75 %
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity	2025	2025
Notional amount (€ in millions)	960.0	885.0
Average pay interest rate	0.91 %	0.96 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity	2027	2027
Notional amount (€ in millions)	150.0	150.0
Average pay interest rate	0.71 %	0.71 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity (1)	2027	2027
<b>Basis Swaps USD</b>		
Notional amount (USD in millions)	2,295.0	2,295.0
Average pay interest rate	USD 6M + 1,93%	USD 6M + 1,88%
Average receive interest rate	USD 1M + 2,00%	USD 1M + 2,00%
Maturity	2022	2021
Notional amount (USD in millions)	2,295.0	2,295.0
Average pay interest rate	USD 6M + 1,97%	USD 6M + 1,93%
Average receive interest rate	USD 1M + 2,00%	USD 1M + 2,00%
Maturity (4)	2023	2022
<b>Cross currency interest rate swap</b>		
<b>Section 1: Receiving USD floating rate / Paying EUR fixed rate</b>		
Notional amount (USD in millions)	50.0	50.0
Average receive interest rate	USD 6M + 2.50%	USD 6M + 2.50%
Notional amount (€ in millions)	45.2	45.2
Average pay interest rate	2.78 %	2.78 %
Maturity	2025	2025
Notional amount (USD in millions)	50.0	50.0
Average receive interest rate	USD 6M + 2.00%	USD 6M + 2.00%
Notional amount (€ in millions)	45.2	45.2
Average pay interest rate	2.65 %	2.65 %
Maturity (3)	2028	2028
Notional amount (USD in millions)	2,245.0	2,245.0
Average receive interest rate	USD 6M + 2,00%	USD 6M + 2,00%
Notional amount (€ in millions)	1,996.0	1,996.0
Average pay interest rate	2,53%	2,53%
Maturity	2028	2028

<b>Section 2: Receiving USD fixed rate / Paying EUR fixed rate</b>		
Notional amount (USD in millions)	595.0	595.0
Average receive interest rate	5.50 %	5.50 %
Notional amount (€ in millions)	520.1	520.1
Average pay interest rate	3.21 %	3.21 %
Maturity	2024	2024
Notional amount (USD in millions)	405.0	405.0
Average receive interest rate	5.50 %	5.50 %
Notional amount (€ in millions)	362.7	362.7
Average pay interest rate	3.37 %	3.37 %
Maturity	2025	2025
Notional amount (USD in millions)	595.0	595.0
Average receive interest rate	5.50 %	5.50 %
Notional amount (€ in millions)	520.1	520.1
Average pay interest rate	4.62 %	4.62 %
Maturity (2)	2025	2025
<b>Section 3: Receiving EUR fixed rate / Paying USD fixed rate</b>		
Notional amount (USD in millions)	50.0	50.0
Average receive interest rate	0.21 %	0.21 %
Notional amount (€ in millions)	45.2	45.2
Average pay interest rate	0.25 %	0.25 %
Maturity	2025	2025
<b>Floor</b>		
Notional amount (€ in millions)	1,035.0	1,035.0
Average floor interest rate	0.34 %	0.34 %
Floor strike	0%	0%
Maturity	2027	2027

- (1) Forward starting contract with effective date 2023;  
(2) Forward starting contract with effective date 2024;  
(3) Forward starting contract with effective date 2025;  
(4) Forward starting contract with effective date 2022.

The following tables provide details of the fair value of the Company's financial and derivative instrument assets (liabilities), net:

(€ in millions)	December 31, 2021	December 31, 2020
Current assets	57.1	48.1
Non-current assets	30.8	58.6
Current liabilities	(58.9)	(65.5)
Non-current liabilities	(174.0)	(508.0)
	<b>(145.0)</b>	<b>(466.8)</b>
Interest rate derivatives	(91.4)	(131.9)
Cross currency interest rate swaps	(56.3)	(332.1)
Foreign exchange forwards	1.8	(2.8)
Embedded derivatives	0.9	—
	<b>(145.0)</b>	<b>(466.8)</b>

Realized and unrealized gains (losses) on financial and derivative instruments comprise the following amounts:

<i>(€ in millions)</i>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Change in fair value (note 5.21)</b>		
Cross currency interest rate swaps	275.9	(270.2)
Interest rate derivatives	40.4	4.1
Foreign exchange forwards	4.6	(4.6)
Interest rate caps	0.9	17.9
Total change in fair value	<b>321.8</b>	<b>(252.8)</b>
<b>Realized result on derivatives</b>		
Cross currency interest rate swaps	(11.6)	50.8
Interest rate derivatives	(8.8)	(50.2)
Embedded derivatives	0.8	—
Interest rate caps	4.5	—
Total realized result on derivatives	<b>(15.1)</b>	<b>0.6</b>
<b>Net gain (loss) on derivative financial instruments</b>	<b>306.7</b>	<b>(252.2)</b>

The fair value of the Company's financial and derivative instruments amounted to -€145.0 million on December 31, 2021 (2020: -€466.8 million). Despite the Euro long term swap rates increase contributing to a more negative fair value, the fair value overall improved mainly due to i) a lower EUR/USD foreign exchange rate and to ii) increased long term USD swap rates.

## 5.15 Deferred taxes

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns in accordance with applicable local tax laws. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis. These assets and liabilities are combined in the accompanying consolidated financial statements.

As of 2020, the Belgian corporate income tax rate for the Belgian Telenet entities is 25%. The Luxembourg corporate income tax rate for the Luxembourg Telenet entities is 27.19% in both 2020 and 2021.

The movement in deferred tax assets and liabilities during the current and the prior year, without taking into consideration the offsetting of balances within the same tax entity, is as follows:

(€ in millions)	December 31, 2020, as reported	Impact of finalization PPA Connectify (restatement 2020)	December 31, 2020, as restated	(Charged) credited to the statement of profit or loss and other comprehensive income	December 31, 2021
<b>Deferred tax assets:</b>					
Financial instruments	120.3	—	120.3	(87.5)	32.8
Lease obligation	38.7	—	38.7	(3.9)	34.8
Provisions	7.7	—	7.7	—	7.7
Receivables	—	—	—	—	—
Tax loss carry-forwards	163.2	—	163.2	(5.2)	158.0
Other	12.3	—	12.3	(1.7)	10.6
<b>Total Deferred tax assets</b>	<b>342.2</b>	<b>—</b>	<b>342.2</b>	<b>(98.3)</b>	<b>243.9</b>
<b>Deferred tax liabilities:</b>					
Right of use assets	(32.1)	—	(32.1)	(0.3)	(32.4)
Property and equipment	(98.2)	—	(98.2)	16.9	(81.3)
Goodwill	(18.1)	—	(18.1)	(0.3)	(18.4)
Intangible assets	(39.4)	(0.4)	(39.8)	4.0	(35.8)
Receivables	(0.3)	—	(0.3)	(1.0)	(1.3)
Loans	(64.1)	—	(64.1)	46.7	(17.4)
Other	—	—	—	—	—
<b>Total Deferred tax liabilities</b>	<b>(252.2)</b>	<b>(0.4)</b>	<b>(252.6)</b>	<b>66.0</b>	<b>(186.6)</b>

<b>(€ in millions)</b>	<b>Statement of profit or loss and other comprehensive income 2021</b>	<b>Statement of financial position 2021</b>
Deferred tax assets	(98.3)	243.9
Deferred tax liabilities	66.0	(186.6)
	<b>(32.3)</b>	<b>57.3</b>
<b>Statement of profit or loss and comprehensive income (see Note 5.22)</b>		
Deferred tax expense in profit or loss (see note 5.22)	31.4	
Deferred tax expense in OCI	0.9	
<b>Total deferred tax expense</b>	<b>32.3</b>	
Current tax expense (see Note 5.22)	81.8	
<b>Total Comprehensive Income</b>	<b>114.1</b>	
Less: Deferred tax expense in OCI	(0.9)	
<b>Total profit or loss</b>	<b>113.2</b>	
<b>Balance Sheet</b>		
Deferred tax assets		169.0
Deferred tax liabilities		(111.7)
		<b>57.3</b>

As of December 31, 2021, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €1,162.7 million (2020: €1,200.7 million). These tax losses may be historical (before acquisition by the Telenet group) or resulting from operational, financial or M&A activities. Under current Belgian tax law, these loss carry forwards have an indefinite life (and 17 years in Luxembourg) and may be used to offset the future taxable income of Telenet Group Holding NV and its subsidiaries. Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable, based on management's assessment taking into account business plans and projections of future expected results.

Telenet did not recognize deferred tax assets of €135.0 million (2020: €139.3 million) in respect of losses amounting to €540.0 million (2020: €557.0 million) that can be carried forward against future taxable income because it is not considered more likely than not that these net deferred tax assets will be utilized in future years.

(€ in millions)	Statement of profit or loss and other comprehensive income 2020, as restated (*)	Statement of financial position 2020, as restated (*)
Deferred tax assets	12.9	342.2
Deferred tax liabilities	(13.6)	(252.6)
	<b>(0.7)</b>	<b>89.6</b>
<b>Statement of profit or loss and comprehensive income (see Note 5.22)</b>		
Deferred tax expense in OCI	(0.7)	
<b>Total deferred tax expense</b>	<b>(0.7)</b>	
Current tax expense (see Note 5.22)	50.7	
<b>Total Comprehensive Income</b>	<b>50.0</b>	
Less: Deferred tax expense in OCI	0.7	
<b>Total profit or loss</b>	<b>50.7</b>	
<b>Balance Sheet</b>		
Deferred tax assets		214.7
Deferred tax liabilities		(125.1)
		<b>89.6</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## 5.16 Other non-current liabilities

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
Employee benefit obligations	5.17	18.7	23.4
Other personnel related obligations		0.2	0.2
Long service awards	5.17	8.3	8.7
Interkabel out of market opex		17.2	17.2
Liabilities regarding sports broadcasting rights		37.2	3.8
Acquisition related liabilities		1.4	2.9
Other		0.3	—
<b>Total Other non-current liabilities</b>		<b>83.3</b>	<b>56.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Total non-current and current liabilities regarding sports broadcasting rights amounted to €37.2 million and €21.5 million, respectively (see note 5.18.1) at December 31, 2021 (December 31, 2020: €3.8 million and €19.6 million, respectively). The €33.4 million increase in the non-current sports rights liability is the combined effect of (i) additions of sports rights (€45.1 million), mainly linked to Premier League, and (ii) interest accretion (€0.4 million), offset by the reclassification to current liabilities (€12.1 million).

The operating expenses charged to Telenet by Interkabel for the maintenance of its network are higher than the Company's benchmark expenses for similar operations and therefore reflects an unfavorable out of market element. In the Interkabel acquisition, this out of market element was recorded at fair value. The corresponding liability at December 31, 2021 amounted to €17.2 million (December 31, 2020: €17.2 million).

The acquisition related payables relate to Doccle BV en Doccle.UP NV (note 5.7.1).



