FINANCIAL REPORT 2020

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Compliance Statement

The undersigned certify that, to their knowledge:

- The consolidated financial statements which have been prepared in accordance with the applicable standards, give a true and fair view of the equity, financial position and performance of the Company and the entities included in the consolidation;

- The annual report of the Board of Directors gives a fair view on the development and performance of the business and the position of the Company and the entities included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

John Porter	Bert De Graeve
Chief Executive Officer	Chairman

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Consolidated annual report of the board of directors for 2020 to the shareholders of Telenet Group Holding NV

The board of directors of Telenet Group Holding NV has the pleasure to submit to you its consolidated annual report for the year ended December 31, 2020, in accordance with articles 3:6 and 3:32 of the Belgian Code of Companies and Associations.

In this report, the board of directors also reports on relevant corporate governance matters as well as certain remuneration matters. In accordance with article 3:6, §2, 1° of the Belgian Code of Companies and Associations and the Royal Decree of 12 May 2019 the board of directors has decided to adopt the 2020 Belgian Corporate Governance Code as the reference code for corporate governance matters.

Introduction

Definitions

(1) **Rebased information:** For purposes of calculating rebased growth rates on a comparable basis for the periods shown herein, Telenet has adjusted its historical revenue and Adjusted EBITDA to reflect the impact of the following transactions, to the same extent revenue and adjusted EBITDA related to these transactions is included in its current results: (i) include the pre-acquisition revenue and Adjusted EBITDA of De Vijver Media (fully consolidated since June 3, 2019), (ii) exclude the revenue and Adjusted EBITDA of its former Luxembourg cable subsidiary Coditel S.à r.l. (deconsolidated as of April 1, 2020) and (iii) reflect changes related to the IFRS accounting outcome of certain content rights agreements entered into during the third quarter of 2020. Telenet reflects the revenue and Adjusted EBITDA of acquired businesses in our historical amounts based on what it believes to be the most reliable information that is currently available to them (generally pre-acquisition financial statements), as adjusted for the estimated effects of (a) any significant differences between its accounting policies and those of the acquired entities, (b) any significant effects of acquisition accounting adjustments, and (c) other items Telenet deems appropriate. Telenet does not adjust pre-acquisition periods to eliminate nonrecurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As Telenet did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that it has identified all adjustments necessary to present the revenue and Adjusted EBITDA of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in Telenet's historical results or that the pre-acquisition financial statements it has relied upon do not contain undetected errors. In addition, the rebased growth percentages are not necessarily indicative of the revenue and Adjusted EBITDA that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating Telenet's rebased amounts or the revenue and Adjusted EBITDA that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis. Rebased growth is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and is an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

(2) **EBITDA** is defined as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment. **Adjusted EBITDA** is defined as EBITDA before stock-based compensation, measurement period adjustments related to business acquisitions and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets, (ii) due diligence, legal, advisory and other third-party costs directly related to the Company's efforts to acquire or divest controlling interests in businesses, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted EBITDA is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and represents an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure. For a reconciliation of this measure to the most directly comparable EU IFRS measure, see *Discussion of the consolidated financial statements - 2.5 Adjusted EBITDA.*

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

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

(5) **Adjusted Free Cash Flow** is defined as net cash provided by the Company's operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and divestitures and (ii) expenses

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

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

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

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

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

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

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

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

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

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

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

(16) Telenet's **ARPU per mobile subscriber** calculation that excludes interconnect revenue refers to the average monthly mobile subscription revenue per average mobile subscribers in service and is calculated by dividing the average monthly mobile subscription revenue (excluding activation fees, handset sales and late fees) for the indicated period, by the average of the opening and closing balances of mobile subscribers in service for

the period. Telenet's ARPU per mobile subscriber calculation that includes interconnect revenue increases the numerator in the above-described calculation by the amount of mobile interconnect revenue during the period.

(17) **Net total leverage** is defined as the sum of loans and borrowings under current and non-current liabilities minus cash and cash equivalents ("Net Total Debt"), as recorded in the Company's statement of financial position, divided by the last two quarters' Consolidated Annualized Adjusted EBITDA. In its statement of financial position, Telenet's USD-denominated debt has been converted into € using the December 31, 2020 EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the €-equivalent hedged amounts were €2,041.5 million (USD 2,295.0 million Term Loan AR) and €882.8 million (USD 1.0 billion Senior Secured Notes due 2028), respectively. For the calculation of its net leverage ratio, Telenet uses the €-equivalent hedged amounts given the underlying economic risk exposure. Net total leverage is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G.

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

Important reporting changes

Merger between SFR-Coditel and Eltrona: On April 1, 2020, Telenet divested its wholly-owned Luxembourg cable subsidiary Coditel S.à r.l. to Eltrona and acquired a 34% stake in the latter from Post Luxembourg. Following these transactions, Telenet now holds a 50% minus 1 share ownership in Eltrona, the largest cable operator in Luxembourg. As of April 1, 2020, SFR-Coditel is no longer consolidated in Telenet's operational and financial results. Consequently, Telenet removed 47,700 homes passed, 9,500 customer relationships and 18,500 RGUs (video: 9,200 RGUs, broadband: 5,500 RGUs and fixed-line telephony: 3,800 RGUs) from its consolidated subscriber counts.

Allocation of bundle-related subscription revenue: Following the recent revamp of Telenet's broadband internet standalone portfolio, a lower revenue share from its fixed and FMC bundles is allocated to broadband internet revenue as of January 1, 2020. This adversely impacts Telenet's broadband internet revenue, fully offset by a higher allocation to its video, fixed-line telephony and mobile telephony revenue. The aforementioned change also impacts the ARPU per customer relationship (as this excludes mobile telephony revenue), yet does not impact Telenet's total subscription revenue.

Streamz joint venture and Belgian football broadcasting rights: Mid-September, the Company launched "Streamz": A unique streaming service of DPG Media and Telenet, in which Telenet has a 50% shareholding. Consequently, neither the operational nor the financial results of the joint venture itself are consolidated into Telenet's accounts. As the Company offers both "Streamz" and "Streamz+" directly to customers through its digital TV platform, Telenet will continue to include the number of premium entertainment customers to whom it directly serves. The revenue generated by these direct premium entertainment subscribers is unaffected and remains within Telenet's video subscription revenue, while the content-related costs are accounted for as direct costs (programming-related expenses) and hence impacting Telenet's Adjusted EBITDA. In August 2020, the Company signed a five-year agreement with Eleven Sports for the broadcasting of the Belgian football league. Unlike the previous contract, the cost of the new Belgian football contract will be accounted for as a direct cost (programming-related expenses) and hence impacting its Adjusted EBITDA. Both changes have started to impact Telenet's (operating) expenses and Adjusted EBITDA as of the third quarter of 2020. Telenet provides rebased year-on-year changes in order to allow both investors and analysts to assess its financial performance on a like-for-like basis. For more information regarding the variance between Telenet's reported and rebased financial results, Telenet refers to sections 2.11 and 2.12 of this report.

Restated statement of financial position December 31, 2019: In the course of Q1 2020, Telenet completed its accounting for the step acquisition of De Vijver Media concluded on June 3, 2019 ("purchase price allocation"), which resulted in the recognition of €4.6 million deferred tax liabilities through goodwill. The consolidated statement of financial position as per December 31, 2019 has been restated accordingly.

Purchase price allocation for the Native Nation acquisition: The Company's December 31, 2019 statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation ("PPA") and accounting policies alignment for the Native Nation acquisition, which was not yet available at year-end 2019. The fair value adjustment on intangible assets (€6.9 million) mainly related to the acquired trade names (€2.8 million), customer relationships (€2.4 million) and technology (€1.7 million). Together with the deferred tax impact of the above mentioned adjustments (€1.7 million), goodwill was reduced by €5.1 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 (October 18, 2019) and December 31, 2019, and consequently, the consolidated statement of profit and loss and other comprehensive income for the twelve months ended December 31, 2019 has not been restated.

1. Information on the Company

1.1 Overview

Telenet is the largest provider of video services in Belgium. Telenet's hybrid fiber-coaxial ("**HFC**") cable network spans the Flanders region, covers approximately 61% of Belgium by homes passed and includes the metropolitan centers of Antwerp and Ghent and approximately two-thirds of Brussels. Telenet's cable network (the "**Combined Network**") consists of a dense fiber backbone with local loop connections constructed of coaxial cable with spectrum used up to 1.2GHz, powered by the EuroDocsis 3.0 and 3.1 technology with data downstream speeds of up to 1 Gbps across the entire footprint. Telenet Group Holding's shares are listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and it is part of the BEL20 stock market index.

Telenet offers basic and enhanced video, including high definition ("**HD**"), pay television and video-on-demand ("**VOD**") services, high-speed broadband internet and fixed-line and mobile telephony services to residential subscribers who reside in Telenet's network area. Telenet also combines its services into packages, or bundles, which offer subscribers the convenience of being able to purchase video, broadband internet and telephony services from a single provider at an attractive and discounted price. Under the "BASE" brand, Telenet also offers mobile telephony services to residential and business customers across Belgium. In addition, Telenet offers voice and data services, as well as value-added services including cloud, hosting and security solutions, to SMEs and large-sized businesses throughout Belgium and parts of Luxembourg.

At December 31, 2020, Telenet served 2,048,100 unique customer relationships, which represented approximately 61% of the 3,373,000 homes passed by its leading HFC network across its Flemish and Brussels footprint. At December 31, 2020, Telenet provided 4,680,600 fixed services ("**RGUs**") consisting of 1,811,700 video, 1,697,100 broadband internet and 1,171,800 fixed-line telephony subscriptions. Telenet's December 31, 2020 subscriber numbers excluded its former SFR-Coditel customers due to the merger with the Luxembourg cable operator Eltrona. Within Telenet's video mix, approximately 93% of its video subscribers had upgraded to the higher ARPU enhanced video platform at December 31, 2020, leaving just 123,700 analog TV subscribers who will be converted to digital by the end of 2021 as part of Telenet's "Signal Switch" campaign. Enhanced video subscribers enjoy an enriched TV experience with unrestricted access to a wider range of digital, HD and pay television sports, series and movies channels, a vast library of domestic and international VOD content and Telenet's over-the-top ("**OTT**") platform "Yelo Play". At December 31, 2020, Telenet also served 2,815,700 mobile subscribers, of which approximately 86% are subscribed to one of Telenet's attractive mobile or fixed mobile converged ("**FMC**") rate plans.

Telenet reached a bundling rate of 2.29 fixed RGUs per unique customer relationship at December 31, 2020, which was stable compared to December 31, 2019. Approximately 33% of Telenet's cable customers subscribed to a quadruple-play bundle at December 31, 2020 (excluding mobile subscriptions under the BASE brand), a solid increase of nearly 200 basis points compared to December 31, 2019, which underlines the continued appetite of consumers and businesses for its multiple-play value propositions. Telenet's FMC customer base, which represents the sum of its "WIGO", "YUGO" and "KLIK" propositions, reached 641,800 subscribers, up 17% year-on-year and representing 94,400 net new FMC subscribers for the year ended December 31, 2020.

For the year ended December 31, 2020, Telenet generated revenue of €2,575.2 million, which was broadly stable versus the year ended December 31, 2019 in which its revenue reached €2,583.9 million. For the year ended December 31, 2020, Telenet achieved Adjusted EBITDA of €1,378.0 million, which was broadly stable versus the €1,375.4 million it delivered for the year ended December 31, 2019. Telenet's revenue and Adjusted EBITDA reflected certain inorganic impacts such as its acquisition of De Vijver Media (fully consolidated since June 3, 2019) and the divestiture of its former Luxembourg cable business (deconsolidated as of April 1, 2020). Telenet's Adjusted EBITDA for the six months ended December 31, 2020 was also impacted by changes to the IFRS accounting outcome 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 (see ***Important Reporting Changes*** for more information).

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its video services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. For the year ended December 31, 2020, the monthly ARPU per customer relationship reached €58.4, up €0.7 year-on-year, representing a healthy 1% increase compared to the year ended December 31, 2019. Growth in the ARPU per customer relationship was underpinned by (i) a higher proportion of multiple-play subscribers in Telenet's overall customer mix, (ii) a greater share of higher-tier broadband subscribers in Telenet's mix and (iii) the favorable impact of the August 2019 and October 2020 price adjustments. This favorable trend was partly offset by (i) a higher proportion of bundle discounts (including fixed-term promotions), (ii) lower out-of-bundle usage-related revenue and (iii) the effect of the changed allocation of bundle-related subscription revenue as further detailed under ***Important Reporting***

Changes.

1.2 Video

Cable television is the principal medium for the provision of television services in Flanders, and Telenet is the largest provider of video services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's video business has resulted in a steady source of revenue and cash flow. All of Telenet's basic video subscribers have access to at least 21 basic analog television channels. Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay monthly. Telenet's basic video subscribers who have installed a set-top box or CI + module, and activated a smart card, have access to more than 80 digital channels, including 40 HD channels, and approximately 36 digital radio channels, for no additional fee. Telenet offers its basic video services in digital for no additional fee in order to encourage its subscribers to migrate to its enhanced video services giving them access to a more enriched TV experience, including access to electronic program guides ("**EPGs**"), additional thematic content packs, exclusive movies and sports channels and a large VOD library of both local and international programs.

At December 31, 2020, Telenet's total basic and enhanced video customer base reached 1,811,700 RGUs and included the removal of 9,200 video subscribers following the merger of SFR-Coditel with Eltrona. This represented a net organic loss of 45,700 video subscribers for the year ended December 31, 2020. This net loss excludes migrations to Telenet's enhanced video service and represents customers churning to competitors' platforms, such as other digital television, OTT and satellite providers, or customers terminating their video service or moving out of Telenet's service footprint. Within the mix of video subscribers, the proportion of analog basic TV subscribers continued to contract, reaching 123,700 at December 31, 2020. In October 2019, Telenet launched its "Signal Switch" campaign in order to prepare for the switch-off of both the analog radio and video signals by the end of 2021. This will free up capacity on the network for the ever-increasing digital traffic. Telenet decided to temporarily postpone this project as a result of the precautionary measures taken for the COVID-19 crisis. This project will be relaunched again in the course of Q1 2021 and Telenet remains committed to complete the migration by year-end.

1.3 Enhanced video

Telenet's interactive enhanced video service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on-demand basis and a variety of interactive features. Telenet's enhanced video offering is available to all subscribers passed by the Combined Network. At December 31, 2020, 1,688,000 of Telenet's video customers had upgraded to its higher ARPU enhanced video services, enabling them to enjoy an enriched TV experience, including free and unrestricted access to Telenet's "Yelo Play" app, through which they can enjoy a unique content experience on multiple connected devices in the home and out-of-home. This features Telenet's latest digital TV platform, including its next-generation cloud-based set-top box with voice recognition capabilities, which Telenet launched at the end of April 2019. The Telenet TV app is also available on Apple TV and Android TV since mid-December 2020. Through such a media box, customers can transfer their familiar television experience to a second television screen anywhere in the European Union and without an additional decoder. Telenet's enhanced video customer base for the year ended December 31, 2020 modestly contracted by 4,700 net RGUs.

Mid-September, Telenet launched "Streamz": A unique streaming service of DPG Media and Telenet, in which Telenet holds a 50% share. Consequently, neither the operational nor the financial results of the joint venture itself are consolidated into Telenet's accounts. As Telenet offers both "Streamz" and "Streamz+" directly to customers through its digital TV platform, Telenet will continue to include the number of premium entertainment customers to whom it directly serves. The revenue generated by these direct premium entertainment subscribers is unaffected and remains within Telenet's video subscription revenue, while the content-related costs are accounted for as direct costs (programming-related expenses) and hence impacting Adjusted EBITDA. We refer to ***Important Reporting Changes*** for additional information.

Due to the launch of the "Streamz" streaming service, Telenet introduced a new "Streamz+" product and rebranded the former "Play" product into "Streamz" alongside "Play More", which continues to exist. Telenet believes its joint OTT platform is uniquely positioned, combining the best locally produced series of all local broadcasters VTM, Play and Eén, supplemented with must-see international content from HBO, in addition to an extensive kids zone, films and documentaries. Streamz is available to everyone through the Streamz app, online at Streamz.be and through Telenet's digital TV platform. The total number of customers subscribing to premium entertainment packages "Streamz", "Streamz+" and "Play More" was 413,400 at December 31, 2020.

At December 31, 2020, Telenet had 222,100 "Play Sports" customers, representing a net loss of 16,600 subscribers compared to December 31, 2019. This reflected the impact of the COVID-19 pandemic on Telenet's pay television sports channels as most leagues and other major sports events were temporarily halted in Q1 2020, notwithstanding a partial recovery in the second half of 2020 as most leagues resumed. In Q3 2020, Telenet reached an agreement with Eleven Sports for the broadcasting of the Belgian football league. Unlike the previous contract, the cost of the new Belgian football contract will be accounted for as a direct cost (programming-related expenses) and hence impacting Adjusted EBITDA. We refer to ***Important Reporting Changes*** for additional information. In addition, "Play Sports" continues to broadcast several other international football competitions, such as the English Premier League exclusively, and via the international Eleven Sports channels: La Liga, Serie A and Bundesliga 1. Other sports, such as cyclo-cross, basketball, hockey, tennis, golf and motor sports, are also included Telenet's broad sports offering.

1.4 Broadband internet

Telenet is the leading provider of residential broadband internet services in Flanders and parts of Brussels. Today, Telenet offers consumers and businesses data download speeds of up to 1 Gbps, and upload speeds of up to 75 Mbps, respectively. Through Telenet's €500.0 million five-year "Grote Netwerf" investment program, which started in early 2015 and was completed by mid-2019, Telenet boosted the capacity of its network from 600 MHz to 1.2 GHz, enabling data download speeds of at least 1 Gbps. Across its entire footprint, Telenet offers the "GIGA Speedboost" option for an additional €15 per month. Its Gigabit Speedboost customer base at December 31, 2020 grew 98% compared to December 31, 2019.

As customers expect to enjoy seamless superfast connectivity whether at home, at work or on the move, WiFi remains one of the cornerstones of Telenet's connectivity strategy. For the year ended December 31, 2020, Telenet distributed 242,000 WiFi-boosters in order to maximize the in-home connectivity customer experience. This brings the total installed base to 786,000 customers who are equipped with Telenet's in-home plug-and-play connectivity solution, up 44% compared to December 31, 2019. This equals approximately 46% of Telenet's broadband customer base compared to approximately 33% at December 31, 2019. The weighted average data download speed across Telenet's broadband subscriber base further increased to 212 Mbps at December 31, 2020, an increase of 8% compared to December 31, 2019. Moreover, the proportion of customers with access to 300 Mbps download speeds or higher was 43% at December 31, 2020, an increase of 6 percentage points compared to December 31, 2019.

In addition to the increasing appetite for higher speeds, the monthly average fixed data volume used per customer also increased an impressive 46% for the year ended December 31, 2020 compared to the year ended December 31, 2019. On average, customers downloaded 60% more than in the year ended December 31, 2019 with the bulk being used for streaming. In addition, customers increased their use of Telenet's network to stay socially connected, with almost twice as many (+83%) video calls made over Telenet's network and a 30% increase in traffic to social media channels such as Facebook, WhatsApp and Messenger. In a typical year, internet traffic on Telenet's Giga-HFC network increases about 30%. For the year ended December 31, 2020, Telenet saw a doubling of this trend over the course of twelve months.

At December 31, 2020, Telenet served 1,697,100 broadband internet subscribers, including the removal of 5,500 RGUs following the merger of Coditel S.à r.l. with Luxembourg cable operator Eltrona. The favorable trend in Telenet's net broadband subscriber growth continued in 2020, attracting 38,200 net new subscribers to any of its attractive broadband propositions for the year ended December 31, 2020. This marked Telenet's best annual performance since the year ended December 31, 2015. The strong improvement was equally driven by both the consumer and the B2B segment. This underlines again that the ongoing COVID-19 pandemic is driving customer demand for reliable high-speed connectivity solutions. Given the capabilities of Telenet's 1 Gbps HFC network across its entire footprint, Telenet is well positioned for the future. Annualized churn for Telenet's broadband internet propositions decreased significantly from 10.1% for the year ended December 31, 2019 to 7.9% for the year ended December 31, 2020.

1.5 Telephony

1.5.1 Fixed-line telephony

Telenet offers its residential subscribers local, national and international long distance fixed-line telephony services and a variety of value-added features. In Flanders, Telenet believes it is currently the largest competitor of Proximus, the Belgian incumbent operator, due in part to Telenet's emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet's fixed-line telephony subscribers use voice-over- internet protocol ("**VoIP**") technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and fixed-line telephony services.

At December 31, 2020, Telenet served 1,171,800 fixed-line telephony subscribers, representing a 3% decrease compared to December 31, 2019, reflecting an overall declining market trend and the removal of 3,800 RGUs following the aforementioned merger of Telenet's Luxembourg cable business with Eltrona. Relative to December 31, 2019, Telenet's fixed-line telephony subscriber base contracted by 36,900 RGUs on a net organic basis for the year ended December 31, 2020. Relative to the year ended December 31, 2019, annualized churn for Telenet's fixed-line telephony service improved 270 basis points to 9.0% for the year ended December 31, 2020.

1.5.2 Mobile telephony

Telenet offers its mobile telephony services under both the "Telenet" and "BASE" brand names and has entered into several wholesale partnerships, including the Walloon cable operator Nethys and the international provider of prepaid services Lycamobile. Through its own mobile network, Telenet offers its cable customers mobile voice and data services, including 4G/LTE ("**Long Term Evolution**").

Telenet's mobile telephony subscriber base, which excludes subscribers under its commercial wholesale partnerships and its SME customers, totaled 2,815,700 subscribers at December 31, 2020, including 2,433,900 postpaid subscribers. The remaining 381,800 mobile subscribers are prepaid subscribers under the BASE brand. Mainly driven by the success of its FMC offers, Telenet managed to further increase its mobile postpaid subscriber base with 70,100 net new SIMs for the year ended December 31, 2020. Telenet's prepaid subscriber base decreased by 62,800 SIMs for the year ended December 31, 2020, impacted by drastically less footfall in its retail stores because of the COVID-19 pandemic impact and the clean-up of certain SIMs.

1.5.3 Interconnection

Interconnection is the means by which users of one telephony network are able to communicate with users of another telephony network. For a subscriber located on one telephony network to complete a telephone call to an end user served by another telephony network, the subscriber's network service provider must connect to the network serving the end user. Typically, the network serving the end user charges the subscriber's service provider a fee to terminate the communication on its network, which is based on a call set-up charge and on the length of the telephone call. Telenet's principal interconnection agreements are with Proximus and the main telecommunication operators in Belgium. Proximus provided fixed-line telephony services to an estimated 50-60% of the residential and an estimated 60-70% of the business fixed-line market in Belgium according to the most recent Annual Report (2019) from the Belgian Institute for Postal and Telecommunication services ("**BIPT**").

In the premium service mobile business, Telenet connects to content aggregators, and as such provide mobile telephony subscribers access to value-added services. For the purpose of serving its mobile telephony subscribers roaming abroad, Telenet has over 600 bilateral roaming agreements.

Interconnection revenue and expenses have a significant impact on Telenet's financial results. As a result, Telenet is focused heavily on managing this cost. For the year ended December 31, 2020, Telenet incurred interconnection expenses of €151.1 million (€189.7 million for the year ended December 31, 2019). For the year ended December 31, 2020, Telenet received interconnection revenue of €154.2 million (€190.2 million for the year ended December 31, 2019). The year-on-year decrease in both interconnect revenue and expenses is linked to the impact of the COVID-19 pandemic. Telenet reports the interconnection revenue generated by its fixed-line and mobile telephony subscribers under 'Other' revenue, while the incurred interconnection fees are included in 'Direct costs'.

Telenet has been declared an operator with Significant Market Power ("**SMP**") on the market for call termination on an individual fixed public telephone network. Since April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging the interconnection rate of Proximus. Following a court annulment of a final decision on wholesale tariffs issued by the BIPT in 2016, the BIPT issued a new decision in November 2018 that imposes a wholesale tariff of €0.116 cents per minute of January 1, 2019.

In May 2017, the BIPT published its latest decision on the relevant market for "call termination on individual mobile networks". Telenet, as a mobile network operator, has also been designated in the BIPT decision as having SMP. In the decision, the BIPT adopts a bottom-up long-run incremental cost model to calculate tariffs for call termination on individual mobile networks, resulting in a nominal value of €0.99 cents per minute as of July 1, 2017.

The European Commission wants to set the single maximum EU-wide wholesale rates for fixed and mobile voice termination at 0.07 €cents/min and 0.2 €cents/min respectively. The single maximum EU-wide wholesale rates for fixed and mobile voice termination will become effective in July 2021 at the earliest. The maximum wholesale mobile termination rate would be subject to a three-year glide path ending in 2024. Due to the considerable differences between the current fixed termination rates and the final rate, the regulation includes a transitional period during 2021 to allow for a gradual adjustment. By 2022, all fixed operators will be subject to a maximum fixed termination rate of 0.07 €cents/min.

During 2020, COVID-19 had a significant impact on Telenet's interconnect business. At the start of the pandemic, voice traffic increased significantly, eventually stabilizing during the later part of the year. SMS and roaming traffic, however, declined during the lockdown.

1.6 Business services

Under the "Telenet Business" brand, Telenet offers a range of voice, data and internet products and services that are tailored to the size and needs of each customer. Telenet Business also offers its business customers an extensive range of reliable value-added services, including hosting, managed security and cloud services. Telenet provides services to business customers throughout Belgium and parts of Luxembourg. Telenet's business customers include SMEs, larger corporations, public, healthcare and educational institutions, and carrier customers that include international voice, data and internet service providers. The Company expanded its offering through the acquisition of local ICT integrator Nextel on May 31, 2018. This acquisition has put Telenet Business in a stronger position to create more competition in the business market. It is now able to offer all-in-one solutions to medium-sized and large companies.

The revenue reported under business services relates to (i) the revenue generated on non-coax products, including fiber and leased DSL lines, (ii) mobile telephony revenue generated by Telenet's SME customers, (iii) Telenet's carrier business and (iv) 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 its flagship "KLIK" bundle, is allocated to the cable subscription revenue lines and is not captured within Telenet Business, Telenet's business services division.

Telenet Business generated revenue of €207.7 million for the year ended December 31, 2020, representing a 1% and 2% year-on-year increase on a reported and rebased basis, respectively. The increase was mainly driven by (i) higher fixed telephony revenue driven by good performance of the ICT integrator and cloud services, (ii) higher security revenues and (iii) growing revenue on Telenet's Corporate Fibernet portfolio which fully offset (iv) lower mobile data usage revenues for SME due to COVID-19 and (v) lower interconnect revenue given the declining trend in traditional SMS usage.

1.7 Network

In 1996, Telenet acquired the exclusive right to provide point-to-point services, including broadband internet and fixed-line telephony services, and the right to use a portion of the capacity of the broadband communications network owned by the pure intermunicipalities (the "**PICs**"), the Partner Network. Currently, under the PICs Agreement, Telenet has full rights to use substantially all of the Partner Network under a long-term lease (***erfpacht/emphythéose***) entered into in 2008 for an initial period of 38 years, for which Telenet is required to pay recurring fees in addition to the fees paid under certain pre-existing agreements with the PICs.

In June 2020, Fluvius and Telenet began discussions surrounding the potential to build a data network of the future in Flanders. The aim of these talks in the context of this market survey is to realize a data network of the future for everyone in Flanders in the coming years. For some time now, Fluvius has been concerned that in the long run a new digital divide may arise in Flanders, with certain regions and customers gaining access to new, faster data connections and others completely lagging behind. The network company has been probing current market players for several years in hopes of finding a partner to make this goal a reality with, and Telenet was chosen.

Beginning in early 2019, Fluvius set up a pilot project in which an open Fiber-To-The-Home ("**FTTH**") network was installed in 15,000 homes in five cities and municipalities (Antwerp, Diksmuide, Ghent, Genk and Poperinge). Fluvius only provides the open fiber infrastructure without offering any services. Telecom players wishing to do so can then use this same technical network to offer potential customers their services. Customers can more easily change their telecom supplier, without the need for any technical work in their home. Telenet shares Fluvius's ambition to continue building the network of the future. Thanks to Telenet's continuous investments over the years to modernise and upgrade the entire cable network, Telenet can already offer Internet speeds of 1 Gbps to everyone in Flanders. The talks that Fluvius started with Telenet are the starting point of a process to see whether the parties can come to an agreement to also roll out FTTH technology. This is in line with the strategy Telenet has developed in recent years, with the company making the most of a combination of HFC and fibre-optic technology. An over the years increasing and balanced proportion of FTTH will be a logical next step to build a next generation network, guaranteeing Flanders a leading position for data infrastructure in the coming decades.

Telenet refers to the Combined Network when describing the combination of its own network and the Partner Network. Through the Combined Network, Telenet provides video in analog, digital and HD formats, broadband internet and fixed-line telephony services to both residential and business customers who reside in its service area. The Combined Network consists of a dense fiber optic backbone network with local loop connections consisting of coaxial cable with a minimum capacity of 1.2 GHz, powered by EuroDocsis 3.0 and 3.1 technology with download speeds of up to 1 Gbps over the entire footprint. As a result, Telenet can now offer download speeds of up to 1 Gbps to both residential and business customers throughout its footprint. Telenet's Combined Network assets include approximately 12,000 kilometers of fiber backbone, of which Telenet owns 7,300 kilometers, utilizes approximately 2,600 kilometers pursuant to long-term leases and has access to 2,100 kilometers through its agreements with the PICs. The fiber backbone connects to approximately 68,000 kilometers of coaxial local loops, of which 50,000 kilometers is in the Telenet Network and the balance is in the Partner Network. Telenet owns the primary and secondary fiber backbone on the Combined Network and the fiber and coaxial cable on the Telenet Network. The PICs own the additional fiber and the coaxial cable included in the HFC access loops on the Partner Network.

In addition to its HFC network, Telenet offers services to business customers across Belgium and in parts of Luxembourg through a combination of electronic equipment that it owns and fiber that is predominantly leased. Telenet has also installed equipment necessary to provide voice, data and internet services using Digital Subscriber Line ("**DSL**") technology. DSL technology enables Telenet to serve business customers that are not close to the Combined Network in a more cost effective manner.

Telenet’s fiber backbone is running All-IP and carries all of its communications traffic. Telenet also uses fully converged multi protocol label switching ("**MPLS**") to route its IP traffic, which enables it to more efficiently tag data to better manage traffic on the Combined Network. This means, for example, that voice packets can be given priority over data packets to avoid interruption to voice communications.

Customers connect to the Combined Network through a coaxial connection from one of Telenet’s nodes. Amplifiers are used on the coaxial lines to strengthen both downstream and return path signals on the local loop. Network quality usually deteriorates as customer penetration rates on any particular node increases. When required, the scalability of Telenet’s network enables it to address this problem, within limits, through node splits. Telenet uses node splits, among other measures, to manage potential congestion in certain parts of the Combined Network.

Telenet’s network operating center in Mechelen, Belgium, monitors performance levels on the Combined Network on a continuous basis. Telenet has a separate disaster recovery site for back office systems, and its network has been designed to include redundant features to minimize the risk of network outages and disasters with the fiber optic rings designed to reroute traffic in the opposite direction around the ring in the event that a section of the ring is cut. Telenet has insured its buildings, head end stations, nodes and related network equipment against fire, floods, earthquakes and other natural disasters, but is not insured against war, terrorism (except to a limited extent under its general property insurance) and cyber risks. Telenet carries insurance on its fiber optic network up to a capped amount, but does not carry property damage insurance for its coaxial network.

Through the BASE acquisition in 2016, Telenet owns its own mobile infrastructure throughout the whole of Belgium. Since the acquisition, Telenet has upgraded all of its approximately 3,200 sites and deployed 595 new sites since that time. Telenet also successfully launched new Voice-over-WiFi -and Voice-over-LTE services, improving indoor coverage and delivering HD sound quality. At the end of 2020, the high quality of Telenet's mobile network was recognized again by the BIPT, the national telecoms regulator in Belgium. The September-October 2020 drive tests revealed Telenet delivers the highest mobile download speeds of an impressive 99.5 Mbps on its 4G+ network.

1.8 Strategy

2019 marked the start of a new business cycle for Telenet with a new three-year strategic plan. Telenet will continue to invest to provide its customers with leading connected entertainment, easy-to-use business solutions, innovative digital services and an amazing customer experience. Telenet believes it is poised to be a market leader in Belgium by pursuing its 2019-2021 strategy, which is built on five cornerstones:

1. Grow Telenet's customer relationships by providing greater digital value to its customers. Telenet wants to be the leading connectivity provider in Flanders and Brussels, and aims to create true customer value by building on its unique positioning in converged connected entertainment. By gaining full ownership of De Vijver Media in May 2019, Telenet solidified its position as a media player, and Telenet is convinced this investment will help provide oxygen to the local media ecosystem.

2. Accelerate growth in the business segment by differentiating through Telenet's human touch. In 2019, Telenet completed the integration of Nextel, laying a strong foundation for future growth with value-adding ICT solutions and services that are fully personalized to the needs of its customers.

3. Build a deep customer-centric experience, underpinned by a digital-first approach and radical simplification. Telenet wants to create highly personalized customer touchpoints by leveraging the power of data and digital. A radical simplification of Telenet's IT landscape and operating model will help us transform to digital first.

4. Continue to thrive via networks tailored to customers’ needs, and flexible platforms. In 2019, Telenet completed the modernization of its fixed and mobile networks. Telenet boosted the capacity of its fixed network to 1.2 GHz, enabling data download speeds of up to 1 Gbps and upload speeds of up to 75 Mbps. By expanding the fixed network to more than three million connectable houses and businesses in Belgium, Telenet is creating the largest GIGA Internet region in Europe. Telenet will continue its network investments with a key focus on the acquisition of spectrum and the rollout of 5G in its footprint.

5. Empower employees to create value through team collaboration. In 2019, Telenet embarked on a journey to transform the Company into an agile organization with more empowered, autonomous and expert-driven teams. This transformation is underpinned by a culture of innovation, entrepreneurship, learning agility and resilience. Telenet is heavily investing in providing training and coaching to its employees so they can adapt to the new agile way of working.

2. Discussion of the consolidated financial statements

2.1 Revenue by service

For the year ended December 31, 2020, Telenet generated revenue of €2,575.2 million, which was broadly stable versus the year ended December 31, 2019 in which its revenue reached €2,583.9 million. Telenet's revenue for the year ended December 31, 2020 included a full year contribution from the local media company De Vijver Media NV, of which Telenet acquired the remaining 50% stake on June 3, 2019 and which has been fully consolidated as of then. As of April 1, 2020, Telenet's financial results no longer include the contribution of its Luxembourg cable subsidiary Coditel S.à r.l., which has been merged into Eltrona in which Telenet holds a 50% minus 1 share shareholding. Excluding both inorganic effects, Telenet's rebased revenue for the year ended December 31, 2020 decreased almost 2% (-1.9%) compared to the year ended December 31, 2019 and mainly reflected an 11% decrease in other revenue as a result of the COVID-19 pandemic, as further described below.

Excluding other revenue, Telenet's rebased revenue for the year ended December 31, 2020 remained broadly stable (+0.4% year-on-year), in line with its revised full year guidance as presented at the end of April. As such, Telenet delivered on its full year rebased revenue guidance of around -2% with a broadly stable trend when excluding other revenue. This broadly stable trend was driven by (i) continued solid momentum for Telenet's FMC bundles in both the residential and the business segments, (ii) the uptiering of broadband customers to higher speed bundles and (iii) the benefit of the August 2019 and October 2020 rate adjustments. This effect was almost fully offset by a 2% decrease in video subscription revenue, reflecting the impact of the COVID-19 pandemic on Telenet's pay television sports offerings and lower transactional video-on-demand revenue.

For further information on Telenet's rebased financials, we refer to 2.11 *Reconciliation between reported and rebased financial information* and note 5.19 to the consolidated financial statements of the Company.

2.1.1 Video

Video revenue represents the monthly fee paid by Telenet's video subscribers for the channels they receive in the basic tier and the revenue generated by its enhanced video subscribers which primarily includes (i) recurring set-top box rental fees, (ii) fees for supplemental premium content offerings, including Telenet's subscription VOD packages "Streamz", "Streamz+" "Play More" and "Play Sports" and (iii) transactional and broadcasting-on-demand services. For the year ended December 31, 2020, Telenet's video revenue amounted to €559.0 million, representing a 3% decrease compared to the year ended December 31, 2019 on a reported basis. On a rebased basis, which excludes the inorganic impact from the sale of Telenet's Luxembourg cable business in April 2020, video revenue fell 2% year-on-year. A greater revenue share from Telenet's FMC bundles alongside the benefit from certain rate adjustments were more than offset by the impact of the COVID-19 pandemic on its pay television sports offerings and lower transactional video-on-demand revenue caused by certain delays in the release of new blockbuster movies and series.

2.1.2 Broadband internet

The revenue generated by Telenet's residential and small business broadband internet RGUs totaled €654.9 million for the year ended December 31, 2020, which was broadly stable compared to the year ended December 31, 2019, both on a reported and rebased basis. Following the recent revamp of Telenet's broadband standalone portfolio, a lesser revenue share from its fixed and FMC bundles is allocated to broadband internet revenue since January 1, 2020. This had an adverse impact on Telenet's broadband internet revenue, fully offset by a higher allocation to its video, fixed-line telephony and mobile telephony revenue. This shift in Telenet's revenue mix fully offset (i) higher SOHO B2B-related broadband revenue driven by strong "KLIK" FMC bundle sales, (ii) the August 2019 and October 2020 price adjustments, (iii) the continued uptiering of Telenet's broadband internet customer base and (iv) the positive churn impact of COVID-19.

2.1.3 Fixed-line telephony

Fixed-line telephony revenue includes recurring subscription-based revenue from Telenet's fixed-line telephony subscribers and variable usage-related revenue, but excludes the interconnect revenue generated by these customers, which is reported under other revenue. For the year ended December 31, 2020, Telenet's fixed-line telephony revenue increased 3% year-on-year on both a reported and rebased basis to €225.2 million. The increase was mainly attributable to (i) the favorable impact from the aforementioned reallocation of fixed and FMC bundle revenue, (ii) the August 2019 and October 2020 price adjustments and (iii) higher usage-related revenue as a result of increased fixed-line calling behavior during the COVID-19 pandemic.

2.1.4 Mobile telephony

Mobile telephony revenue represents the subscription-based revenue generated by Telenet's direct mobile telephony subscribers and out-of-bundle revenue, but excludes (i) the interconnect revenue generated by these customers, (ii) the revenue earned from handset sales and (iii) revenue recognized under "Choose Your Device" programs, which are all recorded in other revenue. For the year ended December 31, 2020, Telenet generated mobile telephony revenue of €451.2 million, representing a year-on-year increase of just over 1% on both a reported and rebased basis. The increase was mainly attributable to the favorable impact from the aforementioned reallocation of fixed and FMC bundle revenue and continued solid net postpaid subscriber growth, driven by up -and cross-sell to Telenet's high-tier FMC bundles. These tailwinds were almost fully offset by (i) lower out-of-bundle revenue generated by Telenet's mobile subscribers in excess of their monthly bundle on the back of Telenet's improved "WIGO" quad-play bundles and the shift to unlimited standalone mobile offers on both Telenet and BASE brands, (ii) lower prepaid revenue following a continued decline in the number of prepaid subscribers and reduced top-ups as a result of the COVID-19 pandemic and (iii) higher bundle-related discounts following the success of Telenet's quad-play "WIGO" propositions.

2.1.5 Business services

The revenue reported under business services relates to (i) the revenue generated on non-coax products, including fiber and leased DSL lines, (ii) mobile telephony revenue generated by Telenet's SME customers, (iii) Telenet's carrier business and (iv) 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 its 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 Business generated revenue of €207.7 million for the year ended December 31, 2020, representing a 1% and 2% year-on-year increase on a reported and rebased basis, respectively. The increase was mainly driven by (i) higher fixed telephony revenue driven by good performance of the ICT integrator and cloud services, (ii) higher security revenues and (iii) growing revenue on Telenet's Corporate Fibernet portfolio which fully offset (iv) lower mobile data usage revenues for SME due to COVID-19 and (v) lower interconnect revenue given the declining trend in traditional SMS usage.

2.1.6 Other

Other revenue primarily includes (i) interconnect revenue from both Telenet's fixed-line and mobile telephony customers, (ii) advertising and production revenue from De Vijver Media NV, which Telenet fully consolidated as of June 3, 2019, (iii) mobile handset sales, including the revenue earned under "Choose Your Device" programs, (iv) wholesale revenue generated through both Telenet's commercial and regulated wholesale businesses, (v) product activation and installation fees and (vi) set-top box sales revenue.

Telenet's other revenue reached €477.2 million for the year ended December 31, 2020, a decline of 2% on a reported basis, following a full year contribution from De Vijver Media, as opposed to only seven months in the year ended December 31, 2019. On a rebased basis, Telenet's other revenue sharply declined by 11% year-on-year, reflecting (i) a rebased 19% decline in interconnect revenue because of lower SMS traffic and decreased roaming visitors revenue mainly due to COVID-19, (ii) a rebased 14% decline in advertising and production revenue at De Vijver Media and (iii) a rebased 14% decline in revenue from handset sales.

2.2 Total expenses

For the year ended December 31, 2020, Telenet incurred total expenses of €1,981.1 million, representing a 4% increase compared to the year ended December 31, 2019. Telenet's total expenses for the year ended December 31, 2020 reflected (i) the aforementioned inorganic impacts from the De Vijver Media acquisition and the merger of SFR-Coditel into Eltrona and (ii) a €32.9 million goodwill impairment charge on De Vijver Media following the re-assessment of their strategic long-range plan. Total expenses represented approximately 77% of revenue for the year ended December 31, 2020 (for the year ended December 31, 2019: approximately 73%).

Telenet's operating expenses, which include (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, decreased nearly 1% on a reported basis for the year ended December 31, 2020 despite the aforementioned inorganic impacts and changes to the IFRS accounting outcome 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 (see ***Important Reporting Changes*** for additional information). On a rebased basis, Telenet's operating expenses for the year ended December 31, 2020 decreased almost 5% compared to the year ended December 31, 2019. This was predominantly driven by (i) an 8% decrease (€46.1 million) in direct costs due to significantly lower interconnect and roaming expenses and lower costs related to handset purchases during the COVID-19 pandemic, (ii) a 26% decline (€9.8 million) in outsourced labor expenses, (iii) a 4% reduction (€4.3 million) in sales and marketing expenses mainly due to lower commercial activity in H1 2020 because of the COVID-19 pandemic, notwithstanding a pick-up in H2 2020 as a result of stepped-up commercial activity, and (iv) a 2% decrease in indirect costs, mainly driven by lower IT and outsourced call center expenses.

For further information on our rebased financials, we refer to 2.11 *Reconciliation between reported and rebased financial information*.

2.2.1 Cost of services provided

Cost of services provided as a percentage of revenue represented approximately 54% for the year ended December 31, 2020 (for the year ended December 31, 2019: approximately 52%)

2.2.2 Selling, general and administrative expenses

Selling, general and administrative expenses represented approximately 23% of Telenet's total revenue for the year ended December 31, 2020 (for the year ended December 31, 2019: approximately 21%).

2.3 Expenses by nature

2.3.1 Network operating expenses

Network operating expenses for the year ended December 31, 2020 were €198.2 million, an increase of over 1% year-on-year on both a reported and a rebased basis. The increase relates to higher core network expenses and a greater proportion of technical customer visits, reflecting an increase in homeworking as a result of the COVID-19 pandemic.

2.3.2 Direct costs (programming and copyrights, interconnect and other)

Telenet's direct costs include all of its direct expenses such as (i) programming and copyright costs, including, as of Q3 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, 2020, Telenet's direct costs were €514.4 million, a 2% decrease compared to the year ended December 31, 2019. On a rebased basis, Telenet's direct costs for the year ended December 31, 2020 decreased 8% year-on-year due to significantly lower interconnect and roaming expenses and lower programming costs.

2.3.3 Staff-related expenses

Staff-related expenses for the year ended December 31, 2020 were €271.1 million, which represented an increase of 4% compared to the year ended December 31, 2019 and reflected the aforementioned inorganic impacts. On a rebased basis, staff-related expenses for the year ended December 31, 2020 increased almost 1% relative to the year ended December 31, 2019, reflecting a higher average headcount compared to the year ended December 31, 2019.

2.3.4 Sales and marketing expenses

Telenet's sales and marketing expenses for the year ended December 31, 2020 were €95.6 million representing a 1% year-on-year decrease due to the impact of COVID-19 on its marketing and retail activity. On a rebased basis, sales and marketing expenses for the year ended December 31, 2020 decreased 4% year-on-year, largely for the same reason

2.3.5 Outsourced labor and professional services

Costs related to outsourced labor and professional services for the year ended December 31, 2020 were €28.4 million, a 26% decrease both on a reported and rebased basis as a result of the COVID-19 pandemic and continued tight cost control.

2.3.6 Other indirect expenses

Other indirect expenses reached €89.5 million for the year ended December 31, 2020, representing a 1% decrease compared to the year ended December 31, 2019 on a reported basis. On a rebased basis, other indirect expenses decreased 2% year-on-year, mainly driven by lower IT expenses and Telenet's continued focus on operating leverage and tight cost control.

2.3.7 Depreciation, amortization and restructuring, incl. impairment of long-lived assets and gain on disposal of assets

Depreciation and amortization, including impairment of long-lived assets, gain on disposal of assets and restructuring charges, reached €749.4 million for the year ended December 31, 2020 compared to €676.2 million for the year ended December 31, 2019 and included the aforementioned €32.9 million goodwill impairment charge.

For further information on our rebased financials, we refer to ***Definitions*** and the Investor & Analyst Toolkit, which can be retrieved from the Company's investor relations website.

For further information, we refer to note 5.20 to the consolidated financial statements of the Company.

2.4 Net result

2.4.1 Finance income and expenses

For the year ended December 31, 2020, net finance expense totaled €233.1 million compared to net finance expense of €332.2 million for the year ended December 31, 2019, representing a 30% improvement year-on-year. Finance income increased from €24.7 million for the year ended December 31, 2019 to €241.1 million for the year ended December 31, 2020. The substantial year-on-year increase primarily reflected a €240.2 million non-cash foreign exchange gain on Telenet's USD-denominated debt in the year ended December 31, 2020, as compared to a €23.9 million non-cash gain on derivatives for the year ended December 31, 2019. As detailed under 2.8 ***Debt profile, cash balance and net total leverage ratio***, Telenet's USD-denominated debt has been hedged until the respective maturity dates, hence minimizing the impact of foreign exchange fluctuations on its cash flows. Finance expense for the year ended December 31, 2020 increased 33% to €474.2 million from €356.9 million for the year ended December 31, 2019. Finance expense for the year ended December 31, 2020 included a (i) €252.2 million non-cash loss on derivatives, (ii) €206.8 million of net interest expense, foreign exchange loss and other finance expenses (-33% year-on-year) and (iii) a €15.2 million loss on the extinguishment of debt following the January 2020 refinancing of both Telenet's euro and USD-denominated term loan facilities.

For further information, we refer to note 5.21 to the consolidated financial statements of the Company.

2.4.2 Gain on the disposal of shares related to a subsidiary or joint venture

For the year ended December 31, 2020, Telenet recorded a €27.5 million gain on the disposal of shares in a subsidiary.

2.4.3 Income taxes

Telenet recorded income tax expense of €50.7 million for the year ended December 31, 2020 compared to €117.9 million for the year ended December 31, 2019. Telenet's income tax expense for the year ended December 31, 2020 was favorably impacted by the recognition of the innovation income tax deduction.

For further information, we refer to note 5.22 to the consolidated financial statements of the Company

2.4.4 Net profit

Telenet realized a net profit of €338.5 million for the year ended December 31, 2020 compared to €234.6 million for the year ended December 31, 2019. The 44% increase in Telenet's net profit was primarily driven by (i) significantly lower net finance expense in the period, (ii) lower income tax expense as mentioned above and (iii) the aforementioned gain on the disposal of shares in a subsidiary. For the year ended December 31, 2020, Telenet achieved a healthy net profit margin of 13.1% compared to a net profit margin of 9.1% for the year ended December 31, 2019.

2.5 Adjusted EBITDA

For the year ended December 31, 2020, Telenet achieved Adjusted EBITDA of €1,378.0 million, which was broadly stable versus the €1,375.4 million Telenet delivered for the year ended December 31, 2019. Telenet's Adjusted EBITDA for the year ended December 31, 2020 included the impacts of (i) Telenet's acquisition of De Vijver Media (fully consolidated since June 3, 2019), (ii) the divestiture of Telenet's former Luxembourg cable business (deconsolidated as of April 1, 2020) and (iii) changes to the IFRS accounting outcome 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 (see *Important Reporting Changes* for more information). On a rebased basis, excluding these impacts, Telenet's Adjusted EBITDA for the year ended December 31, 2020 increased modestly by 0.5%, driven by (i) an 8% decrease in direct costs, (ii) a 26% decline in outsourced labor expenses, (iii) a 4% reduction in sales and marketing expenses and (iv) a 2% decrease in indirect costs. As such, Telenet delivered on its upgraded rebased Adjusted EBITDA outlook for the year ended December 31, 2020, from a decline of around 1% previously, to broadly stable, which Telenet communicated through its Q3 2020 results publication. Telenet achieved an Adjusted EBITDA margin of 53.5% for the year ended December 31, 2020 as compared to 53.2% for the year ended December 31, 2019. On a rebased basis, Telenet succeeded in expanding its Adjusted EBITDA margin by 130 basis points versus the year ended December 31, 2019.

For further information on our rebased financials, we refer to 2.11 *Reconciliation between reported and rebased financial information*.

(in millions of euro)	**For the years ended December 31,**	
	2020	**2019**
Profit for the period	**338.5**	**234.6**
Income tax expense	50.7	117.9
Share of the result of equity accounted investees	(0.7)	0.9
Gain on disposal of assets/liabilities related to a subsidiary or a joint venture	(27.5)	(0.1)
Net finance expense	233.1	332.2
Depreciation, amortization, impairment and gain on disposal of assets	743.9	675.5
EBITDA	**1,338.0**	**1,361.0**
Share based compensation	29.8	13.0
Operating charges related to acquisitions or divestitures	5.3	0.7
Restructuring charges	5.5	0.7
Measurement period adjustments related to business acquisitions	(0.6)	—
Adjusted EBITDA	**1,378.0**	**1,375.4**
Adjusted EBITDA margin	53.5 %	53.2 %
Net profit margin	13.1 %	9.1 %

2.6 Capital expenditures

Accrued capital expenditures for the year ended December 31, 2020 reached €597.0 million, an increase of nearly 2% versus the year ended December 31, 2020 and equivalent to approximately 23% of revenue. Telenet's accrued capital expenditures for the year ended December 31, 2020 included the impacts of (i) Telenet's acquisition of De Vijver Media (fully consolidated since June 3, 2019), (ii) the divestiture of Telenet's former Luxembourg cable business (deconsolidated as of April 1, 2020), (iii) significantly higher lease-related capital additions and (iv) the recognition of certain football broadcasting rights for the Jupiler Pro League. Telenet's accrued capital expenditures for the year ended December 31, 2019 included the recognition of the English Premier League broadcasting rights for a period of three seasons. Under EU IFRS, these football broadcasting rights have been capitalized as an intangible asset and will be amortized as the seasons progress. Excluding the recognition of the football broadcasting rights and certain lease-related capital additions in both periods, consistent with the basis of Telenet's 2018-2021 Operating Free Cash Flow CAGR guidance, accrued capital expenditures for the year ended December 31, 2020 decreased modestly by 1% year-on-year and represented around 21% of revenue for the year ended December 31, 2020.

Capital expenditures related to customer premises equipment, which includes Telenet's spending on set-top boxes, modems and WiFi powerlines represented €93.8 million for the year ended December 31, 2020. This 2% year-on-year decrease is largely attributable to the COVID-19 pandemic and the higher investment levels in 2019 related to Telenet's successful in-home connectivity campaigns and launch of Telenet's next-generation set-top box. Capital expenditures related to customer premises equipment for the year ended December 31, 2020 represented approximately 16% of Telenet's total accrued capital expenditures (excluding the recognition of certain football broadcasting rights).

Accrued capital expenditures for network growth and upgrades amounted to €77.6 million for the year ended December 31, 2020, marking a 29% decrease compared to the year ended December 31, 2019 and predominantly reflected the completion of both Telenet's fixed and mobile network infrastructure improvement programs and, to a lesser extent, the impact of COVID-19 on Telenet's field operations. For the year ended December 31, 2020, network-related capital expenditures represented approximately 13% of total accrued capital expenditures (excluding the recognition of certain football broadcasting rights).

Capital expenditures for products and services, which reflects Telenet's investments in product development and the upgrade of Telenet's IT platforms and systems, amongst others, totaled €153.4 million for the year ended December 31, 2020. This represents a strong 37% year-on-year increase, reflecting higher spending on Telenet's IT upgrade program. Capital expenditures for products and services represented approximately 26% of total accrued capital expenditures for the year ended December 31, 2020 (excluding the recognition of certain football broadcasting rights).

The remainder of Telenet's accrued capital expenditures includes (i) refurbishments and replacements of network equipment, (ii) sports and programming acquisition costs, including certain content acquired by De Vijver Media, (iii) certain recurring investments in Telenet's IT platform and systems and (iv) lease-related capital additions. These reached €272.2 million for the year ended December 31, 2020, representing a 1% increase compared to the year ended December 31, 2019.

The above implies that approximately 55% of Telenet's accrued capital expenditures for the year ended December 31, 2020 (excluding the recognition of certain football broadcasting rights) were scalable and subscriber growth related. Telenet continues to closely monitor its capital expenditures in order to drive incremental returns.

(in millions of euro)	**For the years ended December 31,**	
	2020	**2019**
Accrued capital expenditures	**597.0**	**586.9**
Assets acquired under capital-related vendor financing arrangements	(80.8)	(210.6)
Assets acquired under lease agreements	(90.6)	(64.1)
Changes in current liabilities related to capital expenditures	46.2	99.7
Cash capital expenditures, net	**471.8**	**411.9**

2.7 Operating Free Cash Flow

Telenet yielded an Operating Free Cash Flow of €787.0 million for the year ended December 31, 2020 compared to €821.3 million for the year ended December 31, 2019. The 4% year-on-year decrease was mainly driven by higher lease-related capital additions. On a rebased basis and excluding the recognition of football broadcasting rights and the impact of certain lease-related capital additions on Telenet's accrued capital expenditures, Telenet's Operating Free Cash Flow for the year ended December 31, 2020 was up almost 3% versus the year ended December 31, 2019, outperforming its FY 2020 outlook of between 1-2%.

(in millions of euro)	**For the years ended December 31,**	
	2020	**2019**
Adjusted EBITDA	**1,378.0**	**1,375.4**
Accrued capital expenditures	(597.0)	(586.9)
Recognition of football broadcasting rights	6.0	32.8
Accrued capital expenditures excluding recognition of football broadcasting rights	**(591.0)**	**(554.1)**
Operating Free Cash Flow	**787.0**	**821.3**

2.8 Cash flow and liquidity

For further information, we refer to the consolidated statement of cash flows of the Company.

2.8.1 Net cash from operating activities

For the year ended December 31, 2020, Telenet's operations yielded €1,057.4 million of net cash compared to the €1,092.5 million Telenet generated for the year ended December 31, 2019. The net cash from Telenet's operating activities for the year ended December 31, 2020 included the impacts of Telenet's acquisition of De Vijver Media (fully consolidated since June 3, 2019) and the divestiture of Telenet's former Luxembourg cable business (deconsolidated as of April 1, 2020). Telenet's net operating cash flow decreased 3% year-on-year, as a €81.3 million lower trend in Telenet's working capital as compared to the year ended December 31, 2019 more than offset a €49.4 million reduction in cash taxes relative to the year ended December 31, 2019 and €16.5 million lower cash interest and derivative expenses as a result of recent refinancing transactions.

2.8.2 Net cash used in investing activities

Telenet used €475.6 million of net cash in investing activities for the year ended December 31, 2020 compared to €432.0 million for the year ended December 31, 2019. The 10% increase in Telenet's net cash used in investing activities reflected (i) the aforementioned inorganic impacts, (ii) 15% higher cash capital expenditures following a lower amount of assets procured through Telenet's vendor financing program as well as (iii) the aforementioned acquisition of a 34% shareholding in the Luxembourg cable operator Eltrona from Post Luxembourg.

Telenets utilizes a vendor financing program through which it is able to extend its payment terms for certain suppliers to 360 days at an attractive all-in cost. During the year ended December 31, 2020, Telenet acquired €80.8 million of assets through capital-related vendor financing arrangements, favorably impacting Telenet's net cash used in investing activities for the equivalent amount. This represented a decline of 62% versus the year ended December 31, 2019. Please refer to Section 2.6 - *Capital expenditures* for a reconciliation between accrued capital expenditures and cash capital expenditures.

2.8.3 Net cash from financing activities

For the year ended December 31, 2020, the net cash used in financing activities was €601.2 million compared to €647.3 million for the year ended December 31, 2019. The net cash used in financing activities for the year ended December 31, 2020 primarily reflected the continued delivery against Telenet's shareholder remuneration policy as presented during the December 2018 Capital Markets Day. In May 2020, Telenet paid a gross final dividend of €1.3050 per share and paid a €1.3750 gross intermediate dividend per share in December 2020 as part of Telenet's tightened shareholder remuneration policy, which includes a €2.75 gross dividend per share floor. On an aggregate basis, Telenet returned €292.3 million of dividends to its shareholders in 2020, compared to €62.8 million in 2019. For the year ended December 31, 2020, Telenet also spent €34.4 million on share repurchases as part of Telenet's 2020 Share Repurchase Program, in which Telenet acquired 1.1 million shares during March 2020 at an average price of €30.43. The net cash used in financing activities for the year ended December 31, 2020 also included a net cash outflow of €158.3 million related to loan repayments, including the voluntary 10% redemption of Telenet's 3.50% €600.0 million Senior Secured Fixed Rate Notes due March 2028 for an aggregate amount of €56.6 million, and scheduled repayments of Telenet's short-term vendor financing commitments. Telenet also paid €13.8 million related to debt issuance costs for debt refinancings completed in the first half of 2020. The remainder of the net cash used in financing activities primarily consisted of finance lease repayments and other financial payments.

2.8.4 Adjusted Free Cash Flow

For the year ended December 31, 2020, Telenet generated Adjusted Free Cash Flow of €415.8 million compared to €391.0 million for the year ended December 31, 2019. As such, Telenet delivered on its outlook as it achieved the lower end of its €415.0-435.0 million guidance range. Relative to the year ended December 31, 2019, Telenet's Adjusted Free Cash Flow increased 6% despite a €3.9 million negative contribution from Telenet's vendor financing program. Excluding this impact, the growth in Telenet's Adjusted Free Cash Flow would have been slightly higher.

(in millions of euro)	**For the years ended December 31,**	
	2020	**2019**
Net cash from operating activities	1,057.4	1092.5
Cash payments for direct acquisition and divestiture costs	3.1	1.1
Expenses financed by an intermediary	345.7	233.4
Purchases of property and equipment	(278.8)	(261.7)
Purchases of intangibles	(193.0)	(150.2)
Principal payments for mobile spectrum licenses	(4.0)	(19.8)
Principal payments on amounts financed by vendors and intermediaries	(429.0)	(440.2)
Principal payments on leases (excluding network-related leases assumed in acquisitions)	(48.7)	(44.7)
Principal payments on post acquisition additions to network leases	(36.9)	(19.4)
Adjusted Free Cash Flow	**415.8**	**391.0**

2.9 Debt profile, cash balance and net leverage ratio

2.9.1 Debt profile

At December 31, 2020, Telenet carried a total debt balance (including accrued interest) of €5,417.9 million, of which €1,358.0 million principal amount is related to the € and USD-denominated Senior Secured Fixed Rate Notes due March 2028 and €2,987.2 million principal amount is owed under Telenet's 2020 Amended Senior Credit Facility with maturities ranging from April 2028 through April 2029. Telenet's total debt balance at December 31, 2020 also included a principal amount of €351.0 million related to its vendor financing program, while the remainder primarily represents lease obligations associated with the Interkabel Acquisition and other leases.

At December 31, 2020, Telenet carried €351.0 million of short-term debt related to Telenet's vendor financing program, all of which is maturing within less than twelve months. This represented a modest decrease of €3.9 million versus December 31, 2019 and impacted Adjusted Free Cash Flow by the same amount. As of end-October 2020, the applicable margin on Telenet's future short-dated commitments under the vendor financing program has been reduced by another 15 basis points to 1.95% over EURIBOR floored at 0%. This reduced interest cost comes on top of an equivalent 15 basis points margin reduction in February 2020. Given the aforementioned size of the program, this will have a modest accretive impact on Telenet's Adjusted Free Cash Flow in 2021 and beyond.

In the first half of 2020, Telenet finalized several accretive (re)financing transactions including (i) the successful issuance of 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**") in January 2020, (ii) the issuance of a new 6.2-year €510.0 million revolving credit facility in April 2020 ("**Revolving Credit Facility I**") and (iii) the April 2020 10% repurchase of Telenet's 3.50% €600.0 million Senior Secured Fixed Rate Notes due March 2028. In Q4 2020, Telenet successfully 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.

Excluding short-term liabilities related to Telenet's vendor financing program, Telenet faces no debt maturities prior to March 2028 with a weighted average maturity of approximately 7.5 years at December 31, 2020. In addition, Telenet also had full access to €555.0 million of undrawn commitments under its revolving credit facilities at December 31, 2020, with certain availabilities up to September 2026.

2.9.2 Debt overview and payment schedules

For an overview of the Company's debt instruments and payment schedule at December 31, 2020 we refer to note 5.13.3 to the consolidated financial statements of the Company.

2.9.3 Cash balance and availability of funds

At December 31, 2020, Telenet held €82.0 million of cash and cash equivalents compared to €101.4 million at December 31, 2019. 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, 2019, Telenet's cash balance at December 31, 2020 decreased €19.4 million despite the robust Adjusted Free Cash Flow Telenet generated in 2020. Throughout 2020, Telenet committed a substantial and growing part of its Adjusted Free Cash Flow to its shareholder remuneration policy, which Telenet communicated in December 2018 as part of Telenet's Capital Markets Day and tightened in October 2020 through the introduction of a €2.75 gross dividend per share floor. In 2020, Telenet paid aggregate dividends of €292.3 million, which included the payment of a €1.3050 gross dividend per share in May 2020 and a €1.3750 intermediate gross dividend per share in December 2020. Pending shareholder approval in April this year, Telenet intend to pay the remaining half of the aforementioned dividend floor in early May 2021. Telenet also used €34.4 million of net cash used under the Share Repurchase Program 2020, through which Telenet repurchased 1.1 million shares. Telenet also redeemed 10% of its 3.50% €600.0 million Senior Secured Fixed Rate Notes due March 2028 in April for an aggregate amount of €56.6 million. Finally, Telenet incurred a €13.8 million payment related to debt issuance costs for debt refinancing completed in the first half of 2020.

In addition to Telenet's available cash balance of €82.0 million as per December 31, 2020, 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 below.

For further information, we refer to note 5.11 to the consolidated financial statements of the Company.

2.9.4 Net leverage ratio

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 intends 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, 2020, Telenet's net total leverage was 4.1x, which was modestly up compared to 4.0x at December 31, 2019. This reflected the payment of the intermediate dividend in December 2020 (€150.0 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, 2020, which was modestly down versus December 31, 2019. 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, 2020, Telenet's revolving credit facilities were fully undrawn as mentioned above.

For further information on our Consolidated Annualized EBITDA, we refer to 2.12 *Reconciliation between profit for the period and Consolidated Annualized EBITDA*.

2.10 Shareholder remuneration

Consistent execution against the December 2018 Capital Markets Day shareholder remuneration policy

At the occasion of the December 2018 Capital Markets Day, Telenet reconfirmed its leverage framework, maintained at 3.5x to 4.5x Net Total Debt to Consolidated Annualized Adjusted EBITDA ("net total leverage"). In the absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment, Telenet intended to stay around the 4.0x mid-point through an attractive and sustainable level of shareholder disbursements. As part of its capital allocation framework, Telenet aimed to distribute between 50% and 70% of the prior year Adjusted Free Cash Flow to shareholders through intermediate and final dividends. Within the boundaries of the aforementioned net total leverage framework, and in absence of any of the above factors, the remaining part of Telenet's Adjusted Free Cash Flow could be considered for incremental share buy-backs, extraordinary dividends, deleveraging, accretive acquisitions or a combination thereof.

In both 2019 and the first half of 2020, Telenet consistently delivered against the aforementioned shareholder remuneration policy, returning a total gross dividend of €1.8750 per share to shareholders. This consisted of a €0.57 gross intermediate dividend per share in December 2019 and a gross €1.3050 dividend per share in May 2020. Totaling €205.1 million in aggregate, this represented approximately 53% as calculated as a percentage of Telenet's FY 2019 Adjusted Free Cash Flow. In addition, Telenet repurchased 1.1 million shares as part of the Share Repurchase Program 2020 for an aggregate amount of €34.4 million.

Updated policy with a gross dividend per share floor of €2.75, balancing attractive shareholder distributions and optionality for future value-accretive M&A opportunities

Considering the robust underlying Adjusted Free Cash Flow conversion and the healthy Operating Free Cash Flow outlook for both FY 2020 and the 3-year period over 2018-2021, the board of directors decided at the end of October 2020 to firm up the existing shareholder remuneration policy. Telenet's new policy balances attractive shareholder distributions with optionality for value-accretive M&A opportunities in the future. While the 4.0x net total leverage target has been reaffirmed in the absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment, the board of directors introduced a dividend floor of €2.75 per share (gross) going forward. This dividend floor assumes no significant changes in Telenet's business or regulatory environment and replaces the previously communicated 50-70% pay-out range. With that, the board of directors intends to commit a larger share of the Adjusted Free Cash Flow towards recurring dividends. The remainder of Telenet's Adjusted Free Cash Flow may still be considered for accretive acquisitions, extraordinary dividends, incremental share buy-backs, deleveraging or a combination thereof.

Proposed gross dividend of €1.3750 per share, subject to shareholder approval, at the April 2021 Annual General Shareholders' Meeting

In December 2020, Telenet paid a gross intermediate dividend of €1.3750 per share (€150.0 million in aggregate), representing half of the aforementioned dividend floor. The board of directors will propose to the Annual General Shareholders' Meeting in April 2021 to approve the payment of the remaining gross dividend of €1.3750 per share (€150.1 million in total[1]). Once approved, the dividend will be paid on May 5, 2021 with the Telenet shares trading ex-dividend on Euronext Brussels as of May 3, 2021. Including the payment of this dividend, the total gross dividend paid would equal €2.75 per share, or €300.1 million in aggregate, up 47% versus the dividend per share paid over the FY 2019 Adjusted Free Cash Flow.

[1] Based on 109,243,261 dividend-entitled shares outstanding at the date of this Annual Report

2.11 Reconciliation reported versus rebased financial information (unaudited)

(€ in millions)	Reported					Reported				
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Revenue by nature										
Video	144.9	143.0	142.9	143.6	574.4	144.4	139.6	136.6	138.4	559.0
Broadband internet	161.2	161.9	163.7	164.9	651.7	160.2	163.3	164.9	166.5	654.9
Fixed-line telephony	55.6	54.2	54.7	54.5	219.0	56.8	57.0	56.2	55.2	225.2
Cable subscription revenue	**361.7**	**359.1**	**361.3**	**363.0**	**1,445.1**	**361.4**	**359.9**	**357.7**	**360.1**	**1,439.1**
Mobile telephony	107.2	110.1	115.1	112.3	444.7	113.6	109.4	114.8	113.4	451.2
Total subscription revenue	**468.9**	**469.2**	**476.4**	**475.3**	**1,889.8**	**475.0**	**469.3**	**472.5**	**473.5**	**1,890.3**
Business services	52.1	50.6	49.9	53.2	205.8	50.0	48.3	50.8	58.6	207.7
Other	105.0	115.8	122.7	144.8	488.3	128.0	101.6	114.6	133.0	477.2
Total Revenue	**626.0**	**635.6**	**649.0**	**673.3**	**2,583.9**	**653.0**	**619.2**	**637.9**	**665.1**	**2,575.2**
Operating expenses by Nature										
Network operating expenses	(54.3)	(47.6)	(46.9)	(48.1)	(196.9)	(54.3)	(46.4)	(49.1)	(48.4)	(198.2)
Direct costs (programming, copyrights, interconnect and other)	(127.0)	(128.3)	(126.4)	(143.7)	(525.4)	(130.3)	(112.2)	(127.0)	(144.9)	(514.4)
Staff-related expenses	(64.5)	(63.9)	(63.1)	(69.6)	(261.1)	(68.7)	(64.5)	(64.7)	(73.2)	(271.1)
Sales and marketing expenses	(23.5)	(20.9)	(20.5)	(31.9)	(96.8)	(21.2)	(18.8)	(23.2)	(32.4)	(95.6)
Outsourced labor and professional services	(9.0)	(8.4)	(10.3)	(10.5)	(38.2)	(9.5)	(4.8)	(6.8)	(7.3)	(28.4)
Other indirect expenses	(28.2)	(21.2)	(22.1)	(18.6)	(90.1)	(23.4)	(20.1)	(24.0)	(22.0)	(89.5)
Total operating expenses	**(306.5)**	**(290.3)**	**(289.3)**	**(322.4)**	**(1,208.5)**	**(307.4)**	**(266.8)**	**(294.8)**	**(328.2)**	**(1,197.2)**
Adjusted EBITDA	**319.5**	**345.3**	**359.7**	**350.9**	**1,375.4**	**345.6**	**352.4**	**343.1**	**336.9**	**1,378.0**
Adjusted EBITDA margin	51.0 %	54.3 %	55.4 %	52.1 %	53.2 %	52.9 %	56.9 %	53.8 %	50.7 %	53.5 %

(€ in millions)	Acquisition impact De Vijver Media NV, divestment Coditel S.à r.l. and changes related to the IFRS accounting outcome of certain content rights									
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Revenue by nature										
Video	—	(1.3)	(1.3)	(1.3)	(3.9)	(1.2)	—	—	—	(1.2)
Broadband internet	—	(0.2)	(0.3)	(0.2)	(0.7)	(0.2)	—	—	—	(0.2)
Fixed-line telephony	—	(0.1)	(0.2)	(0.1)	(0.4)	(0.2)	—	—	—	(0.2)
Cable subscription revenue	**—**	**(1.6)**	**(1.8)**	**(1.6)**	**(5.0)**	**(1.6)**	**—**	**—**	**—**	**(1.6)**
Mobile telephony	—	(0.1)	—	—	(0.1)	—	—	—	—	—
Total subscription revenue	**—**	**(1.7)**	**(1.8)**	**(1.6)**	**(5.1)**	**(1.6)**	**—**	**—**	**—**	**(1.6)**
Business services	—	(0.4)	(0.4)	(0.3)	(1.1)	(0.4)	—	—	—	(0.4)
Other	27.5	21.0	—	(0.2)	48.3	—	—	—	—	—
Total Revenue	**27.5**	**18.9**	**(2.2)**	**(2.1)**	**42.1**	**(2.0)**	**—**	**—**	**—**	**(2.0)**
Operating expenses by Nature										
Network operating expenses	—	0.2	0.2	0.4	0.8	(0.5)	—	—	—	(0.5)
Direct costs (programming, copyrights, interconnect and other)	(6.1)	(6.5)	(8.1)	(14.4)	(35.1)	(22.7)	(5.5)	(3.2)	—	(31.4)
Staff-related expenses	(4.9)	(3.5)	0.2	(0.4)	(8.6)	0.5	0.3	0.2	—	1.0
Sales and marketing expenses	(2.3)	(1.0)	0.1	0.1	(3.1)	1.1	0.3	0.2	—	1.6
Outsourced labor and professional services	—	—	(0.1)	0.1	—	—	—	—	—	—
Other indirect expenses	(1.3)	0.1	0.1	0.1	(1.0)	(0.2)	—	—	—	(0.2)
Total operating expenses	**(14.6)**	**(10.7)**	**(7.6)**	**(14.1)**	**(47.0)**	**(21.8)**	**(4.9)**	**(2.8)**	**—**	**(29.5)**
Adjusted EBITDA	**12.9**	**8.2**	**(9.8)**	**(16.2)**	**(4.9)**	**(23.8)**	**(4.9)**	**(2.8)**	**—**	**(31.5)**

(€ in millions)	Rebased*					Rebased*				
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Revenue by nature										
Video	144.9	141.7	141.6	142.3	570.5	143.2	139.6	136.6	138.4	557.8
Broadband internet	161.2	161.7	163.4	164.7	651.0	160.0	163.3	164.9	166.5	654.7
Fixed-line telephony	55.6	54.1	54.5	54.4	218.6	56.6	57.0	56.2	55.2	225.0
Cable subscription revenue	**361.7**	**357.5**	**359.5**	**361.4**	**1,440.1**	**359.8**	**359.9**	**357.7**	**360.1**	**1,437.5**
Mobile telephony	107.2	110.0	115.1	112.3	444.6	113.6	109.4	114.8	113.4	451.2
Total subscription revenue	**468.9**	**467.5**	**474.6**	**473.7**	**1,884.7**	**473.4**	**469.3**	**472.5**	**473.5**	**1,888.7**
Business services	52.1	50.2	49.5	52.9	204.7	49.6	48.3	50.8	58.6	207.3
Other	132.5	136.8	122.7	144.6	536.6	128.0	101.6	114.6	133.0	477.2
Total Revenue	**653.5**	**654.5**	**646.8**	**671.2**	**2,626.0**	**651.0**	**619.2**	**637.9**	**665.1**	**2,573.2**
Operating expenses by Nature										
Network operating expenses	(54.3)	(47.4)	(46.7)	(47.7)	(196.1)	(54.8)	(46.4)	(49.1)	(48.4)	(198.7)
Direct costs (programming, copyrights, interconnect and other)	(133.1)	(134.8)	(134.5)	(158.1)	(560.5)	(153.0)	(117.7)	(130.2)	(144.9)	(545.8)
Staff-related expenses	(69.4)	(67.4)	(62.9)	(70.0)	(269.7)	(68.2)	(64.2)	(64.5)	(73.2)	(270.1)
Sales and marketing expenses	(25.8)	(21.9)	(20.4)	(31.8)	(99.9)	(20.1)	(18.5)	(23.0)	(32.4)	(94.0)
Outsourced labor and professional services	(9.0)	(8.4)	(10.4)	(10.4)	(38.2)	(9.5)	(4.8)	(6.8)	(7.3)	(28.4)
Other indirect expenses	(29.5)	(21.1)	(22.0)	(18.5)	(91.1)	(23.6)	(20.1)	(24.0)	(22.0)	(89.7)
Total operating expenses	**(321.1)**	**(301.0)**	**(296.9)**	**(336.5)**	**(1,255.5**	**(329.2)**	**(271.7)**	**(297.6)**	**(328.2)**	**(1,226.7)**
Adjusted EBITDA	**332.4**	**353.5**	**349.9**	**334.7**	**1,370.5**	**321.8**	**347.5**	**340.3**	**336.9**	**1,346.5**
Adjusted EBITDA margin	50.9 %	54.0 %	54.1 %	49.9 %	52.2 %	49.4 %	56.1 %	53.3 %	50.7 %	52.3 %

*Please refer to the ***Definitions*** section on p. 7

2.12 Reconciliation between profit for the period and Consolidated Annualized EBITDA (unaudited)

The following table provides a reconciliation of the Last Two Quarter's Annualized (L2QA) Profit for the period to L2QA Adjusted EBITDA.

(in millions of euro)	For the three months ended		For the six months ended	Last two quarters' annualized
	September 30, 2020	**December 31, 2020**	**December 31, 2020**	**December 31, 2020**
Profit for the period	**113.2**	**40.4**	**153.6**	**307.2**
Income tax expense	27.1	7.2	34.3	68.6
Share of the result of equity accounted investees	2.0	(1.4)	0.6	1.2
Loss (gain) on disposal of assets/liabilities related to a subsidiary or a joint venture	(32.8)	1.0	(31.8)	(63.6)
Net finance expense (income)	55.5	79.8	135.3	270.6
Depreciation, amortization, impairment and gain on disposal of assets	165.6	196.5	362.1	724.2
EBITDA	**330.6**	**323.5**	**654.1**	**1,308.2**
Share based compensation	10.8	11.0	21.8	43.6
Operating charges related to acquisitions or divestitures	1.4	2.2	3.6	7.2
Restructuring charges	0.3	0.2	0.5	1.0
Adjusted EBITDA	**343.1**	**336.9**	**680.0**	**1,360.0**
Adjusted EBITDA margin	53.8 %	50.7 %	52.2 %	52.2 %
Net profit margin	17.7 %	6.1 %	11.8 %	11.8 %

3. Risk factors

3.1 General information

Certain statements in this Annual Report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that statements in this Annual Report are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under section 1. '***Information on the Company***' may contain forward-looking statements, including statements regarding Telenet's business, product, foreign currency and finance strategies in 2020, subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, the maturity of the Company's markets, the anticipated impacts of new legislation (or changes to existing rules and regulations), anticipated changes in Telenet's revenue, costs or growth rates, Telenet's liquidity, credit risks, foreign currency risks, target leverage levels, Telenet's future projected contractual commitments and cash flows and other information and statements that are not historical fact. Where, in any forward-looking statement, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the risks and uncertainties discussed under *8.4 Internal Control and Risk Management Systems*.

3.2 Legal proceedings

We refer to note 5.26.1 to the consolidated financial statements of the Company.

4. Information about subsequent events

We refer to note 5.30 to the consolidated financial statements of the Company.

5. Information on research and development

In a world of rapid technology developments, continuous investments in innovation are the lifeline of Telenet. Telenet takes a collaborative approach to innovation, actively partnering up with industry partners, academic institutions and startups. Telenet makes innovation investments in different activity domains.

Building high-performing fixed & mobile connectivity solutions
The explosion of fixed and mobile data usage demands a constant expansion of Telenet's network capacity. Thanks to the ongoing investments, Telenet has the fastest fixed, gigaspeed network in Belgium, which covers more than 95% of its footprint and is also a leading mobile network provider in Belgium

Anticipating changing customer behaviors
Telenet is actively responding to changing customer behaviors by introducing innovative customer propositions that offer best-in-class, user-friendly products in simple and transparent bundles. Thanks to offers like "WIGO", "YUGO", "Based on You", "TADAAM" and "Safespot", customers can more easily compare products and make a fast and balanced choice that responds to their specific needs and expectations.

Creating amazing customer experiences
Positive customer experiences form the foundation for sustainable growth. Telenet is permanently optimizing its customer service models, adopting a more digital-first attitude, thus creating memorable experiences that enhance customer satisfaction.

Stimulating collaborative innovation
Telenet is building strategic partnerships that transform the telecom, media and entertainment business. Telenet takes a collaborative approach to innovation working closely together with partners. These efforts result in new, disruptive business models and innovative products and solutions that shape the digital age.

6. Use of 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 provide written principles on the use of derivatives consistent with the Company's risk management strategy.

The Company has entered into various derivative instruments to manage interest rate and foreign currency exchange rates exposure. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of all other derivative instruments are recognized immediately in the Company's 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 host contracts and the host contracts are not carried at fair value with unrealized gains or losses reported in the statement of profit or loss and other comprehensive income.

For further information, we refer to note 5.14 to the consolidated financial statements of the Company.

7. Non-financial information

This non-financial statement is in accordance with the Belgian law on the disclosure of non-financial and diversity information by certain large companies and groups (2017/20487). The non-financial information required by article 3:32 par 2 of the Companies and Associations Code has been prepared based on the Global Reporting Initiative (GRI) Core standards.

7.1 Introduction

Telenet strives for sustainable growth with a good balance between operational excellence and social responsibility, considering the social, economic and environmental impact of its business activities, as outlined in section 1. *Information on the Company*.

Telenet's sustainability program underscores the Company's commitment to its key stakeholders and reflects their interests as defined by the material issues. The materiality matrix includes eleven material topics of which five have been identified as core focus areas: (i) Business ethics and transparency; (ii) Responsible employer; (iii) Product sustainability; (iv) Privacy and data security; (v) Digital inclusion and skills development. Per material issue, Telenet has identified the key business risks and opportunities, and has defined a management approach.

The Telenet sustainability program underpins the Company's commitment to 'help people and businesses stay one step ahead in the digital world, embracing the endless possibilities of digital at the fullest. For a better quality of life.'. The program is built on four pillars: (i) Digital society, (ii) Amazing Customer Experience, (iii) Great Workplace and (iv) Responsible Business Practices'.

For more information on the Company's sustainability framework and activities, please refer to the sustainability section of the Telenet corporate website.

COVID-19 impact on material issues
The year 2020 has been marked by a series of global events with an unprecedented impact on today's society. Telenet is therefore reviewing and sharpening its material issues in order to better address the new socio-economic reality. The COVID-19 pandemic has accentuated the digital divide, urging telecom providers to make connectivity accessible to all and inviting technology companies to increase their investments in digital inclusion and digital skills development. The European Recovery Plan and the European Commission's Green Deal provide a framework to policy makers and corporate organizations to rebuild the society and economy, while increasing the focus on carbon and energy efficiency. Finally, the global Black Lives Matter movement has increased the focus on the issue of racism and discrimination, and Telenet is committed to strengthening its commitment to diversity, equality and inclusion. Telenet's management approach of material issues will be updated to reflect these recent developments and will be included in the upcoming 2020 Sustainability Report, to be published in June 2021.

2021-2025 Telenet Sustainability Strategy Framework
In December 2020, Telenet completed the 2017-2020 sustainability strategy program.

The Company is in the process of defining a new 5-year sustainability strategy framework, aligning Telenet's business priorities with the Company's purpose and commitment to provide technology to consumers, businesses and society at large technology to help advance human progress. To reach this goal, Telenet has identified three main focus domains with related long-term targets: (i) drive **progress** by accelerating 150,000 people and businesses in the digital age by 2030; (ii) stimulate **empowerment** by being internally and externally recognized as an inclusive and purpose-driven organization, and (iii) take **environmental responsibility** by adopting more ambitious environmental targets and improving the Company's climate performance by 2030. These focus domains will be underpinned by the Company's ongoing commitment to ensure **business ethics and transparency** and safeguard **data privacy and security**.

In 2020, Telenet's commitment and effort to maintain the highest standards of ESG practices was rewarded by several third-party rating and benchmarking agencies. Specifically, Telenet reconfirmed its sustainability leadership in the Dow Jones Sustainability Index and was rewarded for the eighth time as industry leader in the global media sector, with a strong economic, environmental and social performance. The Dow Jones Sustainability Indices ("**DJSI**") exclusively consists of leading companies that are best equipped to recognize and respond to emerging opportunities and risks resulting from global sustainability trends. In addition, Telenet also maintained its Gold EcoVadis CSR rating in 2020, a rating used by large corporate clients that wish to assess the Company's sustainability performance.

The 2020 Telenet Sustainability Report will provide deeper insights in the Company's structural approach to sustainable development with focus on the progress made during the year ended December 31, 2020. The Sustainability Report will also include a detailed overview of the new 2021-2025 sustainability strategy framework, with its management approach, governance model and reviewed targets and KPIs.

The present statement outlines the Company's management of labor, environment and climate, community engagement, human rights, anti-corruption and bribery issues, in accordance with the Belgian Law 2017/20487 on integrated non-financial reporting.

The statement also provides an overview of the initiatives the Company has taken to address the COVID-19 pandemic. The information included in the statement covers Telenet's business scope at year end.

7.2 Labor

Telenet's material issues: main risks

Derived from Telenet's sustainability priorities, the Company's main material issue in the area of labor is to be a responsible employer, which encompasses employee relations, employee remuneration and benefits, freedom of association and collective bargaining, sustainable employment, and the health, safety and wellbeing of employees. Furthermore, it includes employee engagement and the attraction and retention of talent. Employee diversity and equality has also been identified as a core material issue in the area of labor. If successfully managed, this material issue can become a key differentiator from direct competitors and other market players, especially in the current context of the war on talent. The Company must proactively address the issue of talent scarcity on the Belgian market, particularly in the domains of Science, Technology, Engineering and Mathematics ("**STEM**"), data and digital profiles. Attracting and retaining diverse talent profiles ensures long-term business continuity, steers innovation and creates new growth opportunities for the Company. In addition, Telenet must continuously invest in lifelong learning initiatives for its current and future workforce in order to stay ahead on fast-changing market evolutions due to a growing digitization and globalization.

How the Company addresses them: policies and due diligence

Telenet is committed to be a responsible employer, who creates a diverse and inclusive working environment that nourishes talent and stimulates engagement. The Company drives an employment policy that invests in learning and development, diversity and inclusion, health and wellbeing and that generates an open and transparent company culture through internal communications and social dialogue.

Due diligence is present through the continuous dialogue and consultation with a variety of platforms such as the Committee for Prevention and Protection at Work ("**CPPW**") and the Works Council. The Company's Works Council has an equal representation and comprises the same number of employer and employee representatives. It is involved in the social, economic and financial policies of the company. In addition, Telenet's majority shareholder Liberty Global plc has established a European Works Council, in which Telenet has two representatives. More information on Telenet's employment policies and programs can be found on the sustainability section of the Telenet corporate website.

Outcomes: Most important labor developments in the year ended December 31, 2020

Telenet is a company in full transformation. The Human Resources department takes a leading role in this transformation program and is in charge of ensuring the employees' wellbeing in times of change. It focuses on the development of an integrated, unified work environment with optimized HR business processes and IT systems that underpin the Company's employment policy.

One of the cornerstones of this transformation cycle is the adoption of an agile, more efficient and effective way of working across the organization, built on a 'digital first' attitude. The Company wants to enable its employees to work smarter thanks to the rollout of digital communication and collaboration tools and the set-up of new, more collaborative working environments. In 2020, Telenet closed its transition to an agile organization with more empowered, productive and expert-driven teams and individuals. This new way of working enables the Company to continue to respond quickly and accurately to the rapidly changing behavior of today's customers and stakeholders. The transformation is being done in close alignment with social partners and is implemented in an open and transparent way through regular company-wide internal communications and personal alignment between staff members and people leads.

As part of this transformation, and to stimulate internal mobility and dynamic career growth paths, Telenet has introduced a new job classification, which was finalized in January 2021. Seven broad function bands and approximately 180 generic job functions have been identified. The new job classification rewards employees for growing new competences and values the expertise people bring to the Company. The job classification will be complemented by a reviewed bonus and merit framework to be introduced in spring 2021.

Employee engagement
In order to measure and monitor the active engagement of its employees, Telenet conducts a Zoom employee engagement survey every two years. Held in September 2020, the Zoom survey showed a good response rate of 77% and a strong score for employee engagement (83%) – 5% above the Belgian average. 94 % of the employees indicated they are proud to work for Telenet. Key attention points are the lack of feedback and support (25%), the heavy workload (27%) and the competitiveness of the salary and benefits package (41%). In parallel to the Zoom survey, Telenet regularly monitors the employee engagement and wellbeing through Mood polls. In December 2020, Telenet noticed a drop in the Mood engagement score (72%) compared to the Zoom engagement score (83%) in September. Employees clearly struggled to maintain their personal energy level in the context of a lingering COVID-19 health crisis marked by a general lack of perspective.

Remote work policy
The pandemic did also accelerate the introduction of a new remote work policy. Developed in close alignment with the social partners and employee representatives, the policy creates a new vision on a sustainable and future-way of working at Telenet beyond COVID-19 times. The new teleworking framework is built on the following key principles:

(1) Telenet entrusts and empowers teams to decide where it is most efficient to work: telework is a choice, not an obligation.

(2) Social cohesion is and remains key. The Company expects its employees to be in the office at least 40% of their time on a quarterly basis in order to keep the connection with the company.

(3) The Telenet offices become an enabler for collaboration and connection. (4) Telenet allows its employees to work remotely from anywhere in Europe as long as there is a stable internet connection and the employee is able to work as efficiently and effectively as in the office according to the decisions made by the team.

The new remote work policy applies to the whole Telenet workforce.

Employee wellbeing during the COVID-19 pandemic
Ensuring the wellbeing of employees is essential for Telenet. The Company's resilience program strengthens the ability of people leaders and employees to cope with uncertainty, unexpected changes and stress. During the pandemic, Telenet has guaranteed business continuity and limited the number of employees affected by temporarily unemployment. 14% of the total workforce became temporarily unemployed, mainly in the Telenet Retail branch. Retail employees who were affected by the mandatory closing of some of the shops were reallocated to other assignments or received additional learning & development. While the majority of the employee base has been primarily been working from home since mid-March 2020, the Company has taken measures to create a safe work environment in the Telenet offices and retail shops to protect employees and visiting customers. Throughout the crisis, Telenet has increased its efforts to inform employees about the COVID-19 measures and to strengthen the feeling of belonging, engagement and wellbeing through regular internal communications. A centralized, digital information point on wellbeing, health, safety, environment and risk handling, located on the internal communications portal, provides the Telenet workforce with detailed information on the health and safety measures and all actions taken to address the impact of the COVID-19 pandemic. Extra attention has been placed on (a) strengthening the mental health of the Telenet employees through personal coaching and assistance, and (b) securing the physical wellbeing through online workout programs. Finally, Telenet keeps the pulse on employee engagement and wellbeing through regular Mood polls, as mentioned above.

War on (digital) talent
COVID-19 has further accelerated the digitization of the economy. Companies are increasing their investments in the digital transformation of their business operations. This transformation is marked by a war on talent. As many other organizations, Telenet faces a growing challenge in finding technical experts, such as data scientists and information security specialists. In order to nurture tomorrow's workforce, Telenet stimulates STEM education and skills development. In January 2020, the Company announced the setup of an Academy for Digital & Data Talent, in partnership with the universities Katholieke Universiteit Leuven, Vrije Universiteit Brussel, Université Libre de Bruxelles and the BeCode programming school. The partnership aims at strengthening the digital knowledge and technical skills of Telenet's current employees through initial training, reskilling and upskilling, while attracting new talent. The Academy is founded on a shared vision of all partners that lifelong learning is a prerequisite for remaining agile in a rapidly changing digital economy.

Diversity and inclusion
In order to fully reap the rewards of diversity and inclusion, Telenet understands that meaningful change must be implemented. The Company drives an inclusive talent management policy with a key attention to diversity at every stage of the employment cycle: from recruitment, over learning and development to career planning. Telenet recognizes the importance of strengthening its approach to diversity and gender equality. Due to shifted business priorities during the COVID-19 crisis, the establishment of a reviewed diversity, inclusion and equality policy could not be finalized in 2020. The new policy, underpinned by clear KPIs and concrete initiatives, will be formalized in Spring 2021. In addition, the Company will also commit to the establishment of a diversity and gender equality charter based on the UN Women's Empowerment Principles.