## 5.17 Employee benefit plans

Assets and liabilities related to the Company's long term employee benefit plans, carried on the consolidated statement of financial position, can be summarized as follows:

(€ in millions)	Note	December 31, 2021			December 31, 2020, as restated (*)		
		Total employee benefit plan	of which Defined benefit pension plans	of which Other post retirement plans	Total employee benefit plans	of which Defined benefit pension plans	of which Other post retirement plans
Defined benefit pension plans		18.7	9.0	9.7	23.4	12.1	11.3
<b>Total LT employee benefit obligations</b>	5.16	<b>18.7</b>	<b>9.0</b>	<b>9.7</b>	<b>23.4</b>	<b>12.1</b>	<b>11.3</b>
<b>Total LT service awards</b>	5.16	<b>8.3</b>	<b>—</b>	<b>—</b>	<b>8.7</b>	<b>—</b>	<b>—</b>
<b>Total LT asset related to surplus of post retirement obligations (plan assets)</b>	5.9.1	<b>(9.3)</b>	<b>(9.3)</b>	<b>—</b>	<b>(14.2)</b>	<b>(14.2)</b>	<b>—</b>
<b>Total employee benefit plans liability</b>		<b>17.7</b>	<b>(0.2)</b>	<b>9.7</b>	<b>17.9</b>	<b>(2.1)</b>	<b>11.3</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

### Long service awards

The Company has recognized a liability of €8.3 million at December 31, 2021 (2020: €8.7million) for long service awards, which have the form of jubilee benefits.

### Defined benefit pension plans and other post-retirement benefit plans

The majority of Telenet's employees participate in defined contribution plans, whereby the contributions depend on the employee's salary. Those plans are accounted for as defined benefit plans due to legally imposed minimum guaranteed rates of return which may result in additional contributions if actual investment returns are not sufficient.

Beginning January 1, 2016 onwards, the minimum guaranteed rate of return is annually recalculated based on the average yield of 10-year government bonds, with a minimum of 1.75% and a maximum of 3.75%. For 2021, the minimum guaranteed rate of return was equal to 1.75% (same for 2020). For the plans funded through a pension fund, the annually recalculated minimum rate of return is used to increase the minimum reserves during the year, while for most insured plans, each minimum rate of return applies to the contributions paid during the year up to the employee's date of leaving. Prior to January 1, 2016, the minimum guaranteed rate of return was equal to 3.25% for employer contributions and 3.75% for employee contributions.

Telenet's main defined contribution plan is funded through the pension fund IBP Telenet OFP. This plan represents 61% of the total benefit obligations at December 31, 2021. The Company's pension fund is actively managed by two independent asset management firms. The investment strategy is based on a balanced neutral risk profile with a long-term investment horizon. The pension fund's performance is monitored and analyzed on a monthly basis by the pension fund's in-house investment specialist and discussed and reviewed on a quarterly basis by the pension fund's board of directors.

The employees of Telenet Group and Telenet Retail (formerly known as BASE) benefit from defined contribution pension plans funded through a group insurance, whereby the insurance company guarantees a minimum interest rate on the contributions.

Furthermore, Telenet also provides post-retirement health care benefits and early retirement benefits to former Electrabel (ICS) employees. These obligations, which represent 5% of the total benefit obligations as of December 31, 2021, are financed directly by the Company.

All these plans expose the Company to various risks such as interest rate risk (a decrease of bond yields will increase the benefit obligations), investment risk (a lower return on plan assets will decrease the funded status), longevity risk (an increase in life expectancy will increase the benefit obligations for the post-retirement health care plan) and inflation risk (higher than expected salary increases or medical cost increases will increase the benefit obligations). For the pension plans, the longevity risk is limited because the pension benefits are normally paid out in the form of a lump sum.

The defined benefit obligation, the fair value of the plan assets and the net defined benefit liability/(asset) reconcile as follows:

(€ in millions)	Defined Benefit Obligation		Fair value of plan assets		Asset ceiling		Net defined benefit liability (asset)	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>At January 1</b>	<b>168.2</b>	<b>160.0</b>	<b>(160.6)</b>	<b>(149.0)</b>	<b>1.4</b>	<b>1.7</b>	<b>9.0</b>	<b>12.7</b>

### Components of defined benefit cost included in profit or loss

Current service cost (incl. administration costs)	15.6	12.5	—	—	—	—	15.6	12.5
Past service cost	5.0	—	(2.6)	—	—	—	2.4	—
Interest cost / (income)	0.8	1.6	(1.3)	(1.5)	—	0.1	(0.5)	0.2
	<b>21.4</b>	<b>14.1</b>	<b>(3.9)</b>	<b>(1.5)</b>	<b>—</b>	<b>0.1</b>	<b>17.5</b>	<b>12.7</b>

### Components of defined benefit cost included in OCI

#### Remeasurements

Actuarial loss (gain) arising from:

Changes to financial assumptions	(5.4)	5.1	—	—	—	—	(5.4)	5.1
Experience adjustments	12.1	(6.8)	—	—	—	—	12.1	(6.8)
Return on plan assets excluding interest income	—	—	(12.0)	(1.3)	—	—	(12.0)	(1.3)
Change in asset ceiling (1)	—	—	—	—	2.1	(0.4)	2.1	(0.4)
	<b>6.7</b>	<b>(1.7)</b>	<b>(12.0)</b>	<b>(1.3)</b>	<b>2.1</b>	<b>(0.4)</b>	<b>(3.2)</b>	<b>(3.4)</b>

#### Other

Contributions paid by the employee	0.2	0.4	(0.2)	(0.4)	—	—	—	—
Contributions paid by the employer (incl. taxes)	—	—	(13.3)	(12.3)	—	—	(13.3)	(12.3)
Benefits paid (incl. taxes)	(6.7)	(4.6)	6.2	3.9	—	—	(0.7)	(0.7)
Business combination / divestitures	1.5	—	(1.2)	—	—	—	0.3	—
	<b>(5.0)</b>	<b>(4.2)</b>	<b>(8.5)</b>	<b>(8.8)</b>	<b>—</b>	<b>—</b>	<b>(13.7)</b>	<b>(13.0)</b>

<b>At December 31</b>	<b>191.3</b>	<b>168.2</b>	<b>(185.0)</b>	<b>(160.6)</b>	<b>3.5</b>	<b>1.4</b>	<b>9.6</b>	<b>9.0</b>
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#### Represented by:

							<b>2021</b>	<b>2020</b>
Defined benefit pension plans							(0.2)	(2.3)
Other post-retirement plans							9.8	11.3
<b>Total</b>							<b>9.6</b>	<b>9.0</b>

(1) Curtailment gain as a result of the Coditel restructuring

The principal actuarial assumptions used for the purpose of the actuarial valuations are as follows:

Actuarial assumptions at December 31				
	Defined Benefit Pension Plans		Other post-retirement plans	
	2021	2020	2021	2020
Discount rate	0.90 %	0.40 %	0.90 %	0.40 %
Rate of compensation increase	3.10 %	2.90 %	— %	— %
Underlying inflation rate	1.80 %	1.60 %	1.80 %	1.60 %
Increase of medical benefits	— %	— %	3.00 %	3.00 %
Mortality tables	IA BE - 1 year	IA BE - 1 year	IA BE - 1 year	IA BE - 1 year

The following table shows a sensitivity analysis for the key assumptions:

<b>Sensitivity analysis</b>				
(in %)	Change	Change in Defined Benefit Obligation		
	(-) / (+)	decrease (-)	increase (+)	
Discount rate	0.25 %	1.3 %	(1.3)%	
Rate of compensation increase	0.25 %	(0.3)%	0.3 %	
Increase of medical benefits	0.25 %	(0.2)%	0.2 %	
Mortality tables	1 year	(0.1)%	0.1 %	

The sensitivity analysis reflects the impact of a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to be the case as some assumptions may be correlated.

The weighted average duration of the benefit obligations equals 15.7 years.

The plan assets consist of:

<b>Defined Benefit Pension Plans</b>		
	2021	2020
Bonds	37 %	31 %
Equities	43 %	41 %
Insurance policies	14 %	20 %
Other	6 %	8 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

All investments of the Company's pension fund are quoted securities.

The plan assets do not include any direct investments in shares issued by Telenet or property occupied by Telenet.

The fair value of the insurance policies corresponds to the sum of the insurance reserves and the assets in the financing funds.

The contributions towards defined benefit plans for the year ending December 31, 2022 (including the defined contribution plans accounted for as defined benefit plans) are estimated at €14.5 million.

## 5.18 Accrued expenses, other current liabilities and provisions

### 5.18.1 Accrued expenses and other current liabilities

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
Customer deposits		17.2	18.9
Compensation and employee benefits		92.8	84.3
VAT and withholding taxes		18.9	34.2
Dividend payable to shareholders		1.4	1.3
Accrued programming fees		48.6	45.3
Accrued capital expenditures		45.7	36.7
Goods received and services performed		23.5	26.7
Professional fees		12.7	7.7
Warehouse items received		3.9	2.0
Interconnect		12.0	14.0
Advertising, marketing and public relations		1.4	2.8
Infrastructure		34.1	33.1
Facilities		2.5	1.6
Opex		15.4	16.7
Credit notes to issue		7.4	9.8
Accounts receivable with credit balance		15.4	16.0
Liabilities regarding sports broadcasting rights		21.5	19.6
Accrued commissions		22.9	23.2
Other current liabilities		3.3	5.6
<b>Total Accrued expenses and other current liabilities</b>		<b>400.6</b>	<b>399.5</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Compared to December 31, 2020, total accrued expenses and other current liabilities increased by €1.1 million to €400.6 million as of December 31, 2021. Overall, the main reason for the slightly higher outstanding balance comes from i) a decrease in VAT and withholding taxes of €15.3 million, and ii) lower accrued liabilities for goods received and services performed of €3.3 million. This is largely offset by i) an increase in compensation and employee benefits of €8.5 million, ii) an increase in accrued capital expenditure of €8.9 million and iii) an increase in accrued professional fees of €5.0 million.

The increase in short term liabilities related to sports broadcasting rights (€1,9 million) is primarily explained by the reclassification from long term to short term liabilities (€12,1 million) and additions of a short term nature (€12,6 million), offset by invoices received (€22,8 million) related to F.A. Premier League, Jupiler Pro League and F1 Championships.

## 5.18.2 Current and non-current provisions

The below table gives an overview of the Company's current and non-current provisions as at December 31, 2021 and December 31, 2020:

(€ in millions)	Note	December 31, 2021	December 31, 2020, as restated (*)
<b>Non-current provisions</b>			
Onerous contract provision		2.9	4.8
Site restoration provision		11.9	7.4
<b>Total non-current provisions</b>		<b>14.8</b>	<b>12.2</b>
<b>Current provisions</b>			
Provisions for legal claims	5.26.1	85.2	79.9
Onerous contract provisions		2.3	2.3
Site restoration provision		0.4	0.3
Restructuring provisions		0.5	1.1
<b>Total current provisions</b>		<b>88.4</b>	<b>83.6</b>
<b>Total provisions</b>		<b>103.2</b>	<b>95.8</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The site restoration provision consists of liabilities for the costs of dismantling sites and restoring them to their original state. The increase in 2021, as compared to 2020, represents an increase of provision as a result of the recalculation in 2021 taking into account the current financial parameters.