7.3 Environment and climate

Telenet's material issues: main risks

Given their business models that rely heavily on energy demand, the Information and Communications Technology ("**ICT**") sector is a source of global greenhouse gas emissions. However, the sector has the potential to reduce global greenhouse gas emissions through helping businesses and consumers to more intelligently use and save energy and reduce waste.

Evaluating and managing environmental risks especially those associated with climate change is a priority for Telenet. The Company recognizes that it is exposed to different risks such as (1) policy and legal risks linked to enhanced emissions reporting obligations and potential regulation of existing products and services, (2) physical risks to facilities due to rising temperatures and increasing frequency of extreme temperature events, and (3) transition risks related to changing customer behavior and specifically the increase in electricity consumption, waste production and carbon emissions caused by increased demand in products. Efforts to mitigate and adapt to climate change also create opportunities for Telenet such as resource efficiency, development of low-carbon products and services, access to new markets, and building resilience throughout the supply chain.

Telenet has identified its most material environmental risks and opportunities in its materiality assessment. Based on these risks and opportunities, Telenet's environmental priorities are:

1. Improving energy efficiency: Telenet invests in various initiatives to continue reducing the energy consumption in its own operations and of our products at customers' homes and offices.

2. Reducing greenhouse gas emissions: Telenet perceives climate change as a potential threat and therefore manages it as a business risk. Telenet switches as much as possible to renewable energy sources and offsets emissions by investing in carbon compensation programs.

3. Reducing the use of resources and generation of waste: Telenet's approach to waste focuses on reducing the use of resources, recycling and refurbishment of customer premise equipment ("**CPE**"), and accurate waste disposal and processing. The Company contributes to the circular economy by developing circular supply chains, recovering and recycling materials, extending the product lifecycle through refurbishment of CPE and by offering products as a service.

How the Company addresses them: policies and due diligence

Telenet's Environmental Policy Statement outlines the Company's approach to environmental management. It underscores the commitment to environmental-friendly business operations, and it is aligned with the

Sustainable Development Goals of the United Nations and the principles as set forward in the Paris Agreement on Climate Action.

The successful integration and effective management of sustainability and specifically climate change requires a committed leadership, with clear direction and decision-making processes. Telenet's Board of Directors has the design, implementation and checking of the sustainability program as a key item on their agenda. In addition, the Senior Leadership Team ("**SLT**") drives structural sustainability initiatives and programs and regularly discusses their progress.

Telenet reports its environmental data to its majority shareholder Liberty Global plc, using its Credit360 system. As such, Liberty Global annually reviews Telenet's environmental data.

At group level, Liberty Global engages KPMG to provide limited assurance, reporting to Liberty Global plc, using the assurance standards ISAE 3000 and ISAE 3410, of the energy consumption and greenhouse gas emissions data presented in Liberty Global's Annual Report and Accounts.

Telenet purchases electricity from renewable resources that is certified according to the relevant regional and federal Belgian and European standards. Frequent reporting is in place for the most material waste streams.

For more information on the Company's policies and procedures, please refer to the sustainability section of the Telenet corporate website.

Outcomes: Most important environmental developments in the year ended December 31, 2020

Environmental data collection processes are consolidated to integrate all systems and procedures.

Telenet has dedicated targets and commitments for energy efficiency and carbon emission reduction. These targets take into account the extended mobile and fixed network infrastructure, the extended customer base and the growing complexity of operations systems and supply chain processes following a series of mergers and acquisitions since 2016.

The Company's goal is to improve the efficiency of its electricity consumption by 15% every year through 2025. Telenet also aims to be five times more carbon efficient by 2025, using 2016 as the base year for both targets. In order to provide meaningful targets, Telenet measures its energy consumption and GHG emissions per terabyte ("**TB**") of data transported through the networks.

Telenet realizes it needs to increase its ambition level as it comes to carbon efficiency, and has therefore set an additional, absolute target on reducing emissions arising from mobile combustion, which represented on average more than a third of Telenet's total emissions over the last years. In June 2020, Telenet has set an absolute target to reduce the carbon emissions arising from mobile combustion with 60% by 2030, using 2017 as a base year, which aligns with the Paris Agreement's 1.5 degree-reduction scenario.

Through the Telenet 'Move' program, the Company invests in a greener, more carbon-efficient fleet and commits to reduce the total number of kilometers driven annually with 5% from 2021 onwards. The Company commits to move less by stimulating home/remote work and by reviewing the Telenet offices strategy; to move differently by promoting micro-mobility solutions, public transport and carpooling; and to move better by investing in the electrification of the fleet.

The reduced mobility of Telenet employees due to the mandatory work from home policy during the COVID-19 crisis, had a positive impact on the Scope 1 mobile combustion emissions, with a reduction of 44% compared to 2019. The Scope 2 emissions however, showed a substantial increase compared to 2019 due to the large increase in internet and data traffic on the fixed and mobile networks during the pandemic. In 2020, Telenet noticed (a) a 60% increase in internet use, (b) a 30% increase in social media use and (c) a 83% increase in video calling volume. The growth of mobile data traffic was less significant, but still 30% above 2019.

Telenet is committed reducing its emissions arising from Scope 1 mobility and Scope 2 network operations and will set new more ambitious targets as part of the new 2021-2025 Telenet Sustainability Strategy. In addition, the Company aims to improve its Scope 3 performance, with focus on third-party transport in general and the last-mile delivery of goods in city environments in particular. Mid-2019, Telenet signed a Green Deal on City Logistics, an initiative of the Flemish Government, in partnership with academic institutions, the industry and local governments. In 2020, the Company ran a proof of concept with the city of Mechelen linked to the delivery of goods to the Telenet and BASE shops using electric vehicles and bikes. In Autumn 2020, this proof of concept was extended to the city of Ghent. Both projects will be evaluated in spring 2021 with the goal of upscaling of the last-mile delivery logistics program.

Continuously investing in innovative products and solutions, Telenet has further worked on the development of a new generation of set-top boxes with significantly lower energy demand. These new models have been released to the market in 2020.

With regard to reducing the use of resources and the generation of waste, Telenet continued its long-term collaboration with the social profit organization Vlotter (IMSIR cbva) for the recycling and refurbishment of set-top boxes and modems. Through this collaboration, Telenet avoided 394 tons of waste in 2020. On top of the environmental benefit, there is a positive social impact as Vlotter/IMSIR offers job opportunities to individuals with limited access to the labor market.

An important attention point for Telenet when addressing its environmental priorities are the European and Belgian regulatory developments which will require a more ambitious approach to climate and more elaborate environmental performance measurements and reporting.

In addition, the regional differences on radiation norms are creating both operational and innovation challenges for improving and expanding the network infrastructure service coverage in general and for deploying a future-proof 5G network infrastructure in particular.

7.4 Community engagement

Telenet's material issues: main risks

One of the key material issues for Telenet is the topic of 'digital inclusion and skills development'. Building a digital-savvy workforce is crucial to executing the Company's corporate strategy as outlined in section 2 of the present statement. However, the Company's responsibility goes beyond its own direct business needs. It touches on the key role that stakeholders expect Telenet to take as it comes to creating a digital society that is accessible to all and that stimulates the digital skills development of citizens across the local communities. Not actively responding to these societal needs may present a reputational risk for the Company.

How the Company addresses them: policies and due diligence

As a leading telecommunications and media player in Belgium, Telenet is aware of the important role it plays in the Belgian society. The Company drives a community engagement policy that focuses on digital innovation as an engine to create a richer quality of life, sustainable economic growth, and increased education and employment opportunities. At the same time, Telenet is also aware of the societal challenges that digitization brings. The Company therefore actively addresses the following digital society issues: (1) unlocking the potential of digital for all; (2) empowering future generations in the digital age; (3) accelerating digital entrepreneurship and (4) finding the right digital balance. More information on this community engagement policy can be found on the sustainability section of the Telenet corporate website.

Telenet monitors and manages its community investments on a yearly basis following the London Benchmark Group framework. In addition, the Company holds regular alignment meetings with the NGOs and community initiatives that receive structural support, in order to assess their impact, to review and - if or when necessary- adjust the investment and refine the cooperation.

Outcomes: Most important community engagement investments in the year ended December 31, 2020

In 2020, Telenet's community engagement was entirely focused on addressing the digital inclusion and accessibility challenges of the pandemic, minimizing the impact of the COVID-19 crisis on the entire customer base and society at large. The Company invested more than €4.5 million in connectivity solutions and digital inclusion initiatives in 2020. As a result of the pandemic, one-off community investments increased, in particular through in-kind contributions. In addition, Telenet employees contributed 1,843 hours to volunteering in 2020, mainly focused on remote community engagement activities.

COVID-19 community engagement initiatives
The COVID-19 crisis led Telenet to focus its community engagement on addressing the unexpected challenges of customers and society at large.

Telenet doubled the data volumes and offered free entertainment to all its 1.8 million residential customers during the first lockdown period, while the Telenet Business team provided assistance to SME customers economically hit by the lockdown. Telenet also increased online customer support and offered home-delivery with self-install and in-shop appointments to keep customers safe and connected.

Under the #ThroughitTogether umbrella, Telenet employees created short home-made videos sharing tips and tricks with customers on how to get more out of digital in times of lockdown and isolation.

Telenet placed additional attention on bridging the digital divide by providing connectivity and laptops to vulnerable families without access to digital tools at home, allowing children and students to connect with their school and to follow remote learning. Telenet provided 7,500 households in Flanders and Brussels with access to the Wi-Free network and supported the Digital4Youth laptop program of the Flemish government by donating € 80,000, partly collected through an employee fund raising initiative.

A detailed overview of all community engagement initiatives taken by the Company to improve the access to digital and to reduce the social isolation can be found on the Telenet corporate website.

Investments in structural initiatives post-COVID
The health crisis has made the societal issue of digital inclusion more visible than ever. According to the 2020 Digital Inclusion Barometer (Foundation King Baudouin, June 2020), 10% of Belgian households do not currently have access to a stable internet connection at home. This insight, underpinned by the overwhelming number of requests for Wi-Free vouchers, has led Telenet to the development of a structural 'connectivity for all' program.

Announced in October 2020, the Telenet Essential Internet program offers vulnerable citizens access to a basic internet solution at a low fixed rate of 5 euros per month. In February 2021, Telenet started a proof of concept for this basic connectivity solution in a selected number of cities in Flanders and in Brussels, in close cooperation with local social organizations. The Company targets an upscaling of the Telenet Essential Internet program from April 2021 onwards, with the goal of reaching 10,000 households by the end of the year. The program will be underpinned by an employee volunteering program. In addition, Telenet will commission academic research on the impact of the basic internet on the digital inclusion of vulnerable citizens.

In 2020, Telenet also continued the #TelenetGo initiative that inspires consumers on the endless possibilities offered by digital through online expert talks and workshops. As a telecom and entertainment provider, Telenet wants to enable and promote a digital lifestyle, while helping people find the right balance: digital technologies should not jeopardize personal relations nor present a serious risk to people's wellbeing or health. The #TelenetGo initiative therefore raises public awareness on key issues in digital like cyberbullying, sharenting and sexting, and actively promotes online safety and security.

In parallel, the Telenet Business department continued its investments in the Digital Acceleration of SME entrepreneurs by providing free consultancy about e-commerce, social media and online security. Besides offering personal coaching, the Digital Acceleration program connects SME entrepreneurs with digital experts and coaches through an online matchmaking platform. Since the start of the program in 2018, the Digital Acceleration program has reached and accelerated more than 3,125 SME entrepreneurs in Flanders and Brussels.

7.5 Human rights

Telenet's material issues: main risks

Telenet's commitment to human rights does not limit itself to its own operations but applies to the different stakeholder groups across the value chain. The Company has identified the most material human rights risks through the materiality assessment and an assessment of the implications of the UN Framework and Guiding Principles on Business and Human Rights.

Employees: 100% of Telenet's business operations are located in Belgium and are covered by stringent local legislation and regulation. On top of legal obligations, the main human rights risks for Telenet's employees are equal opportunity, privacy and health & safety.

Customers: 100% of Telenet's customer base is located in Belgium and is covered by stringent local legislation and regulation. On top of legal obligations, privacy and freedom of expression were identified as key human rights risks for the Company's customers.

Suppliers: An assessment of the implications of the UN Framework and Guiding Principles on Business and Human Rights on Telenet's business found that there is a significantly higher risk of disrespect and abuse of human rights in the supply chain. Key human rights risks in the supply chain include child labor, forced labor, working hours and wages, discrimination, freedom of association and health & safety.

How the Company addresses them: policies and due diligence

Telenet has several policies in place that demonstrate its commitment to human rights and upholds high standards with regard to human rights as well as labor, environment and anti-corruption. Where relevant, principles of the OECD Guidelines for Multinationals have been integrated in the Company's Code of Conduct and the Supplier Code of Conduct.

Employees: The Telenet Code of Conduct sets out the basic rules, standards and behaviors needed to conduct business with honesty and integrity, in accordance with high ethical and legal standards. The Code of Conduct is the leading policy for employees and covers human rights including equal opportunity, privacy and health & safety. It prohibits discrimination and harassment of any kind. This commitment extends to all aspects of employment including recruitment, hiring, evaluation, promotion, compensation, training, development and termination.

Employees can report compliance issues and breaches through the whistleblower procedure or the compliance mailbox. Complaints are handled by the Compliance team.

An annual internal assessment is conducted through the Global Prevention Plan ("GPP").

The objective of the 5-year GPP is to systematically and thematically manage the risks on work-related safety, health, ergonomics, hygiene, psychosocial wellbeing and environment, which have been identified through auditing, risk analyses, accident and incident analyses, safety rounds, dealing with complaints, results, notifications, new or revised regulations and from medical examinations. The GPP is updated annually, evaluated and supplemented with the objectives with regard to the risks identified in the current calendar year or new/updated regulations. Each year, these objectives are developed in a yearly action plan. The Global Prevention Plans and the yearly actions plan apply to the entire organization.
For more information on the Company’s policies and procedures, please refer to the sustainability section of the Telenet corporate website.

Customers: In compliance with all applicable legislation, Telenet has a dedicated Customer Data Policy in place that stipulates the collection, use, storage and protection of customer data, which settings the customer can control for the use of his/her personal data, how Telenet is authorized to contact the customer, and guidelines for passing on personal data to third parties. Internal guidelines about how to practically follow the policy and a specific training for employees have been developed in order to implement the policy. Following its rollout, Telenet engages with the Belgian Data Protection Authority for its practical implementation and potential sharpening of clauses where necessary.

As a leading provider of internet services, Telenet specifically has a social responsibility with regard to the freedom of expression. The Company's general principle is not to limit it in any way, except when requested to do so by an authorized authority. Together with other Belgian Internet providers, Telenet has signed a Protocol with the Belgian Gaming Commission in which Telenet, in cooperation with the Federal and Regional Computer Crime Unit, acts against websites offering illegal gambling. The judicial powers can also require the Company to block websites that violate copyrights or that distribute illegal pornographic material. Finally, as a member of the Association of Internet Service Providers in Belgium ("ISPA"), Telenet adheres to its code of conduct to prevent and combat child abuse via chat applications and websites.
For more information on the Company’s policies and procedures, please refer to the sustainability section of the Telenet corporate website.

Suppliers: The Telenet Supplier Code of Conduct explicitly outlines what Telenet expects from organizations the Company works with. The code includes a set of principles that are based on all applicable local and international laws and regulations regarding the environment, health and safety and employment. It endorses international labor standards such as the ILO Fundamental Conventions and the UN Convention on Human Rights.

In addition to its supply chain standards, Telenet assesses and monitors compliance of its suppliers using the EcoVadis platform. The EcoVadis assessment covers 21 ESG criteria, including human rights focus areas such as child & forced labor, non-discrimination and fundamental human rights (civil & political, social & cultural, and indigenous rights, collective bargaining, property and privacy). Corrective action plans are implemented with suppliers identified as ‘high risk’.

For more information on the Company’s policies and procedures, please refer to the sustainability section of the Telenet corporate website.

Outcomes: Most important human rights developments in the year ended December 31, 2020

Employees: In 2020, Telenet initiated two online trainings to raise internal awareness and adoption of the Code of Conduct principles across the organization. The first training was initiated in spring and was completed by 95% of the total workforce. The second training was launched mid-November and was completed by 87% of the total workforce.

Customers: Telenet is compliant with the General Data Protection Regulation 2016/679 (‘GDPR’) and has taken the following actions to ensure compliance with the GDPR:

- the appointment of a dedicated Data Protection Officer;
- the set-up of several internal workgroups to drive the GDPR implementation across the different business units;
- the update of the internal procedures and IT systems.

While Telenet is compliant with the GDPR rules related to customer communications on the Telenet Customer Data Policy, the Company is continuing its investments to assure full compliance across the customer value chain. The Data Protection team is currently working on an updated policy to sharpen its transparency and clarity regarding customer data use and privacy protection, including a strengthened commitment – as so called ‘Privacy Promise’ towards customers. In the first quarter of 2021, Telenet will drive a new, company-wide internal training program on the Privacy principles. More information on Telenet’s approach to privacy and data security can be found on the sustainability section of the Telenet corporate website.

Suppliers: Updated in 2019, the Supplier Code of Conduct has been further embedded in the onboarding process of new suppliers. Suppliers are expected to formally accept the Supplier Code of Conduct. The outcomes of Telenet and Liberty Global's annual supplier assessment through the EcoVadis platform will be collected and issued in spring 2021, and the results will be reported in the upcoming 2020 Telenet Sustainability Report.

7.6 Anti-corruption and bribery

Telenet's material issues: main risks

Telenet’s anti-corruption policy identifies corruption and bribery risks in three categories:

- **Active public corruption:** Presenting a public official (or a person introducing himself as such), either directly or through an intermediary, with an offer, promise or benefit of whatever kind in favor of that same official or any other person, to adopt a particular course of action that could yield some kind of commercial advantage.

- **Active private corruption:** Presenting any other person (business partner, supplier...), either directly or through an intermediary, with an offer, promise or benefit of whatever kind in favor of that person or any other person, to perform or refrain from a particular action as part of his position within his company, without the knowledge and authorization of that person’s company.

- **Passive private corruption:** Requesting or accepting, directly or through an intermediary, an offer, promise or benefit of whatever kind from another person, without the knowledge and authorization of the Company, to perform or refrain from a particular action as part of his position at the Company.

Telenet has identified a number of high-risk departments - Finance, Corporate Public & Regulatory Affairs, Procurement, and Telenet Business - which present a higher risk of any of these types of corruption compared to the rest of the organization.

For more information on the Company’s policies and procedures, please refer to the sustainability section of the Telenet corporate website.

How the Company addresses them: policies and due diligence

Telenet’s dedicated anti-corruption policy is in line with international regulations, the Belgian legislation and the policy of Liberty Global. The anti-corruption policy was reviewed in 2019 and has been approved by the Board of Directors and the Audit and Risk Committee. In addition, a separate Gifts & Hospitality policy was published. This policy prohibits the giving and taking of bribes, limits the giving and receiving of gifts, and includes a reminder to observe laws and regulations and, provides an obligation of transparency around political donations. The policies are clarified with the help of specific examples and practical guidelines. The anti-corruption policy is extensively communicated to all employees and agents, contractors and suppliers. Furthermore, anti-corruption and bribery is thoroughly addressed in Telenet’s Code of Conduct.

Outcomes: highlighted anti-corruption and bribery developments in the year ended December 31, 2020

Telenet is fully committed to being a responsible company that considers the broader impact of its business activities and corporate decision making on the community. In December 2020, Telenet launched an online training on anti-corruption and bribery for 713 Telenet employees with a sales, marketing or communication profile. At the beginning of February 2021, 87% of the audience had completed this training. In the course of 2021, Telenet will drive additional online and classroom trainings on compliance-related topics, including a training on competition law and Chinese Walls.

Telenet actively engages with corporate stakeholders - including public authorities - through consultation and dialogue. The Company has established a Stakeholder Engagement Charter which was reviewed and updated in June 2020. This charter provides a number of principles that ensure Telenet develops lasting, trusted relationships with its corporate stakeholders in an open and transparent way.

For more information on the Company’s policies and procedures, please refer to the sustainability section of the Telenet corporate website.

7.7 Non-financial indicators according to selected GRI Core Standards

	GRI Standard	Metric	For the years ended December 31, 2020	2019
	Labor			
102-8	Employees	Headcount, year end	3,431	3,611
	Employees by contract type			
	Permanent contracts	Headcount, year end	3,380	3,555
	Temporary contracts	Headcount, year end	51	56
	Employees by contract type			
	Full time	Headcount, year end	3,221	3,343
	Part time	Headcount, year end	210	268
102-41	Percentage of total employees covered by collective bargaining agreements	%	100	98
401-1	New employee hires	Headcount, total number of newly hired employees over the course of the year	458	510
403-2	Work-related fatalities	#	---	—
405-1	Percentage of individuals within the organization's governance bodies			
	Board of Directors			
	Men	%, year end	67	67
	Women	%, year end	33	33
	Senior Leadership Team			
	Men	%, year end	67	64
	Women	%, year end	33	36
	Environment[1]			
302-1	Total energy consumption within the organization	mWh	200,179	198,694
305-1	Direct (Scope 1) GHG emissions	Metric tons CO2e	6,700	9.661
305-2	Energy indirect (Scope 2) GHG emissions - market-based	Metric tons CO2e	3,967	3,301
305-2	Energy indirect (Scope 2) GHG emissions - location-based	Metric tons CO2e	35,294	28.951
305-3	Other indirect (Scope 3) GHG emissions	Metric tons CO2e	3,163	3,405
	Carbon credits	Metric tons CO2e	(8,473)	(8,627)
	Human Rights			
412-1	Total percentage of operations that have been subject to human rights reviews or human rights impact assessments	%	100	100
	Community Investments			
201-1	Total community investment	€	4,587,268	2,033,971
201-1	Employee volunteering work	#hours	1,843	1,170
	Anti-Corruption and Bribery			
205-3	Confirmed incidents of corruption	#	---	—

[1] Final environmental data will be reported in the 2020 Telenet Sustainability Report, to be released in June 2021. This report will also contain more elaborated GRI Standards disclosures.

7.8 2021 sustainability outlook

In 2021, Telenet will continue its active policies and execution towards sustainable growth.

2021-2025 Telenet Sustainability Strategy Framework
In the forthcoming Sustainability Report 2020, Telenet will present its new sustainability strategy framework 2021-2025. Fully aligned with the Telenet business priorities and the Company's purpose to provide consumers, businesses and society at large technology for human progress, the strategy will focus on three main focus domains: progress, empowerment and (environmental) responsibility. The new strategic framework will be underpinned by a reviewed management approach of the material issues, long-term targets and KPIs and a clear governance model.

Agile Transformation
Telenet will continue delivering on its agile transformation with a key focus on implementing the new function classification and defining a new bonus and merit framework.

Diversity and Inclusion
In spring 2021, Telenet will adopt an updated diversity, inclusion and equality policy that will focus on the following identified priorities: gender equality, multi-cultural diversity and the better inclusion of French-speaking employees in the organization. The policy will set clear KPIs and outline concrete programs and initiatives to achieve progress.

Telenet Move Program
In the first half of 2021, Telenet will continue its investments in the Move program and establish a new company car policy, based on a greener, more carbon-efficient fleet.

The policy will be co-created with Telenet employees and established in consultation with the social partners.

Telenet Essential Internet
In conjunction with Telenet's commitment to society, the Company will focus its efforts on the launch of the Telenet Essential Internet solution, a basic internet solution for vulnerable households that will be made available at a fixed rate of 5 euros per month. Beginning February 2021 onwards, the solution will be tested in a few Flemish cities and Brussels, with local social organizations. In the proof of concept phase, the Company aims at reaching 700 vulnerable households. After the first program evaluation expected in April 2021, Telenet plans to scale-up the program reaching 10,000 households by the end of the year. The Telenet Essential Internet program will include the development of an employee community engagement program and the set-up of an academic research project in partnership with the eInclusion department of the Universiteit Gent and Vrije Universiteit Brussel.

Human rights, anti-corruption and bribery
In relation to human rights, Telenet will continue to focus on the implementation of the GDPR guidelines across all its operations. The Company will work on an updated policy to sharpen its transparency and clarity regarding customer data use and privacy protection, including a strengthened commitment – as so called 'Privacy Promise' towards customers.

Telenet employees are required to complete a privacy compliance training by March 2021.

In relation to anti-corruption and bribery, Telenet will plan additional online and classroom trainings on compliance-related topics, including a training on competition law and Chinese Walls.

Detailed information about the 2020 sustainability results and the 2021-2025 sustainable development plans will become available in the 2020 Telenet Sustainability Report, to be released in June 2021.

To get an overview of the Company's commitment to sustainability and to review all Telenet Sustainability Reports, which Telenet has published since 2010, please refer to the sustainability section of the Telenet corporate website.

8. Corporate governance statement

Corporate governance can be defined as a framework of rules (laws, institutions and policies) and practices (processes and customs) governing the way a company is directed, managed and controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the Company is governed. The principal stakeholders are the shareholders, the board of directors, management, employees, customers, creditors, suppliers, the government and the community at large.

In this chapter, the board of directors discusses factual information regarding the current corporate governance policy at Telenet and relevant events which took place in the year ended December 31, 2020.

8.1 Reference code

The Corporate Governance Charter of the Company has been restated by decision of the board of directors of the Company, taken on March 24, 2020, in order to designate the new Belgian Corporate Governance Code 2020 adopted by Royal Decree of May 12, 2019, as reference code within the meaning of Article 3:6, §2, 1° of the Belgian Companies and Associations Code (www.corporategovernancecommittee.be). The most recent version of the Corporate Governance Charter can be found on the investor relations website of the Company (https://investors.telenet.be). Except for a limited number of deviations in relation to executive and non-executive remuneration as set out in principles 7.6, 7.9, 7.11 and 7.12, the Company is fully compliant with the provisions of the Belgian Corporate Governance Code 2020. The deviations are indicated and explained in the relevant sections of this Statement.

8.2 Regulatory developments and their impact on Telenet

Belgium has broadly transposed the regulatory framework into law. According to the electronic communications law of June 13, 2005, the BIPT, the Belgian National Regulatory Authority, should perform a market analysis to determine which, if any, operator or service provider has significant market power. In addition, the Federal Parliament prepared legislation to transpose the 2009 revisions to the regulatory framework, which became effective as of August 4, 2012.

Telenet has been declared an operator with significant market power on the market for call termination on an individual fixed public telephone network. Since April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging the interconnection rate of the incumbent telecommunications operator, Proximus. Following a court annulment of a final decision on wholesale tariffs issued by the BIPT in 2016, the BIPT issued a new decision in November 2018 that imposes a wholesale tariff of €0.11603 cents per minute, as of January 1, 2019.

In May 2017, the BIPT published its latest decision on the relevant market for “call termination on individual mobile networks”. Telenet, as a mobile network operator, has also been designated in the decision as having significant market power by the BIPT. In the decision, the BIPT adopts a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks, resulting in a nominal value of €0.99 cents per minute as of July 1, 2017.

In June 2018, the BIPT 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.

8.3 Capital and shareholders

8.3.1 Capital and securities

8.3.1.1 Share Capital

The share capital of the Company amounted to €12,799,049.40 as of December 31, 2020, and was represented by 113,841,819 shares without nominal value. All shares are ordinary shares, listed on Euronext Brussels, with the exception of 30 Golden Shares and 94,843 Liquidation Dispreference Shares to which certain specific rights or obligations are attached, as described in the articles of association and the Corporate Governance Charter.

On April 29, 2020, the Extraordinary Shareholders' Meeting approved the cancellation of 814,966 own shares that the Company has acquired pursuant to share repurchase programs. Following the partial share cancellation, the total number of outstanding shares decreased from 114,656,785 to 113,841,819.

8.3.1.2 Other Securities

On March 16, 2020, the board of directors approved a Telenet Long Term Incentive Plan on the basis of which Telenet is able to grant its Company's CEO, its Senior Leadership Team and a select number of employees, a combination of (i) stock options, (ii) performance shares and (iii) restricted shares:

(i) Stock options

On March 16, 2020, the board of directors approved a new general stock option plan for the CEO, the Senior Leadership Team and a select number of employees (the "**Employee Stock Option Plan 2020**" or "**ESOP 2020**"). Each of these stock options entitles the holder thereof to purchase an existing share of the Company. On May 11, 2020 the board of directors authorized an issuance of stock options under this plan to certain beneficiaries. 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.

(ii) Performance shares

On May 11, 2020 the Company granted its CEO, Senior Leadership Team and a select 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 Operating Free Cash Flow ("**OFCF**") CAGR (under US GAAP), when comparing the Operating Free Cash Flow during the period started as of January 1, 2020 and ending on December 31, 2022 to the Operating Free Cash Flow 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 Operating Free Cash Flow 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.

(iii) Restricted shares

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, 113,876 on a total of 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 achievement requirements. Upon vesting, the restricted shares remain blocked for trading for another period of 2 years, i.e. respectively until May 11, 2023 and May 11, 2024.

8.3.2 Evolution of the share capital of Telenet Group Holding NV

No capital movements took place in the year ended December 31, 2020.

8.3.3 Shareholders

Important movements in shareholdings

Transparency declarations

In the course of the year ended December 31, 2020, the Company received the following transparency declarations:

On March 2, 2020 and March 3, 2020, Telenet received transparency notifications from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of March 2, 2020, BlackRock, Inc. reports that the voting rights in Telenet as held by it (aggregated with its controlled undertakings) have decreased below the 3% threshold on February 27, 2020. In its notification of March 3, 2020, BlackRock, Inc. reports that its total participation in Telenet as held by it (aggregated with its controlled undertakings) has decreased below the 3% threshold on February 28, 2020.

On March 27, 2020, Telenet received a transparency notification from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of March 26, 2020, BlackRock, Inc. reports that the voting rights in Telenet as held by it (aggregated with its controlled undertakings) have exceeded the 3% threshold on March 25, 2020.

On March 30, 2020, Telenet received a transparency notification from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of March 27, 2020, BlackRock, Inc. reports that the voting rights in Telenet as held by it (aggregated with its controlled undertakings) have dropped below the 3% threshold on March 26, 2020.

On April 24, 2020, Telenet received a transparency notification from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of April 24, 2020, BlackRock, Inc. reports that the voting rights in Telenet as held by it (aggregated with its controlled undertakings) have exceeded the 3% threshold on April 23, 2020.

On April 27, 2020, Telenet received a transparency notification from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of April 27, 2020, BlackRock, Inc. reports that the total participation in Telenet as held by it (aggregated with its controlled undertakings) have dropped below the 3% threshold on April 24, 2020.

On August 14, 2020, Telenet received a notification from Liberty Global plc and its affiliate Binan Investments B.V. in accordance with Article 74, § 8 of the Law of April 1, 2007 on public takeovers. This notification provides an update of the notification submitted by Liberty Global plc and its affiliate Binan Investments B.V. on August 16, 2019.

On December 22, 2020, Telenet received a transparency notification from Liberty Global Plc in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of December 22, 2020, Liberty Global Plc notifies changes in the chain of control as per December 18, 2020.

On December 29, 2020, Telenet received a transparency notification from Liberty Global Plc in accordance with articles 6 and 18 of the Law of May 2, 2007. In its notification of December 29, 2020, Liberty Global Plc notifies changes in the chain of control as per December 23, 2020.

These declarations can be consulted on the Company's investor relations website: https://investors.telenet.be.

.Share Repurchase Program 2020

On February 12, 2020, the Company announced the initiation of a €55.0 million share repurchase program (the "**Share Repurchase Program 2020**"). Under this Share Repurchase Program, Telenet could repurchase from time to time up to 1.1 million shares for a maximum consideration of €55.0 million until October 31, 2020. This program was funded with the Company's existing cash balances as well as available untapped liquidity under its revolving credit facilities. Given the very volatile stock markets as from mid-February onwards as a consequence of the uncertainties of the impact of the global COVID-19 pandemic, the board of directors of the Company decided to restrict the program with the mandated intermediary to three months, starting from March 2, 2020 and ending on June 2, 2020. Under this program, 1.1 million shares were repurchased in 2020 for a total consideration of €34.4 million. With this repurchase, the Company completed the aforementioned share buyback program.

Shareholder structure

The shareholder structure of the Company at December 31, 2020, based on (i) the shareholders' register of the Company, (ii) all transparency declarations received by the Company, (iii) as well as the latest notifications of each relevant shareholder to the Financial Services & Markets Authority ("**FSMA**"), was as follows:

Shareholders	Outstanding shares	Percentage
Liberty Global Group (*)	66,342,037	58.28 %
Own Shares (***)	4,598,558	4.04 %
Lucerne Capital Management, L.P.	3,540,452	3.11 %
Public (**)	39,360,772	34.57 %
Total (****)	**113,841,819**	**100.00 %**

(*) Including 94,827 Liquidation Dispreference Shares
(**) Including 16 Liquidation Dispreference Shares held by Interkabel Vlaanderen CVBA and 30 golden Shares held by the intermunicipalities
(***) In accordance with Belgian Corporate law, the voting rights attached to treasury shares are suspended and any dividend rights on such shares (if applicable) are cancelled while they remain in the Company's possession. Consequently, the Company's share count, adjusted to reflect the full suspension of voting rights and cancellation of dividend rights on these treasury shares, totaled 109,243,261
(****) Including the cancellation of (i) 1,881,040 treasury shares on April 24, 2019, (ii) 1,178,498 treasury shares on December 4, 2019 and (iii) 814,966 treasury shares on April 30, 2020 as approved by the Extraordinary Shareholders' Meeting

Relationship with and between shareholders

Please see note 5.27 of the consolidated financial statements of the Company for an overview of the relationship of the Company with its shareholders. The Company is not aware of any agreements between its shareholders.

8.3.4 General meeting of shareholders

According to the Company's articles of association, the annual meeting of shareholders takes place on the last Wednesday of the month of April at 10:00 am CET. In 2021, this will be on April 28.

The rules governing the convening, admission to meetings, their conduct and the exercise of voting rights, and other details can be found in the articles of association and in Telenet's Corporate Governance Charter, which are both available on the Company's investor relations website (https://investors.telenet.be).

8.3.5 Consolidated Information related to the elements referred to in article 34 of the Royal Decree of November 14, 2007

Article 34 of the Royal Decree of November 14, 2007 requires that listed companies disclose the relevant elements that may have an impact in the event of a take-over bid. The board of directors hereby gives the following explanations concerning the respective elements to be addressed under these rules:

- A comprehensive overview of the capital structure of the Company can be found in note 5.12 to the consolidated financial statements of the Company.

- Restrictions on the transfer of shares extend only to the 30 Golden Shares. The Company's articles of association provide that the Golden Shares can only be transferred to other partnerships (***samenwerkingsverbanden***) between municipalities and to municipalities, provinces or other public law entities or private companies that are controlled directly or indirectly by public law entities. The Golden Shares can only be transferred per lot of three Golden Shares.

- Any major shareholdings of third parties that exceed the thresholds laid down by law and by the articles of association of the Company are listed in section 8.3.3 of this Statement.

- On December 31, 2020, the Company had 94,843 Liquidation Dispreference Shares and 30 Golden Shares outstanding. The Liquidation Dispreference Shares can be converted into ordinary shares on a 1.04 to 1.00 ratio.

- The Golden Shares attribute to the intermunicipalities (who hold all 30 Golden Shares) the right to appoint representatives in the regulatory board (***regulatoire raad***), which supervises the so called "public interest guarantees", and the right to appoint an observer in the board of directors of the Company, as further described in the articles of association and the Corporate Governance Charter of the Company. In practice, the regulatory board has not been established, but an observer instead attends the meetings of the board of directors.

- Share option plans are described in note 5.12 to the consolidated financial statements of the Company. The CEO SOP 2015, ESOP 2015, ESOP 2016, ESOP 2016bis, ESOP 2017, ESOP 2017bis, ESOP 2018, ESOP 2018bis, ESOP 2019 and ESOP 2020 provide that all outstanding stock options would immediately vest upon a change of control. All these provisions have been approved by or will be put for approval to the extraordinary general shareholders' meeting in accordance with article 7:151 of the Belgian Code of Companies and Associations.

- The Company is not aware of any agreement with any shareholder that may restrict either the transfer of shares or the exercise of voting rights.

- Members of the board of directors are elected or removed by a majority of votes cast at the annual general meeting of shareholders. Any amendment to the articles of association requires the board of directors to propose that the shareholders' meeting passes a resolution to that effect. For amendments to the articles of association, the shareholders' meeting must comply with the quorum and majority requirements laid down in the articles of association and in the Belgian Code of Companies and Associations.

- The board of directors is authorized by the shareholders' meeting of April 24, 2019 to repurchase shares of the Company up to the maximum number allowed in accordance with article 7:215 and following of the Belgian Code of Companies and Associations, provided that the purchase price per share of the Company may be maximum 20% above, and may not be lower than 20% below, the average closing quotes of the shares of the Company, on a "per share" basis, as traded on Euronext Brussels (or any other regulated market or trading platform on which the shares of the Company are traded at that time at the Company's initiative) during a period of 30 calendar days prior to the acquisition of the shares by the Company. This authorization is valid for 5 years, i.e. until April 30, 2024

- Certain provisions of the financing agreements entered into by the Company's subsidiaries would become effective or would be terminated in case of a change of control over the Company.

- The Telenet Performance Share Plan 2016, the Telenet Performance Share Plan 2018, the Telenet Performance Share Plan 2019 and the Telenet Performance Share Plan 2020 also contain change of control wording. The Performance Share Plans 2016 and 2018 were available for all the members of the SLT and one other manager, as well as the CEO. The Performance Share Plans 2019 and 2020 were available for the CEO, the Senior Leadership Team and a selected number of employees. The relevant provisions were approved or will be put for approval at the extraordinary shareholders' meeting in accordance with article 7:151 of the Belgian Code of Companies and Associations.

- The Company is otherwise not party to any major agreement that would either become effective, be amended and/or be automatically terminated due to any change of control over the Company as a result of a public take-over bid. The Company notes however, that certain of its operational agreements contain change of control provisions, giving the contracting party the right, under certain circumstances, to terminate the agreement without damages.

- Other than the provisions relating to stock options, as set out above, the Company has not concluded an agreement with its members of the board of directors or employees, which would allow the disbursement of any special severance pay in the case of termination of employment as a result of a public take-over bid.

8.4 Internal control and risk management systems

8.4.1 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 of the utmost importance to 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 system is to enable the Company to meet its objectives.

The below sections provide an overview of the main actors in this framework and of the key risk areas to which the Company is exposed.

8.4.2 Control and Risk Governance

8.4.2.1 Board of directors

The board of directors determines the values and strategy of the Company, supervises and monitors the organization and execution thereof, and determines the risk appetite in order to achieve its strategic objectives. The board of directors in particular identifies and manages the risks with respect to the Company and its activities, amongst others by approving the framework of internal control and risk management proposed by management and reviewing the implementation of this framework.

The board of directors has installed a number of committees to assist the board with the analysis of specific risks. These committees advise the board on the relevant topics, but the decision authority remains with the board of directors as a whole. In particular, as part of the risk management and internal control framework, the board of directors has established an Audit and Risk Committee in accordance with the relevant legal requirements.

8.4.2.2 Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including risks. The principal tasks of the Audit and Risk Committee (see also section 8.5 ***"Board of directors"***) include regularly convening to assist and advise the board of directors with respect to the monitoring of the financial reporting by the Company and its subsidiaries and making recommendations or proposals to ensure the integrity of the process, the monitoring of the effectiveness of the systems for internal control and risk management of the Company, monitoring of the internal audit and its effectiveness, monitoring of the statutory audit of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor and assessment and monitoring of the independent character of the statutory auditor, taking into account the delivering of additional services to the Company.

The Audit and Risk Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors, and contribute broad experience and skills regarding financial items. The chairman of the Audit and Risk Committee reports on the matters discussed in the Audit and Risk Committee to the board of directors after each meeting and presents the recommendations of the Audit and Risk Committee to the board of directors for decision-making.

8.4.2.3 Treasury

The Treasury department's general objective is to support the Company to grow and invest. The Company needs to have access to sufficient cash resources to meet its financial obligations as they fall due, including supplier payments, taxes, interests, debt repayments and provide funds for capital expenditures and investment opportunities as they arise, in addition to potential shareholder disbursements including dividends and/or share buy-backs. On an ongoing basis, the Treasury department monitors the leverage targets for the Company at a consolidated level and compliance therewith under the 2020 Amended Senior Credit Facility. The Treasury department continuously monitors financial conditions in the capital markets, closely assessing demand, supply and credit spreads, and when possible opportunistically analyzes the capital markets.

The Treasury department is responsible for hedging the underlying foreign currency and floating interest rate exposure. The Company takes a risk-adverse approach to non-functional currency exposure with a strong focus on reducing the cash impact of foreign exchange rate fluctuations. As for the floating interest rate exposure, the Company aims to reduce future interest rate volatility and will therefore generally fully hedge its exposure as part of a (re)financing transaction.

Ultimately, the Company's Treasury department drafts the cash flow planning and invests the Company's cash and cash equivalents as per Company's treasury policy. Such policy is discussed, reviewed and approved by the Company's Audit and Risk Committee. To execute and manage these investments, the Company only engages with highly-rated international financial institutions and only invests in triple-A rated money market funds.

8.4.2.4 Risk and Compliance

The Risk and Compliance department helps the Company achieve its mission by providing support, advice and reasonable assurance to manage risks and improve operations. In particular the Risk and Compliance department helps the Company accomplish its objectives by bringing a risk-focused, pragmatic and systematic approach to the management of risks, compliance and evaluation of governance and business processes. As such, the department supports the Audit and Risk Committee in its oversight of the Company's operational, financial, compliance and strategic risks.

Within the Risk and Compliance department, the SOX team ensures local coordination and testing of the framework to manage internal controls over financial reporting ("**ICoFR**", see also section 8.4.3.2 ***"Financial reporting risks"***).

The Compliance function focuses on the execution of the corporate compliance program including among others identification of key company policies and their owners, communication and publication of policies, organization of awareness campaigns and training sessions and implementation of controls to ensure policy compliance (see also section 8.4.3.3 ***"Compliance risks"***).

The Enterprise Risk Management ("**ERM**") team assists management in identifying, assessing and managing the key risks that are threatening the Company's strategic and operational objectives (see also section 8.4.3.4 ***"Other enterprise risks"***). The team also coordinates and supports the internal audit activities performed by Liberty Global, and follows up on the progress of the open audit findings (see also section 8.4.2.5 ***"Internal audit"***).

For some specific risk areas (e.g. revenue assurance and fraud), the Risk & Compliance department assists the business in the identification and mitigation of related risks and monitors the related control environment. In addition, internal control reviews are performed to identify gaps in the internal control environment and to support the remediation of these gaps

On a quarterly basis, the Risk and Compliance department reports on the progress and results of the above activities to the SLT and the Audit and Risk Committee.

Apart from the Risk and Compliance department, specific teams have been set up to oversee, coordinate and facilitate risk management activities within other risk areas (e.g. privacy, business continuity and cyber security). The Risk and Compliance department supports these decentralized teams and ensures that risks and controls are assessed in a consistent manner throughout the Company.

8.4.2.5 Internal audit

Following the decision of the board of directors of July 29, 2014, and with effect as from 2015, the internal audit function is being performed by the independent internal audit department of Liberty Global. Based on a quality survey and benchmark with other audit firms, it was decided by the Audit and Risk Committee on October 26, 2020 to prolong the internal audit mandate of Liberty Global for one year. Such benchmark is performed on an annual basis.

A risk-based internal audit plan, focusing on significant risk areas, is proposed annually by Liberty Global's internal audit and approved by the Company's Audit and Risk Committee. This internal audit plan is established on the basis of the Telenet Risk Assurance Map (which provides an overview of the Company's risk universe and the coverage and results of the audits on the related domains) and a meeting with all members of the SLT as well as on items raised by the Audit and Risk Committee, the board of directors, and Liberty Global's internal audit itself. The audit plan is executed by Liberty Global's internal audit.

The internal auditor does not only report issues, but also provides the Company with information on the level of effectiveness of controls, formulates recommendations, and triggers the start of action plans for items that require improvement. The follow-up of these action plans until closure is performed by the Risk and Compliance department. Liberty Global's internal audit performs the final validation before the action plans are actually closed.

On a quarterly basis, the Liberty Global internal audit team reports on the progress and results of the above activities to the Audit and Risk Committee.

8.4.2.6 External audit

The general shareholders' meeting of April 29, 2020 reappointed KPMG Bedrijfsrevisoren CVBA ("KPMG") as statutory auditor of the Company for a period of three years.

On a quarterly basis KPMG reports on the progress and results of their audit procedures (including accounting and review issues, and misstatements) to the Audit and Risk Committee. In addition, KPMG herewith also reports on their independence and on any non-audit fees (which require pre-approval from the Audit and Risk Committee).

8.4.3 Risk Areas

8.4.3.1 Financial risks

8.4.3.1.1 Credit risk

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.

For further information, we refer to note 5.3.2 to the consolidated financial statements of the Company.

8.4.3.1.2 Liquidity risk

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with increased competition, 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 depends 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 and debt obligations.

For further information, we refer to note 5.3.3 to the consolidated financial statements of the Company.

8.4.3.1.3 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.

For further information, we refer to note 5.3.4 to the consolidated financial statements of the Company.