At the end of 2013, the Company decided to discontinue the provision of DTT services. Following this decision, the Company determined that its obligations under the DTT capacity agreement with Norkring België NV constituted an onerous contract and, accordingly, recognized a provision as the net present value of the remaining payments due under this DTT capacity agreement related to the "MUX 2 and MUX 3 capacity". The DTT capacity agreement was amended in 2016, whereby the Company waived its exclusive rights on the "MUX 1 capacity", and as a result, the previously recognized lease liability related to this capacity no longer qualified as a lease liability and was consequently represented as and added to the existing restructuring liability. The restructuring liability was re-measured at the end of December 2015, reflecting the net present value of the remaining re-negotiated payments due under the contract. The remaining non-current and current liabilities related to the capacity of the three non-exclusive MUXes were €2.9 million and €2.3 million at December 31, 2021 (2020: respectively €4.8 million and €2.3 million).

Provisions with respect to legal claims increased by €5.3 million, following the outcome of recent court cases, mainly related to Pylon taxes, in combination with the Pylon taxes levied for 2021, and a commercial contingency.

The following table gives a detailed overview of the movements in provisions for the year ended December 31, 2021.

(€ in millions)	Legal claims	Restructuring	Onerous contracts	Site restoration	Total
<b>At January 1, 2021</b>	<b>79.9</b>	<b>1.1</b>	<b>7.1</b>	<b>7.7</b>	<b>95.8</b>
Provision made during the year (+)	10.6	1.1	—	4.6	16.3
Provisions used during the year (-)	(1.0)	(1.7)	(2.3)	—	(5.0)
Provisions reversed during the year (-)	(1.4)	—	—	—	(1.4)
Interest accretion	(2.9)	—	0.4	—	(2.5)
<b>At December 31, 2021</b>	<b>85.2</b>	<b>0.5</b>	<b>5.2</b>	<b>12.3</b>	<b>103.2</b>
Non-current provision (more than 1 year)	—	—	2.9	11.9	14.8
Current provision (less than 1 year)	85.2	0.5	2.3	0.4	88.4

The current year additions to provisions for legal claims relate primarily to contingencies in respect of Pylon taxes and a commercial contingency.

The outstanding provision for restructuring decreased by €0.6 million to €0.5 million at December 31, 2021, primarily linked to the execution of the SFR restructuring plan.

Provisions for onerous contracts decreased by €1.9 million in 2021, which is the net effect of i) a utilization of the provisions for an amount of €2.3 million and ii) interest accretion of €0.4 million. Provisions are classified as current or non-current, according to the expected timing of utilization of the provision.

Provisions for site restoration increased from €7.7 million at December 31, 2020 to €12.3 million at December 31, 2021. The outstanding balance breaks down in a current site restoration provision of €0.4 million and a non-current site restoration provision of €11.9 million.

For certain legal claims the settlement of the provision is expected to be reimbursed by another party. As of December 31, 2021, the Company recognized indemnification assets for an aggregate of €16.4 million (footnote 5.9.2).

## 5.19 Revenue

The Company's revenue is comprised of the following:

(€ in millions)	For the year ended December 31,	
	2021	2020, as restated (*)
Subscription revenue		
Video	548.5	559.0
Broadband internet	680.2	654.9
Fixed-line telephony	215.6	225.2
<b>Cable subscription revenue</b>	<b>1,444.3</b>	<b>1,439.1</b>
Mobile telephony	492.4	475.0
<b>Total subscription revenue</b>	<b>1,936.7</b>	<b>1,914.1</b>
Business services	181.1	181.0
Other	478.0	480.1
<b>Total revenue</b>	<b>2,595.8</b>	<b>2,575.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

As of the second quarter of 2021, the Company's postpaid and total mobile subscriber count includes its SME and LE business customers, which were previously not recorded in the Company's SIM count. As a result of the aforementioned change, the subscription and usage-related revenue generated by Telenet's SME and LE business customers is being reported under mobile telephony revenue as of the second quarter of 2021 (as opposed to business services revenue previously), while the interconnect revenue is now being reported under other revenue (as opposed to business services revenue previously). These changes had a positive impact on Telenet's mobile telephony revenue of €23.8 million for the year ended December 31, 2020, a negative impact of €26.7 million on business services revenue for the year ended December 31, 2020 and a €2.9 million benefit to other revenue for the year ended December 31, 2020.

For the year ended December 31, 2021, Telenet generated revenue of €2,595.8 million, which represented a modest increase of 0.8% versus €2,575.2 million of revenue generated for the year ended December 31, 2020. Last year's revenue still included a one quarter contribution of Telenet's Luxembourg cable subsidiary Coditel S.à r.l., which has been merged into Eltrona on April 1, 2020 and in which Telenet holds a 50% minus 1 share shareholding. As such, Telenet no longer consolidates its results as of the second quarter of 2020. Also important to note for comparison basis is that (i) Telenet's full year 2020 top line performance reflected the adverse impact of the global COVID-19 pandemic on the business with a more outspoken impact in the second quarter of 2020 especially given the strong decline in Telenet's advertising and production revenue as recorded under other revenue and (ii) the reclassification of subscription, usage-related and interconnect revenue generated by Telenet's SME and LE business customers.

The revenue reported under business services relates to (i) the revenue generated on non-coax products, including fiber and leased DSL lines, (ii) Telenet's carrier business and (iii) value-added services such as network hosting and managed data security. Revenue generated by Telenet's business customers on all coax-related products, such as Telenet's flagship "KLIK" bundle, is allocated to Telenet's cable subscription revenue lines and is not captured within Telenet Business, Telenet's business services division. Telenet's business services revenue no longer includes the subscription, usage-related and interconnect revenue generated by Telenet's SME and LE business customers as mentioned above, now reflected under mobile telephony and other revenue, respectively.

Other revenue primarily includes (i) interconnect revenue from both the fixed-line and mobile telephony customers, including Telenet's SME and LE business customers as mentioned above (ii) advertising and production revenue from the media subsidiaries, (iii) mobile handset sales, including the revenue earned under the "Choose Your Device" programs, (iv) wholesale revenue generated through both the commercial and regulated wholesale businesses, (v) product activation and installation fees and (vi) set-top box sales revenue. Telenet's other revenue reached €478.0 million for the year ended December 31, 2021, broadly stable. A solid performance of Telenet's advertising and production business, higher wholesale revenue and slightly higher revenue from handset sales were largely offset by a significant decline in the interconnect revenue, reflecting the impact of the COVID-19 pandemic on customer behavior and related increased usage of OTT applications.

The Company's other revenue is comprised of the following:

(€ in millions)	For the year ended December 31,	
	2021	2020, as restated (*)
Interconnect	130.8	154.2
Sale of handsets and customer premise equipment	97.8	96.8
Wholesale	98.3	92.6
Advertising and production	124.9	103.7
Other	26.2	29.9
<b>Total other revenue</b>	<b>478.0</b>	<b>477.2</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The Company also had deferred revenue as follows:

(€ in millions)	December 31, 2021		December 31, 2020, as restated (*)	
Subscription revenue				
Video	22.6		16.4	
Broadband internet	25.7		25.7	
Fixed-line telephony	7.2		17.1	
<b>Cable subscription revenue</b>	<b>55.5</b>		<b>59.2</b>	
Mobile telephony	23.6		23.9	
<b>Total subscription revenue</b>	<b>79.1</b>		<b>83.1</b>	
Business services	25.4		22.7	
Other	6.7		13.1	
<b>Total deferred subscription revenue</b>	<b>111.2</b>		<b>118.9</b>	
<b>Other contract liabilities</b>	<b>7.6</b>		<b>7.5</b>	
<b>Total deferred revenue</b>	<b>118.8</b>		<b>126.4</b>	
<b>- of which non-current deferred revenue</b>	<b>3.6</b>		<b>3.6</b>	
<b>- of which current deferred revenue</b>	<b>115.2</b>		<b>122.8</b>	

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

Deferred revenue is generally fees prepaid by the customers and, as discussed in note 5.2.9 to the consolidated financial statements of the Company, is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the related service period.

The contract liabilities amounting to €7.6 million as per December 31, 2021 (December 31, 2020: €7.5 million) relate to the charged installation and/or other upfront fees which are deferred and recognized as revenue over the contractual period, or longer if the upfront fee results in a material renewal right.

The changes in the Company's contract assets, contract liabilities and deferred revenue can be summarized as follows:

(€ in millions)					
	Non-current contract assets	Current contract assets	Non-current contract liabilities	Current contract liabilities	Deferred revenue
<b>January 1, 2020</b>	<b>1.7</b>	<b>6.4</b>	<b>(2.2)</b>	<b>(5.9)</b>	<b>(103.5)</b>
<b>+ Additions</b>					
New additions on the balance sheet during the year	1.8	4.9	(3.1)	(5.2)	(1,027.5)
<b>- Recognition in the result of the current year</b>					
Recognized in previous year	—	(6.4)	—	5.8	105.7
Recognized in current year	(0.5)	(2.0)	—	3.1	906.4
<b>+/- Reclasses</b>					
Reclass from non-current to current contract assets / liabilities	(1.9)	1.9	3.3	(3.3)	—
<b>December 31, 2020 as restated (*)</b>	<b>1.1</b>	<b>4.8</b>	<b>(2.0)</b>	<b>(5.5)</b>	<b>(118.9)</b>
<b>+ Additions</b>					
New additions on the balance sheet during the year	2.1	8.7	(3.1)	(5.1)	(969.5)
<b>- Recognition in the result of the current year</b>					
Recognized in previous year	—	(4.8)	—	5.5	99.5
Recognized in current year	—	(4.5)	—	2.6	877.7
<b>+/- Reclasses</b>					
Reclass from non-current to current contract assets / liabilities	(2.0)	2.0	2.9	(2.9)	—
<b>December 31, 2021</b>	<b>1.2</b>	<b>6.2</b>	<b>(2.2)</b>	<b>(5.4)</b>	<b>(111.2)</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

As per December 31, 2021, the transaction price allocated to the remaining unsatisfied performance obligations and the expected period in which the revenue will be recognized can be summarized as follows:

(€ in million)						
Remaining performance obligations -						
Expected recognition in the result of the year						
	TOTAL	2022	2023	2024	2025	thereafter
<b>Contract assets</b>						
Recognized as contract asset in 2020	(1.0)	(1.0)	—	—	—	—
Recognized as contract asset in 2021	(6.4)	(5.2)	(1.2)	—	—	—
<b>Total contract assets</b>	<b>(7.4)</b>	<b>(6.2)</b>	<b>(1.2)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Contract liabilities</b>						
Recognized as contract liabilities in 2019	0.4	0.4	—	—	—	—
Recognized as contract liabilities in 2020	1.5	1.1	0.4	—	—	—
Recognized as contract liabilities in 2021	5.7	3.9	1.3	0.5	—	—
<b>Deferred revenue</b>						
Deferred revenue	111.2	109.8	0.1	0.1	0.1	1.1
<b>Total contract liabilities</b>	<b>118.8</b>	<b>115.2</b>	<b>1.8</b>	<b>0.6</b>	<b>0.1</b>	<b>1.1</b>



## 5.20 Expenses by nature

(€ in millions)	Note	For the years ended December 31,	
		2021	2020 as restated (*)
Network operating expenses		205.2	198.2
Direct costs (programming, copyrights, interconnect and other)		522.0	514.4
Staff-related expenses		277.4	271.1
Sales and marketing expenses		88.1	95.6
Outsourced labor and Professional services		31.8	28.4
Other indirect expenses		103.8	89.5
<b>Operating expenses</b>		<b>1,228.3</b>	<b>1,197.2</b>
Restructuring expenses		1.2	5.5
Operating charges related to acquisitions or divestitures		18	5.3
Share-based payments granted to directors and employees	5.12	28.3	29.8
Depreciation	5.4	434.3	427.3
Amortization	5.6	217.9	191.5
Amortization of broadcasting rights	5.6	76.6	90.3
Post measurement period adjustments related to business acquisitions		(4.3)	(0.6)
Impairment of long-lived assets - goodwill	5.5	—	35.7
Impairment of long-lived assets - property and equipment	5.4	1.1	3.7
Gain on disposal of property and equipment	5.4	(4.8)	(4.6)
<b>Non-cash and other items</b>		<b>768.3</b>	<b>783.9</b>
<b>Total costs and expenses</b>		<b>1,996.6</b>	<b>1,981.1</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

For the year ended December 31, 2021, Telenet incurred total expenses of €1,996.6 million, representing a 1% increase compared to the prior year. As a reminder, last year's total expenses included (i) a one-quarter contribution from Telenet's Luxembourg cable business prior to the divestment to Eltrona as of April 1, 2020 as well as (ii) a €32.9 million goodwill impairment charge on De Vijver Media following the re-assessment of their strategic long-range plan, reflecting the impact of the COVID-19 pandemic on its financial profile. Excluding this goodwill impairment charge in 2020, the underlying year-on-year growth in Telenet's total expenses would have been higher. Total expenses represented approximately 77% of revenue in 2021, representing a similar percentage as for 2020. Cost of services provided as a percentage of revenue represented approximately 49% for 2021 (2020: approximately 54%), while selling, general and administrative expenses represented approximately 28% of Telenet's total revenue in 2021 (2020: approximately 23%).

Telenet's operating expenses, which include Telenet's (i) network operating expenses, (ii) direct costs, (iii) staff-related expenses, (iv) sales and marketing expenses, (v) outsourced labor and professional services and (vi) other indirect expenses, increased 3% on a for the year ended December 31, 2021 and reflected changes to the IFRS accounting treatment of certain content-related costs for Telenet's premium entertainment packages and the Belgian football broadcasting rights because of changes related to the underlying contracts.

Network operating expenses for the year ended December 31, 2021 were €205.2 million, due to (i) a greater proportion of technical customer visits, reflecting an increase in homeworking as a result of the COVID-19 pandemic, as well as (ii) the resumption of Telenet's analog Signal Switch program.

Telenet's direct costs include all of the direct expenses such as (i) programming and copyright costs, including, as of the third quarter of 2020, costs related to the purchase of content for Telenet's "Streamz", "Streamz+" and "Play More" packages, as well as the costs related to the Belgian football broadcasting rights, (ii) interconnect costs and (iii) handset sales and subsidies. For the year ended December 31, 2021, Telenet's direct costs were €522.0 million, a 1% increase compared to the year ended December 31, 2020, reflecting the aforementioned changes to the IFRS accounting treatment of certain content-related costs for our premium entertainment packages and the Belgian football broadcasting rights because of changes related to the underlying contracts.

Staff-related expenses for the year ended December 31, 2021 were €277.4 million, which represented an increase of 2% compared to the prior year and reflected in (i) a higher average headcount and (ii) the effect of the mandatory wage indexation as of early 2021.

Sales and marketing expenses for the year ended December 31, 2021 were €88.1 million representing an 8% year-on-year decrease due to the impact of COVID-19 on Telenet's marketing and retail activity.

Costs related to outsourced labor and professional services for the year ended December 31, 2021 were €31.8 million, a 12% increase as expenses in 2020 reflected the impact of the global COVID-19 pandemic with lower costs.

Other indirect expenses reached €103.8 million for the year ended December 31, 2021, representing a 16% increase compared to the prior year, due to higher outsourced call center costs triggered by COVID-19 regulation requiring mandatory homeworking.

Depreciation and amortization, including impairment of long-lived assets, gain on disposal of assets and restructuring charges, reached €726.3 million for the year ended December 31, 2021 compared to €749.4 million for the prior year which included the aforementioned €32.9 million goodwill impairment charge.

## 5.21 Finance income / expense

		For the year ended December 31,	
(€ in millions)	Note	2021	2020, as restated (*)
<b>Recognized in the statement of profit or loss and comprehensive income</b>			
<b>Finance income</b>			
<b>Net interest income and foreign exchange gain</b>			
Interest income on bank deposits and commercial paper		1.6	0.9
Net foreign exchange gain		—	240.2
		<b>1.6</b>	<b>241.1</b>
<b>Net gain on derivative financial instruments</b>			
Change in fair value	5.14	306.7	—
		<b>306.7</b>	<b>—</b>
Gain on extinguishment of debt		<b>0.1</b>	<b>—</b>
<b>Finance expense</b>			
<b>Net interest expense, foreign exchange loss and other finance expense</b>			
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(185.5)	(204.1)
Amortization of financing cost		(2.4)	(2.7)
Net foreign exchange loss		(199.9)	—
		<b>(387.8)</b>	<b>(206.8)</b>
<b>Net loss on derivative financial instruments</b>			
Change in fair value	5.14	—	(252.2)
		<b>—</b>	<b>(252.2)</b>
Loss on extinguishment of debt	5.13	<b>—</b>	<b>(15.2)</b>
<b>Net finance expenses</b>		<b>(79.4)</b>	<b>(233.1)</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

For the year ended December 31, 2021, net finance expense totaled €79.4 million compared to €233.1 million in 2020. Finance income for the year ended December 31, 2021 increased substantially year-on-year to €308.4 million from €241.1 million last year and included a non-cash gain on our derivatives of €306.7 million, whereas the prior year reflected a net foreign exchange gain of €240.2 million. Finance expense for the year ended December 31, 2021 decreased 18% to €387.8 million from €474.2 million in 2020. Finance expense for 2021 included a €199.9 million non-cash foreign exchange loss on our USD-denominated debt, whereas last year's finance expense reflected a €252.2 million non-cash loss of our derivatives and a €15.2 million loss on extinguishment of debt. Our USD-denominated debt has been hedged until the respective maturity dates, hence minimizing the impact of foreign exchange fluctuations on our cash flows. Excluding the impact from both derivatives and foreign exchange losses, our net interest expense in 2021 decreased 9%, reflecting the benefit of certain refinancing transactions in 2020.

## 5.22 Income tax expense

(€ in millions)	For the year ended December 31,	
	2021	2020
Current tax expense	81.8	50.7
Deferred tax expense (note 5.15)	31.4	—
<b>Income tax expense</b>	<b>113.2</b>	<b>50.7</b>
<b>Effective Tax Rate</b>	<b>22.35 %</b>	<b>13.02 %</b>

The effective tax rate was 22.35% for the year ended December 31, 2021 (13.02% for the year ended December 31, 2020). The tax expenses as shown above have been calculated in conformity with Belgian and international tax laws. Telenet believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. The current tax liability on the balance sheet at the end of 2021 corresponds to the current tax expense booked in 2021 and the tax payments made in 2021.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits of the consolidated companies as follows:

(€ in millions)	For the year ended December 31,	
	2021	2020
<b>Profit before tax</b>	<b>506.9</b>	<b>389.2</b>
Income tax expense at the Belgian statutory rate (25% as of 2020)	126.7	97.3
Income not taxable	(0.7)	(0.3)
Expenses not deductible for tax purposes (incl. prior year adjustments)	7.5	3.0
Benefit of the investment deduction	(3.9)	(3.6)
Tax losses and temporary differences for which no deferred tax asset was recognized	(5.2)	5.8
Expiration of tax losses (Coditel Sarl disposal)	—	0.7
Adjustments recognized in the current year in relation to the filings for prior years	0.7	(39.4)
Impact of different tax rates in Luxembourg	3.3	2.0
Impact Innovation Income Deduction	(20.6)	(19.3)
Penalty for insufficient prepayments	5.4	4.5
<b>Tax expense for the year</b>	<b>113.2</b>	<b>50.7</b>

## 5.23 Earnings per share

### 5.23.1 Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

(€ in millions, except share and per share data)	For the year ended December 31,	
	2021	2020
Net profit attributable to the equity holders of the Company	394.0	338.9 (*)
Weighted average number of ordinary shares	109,320,560	109,350,692
<b>Weighted average number of shares used in the calculation of basic earnings per share</b>	<b>109,320,560</b>	<b>109,350,692</b>
Basic earnings per share in €	3.60	3.10 (*)

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

### 5.23.2 Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2021, the Company had the following outstanding options throughout the year:

- ESOP 2016 stock options
- ESOP 2016bis stock options
- ESOP 2017 stock options
- ESOP 2017bis stock options
- ESOP 2018 stock options
- ESOP 2018bis stock options
- ESOP 2019 stock options
- ESOP 2020 stock options

The earnings used in the calculation of diluted earnings per share measures are the same as those for the basic earnings per share measures, as outlined above and result in diluted earnings per share of €3.60 (2020: €3.10). For the year ended December 31, 2021, there was no dilutive impact from outstanding stock option plans referred to above on the ordinary shares of the Company as they were out of the money.

(€ in millions, except share and per share data)	For the year ended December 31,	
	2021	2020 as restated (*)
<b>Weighted average number of shares used in the calculation of basic earnings per share</b>	<b>109,320,560</b>	<b>109,350,692</b>
Adjustment for ESOP stock options:	—	—
<b>Weighted average number of shares used in the calculation of diluted earnings per share</b>	<b>109,320,560</b>	<b>109,350,692</b>
<b>Diluted earnings per share in €</b>	<b>3.60</b>	<b>3.10</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## 5.24 Acquisition and disposal of subsidiaries

### 5.24.1 Connectify

On November 30, 2020, pursuant to a definitive agreement, the Company acquired a further 48.3% of the shares in Connectify NV ("Connectify"), an ICT business integrator, including its 100% subsidiary U-Cast. The acquisition did not require any regulatory approval. Telenet previously already held a 11.8% interest in Connectify. As a consequence, the November 30, 2020 transactions is considered to qualify as a business combination achieved in stages.