8.4.3.1.4 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.

For further information, we refer to note 5.3.5 to the consolidated financial statements of the Company.

8.4.3.2 Financial reporting risks

Liberty Global, the majority shareholder of the Company, is subject to the requirements of the US Sarbanes-Oxley Act of 2002 ("**SOX**"). The Company has been part of Liberty Global's assessment of ICoFR since 2008, and has not reported any material weaknesses.

As part of Liberty Global's compliance with the SOX legislation, Liberty Global reviews its scoping for ICoFR purposes at various times throughout the year to determine whether additional risks or controls need to be evaluated and assessed at the Company. In addition, for every change in products, services, processes and systems, the impact on management's broader control framework is formally assessed by the Company and appropriate action is taken. A formal monitoring process is in place for ICoFR: a periodic management self-assessment on design and control effectiveness based upon the frequency of the control, a self-assessment validation and a direct testing cycle by the risk and compliance department, Liberty Global's internal audit and group compliance.

The accounting principles used by the Company, and each change thereof, are presented to the Audit and Risk Committee and approved by the board of directors.

8.4.3.3 Compliance risks

The Company applies a risk based approach to define the compliance roadmap. The Compliance team ensures that each compliance domain (i.e. policy) is assigned to an owner. Responsibilities of these policy owners and other key compliance stakeholders (Legal, Regulatory and SLT members) have been recorded in a compliance 'Roles & Responsibility' matrix.

The Compliance team ensures that new or updated policies are approved and supports the policy owner with the communication and publication of the policy and organization of training and awareness campaigns. The Code of Conduct and several other key company policies are published on the Company's intranet. Every employee is expected to follow the principles and guidelines provided in the Code of Conduct and other company policies (e.g. anti-corruption guidelines, travel & expense policy, dealing code, Chinese walls guidelines etc.). To ensure compliance with these company guidelines, controls and metrics are put in place. Monitoring hereon is performed to measure the level of compliance and to define corrective actions if needed. In addition, the Compliance team is also responsible for the Whistleblower process that allows employees to report improper conduct such as violations of the Code of Conduct or any applicable company policy. Complaints can be reported in confidence via a telephone line or a reporting website and employees can remain anonymous if requested. All complaints received through the telephone line or reporting website are handled by the Compliance team in consultation with the chairman of the Audit and Risk Committee.

8.4.3.4. Other enterprise risks

The Company has a specific program in place to identify, assess and monitor the key risks that are threatening its strategic and operational objectives. Together with the SLT members, key strategic risk areas are prioritized as part of this program. Each of these risk areas is owned by an SLT member. The ERM team assists the SLT owner in identifying and assessing the key underlying risk drivers and in identifying or defining mitigation initiatives to further improve the risk coverage if required.

In 2018, the Company identified the following 5 key enterprise risks as priority, which are further detailed below: (i) Market Dynamics, (ii) Business Transformation and Programs, (iii) Security and Resilience, (iv) Customer Experience and (v) Laws and Regulations. The following additional enterprise risks have been assessed as well: (i) Talent and Culture, (ii) Supply Chain and (iii) Strategy, Planning, Information and Communication.

The different risk domains have been further monitored at high-level during 2020. A more detailed update of the different risks was launched in January 2021.

8.4.3.4.1 Market Dynamics

Telenet operates in a highly volatile environment which is characterized by amongst others the following factors: constant and rapid technology changes, evolving customer behavior (e.g. changes in the customers' television viewing preferences and habits, triggering cord cutting), strong existing and emerging/new competition (from telecom operators and other companies), product convergence, regulatory changes, events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics or epidemics (such as the coronavirus (COVID-19) - refer to 8.4.3.5 for more information) and other similar events. Telenet needs to identify, monitor and respond to these factors in order to remain competitive in the telecommunications and entertainment market.

Telenet is constantly looking for innovative ways to offer products and provide services that respond to the needs of its customers (residential, business, wholesale) and to stimulate innovation in the broadest sense. The Telenet strategy team defines and drives the strategic agenda of the Company in order to ensure long-term success of the company. This is done by identifying and analyzing major strategic challenges and opportunities and by prioritizing strategic themes. In addition, the competitive environment across the industries and footprint in which the Company operates or aims to operate, is closely monitored to allow the Company to timely and properly respond to significant competitive changes.

Long-term market trends and strategic objectives are translated into shorter term initiatives and actions, which are further underpinned by in-depth customer insight analysis to measure the customer expectations. These drive the further elaboration of Telenet's product portfolio and service delivery to ensure that the connectivity and entertainment products and services offered respond to the (changing) customer needs. The Company also continuously invests in its fixed and mobile networks in order to optimally serve its customers, taking into consideration the customers' continuously growing data needs.

Apart from the more traditional telecommunication products and services, Telenet is also constantly looking for and investing in new growth opportunities (e.g. IoT, eSIM or Smart Home applications) and innovation initiatives (e.g. The Park) in order to stay ahead in the very competitive market. Where needed, the company looks for acquisition opportunities and/or enters into strategic partnerships to further drive Telenet's ambitions.

Telenet also enjoys a robust financial profile with €82.0 million of cash and cash equivalents at the end of December 2020. Following the successful refinancing of both its € and USD-denominated Term Loans in January 2020, Telenet faces no debt amortizations - excluding short-dated commitment under its vendor financing program - prior to March 2028. Furthermore, all of Telenet's floating-rate debt has been fully hedged until the end of the maturity, underpinning its solid financial profile.

8.4.3.4.2 Business Transformation and Programs

Telenet continuously undertakes significant initiatives to change the Company's systems, products, processes and organizational structures in order to achieve its strategic and operational objectives. This is realized through the delivery of significant capital expenditure programs. If these programs are not appropriately managed, strategic business objectives may not be met and the Company may incur unnecessary costs.

The environment in which Telenet operates is becoming more and more complex, volatile and uncertain. Therefore a fundamental change was needed in order to respond better and faster to the changing environment, and to increase efficiency and effectiveness by breaking down silos. To this end, an organization-wide program was launched in order to transform the Company into an agile organization. This transformation program kicked off in early 2019 with two pilot “tribes”, which were extended towards the Residential organization later in the year. During 2020, the transformation was scaled up to all relevant departments involved in change activities. Telenet plans to continue to refine the agile way of working during 2021 and beyond. Key elements in the agile way of working are regular reviews of goals and priorities in light of the Company objectives, and taking financial and resource constraints into account; and Quarterly Business Reviews ("**QBRs**"). In the QBRs, initiatives that contribute to the Company and Domain goals are reviewed, prioritized and approved.

In order to ensure that the risks related to this agile way of working are timely and properly identified and assessed, the Risk and Compliance department has implemented a new “risk by design” methodology, whereby experts from the key risk areas (ICoFR, revenue/fraud, privacy, legal, regulatory, security, etc) are actively involved in the agile activities across Telenet. This new methodology aims to ensure that the agile activities remain within the risk boundaries as set by the risk experts.

8.4.3.4.3 Security and Resilience

Telenet has a significant amount of information which is crucial to the organization. The integrity, availability and confidentiality of this information might be threatened by hazards such as cyber-attacks, malware etc. In addition, there are many hazards that could significantly interrupt the Company’s services to its customers or the continuity of its business. Telenet’s networks, systems and physical assets may be exposed to external (cyber) attacks or other threats. Failure to prevent or timely detect and effectively respond to the impact of such hazards, could lead to service interruption, loss of customer data or unauthorized access to commercially sensitive information.

In order to properly manage these risks, the Company has established a dedicated cyber security team and a business continuity management team. In-depth proactive security testing is performed, as well as detective penetration testing, vulnerability scanning and ethical hackings. Dedicated cyber security audits are performed and a security incident & event monitoring tool is in place to timely identify potential security breaches. When needed, alerts are generated which are monitored on a 24/7 basis. The Company has also implemented TIM (“Telenet Identity Management”) to support authorized user management and automate access request management and periodic access rights certification for key applications. In addition a privileged access management solution has been implemented, which secures and monitors all privileged accesses to the Company’s systems, and a dedicated tool is used for full database logging on the key databases. During 2019, the Company also launched an enhanced supplier risk assessment process to ensure that cyber security and business continuity risks, as well as other risks related to new suppliers, are properly identified and managed throughout the supplier life cycle.

From business continuity perspective, resilient networks and systems have been built and are periodically subject to high availability testing. Further, periodic business impact analyses and risk assessments are performed across the entire Company.

8.4.3.4.4 Customer Experience

Delivering an amazing customer experience throughout all steps of the customer journey is an important strategic pillar for the Company. Failure to deliver a superior and differentiated experience to the customers (e.g. through inferior products or poor service, or as a result of mismanaged expectations (e.g. on prices or loyalty)) would damage the Company’s customer relationships and adversely impact the Company’s brand and business growth.

Telenet's continued focus on delivering the best customer experience is reflected in the organizational structure of the Company, in particular through the set-up of a dedicated Customer Journey domain. With the goal of improving the customer experience, employees who are a part of this domain work closely with other areas of the organization using analysis and other activities to ensure that customer experience is always properly taken into consideration throughout the Company's key processes.

Customer experience related to the Company’s products and services is constantly measured in order to timely identify pain points in the customer journey and to define further initiatives to restore or increase the customer experience. To keep sufficient focus on improving customer experience throughout the whole Company, the feedback from the customers is explicitly included in the Company targets.

8.4.3.4.5 Laws and Regulations

Telenet needs to comply with a multitude of local and international laws and regulations. These include but are not limited to customer registration, data privacy, telecom code, competition law, cable access regulation, anti-corruption, anti-money laundering, accounting and VAT laws, etc. Non-compliance with these laws and regulations exposes the Company to financial and reputational risk. See section 8.4.3.3 ***“Compliance risks”*** for a description on how these risks are managed within the Company.

Also, failure to adapt quickly and effectively to changes in the legal and regulatory environment might expose Telenet to the same financial and reputational risks. To this end, the Regulatory and Legal teams ensure that dedicated initiatives are set up when needed for the implementation of new laws and regulations. These teams are also actively involved in the aforementioned agile risk by design process to ensure that the legal and regulatory impact of the agile activities is timely identified and assessed. When needed, legal and regulatory requirements are defined for incorporation in the agile activities and are followed up till implementation.

8.4.3.5 Corona virus (COVID-19)

In early 2020, Telenet activated its crisis team to closely monitor the evolution of the COVID-19 virus outbreak and take appropriate measures quickly, as needed, in relation to key areas of importance, such as employee and customer safety (including employees’ emotional well-being while working primarily from home) and continuity of operational activities.

The measures are regularly adapted in line with the rules and restrictions imposed by the government. As an example, the homeworking rules and return-to-office strategy have been adapted several times during 2020 in view of changes in the governmental rules following the COVID-19 evolution in Belgium.

Since the outbreak of the pandemic early 2020, the Audit and Risk Committee monitors the COVID-19 impact on Telenet. In particular, the following quarterly topics have been added to the agenda of the Audit and Risk Committee meetings of 2020:

- COVID-19 operational impact (health and safety measures, evolution of infections at employees, homeworking rules and evolution, re-COVID strategy, operational measures, etc)

- COVID-19 financial impact on revenue, OCF and OFCF for the different impacted domains (#samenerdoor campaigns, operational performance, customer impact, impact of shop closures, impact on advertising and sports rights, interconnect and roaming impact, bad debt impact, etc)

8.4.4 Assurance

Although the above measures are designed to address the risks inherent to the Company's business and operations to the extent practicable, the determination of the risk framework and the implementation of the control systems provide reasonable but not absolute certainty that these risks will be effectively mitigated.

8.5 Board of directors

8.5.1 Composition

a) General

On December 31, 2020, the board of directors of the Company was composed of 9 members. With the exception of the Managing Director (CEO), all directors are non-executive directors.

There are currently three independent directors within the meaning of article 7:87§1 of the Belgian Code of Companies and Associations, the Belgian Corporate Governance Code 2020 and the articles of association of the Company: (i) IDw Consult BV (represented by its permanent representative Mr. Bert De Graeve), (ii) Ms. Christiane Franck, and (iii) JoVB BV (represented by its permanent representative Mr. Jo Van Biesbroeck).

These directors (as well as their permanent representatives) are considered independent directors since they all fulfill the independence criteria set out in the articles of association of the Company, the Belgian Corporate Governance Code 2020 and in article 7:87§1 of the Belgian Code of Companies and Associations.

The mandate of Mr. John Porter expires at the annual general shareholders' meeting of 2021. The mandates of IDw Consult BV (represented by its permanent representative Mr. Bert De Graeve), Ms. Christiane Franck, Ms. Severina Pascu and Ms. Amy Blair expire at the annual general shareholders' meeting of 2022. The mandates of JoVB BV (represented by its permanent representative Mr. Jo Van Biesbroeck), Mr. Manuel Kohnstamm and Mr. Enrique Rodriguez expire at the annual general shareholders' meeting of 2023. The mandate of Mr. Charles H. Bracken expires at the annual general shareholders' meeting of 2024.

Upon advice of the Remuneration & Nomination Committee, the board of directors will present the following proposal for approval to the annual general shareholders' meeting of 2021:

- the (re)appointment of Mr. John Porter as director of the Company.

As of the general shareholders' meeting of April 25, 2012, Mr. André Sarens has been appointed as "observer" to the board of directors.

The directors have been appointed for a period of maximum four years. In principle, the mandate of the directors terminates at the date of the annual general shareholders' meeting at which time their mandate expires. The directors can be re-appointed.

The general shareholders' meeting (resolving by ordinary majority) can dismiss directors at any time.

If a mandate of a director becomes vacant, the board of directors can fill the vacancy, subject to compliance with the rules of nomination. At the next general shareholders' meeting, the shareholders shall then resolve on the definitive appointment, in principle for the remaining term of the mandate of the director who is being replaced.

Except for exceptional, motivated cases, the mandate of the directors shall terminate at the first annual shareholders' meeting after they have reached the age of 70.

On December 31, 2020, the board of directors of the Company was composed as follows:

Name	Function	Nominated by
Bert De Graeve (IDw Consult BV)	Chairman of the Board of Directors	Independent director
Jo Van Biesbroeck (JoVB BV)	Director of companies	Independent director
Christiane Franck	Director of companies	Independent director
John Porter	Chief Executive Officer & Managing Director Telenet	
Charles H. Bracken	Executive Vice President & Chief Financial Officer of Liberty Global	Liberty Global Group
Enrique Rodriguez	Executive Vice President & Chief Technology Officer of Liberty Global	Liberty Global Group
Amy Blair	Senior Vice President & Chief People Officer of Liberty Global	Liberty Global Group
Manuel Kohnstamm	Senior Vice President & Chief Corporate Affairs Officer of Liberty Global	Liberty Global Group
Severina Pascu	Deputy Chief Executive Officer and Chief Operating Officer of Sunrise UPC Business in Switzerland	Liberty Global Group

CM: Chairman

Mr. Bart van Sprundel, Head of Corporate, Transactional Legal & Governance, acts as company secretary of the board of directors and its committees.

b) Diversity

The Company strives for diversity within the board of directors, creating a mix of executive directors, non-executive directors and independent directors. The composition of the Board has therefore been determined to gather sufficient expertise in Telenet's areas of activity and ensures sufficient diversity of skills, background, age and gender, thereby ensuring compliance with, amongst others, article 7:86 of the Belgian Code of Companies and Associations. At December 31, 2020, the board of directors included three female members: Ms. Christiane Franck, Ms. Amy Blair and Ms. Severina Pascu. At present, Telenet is in line with the gender composition requirements.

c) Biographies of directors

The following paragraphs set out the biographical information of the members of the board of directors of the Company as of December 31, 2020 as well as the members who are nominated for appointment, or whose appointment should be confirmed at the next general shareholders' meeting, as well as information on other director mandates held by the members of the board of directors of the Company.

John Porter, Chief Executive Officer and Managing director (°1957)

For the biography of Mr. Porter, we refer to section 8.6 c) of this Statement.

Bert De Graeve, chairman of the board of directors and independent director (representing IDw Consult BV) (°1955)

Bert De Graeve started his career in 1980 with Arthur Andersen & Co and joined Alcatel Bell in 1982. In 1991, he became General Manager Shanghai Bell Telephone Equipment Mfg. Cy in Shanghai. In 1994, he was appointed Vice President, Director Operations, Alcatel Trade International and later Director International Affairs, Alcatel Alstom in Paris. In 1996, he became Managing Director of the Flemish Public Radio & TV Broadcaster (VRT) and joined Bekaert in 2002 as CFO, to become CEO from 2006 on and chairman from 2014 till 2019. Bert De Graeve holds a Master in Law from the University of Ghent (1980), studied Financial Management at IPO (Antwerp) and became Master in Tax Management at VLEKHO (Brussels). Bert De Graeve is also Chairman of the Board of Directors of Sibelco NV, Independent Director of UCB and Member of the Board of the Concours Reine Elisabeth.

Jo Van Biesbroeck, independent director (representing JoVB BV) (°1956)

Up to 2015, Jo Van Biesbroeck has been Chief Strategy Officer and Chief International Business Development of Anheuser-Busch InBev SA/NV (formerly known as InBev SA and Interbrew) where he also started his career in 1978. Anheuser-Busch InBev is the world's leading brewer and is amongst the world's top five companies operating consumer goods. Mr Van Biesbroeck held various positions in controlling and finance and was Senior Vice-President of Corporate Strategy, Chief Business Development Officer, Chief Strategy and Business Development Officer, Chief Sales Officer, and Zone President Western Europe in that order. Between September 1, 2015 and April 1, 2020, Jo Van Biesbroeck was manager and member of the board of RSC Anderlecht. Jo Van Biesbroeck obtained a Master's degree in Economics at the Roman Catholic University of Leuven. He is chairman of the board of directors of Matexi Group. Furthermore, he serves as an independent and non-executive director of Etex nv, Puratos, Inno.com, the investment company SFI and various non-profit organizations including the ACF cancer fund, Kick cancer fund and Franklinea fund in Swiss. He is also Chairman of Audit and Remuneration Committees. Additionally, Mr. Van Biesbroeck is the Chairman of the Strategic Committee of Puratos and Chairman of EIT Food iVZW.

Ms. Christiane Franck, independent director (°1951)

Until February 2017 Christiane Franck has been CEO (2005-2017) of Vivaqua in Brussels where she also started her career. At Vivaqua, she consecutively held the positions of ICT Manager, Commercial Manager of Distribution and Secretary General. Vivaqua, specializing in water production and distribution, serves over two million inhabitants throughout Belgium through close cooperation with the public authorities at local, regional and federal level. Christiane Franck brings a strong level of service company experience to Telenet. Christiane Franck has a Masters in Mathematics from the University of Brussels (ULB) and served as a member of the board of the ULB until 2019. She serves as member of the advisory committee of Ethias Mutual Insurance Company and is a member of the board of Artsen Zonder Vakantie of which she became vice-chairwoman in 2019. Furthermore, Ms. Franck is Chairwoman of Hydralis, one of the largest Belgian pension funds. Since 2018, Christiane Franck is Chairwoman of NV Virteo.

Charles H. Bracken, director (°1966)

Charles Bracken is Executive Vice President and Chief Financial Officer for Liberty Global with responsibility for Group Finance and Treasury operations, including tax and financial planning, procurement and property as well as capital allocation and finance operations of Liberty Global's largest operations, and overseeing its accounting, external reporting and Investor Relations functions. He is responsible for overseeing Liberty Global's business plan and its focus on customer support systems. He is an executive officer of Liberty Global and sits on the Executive Leadership Team and the Investment Committee.

Manuel Kohnstamm, director (°1962)

Manuel Kohnstamm is Senior Vice President and Chief Corporate Affairs Officer for Liberty Global. He is responsible for developing and implementing Liberty Global's regulatory strategy, public policy, government affairs and corporate communications. Mr. Kohnstamm is an executive officer of Liberty Global and sits on Liberty Global's Executive Leadership Team and the Regulatory Committee.

Mr. Kohnstamm joined the Europe operations of Liberty Global's predecessor in September 1999 and held several positions in corporate affairs, public policy, and communications. He was appointed to his current position in January 2012. From 1992 until he joined Liberty Global, Mr. Kohnstamm worked at Time Warner Inc., most recently as Vice President of Public Affairs in Brussels for its subsidiaries Time Inc., Warner Bros., and Turner Broadcasting. Prior to joining Time Warner, Mr. Kohnstamm worked with the consulting group European Research Associates in Brussels where he conducted macro-economic and policy studies on the telecommunications and defense industries.

Mr. Kohnstamm is a member of VodafoneZiggo's Supervisory Board as well as a member of the Board of Directors of Liberty Global's subsidiary Telenet Group Holding NV, a Liberty Global subsidiary and a Belgian public limited liability company. He is also a Member of the Board of Directors of Sunrise Communications Group AG, a Liberty Global subsidiary in Switzerland.

Mr. Kohnstamm is Co-chair of GIGAEurope, an industry association bringing together independent private telecoms companies. In addition, Mr. Kohnstamm is a trustee of the non-profit organization Street Child, a charitable organization focused improving the lives of some of the poorest and most vulnerable children in the world.

Mr. Kohnstamm graduated in Political Science and holds a Doctorandus Degree in International and European Law from the University of Amsterdam. He also holds a Postgraduate Degree in International relations from the Clingendael Diplomat School in The Hague, and successfully completed the Cable Executive Management Program from Harvard Business School, Boston (MA).

Severina Pascu, director (°1972)

Severina has been Deputy CEO and COO of the combined Sunrise UPC business since November 16, 2020. Prior to this, Severina held several leadership roles within Liberty Global, most recent as CFO and Deputy CEO of Virgin Media. She served as CEO at UPC Switzerland between 2018 and 2020, CEO of UPC CEE between 2015 and 2018, and as CEO UPC Romania between 2010 and 2015. Severina joined Liberty Global in 2008.

Amy Blair, director (°1966)

Amy Blair is Senior Vice President and Chief People Officer for Liberty Global, one of the world’s leading converged video, broadband and communications companies.

Ms. Blair is responsible for leading Liberty Global’s Human Resource function across Europe and the United States, including its global People Strategy, an integrated approach to talent, organization, culture, engagement, performance management, reward, leadership and internal communications. A member of the Executive Leadership team, Ms. Blair oversees global people, transformation & change activities resulting from, amongst others, significant business restructurings.

Ms. Blair joined Liberty Global in its start-up phase in Denver, Colorado. During her 30 year tenure, she has held numerous international leadership positions including Vice President of Operations Management and Managing Director of Human Resources for European operations, based in Amsterdam, The Netherlands. Today, Ms. Blair serves her current role from Global Headquarters in Denver. In 2020, Blair helped establish Liberty Global’s Diversity, Equity and Inclusion Council.

An active sponsor of various industry and civic organizations, Ms. Blair currently serves on the Board of Directors and Remuneration Committee of Telenet, a leading provider of media and telecommunications services in Belgium; the Board of Directors of The Cable Center; and the Daniels Executive Advisory Board at the University of Denver Daniels School of Business. In 2013, she was awarded Woman of the Year by Women in Cable Telecommunications Rocky Mountain Chapter.

Ms. Blair holds a Bachelor of Arts & Sciences from The Colorado College and a Masters of Business Administration from the University of Denver.

Enrique Rodriguez, director (°1962)

Enrique joined Liberty Global as Executive Vice President & Chief Technology Officer in 2018, leading Liberty Global’s Technology & Innovation ("**T&I**") team. Liberty Global’s technology function powers the product development, technology choices and common platforms across Liberty’s operating companies and partner markets.

Enrique has over 35 years of experience at high-technology, Fortune 500 global businesses, including TiVo where he was president and CEO, AT&T, Cisco, Thomson, SiriusXM and Microsoft. He is a recognized industry expert in the media, television and Internet service provider business with strong reputation for execution of complex, large-scale, multi-billion dollar service programs.

André Sarens, observer (°1952)

André Sarens has served as a director of the Company from December 2003 until April 2012. Since April 2012, he has been appointed as observer to the board of directors. Mr. Sarens was until October 2017 Grid Participations Manager at Engie, having previously held numerous senior finance and administration positions related to Engie Electrabel’s utility service distribution activities in Belgium. In these capacities, he has represented Electrabel and the mixed intermunicipalities in their business dealings with Telenet from 1999. Mr. Sarens served on the board of directors of several of the mixed intermunicipalities in Belgium, and held several board positions in Engie Electrabel affiliates such as Electrabel Green Projects Flanders and Electrabel Customers Solutions.

8.5.2 Functioning of the board of directors

The board of directors pursues sustainable value creation by Telenet, by setting Telenet's strategy, putting in place effective, responsible and ethical leadership and monitoring Telenet's performance. In order to effectively pursue such sustainable value creation, the board of directors upholds an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders, such as customers, employees, and in general the community in which Telenet is active. The board of directors further advises, supports and monitors the Senior Leadership Team in the fulfillment of its duties and constructively challenges the Senior Leadership Team whenever appropriate. The board members are available to give advice, also outside of board meetings.

Telenet has opted for a "one-tier" governance structure. As a result, the Board is authorized to perform all actions which are necessary or useful for fulfilling the corporate purpose of Telenet, except for those matters which are expressly reserved to the general shareholders' meeting by law, or as specified in the articles of association. In particular, the board of directors represents Telenet and executes the responsibilities entrusted to it by law including, but not limited to, with respect to the budget, important commercial contracts, co-operations and acquisitions, accounting rules, approval of the periodic financial reporting, financing transactions, issuing proposals to the general shareholders' meeting, and external communication to shareholders and other stakeholders. For further details in this respect, reference is made to the Corporate Governance Charter 2020.

The board of directors convenes as often as the interest of the Company requires, sufficiently regularly to perform its duties effectively, and in any case at least four times a year. The functioning of the board of directors is regulated by the articles of association and the provisions of the Corporate Governance Charter.

The board of directors is assisted by two permanent committees: (i) the Audit and Risk Committee, and (ii) the Remuneration and Nomination Committee. In addition, the Board can, on an ad hoc basis set up specialized committees in order to advise the board of directors in respect of decisions to be taken, to give comfort to the board of directors that certain issues have been adequately addressed and, if necessary, to bring specific issues to the attention of the board of directors. The existence of the committees does not decrease the responsibility of the board of directors as a whole and the committees do not have the power to take binding decisions, as the decision making remains the collegial responsibility of the board of directors, nor shall the committees formulate Telenet's strategy.

In the year ended December 31, 2020, six scheduled board of directors meetings and three non-scheduled board of directors meetings took place.

In principle, the decisions are taken by a simple majority of votes. However, the board of directors strives to take the resolutions by consensus.

In accordance with the Corporate Governance Charter, the directors have a duty to place Telenet's interests above their own and will avoid to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of Telenet. When the board of directors takes a decision, the directors shall disregard their potential personal interests and refrain from using business opportunities intended for Telenet for their own benefit.

Board members are required to inform the board of directors of any conflict of interests that could in their opinion affect their capacity of judgment. In particular, at the beginning of each board or committee meeting, the board members declare whether they have any conflict of interests regarding the items on the agenda. Each board member is, in particular, attentive to conflicts of interests that may arise between the Company, its board members, its significant or majority shareholder(s) and other shareholders.

In the possible case of a conflict of interest of a financial nature falling within the meaning of article 7:96 of the Belgian Code of Companies and Associations, the relevant director shall take no part in any deliberations or voting related thereto. Any abstention from voting as a result of a conflict of interest will be disclosed in accordance with the relevant legal provisions. If the conflict does not fall within the scope of article 7:96 of the Belgian Code of Companies and Associations, the board of directors will decide, under the lead of its chairman, which procedure it will follow to protect the interests of the Company and all its shareholders. In the next annual report, the board of directors will explain why this procedure was chosen. In the event of a substantial conflict of interests, the board of directors will consider communicating as soon as possible on the procedure followed, the most important considerations and the conclusions.

In 2020, article 7:96 of the Belgian Code of Companies and Associations has been applied twice. In 2021, article 7:96 of the Belgian Code of Companies and Associations has so far been applied once. More information can be found in section 8.5.6 of this Statement.

The members of the board further look after the interests of all shareholders on an equivalent basis and are required to act according to the principles of reasonableness and fairness. Considering that the majority of Telenet shares are held by the Liberty Global Group, the board of directors makes considered use of its position and takes special care to prevent conflicts of interests and to respect the rights and interests of minority shareholders. Any proposed related party transaction or arrangement falling within the scope of article 7:97 of the Belgian Code of Companies and Associations shall be submitted to a committee of three independent directors in accordance with such article and shall only be entered into after review by the committee of independent directors provided in article 7:97 of the Belgian Code of Companies and Associations.

8.5.3 Evaluation of the board of directors

Upon initiative of the chairman, the board of directors assesses its efficiency at least every three years in order to achieve possible improvements in its own performance and its interaction with management. In this respect, particular attention is paid to:

(i) the size, composition and functioning of the board of directors and its committees;

(ii) the thoroughness with which material subjects and decisions are prepared and discussed;

(iii) the actual contribution of each director in terms of presence at the board of directors and/or committee meetings and the constructive involvement in the deliberation and resolutions;

(iv) the application of the corporate governance rules within Telenet and its bodies.

The evaluation exercise is usually performed by means of a questionnaire, to be filled out by all board members. The completed questionnaires are collected by the company secretary, and the results thereof are presented to the Remuneration and Nomination Committee and the board of directors. The last evaluation took place in July 2020, and the board of directors of December 2020 assessed and discussed the results of the same.

In addition, the board of directors applies a transparent procedure through which, at the end of each board member’s term, the Remuneration and Nomination Committee evaluates the board member’s presence at the board and/or committee meetings, their commitment and their constructive involvement in discussions and decision-making. The committee hereby also assesses whether the contribution of each board member is adapted to changing circumstances.

Once a year, the non-executive directors also make an evaluation of their interaction with the SLT, whereby they meet in the absence of the executive directors and the management of the Company.

Finally, given the increasing impact and importance of corporate social responsibility and sustainability on Telenet’s business, the board of directors decided in 2013 that the design, implementation and monitoring of Telenet’s corporate social responsibility and sustainability program would be discussed and approved at full board level. The board of directors also formally reviews and approves the Company’s sustainability report and ensures that all material aspects are covered. On July 27, 2020, Telenet formally approved the Sustainability Report 2019. More information on the Telenet Sustainability program can be found in section 7 of this Financial Report.

The board of directors undertakes to act on the results of the performance evaluations. Where appropriate, this will involve proposing new board members for appointment, proposing not to re-appoint existing board members or taking any measure deemed appropriate for the effective operation of the board.

8.5.4 Board Committees

In accordance with the relevant legal requirements, the board of directors has established an Audit and Risk Committee and a Remuneration and Nomination Committee. On December 31, 2020, the two board committees were composed as follows:

Name	Audit and Risk Committee	Remuneration and Nomination Committee
Bert De Graeve (IDw Consult BV)		CM
Jo Van Biesbroeck (JoVB BV)	CM	•
Amy Blair		•
Christiane Franck	•	
Severina Pascu	•	

CM: Chairman

The Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including risks. The primary tasks of the Audit and Risk Committee consist of:

- monitoring the financial reporting by the Telenet Group and making recommendations or proposals to ensure the integrity of the process;
- monitoring the consequent application of the accounting rules for the Telenet Group and the criteria for the consolidation of the accounts of the Telenet Group;
- monitoring the independent audit of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor;
- identification, monitoring and reviewing potential related party transactions, and ensuring compliance with Article 7:97 Belgian Code of Companies and Associations;
- the assessment and review of the disclosures with respect to internal audit and risk management, as included in the annual report;
- informing the board of directors of the results of the statutory audit of the annual accounts and the consolidated annual accounts and explain how the statutory audit of the annual accounts and the consolidated annual accounts has contributed to the integrity of the financial reporting and the role that the Audit and Risk Committee has played in this respect;
- monitoring the effectiveness of the systems for internal control and risk management of Telenet and, in case the internal audit function is outsourced, selection of the external professional audit firm that will take up the role as internal auditor, approval of the internal audit charter determining amongst others the composition, organisation, role, objectives, responsibilities and reporting of the internal audit function, monitoring of the internal audit and its effectiveness, taking into account whether such external professional audit firm has the necessary resources and skills adapted to Telenet’s nature, size and complexity;
- the assessment and review of the independent character of the statutory auditor, in particular the assessment on whether the provision of additional services to the Telenet Group is appropriate. The Audit and Risk Committee hereby analyses together with the statutory auditor, the threats to their independence and the measures that have been taken to mitigate those threats, when the total fees for non-audit services are higher than the legally determined criteria. The Audit and Risk Committee further makes recommendations to the board of directors for the appointment of the auditor and determines the policy with respect to the non-audit services;
- the assessment and review of the arrangements in place according to which the staff members can express in a confidential way their concern about possible irregularities regarding the financial reporting or other matters within Telenet, as well as the proportionate and independent investigation of such matters and the appropriate follow-up actions. Such concerns can be addressed to the chair of the Audit and Risk Committee directly;
- the assessment and review of the systems for internal audit and risk management, as installed by the Senior Leadership Team (at least once a year), as well as the Senior Leadership Team’s responsiveness to the findings of the internal audit function and to the recommendations made by the Audit and Risk Committee and in the external auditor’s management letter; and
- the assessment and review of the installation and the functioning of an internal audit structure (amongst which making recommendations on the selection, (re)appointment or resignation of the head of internal audit and the selection and appointment of specialised external consultants and on the budget allocated thereto).

The Audit and Risk Committee reports regularly to the board of directors on the exercise of its duties and in any event when the board is preparing the annual accounts, the consolidated annual accounts, and the condensed financial statements intended for publication.

The Audit and Risk Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors. One director is appointed upon nomination of Liberty Global.

All current members contribute broad experience and skills regarding financial items, which have a positive impact on the committee’s operation. This composition conforms to article 7:99 §2 of the Belgian Code of Companies and Associations within listed companies, and the Corporate Governance Code 2020. The meetings of the Audit and Risk Committee are also attended by Mr. André Sarens in his capacity of observer to the board of directors.

With regard to the competences of the members of the Audit and Risk Committee, particular reference is made to the biography of Mr. Jo Van Biesbroeck, chairman of Telenet's Audit and Risk Committee, in section 8.5.1 c) of this Statement. Further reference is made to the biographies of Ms. Severina Pascu and Ms. Christiane Franck, members of the Audit and Risk Committee, in section 8.5.1. c) of this Statement.

The Audit and Risk Committee meets sufficiently regularly to execute its duties effectively and at least four times a year. Where necessary and appropriate, the Committee meetings can also take place using video, telephone or internet-based means. The Audit and Risk Committee also meets at least annually with the external auditor without the presence of the executive management.

Each year, the Audit and Risk Committee revises its internal regulation, evaluates its own efficiency and makes recommendations to the Board if changes are useful or required.

In the year ended December 31, 2020, the Audit and Risk Committee convened six times, to review and discuss the quarterly, semi-annual and annual financial statements before submission to the board of directors and, subsequently, publication. At all of these meetings, the external and internal auditors were invited in order to discuss matters relating to internal control, risk management and any issues arisen from the audit process. The Audit and Risk Committee further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global.

The Company has established a whistleblowing procedure, which has been reviewed by the Audit and Risk Committee and approved by the board of directors. This procedure allows employees of the Company to report improper conduct such as improprieties in accounting, internal control or audit matters or violations of the Code of Conduct or any applicable company policy. Complaints can be reported in confidence via a telephone line or a reporting website and employees can remain anonymous if requested. Complaints received through the telephone line or reporting website are handled by the Compliance team in consultation with the chairman of the Audit and Risk Committee.

The chairman of the Audit and Risk Committee reports on the matters discussed in the Audit and Risk Committee to the board of directors after each meeting and presents the recommendations of the Audit and Risk Committee to the board of directors for decision-making.

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists, reviews and makes proposals to the Board in relation to the matters as set out hereunder.

The principal tasks of the Remuneration and Nomination Committee with respect to remuneration include:

- formulating proposals to the board of directors with respect to the remuneration policy of non-executive directors and executive management (and the resulting proposals to be presented by the board of directors to the shareholders);
- the remuneration policy for the Senior Leadership Team (and the resulting proposals to be presented by the board of directors to the shareholders) including with respect to the principal contractual provisions (e.g. pension and termination regulations), the relationship and balance between fixed and variable remuneration, the performance criteria, fringe benefits, and the granting of stock-based compensation;
- the individual remuneration of directors and members of the Senior Leadership Team, including variable remuneration and long-term incentive programs, whether or not related to securities, stock options or other financial instruments, as well as severance payments (and the resulting proposals to be presented by the Board to the shareholders), as well as the regular review thereof; and
- the annual review of the Senior Leadership Team's performance and on the realization of Telenet's strategy against agreed performance measures and targets.

The principal tasks of the Remuneration and Nomination Committee with respect to nomination include:

- the periodical evaluation of the size and composition of the board of directors and making relevant recommendations to the board of directors with respect to changes thereto;
- the (re-)appointment of board members and the preparation of plans for the orderly succession of board members, as well as leading the (re-)appointment process of board members, including through (i) scouting for potential directors and submitting their applications to the board, (ii) elaborating an objective and professional (re)appointment procedure for directors, (iii) making recommendations with respect to candidate-directors and (iv) submitting the resulting proposals to be presented by the board to the shareholders;
- the appointment and succession of the members of the Senior Leadership Team, including the CEO, thereby also ensuring that appropriate talent development programs and programs to promote diversity in leadership are in place; and
- the recruitment and retention policies.

The Remuneration and Nomination Committee further prepares the remuneration report to be included in the corporate governance statement by the board of directors and the presentation of this remuneration report at the annual general shareholders' meeting.

The Committee is composed exclusively of non-executive directors and has three members. Two members are independent directors of the Company. The chairman of the board of directors also serves as chairman of the Remuneration and Nomination Committee. The members of the Committee have ample experience in remuneration matters, amongst others because they have taken up senior executive roles in large companies in other stages of their careers.

The Remuneration and Nomination Committee meets sufficiently regularly to execute its duties effectively and convenes at least twice a year. The CEO participates in the meetings of the committee in an advisory capacity when the committee discusses the remuneration of the other members of the SLT.

In the year ended December 31, 2020, the Remuneration and Nomination Committee met six times in the presence of the CEO (except for those matters where the CEO was conflicted). Among other matters, the Committee addressed the determination of the remuneration package of the CEO and the SLT, the composition of the different board committees, the design of the Long Term Incentive Plan ("LTI") and the granting thereof to the CEO, the SLT and a selected number of employees.

The chairman of the Remuneration and Nomination Committee reports on the matters discussed in the Remuneration and Nomination Committee to the board of directors after each meeting and presents the recommendations of the Remuneration and Nomination Committee to the board of directors for decision-making.

8.5.5 Attendance

The attendance overview of the board and committee meetings has been set out hereunder. In this overview, all meetings are presented (not solely the annual pre-scheduled meetings).

Name	Board of Directors (9)	Audit and Risk Committee (6)	Remuneration and Nomination Committee (6)
Bert De Graeve (IDw Consult BV)	9 of (9) CM		6 of (6) CM
John Porter	9 of (9)		
Jo Van Biesbroeck (JoVB BV)	8 of (9)	6 of (6) (CM)	6 of (6)
Christiane Franck	9 of (9)	6 of (6)	
Charles H. Bracken	7 of (9)		
Manuel Kohnstamm	7 of (9)		
Enrique Rodriguez	6 of (9)		
Severina Pascu	8 of (9)	3 of (6)	
Amy Blair	9 of (9)		6 of (6)
André Sarens (Observer)	9 of (9)	6 of (6)	

CM: Chairman

8.5.6 Application of legal rules regarding conflicts of interest

8.5.6.1 Conflicts of interest in the meaning of article 7:96 of the Belgian Code of Companies and Associations

During the meetings of the board of directors of February 10, 2020 and December 22, 2020, article 7:96 of the Belgian Code of Companies and Associations was applied.

At the meeting of February 10, 2020, the board of directors discussed, amongst other items, the determination of the bonus & merit for the CEO. The minutes of the meeting mention the following in this respect:

"Prior to the reporting on the discussions held within the Remuneration and Nomination Committee of February 6, 2020 and the deliberation and resolving on some of these items in particular the determination of bonus & merit for the CEO, Mr. John Porter (CEO and Managing Director) informs the Board that he has a (potential) conflict of interest regarding this decision in the meaning of Article 7:96 of the Belgian Code of Companies and Associations.

Mr. John Porter declares that he will inform the Company's auditor on this conflict of interest. He then leaves the meeting for this specific agenda item. The Chairman also asks the other members of the Senior Leadership Team to leave the meeting with respect to the reporting of the Remuneration and Nomination Committee.

The Chairman of the Remuneration & Nomination committee reports on the discussions held on the determination of bonus & merit of the CEO within the meeting of the Remuneration & Nomination Committee of February 6, 2020. The Committee decided:

- unanimously decides that the CEO will be awarded the maximum bonus of 150% of his annual remuneration, i.e. a bonus of 948,591 Euro; and
- unanimously advises the board of directors to approve this bonus amount for the CEO.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the Board decides to confirm, approve and endorse, the extent necessary, the bonus and merit attributed to the CEO."

At the meeting of December 22, 2020, the board of directors discussed the pension plan benefits and share-based remuneration linked to performance to be granted to the CEO and the Addendum CEO Services Agreement. The minutes of the meeting mention the following in this respect:

"Prior to the reporting on the discussions held within the Remuneration and Nomination Committee of December 18, 2020 and the deliberation and resolving on the proposed approval of pension plan benefits and share-based remuneration linked to performance to be granted to the CEO, as well as the approval of the Addendum CEO Services Agreement to reflect the grant of such pension plan benefits, Mr. John Porter (CEO and Managing Director) informs the Board that he has a (potential) conflict of interest regarding these decisions in the meaning of Article 7:96 of the Belgian Code of Companies and Associations.

Mr. John Porter declares that he will inform the Company's auditor on this conflict of interest. He then leaves the meeting.

The Chairman of the Remuneration & Nomination committee reports on the discussions held on the pension plan benefits and share-based remuneration linked to performance to be granted to the CEO and the Addendum CEO Services Agreement within the meeting of the Remuneration & Nomination Committee of December 18, 2020.

The Board considered that it would be in the interest of the Company to retain Mr John Porter as CEO of the Company and that it is thus important to offer a competitive remuneration to the CEO, all respecting relevant market conditions.

The Board discussed that the Amended Remuneration and the Addendum

CEO Services Agreement would enable to Company to offer a competitive remuneration to the CEO, while not being excessive. By linking the CEO's individual performance and remuneration to the performance of the Company, the proposed Amended Remuneration and the Addendum CEO Services Agreement will align the interests of the CEO with the sustainable value-creation objectives of the Company. The Board finally considered that the proposed Amended Remuneration and the Addendum CEO Services Agreement will not only link the CEO's individual performance and remuneration to the financial performance of the Company, but also consider non-financial performance such as sustainability and corporate responsibility and adequate succession planning, which is in the corporate interest of the Company. In light of the foregoing, the Board considered that the Amended Remuneration and the Addendum CEO Services Agreement are in the corporate interest of the Company.

The Board also considered that the Amended Remuneration and the Addendum CEO Services Agreement are consistent with the Company's 2019 Remuneration Policy and with the SRD II Remuneration Policy that the Company is preparing for submission to the first-following shareholders' meeting.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the Board unanimously decides to approve the Amended Remuneration, consisting of:

a. Group Insurances, in the form of:

    i. Contributions to be made to the Additional Group Insurance Plan, under the form of a defined-contribution individual pension commitment (***individuele pensioentoezegging***) amounting to a total of EUR 2,000,000 (excl. taxes, i.e. a contribution tax amounting to 4.4% and potentially a 3% special social security contribution (so-called ***Wijninckx*** contribution)), of which 45% of the contribution, amounting to a payment of EUR 900,000 (excl. taxes), would be paid in financial year 2020, with the remaining 55% to be paid over the following five financial years in monthly installments as of December 2020; and

    ii. Contributions to be made to a separate Bonus Group Insurance Plan on an annual basis, such contributions being deducted from the CEO's variable cash remuneration pursuant to and in accordance with the terms and conditions of such separate Bonus Group Insurance Plan.

b. The framework of the share-based remuneration, in the form of Performance Shares to be granted to the CEO with a total target equity value equal to the amount that is the positive difference between USD 12,000,000 and EUR 2,000,000 (representing the total contribution to the Additional Group Insurance Plan), at the conversion rate applicable as at the date of the approval of the grant of the Performance Shares (currently approximately EUR 8,000,000), to be granted over a period of five years and which will vest in three tranches:

    i. a certain percentage of the Performance Shares will vest on 1 March 2024 (considering the performance in financial year 2021 to financial year 2023);

    ii. a certain percentage of the Performance Shares will vest on 1 March 2025 (considering the performance in financial year 2022 to financial year 2024);

    iii. a certain percentage of the Performance Shares will vest on 1 March 2026 (considering the performance in financial year 2023 to financial year 2025),

    and with the performance targets proposed to be applicable to the Performance Shares, as to be specified and determined by the Board upon recommendation of the Remuneration and Nomination Committee:

    i. Financial target. The vesting of a certain percentage of the Performance Shares shall depend on the achievement of a financial target (the "**Financial Performance Shares"**), whereby the following financial targets could be considered:

        1. the achievement of an Operating Cash Flow ("**OCF**") compound annual growth rate ("**CAGR**"), with a certain capex floor, over the relevant performance period of three financial years (depending on the tranche); and

        2. the achievement of Operating Free Cash Flow ("**OFCF**") CAGR, with a certain capex floor, over the relevant performance period of three financial years (depending on the tranche),

    ii. Non-Financial targets. The vesting of a certain percentage of the Performance Shares shall depend on the achievement of certain non-financial targets (the "**Non-Financial Performance Shares"**), whereby, among others, sustainability, Telenet Brand & Reputation and people management could be considered as non-financial targets, it being understood that in respect of the Performance Shares, the effective grant of the Performance Shares and the plan governing the terms and conditions of the Performance Shares, will have to be determined and approved by the Board upon the recommendation of the Remuneration and Nomination Committee.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the Board resolved unanimously to approve the Addendum CEO Services Agreement."