On November 30, 2020, the carrying amount of the initial 11.8% investment amounted to €0.6 million. The total initial purchase price paid at acquisition amounted to €3.1 million. In addition to the initial purchase price, an earn-out is applicable based on the performance criteria related to certain revenue targets for the twelve months ending June 30, 2021, 2022 and 2023. Based on the available financial information, the Company estimated and recognized an earn-out liability amounting in total to €1.2 million. As part of accounting for the business combination, the Company remeasured its previously held interest in Connectify at fair value and took this amount into account in the determination of goodwill. This fair value valuation resulted in the recognition of a €0.2 million gain in the consolidated statement of profit or loss.

For the years ended December 31, 2021 and 2020, the Company did not incur any acquisition-related costs.

The Company accounted for the Connectify acquisition using the acquisition method of accounting, whereby the total purchase price is allocated to the acquired identifiable net assets of Connectify based on assessments of their respective fair values, and the excess of:

- the aggregate of (1) purchase price, (2) the fair value of any non-controlling interest in the acquiree, and (3) the acquisition-date fair value of the Company's previously held equity interest (PHEI) in the acquiree, over
- the fair values of these identifiable net assets

was allocated to goodwill.

As of December 31, 2020, the Company was still in the process of executing a detailed allocation of the total purchase price and reported a preliminary opening balance sheet, subject to adjustment based on the assessment of the fair values of the acquired identifiable assets and liabilities. As of November 30, 2021, the purchase price allocation was finalized. The fair value adjustment on the intangible assets (€1.6 million) mainly related to the acquired tradenames (€0.6 million), customer relationships (€0.3 million) and other intangible assets subject to amortization, mainly consisting of a technological IPTV platform (€0.7 million). The deferred tax adjustment resulting from the purchase price allocations amounted to -€0.4 million and is reported under non-current deferred tax liabilities. Goodwill has therefore been reduced by €1.2 million. The adjustment to the fair value and the remaining useful lives of the respective intangible assets, did not result in any material amortization recognized for the period between the acquisition date and December 31, 2020.

As a result of the acquisition of Connectify, the Company acquired in total €1.3 million of trade receivables and €0.1 million of unbilled revenue, of which in total €0.1 million was estimated not to be collectible. These receivables relate to a limited number of counterparties with a low credit risk.

A summary of the purchase price and the identifiable assets acquired and liabilities assumed for the Connectify acquisition at the acquisition date is presented in the following table:

(€ in millions)	Initial IFRS opening balance sheet	Opening balance sheet adjustments	Final IFRS opening balance sheet	Fair value adjustments	Fair value of identifiable net assets
<b>Assets</b>					
<b>Non-current assets:</b>					
Property and equipment	0.2	—	0.2	—	0.2
Goodwill	6.4	(6.4)	—	—	—
Other intangible assets	0.4	—	0.4	1.6	2.0
Other assets	0.1	—	0.1	—	0.1
<b>Total non-current assets</b>	<b>7.1</b>	<b>(6.4)</b>	<b>0.7</b>	<b>1.6</b>	<b>2.3</b>
<b>Current assets:</b>					
Inventories	0.9	—	0.9	—	0.9
Trade receivables	1.2	—	1.2	—	1.2
Other current assets	0.1	—	0.1	—	0.1
Cash and cash equivalents	0.5	—	0.5	—	0.5
<b>Total current assets</b>	<b>2.7</b>	<b>—</b>	<b>2.7</b>	<b>—</b>	<b>2.7</b>
<b>Total assets acquired</b>	<b>9.8</b>	<b>(6.4)</b>	<b>3.4</b>	<b>1.6</b>	<b>5.0</b>
<b>Liabilities</b>					
<b>Non-current liabilities:</b>					
Loans and borrowings	(0.4)	—	(0.4)	—	(0.4)
Deferred tax liabilities	—	—	—	(0.4)	(0.4)
<b>Total non-current liabilities</b>	<b>(0.4)</b>	<b>—</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.8)</b>
<b>Current liabilities:</b>					
Loans and borrowings	(0.1)	—	(0.1)	—	(0.1)
Trade payables	(0.5)	—	(0.5)	—	(0.5)
Accrued expenses and other current liabilities	(0.5)	—	(0.5)	—	(0.5)
Current tax liability	(0.4)	—	(0.4)	—	(0.4)
<b>Total current liabilities</b>	<b>(1.5)</b>	<b>—</b>	<b>(1.5)</b>	<b>—</b>	<b>(1.5)</b>
<b>Total liabilities assumed</b>	<b>(1.9)</b>	<b>—</b>	<b>(1.9)</b>	<b>(0.4)</b>	<b>(2.3)</b>
<b>Total consideration transferred</b>					<b>4.3</b>
<b>Previously held equity interest, at fair value</b>					<b>0.8</b>
<b>Fair value of identifiable net assets acquired</b>					<b>2.7</b>
<b>Non-controlling interests</b>					<b>2.9</b>
<b>Goodwill arising from the acquisition</b>					<b>5.3</b>

In the period from November 30, 2020 through December 31, 2020, Connectify contributed revenue of €0.6 million and a loss of €0.1 million to the Company's results. If the acquisition had occurred on January 1, 2020, management estimates that consolidated revenue would have been €2,581.0 million, and consolidated operating result for the period would have been €594.3 million.

In determining these amounts, management has assumed that the determined fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2020.

The unallocated goodwill is mainly attributable to the synergies expected to be achieved from integrating the company into the Company's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

## 5.24.2 Coditel S.à r.l.

On April 1, 2020, Eltrona Interdiffusion SA, a Luxembourg cable operator, took over, through a merger, the business of the Coditel S.à r.l. ("SFR-Lux") entity in Luxembourg, owned by Telenet in exchange for newly issued shares of Eltrona in favour of Telenet. At the same time, the Post Luxembourg group, a shareholder in Eltrona since 1998, sold its 34% holding to Telenet for which a consideration in cash was paid for a total amount of €20.0 million. Upon the carve out of Eltrona's property, the Company received €2.3 million in cash as part of the overall transaction.

Subsequent to the aforementioned transactions, the existing shareholders in Eltrona hold 50%+1 share while Telenet holds 50%-1 share of the merged entity. The 50%-1 investment in Eltrona qualifies as a joint venture and is accounted for using the equity method. The initial carrying amount of the investment amounted to €59.5 million (Note 5.7.1).

This transaction resulted in the derecognition of the SFR-Lux subsidiary and the recognition of Telenet's interest in the new joint venture with Eltrona under the equity method of accounting. As the carrying value of the assets classified as held for sale exceeded their fair value less costs to sell, an impairment loss was initially recognized on the goodwill allocated to the SFR-Lux's cash generating unit amounting to €2.8 million (Note 5.5). Upon closing of the transaction, the Company recognized a loss of €4.3 million on the divestment as the carrying value of the assets and liabilities contributed by Telenet in Eltrona exceeded the fair value of the shares received in return.

As per December 31, 2020, the Company had not yet completed the allocation of the cost of the investment to the Company's share of the net fair value of Eltrona's identifiable assets and liabilities. As of March 31, 2021, the allocation of the purchase price to the acquired identified net assets was finalized (Note 5.7.1).

## 5.25 Non cash investing and financing transactions

(€ in millions)	For the year ended December 31,	
	2021	2020, as restated (*)
Acquisition of property and equipment in exchange for lease obligations	49.5	90.6
Acquisition of property and equipment in exchange for vendor financing obligations	45.6	68.1
Acquisition of sports broadcasting rights in exchange for investing obligations	60.4	11.5

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## 5.26 Commitments and contingencies

### 5.26.1 Pending litigations

#### Interkabel Acquisition

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the "2008 PICs Agreement"), which closed effective October 1, 2008. Beginning in December 2007, Proximus NV/SA ("Proximus"), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the Belgian Supreme Court (Hof van Cassatie / Cour de Cassation), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus' request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus also sought compensation for damages. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion. On December 18, 2017, the Court of Appeal of Antwerp rejected Proximus' claim in its entirety. On June 28, 2019, Proximus brought this appeal judgment before the Belgian Supreme Court (Hof van Cassatie / Cour de Cassation). On 22 January 2021 the Supreme Court partially annulled the judgment of the Court of Appeal of Antwerp. The case will be referred to the Court of Appeal of Brussels. This Court will need to make a new decision on the matter within the boundaries of the annulment by the Supreme Court. It is likely that it will take this other Court of Appeal several years to decide on the matter.



No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement. There can be no assurances that the ultimate resolution of this matter will not have a material adverse impact on Telenet's results of operations, cash flows or financial position (although Telenet does not expect this to be the case). No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

## Litigation regarding cable access

In June 2018, the Belgisch Instituut voor Post en Telecommunicatie and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) adopted a new decision finding that Telenet has significant market power in the wholesale broadband market (the 2018 Decision). The 2018 Decision imposes on Telenet the obligations to (i) provide third-party operators with access to the digital television platform (including basic digital video and analog video) and (ii) make available to third-party operators a bitstream offer of broadband internet access (including fixed-line telephony as an option). Unlike prior decisions, the 2018 Decision no longer applies "retail minus" pricing on Telenet; however, as of August 1, 2018, this decision imposes a 17% reduction in monthly wholesale cable resale access prices for an interim period. On July 5, 2019, the Belgium Regulatory Authorities have published for consultation a draft decision regarding "reasonable access tariffs" that will replace the interim prices. On May 26, 2020, the Belgian Regulatory Authorities adopted and published the decision regarding "reasonable access tariffs" (2020 Decision) that represents, for example, a decrease of 11.5% as compared to the interim rates for a 100Mbps offer combined with TV. The rates will evolve over time, amongst others due to broadband capacity usage. The 2020 Decision applies as of July 1, 2020.

The 2020 Decision aims to, and in its application, may strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access afforded to Telenet's network, the rates that Telenet receives for such access and other competitive factors or market developments. Telenet considers the 2018 Decision to be inconsistent with the principle of technology-neutral regulation and the European Single Market Strategy to stimulate further investments in broadband networks. Telenet has challenged the 2018 Decision in the Brussels Court of Appeal and has also initiated an action in the European Court of Justice against the European Commission's decision not to challenge the 2018 Decision. The proceedings before the European Court of Justice have been withdrawn by Telenet in order to avoid undue delays in the Court of Appeal case. In a decision of September 4, 2019, the Brussels Court of Appeal upheld the 2018 CRC Decision.