During the meeting of the board of directors of February 4, 2021, article 7:96 of the Belgian Code of Companies and Associations was applied.

At the meeting of February 9, 2021, the board of directors discussed, amongst other items, the determination of the bonus & merit for the CEO. The minutes of the meeting mention the following in this respect:

"Prior to the reporting on the discussions held within the Remuneration and Nomination Committee of February 4, 2021 and the deliberation and resolving on some of these items in particular the determination of bonus & merit for the CEO, Mr. John Porter (CEO and Managing Director) informs the Board that he has a (potential) conflict of interest regarding this decision in the meaning of Article 7:96 of the Belgian Code of Companies and Associations.

Mr. John Porter declares that he will inform the Company's auditor on this conflict of interest. He then leaves the meeting for this specific agenda item. The Chairman also asks the other members of the Senior Leadership Team to leave the meeting with respect to the reporting of the Remuneration and Nomination Committee.

The Chairman of the Remuneration & Nomination committee reports on the discussions held on the determination of bonus & merit of the CEO within the meeting of the Remuneration & Nomination Committee of February 4, 2021. The Committee decided:

- unanimously decides that the CEO will be awarded 107.3% of his annual remuneration, i.e. a bonus of 675,990 Euro; and

- unanimously advises the board of directors to approve this bonus amount for the CEO.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the Board decides to confirm, approve and endorse, the extent necessary, the bonus and merit attributed to the CEO."

8.5.7 Comments on the measures taken to comply with the legislation concerning insider dealing and market manipulation (market abuse)

The legal framework for the market abuse rules applicable to Telenet and its stakeholders consists principally of Regulation No 596/2014 on market abuse (the Market Abuse Regulation), together with its implementing European and Belgian regulations, as well as ESMA and FSMA guidance (the **Market Abuse Framework**). A key concept under the Market Abuse Framework is "**Inside Information**". For Telenet, this is information relating to the Group or Telenet's shares and debt instruments that is precise, not public and that would, if it were made public, likely have a significant effect on the prices of the Telenet's shares and debt instruments (or on the price of related derivative financial instruments).

Telenet has implemented the Market Abuse Framework through its Dealing Code (as amended from time to time) which is made available to all employees, temporary staff, Board members, managers, consultants and advisers of the Group, as well as to investors thought the corporate website of Telenet (https://investors.telenet.be). The Dealing Code is intended to ensure that any persons who are in possession of Inside Information at any given time, do not misuse, and do not place themselves under suspicion of misusing, such Inside Information (e.g. by buying or selling shares or other securities of Telenet on the basis of Inside Information) and to ensure that such persons maintain the confidentiality of such Inside Information and refrain from market manipulation. The Dealing Code further also includes specific rules applicable to the members of the Board and the Senior Leadership Team and their closely associated persons and legal entities.

Telenet has ensured that the Dealing Code, together with supporting training materials, is made available to all employees, temporary staff, members of the boards of directors (or equivalent), managers, consultants and advisers of the Telenet Group. In addition, Telenet organizes regular training sessions to persons who could potentially become in possession of inside information to further ensure compliance with the market abuse rules and regulations and the Dealing Code.

Furthermore, in accordance with the standing policies of Telenet, information barriers are in place. These policies seek to ensure that confidential information which could potentially qualify as inside information is known only to persons who are:

a. directly involved in the relevant matter; or

b. responsible for determining whether an obligation to announce the information has arisen and/or determining whether such disclosure can be delayed.

Moreover, all persons to which any confidential information which could potentially qualify as Inside Information is disclosed in the normal course of exercise of employment, profession or duties are bound by a duty of confidentiality, whether on the basis of the law, regulations, a contract or otherwise.

In addition, any dealings in Telenet securities by persons discharging managerial responsibilities and persons closely associated, are reported as soon as possible to the FSMA, as well as to the Company Secretary, acting as compliance officer responsible for supervising compliance with the market abuse rules and regulations and the Telenet Dealing Code.

Finally, Telenet uses specialized software in order to create, maintain and report to the FSMA on (i) the logs of events which could potentially qualify as inside information, as well as (ii) the lists of persons to whom confidential information which could potentially qualify as inside information is entrusted.

Telenet's Dealing Code was last revised on December 2, 2020.

8.6 Daily management

8.6.1 General

The CEO is responsible for the daily management of the Company. The CEO is assisted by the executive management (Senior Leadership Team or "SLT"), of which he is the chairman, and that does not constitute a management committee within the meaning of article 7:104 of the Belgian Code of Companies and Associations.

On April 1, 2013, Mr. John Porter was appointed as CEO of the Company. At December 31, 2020, three women were part of the Senior Leadership Team (see below for full composition of the SLT).

At December 31, 2020, the SLT was composed as follows:

Name	Year of birth	Position
John Porter	1957	Chief Executive Officer
Erik Van den Enden	1978	Chief Financial Officer
Micha Berger	1970	Chief Technology and Information Technology Officer
Patrick Vincent	1963	EVP Customer Interactions
Jeroen Bronselaer	1978	EVP Media
Martine Tempels	1961	EVP Telenet for Business
Dieter Nieuwdorp	1975	EVP Residential & SOHO
Ann Caluwaerts	1966	EVP People, Brand & Corporate Affairs
Benedikte Paulissen	1969	EVP Customer Journey, Digital & Data

The Chief Executive Officer is authorized to legally bind the Company acting individually within the boundaries of daily management and for specific special powers that were granted to him by the board of directors. In addition, the board of directors has granted specific powers to certain individuals within the Telenet Group. The latest delegation of powers has been published in the Annexes of the Belgian Official Journal on September 16, 2020.

8.6.2 Conflicts of interest

Pursuant to the Corporate Governance Charter, the members of the SLT have a duty to place Telenet's interests above their own and will avoid to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of Telenet. When the members of the SLT take a decision, they shall disregard their potential personal interests and refrain from using business opportunities intended for Telenet for their own benefit.

Members of the SLT are required to inform the CEO of any conflict of interest that could, in their opinion, affect their capacity of judgment. The CEO shall in turn inform the chairman of the board of directors hereof.

If any transactions and/or business relationships between members of the SLT and one or more companies of the Telenet Group would occur, such transactions and/or business relationships shall in any event need to take place at normal market conditions.

Members of the SLT that wish to accept memberships of other corporate bodies outside the Telenet Group shall comply with the Telenet Policy concerning additional external functions. This policy requires members of the SLT to obtain the prior approval of the Remuneration and Nomination Committee before accepting such mandate or function. In taking its decision, the Remuneration and Nomination Committee shall, amongst others, balance and consider the opportunity for the member of the SLT's professional development against the potential time constraints and conflicts of interest that may arise.

8.6.3 Biographies of the members of the SLT

The following paragraphs set out the biographical information of the current members of the SLT of the Company:

John Porter, Chief Executive Officer

John Porter is a seasoned CEO with over 30 years of experience in the telecommunications, media and entertainment industry. Under his leadership as CEO of Telenet, the leading provider of telecom and entertainment services in Belgium, the company has substantially diversified its portfolio, built the largest Giga-network in Europe, led the way in fixed-mobile convergence and made bold moves in the entertainment space. He is currently also leading the company through a profound agile and digital transformation. He is passionate about advancing diversity, promoting servant leadership and leading with purpose.

Prior to joining Telenet, he was the CEO of AUSTAR, a leading entertainment company in Australia. He led the company from its inception until its acquisition by Foxtel. Before that, John also worked at Time Warner (Ohio), Group W, and Westinhouse Cable Systems (Texas & Alabama).

John is a global citizen with American-Australian dual nationality and has worked and lived on 3 continents. He enjoys riding his bike over the weekends and sharing music / book tips with his 4 children and wife over a beer.

Erik Van den Enden, Chief Financial Officer

Erik Van den Enden, Telenet's Chief Financial Officer ("**CFO**") as of August 2018, has over 15 years financial experience in the fast moving consumer goods and telecom sector. He has a broad background in financial management and has held key positions in M&A, strategic and financial planning, controlling, treasury and risk management.

Before joining Telenet, Erik worked at AB InBev as Vice-President "Finance Transformation and Carve-Outs" where he led the worldwide integration and transformation of SAB Miller's financial processes. He was also responsible for the follow-up of the synergy program related to the acquisition of SAB Miller. Prior to this role, Erik was the driving force behind the design and the implementation of a new strategy for AB InBev's European markets, which allowed the business to reconnect with revenue growth as of 2015.

Before he started at InBev in 2007, Erik worked for three years at Telenet as Interconnect Manager and Product Manager for internet and telephony. Erik Van den Enden holds a Master's degree in Electro-Technical Engineering (KU Leuven) and also obtained a Master's degree in General Management at the Vlerick Management School. He followed specialized business- and finance courses at Insead and Wharton University.

Within Telenet, Erik assumes leadership over Finance, Wholesale, Strategy and M&A.

Micha Berger, Chief Technology and Information Techology Officer

Micha Berger joined the Telenet Group in July 2013, and he leads the activities of the Engineering and Build Department, Mobile Services and Service Assurance as Chief Technology Officer ("**CTO**"). As of July 1, 2013, he also joined Telenet's Senior Leadership Team, reporting directly to the Company's CEO. Under his leadership, the full HFC and Mobile network upgrade program was launched, which resulted in providing internet speeds of 1 gigabit per second throughout Flanders and Brussels. Beginning on October 1, 2019, the Information Technology department was added to his responsibilities.

Micha is the driving force behind Telenet's largest and biggest digital transformation program that will bring new ways of working for everyone in the company and improve customer experience, powered by a new flexible and state-of-the-art IT platform.

Micha's recent achievements have been recognized publicly when receiving the 2020 CTO of the year award from the Mobile Europe organization.

Prior to Telenet, Micha was part of Liberty Global, initially starting as Manager of the Engineering Department at UPC Nederland. After the experience in the Netherlands operations, Micha joined the Liberty Global central team where he was responsible for Horizon Next Generation digital TV development and product roll-out. Before these endeavors, he gained his first experience in the cable industry in Israel, where he was responsible for the development of the interactive digital service platform and the roll-out of video-on-demand.

Micha currently lives in Brussels with his wife and three children, enjoys outdoor activities, sports and gets inspired by the combination of people and technology.

Patrick Vincent, EVP Customer Interactions

Patrick Vincent joined Telenet in September 2004 as Customer Service & Delivery Director. In 2007 he became EVP Sales & Customer operations . In 2013, Chief Customer Officer. Since 2015 he is Chief Transformation Officer, leading the integration of BASE and SFR, including guidance in terms of operating model, digital transformation and new ways of working. After the implementation of Agile working in Telenet, Patrick took up the role of EVP Customer Interactions Retail Market, SoHo and BASE Brand.

Mr. Vincent started his career in 1989 in the food industry as Business Unit Manager of the cash and carry division at NV Huyghebaert. From 1994 to 1998, he was responsible for the sales division and in 1998 was promoted to Commercial Director. From 2000 to 2004, he worked at Tech Data, an IT distribution & service company, as Sales Director for Belgium and Luxembourg, and in 2002 was promoted to the role of Country Manager for Belgium and Luxembourg.

Jeroen Bronselaer, EVP Media

Jeroen Bronselaer became CEO of SBS Belgium in November 2020. He combines this role with the role of Executive Vice President Media, responsible for the follow-up and strategic guidance of all media assets of the Telenet group. Jeroen is a member of the Senior Leadership Team.

Jeroen joined Telenet in September 2010, and, at the very start of his career with the telco operator, was responsible for the negotiations and relationships with broadcasters and content suppliers. In addition to this, he later also took on responsibility for Play, Play More and Play Sports of Telenet. Jeroen joined the Senior Leadership Team in 2015 as head of the residential marketing department, assuming responsibility for positioning, branding and marketing of all residential products of both the Telenet and the BASE brand. He remained in this role until November 2020.

Before his employment at Telenet, Jeroen was employed by the Flemish public broadcaster VRT, where he started as producer of the successful children's game KetnetKick, but quickly evolved to more business-oriented positions within the VRT Media department. Jeroen Bronselaer holds a master's degree as a commercial engineer, and a post graduate degree in communication from the KU Leuven.

Martine Tempels, EVP Telenet for Business

Martine Tempels joined the Telenet Group in January 2009. She is responsible for the Telenet Group's business-to-business division and joined the Senior Leadership Team in October 2010. Ms. Tempels started her career in the IT sector at NCR (AT&T) and moved to EDS in 1996 assuming responsibilities as Belux Business Unit Manager for the financial and commercial sector. In 2007, Ms. Tempels was appointed Application Service Executive for the Northern and Central Region EMEA. Ms. Tempels holds a Master in Business and Economics from Vrije Universiteit Brussel.

Dieter Nieuwdorp, EVP Residential & SOHO

As of November 2020, Dieter Nieuwdorp took up a new role within the Senior Leadership Team and became responsible for the Residential Market, SOHO & Corporate Development.

From May 1, 2014 until November 1, 2020, Dieter was as Senior Vice President Strategy & Corporate Development within the SLT responsible for the development of the general strategy of the company and the structuring of M&A transactions and other partnerships. He also holds board positions in several portfolio companies of the Telenet group. Mr. Nieuwdorp joined Telenet in 2007 as Corporate Counsel and Corporate Secretary and became VP Corporate Counsel & Insurance in 2010. Prior to Telenet, he started his career as a lawyer with Loeff Claeys Verbeke (later Allen & Overy) in 1998. Mr. Nieuwdorp holds a Master of Law degree from KULeuven and a LL.M from the University of Pennsylvania Law School.

Ann Caluwaerts, EVP People, Brand & Corporate Affairs

Ann Caluwaerts, Executive Vice-president People, Brand & Corporate Affairs, brings to the table over 30 years of experience in the global telecom as well as local media industry. Before she began working at Telenet, Ann gained experience at BT and Lernout & Hauspie Speech Products. She has extensive experience in strategic communications, regulatory affairs, human resources and marketing as well as managing P&L's. Within Telenet, she is currently responsible for human resources, brand and communication and corporate affairs. Ann graduated as civil engineer electronics (KUL) and followed different courses at (a.o.) Insead, Londen Business School, Colombia University, Singularity University and Guberna. She regularly speaks at conferences and academic organizations.

Benedikte Paulissen, EVP Customer Journey, Digital & Data

Benedikte Paulissen studied Applied Economics at the KU Leuven and obtained a post-graduate degree in European law at the UCL. She also worked for Flanders Technology International, a non-profit organization established by the Flemish government to promote technology, innovation and science. In 1998, she switched to Telenet and worked at the communication department and the marketing division to promote Telenet to the general public. In 2004, she was made responsible for all direct sales channels, including telesales and sales via indirect sales channels, including own shops, dealers and Telenet Centres. From 2011 she was also responsible for all customer service activities. The last couple of years she is driving the digital transformation and the customer centric experience. In 2019 she became responsible for the data, digital and the journey-teams. In this role she is engaging the company in managing the customer relationship and in creating a persistent focus on the customer. She is driving the organization to work together for the optimal customer experience delivery.

Luc Machtelinckx, Executive Vice President and General Counsel*

Luc Machtelinckx joined Telenet as Director Legal Affairs in February 1999. In this function, he was closely involved in the initial commercial steps, as well as the further development of Telenet's telephony and internet offerings. After the acquisition of the cable assets of the mixed intermunicipalities, Mr. Machtelinckx specialized in cable television legal affairs and more specifically, he played an important role in the iDTV project. In January 2007, Mr. Machtelinckx was appointed Vice President and General Counsel and as of January 2008 Senior Vice President and General Counsel. Since April 2009, Mr. Machtelinckx was appointed Executive Vice President and General Counsel. Prior to joining Telenet, Mr. Machtelinckx worked for 11 years at Esso Benelux in various legal and HR functions as well as for three 3 years at BASF Antwerp as Legal Manager and as Communication Manager.

Claudia Poels, Senior Vice President Human Resources*

Claudia Poels joined the Telenet Group in May 2008 as Vice President Human Resources. Since June 15, 2009, she joined the SLT as Senior Vice President Human Resources. Prior to joining the Telenet group, Ms. Poels worked since 1992 at EDS, where she gained extensive experience working within various human resources disciplines. In 2002, Ms. Poels was promoted to HR Director of the Belgian and Luxembourg entity, and in 2006 she became the HR Operations Director for Northern Europe. Ms. Poels holds a Master degree in Law from KULeuven and a DEA & DESS Degree in European Law from Université Nancy II (France).

*Mr. Luc Machtelinckx and Mrs. Claudia Poels are no longer a member of the Senior Leader Management Team since March 31, 2020.

8.7 Remuneration report

8.7.1 Introduction

This remuneration report provides a comprehensive and complete overview of the remuneration paid or payable to the Directors and Executive Management during 2020. The policy applied in 2020 regarding remuneration can be summarized as follows:

1. Remuneration of directors

The remuneration of the independent directors is as follows:

- A fixed annual remuneration of the chairman of the board of directors €120,000
- Attendance fees for board meetings for the independent directors €3,500, but with a maximum of €24,500 per year
- Attendance fees for the chairman of the Audit Committee for Audit Committee meetings at €4,000 per meeting
- Attendance fees for the other independent directors participating in the Audit Committee at 3,000 per meeting
- Attendance fees for independent directors participating in the Remuneration & Nomination Committee at €2,000

Furthermore, each non-executive director's remuneration consists of an annual fixed fee, increased with an attendance fee per attended meeting of the board of directors. All directors, except the CEO, the chairman of the board of directors and the directors appointed upon nomination of the Liberty Global Group, receive an annual fixed fee of €45,000 each. The directors appointed upon nomination of the Liberty Global Group, receive an annual fixed fee of €12,000 each. For each attended scheduled meeting of the board of directors, they receive an amount of €2,000.

The annual fixed fees are only due if the director attends at least half of the scheduled board meetings.

The observer to the board of directors of Telenet is remunerated in the same manner as the independent directors of the Company but does not receive an attendance fee for participating in committee meetings.

The CEO, who is the only executive director, is not remunerated for the exercise of his mandate as member of the board of directors of any of the Telenet companies.

2. Remuneration of Executive Management

The Company's remuneration policy of the SLT is built around internal fairness and external market competitiveness. The Company strives for an optimal mix between the different components of the remuneration package

Each member of the SLT is remunerated by taking into account (i) his/her personal functioning and (ii) pre-agreed (company-wide and individual) targets, linking remuneration to corporate and individual performance and aligning the interests of the members of the SLT with the sustainable value creation objectives of the Company. For the year ended December 31, 2020, 100% of management's bonuses depend on financial and operational targets. The functioning of each member of the SLT is assessed on the basis of the company's competence and leadership model and relevant specific operational objectives.

The CEO's annual remuneration package consists of a fixed part, a variable part, and includes premiums paid for group insurance and benefits in kind. The variable cash remuneration of the CEO is based on his general performance over the year.

The annual remuneration of the members of the SLT (excluding the CEO) consists of a fixed salary (including holiday pay and thirteenth month), a variable remuneration part, and includes premiums paid for group insurance and benefits in kind. The Company sets out the principles of variable remuneration in a general policy because it believes that there should be sufficient flexibility in the determination of the variable remuneration principles that allows for the consideration of prevailing market circumstances. The variable cash remuneration depends on performance criteria relating to the respective financial year. In addition, the Remuneration & Nomination Committee can decide to grant stock options, performance shares and/or restricted shares.

The Performance Share Plans 2020, 2019 and 2018 for members of the SLT contain a provision regarding "claw back" of variable remuneration granted in case of restatement of the Company's financial statements. None of the Company's other share-based compensation plans, including those with the CEO, have such "claw back" features.

For more information regarding the Remuneration Policy applied in the 2020 financial year, please refer to the Annual Report relating to the 2019 financial year. For fiscal year 2021 and following, a Remuneration Policy prepared in accordance with Article 7:89/1 of the Companies and Associations Code will be submitted for approval to the general meeting of 28 April 2021.

8.7.2 Remuneration of directors

The general meeting of shareholders of the Company approved the remuneration principles of the non-executive directors of the Company in its meetings of April 28, 2010, April 24, 2013, April 29, 2015, April 27, 2016 and April 26, 2017.

The CEO, who is the only executive director, is not remunerated for the exercise of his mandate as member of the board of directors of any of the Telenet companies.

On the advise of the remuneration and nomination committee, the company decided not to grant any variable and any profit-related incentives, option rights, shares or other similar fees to its directors.

Taking into account the composition of the board of directors (consisting of one executive director, three independent non-executive directors and five non-executive directors appointed on the proposal of the Company's majority shareholder), the Company decided, upon recommendation by the Remuneration and Nomination Committee, not to apply the recommendation expressed in principle 7.6 of the Corporate Governance Code 2020 to the Company. While the Company seeks and pursues the alignment of all of its directors, it believes that ownership of securities in the Company by non-executive directors could unnecessarily trigger debates, whether or not such debate has merit, on (the appearance) of potential conflict of interests. While the board of directors does not believe that ownership of securities in the Company by directors presents such conflict of interest, the board of directors strives for rapidity and simplicity in a fast-moving environment as the one the Company operates in and does not wish to risk to slow down any decision-making by the board of directors with any such additional debates. The board of directors shall regularly evaluate this.

The table below provides an overview of the individual remuneration, paid or payable in 2020, of each director and of the observer to the board of directors, including any remuneration received from a Group company.

Name	Remuneration 2020
Bert De Graeve (IDw Consult BV) (CCM) **	€144,500
John Porter	-
Christiane Franck **	€69,500
Jo Van Biesbroeck (JoVB BV) **	€66,000
Charles H. Bracken	€22,000
Manuel Kohnstamm	€22,000
Amy Blair	€26,000
Severina Pascu	€24,000
Enrique Rodriguez	€20,000
André Sarens *	€69,500

CCM: Current Chairman - in function as of April 30, 2014

(*) Observer

(**) Remuneration not including committee fees

8.7.3 Remuneration of Executive Management (Senior Leadership Team)

1. Total Remuneration

In application of the remuneration policy as set out in section 8.7.1, the members of the SLT received the following remuneration:

Name - Position	1. Fixed Remuneration (1)				3. Other Share Based Remuneration (4)	4. Additonal pension (5)	5. Total Remuneration	6. Proportion of Fixed Remuneration	
	Base Salary	Other Benefits	One-Year Variable (2)	Multi-Year Variable (3)					
John Porter - CEO	€630,000	€100,686	€675,990	€—	€3,680,137	€918,000	€6,004,813		89 %
SLT	€2,586,460	€167,653	€1,106,303	€—	€3,976,972	€344,037	€8,181,425		86 %
Total	**€3,216,460**	**€268,339**	**€1,782,293**	**€—**	**€7,657,109**	**€1,262,037**	**€14,186,238**	**Fixed:** **Variable:**	**87 %** **13 %**

(1) All monetary amounts are presented as gross figures
(2) The reported amount is equal to the monetary value of the variable remuneration that vested in the course of the year under consideration, on the basis of performance criteria for that year.
(3) The reported amount is equal to the monetary value of the performance shares that vested in the course of the year under consideration, on the basis of performance criteria with a time span exceeding one year. No performance shares plan was granted in 2017 and therefore no vesting took place in 2020.
(4) The reported amount includes the estimated gain of the vested Restricted shares and Stock options. The estimated gain of vested options amounted to 0, so only restricted shares are included
(5) The contributions effectively paid during the year under consideration, to voluntary and mandatory or statutory pension arrangements.

Mr. Luc Machtelinckx and Ms. Claudia Poels are no longer part of the Senior Leadership Team since March 31, 2020. The base salary received by both in the first three months of 2020 is included in the table above.

2. Remuneration using Stock Options

Within the limits of the existing stock option plans approved by the general shareholders' meeting, the board of directors, upon recommendation of the Remuneration & Nomination Committee, can also grant stock options to the members of the SLT.

The stock option plans provide in a theoretical allocation of Company stock options over a period of four years, vesting at a certain percentage per quarter. The individual participant is obliged to pay all taxes on the full theoretical package upon allocation (grant). Due to the volatility of the share over the past years, the board of directors has decided to include a clause in the general conditions of specific plans which protects the participant up to the amount of the potential tax loss. This clause can only be invoked insofar as the participant is still employed by Telenet five years after the grant date. The Company hereby arguably deviates from principle 7.11 of the Corporate Governance Code, with the sole purpose, however, to stimulate the acceptance ratio of the participants and thus to ensure that their interests are aligned as much as possible with the long-term vision of the Company.

The table below provides an overview of the total number of Stock Options for each member of the SLT for the year ending December 31, 2020.

	The Main Conditions of the Share Option Plan						Information Regarding the Reported Financial Year			
							Opening Balance	During the Year (*)		Closing Balance
	1. Plan	2. Award Date	3. Vesting Date	4. End of Retention Period [1]	5. Exercise Period	6. Exercise Price of the Option	7. Share Options Held at the Beginning of the Year [2]	8.a) Number of Share Options Awarded b) Value of the Underlying Shares @ Offer Date [3]	9.a) Number of Share Options vested b) Value of Underlying Shares @ Year End c) Value @ Exercise Price d) Gain @ Vesting Date [4]	10. Share Options Awarded and Unvested [5]
John Porter - CEO	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 218,555 b) € 7,686,579	a) 43,711 b) € 1,533,382 c) € 1,537,316 d) € —	174,844
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	185,611		a) 55,682 b) 1,953,325 c) € 2,591,440 d) € —	92,807
	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	230,915		a) 46,180 b) € 1,619,994 c) € 1,750,684 d) € —	69,280
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	200,198		a) 40,036 b) € 1,404,463 c) € 2,065,858 d) € —	20,027
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	275,159		a) 27,519 b) € 965,367 c) € 1,110,667 d) € —	—

					Total:		**891,883**	**a)** **b) €**	**218,555** **7,686,579**	**a)** **b) €** **c) €** **d) €**	**213,128** **7,476,531** **9,055,965** **—**	**356,958**
Ann Caluwaerts - EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) b) €	28,594 1,005,651	a) b) € c) € d) €	5,718 200,587 201,102 —	22,876
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	17,207			a) b) € c) € d) €	5,160 181,013 240,146 —	8,607
	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	16,901			a) b) € c) € d) €	3,380 118,577 128,143 —	5,071
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	11,267			a) b) € c) € d) €	2,253 79,049 116,275 —	1,129
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	25,319			a) b) € c) € d) €	3,774 132,392 152,319 —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	16,901			a) b) € c) € d) €	— — — —	—

					Total:		**87,595**	**a)** **b) €**	**28,594** **1,005,651**	**a)** **b) €** **c) €** **d) €**	**20,285** **711,618** **837,985** **—**	**37,683**
Benedikte Paulissen - EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) b) €	28,594 1,005,651	a) b) € c) € d) €	5,718 200,587 201,102 —	22,876
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	23,244			a) b) € c) € d) €	6,972 244,578 324,477 —	11,624
	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	22,535			a) b) € c) € d) €	4,504 158,000 170,747 —	6,766
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	22,535			a) b) € c) € d) €	4,504 158,000 232,406 —	2,260
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	50,446			a) b) € c) € d) €	5,047 177,049 203,697 —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	16,901			a) b) € c) € d) €	— — — —	—

					Total:		**135,661**	**a) 28,594** **b) € 1,005,651**	**a) 26,745** **b) € 938,214** **c) € 1,132,429** **d) € —**	**43,526**
Dieter Nieuwdorp - EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 40,069 b) € 1,409,227	a) 8,014 b) € 281,131 c) € 281,852 d) € —	32,055
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	17,207		a) 5,160 b) € 181,013 c) € 240,146 d) € —	8,607
	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	33,394		a) 6,676 b) € 234,194 c) € 253,087 d) € —	10,025
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	27,417		a) 5,480 b) € 192,238 c) € 282,768 d) € —	2,751
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	37,713		a) 3,774 b) € 132,392 c) € 152,319 d) € —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	29,436		a) — b) € — c) € — d) € —	—

					Total:		**145,167**	**a) 40,069** **b) € 1,409,227**	**a) 29,104** **b) € 1,020,968** **c) € 1,210,172** **d) € —**	**53,438**
Erik Van den Enden - CFO	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 54,639 b) € 1,921,654	a) 10,928 b) € 383,354 c) € 384,338 d) € —	43,711
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	31,697		a) 9,506 b) € 333,470 c) € 442,409 d) € —	15,853
	SOP 2018	2/11/2018	1/10/2022	N/A	2/11/2018 - 2/11/2023	€44.62	53,781		a) 10,756 b) € 377,320 c) € 407,760 d) € —	21,513
					Total:		**85,478**	**a) 54,639** **b) € 1,921,654**	**a) 31,190** **b) € 1,094,144** **c) € 1,234,507** **d) € —**	**81,077**
Jeroen Bronselaer - EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 28,594 b) € 1,005,651	a) 5,718 b) € 200,587 c) € 201,102 d) € —	22,876
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	23,244		a) 6,972 b) € 244,578 c) € 324,477 d) € —	11,624

	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	22,535		a) 4,504 b) € 158,000 c) € 170,747 d) € —	6,766
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	14,084		a) 2,816 b) € 98,785 c) € 145,306 d) € —	1,410
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	21,549		a) 4,509 b) € 158,176 c) € 181,983 d) € —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	8,451		a) — b) € — c) € — d) € —	—
					Total:		**89,863**	**a) 28,594** **b) € 1,005,651**	**a) 24,519** **b) € 860,126** **c) € 1,023,615** **d) € —**	**42,676**
Martine Tempels - EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 40,069 b) € 1,409,227	a) 8,014 b) € 281,131 c) € 281,852 d) € —	32,055
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	34,029		a) 10,206 b) € 358,026 c) € 474,987 d) € —	17,019

	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	33,802		a) 6,760 b) € 237,141 c) € 256,272 d) € —	10,142
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	33,802		a) 6,760 b) € 237,141 c) € 348,816 d) € —	3,381
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	7,546		a) 3,774 b) € 132,392 c) € 152,319 d) € —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	1,972		a) — b) € — c) € — d) € —	—
					Total:		**111,151**	**a) 40,069** **b) € 1,409,227**	**a) 35,514** **b) € 1,245,831** **c) € 1,514,246** **d) € —**	**62,597**
Micha Berger - CTO	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 51,989 b) € 1,828,453	10,398 € 364,762 € 365,698 € —	41,591
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	42,262		a) 12,678 b) € 444,744 c) € 590,034 d) € —	21,132

	SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	16,901		a) 3,380 b) € 118,570 c) € 128,136 d) € —	5,071
	SOP 2017	8/06/2017	1/04/2021	N/A	8/6/2017 - 8/6/2022	€51.6	33,802		a) 6,760 b) € 237,141 c) € 348,816 d) € —	3,381
	SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	45,069		a) 4,508 b) € 158,141 c) € 181,943 d) € —	—
	SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	39,436		a) — b) € — c) € — d) € —	—
					Total:		**177,470**	**a) 51,989** **b) € 1,828,453**	**a) 37,724** **b) € 1,323,358** **c) € 1,614,627** **d) € —**	**71,175**
Patrick Vincent -EVP	SOP 2020	11/05/2020	1/04/2024	N/A	11/5/2020 - 11/5/2025	€35.17	—	a) 40,069 b) € 1,409,227	a) 8,014 b) € 281,131 c) € 281,852 d) € —	32,055
	SOP 2019	6/05/2019	1/04/2023	N/A	6/5/2019 - 6/5/2024	€46.54	25,000		a) 7,500 b) € 263,100 c) € 349,050 d) € —	12,500

SOP 2018	6/06/2018	1/04/2022	N/A	6/6/2018 - 6/6/2023	€37.91	22,535		a) 4,505 b) € 158,035 c) € 170,785 d) € —	6,766
SOP 2016	15/4/2016	1/04/2020	N/A	15/4/2016 - 15/4/2021	€40.36	33,139		a) 5,047 b) € 177,049 c) € 203,697 d) € —	—
SOP 2015	2/11/2015	1/01/2019	N/A	2/11/2015 - 2/11/2020	€45.15	16,901		a) — b) € — c) € — d) € —	—
				Total:		**97,575**	**a) 40,069** **b) € 1,409,227**	**a) 25,066** **b) € 879,315** **c) € 1,005,384** **d) € —**	**51,321**

(1) N/A: not applicable: the stock option plan for the present illustration does not include a retention provision following vesting/exercise of the option
(2) The number of options at the beginning of the year under consideration
(3) The number of options granted during the year under consideration as well as the value of the underlying shares at the market price at the offer date
(4) The number of options vested during the year under consideration as well as the value of the underlying shares at the market price of December 31 of the year under consideration, the value of the underlying shares at the strike price and the corresponding gain at the vesting date (the difference between the previous two values)
(5) The number of options not yet vested at the end of the year under consideration

3. Share-based remuneration

The board of directors, on the recommendation of the Remuneration and Nomination Committee, could also grant performance shares and/or restricted shares to members of the SLT in the financial year 2020. The table below sets out all information regarding the type and number of shares granted or offered to members of the SLT (or former SLT to the extent that share-based remuneration events took place during the reported financial year) of the plans running in 2020 and the main conditions for the exercise of the rights of these shares

As a result of the variable remuneration plan design, members of the SLT build up a shareholdership in the Company constituting at least 1/3 of their variable remuneration over the years. Although, in practice, this means that a minimum threshold exists in terms of share ownership by Senior Leadership Team members, such minimum threshold is not expressed in a fixed amount. Telenet thereby arguably deviates from principle 7.9 of the Corporate Governance Code 2020, so as to leave sufficient flexibility to the SLT members and the CEO to respond to specific circumstances that may exist from time to time.

With the exception of certain performance shares plans and in deviation of principle 7.12 of the Corporate Governance Code 2020, the variable remuneration (cash bonus and long-term incentives) of the members of the SLT, who are all employees (except for the CEO), do not contain provisions that enable the Company to reclaim paid variable remuneration. In particular, applicable labor law provisions do not allow to unilaterally amend the employment contracts in order to introduce claw-back provisions in relation to the cash bonus. With regards to long-term incentives, the design of the plan is as such that the Remuneration and Nomination Committee considers at this time that additional claw-back provisions are not appropriate. Telenet shall continue to consider principle 7.12 of the Corporate Governance Code 2020 as appropriate.

	The Main Conditions of the Share Plan					Information Regarding the Reported Financial Year				
						Opening Balance	**During the Year**		**Closing Balance**	
	1. Specification of the Plan	2. Performance Period	3. Award Date	4. Vesting Date	5. End of Retention Period	6. Shares Held at the Beginning of the Year (1)	7.a) Number of Shares Awarded b) Value of the Shares @ Offer Date (2)	8.a) Number of Shares Vested b) Value of Shares @ Vesting Date (3)	9. Shares Awarded and Unvested at Year-End (4)	10. Shares Subject to a Retention Period (5)
John Porter - CEO	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023	—	a) 25,952 b) € 922,334		25,952	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	19,222			19,222	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	19,141			19,141	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024	—	a) 14,903 b) € 529,653		14,903	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022	—	a) 44,761 b) € 1,651,681	a) 44,761 b) € 1,651,681	—	44,761
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022	—	a) 46,056 b) € 1,753,812	a) 46,056 b) € 1,753,812	—	46,056

	RS 2019		6/5/2019	6/5/2021	6/5/2023	19,222		a) 7,689 b) € 274,644	11,533	7,689
					Total:	**57,585**	**a) 131,672** **b) € 4,857,480**	**a) 98,506** **b) € 3,680,137**	**90,751**	**98,506**
Ann Caluwaerts - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	2,609			2,609	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	2,659			2,659	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 3,971 b) € 141,129		3,971	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 4,281 b) € 157,969	a) 4,281 b) € 157,969	—	4,281
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 3,894 b) € 148,284	a) 3,894 b) € 148,284	—	3,894
	RS 2019		6/5/2019	6/5/2021	6/5/2023	2,609		a) 1,044 b) € 37,277	1,565	1,044
					Total:	**7,877**	**a) 16,904** **b) € 616,481**	**a) 9,219** **b) € 343,530**	**15,562**	**9,219**
Benedikte Paulissen - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	3,524			3,524	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	3,509			3,509	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 3,183 b) € 113,124		3,183	—

	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 6,128 b) € 226,123	a) 6,128 b) € 226,123	—	6,128
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 7,093 b) € 270,101	a) 7,093 b) € 270,101	—	7,093
	RS 2019		6/5/2019	6/5/2021	6/5/2023	3,524		a) 1,410 b) € 50,351	2,114	1,410
					Total:	**10,557**	**a) 21,162** **b) € 778,447**	**a) 14,631** **b) € 546,575**	**17,088**	**14,631**
Dieter Nieuwdorp - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	2,609			2,609	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	2,659			2,659	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 2,842 b) € 101,005		2,842	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 6,345 b) € 234,131	a) 6,345 b) € 234,131	—	6,345
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 7,424 b) € 282,706	a) 7,424 b) € 282,706	—	7,424
	RS 2019		6/5/2019	6/5/2021	6/5/2023	2,609		a) 1,044 b) € 37,277	1,565	1,044
					Total:	**7,877**	**a) 21,369** **b) € 786,941**	**a) 14,813** **b) € 554,114**	**14,433**	**14,813**

Erik Van den Enden - CFO	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 6,488 b) € 230,584		6,488	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	4,805			4,805	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	4,785			4,785	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 6,488 b) € 230,584		6,488	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 6,171 b) € 227,710	a) 6,171 b) € 227,710	—	6,171
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 4,845 b) € 184,498	a) 4,845 b) € 184,498	—	4,845
	RS 2019		6/5/2019	6/5/2021	6/5/2023	4,805		a) 1,922 b) € 68,654	2,883	1,922
					Total:	**14,395**	**a) 23,992** **b) € 873,376**	**a) 12,938** **b) € 480,862**	**25,449**	**12,938**
Jeroen Bronselaer - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	3,524			3,524	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	3,509			3,509	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 3,774 b) € 134,128		3,774	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 4,759 b) € 175,607	a) 4,759 b) € 175,607	—	4,759
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 4,630 b) € 176,310	a) 4,630 b) € 176,310	—	4,630

	RS 2019		6/5/2019	6/5/2021	6/5/2023	3,524		a) 1,410 b) € 50,351	2,114	1,410
					Total:	**10,557**	**a) 17,921** **b) € 655,144**	**a) 10,799** **b) € 402,268**	**17,679**	**10,799**
Martine Tempels - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	3,524			3,524	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	3,509			3,509	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 4,758 b) € 169,099		4,758	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 6,217 b) € 229,407	a) 6,217 b) € 229,407	—	6,217
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 5,817 b) € 221,511	a) 5,817 b) € 221,511	—	5,817
	RS 2019		6/5/2019	6/5/2021	6/5/2023	1,723		a) 689 b) € 24,618	1,034	689
					Total:	**8,756**	**a) 21,550** **b) € 789,116**	**a) 12,723** **b) € 475,536**	**17,583**	**12,723**
Micha Berger - CTO	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 8,651 b) € 307,457		8,651	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	6,407			6,407	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	6,380			6,380	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 8,651 b) € 307,457		8,651	—

	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 8,306 b) € 306,491	a) 8,306 b) € 306,491	—	8,306
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 9,453 b) € 359,970	a) 9,453 b) € 359,970	—	9,453
	RS 2019		6/5/2019	6/5/2021	6/5/2023	4,606		a) 1,842 b) € 65,811	2,764	1,842
					Total:	**17,393**	**a) 35,061** **b) € 1,281,375**	**a) 19,601** **b) € 732,272**	**32,853**	**19,601**
Patrick Vincent - EVP	PS 2020	01/01/2020 - 31/12/2022	11/5/2020	11/5/2023	11/5/2023		a) 4,758 b) € 169,099		4,758	—
	PS 2019	01/01/2019 - 31/12/2021	6/5/2019	6/5/2022	6/5/2022	3,524			3,524	—
	PS 2018	01/01/2018 - 31/12/2020	5/11/2018	5/11/2021	6/11/2021	3,509			3,509	—
	RS 2020		11/5/2020	11/5/2022	11/5/2024		a) 4,758 b) € 169,099		4,758	—
	CRS 2020 Dec		7/12/2020	7/12/2020	7/12/2022		a) 5,195 b) € 191,696	a) 5,195 b) € 191,696	—	5,195
	CRS 2020 May		11/5/2020	11/5/2020	11/5/2022		a) 5,246 b) € 199,768	a) 5,246 b) € 199,768	—	5,246
	RS 2019		6/5/2019	6/5/2021	6/5/2023	3,524		a) 1,410 b) € 50,351	2,114	1,410
					Total:	**10,557**	**a) 19,957** **b) € 729,662**	**a) 11,851** **b) € 441,815**	**18,663**	**11,851**

(1) The number of shares not yet vested and shares still subject to retention at the beginning of the year under consideration
(2) The number of shares granted during the year under consideration as well as the value of those shares at the market price at the granting date
(3) The number of shares vested during the year under consideration as well as the value of those shares at the market price at the vesting date
(4) The number of shares not yet vested at the end of the year under consideration
(5) The number of shares still subject to retention at the end of the year under consideration

In accordance with Belgian legislation and regulations, details of (transactions in) stock options and shares held by all members of the SLT (or persons related to them or entities fully controlled by them) are reported to the FSMA in Belgium.

4. Annual variable remuneration

The variable cash remuneration depends on performance criteria relating to the respective financial year. For the year ended 31 December 2020, the Board of Directors approved a cash bonus to the CEO and the members of the SLT based on company-wide objectives applied as follows:

KPIs		**Relative Weight**		**Optional Information**				
			a)	**Threshold Performance**	**a)**	**Maximum Performance**	**a)**	**Measured Performance**
			b)	**Corresp. Pay-Out Rate (*)**	**b)**	**Corresp. Pay-Out Rate (*)**	**b)**	**Corresp. Pay-Out Rate (*)**
KPI 1		17%	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	Below Target
	Revenue		b)	10 %	b)	120 %	b)	99.2 %
KPI 2		17%	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	Below Target
	OCF		b)	10 %	b)	120 %	b)	99.4 %
KPI 3		17%	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	On Target
	OFCF		b)	10 %	b)	120 %	b)	100.2 %
KPI 4		17 %	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	Below Target
	NPS		b)	10 %	b)	120 %	b)	95 %
KPI 5		17 %	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	Above Target
	Internet Churn		b)	10 %	b)	120 %	b)	102.3 %
KPI 6		17 %	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	On Target
	People Engagement		b)	10 %	b)	120 %	b)	100 %
Pay-Out Rate (Cluster KPI1 up to KPI6)								99.4 %
KPI 1		100%	a)	Poor (Min Payout)	a)	Outstanding (Max payout)	a)	Above Target
	OFCF Growth		b)	10 %	b)	170 %	b)	108 %
Pay-Out Rate (Cluster 1 * OFCF growth)								
Total Pay-Out Rate [(Pay-Out Rate 1) x (Pay-Out Rate 2)]								**107.3 %**

* Expressed as a multiplier of the on-target bonus

5. Comparison Annual remuneration and company performances

The table shows the annual evolution over the past five financial years of (i) the annual change in remuneration of the members of the SLT and (ii) the annual change in the performance of Telenet:

Year	Name	1. Fixed Remuneration		2. Variable Remuneration		3. Other Share based Remuneration (2)	4. Additional pension	5. Total Remuneration	6. Proportion of Fixed Remuneration	7. OFCF Performance Evolution (3)
		Base Salary	Other Benefits	One-Year Variable	Multi-Year Variable (1)					
2020	John Porter - CEO	€630,000	€100,686	€675,990	€—	€3,680,137	€918,000	€6,004,813	89 %	€787
	SLT	€2,586,460	€167,653	€1,106,303	€—	€3,976,972	€344,037	€8,181,425	86 %	
2019	John Porter - CEO	€630,000	€114,597	€948,591	€3,588,018	€—	€—	€5,281,206	14 %	€821
	SLT	€2,989,070	€229,890	€1,707,048	€6,120,337	€—	€386,070	€11,432,415	32 %	
2018	John Porter - CEO	€630,000	€76,765	€938,385	€—	€—	€—	€1,645,150	43 %	€670
	SLT	€2,950,201	€228,519	€1,385,072	€1,190,463	€—	€377,657	€6,131,912	58 %	
2017	John Porter - CEO	€630,000	€76,208	€963,900	€—	€—	€—	€1,670,108	42 %	€543
	SLT	€2,895,458	€230,883	€1,624,938	€1,311,725	€—	€366,899	€6,429,903	54 %	
2016	John Porter - CEO	€630,000	€150,037	€630,000	€—	€—	€—	€1,410,037	55 %	€525
	SLT	€2,856,117	€221,230	€1,656,940	€1,311,725	€—	€344,222	€6,390,234	54 %	

(1) The 2016 Performance shares grant was a double grant and vested at 199% in 2019. As a consequence of the double grant in 2016, no Performance shares plan was granted in 2017.
(2) 2019 was the first year a Restricted shares plan was granted. The overall on target value of the long term incentives remained unchanged, but a shift happened from stock options to restricted shares. In 2020 the first batch of the 2019 restricted shares vested as well as additional Restricted shares under the dividend compensation mechanism to eliminate potential or alleged conflicts of interests for its SLT members.
(3) In million Euro

6. Comparative table with total Headcount

The table below shows the comparison of the annual remuneration, expressed in full-time equivalents, between the SLT and the employees of Telenet other than the directors and members of the SLT. Finally, the ratio between the highest remuneration of a member of the SLT and the lowest remuneration of an employee (in full-time equivalents) is presented:

		1. Fixed Remuneration	2. Variable Remuneration		3. Other Share Based Remuneration (3)	4. Total	5. Proportion of Fixed Remuneration
	#	Average Base Salary	Average One-Year Variable	Multi-Year Variable			
CEO	1	€ 630,000	€ 675,990	€ —	€ 3,680,137	€ 4,986,127	86 %
SLT	8	€ 306,649	€ 138,288	€ —	€ 497,122	€ 942,059	85 %
LT (1)	51	€ 132,856	€ 29,481	€ —	€ 20,470	€ 182,807	84 %
Employees (2)	2952	€ 57,070	€ 5,235	€ —	€ 1,118	€ 63,423	92 %

(1) Leadership team: these are the direct reports of the sr leadership team
(2) Only employees are included who are eligible for annual variable remuneration. This does not include employees who are on a monthly, quarterly or semi-annual sales incentives plan with individual sales objectives.
(3) 161 employees hold vested restricted shares outside the CEO/SLT/LT population. The average was calculated over the full population for comparison reasons.

The ratio between the CEO base salary and the lowest base salary within the above shown population is 21.5 on a full time equivalent.

7. Termination arrangements

Mr. Luc Machtelinckx and Ms. Claudia Poels are no longer part of the Senior Leadership Team since March 31, 2020.

Mr. Luc Machtelinckx has a contractual termination clause, providing for the performance during a notice period in case of termination by the Company (except for cause) to be calculated on the basis of the 'formula Claeys', which may be replaced (with the prior agreement of Mr. Machtelinckx) by an indemnification payment (without performance). The termination fee for Luc Machtelinkx amounted to € 1,200,068. This corresponds with 23 months.

The employment agreements with Ms. Claudia Poels did not contain specific provisions relating to early termination. The termination fee for Ms Claudia Poels amounted to € 611,397. This corresponds with 6 months and 21 weeks.

8.8 Audit of the company

8.8.1 External audit by statutory auditors

For details on the audit and non-audit fees paid to the auditor in the year ended December 31, 2020, we refer to note 5.31 to the consolidated financial statements of the Company.

8.8.2 Internal audit

For details on the internal audit function, we refer to note 8.4.2.5 of the corporate governance statement.

Mechelen, March 19, 2021

On behalf of the board of directors

John Porter Chief Executive Officer	Bert De Graeve Chairman

Telenet Group Holding NV

Consolidated financial statements

1. Consolidated statement of financial position

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)
Assets			
Non-current assets:			
Property and equipment	5.4	2,288.0	2,366.8
Goodwill	5.5	1,824.5	1,874.0
Other intangible assets	5.6	693.6	797.1
Deferred tax assets	5.15	214.7	261.4
Investments in and loans to equity accounted investees	5.7.1	111.7	16.3
Other investments	5.7.2	5.7	6.1
Derivative financial instruments	5.14	58.6	55.3
Trade receivables	5.8.1	—	—
Other non-current assets	5.9.1	33.6	28.0
Total non-current assets		**5,230.4**	**5,405.0**
Current assets:			
Inventories	5.10	27.3	25.2
Trade receivables	5.8.2	187.2	204.5
Other current assets	5.9.2	126.1	130.4
Cash and cash equivalents	5.11	82.0	101.4
Derivative financial instruments	5.14	48.1	61.7
		470.7	**523.2**
Assets held for sale	5.24.6	0.3	—
Total current assets		**471.0**	**523.2**
Total assets		**5,701.4**	**5,928.2**

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)

Equity and liabilities

Equity:			
Share capital	5.12	12.8	12.8
Share premium	5.12	80.7	80.7
Other reserves	5.12	686.3	695.7
Retained loss	5.12	(2,249.9)	(2,287.8)
Remeasurements	5.12	(12.3)	(13.5)
Total equity attributable to owners of the Company		**(1,482.4)**	**(1,512.1)**
Non-controlling interests	5.12	28.4	25.1
Total equity		**(1,454.0)**	**(1,487.0)**
Non-current liabilities:			
Loans and borrowings	5.13	4,918.3	5,206.0
Derivative financial instruments	5.14	508.0	261.4
Deferred revenue	5.19	3.6	3.8
Deferred tax liabilities	5.15	124.7	178.7
Other non-current liabilities	5.16	56.2	63.1
Provisions	5.18.2	12.2	17.6
Total non-current liabilities		**5,623.0**	**5,730.6**
Current liabilities:			
Loans and borrowings	5.13	499.6	527.0
Trade payables		174.9	247.7
Accrued expenses and other current liabilities	5.18.1	399.5	418.4
Provisions	5.18.2	83.6	70.9
Deferred revenue	5.19	122.8	107.8
Derivative financial instruments	5.14	65.6	69.5
Current tax liability	5.22	184.6	243.3
		1,530.6	**1,684.6**
Liabilities directly associated with the assets held for sale	5.24.6	1.8	—
Total current liabilities		**1,532.4**	**1,684.6**
Total liabilities		**7,155.4**	**7,415.2**
Total equity and liabilities		**5,701.4**	**5,928.2**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 years ended December 31,	
	Note	**2020**	**2019, as restated (*)**
Profit for the period			
Revenue	5.19	2,575.2	2,583.9
Cost of services provided	5.20	(1,401.6)	(1,353.3)
Gross profit		**1,173.6**	**1,230.6**
Selling, general and administrative expenses	5.20	(579.5)	(545.1)
Operating profit		**594.1**	**685.5**
Finance income		241.1	24.7
Net interest income, foreign exchange gain and other financial income	5.21	241.1	0.8
Net gain on derivative finance instruments	5.14 & 5.21	—	23.9
Finance expense		(474.2)	(356.9)
Net interest expense, foreign exchange loss and other finance expense	5.21	(206.8)	(307.4)
Net loss on derivative financial instruments	5.14 & 5.21	(252.2)	—
Loss on extinguishment of debt	5.21	(15.2)	(49.5)
Net finance expenses	5.21	**(233.1)**	**(332.2)**
Share in the profit of equity accounted investees	5.7.1	0.7	(0.9)
Gain on disposal of assets/liabilities related to a subsidiary or joint venture	5.24.4 & 5.24.5	27.5	0.1
Profit before income tax		**389.2**	**352.5**
Income tax expense	5.22	(50.7)	(117.9)
Profit for the period		**338.5**	**234.6**

(€ in millions, except per share data)		For the years ended December 31,	
	Note	**2020**	**2019, as restated (*)**

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 tax	5.17	2.2	3.0
Equity-accounted investees - share of Other comprehensive income (loss), net of income tax	5.17	(1.0)	—
Other comprehensive income (loss) for the period, net of income tax		**1.2**	**3.0**
Total comprehensive income for the period		**339.7**	**237.6**
Profit (loss) attributable to:		**338.5**	**234.6**
Owners of the Company		338.9	234.5
Non-controlling interests		(0.4)	0.1
Total comprehensive income (loss) for the period, attributable to:		**339.7**	**237.6**
Owners of the Company		340.1	237.5
Non-controlling interests		(0.4)	0.1
Earnings per share			
Basic earnings per share in €	5.23	3.10	2.13
Diluted earnings per share in €	5.23	3.10	2.13

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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)													
December 31, 2019 as reported		**114,656,785**	**12.8**	**80.7**	**118.9**	**64.8**	**(209.2)**	**721.2**	**(2,287.8)**	**(13.5)**	**(1,512.1)**	**25.1**	**(1,487.0)**
January 1, 2020		**114,656,785**	**12.8**	**80.7**	**118.9**	**64.8**	**(209.2)**	**721.2**	**(2,287.8)**	**(13.5)**	**(1,512.1)**	**25.1**	**(1,487.0)**
Total comprehensive income for the period													
Profit for the period		—	—	—	—	—	—	—	339.0	—	339.0	(0.4)	338.6
Other comprehensive income [1]		—	—	—	—	—	—	—	—	1.2	1.2	—	1.2
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**339.0**	**1.2**	**340.2**	**(0.4)**	**339.8**
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
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)
Total contribution by and distributions to owners of the Company		**(814,966)**	**—**	**—**	**16.7**	**—**	**9.8**	**(35.9)**	**(301.0)**	**—**	**(310.4)**	**—**	**(310.4)**

Changes in ownership interests in subsidiaries												
Capital contributions by NCI	—	—	—	—	—	—	—	—	—	—	3.7	3.7
Total transactions with owners of the Company	**(814,966)**	**—**	**—**	**16.7**	**—**	**9.8**	**(35.9)**	**(301.0)**	**—**	**(310.4)**	**3.7**	**(306.7)**
December 31, 2020	**113,841,819**	**12.8**	**80.7**	**135.6**	**64.8**	**(199.4)**	**685.3**	**(2,249.8)**	**(12.3)**	**(1,482.3)**	**28.4**	**(1,453.9)**

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

Attributable to equity holders of the Company	Note	Number of shares	Share capital	Share premium	Equity-based compensations reserve	Legal Reserve	Reserve for own shares	Other reserves	Retained loss	Remeasurements	Total	Non-controling Interest	Total equity
(€ in millions, except share data)													
December 31, 2018 as reported		**117,716.323**	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,444.6)**	**(16.5)**	**(1,648.4)**	**22.9**	**(1,625.5)**
Nextel PPA Adjustment		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1.5)**		**(1.5)**	**—**	**(1.5)**
Nextel accounting policy change		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0.1**		**0.1**	**—**	**0.1**
January 1, 2019 restated		**117,716,323**	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,446.0)**	**(16.5)**	**(1,649.8)**	**22.9**	**(1,626.9)**
Total comprehensive income for the period													
Profit for the period		—	—	—	—	—	—	—	234.5	—	**234.5**	0.1	234.6
Other comprehensive income[1]		—	—	—	—	—	—	—	—	3.0	**3.0**	—	3.0
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**234.5**	**3.0**	**237.5**	**0.1**	**237.6**
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
Reallocation of prior year's profit to legal reserve		—	—	—	—	—	—	0.2	(0.1)	—	**0.1**	—	0.1
Recognition of share-based compensation	5.12	—	—	—	14.3	—	—	—	—	—	**14.3**	—	14.3
Own shares acquired	5.12	—	—	—	—	—	(101.0)	—	—	—	**(101.0)**	—	(101.0)
Own shares sold	5.12	—	—	—	—	—	63.0	—	(13.4)	—	**49.6**	—	49.6
Liquidation own shares	5.12	(3,059,538)			—	—	141.3	(141.3)	—	—	**—**	—	—
Dividend declared	5.12	—	—	—	—	—	—	—	(62.8)	—	**(62.8)**	—	(62.8)
Other	5.12							—			**—**		—
Total contribution by and distributions to owners of the Company		**(3,059,538)**	**—**	**—**	**14.3**	**—**	**103.3**	**(141.1)**	**(76.3)**	**—**	**(99.8)**	**—**	**(99.8)**
Changes in ownership interests in subsidiaries												—	
Capital contributions by NCI		—	—	—	—	—	—	—	—	—	**—**	2.1	2.1
Total transactions with owners of the Company		**(3,059,538)**	**—**	**—**	**14.3**	**—**	**103.3**	**(141.1)**	**(76.3)**	**—**	**(99.8)**	**2.1**	**(97.7)**
December 31, 2019		**114,656,785**	**12.8**	**80.7**	**118.9**	**64.8**	**(209.2)**	**721.2**	**(2,287.8)**	**(13.5)**	**(1,512.1)**	**25.1**	**(1,487.0)**

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

1

4. Consolidated statement of cash flows

(€ in millions)		For the years ended December 31,	
	Note	2020	2019, as restated (*)

Cash flows provided by operating activities:

Profit for the period		338.5	234.6
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.20	754.1	681.3
Gain on disposal of property and equipment and other intangible assets	5.20	(4.5)	(1.9)
Income tax expense	5.22	50.7	117.9
Increase (decrease) in allowance for bad debt	5.8	3.8	2.1
Loss (gain) on disposal of assets/liabilities related to a subsidiary or a joint venture	5.24.4 & 5.24.5	(27.6)	(0.1)
Net interest income and foreign exchange gain	5.21	(241.1)	(0.8)
Net interest expense, foreign exchange loss and other finance expense	5.21	206.8	307.3
Net loss (gain) on derivative financial instruments	5.14 & 5.21	252.2	(23.8)
Loss on extinguishment of debt	5.21	15.2	49.5
Share in the result of equity accounted investees	5.7.1	(0.8)	0.9
Share based payments	5.12 & 5.20	29.9	13.0
Change in:			
Trade receivables		12.6	24.6
Other assets		24.1	4.8
Deferred revenue		16.7	1.7
Trade payables		(61.8)	24.3
Other liabilities		0.6	31.5
Accrued expenses and other current liabilities		(8.4)	26.0
Interest paid		(193.7)	(241.1)
Interest received		0.1	0.1
Income taxes paid		(110.0)	(159.4)
Net cash provided by operating activities		**1,057.4**	**1,092.5**

(€ in millions)		For the years ended December 31,	
	Note	2020	2019, as restated (*)

Cash flows used in investing activities:

Acquisitions of property and equipment		(278.8)	(261.7)
Acquisitions of intangibles		(193.0)	(150.2)
Acquisitions of and loans to equity accounted investees	5.7.1	(25.5)	(1.3)
Acquisitions of subsidiaries, net of cash acquired	5.24	(6.1)	(19.6)
Proceeds from sale of property and equipment and other intangibles		27.8	0.8
Net cash used in investing activities		**(475.6)**	**(432.0)**

Cash flows used in financing activities:

Repayments of loans and borrowings	5.13	(565.8)	(1,215.6)
Proceeds from loans and borrowings	5.13	410.8	815.9
Repayments of loans to related parties	5.13	(3.3)	(13.0)
Payments of lease liabilities	5.13	(105.2)	(73.8)
Payments for debt issuance costs	5.13	(13.8)	(1.4)
Payments for early termination of loans and borrowings	5.13	—	(45.5)
Repurchase of own shares	5.12	(34.4)	(101.0)
Sale of own shares	5.12	—	49.6
Payments related to capital reductions and dividends	5.11	(292.3)	(62.8)
Proceeds from capital transactions with equity participants		2.8	0.3
Net cash used in financing activities	5.13.4	**(601.2)**	**(647.3)**
Net increase (decrease) in cash and cash equivalents		**(19.4)**	**13.2**
Cash and cash equivalents:			
at January 1	5.11	101.4	88.2
at December 31	5.11	82.0	101.4

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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

5. Notes to the consolidated financial statements for the year ended December 31, 2020

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 asset retirement obligations
- 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, 2020 showed a negative consolidated equity amounting to €1,454.0 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.

The COVID-19 pandemic impacted the Company’s revenue following the forced closing of substantially all of Telenet’s retail locations between mid-March and mid-May. The Company’s sports offering "Play Sports" was impacted for the twelve months ended December 31, 2020 by the temporary halt of both national and international football championships and other major sports events due to the COVID-19 pandemic, resulting in a significant decrease in the “Play Sports” sports pay-television subscriber base and revenue. Interconnect revenue declined due to lower SMS traffic, and also roaming visitors revenue decreased mainly due to the COVID-19 pandemic. The Company's revenue was further impacted by the decrease of advertising revenue and production revenue generated by its subsidiary De Vijver Media. On the other side, higher usage-related revenue was reported resulting from increased fixed-line calling behavior during the COVID-19 pandemic.

Following specific COVID-19 related regulation imposed by the national telecoms regulator BIPT, Telenet couldn't disconnect non-paying subscribers before July 1, 2020. The Company re-assessed the impact of the pandemic on its expected future credit losses, which ultimately resulted in an increase of its valuation allowance on doubtful accounts of €2.5 million.

With respect to the impact of the COVID-19 pandemic on the Company’s expenses, the direct costs decreased due to significantly lower interconnect and roaming expenses and lower costs related to handset purchases, while also lower spend was noted in sales and marketing expenses, mainly in the first half of 2020 and despite the pick-up in the second half of the year .

With respect to De Vijver Media, the advertising revenue decreased significantly and content productions were temporarily stopped, which was considered to be a triggering event to perform a goodwill impairment test. The COVID-19 pandemic and the reduced involvement in the production of the Belgian football content lead to a re-assessment of De Vijver Media’s business plan and the weighted average cost of capital (WACC) increased mainly as a result of the increased credit spread. Both assumptions used to calculate the value in use ultimately resulted in a €32.9 million goodwill impairment charge on De Vijver Media.

5.1.6 Reporting changes

Purchase price allocation for the Native Nation acquisition: The Company's December 31, 2019 consolidated statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation (“PPA”) and accounting policies alignment for the Native Nation acquisition, which was not yet completed at year-end 2019. The fair value adjustment on intangible assets (€6.9 million) mainly related to the acquired tradenames (€2.8 million), customer relationships (€2.4 million) and technology (€1.7 million). Together with the deferred tax impact of the above mentioned adjustments (€1.7 million), goodwill was reduced by €5.2 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 (October 18, 2019) and December 31, 2019 and consequently, the consolidated statement of profit and loss and other comprehensive income for the twelve months ended December 31, 2019 has not been restated (see Note 5.24.2).

Purchase price allocation for the De Vijver Media acquisition: The Company's December 31, 2019 consolidated statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation (“PPA”) and accounting policies alignment for the De Vijver Media acquisition, which was not yet completed at year-end 2019. As a result of the 2020 purchase price allocation and more specifically its related deferred tax impact, goodwill was increased by €4.6 million (see Note 5.24.1).

Allocation of bundle-related subscription revenue: Following the recent revamp of the Company's broadband internet standalone portfolio, a lower revenue share from the fixed and FMC bundles is allocated to broadband internet revenue as of January 1, 2020. This adversely impacts the Company's broadband internet revenue, fully offset by a higher allocation to the video, fixed-line telephony and mobile telephony revenue. The aforementioned change also impacts the ARPU per customer relationship (as this excludes mobile telephony revenue), yet does not impact the Company's total subscription revenue.

Streamz joint venture and Belgian football broadcasting rights: Mid-September 2020, the Company launched "Streamz", a streaming service of a joint venture between DPG Media and Telenet, in which the

Company holds a 50% stake. Consequently, neither the operational nor the financial results of the joint venture itself are consolidated into the Company's accounts. As the Company offers both "Streamz" and "Streamz+" directly to customers through its digital TV platform, the Company will continue to include the number of premium entertainment customers that Telenet serves directly. The revenue generated by these direct premium entertainment subscribers is unaffected and remains within the Company's video subscription revenue, while the content-related costs are accounted for as direct costs (programming-related expenses). In August 2020, the Company signed a five-year agreement with Eleven Sports for the broadcasting of the Belgian football league. Unlike the previous contract, the cost of the new Belgian football contract are accounted for as a direct cost (programming-related expenses) compared to amortization expenses under the previous Belgian football contract. Both changes impacted the Company's (operating) expenses as of the third quarter of 2020.

5.1.7 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 19, 2021.

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, 2020 and 2019 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, 2020 and 2019.

		December 31, 2020			December 31, 2019, as restated (*)	
(€ in millions)	**Belgium**	**Foreign countries**	**TOTAL**	**Belgium**	**Foreign countries**	**TOTAL**
Property & equipment	2,288.0	—	2,288.0	2,358.3	8.5	2,366.8
Intangible assets	693.6	—	693.6	777.4	19.7	797.1
Total fixed assets	**2,981.6**	**—**	**2,981.6**	**3,135.7**	**28.2**	**3,163.9**

		For the year ended December 31, 2020			For the year ended December 31, 2019, as restated (*)	
(€ in millions)	**Belgium**	**Foreign countries**	**TOTAL**	**Belgium**	**Foreign countries**	**TOTAL**
Total revenue	**2,573.2**	**2.0**	**2,575.2**	**2,574.7**	**9.2**	**2,583.9**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

The decrease in the revenues and non-current assets 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 and 5.24.4.

For the years ending December 31, 2020 and December 31, 2019, 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: 3-30 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.

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

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Company. An investor controls an investee when the investor is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Control requires power, exposure to variability of returns and a linkage between the two. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

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 and recognized right of use assets and liabilities for those leases previously classified as operating leases under previous accounting principles generally accepted under IFRS, being:

- 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.

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

Leases in which the Company is a lessor continue to be accounted for in a manner similar to the previous accounting guidance, i.e. 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. It 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, we 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, 2020.

Amendment to IFRS 3 Business Combinations, issued on October 22, 2018, provides more guidance on the definition of a business. The amendment includes an election to use a concentration test. This is a simplified assessment that will result in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If one does not apply the concentration test, or the test is failed, then the assessment focuses on the existence of substantive process.

The amendments are effective for annual periods beginning on or after January 1, 2020. These amendments have been endorsed by the EU in

April 2020 and had no material impact on the Group's consolidated financial statements.

Amendments to IAS 1 an**d IAS 8: Definition of Material** was issued on October 31, 2018 clarifying the definition of 'Material' and aligning the definition of 'material' across the standards. The new definition states that "information is considered material, if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primarily users of general purpose financial statements make on the basis of those financial statements, which provide information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information.

The amendments are effective for annual periods beginning on or after January 1, 2020. These amendments have been endorsed by the EU in November 2019 and had no material impact on the Group's consolidated financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards (Amendments to CF) was issued by the International Accounting Standards Board ("**IASB**") on March 29, 2018. The Conceptual Framework sets out the fundamental concepts of financial reporting that guides the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, providing useful information for investors and others. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction; and it helps stakeholders to understand the Standards better. Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions.
- Reinstating prudence, defined as the exercise of caution when making judgments under conditions of uncertainty, as a component of neutrality.
- Defining a reporting entity, which might be a legal entity or a portion of a legal entity.
- Revising the definition of an asset as a present economic resource controlled by the entity as a result of past events.
- Revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events.
- Removing the probability threshold for recognition, and adding guidance on derecognition.
- Adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis.
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced.

The amendments are effective for annual periods beginning on or after January 1, 2020. These amendments have been endorsed by the EU in November 2019 and had no material impact on the Group's consolidated financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 (interest rate benchmark reform) was issued on September 26, 2019. The related amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition it requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The amendments are summarized as follows:

- When determining whether a forecast transaction is highly probable, a company shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
- When performing prospective assessments, a company shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of their interest rate benchmark reform.
- When applying IAS 39, the company is not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform. However, the company must comply with all other IAS 39 hedge accounting requirements, including the prospective assessment.
- For hedges of a non-contractually specified benchmark component of interest rate risk, a company shall apply the separately identifiable requirement only at the inception of such hedging relationship.

The amendments are effective for annual periods beginning on or after January 1, 2020 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.

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, 2020 and have not been early adopted by the Company.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after June 30, 2020, or later periods, but the Company has not early adopted them. The adoption of these standards, amendments and interpretations, is not expected to have a material impact on the Company's financial result or financial position:

Amendment to IFRS 16 Impact of the initial application of Covid-19-Related Rent Concessions, 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. The practical expedient permits a lessee to elect not to assess whether a COVID19-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 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

The amendments are effective for annual periods beginning on or after June 1, 2020 with early application permitted. The amendment is not expected to have a material impact on the Company's consolidated financial statements. During the year ended December 31, 2020, 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.

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.

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 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 yet to be set by the Board; however, earlier application of the amendments is permitted.

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 with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. These amendments have not yet been endorsed by the EU.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

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.

Telenet 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, 2020	December 31, 2019, as restated (*)
Cash and cash equivalents (including money market funds, certificates of deposits)	5.11	82.0	101.4
Trade receivables	5.8	193.7	213.9
Derivative financial instruments	5.14	106.7	117.0
Receivables from sale of sports broadcasting rights	5.9	3.9	7.9
Indemnification receivable Pylon tax KPN	5.9	13.8	13.5
Prepaid content	5.9	6.1	11.2
Prepayments	5.9	45.9	35.4
Outstanding guarantees to third parties for own liabilities (cash paid)	5.9	1.7	1.5
Loans to equity accounted investees	5.7	9.5	1.6
Total		**463.3**	**503.4**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 obligations as at December 31, 2020 and 2019 were as follows:

Situation as of December 31, 2020	Payments due by period						
(€ in millions)							
Contractual obligations	**Total**	**Less than 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**After 5 years**
Long term debt [1] [3]	5,898.6	503.1	129.9	148.9	148.2	148.4	4,820.1
Lease obligations [1] [3]	555.5	89.0	80.8	72.1	53.1	48.8	211.7
Other contractual obligations [2]	1,180.9	263.2	130.3	87.3	56.5	46.5	597.1
Interest rate derivatives [3]	(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 [4]	286.4	286.4					
Trade payables	174.9	174.9					
Total contractual obligations	**8,046.0**	**1,388.7**	**357.5**	**283.1**	**227.3**	**216.3**	**5,573.1**

Situation as of December 31, 2019, as restated (*)	Payments due by period						
(€ in millions)							
Contractual obligations	**Total**	**Less than 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**After 5 years**
Long term debt [1] [3]	6,615.3	527.8	207.6	206.4	204.9	201.2	5,267.4
Lease obligations [1] [3]	569.2	105.5	69.3	80.7	59.6	42.9	211.2
Other contractual obligations [2]	1,154.3	242.8	137.5	74.5	40.9	33.3	625.3
Interest rate derivatives [3]	(182.5)	7.5	(33.2)	(33.2)	(35.5)	(40.8)	(47.3)
Foreign exchange derivatives	72.7	68.5	3.0	1.2	—	—	—
Accrued expenses and other current liabilities [4]	396.2	396.2	—	—	—	—	—
Trade payables	247.7	247.7	—	—	—	—	—
Total contractual obligations	**8,872.9**	**1,596.0**	**384.2**	**329.6**	**269.9**	**236.6**	**6,056.6**

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 change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 2.6% (2019: approximately 4.9%) 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. See ***Important Reporting Changes*** for more information. 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, 2020 and 2019, 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, 2020 and 2019, 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 GBP LIBOR rates, it intends to cease publishing 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, it is not possible to predict the exact transitional arrangements for calculating applicable reference rates that may be made in the U.K., the U.S., the Eurozone or elsewhere given that a number of outcomes are possible, including the cessation of the publication of one or more reference rates.

In October 2020, the International Swaps and Derivatives Association (the ISDA) launched a new supplement (the Fallback Supplement), which effective January 25, 2021, will amend the standard definitions for interest rate derivatives to incorporate fallbacks for derivatives linked to certain key interbank offered rates (IBORs). The ISDA also launched a new protocol (the Fallback Protocol), also effective January 25, 2021, that will enable 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 will apply following a permanent cessation of the IBOR in that currency and will be adjusted versions of the risk-free rates identified in each currency. The Company's loan 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 the Company does 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 the Company's loan 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 than any new reference rate that applies to our LIBOR-indexed or EURIBOR-indexed derivative instruments. The Company anticipates managing this difference and any resulting increased variable-rate exposure through modifications to its debt and/or derivative instruments, however future market conditions may not allow immediate implementation of desired modifications and the Company 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 BNPP 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, 2020 and 2019, 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:

(€ in millions)	**2020**		**2019, as restated (*)**	
Changes in fair value	**+0.25%**	**-0.25%**	**+0.25%**	**-0.25%**
Swaps	63.7	(63.7)	60.8	(60.8)
Floors	(16.9)	16.9	(12.6)	12.6
Total	**46.8**	**(46.8)**	**48.2**	**(48.2)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020	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
Total	**84.2**	**84.3**	**83.4**	**77.1**	**80.6**	**272.0**

Situation as of December 31, 2020	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
Total	**84.2**	**84.2**	**83.4**	**77.2**	**80.4**	**270.2**

Situation as of December 31, 2019, 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**
2018 Amended SCF Term Loan AN	51.0	97.7	97.7	98.2	97.4	204.1
2018 Amended SCF Term Loan AO	27.1	28.1	28.1	28.3	28.1	96.2
Interest Derivatives	4.5	(38.4)	(38.4)	(40.7)	(46.0)	(56.7)
Total	**82.6**	**87.4**	**87.4**	**85.8**	**79.5**	**243.6**

Situation as of December 31, 2019, 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
2018 Amended SCF Term Loan AN	45.0	87.3	87.3	87.8	87.1	182.5
2018 Amended SCF Term Loan AO	27.1	28.1	28.1	28.3	28.1	96.2
Interest Derivatives	10.5	(28.1)	(28.1)	(30.3)	(35.6)	(37.8)
Total	**82.6**	**87.3**	**87.3**	**85.8**	**79.6**	**240.9**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020						
(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 (Term Loan AJ)	USD	1,000.0	(74.4)	On profit or loss	90.9	On profit or loss
2020 Amended SCF - Term Loan AR	USD	2,295.0	(170.7)	On profit or loss	208.6	On profit or loss

December 31, 2019, a restated (*)						
(USD in millions)	**Foreign currency**	**Amount in foreign currency**	**10% increase**		**10% decrease**	
Trade payables	USD	7.1	(0.7)	On profit or loss	0.6	On profit or loss
USD 1.0 billion Senior Secured Notes due 2028 (Term loan AJ)	USD	1,000.0	(99.0)	On profit or loss	81.0	On profit or loss
2019 Amended SCF - Term Loan AN	USD	2,295.0	(227.1)	On profit or loss	185.8	On profit or loss

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020, Telenet's net total leverage was 4.1x, which was modestly up compared to September 30, 2020. This reflected the payment of the intermediate dividend in December 2020 (€150.0 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, 2020, 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, 2020, 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, 2020	Note	Carrying amount	Fair value			
(€ in millions)				Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds	5.11	45.0	45.0	45.0	—	—
Derivative financial assets	5.14	106.7	106.7	—	106.7	—
Total financial assets carried at fair value		**151.7**	**151.7**	**45.0**	**106.7**	**—**
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	(573.6)	(573.6)	—	(573.6)	—
Total financial liabilities carried at fair value		**(573.6)**	**(573.6)**	**—**	**(573.6)**	**—**
Financial liabilities carried at amortized cost						
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[1]		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	—
- Mobile Spectrum 2G & 3G		—	—	—	—	—
- 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	—
Total financial liabilities carried at amortized cost		**4,872.3**	**4,891.4**	**1,434.3**	**3,457.1**	**—**

[1] The Senior Secured Fixed Rate Notes are listed on the Luxembourg stock exchange market

December 31, 2019, as restated (*)	Note	Carrying amount	Fair value			
(€ in millions)				Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds	5.11	30.0	30.0	30.0	—	—
Derivative financial assets	5.14	117.0	117.0	—	117.0	—
Total financial assets carried at fair value		**147.0**	**147.0**	**30.0**	**117.0**	**—**
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	(330.9)	(330.9)	—	(330.9)	—
Total financial liabilities carried at fair value		**(330.9)**	**(330.9)**	**—**	**(330.9)**	**—**
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (including accrued interest excluding deferred financing fees)	5.13					
- 2018 Amended Senior Credit Facility		3,158.4	3,174.2	—	3,174.2	—
- Senior Secured Fixed Rate Notes[1]		1,522.5	1,608.5	1,608.5	—	—
- Nextel Credit Facility		1.2	1.2	—	1.2	—
- Overdraft facility		0.2	0.2	—	0.2	—
- SFR network right of use		4.0	1.8	—	1.8	—
- Vendor financing		358.0	358.0	—	358.0	—
- Clientele fee > 20 years		125.3	139.9	—	139.9	—
- Mobile Spectrum 2G & 3G		4.5	4.2	—	4.2	—
- Renting debt		3.4	3.0	—	3.0	—
-LoanThePark		0.2	0.2	—	0.2	—
Total financial liabilities carried at amortized cost		**5,177.7**	**5,291.2**	**1,608.5**	**3,682.7**	**—**

[1] The Senior Secured Fixed Rate Notes are listed on the Luxembourg stock exchange market

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 - 2G & 3G Mobile spectrum - 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, 2020, 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
Cost						
At January 1, 2019		**168.8**	**3,456.2**	**177.9**	**89.8**	**3,892.7**
IFRS 16		36.9	123.0	—	3.9	163.8
Additions		22.8	324.5	24.4	6.3	378.0
Acquisition of De Vijver Media	5.24.1	5.6	1.3	—	1.0	7.9
Acquisition of Native Nations	5.24.3	0.2	—	—	—	0.2
Transfers		(12.2)	49.4	(44.0)	2.9	(3.9)
Disposals		(4.1)	—	—	(1.0)	(5.1)
Write off of fully depreciated assets		(1.9)	(174.0)	—	(1.4)	(177.3)
At December 31, 2019, as restated (*)		**216.1**	**3,780.4**	**158.3**	**101.5**	**4,256.3**
Additions		26.8	301.7	15.5	17.7	361.7
Disposal assets Coditel S.à.r.l.("SFR-Lux")	5.24.4	(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)
At December 31, 2020		**234.0**	**3,972.3**	**98.6**	**115.0**	**4,419.9**
Accumulated Depreciation						
At January 1, 2019		**82.3**	**1,543.6**	**—**	**36.0**	**1,661.9**
Depreciation charge for the year		27.3	375.1	—	8.6	411.0
Transfers		—	(2.1)	—	—	(2.1)
Disposals		(4.0)	—	—	—	(4.0)
Write off fully depreciated assets		(1.9)	(174.0)	—	(1.4)	(177.3)
At December 31, 2019, as restated (*)		**103.7**	**1,742.6**	**—**	**43.2**	**1,889.5**
Depreciation charge for the year		24.9	393.0	—	9.4	427.3
Disposal assets Coditel S.à.r.l.("SFR-Lux")	5.24.4	(0.3)	(6.3)	—	(0.1)	(6.7)
Transfers		0.7	(0.8)	—	5.3	5.2
Other		—	(0.5)	—	—	(0.5)
Write off of fully depreciated assets		(9.1)	(169.1)	—	(4.7)	(182.9)
At December 31, 2020		**119.9**	**1,958.9**	**—**	**53.1**	**2,131.9**
Carrying Amount						
At December 31, 2020		114.1	2,013.4	98.6	61.9	2,288.0
December 31, 2019, as restated (*)		112.4	2,037.8	158.3	58.3	2,366.8

(*) We refer to note 5.1.6 ***Reporting change****s* and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Capital expenditures for property and equipment reached €361.7 million for the year ended December 31, 2020, (€378.0 million for the year ended December 31, 2019) mainly related to investments in the Company's network (€301.7 million).

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

For the year ended December 31, 2020, the Company removed €182.9 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company (€177.3 million for the year ended December 31, 2019).

The Company recognized a gain on disposal of assets of €4.5 million for the year ended December 31, 2020 (€1.9 million for the year ended December 31, 2019), 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 to the consolidated financial statements of the Company.

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, 2020 amounted to €1,824.5 million (December 31, 2019: €1,874.0 million as restated). The decrease of €49.5 million was attributable to the impairment of the goodwill allocated to De Vijver Media (€32.9 million) and the impairment and subsequent disposal of the goodwill related to Coditel S.à.r.l. ("SFR Lux") (€22.6 million), partially offset by the goodwill recognized in connection with the acquisition of Connectify / U-Cast (€6.0 million).

	(€ in millions)
December 31, 2019 as reported	**1,874.6**
Purchase price allocation - De Vijver Media	4.6
Purchase price allocation - Native Nation	(5.2)
December 31, 2019 as restated	**1,874.0**
Impairment SFR-Lux	(2.8)
Disposal SFR-Lux	(19.8)
Impairment - De Vijver Media	(32.9)
Acquisition of subsidiaries - Connectify / U-Cast	6.0
December 31, 2020	**1,824.5**

For detailed information regarding the purchase price allocation of De Vijver Media and Native Nation, the disposal of SFR-Lux, and the acquisition of Connectify / U-Cast, we refer to Note 5.24.

As of December 31, 2019, the Company identified three cash generating units, being:

- Telenet (excluding SFR-Lux),
- SFR-Lux, and
- De Vijver Media.

On April 1, 2020, The Company divested its wholly-owned Luxembourg cable subsidiary Coditel S.à r.l. ("SFR-Lux") to Eltrona Interdiffusion S.A. ("Eltrona") and at the same time acquired a 34% stake in the latter from Post Luxembourg. Following both transactions, the Company now holds a 50% minus 1 share ownership in Eltrona, which is the largest cable operator in Luxembourg. As this participation qualifies as a joint venture, SFR-Lux is no longer consolidated.

As the carrying value of the net assets held for sale of SFR-Lux exceeded their fair value less costs to sell, an impairment loss on the goodwill related to SFR-Lux amounting to €2.8 million was recognized upon classification of the assets as "assets held for sale".

As a result of the disposal of SFR-Lux on April 1, 2020, the Company identified as of December 31, 2020 the following two cash-generating units:

- Telenet, and
- De Vijver Media.

The Company performed its annual reviews for impairment during the fourth quarter of 2020 and 2019. However, 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. Advertising revenue decreased significantly and content productions were temporarily stopped. For that reason, COVID-19 was determined to be a triggering event requiring the Company to perform a goodwill impairment test as per June 30, 2020 in respect of the "De Vijver Media" cash-generating unit. Based on a value-in-use calculation taking into account the expected cash flows as determined in the updated business plan for De Vijver Media, which reflects the expected impact of the COVID-19 pandemic on its operations and financial results, and using a pre-tax discount rate of 9.7%, the recoverable amount of the De Vijver Media cash generating unit as per June 30, 2020 was estimated at €141.1 million, compared to a carrying amount of the CGU of €159.6 million. As a consequence, at June 30, 2020, the Company recognized a goodwill impairment charge of €18.5 million reducing the associated goodwill related to this CGU to €48.1 million. Following the annual review for impairment at December 31, 2020 and taken into account the updated business plan for De Vijver Media, reflecting the further 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, the recoverable amount of the De Vijver Media cash generating unit as per December 31, 2020 was estimated at €125.8 million, using a pre-tax discount rate of 9.4% As the carrying amount of the CGU at year-end 2020 amounted to €140.2 million, the Company recognized an additional goodwill impairment charge of €14.4 million at December 31, 2020, reducing the associated goodwill related to this CGU to €33.7 million. (see Note 5.20). 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.

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.

The provisional goodwill arising from the Connectify / U-Cast acquisition is not yet allocated over the Company's cash generating units, the Company was not yet in the possibility to perform a goodwill impairment test on this unallocated goodwill amounting to €6.0 million. The Company did however not identify any indications that this goodwill balance may be impaired as at December 31, 2020.

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, 2020 was determined in a similar manner to the year ended December 31, 2019.

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 30, 2020) weighted average Euro & USD debt,
- a market risk premium (Source: BIPT WACC, 2020),
- 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 2024, and a pre-tax discount rate of 7.8% (7.4% for the year ended December 31, 2019) 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, 2020, cash flows beyond the four-year period have been extrapolated using a negative growth rate of 2% (-2% for the year ended December 31, 2019), 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, 2020.

5.6 Other intangible assets

(€ in millions)	Note	Network user rights	Trade name	Software	Customer relation-ships	Broad-casting rights	Other	Total
Cost								
At January 1, 2019		**294.6**	**162.7**	**724.6**	**203.3**	**184.3**	**19.5**	**1,589.0**
Additions		—	—	130.4	0.1	85.8	—	216.3
Acquisition of De Vijver Media	5.24.1	—	25.8	1.0	0.6	49.1	14.5	91.0
Acquisition of Native Nation	5.24.3	—	—	—	—	—	0.1	0.1
Write-off of fully amortized assets		—	—	(38.2)	(0.1)	(67.8)	—	(106.1)
December 31, 2019, as reported		**294.6**	**188.5**	**817.8**	**203.9**	**251.4**	**34.1**	**1,790.3**
Acquisition of Native Nation and Stream 32 - PPA	5.24.3	—	2.8	—	2.4	—	1.7	6.9
At December 31, 2019, as restated (*)		**294.6**	**191.3**	**817.8**	**206.3**	**251.4**	**35.8**	**1,797.2**
Additions		—	—	153.5	—	77.4	—	230.9
Disposal assets Coditel S.à.r.l. ("SFR-Lux")	5.24.4	—	—	(0.2)	(27.0)	—	(0.5)	(27.7)
Transfer to assets held for sale	5.24.5	—	—	—	—	(38.3)	—	(38.3)
Transfers		—	—	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
At December 31, 2020		**294.6**	**191.7**	**946.7**	**179.3**	**178.5**	**33.9**	**1,824.7**
Accumulated Amortization								
At January 1, 2019		**150.0**	**126.9**	**377.5**	**75.4**	**103.4**	**2.4**	**835.6**
Amortization charge of the year		25.2	4.7	115.6	24.7	92.5	1.8	264.5
Write-off of fully amortized assets		—	—	(38.2)	(0.1)	(67.8)	—	(106.1)
Transfers		—	—	0.8	—	5.3	—	6.1
At December 31, 2019, as reported		**175.2**	**131.6**	**455.7**	**100.0**	**133.4**	**4.2**	**1,000.1**
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")	5.24.4	—	—	(0.1)	(8.2)	—	(0.1)	(8.4)
Transfer to assets held for sale	5.24.5	—	—	—	—	(12.1)	—	(12.1)
Write-off of fully amortized assets		—	0.4	(24.8)	—	(112.0)	(1.3)	(137.7)
Transfers		—	—	—	—	—	—	—
Other		—	—	0.5	—	6.9	—	7.4
At December 31, 2020		**200.4**	**138.4**	**565.9**	**114.5**	**106.6**	**5.3**	**1,131.1**
Carrying Amount								
At December 31, 2020		94.2	53.3	380.8	64.8	71.9	28.6	693.6
At December 31, 2019, as restated (*)		119.4	59.7	362.1	106.3	118.0	31.6	797.1

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of network user rights (mainly the 2G and 3G mobile spectrum licenses), trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

At the occasion of the De Vijver Media acquisition in June 2019, the Company acquired intangible assets for an amount of €91.0 million, consisting primarily of broadcasting rights (€49.1 million), trade names (€25.8 million) and format catalogue (€14.5 million, included in other intangible assets). For more information on the purchase price allocation, we refer to note 5.24.1.

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 €77.4 million for 2020, which primarily relates to newly acquired sport rights, mainly for Belgian Soccer and F1 and investments in flat fees.

Software additions reached €153.5 million for the year ended December 31,2020, compared to €130.4 million for the year ended December 31,2019. 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 2020 of €137.7 million consisted mainly of fully amortized software (€24.8 million), together with broadcasting rights (€112.0 million), primarily related to Belgian Soccer Jupiler Pro League season 2017-2020.

For information regarding leases of intangible assets, see note 5.29 to the consolidated financial statements of the Company.

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**
Investments			
At December 31, 2019, as restated (*)	**—**	**14.9**	**14.9**
Additions (**)	87.9	0.5	88.4
OCI pension equity pickup	—	(1.0)	(1.0)
Reclassification to loans granted	—	(0.5)	(0.5)
At December 31, 2020	**87.9**	**13.9**	**101.8**
Share in the result			
At December 31, 2019, as restated (*)	**—**	**(0.2)**	**(0.2)**
Share in the result	(0.8)	1.4	0.6
At December 31, 2020	**(0.8)**	**1.2**	**0.4**
Loans granted			
At December 31, 2019, as restated (*)	**—**	**1.6**	**1.6**
New loans granted	4.0	3.2	7.2
Reclassification from investments	—	0.5	0.5
Other	—	0.2	0.2
At December 31, 2020	**4.0**	**5.5**	**9.5**
Carrying Amount			
At December 31, 2020	**91.1**	**20.6**	**111.7**
At December 31, 2019, as restated (*)	**—**	**16.3**	**16.3**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

(**) The joint ventures we refer to are Eltrona Interdiffusion S.A. and Streamz BV.

Eltrona Interdiffusion S.A.

On April 1, 2020, Eltrona, the Luxembourg cable operator, has taken over, through a merger, the business of Coditel S.à.r.l. ("SFR-Lux"), a former Telenet subsidiary in Luxembourg. This merger, accompanied by the issue of new shares in favor of Telenet, sealed the strategic partnership struck between the shareholders of Eltrona and 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. The transaction resulted in a loss of disposal of €4.3 million.

Telenet's ownership in Eltrona is 50%-1, and the investment held qualifies as a joint venture, accounted for using the equity method. At December 31, 2020, the carrying amount of the investment was €60.5 million, which consists out of i) €59.5 million (gross) initial investment value, and ii) Telenet's share in the result for the period ended December 31, 2020 of €1.0 million.

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, 2020. The below figures are subject to fair value adjustments at acquisition, impairment losses and differences in accounting policies as the Company was still in the process of allocating the purchase price as per year-end 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)	
Net assets (01/04/2020)	
Non-current assets	54.1
Current assets	23.4
Non-current liabilities	(4.0)
Current liabilities	(20.8)
Net assets (100%)	**52.7**
Group's share of the net assets (50%-1)	
Group's share of the net assets (50%-1)	26.4
Goodwill	33.1
Carrying amount of interest in joint venture (01/04/2020)	**59.5**
Profit and total comprehensive income (31/12/2020)	
Revenue	25.3
Depreciation and amortization	(4.4)
Interest expense	—
Profit for the period	**2.0**
Total comprehensive profit (100%)	**2.0**
Group's share of the total comprehensive income (50%-1)	**1.0**

Streamz BV

Streamz BV is a joint venture between DPG Media and Telenet which launched a fully-fledged streaming service with local and international content. In first instance, 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 in exchange for a cash consideration amounting to €27.4 million. The aforementioned 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 (see Note 5.24.5).