## Orange request for access to Coditel's network

On February 11, 2016, Orange Belgium SA ("Orange") made an official request for access to the cable network of Coditel, which was acquired by Telenet Group on June 19, 2017. On February 19, 2016, Orange transferred a sum of €600,000 to Coditel as required to launch the six-month implementation period to put in place the necessary measures to give Orange access to the cable network pursuant to the July 2011 Decision. In principle, the implementation period ended on August 19, 2016. As Orange had not yet obtained effective access to Coditel's network in December 2016, Orange brought a claim for damages against Coditel on December 29, 2016 in front of the French-speaking Commercial Court of Brussels. Orange claimed to have suffered a loss of €8,973 per day of delay. On January 16, 2017, Orange also initiated interim proceedings, but these have in the meantime been withdrawn. On 14 November 2019, Orange revised its claim to a lump-sum amount of €10,021,040.

The proceedings in front of the French-speaking Commercial Court of Brussels are still ongoing. Coditel considers that Orange has in the meantime obtained effective access to Coditel's cable network.

## Copyright related legal proceedings

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet in 2006 started a judicial procedure against a number of collecting agencies. This procedure is related to a discussion between Telenet and these collecting agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collecting agencies, and as part of which procedure several collecting agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collecting agencies. The collecting agencies lodged an appeal (see below).

Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (a) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (b) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly related to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim was based on arguments substantially similar to those rejected by the Court of First Instance in Mechelen on April 12, 2011. As discussed below, Sabam has asked the Commercial Court of Antwerp to withdraw these claims as Sabam has filed similar claims in the pending proceedings before the Brussels Court of Appeal. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged an appeal. On June 27, 2012, the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp rendered an intermediate ruling on February 4, 2013. The Court of Appeal rejected the claims of the collecting societies with regard to simulcasting and confirmed that direct injection is a single copyright relevant operation (royalties should therefore be paid only once). The case was re-opened to allow the collecting societies to provide further proof of their actual claims. On January 20, 2014 and on May 5, 2014, respectively, Numéricable (previously Coditel) and Telenet appealed this intermediate ruling before the Supreme Court mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights.

The Supreme Court has issued its judgment in this matter on September 30, 2016. The Supreme Court accepted the argument of Telenet that direct injection only involves a single communication to the public and therefore cannot constitute "retransmission" as this requires two communications to the public. The Supreme Court has referred the case to the Court of Appeal of Brussels, where the case has been activated upon request of Sabam.

In the context of these proceedings Sabam has filed a counterclaim for copyrights due as from 2005 to 2016 (all claims combined), withdrawing its claims that were pending before the Antwerp Commercial Court. The trial date was scheduled on September 23, 24 and 30, 2019. At the hearing the parties agreed that the Court of Appeal of Brussels would only render a decision part of the claims covering the situation of exclusive direct injection prior to July 1, 2019. July 1, 2019 is the date on which the Belgian law of November 25, 2018 governing direct injection entered into force. This law confirms that, except in cases whereby the distributor is a mere technical provider of the broadcaster, direct injection constitutes one communication to the public, which is however performed by both the broadcaster and the distributor (which are both liable for their respective contributions to such communication). The new law furthermore imposes transparency in relation to copyright payments and levies. The preparatory work of the law provides that broadcasters and distributors can make contractual arrangements in relation to the clearance and payment of the right for direct injection, and confirms as well that double payments and 'anomalies' shall be avoided.

By judgment of March 10, 2020 the Court of Appeal of Brussels rendered an interlocutory decision only dealing with "direct injection". The Court decided that exclusive direct injection does not qualify as "cable transmission" (as always has been argued by Telenet) and is one single communication to the public. The Court, however, decided that this communication by the public is done by Telenet as its distribution service is not purely technical in nature. Hence, Telenet needs in principle the authorization from rightholders except if the broadcaster has already obtained copyright clearance for the communication to the public.

Furthermore, the Court of Appeal of Brussels decided that the mere existence of ARI-agreements with broadcasters ("all-rights-included" agreements) is not enough for Telenet to avoid copyright liability. Despite an ARI-agreement in place, the rightholder can always directly claim compensation from Telenet. Telenet, however, can reclaim payment from an ARI-broadcaster.

A new round of trial briefs has been organized to deal with the open questions: which broadcasters fall under the definition of exclusive direct injection, what is the copyright status of non-exclusive direct injection, what is the concrete scope and impact of the ARI-agreements, etc. Also the counterclaims of the collecting societies (including the claims on compensation) will still need to be dealt with. A final judgment on these issues is not to be expected before 2022.

The concrete financial impact of this matter will depend on the qualification of the broadcasting activity and the rights the broadcasters have cleared with the right holders.

## Playright

Playright (formerly Uradex) is a Belgian collecting society and claims neighboring rights fees and damages from distributors such as Telenet for the cable transmission of performances of performers ('uitvoerende kunstenaars') in TV programs distributed between 1 January 2015 and 31 December 2015. A writ of summons from PlayRight has been notified to Telenet on 27 December 2019. Playright and the distributors are currently discussing the terms of a

possible mediation. Meanwhile, separate proceedings have been initiated by Playright against other distributors. Attempts to organize a mediation with all concerned parties are still taking place. Without such mediation, the trial will continue but the Company doesn't have a trial schedule yet. Playright's claim can be opposed as there is no agreement whatsoever about the tariffs and Telenet has concluded an agreement with Agicoa covering Playright's claim for the period concerned.

## Cyclocross

In 2015, Telenet acquired exclusive broadcasting rights with regard to the UCI Worldcup cyclocross races and the Superprestige cyclocross races. On September 16, 2015, Proximus filed a complaint with the Belgian Competition Authority ("BCA"). In the complaint, Proximus alleges that cyclocross broadcasting rights are premium rights and that the acquisition by Telenet of exclusive broadcasting rights on UCI Worldcup races and Superprestige races, without a competitive bidding process, forecloses competing TV-distributors. At the same time, Proximus filed a request for interim measures regarding the Superprestige races.

On November 5, 2015, the BCA partially granted the request for interim measures by giving two alternatives concerning the Superprestige races. Telenet and the organizers of the Superprestige races could either (i) waive the exclusivity and grant sublicenses, or (ii) organize a competitive bidding process. Telenet filed an appeal against the BCA's interim measures decision with the Brussels Court of Appeal. Telenet's appeal was however dismissed on September 7, 2016.

Telenet and the organizers of the Superprestige agreed to waive the exclusivity of the Superprestige broadcasting rights and Proximus obtained a non-exclusive license from the organizers as from season 2016/2017. Furthermore, Telenet voluntarily granted a sublicense to Proximus in respect of the UCI World Cup races.

The BCA's investigation on the merits regarding Proximus' complaint is still ongoing.

## Pylon taxes

Since the second half of the 1990s, certain municipalities and certain provinces have levied local taxes, on an annual basis, on pylons, masts and/or antennas dedicated to mobile telecom services located on their territory, on the basis of various municipal, provincial and regional regulations. These taxes have systematically been contested by Telenet Group NV (formerly BASE Company NV) ("Telenet Group") before the Courts on various grounds.

In particular, Telenet Group has argued that such tax regulations are discriminatory because they apply only to pylons, masts and antennas dedicated to mobile telecom services and not to comparable equipment used for other purposes (whether telecom-related or not). Telenet believes that there is no objective and reasonable justification for such differentiated tax treatment. Telenet is therefore of the view that the contested tax regulations violate the general non-discrimination principle. The Courts have in a number of instances accepted this argument (for example the positive judgments of the Supreme Court of September 25, 2015 and December 20, 2018)), although the Court of Appeal of Brussels has also rejected the discrimination argument in other cases (for example in procedures involving Proximus, Orange Belgium and the commune of Schaarbeek and a procedure involving Telenet Group and the province of Brabant Wallon). There are also several procedures pending before the Supreme Court to clarify the scope of the non-discrimination argument.

Telenet Group NV also takes the view that some of the contested tax regulations violate its property right. The Brussels Court of First Instance has accepted this argument on December 7, 2018 in a case involving Orange Belgium and the commune of Uccle. There was also a question as to whether article 98 §2 of the Belgian law of March 21, 1991 on the reform of certain public economic companies (the "1991 Law") prohibits municipalities from taxing the economic activity of telecom operators on their territories through the presence (whether on public or private domain) of mobile telephone pylons, masts or antennas dedicated to this activity. The Belgian Constitutional Court held on December 15, 2011 that this was not the case. That interpretation was confirmed by the Belgian Supreme Court in its judgments of March 30, 2012.

In the case between Telenet Group NV and the City of Mons, the European Court of Justice ruled on October 6, 2015 that the municipal tax on GSM pylons levied by the City of Mons, as disputed by Telenet Group NV, does not fall within the scope of Article 13 of Directive 2002/20/EC of the European Parliament and of the Council of March 7, 2002 on the authorization of electronic communications networks and services (the "Authorization Directive") and is therefore not prohibited on the basis of Article 13 of the Authorization Directive.

On 15 February 2019, the Flemish Government has adopted a circular letter which includes some recommendations towards the local authorities on how to tax the pylons of the mobile operators. Following the publication of this circular letter, Telenet observes a substantial increase in the number of Flemish communes that levy a tax on the pylons owned by Telenet.

On January 25, 2021, Telenet and the other mobile operators concluded an agreement with the Walloon Region. This agreement includes an undertaking from the Walloon Region not to levy any taxes on telecom infrastructure and a commitment for Telenet to pay €1,39 million for 2021 and 2022 and to invest €3,6 million in telecom infrastructure until end 2021 in the Walloon Region.

Telenet intends to continue challenging any local tax regulations applicable to its mobile telecom equipment. As per 31 December, 2020, Telenet has recognized a provision of €52.3 million in this respect. Telenet and the KPN Group have moreover agreed on certain recourse arrangements in respect of certain (pre-2015) Pylon taxes in their sale and purchase agreement with respect to BASE Company NV. It can however not be excluded that other taxes on telecom equipment will in the future be imposed, which may have a significant negative financial impact on Telenet.

## Lucerne

As from May 2018, Lucerne Capital, a shareholder of Telenet Group Holding NV reporting a 3.06% shareholding (since 10 December 2021 dropped below 3.00% - see 8.3.3 Shareholders), has expressed, through often public correspondence and messaging certain policy proposals towards Telenet Group Holding NV, as well as made certain allegations aimed at Telenet's directors, CEO and majority shareholder, Liberty Global plc. Such proposals and allegations have also been accompanied by the (attempted) exercise by Lucerne of certain shareholder rights in the context of Telenet Group Holding NV's shareholder meetings. On November 12, 2018, Lucerne Capital Management LP served a writ of summons on Telenet Group Holding NV, requesting the Commercial Court to appoint an expert to investigate certain matters in relation to governance, information exchange and related party transactions, in accordance with article 168 of the Belgian Companies Code. Article 168 of the Belgian Companies Code requires the claimant (Lucerne) to prove - among others- grave indications that the interest of the Company is prejudiced or may be prejudiced. On February 13, 2020, the Brussels Enterprise Court (Dutch speaking) ruled the claim by Lucerne Capital Management LP inadmissible for lack of capacity as it itself does not hold shares in Telenet Group Holding NV, while reopening the procedure to allow the parties in the litigation procedure to debate the admissibility of an intervention request made earlier by Lucerne Capital Master Fund LP, and in particular on whether or not such intervention request would qualify as the 'writ of summons' referred to in article 169 of the (old) Belgian Companies Code. This reopened procedure remains pending before the Brussels Enterprise Court. Telenet Group Holding NV's Board has consistently engaged with Lucerne Capital in a constructive manner and denies any allegations of wrongdoing, and maintains that the claim to appoint an expert as referred to above is not admissible and without merit in a case such as Telenet.

### 5.26.2 Other contingent liabilities

In addition to the foregoing items, Telenet has contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues, (iii) disputes over certain contracts and (iv) disputes over programming, copyright fees and alleged patent infringements. While Telenet generally expects that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts Telenet has accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on Telenet's results of operations or cash flows in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, the Company cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

## 5.27 Related parties

The related parties of the Company mainly comprise its shareholders that have the ability to exercise significant influence or control. This consisted of the Liberty Global Consortium for both 2021 and 2020. Related parties further include transactions with Ads & Data NV, Doccle Bv and Doccle.Up NV, Idealabs Telenet Fund NV, Unit-T NV, Eltrona Interdiffusion S.A., Triangle Factory BV, Recneps NV, Streamz BV, Caviar Group NV and SBS Media NV.

The following tables summarize material related party balances and transactions for the period:

### 5.27.1 Statement of financial position

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
<b>Trade receivables</b>		
Liberty Global Consortium (parent)	0.3	0.6
Joint Ventures	1.0	0.4
Associates	0.1	0.1
<b>Trade payables and accrued trade liabilities</b>		
Liberty Global Consortium (parent)	7.6	14.6
Joint Ventures	5.1	1.4
Associates	—	0.7
<b>Loans and borrowings receivable</b>		
Joint Ventures	5.5	4.0
Associates	4.0	5.5
<b>Property and equipment</b>		
Liberty Global Consortium (parent)	11.2	11.5
Associates	32.4	34.1
<b>Other Intangible assets</b>		
Liberty Global Consortium (parent)	5.7	4.4

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

The transactions with the entities of the Liberty Global Consortium mainly consisted of the purchase of certain property and equipment and other services within the normal course of business from Liberty Global Services B.V.

The Company has established a purchase policy including clear rules applicable for all transactions with related parties. The policy includes guidelines on proper review, documentation and approval of such transactions, to ensure that all transactions with Liberty Global Consortium (and other related parties) are in correspondence with corporate decision taking, in conformity with article 7:97 of the Belgian Code of Companies and Associations.

The increase of trade receivables and trade payables of joint ventures mainly relates to higher outstanding positions related to Streamz and Eltrona.

The decrease of trade payables with Liberty Global Consortium is linked to fewer outstanding invoices at the end of the year due to payments before due date of the invoices for Centrally Managed Programs and EOS.

## 5.27.2 Statement of profit or loss and other comprehensive income

(€ in millions)	For the year ended December 31,	
	2021	2020, as restated (*)
<b>Revenue</b>		
Liberty Global Consortium (parent)	2.3	1.9
Joint Ventures	1.7	—
<b>Share in result equity accounted investees</b>		
Joint Ventures	(0.8)	1.2
Associates	1.0	2.3
<b>Operating expenses</b>		
Liberty Global Consortium (parent)	16.2	19.5
Joint Ventures	46.6	18.2
Associates	45.7	46.6

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

In general, costs charged by Liberty Global Consortium include i) specific hardware (external modems and access points) via central purchase contracts, ii) maintenance contracts (third party software which is contracted centrally), iii) treasury services, and iv) marketing costs.

Costs recharged by Telenet to Liberty Global Consortium primarily relate to employee costs: local Telenet employees working on the design and development of a next-generation video platform and implementation of certain features.

Operating expenses for the year ended December 31, 2021 include €92.3 million for transactions with associates and joint ventures, which is a €27.5 million increase compared to the year ended December 31, 2020 and mainly relates to wholesale fees of Streamz. The balance of €92.3 million for the year ended December 31, 2021 mainly consists of i) transactions with Unit-T of €45.6 million, ii) transactions with Streamz NV of €45.6 million, and iii) transactions with Doccle BV €1.2 million.

Operating expenses arising from transactions with Liberty Global Consortium of €16.2 million for the year ended December 31, 2021 mainly relate to the recharge of content costs and content contracts (€8.2 million), centrally purchased maintenance contracts (€4.7 million), technology related contracts (€2.6 million) next to insurance expenses (€0.6 million).

Revenue and other operating income related to transactions with associates and joint ventures was €2.0 million, which primarily related to transactions with Streamz (€0.9 million), Eltrona Interdiffusion (–€2.9 million), Caviar Group (€2.2 million) and Unit-T (€1.6 million).

Revenue generated by transactions with Liberty Global Consortium were €2.3 million for the year ended December 31, 2021 and are the result of various recharge agreements related IP Peering, interconnect and copyright fees.

### 5.27.3 Key management compensation

For purpose of this footnote, key management is identified as people involved in strategic direction of the Company.

(€ in millions)	For the year ended December 31,	
	2021	2020, as restated (*)
Salaries and other short-term employee benefits	6.6	7.2
Post-employment benefits	0.5	0.6
Share-based payments (compensation cost recognized)	15.5	14.7
	<b>22.6</b>	<b>22.5</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## 5.28 Subsidiaries

### 5.28.1 Subsidiaries

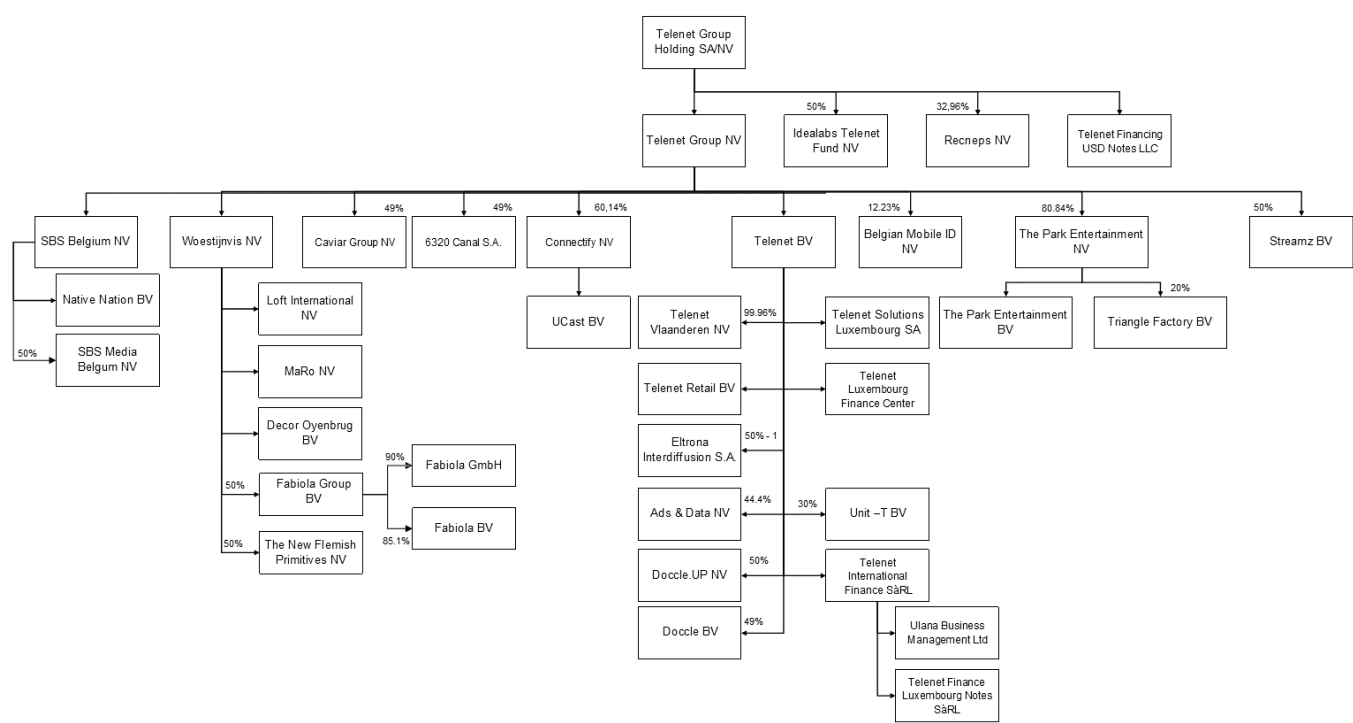
Details of the Company's subsidiaries as of December 31, 2021 are as follows:

Company	National number/ Trade Register number	Registered office	As of December 31, 2021		As of December 31, 2020	
			% Held	Consolidation Method	% Held	Consolidation Method
Telenet Group Holding NV	0477.702.333	Liersesteenweg 4, 2800 Mechelen, Belgium	— %	Parent company	— %	Parent company
Telenet Group NV	0462.925.669	Liersesteenweg 4, 2800 Mechelen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Telenet BV	0473.416.418	Liersesteenweg 4, 2800 Mechelen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Telenet Vlaanderen NV	0458.840.088	Liersesteenweg 4, 2800 Mechelen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Telenet Retail BV	0813.219.195	Liersesteenweg 4, 2800 Mechelen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
The Park Entertainment NV	0695.802.081	Vlaamse Kaai 30, 2000 Antwerpen, Belgium	80.84 %	Fully consolidated	80.84 %	Fully consolidated
The Park Entertainment BV	77794508	Kastanjelaan 1 136,2-136, 5616LH Eindhoven	80.84 %	Fully consolidated	80.84 %	Fully consolidated
Telenet Solutions Luxembourg S.A.	B-73.305	11, rue de l'industrie, L-8399 Windhof, Luxembourg	100 %	Fully consolidated	100 %	Fully consolidated
Telenet International Finance S.à r.l.	B-155.066	11, rue de l'industrie, L-8399 Windhof, Luxembourg	100 %	Fully consolidated	100 %	Fully consolidated
Telenet Luxembourg Finance Center S.à r.l.	B-155.088	11, rue de l'industrie, L-8399 Windhof, Luxembourg	100 %	Fully consolidated	100 %	Fully consolidated
Ulana Business Management Ltd.	536635	Building P2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland	100 %	Fully consolidated	100 %	Fully consolidated
Telenet Financing USD LLC	N/A	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States of America	100 %	Fully consolidated	100 %	Fully consolidated
Telenet Finance Luxembourg Notes S.à r.l.	B-219.682	11, rue de l'industrie, L-8399 Windhof, Luxembourg	100 %	Fully consolidated	100 %	Fully consolidated
Décor Oyenbrug BV	0424.977.784	Harenssesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Maro NV	0473.053.756	Harenssesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
SBS Belgium NV	0473.307.540	Harenssesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Loft International NV	0836.155.638	Harenssesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Native Nation BV	0651.632.241	Doornelei 1, 2018 Antwerpen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Woestijnvis NV	0460.337.749	Harenssesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
The New Flemish Primitives NV	0834.756.660	Huart Hamoiriaan 107, 1030 Schaarbeek, Belgium	50 %	Fully consolidated	50 %	Fully consolidated
Connectify NV	0700.317.531	Sint-Jorisstraat 96, 8730 Beernem, Belgium	60.14 %	Fully consolidated	60.14 %	Fully consolidated
UCast BV	0540.892.685	Sint-Jorisstraat 96, 8730 Beernem, Belgium	60.14 %	Fully consolidated	60.14 %	Fully consolidated



The group chart as of December 31, 2021 was as follows:

Telenet Organization Chart per 31 December 2021



## 5.28.2 Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance VI Luxembourg S.C.A. <sup>(1)</sup>	RCS B.171.030	11, rue de l'industrie, L-8399 Windhof, Luxembourg	0 %	Fully consolidated

(1) Telenet Finance VI Luxembourg S.C.A. was incorporated on August 14, 2012 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VI Luxembourg and 0.01% by Telenet Finance VI S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond(s).