At December 31, 2020, the carrying amount of the investment was €26.5 million, which consists out of i) €28.4 million (gross) initial investment value, and ii) Telenet's share in the result for the period ended December 31, 2020 of - €1.9 million.

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.

The following table summarizes the financial information of Streamz BV for the year ended December 31, 2020.

The table also reconciles the summarized financial information to the carrying amount of the Company's interest in Streamz BV.

The remaining goodwill mainly relates to future subscription revenues.

(€ in millions)	
Net assets (01/09/2020)	
Non-current assets	—
Current assets	32.4
Non-current liabilities	—
Current liabilities	(8.7)
Net assets (100%)	**23.7**
Group's share of the net assets (50%)	
Group's share of the net assets (50%)	11.9
Goodwill	16.5
Carrying amount of interest in joint venture (01/09/2020)	**28.4**
Profit and total comprehensive income (31/12/2020)	
Revenue	16.9
Depreciation and amortization	(12.6)
Interest expense	—
Loss for the period	**(3.9)**
Total comprehensive Loss (100%)	**(3.9)**
Group's share of the total comprehensive income (50%)	**(1.9)**

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 form a new joint venture ("**Unit-T**") which provides field services (including installation, repair and maintenance) to Telenet and potentially other Telecommunication companies in the market. The JV was formed on July 1, 2018 by consolidating Telenet's field service business and Janssens Field Services ("**JFS**") which is a business held by the JV-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.

Recneps NV

On March 30, 2017, Telenet Group Holding NV took a 10% stake in the share capital of Recneps NV, an existing company previously incorporated by 1105 NV ("**Eleven Five**"). Telenet contributed €0.3 million in cash and in return received 10% of the shares of the company. In October 2017, the Company contributed another €0.3 million in cash, thus increasing its stake in Recneps NV to 19%. On October 18, 2018, the Company participated in the capital increase and contributed another €1.3 million in cash, increasing its participation to 31.17%.

Doccle cv

On July 1, 2019, Telenet granted a €0.3 million loan to Doccle cv, with a five-year duration.

Doccle Up NV

On December 15, 2020, Telenet International Finance granted a €1.0 million loan to Doccle Up nv, with a five-year duration.

Pebble Media NV

On April 29, 2020 Telenet International Finance granted a loan of €1.0 million to Pebble Media, with a seventeen-month duration.

Fabiola NV

On July 1, 2020 Telenet International Finance granted a loan of €0.4 million to Fabiola nv with a one-year duration.

5.7.2 Other investments

Connectify

On August 10, 2018, Telenet acquired a minority interest in Connectify NV, an ICT business integrator, by participating in a capital increase of this company through a contribution in cash of €0.6 million (11.8% interest). On November 30, 2020, pursuant to a definitive agreement, the Company acquired a further 48.3% of the shares in Connectify NV. As a consequence, Connectify became a fully consolidated entity as of November 30, 2020 (see note 5.24.2).

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.

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.

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 31.2020 and 2019 the Company did not hold any non-current trade receivables.

5.8.2 Current

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Trade receivables	193.7	213.9
Less: allowance for bad debt	(6.5)	(9.4)
Trade receivables, net	**187.2**	**204.5**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

At December 31, 2020 and 2019, respectively, the aging of the Company's current trade receivables can be detailed as follows:

		Past due					
(€ in millions)	**Not due**	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Total**
December 31, 2020	129.5	22.8	4.8	2.3	1.7	32.7	193.7
December 31, 2019, as restated (*)	138.6	37.9	5.6	2.8	2.1	26.9	213.9

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020, a total amount of €64.3 million (2019: €75.3 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.

At December 31, 2020, current receivables related to handset sales with a customer credit agreement amounted to €0.0 million (2019: €0.2 million).

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, 2020**	**December 31, 2019, as restated (*)**
Provision for impairment of trade receivables at the beginning of the year	(9.4)	(8.9)
Additions	(2.5)	(5.3)
Reversals and write-offs	5.4	4.8
Provision for impairment of trade receivables at the end of the year	**(6.5)**	**(9.4)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020	December 31, 2019 as restated (*)
Outstanding guarantees to third parties for own liabilities (cash paid)		1.7	1.5
Deferred financing fees		4.3	2.4
Contract assets	5.19	1.0	1.6
Receivables from sale of sports broadcasting rights		1.2	4.0
Surplus of post retirement plan assets	5.17	14.2	9.6
Non-current lease receivable		4.9	4.6
Other		6.3	4.3
Other non-current assets		**33.6**	**28.0**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Non-current assets increased by €5.7 million, which is primarily driven by the increase in i) surplus of post retirement plan assets (increase of €4.6 million), and ii) deferred financing fees, for which there is an increase of €1.9 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, 2020, 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 €1.0 million at December 31, 2020 relate to the revenue to which Telenet expects to be entitled and 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, 2020.

5.9.2 Current

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)
Recoverable withholding taxes		—	0.2
Prepaid content		6.1	11.2
Prepayments		45.9	33.3
Unbilled revenue		47.1	55.9
Receivables from sale of sports broadcasting rights		2.7	3.9
Indemnification receivable from acquisitions	5.18.2	13.8	16.1
Contract assets	5.19	4.8	6.4
Settlement receivables		1.4	—
Current lease receivable		1.9	2.7
Other		2.4	0.7
Other current assets		**126.1**	**130.4**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 decreased by €8.8 million for the year ended December, 31, 2020 which is driven by the alignment of the Company's billing cycles, causing a shift from unbilled revenue to deferred revenue.

The decrease in prepaid content of €5.1 million is primarily explained by the transfer of content related assets to Streamz in September 2020.

The receivables from the sale of sports broadcasting rights decreased by €1.2 million following the decrease in receivables for sub-licensing of the Premier League UK soccer rights.

Indemnification receivables from acquisitions amounted to €13.8 million and consist of amounts receivable from KPN related to Pylon taxes (we refer to 5.18.2).

The contract assets amounting to €4.8 million relate to the revenue to which Telenet expects to be entitled and are mainly related to accrued revenue related to multiple element arrangements.

5.10 Inventories

As of December 31,2020, inventories amounted to €27.3 million (December 31, 2019: €25.2 million) consisting of mobile handsets, tablets and other telephony and internet related customer premise equipment.

Gross inventory of mobile handsets and accessories decreased by €1.0 million to €20.2 million as of December 31, 2020. The telephony and internet related customer premise equipment represented a total value of €8.0 million in gross inventory (December 31, 2019: €6.6 million).

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 €0.9 million and €2.6 million as at December 31, 2020 and 2019, respectively.

For the year ended December 31, 2020, the Company recognized €105.4 million (December 31, 2019: €107.5 million) as "costs related to sold inventory".

5.11 Cash and cash equivalents

(€ in millions)	December 31, 2020	December 31, 2019, as restated (*)
Cash at bank and on hand	37.0	71.4
Money market funds	45.0	30.0
Total cash and cash equivalents	**82.0**	**101.4**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

At December 31, 2020, Telenet held €82.0 million of cash and cash equivalents compared to €101.4 million at December 31, 2019. 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, 2019, Telenet's cash balance at December 31, 2020 decreased €19.4 million. In 2020, Telenet paid aggregate dividends of €292.3 million, which included the payment of a €1.3050 gross dividend per share in May 2020 and a €1.3750 intermediate gross dividend per share in December 2020. Pending shareholder approval in April this year, Telenet intends to pay the remaining half of the aforementioned dividend floor in early May 2021. Telenet also used €34.4 million of net cash used under the Share Repurchase Program 2020, through which Telenet repurchased 1.1 million shares. Telenet also redeemed 10% of its 3.50% €600.0 million Senior Secured Fixed Rate Notes due March 2028 in April for an aggregate amount of €56.6 million. Finally, Telenet incurred a €13.8 million payment related to debt issuance costs for debt refinancing completed in the first half of 2020.

In addition to Telenet's available cash balance of €82.0 million as per December 31, 2020, 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, 2020, the Money Market funds with a daily liquidity had a weighted average interest rate of -0.93% (December 31, 2019: -0.46%) and represented 55% of the total consolidated cash (December 31, 2019: 30%). The investments of Telenet's cash and cash equivalents at December 31, 2020 and 2019 were in compliance with the Company's Risk Management policies.

At December 31, 2020 and 2019 and subject to compliance with certain covenants, the Company had access to the following liquidity:

(€ in millions)	December 31, 2020	December 31, 2019, as restated (*)
Available commitment under Revolving Credit Facility AG		400.0
Available commitment under Revolving Credit Facility AP		60.0
Available commitment under Revolving Credit Facility I	510.0	
Available commitment under Revolving Credit Facility	20.0	20.0
Total cash and cash equivalents	**530.0**	**480.0**

as well as €25.0 million available under the banking overdraft facility.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

5.12 Shareholders' equity

5.12.1 Shareholders' equity

On December 31, 2020, 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, 2019: 114,656,785 shares), including:

- 94,843 Liquidation Dispreference Shares (December 31, 2019: 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, 2019: 30 shares) held by the financing intermunicipalities. The financing intermunicipalities, currently holding the Golden Shares are: IFIGGA, FINEA, FINGEM, IKA, FINILEK, FINIWO and FIGGA. 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.

On April 29, 2020, the Extraordinary General Shareholders' Meeting approved the cancellation of 814,966 own shares acquired by the Company under the Share Repurchase Program 2020. Following the cancellation of these shares, the total number of outstanding shares decreased from 114,656,785 to 113,841,819.

As of December 31, 2020, the Company's share capital amounted to €12.8 million (December 31, 2019: €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 February 12, 2020, the Company announced the initiation of a €55.0 million share repurchase program (the "Share Repurchase Program 2020"). Under this Share Repurchase Program, Telenet could repurchase from time to time up to 1.1 million shares for a maximum consideration of €55.0 million until October 31, 2020. Given the very volatile stock markets as from mid-February onwards as a consequence of the uncertainties of the impact of the global COVID-19 pandemic, it was decided upon to restrict the program with the mandated intermediary to three months, starting from March 2, 2020 and ending on June 2, 2020. Under this program, 1,100,000 shares were repurchased in 2020 for a total consideration of €34.4 million. With this repurchase, the Company completed the aforementioned share buyback program.

Own shares

As of December 31, 2020, the Company held 4,598,558 own shares. During the twelve months ended December 31, 2020, the Company acquired 1,100,000 own shares under the Share Repurchase Program 2020 for a total amount of €34.4 million. On April 29, 2020, 814,966 own shares previously acquired by the Company under the Share Repurchase Program 2020 were cancelled.

In 2019, a total of 2,332,478 shares were repurchased for a total amount of €101.0 million under the Share Repurchase Program 2018bis.

No stock options were exercised during the 12 months ended December 31, 2020. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to €8.7 million, with no cash received, the Company realized a loss of €8.7 million.

5.12.2 Employee share based compensation

Employee Stock Option Plan 2015

On October 27, 2015, the board of directors approved a general stock option plan for the employees for a total number of 873,000 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 2015**" or "**ESOP 2015**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On November 2, 2015, the board of directors authorized a grant under this plan to certain beneficiaries. On December 15, 2015, a total of 402,350 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 2015 were exercised during the twelve months ended at December 31, 2020. The contractual term to exercise the ESOP 2015 stock options expired on November 2, 2020. As a result, all the at that moment outstanding an unexercised 277,996 stock options expired and consequently there are no longer outstanding stock options under this plan.

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, 2020.

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, 2020.

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, 2020.

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 2017bis**" or "**ESOP 2017bis**"). 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, 2020.

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, 2020.

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 2018bis**" or "**ESOP 2018bis**"). 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, 2020.

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.

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. 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, 2020.

CEO Stock Option Plan 2015

On February 10, 2015, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the "**CEO Stock Option Plan 2015**" or "**CEO SOP 2015**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 180,000 stock options with an exercise price of €50.57 per stock option, was effectively made to the CEO on March 13, 2015, who accepted this offer on 11 May 2015.

The vesting of the stock options under the CEO SOP 2015 was contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Operating Cash (under USGAAP). The Remuneration Committee, in consultation with the CEO, determined for each installment the performance criteria on February 10, 2015, and it was the Remuneration Committee that would decide whether these criteria had been met. As the applicable performance criteria were achieved for 2015, the first tranche of 55,000 stock options vested on March 13, 2016. On February 14, 2017, the Remuneration Committee decided that the applicable (cumulative) performance criteria for 2015 and 2016 have been achieved hence, the second tranche of 63,000 stock options vested on March 13, 2017. On February 7, 2018, the Remuneration Committee decided that the applicable (cumulative) performance criteria for 2015, 2016 and 2017 have been achieved hence, the third tranche of 62,000 stock options vested on March 13, 2018.

Any stock options that vested under the CEO SOP 2015 became exercisable during defined exercise periods following March 13, 2018 and had an expiration date of March 13, 2020.

During 2020, no stock options under the CEO SOP 2015 were exercised. The contractual term to exercise the CEO SOP 2015 stock options expired on March 13, 2020. As a result, all the at that moment outstanding an unexercised 102,811 stock options expired and consequently there are no longer outstanding stock options under this plan.

The details regarding the stock option plans issued by the Company and still outstanding at December 31, 2020 are summarized in the table below:

	Issuance of stock options				Stock options granted		
Stock Option Plan	**Date approved by the board of directors**	**Total number of stock options issued**	**Name of the grant**	**Date offered**	**Number of stock options offered**	**Number of stock options accepted**	**Beneficiaries**
Employee Stock Option Plan 2016	April 15, 2016	741,806	ESOP 2016	March 22, 2016	741,806	695,631	CEO and certain employees
Employee Stock Option Plan 2016 bis	October 25, 2016	467,000	ESOP 2016 bis	November 7, 2016	467,000	359,000	certain employees
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 2016 Stock Options	June 14, 2016	3.40 - 4.99	39.46	45.48	40.36	21.5% - 23.3%	4.3 years	0.0%	-0.44% - -0.33%
ESOP 2016 bis Stock Options	January 6, 2017	10.01 - 11.53	52.85	46.97	41.68	21.3% - 23.9%	4.3 years	0.0%	-0.60% - -0.39%
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	43.9	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 and warrant plans for the years ended December 31, 2020, and 2019 is as follows:

	Outstanding Options and Warrants	
	Number of Options and Warrants	Average Exercise Prices (in euro)
January 1, 2019	**4,314,078**	**41.69**
Granted		
Employee Stock Option Plan 2019	713,286	46.54
Specific Performance based Stock Option Plan 2015 bis stock options	6,713	43.34
CEO Stock Option Plan 2014 bis options	1	34.51
Exercised		
Stock Option Plan 2014 stock options exercised	(488,788)	40.18
Stock Option Plan 2015 stock options exercised	(101,319)	45.15
Stock Option Plan 2016 stock options exercised	(82,023)	40.36
Stock Option Plan 2016 bis options exercised	(54,001)	41.68
Stock Option Plan 2018 options exercised	(98,356)	37.91
CEO Stock Option Plan 2014 options exercised	(208,446)	34.51
CEO Stock Option Plan 2014 bis options exercised	(101,406)	34.95
CEO Stock Option Plan 2015 options exercised	(100,000)	44.88
Specific Performance based Stock Option Plan 2015 bis stock options exercised	(21,126)	43.34
Forfeited		
Stock Option Plan 2014 stock options forfeited	(6,197)	40.18
Stock Option Plan 2015 stock options forfeited	(26,732)	45.15
Stock Option Plan 2016 stock options forfeited	(5,660)	40.36
Stock Option Plan 2016 bis stock options forfeited	(6,798)	41.68
Stock Option Plan 2017 bis stock options forfeited	(11,499)	49.34
Stock Option Plan 2018 stock options forfeited	(4,228)	37.91
Stock Option Plan 2019 stock options forfeited	(4,239)	46.54
CEO Stock Option Plan 2014 bis options forfeited	(1)	34.95
Cancelled		
Stock Option Plan 2019 stock options cancelled	(38,158)	46.54
December 31, 2019	**3,675,101**	**43.27**
Granted		
Employee Stock Option Plan 2020	1,009,087	35.17
Forfeited		
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
Expired		
CEO Stock Option Plan 2015 options expired	(102,811)	44.88
Stock Option Plan 2015 stock options expired	(277,996)	45.15
December 31, 2020	**4,143,039**	**41.21**

No stock options have been exercised during the year ended December 31, 2020. Stock options exercised during the year ended December 31, 2019 resulted in the receipt of €49.6 million.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2020:

Class of options	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life	Current exercise prices (in euro)
ESOP 2016 stock options	518,475	518,475	3 months	40.36
ESOP 2016 bis stock options	268,185	268,185	10 months	41.68
ESOP 2017 stock options	416,035	379,436	17 months	51.60
ESOP 2017 bis stock options	438,177	378,441	21 months	49.34
ESOP 2018 stock options	777,232	530,575	29 months	37.91
ESOP 2018 bis stock options	53,781	32,268	34 months	44.62
ESOP 2019 stock options	664,540	333,280	40 months	46.54
ESOP 2020 stock options	1,006,614	201,567	52 months	35.17
Total outstanding	**4,143,039**	**2,642,227**		

Total compensation expense associated with the Company's stock option plans amounted to €8.5 million in 2020 (2019: €7.1 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 (€6.9 million) and partly as a liability (€1.6 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 Operating Cash Flow CAGR (under USGAAP), when comparing the Operating Cash Flow during the period beginning on January 1, 2018 and ending on December 31, 2020 to the Operating Cash Flow 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 Operating Cash Flow 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. Any compensation costs attributable to the 2018 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

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 Operating Free Cash Flow (OFCF) CAGR (under US GAAP), when comparing the Operating Free Cash Flow during the period beginning on January 1, 2019 and ending on December 31, 2021 to the Operating Free Cash Flow 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 Operating Free Cash Flow 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 Operating Free Cash Flow (OFCF) CAGR (under US GAAP), when comparing the Operating Free Cash Flow during the period started as of January 1, 2020 and ending on December 31, 2022 to the Operating Free Cash Flow 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 Operating Free Cash Flow 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. Any 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.

In 2020, Telenet recognized €3.6 million of compensation expense in respect of the Telenet Performance Shares plans (2019: €3.8 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 (€1.6 million) and partly as a liability (€2.0 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. Any 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.

As a consequence of the established formal dividend policy, the Company's stock quotation is adjusted for accordingly 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 July 2020 (the "**Compensation Restricted Shares 2020**") and December 2020 (the "**December Compensation Restricted Shares 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 July 9 and December 7, 2020.

Total compensation expense associated with the Company's restricted shares plans amounted to €17.7 million in 2020 (2019: €2.1 million) which are 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 (€8.1 million) and partly as a liability (€9.6 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, 2020 and 2019.

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
2020 Amended Senior Credit Facility:		
Revolving Credit Facility AG	—	0.3
Term Loan AN	—	2,040.2
Term Loan AO	—	1,117.9
Term Loan AR	1,874.9	—
Term Loan AQ	1,121.8	—
Senior Secured Fixed Rate Notes:		
USD1000 million Senior Secured Notes due 2028	839.4	912.9
€600 million Senior Secured Notes due 2028	548.7	609.6
Revolving Credit Facility	1.1	—
Nextel Credit Facility	0.8	1.2
Overdraft Facility	—	0.2
SFR network right of use	3.8	4.0
Vendor financing	353.9	358.0
Lease obligations	555.5	569.2
2G & 3G Mobile Spectrum	—	4.5
Clientele fee > 20 years	125.5	125.3
Renting debt	1.8	3.4
Loan the Park	0.6	0.2
	5,427.9	**5,746.9**
Less: deferred financing fees	(10.0)	(13.9)
	5,417.9	**5,733.0**
Less: current portion	(499.6)	(527.0)
Total non-current loans and borrowings	**4,918.3**	**5,206.0**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

As of December 31, 2020 and 2019, 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, 2020 (December 31, 2019: 32.0%). The weighted average interest rates at December 31, 2020, were 3.36% on fixed rate loans (December 31, 2019: 3.36%) and 3.29% on floating rate loans (December 31, 2019: 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, 2G and 3G spectrum, the SFR network right of use liability, and the the Clientele fee > 20 years as of December 31, 2020 and 2019 are shown in the following tables:

(€ in millions)	**Total Facility as per**	**Drawn amount**	**Undrawn amount**	**Maturity Date**	**Interest rate**	**Interest payments due**
December 31, 2020						
2020 Amended Senior Credit Facility						
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)
Other						
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)
Senior Secured Fixed Rate Notes						
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.)
Total notional amount	**4,900.2**	**4,345.2**	**555.0**			

(€ in millions)	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
December 31, 2019, as restated (*)						
2018 Amended Senior Credit Facility						
Term Loan AO	1,110.0	1,110.0	—	December 15, 2027	Floating | 6-month EURIBOR (0% floor) + 2.50%	Semi-annually (Jan. and Jul.)
Term Loan AN (USD 2,075 million)	2,043.8	2,043.8	—	August 15, 2026	Floating | USD LIBOR 6-month (0% floor)+ 2.25%	Semi-annually (Jan. and Jul.)
Revolving Credit Facility (Facility AG)	400.0	—	400.0	June 30, 2023	Floating | 1-month EURIBOR (0% floor)+ 2.75%	Monthly
Revolving Credit Facility (Facility AP)	60.0	—	60.0	December 31, 2021	Floating | 1-month EURIBOR (0% floor) +2.25%	Monthly
Other						
Revolving Credit Facility	20.0	—	20.0	September 30, 2021	Floating | 1-month EURIBOR (0% floor) + 2.00%	Monthly
BNP Overdraft Facility	25.0	—	25.0	December 31, 2019	Floating | 1-month EURIBOR (0% floor) + 1.60%	Not applicable
Senior Secured Fixed Rate Notes						
USD 1.0 billion Senior Secured Notes due 2028 (Term Loan AJ)	890.6	890.6	—	March 1, 2028	Fixed | 5.50%	Semi-annually (Jan. and Jul.)
€600 million Senior Secured Notes due 2028 (Term Loan AK)	600.0	600.0	—	March 1, 2028	Fixed | 3.50%	Semi-annually (Jan. and Jul.)
Total notional amount	**5,149.4**	**4,644.4**	**505.0**			

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 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
At December, 31, 2019, as restated (*)	**3,158.4**	**1,522.5**	**358.0**	**569.2**	**138.8**	**(13.9)**	
Changes from financing cash flows							
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)
Payments for early termination of loans and borrowings	—	—	—	—	—	—	—
Total changes from financing cash flows	**—**	**(56.8)**	**(83.3)**	**(105.2)**	**(18.2)**	**(13.8)**	**(277.3)**
The effect from changes in foreign exchange rate	**(165.6)**	**(72.6)**	**—**	**—**	**—**	**0.3**	
Liability related other changes							
New 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	
Total liability related other changes	**3.9**	**(5.0)**	**79.2**	**91.5**	**13.1**	**17.4**	
At December 31, 2020	**2,996.7**	**1,388.1**	**353.9**	**555.5**	**133.7**	**(10.0)**	

(€ 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
At December 31, 2019, as restated (*)	**12.8**	**80.7**	**118.9**	**64.8**	**(209.2)**	**721.2**	**(2,287.8)**	**(13.5)**	**25.1**	
Changes from financing cash flows										
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
Total changes from financing cash flows	**—**	**—**	**—**	**—**	**(25.7)**	**—**	**(301.0)**	**—**	**2.8**	**(323.9)**
Total equity related other changes	**—**	**—**	**16.7**	**—**	**35.5**	**(35.9)**	**338.9**	**1.2**	**0.5**	
At December 31, 2020	**12.8**	**80.7**	**135.6**	**64.8**	**(199.4)**	**685.3**	**(2,249.9)**	**(12.3)**	**28.4**	
Total changes from financing cash flows										**(601.2)**

(*) We refer to note 5.1.6 ***Reporting change****s* and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

The following table summarizes the movements of liabilities and shareholders' equity to cash flows used in financing activities for the year ended December 31, 2019:

(€ in millions)	2018 Amended Senior Credit Facility	Senior Secured Fixed Rate Notes	Vendor Financing	Finance lease obligations	Other loans & borrowings	Deferred financing fees	Total changes from financing cash flows
At January 1, 2019	**2,748.1**	**1,992.1**	**359.0**	**416.1**	**168.3**	**(18.5)**	
Restatement Nextel	—	—	—	(5.1)	5.1	—	
At January 1, 2019, as restated	**2,748.1**	**1,992.1**	**359.0**	**411.0**	**173.4**	**(18.5)**	
Changes from financing cash flows							
Repayments of loans and borrowings	(205.3)	(477.0)	(440.2)	—	(93.1)	—	(1,215.6)
Proceeds from loans and borrowings	582.3	—	233.4	—	0.2	—	815.9
Repayments of loans to related parties	—	—	—	—	(13.0)	—	(13.0)
Payments of finance lease liabilities	—	—	—	(73.8)	—	—	(73.8)
Payments for debt issuance costs	—	—	—	—	—	(1.4)	(1.4)
Payments for early termination of loans and borrowings	—	—	—	—	—	(45.5)	(45.5)
Total changes from financing cash flows	**377.0**	**(477.0)**	**(206.8)**	**(73.8)**	**(105.9)**	**(46.9)**	**(533.4)**
The effect from changes in foreign exchange rate	**29.6**	**17.3**	**—**	**—**	**0.1**	**0.1**	
The effect from acquisition of Nextel	**—**	**—**	**—**	**—**	**62.0**	**—**	
Liability related other changes							
New finance leases and new vendor financing	—	—	183.7	58.8	—	—	
New 2G mobile spectrum financing	—	—	—	—	—	—	
Non cash settlement VAT	—	—	22.6	—	—	—	
Loss on extinguishment and modification of debt (Note 5.13.2)	—	—	—	—	—	49.4	
Interest expense	117.6	88.1	8.5	28.1	2.3	—	
Interest paid	(113.7)	(98.0)	(8.6)	(19.1)	(1.4)	—	
Other	(0.2)	—	(0.4)	0.5	(1.0)	2.0	
Total liability related other changes	**3.7**	**(9.9)**	**205.8**	**232.0**	**71.2**	**51.4**	
At December 31, 2019	**3,158.4**	**1,522.5**	**358.0**	**569.2**	**138.8**	**(13.9)**	

(€ in millions)	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
At January 1, 2019 as reported	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,444.6)**	**(16.5)**	**22.9**	
Nextel PPA adjustment	—	—	—	—	—	—	(1.5)	—	—	
At January 1, 2019 after impact of finalization PPA Nextel	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,446.1)**	**(16.5)**	**22.9**	
Impact of change in accounting policies	—	—	—	—	—	—	0.1	—	—	
At January 1, 2019	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,446.0)**	**(16.5)**	**22.9**	
Changes from financing cash flows										
Repurchase of own shares	—	—	—	—	(101.0)	—	—	—	—	(101.0)
Realized loss on own shares sold	—	—	—	—	63.0	—	(13.4)	—	—	49.6
Payments related to capital reductions and dividends	—	—	—	—	—	—	(62.8)	—	—	(62.8)
Proceeds from capital transactions with equity participants	—	—	—	—	—	—	—	—	0.3	0.3
Total changes from financing cash flows	**—**	**—**	**—**	**—**	**(38.0)**	**—**	**(76.2)**	**—**	**0.3**	**(113.9)**
Total equity related other changes	**—**	**—**	**14.4**	**—**	**141.2**	**(141.0)**	**234.4**	**3.0**	**1.9**	
At December 31, 2019	**12.8**	**80.7**	**119.0**	**64.8**	**(209.3)**	**721.3**	**(2,287.8)**	**(13.5)**	**25.1**	
Total changes from financing cash flows										**(647.3)**

5.13.5 Guarantees and covenants

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, 2020, 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, 2020, Telenet's revolving credit facilities were fully undrawn.

2020 Amended Senior Credit Facility and Senior Secured Notes

At 31 December 2020, 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 2020 Amended Senior Credit Facility, to the extent permitted by law and subject to any applicable guarantee limitations.

In addition, security has been granted under the 2020 Amended Senior Credit Facility by Telenet Group Holding NV, Telenet Group NV and Telenet International Finance S.à r.l.

A substantial part of the security interests over the assets of the Telenet Group were released on October 30, 2018.

The remaining security interests include:

- 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, 2020, 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 2020 Amended 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 2020 Amended 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 3G and 2G mobile spectrum

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium. For the year ended December 31, 2020, the average effective borrowing rate for the 3G mobile spectrum was 1.75% (2019: 2.00%). In 2018, the Company also extended its existing 2G mobile spectrum until March 15, 2021. The average effective borrowing rate with respect to the renewed 2G mobile spectrum for the year ended December 31, 2020 amounted to 1.75% (2019: 2.00%).

5.13.7 Global Handset Finco Loan

On December 4, 2015 Telenet Finance BV borrowed €12.7 million from Global Handset Finco Limited to fund its handset financing activity through the "Global Handset Finco Loan" which was initially due December 4, 2017, but was extended untill December 4, 2018, at which time it was again extended one year to December 4, 2019. On February 28, 2019, the Global Handset Finco Loan was repaid in full including €0.3 million accrued interests.

5.13.8 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, 2020, the outstanding liabilities with respect to vendor financing (€353.9 million; December 31, 2019: €358.0 million) consist of:

- €51.5 million capex related invoices (December 31, 2019: €118.3 million),

- €299.5 million operating expense related invoices (December 31, 2019: €236.6 million), and

- €2.9 million accrued interest (December 31, 2019: €3.1 million).

During the year ended December 31, 2020, the Company repaid €194.8 million of capex related invoices (2019: €268.1 million) and €234.2 million of opex related invoices (2019: €172.1 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, 2020 and 2019, the outstanding forward foreign exchange derivatives were as follows:

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Forward Purchase Contracts		
Notional amount in US dollar	55.4	83.6
Weighted average strike price (US dollar per euro)	1.154	1.151
Maturity	97% maturing in 2021 - 3% maturing in 2022	From January to October 2022

(*) We refer to note 5.1.6 ***Reporting changes*** and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020 and 2019, the outstanding interest rate derivatives and cross currency interest rates swaps ("**CCIRS**") were as follows:

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Interest Rate Swaps EUR		
Section 1: Paying EUR floating rate / Receiving EUR fixed rate		
Notional amount	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	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	270.0	270.0
Average pay interest rate	EURIBOR 3M	EURIBOR 3M
Average receive interest rate	0.34 %	0.34 %
Maturity	2025	2025
Section 2: Paying EUR fixed rate / Receiving EUR floating rate		
Notional amount	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	827.0	1,452.0
Average pay interest rate	0.32 %	0.73 %
Average receive interest rate	EURIBOR 3M	EURIBOR 3M / EUROBIBOR 6M
Maturity	2023	2023

Notional amount	625.0	2.5
Average pay interest rate	1.28 %	4.75 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity	2023	2025
Notional amount	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	2,298.0	
Average pay interest rate	4.75 %	
Average receive interest rate	EURIBOR 3M	
Maturity	2025	
Notional amount	885.0	885.0
Average pay interest rate	0.96 %	0.96 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity	2027	2027
Notional amount	150.0	150.0
Average pay interest rate	0.71 %	0.71 %
Average receive interest rate	EURIBOR 6M	EURIBOR 6M
Maturity (1)	2027	2027
Basis Swaps USD		
Notional amount	2,295.0	2,295.0
Average pay interest rate	USD 6M + 1,88%	USD 6M + 2.09%
Average receive interest rate	USD 1M + 2,00%	USD 1M + 2.25%
Maturity	2021	2020
Notional amount	2,295.0	
Average pay interest rate	USD 6M + 1,93%	
Average receive interest rate	USD 1M + 2,00%	
Maturity (4)	2022	
Cross currency interest rate swap		
Section 1: Receiving USD floating rate / Paying EUR fixed rate		
Notional amount USD	50.0	50.0
Average receive interest rate	USD 6M + 2.50%	USD 6M + 2.50%
Notional amount EUR	45.2	45.2
Average pay interest rate	2.78 %	2.78 %
Maturity	2025	2025
Notional amount USD	50.0	50.0
Average receive interest rate	USD 6M + 2.00%	USD 6M + 2.25%
Notional amount EUR	45.2	45.2
Average pay interest rate	2.65 %	2.66 %
Maturity (3)	2028	2026
Notional amount USD		300.0

Average receive interest rate		USD 6M + 2.5%
Notional amount EUR		246.4
Average pay interest rate		3.33 %
Maturity (3)		2026
Notional amount USD	2,245.0	1,945.0
Average receive interest rate	USD 6M + 2,00%	USD 6M + 2.25%
Notional amount EUR	1,996.0	1,750.1
Average pay interest rate	2,53%	2.67 %
Maturity	2028	2026
Section 2: Receiving USD fixed rate / Paying EUR fixed rate		
Notional amount USD	595.0	595.0
Average receive interest rate	5.50 %	5.50 %
Notional amount EUR	520.1	520.1
Average pay interest rate	3.21 %	3.21 %
Maturity	2024	2024
Notional amount USD	405.0	405.0
Average receive interest rate	5.50 %	5.50 %
Notional amount EUR	362.7	362.7
Average pay interest rate	3.37 %	3.37 %
Maturity	2025	2025
Notional amount USD	595.0	595.0
Average receive interest rate	5.50 %	5.50 %
Notional amount EUR	520.1	520.1
Average pay interest rate	4.62 %	4.62 %
Maturity (2)	2025	2025
Section 3: Receiving EUR fixed rate / Paying USD fixed rate		
Notional amount USD	50.0	50.0
Average receive interest rate	0.21 %	0.21 %
Notional amount EUR	45.2	45.2
Average pay interest rate	0.25 %	0.25 %
Maturity	2025	2025
Notional amount USD		300.0
Average receive interest rate		0.23 %
Notional amount EUR		246.4
Average pay interest rate		0.25 %
Maturity		2026
Floor		
Notional amount	1,035.0	1,110.0
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 2021.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Current assets	48.1	61.7
Non-current assets	58.6	55.3
Current liabilities	(65.5)	(69.5)
Non-current liabilities	(508.0)	(261.4)
	(466.8)	**(213.9)**
Interest rate derivatives	(131.9)	(153.7)
Cross currency interest rate swaps	(332.1)	(62.0)
Foreign exchange forwards	(2.8)	1.8
	(466.8)	**(213.9)**

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

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Early termination of derivative financial instruments (note 5.21)	**—**	**(2.8)**
Change in fair value (note 5.21)		
Cross currency interest rate swaps	(270.2)	12.8
Interest rate derivatives	4.1	(45.5)
Foreign exchange forwards	(4.6)	(0.3)
Interest rate caps	17.9	25.9
Total change in fair value	**(252.8)**	**(7.1)**
Realized result on derivatives		
Cross currency interest rate swaps	50.8	(72.7)
Interest rate derivatives	(50.2)	106.3
Foreign exchange forwards	—	0.2
Total realized result on derivatives	**0.6**	**33.8**
Net gain on derivative financial instruments	**(252.2)**	**23.9**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

5.15 Deferred taxes

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l, which form a Luxembourg fiscal unity, in accordance with applicable local tax laws. In December 2020, Finance Center Telenet S.a.r.l was merged into Telenet International Finance S.a.r.L. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l. These assets and liabilities are combined in the accompanying consolidated financial statements.

As announced in 2017, the Belgian Federal Government enacted a reform of the Belgian corporate income tax. Main reform is the change in corporate income tax rate, where the rate of 33.99% (33% plus a 3% crisis surtax) applicable until financial year 2017, is lowered to 29.58% (29% plus a 2% crisis surtax) in 2018 and 2019, and to 25% (without extra crisis surtax) as from 2020. The Luxembourg corporate income tax rate for the Luxembourg Telenet entities is 27,19% in 2020.

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, 2019, as reported	Impact of finalization PPA Native Nation and PPA DVM (restatement 2019)	December 31, 2019, as restated	Impact Coditel Sarl disposal to Eltrona	(Charged) credited to the statement of profit or loss and other comprehensive income	December 31, 2020
Deferred tax assets:						
Financial instruments	52.2	—	52.2	—	68.1	120.3
Lease obligation	36.0	(0.1)	35.9	—	2.8	38.7
Provisions	10.0	—	10.0	—	(2.3)	7.7
Receivables	0.6	—	0.6	—	(1.6)	(1.0)
Tax loss carry-forwards	216.4	(4.2)	212.2	—	(49.0)	163.2
Other	13.2	—	13.2	—	(5.1)	8.1
Total Deferred tax assets	**328.4**	**(4.3)**	**324.1**	**—**	**12.9**	**337.0**
Deferred tax liabilities:						
Right of use assets	(35.6)	0.4	(35.2)	—	3.1	(32.1)
Property and equipment	(88.6)	—	(88.6)	0.5	(10.1)	(98.2)
Goodwill	(17.8)	—	(17.8)	—	(0.3)	(18.1)
Intangible assets	(47.4)	(1.7)	(49.1)	4.9	4.8	(39.4)
Receivables	(1.7)	—	(1.7)	—	2.4	0.7
Deferred financing fees	(2.3)	(0.1)	(2.4)	0.1	(61.8)	(64.1)
Other	(46.0)	(0.2)	(46.2)	2.1	48.3	4.2
Total Deferred tax liabilities	**(239.4)**	**(1.6)**	**(241.0)**	**7.6**	**(13.6)**	**(247.0)**

(€ in millions)	Statement of profit or loss and other comprehensive income 2020	Statement of financial position 2020
Deferred tax assets	12.9	337.0
Deferred tax liabilities	(13.6)	(247.0)
	(0.7)	**90.0**
Statement of profit or loss and comprehensive income (see Note 5.22)		
Deferred tax expense in profit or loss (see note 5.22)	—	
Deferred tax expense in OCI	(0.7)	
Total deferred tax expense	**(0.7)**	
Current tax expense (see Note 5.22)	50.7	
Total Comprehensive Income	**50.0**	
Less: Deferred tax expense in OCI	0.7	
Total profit or loss	**50.7**	
Balance Sheet		
Deferred tax assets		214.7
Deferred tax liabilities		(124.7)
		90.0

As of December 31, 2020, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €1,200.7 million (2019: €1,383.4 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 and Luxembourg tax laws, these loss carry forwards have an indefinite life 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 €139.3 million (2019: €133.7 million) in respect of losses amounting to €557,0 million (2019: €534.8 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 2019, as restated (*)	Statement of financial position 2019, as restated (*)
Deferred tax assets	(1.8)	328.4
Deferred tax liabilities	3.7	(239.4)
	1.9	**89.0**
Statement of profit or loss and comprehensive income (see Note 5.22)		
Deferred tax expense in profit or loss (see note 5.22)	(3.1)	
Deferred tax expense in OCI	1.2	
Total deferred tax expense	**(1.9)**	
Current tax expense (see Note 5.22)	121.0	
Total Comprehensive Income	**119.1**	
Less: Deferred tax expense in OCI	(1.2)	
Total profit or loss	**117.9**	
Balance Sheet		
Deferred tax assets		261.4
Deferred tax liabilities		(172.4)
		89.0

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

5.16 Other non-current liabilities

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)
Employee benefit obligations	5.17	23.4	22.3
Other personnel related obligations		0.2	0.2
Long service awards	5.17	8.7	7.4
Interkabel out of market opex		17.2	17.3
Liabilities regarding sports broadcasting rights		3.8	9.6
Acquisition related liabilities		2.9	5.5
Other		—	0.8
Total Other non-current liabilities		**56.2**	**63.1**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Total non-current and current liabilities regarding sports broadcasting rights amounted to €3.8 million and €19.6 million, respectively (see note 5.18.1) at December 31, 2020 (December 31, 2019: €9.6 million and €33.9 million, respectively). The €5.8 million decrease in the non-current sports rights liability is the combined effect of (i) additions of sports rights (€6.4 million), mainly linked to Jupiler Pro League and F1 Championship, and (ii) interest accretion (€0.3 million), offset by the reclassification to current liabilities (€12.5 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, 2020 amounted to €17.2 million (December 31, 2019: €17.3 million).

The acquisition related payables relate to the Connectify (note 5.24.2), Native Nation (note 5.24.3) and Streamz acquisition (note 5.24.5).

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, 2020			December 31, 2019, 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		23.4	12.1	11.3	22.3	11.7	10.6
Total LT employee benefit obligations	5.16	**23.4**	**12.1**	**11.3**	**22.3**	**11.7**	**10.6**
Total LT service awards	5.16	**8.7**	**—**	**—**	**7.4**	**—**	**—**
Total LT asset related to surplus of post retirement obligations (plan assets)	**5.9.1**	**(14.2)**	**(14.2)**	**—**	**(9.6)**	**(9.6)**	**—**
Total employee benefit plans liability		**17.9**	**(2.1)**	**11.3**	**20.1**	**2.1**	**10.6**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Long service awards

The Company has recognized a liability of €8.7 million at December 31, 2020 (2019: €7.4million) 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 2020, the minimum guaranteed rate of return was equal to 1.75% (1.75% for 2019). 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 57% of the total benefit obligations at December 31, 2020. 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.

Former Electrabel (ICS) employees were covered by a defined benefit pension plan which provided benefits based the final salary and years of service. The plan was closed for future accrual and modified into a cash balance pension plan during 2018. A limited number of other employees are covered by defined benefit plans.

Furthermore, Telenet also provides post-retirement health care benefits and early retirement benefits to former Electrabel (ICS) employees. These obligations, which represent 7% of the total benefit obligations as of December 31, 2020, 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)	
	2020	2019	2020	2019	2020	2019	2020	2019
At January 1	**160.0**	**138.8**	**(149.0)**	**(127.7)**	**1.7**	**6.4**	**12.7**	**17.5**
Components of defined benefit cost included in profit or loss								
Current service cost (incl. administration costs)	12.5	8.3	—	—	—	—	12.5	8.3
Past service cost	—	(1.3)	—	—	—	—	—	(1.3)
Interest cost / (income)	1.6	2.4	(1.5)	(2.3)	0.1	0.1	0.2	0.2
	14.1	**9.4**	**(1.5)**	**(2.3)**	**0.1**	**0.1**	**12.7**	**7.2**
Components of defined benefit cost included in OCI								
Remeasurements								
Actuarial loss (gain) arising from:								
Changes to demographic assumptions	—	—	—	—	—	—	—	—
Changes to financial assumptions	5.1	6.6	—	—	—	—	5.1	6.6
Experience adjustments	(6.8)	2.9	—	—	—	—	(6.8)	2.9
Return on plan assets excluding interest income	—	—	(1.3)	(8.9)	—	—	(1.3)	(8.9)
Change in asset ceiling (1)	—	—	—	—	(0.4)	(4.8)	(0.4)	(4.8)
	(1.7)	**9.5**	**(1.3)**	**(8.9)**	**(0.4)**	**(4.8)**	**(3.4)**	**(4.2)**
Other								
Contributions paid by the employee	0.4	2.0	(0.4)	(2.0)	—	—	—	—
Contributions paid by the employer (incl. taxes)	—	—	(12.3)	(7.4)	—	—	(12.3)	(7.4)
Benefits paid (incl. taxes)	(4.6)	(4.1)	3.9	3.7	—	—	(0.7)	(0.4)
Transfers	—	—	—	—	—	—	—	—
Business combination / divestitures	—	4.4	—	(4.4)	—	—	—	—
	(4.2)	**2.3**	**(8.8)**	**(10.1)**	**—**	**—**	**(13.0)**	**(7.8)**
At December 31	**168.2**	**160.0**	**(160.6)**	**(149.0)**	**1.4**	**1.7**	**9.0**	**12.7**

Represented by:	2020	2019
Defined benefit pension plans	(2.3)	2.1
Other post-retirement plans	11.3	10.6
Total	**9.0**	**12.7**

(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**	
	2020	**2019**	**2020**	**2019**
Discount rate	0.40 %	1.00 %	0.40 %	1.00 %
Rate of compensation increase	2.90 %	3.10 %	— %	— %
Underlying inflation rate	1.60 %	1.75 %	1.60 %	1.75 %
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:

Sensitivity analysis			
(in %)	**Change**	**Change in Defined Benefit Obligation**	
	(-) / (+)	**decrease (-)**	**increase (+)**
Discount rate	0.25 %	1.8 %	(1.8)%
Rate of compensation increase	0.25 %	(0.4)%	0.4 %
Increase of medical benefits	0.25 %	(0.3)%	0.3 %
Mortality tables	1 year	(0.4)%	0.4 %

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 16,5 years (25,9 years including the Defined Contribution financed funded through the pension fund IBP Telenet OFP).

The plan assets consist of:

Defined Benefit Pension Plans		
	2020	**2019**
Bonds	31 %	31 %
Equities	41 %	37 %
Insurance policies	20 %	19 %
Other	8 %	13 %
Total	100 %	100 %

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, 2021 (including the defined contribution plans accounted for as defined benefit plans) are estimated at €12.7 million.

5.18 Accrued expenses, other current liabilities and provisions

5.18.1 Accrued expenses and other current liabilities

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)
Customer deposits		18.9	19.9
Compensation and employee benefits		84.3	83.1
VAT and withholding taxes		34.2	15.8
Dividend payable to shareholders		1.3	1.2
Accrued programming fees		45.3	40.9
Accrued capital expenditures		36.7	46.4
Accrued other liabilities - invoices to receive regarding:			
Goods received and services performed		26.7	33.2
Professional fees		7.7	6.9
Warehouse items received		2.0	3.1
Interconnect		14.0	15.9
Advertising, marketing and public relations		2.8	2.9
Infrastructure		33.1	18.0
Facilities		1.6	4.4
Opex		16.7	30.8
Credit notes to issue		9.8	12.2
Non-income tax contingencies (IFRS 3)		—	2.6
Accounts receivable with credit balance		16.0	24.7
Liabilities regarding sports broadcasting rights		19.6	33.9
Accrued commissions		23.2	19.1
Other current liabilities		5.6	3.4
Total Accrued expenses and other current liabilities		**399.5**	**418.4**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Compared to December 31, 2019, total accrued expenses and other current liabilities decreased by €18.9 million to €399.5 million as of December 31, 2020. Overall, the main reason for the lower outstanding balance comes from i) a decrease in accrued capital expenditures of €9.7 million, ii) a decrease in accounts receivable with credit balance of €8.7 million, iii) lower liabilities regarding sports broadcasting rights of €14.3 million and iv) a net decrease in accrued liabilities of €10.6 million. This is largely offset by i) an increase in VAT and withholding taxes of €18.4 million, ii) an increase in accrued programming fees €4.4 million and iii) an increase in accrued commissions of €4.1 million.