## 5.29 Leases

### 5.29.1 Leases in which the Company is a lessee

Lease liabilities are payable as follows:

(€ in millions)	Total future minimum lease payments		Interest		Future minimum lease payments	
	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)
Within one year	116.7	116.2	24.1	27.2	92.6	89.0
In the second to fifth year, inclusive	301.3	326.2	65.7	71.4	235.6	254.8
Thereafter	231.9	255.6	39.2	43.9	192.7	211.7
<b>Total minimum lease payments</b>	<b>649.9</b>	<b>698.0</b>	<b>129.0</b>	<b>142.5</b>	<b>520.9</b>	<b>555.5</b>

The following table summarizes the obligations per lease type:

(€ in millions)	Total future minimum lease payments		Interest		Future minimum lease payments	
	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)
Canon	488.4	511.0	118.9	126.8	369.5	384.2
Site Rentals	105.8	109.2	7.5	9.1	98.3	100.1
Buildings	30.8	53.7	1.5	5.0	29.3	48.7
Cars	12.5	12.0	0.2	0.3	12.3	11.7
Dark fibre	11.6	12.1	0.9	1.3	10.7	10.8
Laptops	0.8	—	—	—	0.8	—
<b>Total minimum lease payments</b>	<b>649.9</b>	<b>698.0</b>	<b>129.0</b>	<b>142.5</b>	<b>520.9</b>	<b>555.5</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

For the year ended December 31, 2021, the Company recognized interest expenses on lease liabilities for a total amount of €25.8 million (2020: €27.1 million).

The Company does not have any material short term leases, nor leases representing insignificant amounts.

For the year ended December 31, 2021, total cash outflow for leases amounted to €87.3 million (2020: €105.2 million). The Company has no leases with variable lease payments.

Some leases regarding buildings and site rentals contain extension options exercisable by the Company. The Company has determined that the extension options are not 'reasonably certain' to be exercised and are not taken into account in the determination of the lease term. The recognized, as well as the potential future lease payments not included in the recognized lease liabilities as per December 31, 2021 can be summarized as follows:

(€ in millions)	Lease liabilities recognized	Potential future lease payments not included in lease liabilities
Buildings	29.3	16.1
Site Rentals	98.3	49.2
	<b>127.6</b>	<b>65.3</b>

## Canon, Clientele and Annuity agreements

In 1996, the Company acquired the exclusive rights to offer point-to-point services including broadband internet and telephony services, as well as the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales ("PICs"). In return for this access to a part of the PICs' network, the company paid the so-called Clientele and Annuity Fees. The present value of the Clientele and Annuity Fee payments over the first 20 years (being the life of the longest lived assets that were part of the HFC Upgrade) was initially accounted for as network user rights under intangible assets, and was amortized over 10 or 20 years depending on the useful life of the underlying assets that make up the HFC Upgrade.

Upon completion of the Interkabel acquisition in 2008, the company obtained the ownership and control over the entire network, including the obligation beyond 20 years under the original 50 year Clientele fee agreement and now has the right to use the full capacity of the PICs' network. The term of the Canon Lease Agreement is 38 years (of which still 25 years remained at the end of 2021). Under this agreement, the Company pays recurring Canon Fees which together with the Clientele and Annuity Fees grant full access to the PICs' network. The assets capitalized under the Canon Agreement are depreciated over a period of 15 years. The full access rights acquired under the Canon, Clientele and Annuity agreements are recorded as property and equipment (network) as from October 2008 onwards (see note 5.4).

On the additional rights of use on the Telenet PICs Network, acquired under the Canon agreement, a contractual interest rate was agreed upon which was favorable in comparison with the market interest rate at that moment. Therefore, this favorable component on the initial Canon lease was separated in the purchase price allocation and recognized as a debit to the liability of the underlying existing Canon Lease. The favorable Out of Market component on the future Canon leases acquired as part of the business combination was recognized as network user rights under other intangible assets (see note 5.6).

For the year ended December 31, 2021, the average effective borrowing rate for the three above mentioned fees was 6.25% (2020: 6.25%).

The Clientele fees payable beyond 20 years are recognized as a non-lease related debt.

As per December 31, 2021 and 2020, the outstanding liabilities related to the Interkabel agreements, as well as the net book value of the intangible asset can be summarized as follows:

(€ in millions)	December 31, 2021	December 31, 2020, as restated (*)
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	0.6	1.7
Canon agreement	368.2	381.7
Out of Market Component on initial Canon leases acquired as part of a business combination	(0.1)	(0.1)
	<b>368.7</b>	<b>383.3</b>
Outstanding non-lease related Clientele debt		
Clientele fee > 20 years	125.6	125.5
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	15.3	15.9

(\*) We refer to note 5.1.6 **Reporting changes** and note 5.24.1 **Connectify** for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## Other leases

The Company leases certain assets including buildings, vehicles and dark fibre. For the year ended December 31, 2021, the average effective borrowing rate with respect to these formerly finance leases was 2.46% (2020: 3.05%) . All leases are on a fixed repayment schedule and no arrangements include contingent rental payments.

With respect to certain specific transactions, the Company (acting as 'seller-lessee') transfers an asset to another entity ('buyer-lessor') which is subsequently leased back by the Company. In accordance with IFRS 15, the Company determined that it does not satisfy a performance obligation as the control of the underlying asset to the buyer-lessor is not transferred. As a result, these transactions are accounted for as a financing transaction.

### 5.29.2 Leases in which the Company is a lessor

#### Finance leases

Certain customized equipment offerings to business customers qualify as manufacturer or dealer leases. With respect to these finance leases, the Company recognizes (i) revenue, (ii) cost of sales, and (iii) selling profit upon lease commencement in correspondence with its policy for outright sales. At the lease commencement date, the Company recognizes assets held under finance lease as a receivable at an amount equal to the net investment in the lease.

#### Operating leases

Site sharing agreements in which other operators use the pylons that are the property of Telenet, contain a lease and are determined to be operating leases. As a result, the Company does not derecognize the underlying asset. Future contractual rental payments from the lessee are recognized as income and receivables over the lease term as the payments become receivable. In some cases, site sharing agreements are charged upfront for the whole lease period. In such case, this is recognized as deferred lease income.

Lease income from lease contracts in which the Company is a lessor can be summarized as follows:

(€ in millions)	For the year ended December 31, 2021	For the year ended December 31, 2020
Finance leases	1.3	2.5
Operating leases	3.0	3.8
<b>Total lease income</b>	<b>4.3</b>	<b>6.3</b>

As of December 31, 2021, the Company carried the following lease receivables and deferred revenue:

(€ in millions)	Lease receivables				Deferred revenue	
	Finance leases		Operating leases		Operating leases	
	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)	December 31, 2021	December 31, 2020, as restated (*)
Less than one year	1.9	1.9	6.3	3.6	0.1	0.2
<b>Current lease receivables / deferred revenue</b>	<b>1.9</b>	<b>1.9</b>	<b>6.3</b>	<b>3.6</b>	<b>0.1</b>	<b>0.2</b>
One to two years	1.7	2.0	—	—	0.1	0.2
Two to three years	1.0	1.7	—	—	0.1	0.2
Three to four years	0.3	1.0	—	—	0.1	0.2
Five years or more	0.2	0.3	—	—	1.0	1.3
<b>Non-current lease receivables / deferred revenue</b>	<b>3.2</b>	<b>5.0</b>	<b>—</b>	<b>—</b>	<b>1.3</b>	<b>1.9</b>
<b>Total lease receivables / deferred revenue</b>	<b>5.1</b>	<b>6.9</b>	<b>6.3</b>	<b>3.6</b>	<b>1.4</b>	<b>2.1</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

### 5.29.3 Right-of-use assets

The Company leases certain assets including the Canon network, site rentals, buildings, vehicles and dark fibre. Information with respect to the carrying amount, the depreciation expense and the additions of the underlying right-of-use assets for the years ended December 31, 2021 and 2020 is presented in the table below:

(€ in millions)	Land, buildings, and leasehold improvements	Network	Furniture, equipment, and vehicles	Total
<b>Carrying amount of leases included in property and equipment</b>				
December 31, 2021	30.3	425.3	13.5	<b>469.1</b>
December 31, 2020, as restated (*)	52.3	441.6	12.4	<b>506.3</b>
<b>Depreciation expense</b>				
For the year ended December 31, 2021	13.4	70.1	6.6	<b>90.1</b>
For the year ended December 31, 2020	13.5	68.9	6.9	<b>89.3</b>
<b>Additions to right-of-use assets</b>				
For the year ended December 31, 2021	8.0	47.5	7.1	<b>62.6</b>
For the year ended December 31, 2020	23.6	61.0	6.5	<b>91.1</b>

(\*) We refer to note 5.1.6 *Reporting changes* and note 5.24.1 *Connectify* for detailed information regarding the impact of the finalization of the purchase price allocation ("PPA") of the Connectify acquisition.

## 5.30 Subsequent events

### War in Ukraine

Following the Russian invasion of Ukraine on February 24, 2022, Telenet is assessing the impact of the war on its operations. We refer to sections 7.8 and 8.4.3.6 for more information.

## 5.31 External audit

The general shareholders' meeting of April 29, 2020 appointed KPMG Bedrijfsrevisoren BV ("KPMG") as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Götwin Jackers as permanent representative.

Base fees for auditing the annual (consolidated) financial statements of Telenet Group Holding NV and its subsidiaries are determined by the general meeting of shareholders after review and approval by the Company's audit committee and board of directors.

Audit and audit related fees for 2021, in relation to services provided by KPMG, amounted to €1.4 million (2020: €1.33 million), which was composed of audit services for the annual financial statements of €1.34 million (2020: €1.3 million), audit related services of €0.04 million (2020: €0.03 million) and other services €0.02 million (2020: €0). Audit related services mainly related to services in connection with attestation reports required by Belgian Company Law as well as other ad hoc attestation and assurance reports.