The decrease in liabilities related to sports broadcasting rights (€14.3 million) is primarily explained by invoices received (€26.8 million) related to F.A. Premier League, Jupiler Pro League and F1 Championship, offset by the reclassification from long term liabilities (€12.5 million).

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, 2020 and December 31, 2019:

(€ in millions)	Note	December 31, 2020	December 31, 2019, as restated (*)
Non-current provisions			
Onerous contract provision		4.8	6.6
Site restoration provision		7.4	11.0
Total non-current provisions		**12.2**	**17.6**
Current provisions			
Provisions for legal claims	5.26.1	79.9	67.0
Onerous contract provisions		2.3	2.3
Site restoration provision		0.3	0.3
Restructuring provisions		1.1	1.3
Total current provisions		**83.6**	**70.9**
Total provisions		**95.8**	**88.5**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

The site restoration provision consists of liabilities for the costs of dismantling sites and restoring them to their original state. The decrease in 2020, as compared to 2019, represents a release of provision as a result of the recalculation in 2020 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 €4.8 million and €2.3 million at December 31, 2020 (2019: respectively €6.6 million and €2.3 million).

Provisions with respect to legal claims increased by €12.9 million, following the outcome of recent court cases, mainly related to Pylon taxes, in combination with the Pylon taxes levied for 2020.

The following table gives a detailed overview of the movements in provisions for the year ended December 31, 2020.

(€ in millions)	Legal claims	Restructuring	Onerous contracts	Site restoration	Total
At January 1, 2020	**67.0**	**1.3**	**8.9**	**11.3**	**88.5**
Provision made during the year (+)	13.2	5.4	—	0.2	18.8
Provisions used during the year (-)	—	(5.6)	(2.3)	(0.4)	(8.3)
Provisions reversed during the year (-)	(0.3)	—	—	(3.4)	(3.7)
Reclass	—	—	—	—	—
Interest accretion	—	—	0.5	—	0.5
At December 31, 2020	**79.9**	**1.1**	**7.1**	**7.7**	**95.8**
Non-current provision (more than 1 year)	—	—	4.8	7.4	12.2
Current provision (less than 1 year)	79.9	1.1	2.3	0.3	83.6

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

The outstanding provision for restructuring decreased by €0.2 million to €1.1 million at December 31, 2020 , primarily linked to the execution of the SFR restructuring plan.

Provisions for onerous contracts decreased by €1.8 million in 2020, which is the net effect of i) a utilization of the provisions for an amount of €2.3 million and ii) interest accretion of €0.5 million. Provisions are classified as current or non-current, according to the expected timing of utilization of the provision.

Provisions for site restoration decreased from €11.3 million at December 31, 2019 to €7.7 million at December 31, 2020. The outstanding balance breaks down in a current asset retirement obligation of €0.3 million and a non-current asset retirement obligation of €7.4 million .

For certain legal claims the settlement of the provision is expected to be reimbursed by another party. As of December 31, 2020, the Company recognized indemnification assets for an aggregate of €13.8 million (footnote 5.9.2).

5.19 Revenue

The Company’s revenue is comprised of the following:

(€ in millions)	For the years ended December 31,	
	2020	**2019, as restated (*)**
Subscription revenue		
Video	559.0	574.4
Broadband internet	654.9	651.7
Fixed-line telephony	225.2	219.0
Cable subscription revenue	**1,439.1**	**1,445.1**
Mobile telephony	451.2	444.7
Total subscription revenue	**1,890.3**	**1,889.8**
Business services	207.7	205.8
Other	477.2	488.3
Total revenue	**2,575.2**	**2,583.9**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

For the year ended December 31, 2020, we generated revenue of €2,575.2 million, which was broadly stable versus the prior year in which our revenue reached €2,583.9 million. In 2020, the Company's revenue included in a full year contribution from the local media company De Vijver Media NV, of which we acquired the remaining 50% stake on June 3, 2019 and which has been fully consolidated as of then. As of April 1, 2020, our financial results no longer include the contribution of our Luxembourg cable subsidiary Coditel S.à r.l., which has been merged into Eltrona in which we hold a 50% minus 1 share shareholding.

The Company's mobile telephony revenue represents the subscription-based revenue generated by the direct mobile telephony subscribers and out-of-bundle revenue, but excludes (i) the interconnect revenue generated by these customers, (ii) the revenue earned from handset sales and (iii) revenue recognized under the "Choose Your Device" programs, which are all recorded in other revenue.

Telenet Business generated revenue of €207.7 million for the year ended December 31, 2020, representing a 1% year-on-year increase. The increase was mainly driven by (i) higher fixed telephony revenue driven by good performance of the ICT integrator and cloud services, (ii) higher security revenues and (iii) growing revenue on the Company's Corporate Fibernet portfolio which fully offset (iv) lower mobile data usage revenues for SME due to COVID-19 and (v) lower interconnect revenue given the declining trend in traditional SMS usage.

Other revenue primarily includes (i) interconnect revenue from both fixed-line and mobile telephony customers, (ii) advertising and production revenue from De Vijver Media NV, which we fully consolidated as of June 3, 2019, (iii) mobile handset sales, including the revenue earned under our "Choose Your Device" programs, (iv) wholesale revenue generated through both our commercial and regulated wholesale businesses, (v) product activation and installation fees and (vi) set-top box sales revenue. The Company's other revenue reached €477.2 million in 2020, a decline of 2%, notwithstanding a full year contribution from De Vijver Media, as opposed to only seven months in last year's comparable period. The other revenue declined due to (i) lower interconnect revenue because of lower SMS traffic and decreased roaming visitors revenue mainly as a result of COVID-19, (ii) a decline in advertising and production revenue at De Vijver Media and (iii) a decline in revenue from handset sales.

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

(€ in millions)	For the years ended December 31,	
	2020	**2019, as restated (*)**
Interconnect	154.2	190.2
Sale of handsets and customer premise equipment	96.8	112.9
Wholesale	92.6	87.0
Advertising and production	103.7	70.0
Other	29.9	28.2
Total other revenue	**477.2**	**488.3**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

The Company also had deferred revenue as follows:

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Subscription revenue		
Video	16.4	18.2
Broadband internet	25.7	24.8
Fixed-line telephony	17.1	15.6
Cable subscription revenue	**59.2**	**58.6**
Mobile telephony	23.9	23.4
Total subscription revenue	**83.1**	**82.0**
Business services	22.7	18.0
Other	13.1	3.5
Total deferred subscription revenue	**118.9**	**103.5**
Other contract liabilities (IFRS 15)	**7.5**	**8.1**
Total deferred revenue	**126.4**	**111.6**
- of which non-current deferred revenue	**3.6**	**3.8**
- of which current deferred revenue	**122.8**	**107.8**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 €7.5 million (December 31, 2019: €8.1 million) relate to the charged installation and/or other upfront fees which are deferred under IFRS 15 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 and liabilities can be summarized as follows:

	(€ in millions)	Non-current contract assets	Current contract assets	Non-current contract liabilities	Current contract liabilities	Deferred revenue
	January 1, 2019	**1.4**	**7.2**	**(1.3)**	**(6.8)**	**(96.1)**
+	**Additions**					
	New additions on the balance sheet during the year	3.5	5.9	(3.0)	(5.8)	(818.6)
-	**Recognition in the result of the current year**					
	Contract assets / liabilities recognized in previous year	—	(7.2)	—	5.5	95.7
	Contract assets / liabilities recognized in the current year	—	(2.7)	—	3.3	715.5
+/-	**Reclasses**					
	Reclass from non-current to current contract assets / liabilities	(3.2)	3.2	2.1	(2.1)	—
	December 31, 2019 as restated (*)	**1.7**	**6.4**	**(2.2)**	**(5.9)**	**(103.5)**
+	**Additions**					
	New additions on the balance sheet during the year	1.8	4.9	(3.1)	(5.2)	(1,027.5)
-	**Recognition in the result of the current year**					
	Contract assets / liabilities recognized in previous year	—	(6.4)	—	5.8	105.7
	Contract assets / liabilities recognized in the current year	(0.5)	(2.0)	—	3.1	906.4
+/-	**Reclasses**					
	Reclass from non-current to current contract assets / liabilities	(1.9)	1.9	3.3	(3.3)	—
	December 31, 2020	**1.1**	**4.8**	**(2.0)**	**(5.5)**	**(118.9)**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.1 *De Vijver Media* and note 5.24.3 *Native Nation* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

As per December 31, 2020, 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				
Contract assets	**TOTAL**	**2021**	**2022**	**2023**	**2024**	**thereafter**
Recognized as contract asset in 2019	(1.6)	(1.6)	—	—	—	—
Recognized as contract asset in 2020	(4.3)	(3.2)	(1.1)	—	—	—
Total contract assets	**(5.9)**	**(4.8)**	**(1.1)**	**—**	**—**	**—**
Contract liabilities						
Recognized as contract liabilities in 2018	0.7	0.7	—	—	—	—
Recognized as contract liabilities in 2019	1.6	1.2	0.4	—	—	—
Recognized as contract liabilities in 2020	5.2	3.6	1.2	0.4	—	—
Deferred revenue						
Deferred revenue	118.9	117.3	0.1	0.1	0.1	1.3
Total contract liabilities	**126.4**	**122.8**	**1.7**	**0.5**	**0.1**	**1.3**

5.20 Expenses by nature

(€ in millions)	Note	**For the years ended December 31,**	
		2020	**2019 as restated (*)**
Network operating expenses		198.2	196.9
Direct costs (programming, copyrights, interconnect and other)		514.4	525.4
Staff-related expenses		271.1	261.1
Sales and marketing expenses		95.6	96.8
Outsourced labor and Professional services		28.4	38.2
Other indirect expenses		89.5	90.1
Operating expenses		**1,197.2**	**1,208.5**
Restructuring expenses		5.5	0.7
Operating charges related to acquisitions or divestitures		5.3	0.7
Share-based payments granted to directors and employees	5.12	29.8	13.0
Depreciation	5.4	427.3	411.0
Amortization	5.6	191.5	172.0
Amortization of broadcasting rights	5.6	90.3	92.5
Post measurement period adjustments related to business acquisitions		(0.6)	—
Impairment of long-lived assets - goodwill	5.5	35.7	—
Impairment of long-lived assets - property and equipment	5.4	3.7	1.9
Gain on disposal of property and equipment	5.4	(4.6)	(1.9)
Non-cash and other items		**783.9**	**689.9**
Total costs and expenses		**1,981.1**	**1,898.4**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.1 *De Vijver Media* and note 5.24.3 *Native Nation* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

For the year ended December 31, 2020, we incurred total expenses of €1,981.1 million, representing a 4% increase compared to the prior year. Our total expenses in 2020 reflected (i) the inorganic impacts from the De Vijver Media acquisition and the merger of SFR-Coditel into Eltrona and (ii) a €32.9 million goodwill impairment charge on De Vijver Media following the re-assessment of their strategic long-range plan. Total expenses represented approximately 77% of revenue for the year ended December 31, 2020 (approximately 73% in 2019). Cost of services provided as a percentage of revenue represented approximately 54% for the year 2020 (approximately 52% in 2019), while selling, general and administrative expenses represented approximately 23% of our total revenue in 2020 (approximately 21% in 2019).

Operating expenses, which include our (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, decreased nearly 1% on a reported basis for the year ended December 31, 2020 despite the aforementioned inorganic impacts and changes to the IFRS accounting outcome of certain content-related costs for our premium entertainment packages and the Belgian football broadcasting rights because of changes related to the underlying contracts.

Network operating expenses for the year ended December 31, 2020 were €198.2 million, an increase of over 1% year-on-year on a reported basis. The increase relates to higher core network expenses and a greater proportion of technical customer visits, reflecting an increase in homeworking as a result of the COVID-19 pandemic.

Direct costs include direct expenses such as (i) programming and copyright costs, including, as of the 3rd quarter of 2020, costs related to the purchase of content for our "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, 2020, our direct costs were €514.4 million, a 2% decrease compared to the prior year.

Staff-related expenses for the year ended December 31, 2020 were €271.1 million, which represented an increase of 4% compared to the prior year and reflected the aforementioned inorganic impacts.

Sales and marketing expenses for the year ended December 31, 2020 were €95.6 million representing a 1% year-on-year decrease due to the impact of COVID-19 on our marketing and retail activity.

Costs related to outsourced labor and professional services for the year ended December 31, 2020 were €28.4 million, a 26% decrease on a reported basis as a result of the COVID-19 pandemic and continued tight cost control.

Other indirect expenses reached €89.5 million for the year ended December 31, 2020, representing a 1% decrease compared to the prior year on a reported basis..

Depreciation and amortization, including impairment of long-lived assets, gain on disposal of assets and restructuring charges, reached €749.4 million for the year ended December 31, 2020 compared to €676.2 million for the prior year and included the aforementioned €32.9 million goodwill impairment charge.

5.21 Finance income / expense

		For the years ended December 31,	
(€ in millions)	Note	**2020**	**2019, as restated (*)**
Recognized in the statement of profit or loss and comprehensive income			
Finance income			
Net interest income and foreign exchange gain			
Interest income on bank deposits and commercial paper		0.9	0.7
Interest income on receivables		—	0.1
Net foreign exchange gain		240.2	—
		241.1	**0.8**
Net gain on derivative financial instruments			
Change in fair value	5.14	—	23.9
		—	**23.9**
Finance expense			
Net interest expense, foreign exchange loss and other finance expense			
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(204.1)	(261.3)
Amortization of financing cost		(2.7)	(2.7)
Net foreign exchange loss		—	(43.4)
		(206.8)	**(307.4)**
Net loss on derivative financial instruments			
Change in fair value	5.14	(252.2)	—
		(252.2)	**—**
Loss on extinguishment of debt	5.13	**(15.2)**	**(49.5)**
Net finance expenses		**(233.1)**	**(332.2)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

For the year ended December 31, 2020, net finance expense totaled €233.1 million compared to €332.2 million in the prior year, representing a 30% improvement year-on-year. Finance income increased from €24.7 million last year to €241.1 million for the year ended December 31, 2020, primarily reflecting a €240.2 million non-cash foreign exchange gain on our USD-denominated debt in 2020, as compared to a €23.9 million non-cash gain on derivatives in 2019. Finance expense for the year ended December 31, 2020 increased 33% to €474.2 million from €356.9 million last year. Finance expense for the year 2020 included a (i) €252.2 million non-cash loss on our derivatives, (ii) €206.8 million of net interest expense, foreign exchange loss and other finance expenses (-33% year-on-year) and (iii) a €15.2 million loss on the extinguishment of debt following the January 2020 refinancing of both our EUR and USD-denominated term loan facilities.

5.22 Income tax expense

(€ in millions)	For the years ended December 31,	
	2020	**2019**
Current tax expense	50.7	121.0
Deferred tax expense (note 5.15)	—	(3.1)
Income tax expense	**50.7**	**117.9**
Effective Tax Rate	**13.02 %**	**33.44 %**

The effective tax rate was 13.02% for the year ended December 31, 2020 (33.44% for the year ended December 31, 2019). 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.

Telenet's income tax expense for the year ended December 31, 2020 was favorably impacted by the recognition of the innovation income tax deduction.

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

(€ in millions)	For the years ended December 31,	
	2020	**2019**
Profit before tax	**389.2**	**352.5**
Income tax expense at the Belgian statutory rate (25% in 2020, 29,58% in 2019)	97.3	104.3
Income not taxable	(0.3)	(1.2)
Expenses not deductible for tax purposes (incl. prior year adjustments)	3.0	3.2
Benefit of the investment deduction	(3.6)	(4.6)
Tax losses and temporary differences for which no deferred tax asset was recognized	5.8	4.1
Expiration of tax losses (Coditel Sarl disposal)	0.7	—
Adjustments recognized in the current year in relation to the filings for prior years	(39.4)	4.1
Impact of different tax rates in Luxembourg	2.0	3.5
Tax on realization of financial fixed assets	—	4.9
Impact of change enacted tax rate Belgium / Luxembourg	—	(7.9)
Impact Innovation Income Deduction	(19.3)	—
Penalty for insufficient prepayments	4.5	7.5
Tax expense for the year	**50.7**	**117.9**

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 years ended December 31,		
	2020	2019	
Net profit attributable to the equity holders of the Company	338.9	234.5	(*)
Weighted average number of ordinary shares	109,350,692	110,032,405	
Weighted average number of shares used in the calculation of basic earnings per share	**109,350,692**	**110,032,405**	
Basic earnings per share in €	3.10	2.13	(*)

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.1 *De Vijver Media* and note 5.24.3 *Native Nation* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020, the Company had the following outstanding options throughout the year:

- ESOP 2015 stock options
- CEO SOP 2015 stock options
- 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 €3.10 (2019: €2.13). For the year ended December 31, 2020, there was no dilutive impact from outstanding stock option plans on the ordinary shares of the Company.

(€ in millions, except share and per share data)	For the years ended December 31,	
	2020	2019 as restated (*)
Weighted average number of shares used in the calculation of basic earnings per share	109,350,692	110,032,405
Adjustment for:		
ESOP 2014 stock options	—	17,096
ESOP 2016 stock options	—	43,713
ESOP 2016bis stock options	—	7,536
ESOP 2018 stock options	—	48,089
CEO SOP 2014 stock options	—	27,701
CEO SOP 2014bis stock options	—	3,979
Weighted average number of shares used in the calculation of diluted earnings per share	**109,350,692**	**110,180,519**
Diluted earnings per share in €	3.10	2.13

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.1 *De Vijver Media* and note 5.24.3 *Native Nation* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

5.24 Acquisition and disposal of subsidiaries

5.24.1 De Vijver Media

In February 2015, the Company acquired 50% of the capital of De Vijver Media NV ("DVM"), a Belgian media company active in free-to-air broadcasting (through its TV channels "PLAY4", "PLAY5" and "PLAY6") and content production (through its production company "Woestijnvis") for a cash purchase price of €52.5 million.

The initial 50% investment in De Vijver Media qualified as a joint venture and was accounted for using the equity method, which as of June 3, 2019 had a carrying amount of €50.9 million. On June 3, 2019, the Company acquired the remaining 50% held by Waterman & Waterman and Corelio NV. As part of accounting for the business combination, the Company remeasured its previously held interest in the equity investment at fair value and took this amount into account in the determination of goodwill. This fair value valuation did not lead to any adjustment recognized in profit or loss or other comprehensive income.

For the year ended December 31, 2020 and 2019, the Company incurred acquisition-related costs of respectively €0.0 million and €0.1 million of legal fees and due diligence costs. These have been included in 'Selling, general and administrative expenses'.

The Company accounted for the De Vijver Media acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of DVM based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. As of June 2, 2020, the purchase price allocation was finalized. The fair value adjustment on the intangible assets (€0.5 million) mainly related to the acquired brandnames (-€1.5 million), customer relationships (-€11.6 million) and other intangible assets subject to amortization consisting of the order backlog and the format catalogue (€14.5 million), as well as to the broadcasting rights (-€0.9 million). Together with the deferred tax impact of the above mentioned adjustments (-€4.7 million), goodwill was increased by €4.2 million (of which -€0.4 million had been taken into account during the provisional allocation of the total purchase price last year).

As a result of the acquisition of De Vijver Media, the Company acquired in total €29.9 million of trade receivables and €2.7 million of unbilled revenue, of which in total €0.2 million was estimated not to be collectible. These are mainly receivables on media agencies and 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 De Vijver Media 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
Assets					
Non-current assets:					
Property and equipment	7.9	—	7.9	—	7.9
Goodwill	67.2	(67.2)	—	—	—
Other intangible assets	90.5	—	90.5	0.5	91.0
Deferred tax assets	10.2	4.4	14.6	—	14.6
Investments in and loans to equity accounted investees	0.5	—	0.5	—	0.5
Derivative financial instruments	1.5	—	1.5	—	1.5
Other assets	3.0	(3.0)	—	—	—
Total non-current assets	**180.8**	**(65.8)**	**115.0**	**0.5**	**115.5**
Current assets:					
Trade receivables	24.4	5.3	29.7	—	29.7
Other current assets	11.5	(4.7)	6.8	—	6.8
Cash and cash equivalents	36.5	—	36.5	—	36.5
Total current assets	**72.4**	**0.6**	**73.0**	**—**	**73.0**
Total assets acquired	**253.2**	**(65.2)**	**188.0**	**0.5**	**188.5**
Liabilities					
Non-current liabilities:					
Loans and borrowings	(64.1)	—	(64.1)	—	(64.1)
Deferred tax liabilities	(11.5)	0.1	(11.4)	(4.7)	(16.1)
Other liabilities	(2.4)	2.4	—	—	—
Total non-current liabilities	**(78.0)**	**2.5**	**(75.5)**	**(4.7)**	**(80.2)**
Current liabilities:					
Loans and borrowings	(1.4)	—	(1.4)	—	(1.4)
Trade payables	(39.9)	—	(39.9)	—	(39.9)
Accrued expenses and other current liabilities	(23.9)	(0.8)	(24.7)	—	(24.7)
Deferred revenue	(4.3)	—	(4.3)	—	(4.3)
Derivative financial instruments	(1.1)	—	(1.1)	—	(1.1)
Current tax liability	(1.2)	1.1	(0.1)	—	(0.1)
Total current liabilities	**(71.8)**	**0.3**	**(71.5)**	**—**	**(71.5)**
Total liabilities assumed	**(149.8)**	**2.8**	**(147.0)**	**(4.7)**	**(151.7)**

Fair value of identifiable net assets acquired	**36.8**
Fair value of the previously held equity investment (initial 50% stake)	50.9
Consideration paid the remaining 50% stake	52.5
Total consideration transferred 100% stake	**103.4**
Final goodwill arising from the acquisition	**66.6**

In the period from June 3, 2019 till December 31, 2019, De Vijver Media contributed revenue of €71.4 million and a loss of €7.5 million to the Company's results. If the acquisition had occurred on January 1, 2019, management estimates that consolidated revenue would have been €2,636.5 million, and consolidated operating result for the period would have been €675.2 million.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2019.

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the company into the Group's existing business and the advertising and media agencies relationships related to DVM's market share. None of the goodwill recognized is expected to be deductible for tax purposes.

5.24.2 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 at acquisition date, the Company estimated and recognized an earn-out liability amounting in total to €1.0 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 €0.1 million gain in the consolidated statement of profit or loss.

For the year ended December 31, 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.

Due to the restricted access to financial and operational data prior to closing of the acquisition on November 30, 2020, the Company was not able to perform a detailed allocation of the total purchase price as of December 31, 2020. 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.

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
Assets					
Non-current assets:					
Property and equipment	0.2	—	0.2	—	0.2
Goodwill	—	—	—	—	—
Other intangible assets	0.4	—	0.4	—	0.4
Other assets	0.1	—	0.1	—	0.1
Total non-current assets	**0.7**	**—**	**0.7**	**—**	**0.7**
Current assets:					
Inventories	0.9	—	0.9	—	0.9
Trade receivables	1.2	—	1.2	—	1.2
Other current assets	0.3	—	0.3	—	0.3
Cash and cash equivalents	0.5	—	0.5	—	0.5
Total current assets	**2.9**	**—**	**2.9**	**—**	**2.9**
Total assets acquired	**3.6**	**—**	**3.6**	**—**	**3.6**
Liabilities					
Non-current liabilities:					
Loans and borrowings	(0.4)	—	(0.4)	—	(0.4)
Deferred tax liabilities	—	—	—	—	—
Other liabilities	—	—	—	—	—
Total non-current liabilities	**(0.4)**	**—**	**(0.4)**	**—**	**(0.4)**
Current liabilities:					
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)
Deferred revenue	(0.1)		(0.1)		(0.1)
Current tax liability	(0.4)	—	(0.4)	—	(0.4)
Total current liabilities	**(1.6)**	**—**	**(1.6)**	**—**	**(1.6)**
Total liabilities assumed	**(2.0)**	**—**	**(2.0)**	**—**	**(2.0)**
Total consideration transferred					**4.1**
Previously held equity interest, at fair value					**0.8**
Fair value of identifiable net assets acquired					**1.6**
Non-controlling interests					**2.7**
Provisional goodwill arising from the acquisition					**6.0**

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 fair value adjustments, determined provisionally, 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.The accounting of the acquisition will be revised based on the ongoing purchase price allocation which will be completed within one year of the date of acquisition.

5.24.3 Native Nation

On October 18, 2019, pursuant to a definitive agreement, the Company acquired 100% of the shares in two related companies, being (i) Native Nation, and (ii) Stream 32, collectively referred to as "Native Nation".

The total initial purchase price paid at acquisition amounts to €3.0 million, of which €2.7 million was paid and €0.3 million was withheld. In addition to the initial purchase price, an earn-out is applicable based on the performance criteria related to EBITDA and revenue targets for the years 2020, 2021 and 2022. Based on the available financial information at acquisition date, the Company estimated and recognized an earn-out liability amounting in total to €2.7 million. The acquisition did not require any regulatory approval.

Native Nation started in 2017 and developed various influencer marketing & PR campaigns online. With Smart AD, SBS, as part of the Telenet group, successfully launched personalized advertising on live television in Flanders. The acquisition of Native Nation offers SBS broader commercial opportunities within a rapidly evolving advertising market where creative influencer marketing is gaining in importance.

For the year ended December 31, 2020, the Company did not incur any acquisition-related costs. For the year ended December 31, 2019, these amounted to €0.1 million and related to legal fees and due diligence costs). These were included in 'Selling, general and administrative expenses'.

The Company accounted for the Native Nation acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Native Nation based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. As of December 31, 2019, 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 October 18, 2020, the purchase price allocation was finalized. The fair value adjustment on the intangible assets (€6.9 million) mainly related to the acquired tradenames (€2.8 million), customer relationships (€2.4 million) and other intangible assets subject to amortization, mainly consisting of a technological Influencer Platform (€1.7 million). The deferred tax adjustment resulting from the purchase price allocations amounted to -€1.7 million and is reported under non-current deferred tax liabilities. Goodwill has therefore been reduced by €5.2 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, 2019. None of the goodwill recognized is expected to be deductible for tax purposes.

As a result of the acquisition of Native Nation, the Company acquired in total €0.4 million of trade receivables and €0.2 million of unbilled revenue. No significant amounts were identified as not collectible. These receivables relate to a limited number of counterparties with a low credit risk.

A summary of the purchase price and the provisional identifiable assets acquired and liabilities assumed for the Native Nation 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
Assets					
Non-current assets:					
Property and equipment	—	0.4	0.4	—	0.4
Goodwill	5.1	(5.1)	—	—	—
Other intangible assets	0.1	—	0.1	6.9	7.0
Total non-current assets	**5.2**	**(4.7)**	**0.5**	**6.9**	**7.4**
Current assets:					
Trade receivables	0.4	—	0.4	—	0.4
Other current assets	0.2	—	0.2	—	0.2
Cash and cash equivalents	0.2	—	0.2	—	0.2
Total current assets	**0.8**	**—**	**0.8**	**—**	**0.8**
Total assets acquired	**6.0**	**(4.7)**	**1.3**	**6.9**	**8.2**
Liabilities					
Non-current liabilities:					
Loans and borrowings	—	(0.4)	(0.4)	—	(0.4)
Deferred tax liabilities	—	—	—	(1.7)	(1.7)
Total non-current liabilities	**—**	**(0.4)**	**(0.4)**	**(1.7)**	**(2.1)**
Current liabilities:					
Loans and borrowings	—	(0.1)	(0.1)	—	(0.1)
Trade payables	(0.1)	—	(0.1)	—	(0.1)
Accrued expenses and other current liabilities	(0.1)	—	(0.1)	—	(0.1)
Current tax liability	(0.1)	—	(0.1)	—	(0.1)
Total current liabilities	**(0.3)**	**(0.1)**	**(0.4)**	**—**	**(0.4)**
Total liabilities assumed	**(0.3)**	**(0.5)**	**(0.8)**	**(1.7)**	**(2.5)**
Fair value of identifiable net assets acquired					**5.7**
Total consideration transferred					**5.7**
Final goodwill arising from the acquisition					**—**

5.24.4 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. 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.

Telenet recognized its €1.2 million share in the net profit of Eltrona for the period beginning on the transaction closing date, resulting in a carrying value of the investment of €60.7 million on December 31, 2020.

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. The Company will complete this analysis of the fair values of Eltrona's identifiable assets and liabilities on or before April 1, 2021. The Company expects that the elements of Eltrona's assets and liabilities that are most likely of being subject to a fair value adjustment include tangible fixed assets, intangible assets (a.o. tradename, customer relationships, ...), deferred taxes and goodwill.

5.24.5 Streamz JV

In February 2020, DPG Media and Telenet announced their intention of setting up a joint venture to launch a new local streaming platform with Flemish and international content. On June 16, 2020, both parties signed a definitive "Investment Agreement" and following regulatory approval by the European Commission on August 12, 2020, the transaction was closed on September 1, 2020. The assets and liabilities classified as held for sale at June 30, 2020, were subsequently contributed into Streamz in which Telenet retained a stake of 50% upon entrance of DPG Media. 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.

In accordance with the concepts of IFRS 3 Business Combinations, the Company needs to determine the accounting for an acquisition of an associate or joint venture, including the calculation of goodwill. The positive goodwill relating to the acquisition of a joint venture is included in the carrying amount of the investment. The Company applied the acquisition method of accounting, whereby the total cost of the investment was allocated to the Company's share of the identifiable net assets of Streamz based on assessments of their respective fair values, and the excess of the cost of the investment over the Company's share of the fair values of these identifiable net assets was allocated to goodwill. As of December 31, 2020, this preliminary goodwill arising from the acquisition amounted to €18.3 million. As of December 31, 2020, the Company had not yet finalized the allocation of the cost of the investment to the Company's share of the net fair value of the joint venturer's identifiable assets. The Company will complete this analysis within one year from the date of acquisition of the investment. The Company does not expect elements of Streamz' assets and liabilities of being subject to a fair value adjustment. The remaining goodwill mainly relates to future subscription revenues.

5.24.6 Joint setup of a national advertising sales agency

On December 14, 2020, (i) Telenet/SBS, (ii) Mediahuis, (iii) Proximus/ Skynet, and (iv) Pebble Media jointly announced that they will set up 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 will operate as a national advertising sales agency.

In the framework of this transaction Telenet will 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.

5.25 Non cash investing and financing transactions

(€ in millions)	For the years ended December 31,	
	2020	**2019, as restated (*)**
Acquisition of property and equipment in exchange for lease obligations	90.6	56.1
Acquisition of property and equipment in exchange for vendor financing obligations	68.1	163.9
Acquisition of sports broadcasting rights in exchange for investing obligations	11.5	25.9

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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. It is thus unlikely that there will be a judgment in 2021. Playrights' 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 EUR 1,39 million for 2021 and 2022 and to invest EUR 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, 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 12 November 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 2020 and 2019. Related parties further include transactions with Pebble Media NV, Doccle cv and Doccle.Up NV, Idealabs Telenet Fund NV, Unit-T NV, Eltrona Interdiffusion S.A.,Triangle Factory BV, Recneps NV , Streamz BV and De Vijver Media NV (for the latter, only those transactions before acquisition date, June 2019, qualify as related party transaction).

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

5.27.1 Statement of financial position

(€ in millions)	**December 31, 2020**	**December 31, 2019, as restated (*)**
Trade receivables		
Liberty Global Consortium (parent)	0.6	1.7
Joint Ventures	0.4	—
Associates	0.1	7.0
Trade payables and accrued trade liabilities		
Liberty Global Consortium (parent)	14.6	11.9
Joint Ventures	1.4	—
Associates	0.7	12.1
Loans and borrowings payable		
Liberty Global Consortium (parent)	—	0.2
Loans and borrowings receivable		
Joint Ventures	4.0	—
Associates	5.5	1.6
Property and equipment		
Liberty Global Consortium (parent)	11.5	7.1
Associates	34.1	33.0
Other Intangible assets		
Liberty Global Consortium (parent)	4.4	4.5

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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 decrease of trade receivables and trade payables of associates mainly relates to less outstanding positions related to Unit-T.

5.27.2 Statement of profit or loss and other comprehensive income

(€ in millions)	For the years ended December 31	
	2020	**2019, as restated (*)**
Revenue & other operating income		
Liberty Global Consortium (parent)	1.9	0.7
Joint Ventures	1.2	1.0
Associates	2.3	0.5
Operating expenses		
Liberty Global Consortium (parent) [1]	19.5	13.2
Joint Ventures	18.2	12.1
Associates	46.6	40.1

[1] Includes recharged expenses from Telenet to Liberty Global Consortium for an amount of €2.3 million in 2020 and €2.1 million in 2019.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

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, 2020 include €64.8 million for transactions with associates and joint ventures, which is a €12.6 million increase compared to the twelve month period ended December 31, 2019. The balance of €64.8 million for the twelve months ended December 31, 2020 mainly consists of i) transactions with Unit-T of €44,9 million, ii) transactions with Doccle CV of €1.1 million, iii) transactions with SBS Media €0.7 million, and iv) €18.1 million transactions with Streamz BV.

Operating expenses arising from transactions with Liberty Global Consortium of €18.0 million for the year ended December 31, 2020 mainly relate to the recharge of content costs and content contracts (€11.3 million), centrally purchased maintenance contracts (€4,1 million), technology related contracts (€1.3 million) next to various other recharge agreements related to treasury services, internal audit services, employee expenses and IT expenses (€1.3 million).

Revenue and other operating income related to transactions with associates and joint ventures was €3.5 million, which primarily related to transactions with Unit-T (€1.6 million), Eltrona Interdiffusion (€1.2 million) and Recneps (€0.6 million)..

Revenue and other operating income generated by transactions with Liberty Global Consortium were €1.9 million for the twelve months ended December 31, 2020 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 years ended December 31,	
	2020	**2019, as restated (*)**
Salaries and other short-term employee benefits	7.2	7.1
Post-employment benefits	0.6	0.6
Share-based payments (compensation cost recognized)	14.7	9.0
	22.5	**16.7**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

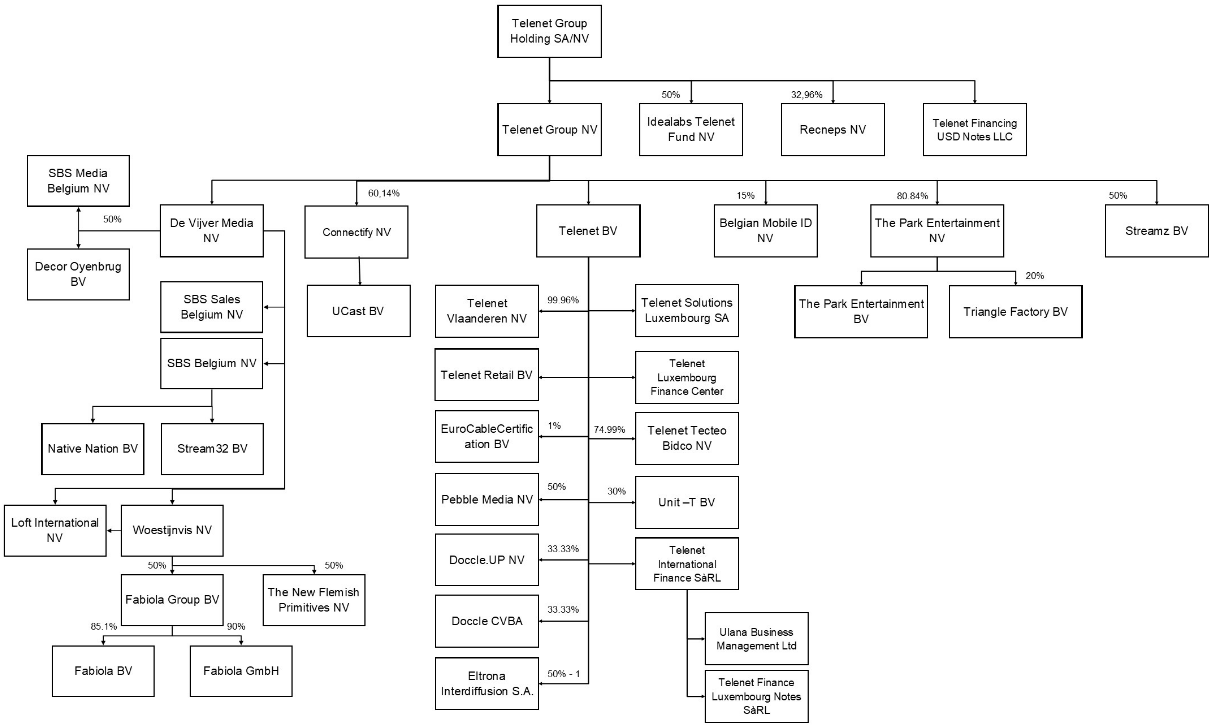
5.28 Subsidiaries

5.28.1 Subsidiaries

Details of the Company's subsidiaries as of December 31, 2020 are as follows:

			As of December 31, 2020		As of December 31, 2019	
Company	**National number/ Trade Register number**	**Registered office**	**% 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
TELENET TECTEO BIDCO NV	0835.821.779	Liersesteenweg 4, 2800 Mechelen, Belgium	74.99 %	Fully consolidated	74.99%	Fully consolidated
The Park Entertainment NV	0695.802.081	Vlaamse Kaai 30, 2000 Antwerpen, Belgium	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
De Vijver Media NV	0466.137.359	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Décor Oyenbrug BV	0424.977.784	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
SBS Belgium NV	0473.307.540	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
SBS Sales Belgium NV	0456.631.755	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Loft International NV	0836.155.638	Harensesteenweg 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
Stream32 BV	0724.570.994	Doornelei 1, 2018 Antwerpen, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
Woestijnvis NV	0460.337.749	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100 %	Fully consolidated	100 %	Fully consolidated
The New Flemish Primitives NV	0834.756.660	Huart Hamoirlaan 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	11,76 %	Not consolidated
UCast BV	0540.892.685	Sint-Jorisstraat 96, 8730 Beernem, Belgium	60,14%	Fully consolidated	5,88%	Not consolidated

The group chart as of December 31, 2020 was as follows:



5.28.2 Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance VI Luxembourg S.C.A. (1)	RCS B.171.030	11, rue de l'industrie, L-8399 Windhof, Luxembourg	0 %	Fully consolidated
Telenet Finance BV (2)	0628.452.013	Liersesteenweg 4, 2800 Mechelen, Belgium	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).

(2) Telenet Finance BV was incorporated on March 27, 2015 as a financing company ("**Finco**") for the primary purpose of offerering handset financing directly to customers. This entity was incorporated at the request of the Telenet Group under Belgian law and is owned 99% by Global Handset Finco Limited and 1% by Lynx Europe 2 Limited. It has been determined that the Company has power over the Finco exposure or rights to variable returns from its involvement with the Finco and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding NV should consolidate the Finco created to operate the handset financing for the Telenet Group. Telenet Finance BV ceased offering loans in 2018. Pending loan agreements will be managed by Telenet Finance BV until their end date.

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, 2020	December 31, 2019, as restated (*)	December 31, 2020	December 31, 2019, as restated (*)	December 31, 2020	December 31, 2019, as restated (*)
Within one year	116.2	139.0	27.2	33.5	89.0	105.5
In the second to fifth year, inclusive	326.2	325.6	71.4	73.1	254.8	252.5
Thereafter	255.6	257.1	43.9	45.9	211.7	211.2
Total minimum lease payments	**698.0**	**721.7**	**142.5**	**152.5**	**555.5**	**569.2**

The following table summarizes the obligations per lease type:

(€ in millions)	Total future minimum lease payments		Interest		Future minimum lease payments	
	December 31, 2020	December 31, 2019, as restated (*)	December 31, 2020	December 31, 2019, as restated (*)	December 31, 2020	December 31, 2019, as restated (*)
Canon	511.0	547.2	126.8	138.1	384.2	409.1
Site Rentals	109.2	110.3	9.1	8.9	100.1	101.4
Buildings	53.7	49.3	5.0	4.7	48.7	44.6
Cars	12.0	9.3	0.3	0.3	11.7	9.0
Dark fibre	12.1	5.6	1.3	0.5	10.8	5.1
Total minimum lease payments	**698.0**	**721.7**	**142.5**	**152.5**	**555.5**	**569.2**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.1 *De Vijver Media* and note 5.24.3 *Native Nation* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

For the year ended December 31, 2020, the Company recognized interest expenses on lease liabilities for a total amount of €27.1 million (2019: €27.0 million).

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

For the year ended December 31, 2020, total cash outflow for leases amounted to €105.2 million (2019: €73.8 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, 2020 can be summarized as follows:

(€ in millions)	**Lease liabilities recognized**	**Potential future lease payments not included in lease liabilities**
Buildings	48.7	20.4
Site Rentals	100.1	136.3
	148.8	**156.7**

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 26 years remained at the end of 2020). 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, 2020, the average effective borrowing rate for the three above mentioned fees was 6.25% (2019: 6.25%).

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

As per December 31, 2020 and 2019, 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, 2020**	**December 31, 2019, as restated (*)**
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	1.7	5.0
Canon agreement	381.7	398.0
Out of Market Component on initial Canon leases acquired as part of a business combination	(0.1)	(0.5)
	383.3	**402.5**
Outstanding non-lease related Clientele debt		
Clientele fee > 20 years	125.5	125.3
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	15.9	16.3

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

Other leases

The Company leases certain assets including buildings, vehicles and dark fibre. For the year ended December 31, 2020, the average effective borrowing rate with respect to these formerly finance leases was 3.05% (2019: 3.55%) . 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, 2020	For the year ended December 31, 2019
Finance leases	2.5	2.5
Operating leases	3.8	3.1
Total lease income	**6.3**	**5.6**

As of December 31, 2020, the Company carried the following lease receivables and deferred revenue:

(€ in millions)	Lease receivables		Deferred revenue
	Finance leases	Operating leases	Operating leases
Less than one year	1.9	3.6	0.2
Current lease receivables / deferred revenue	**1.9**	**3.6**	**0.2**
One to two years	2.0	—	0.2
Two to three years	1.7	—	0.2
Three to four years	1.0	—	0.2
Five years or more	0.3	—	1.3
Non-current lease receivables / deferred revenue	**5.0**	**—**	**1.9**
Total lease receivables / deferred revenue	**6.9**	**3.6**	**2.1**

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, 2020 and 2019 is presented in the table below:

(€ in millions)	Land, buildings, and leasehold improvements	Network	Furniture, equipment, and vehicles	Total
Carrying amount of leases included in property and equipment				
December 31, 2020	52.3	441.6	12.4	**506.3**
December 31, 2019, as restated (*)	42.8	449.5	12.1	**504.4**
Depreciation expense				
For the year ended December 31, 2020	13.5	68.9	6.9	**89.3**
For the year ended December 31, 2019	17.1	67.5	5.7	**90.3**
Additions to right-of-use assets				
For the year ended December 31, 2020	23.6	61.0	6.5	**91.1**
For the year ended December 31, 2019	3.3	54.4	3.6	**61.3**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.1 ***De Vijver Media*** and note 5.24.3 ***Native Nation*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the De Vijver Media and Native Nation acquisitions.

5.30 Subsequent events

In February 2021, the national telecoms regulator BIPT announced a temporary six-month extension of both the 2G and 3G mobile spectrum licenses held by Proximus, Orange Belgium and Telenet. These licenses in the 900 MHz, 1,800 MHz and 2,100 MHz band expired on March 15, 2021 and were temporarily extended by the regulator ahead of the upcoming multiband auction. Telenet paid €8.4 million in March 2021 for the aforementioned spectrum extension and subsequently now holds 2x7,6 MHz in the 900 MHz band, 2x20 MHz in the 1800 MHz band and 2x14,8 MHz in the 2,100 MHz band.

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 2020, in relation to services provided by KPMG, amounted to €1.33 million (2019: €1.5 million), which was composed of audit services for the annual financial statements of €1.3 million (2019: €1.4 million) and audit related services of €0.03 million (2019: €0.1 million). 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.

Statutory auditor's report to the general meeting of Telenet Group Holding NV on the consolidated financial statements as of and for the year ended December 31, 2020

In the context of the statutory audit of the consolidated financial statements of Telenet Group Holding NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended December 31, 2020, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of April 29, 2020, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ending December 31, 2022. We have performed the statutory audit of the consolidated financial statements of

the Group for 13 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended December 31, 2020, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 5,701.4 million and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR 338.5 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at December 31, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalization of network related property and equipment

We refer to notes 5.2.3 'Property and equipment' and 5.4 'Property and equipment' of the consolidated financial statements.

Description

In 2020, the Group capitalized a total of EUR 362 million of property and equipment, including fixed and mobile network upgrades and customer installations.

Capitalization of costs is an area of judgment by management, in particular in determining whether internal and external network engineering and customer installations costs meet the capitalization criteria. These judgments can have an important impact on certain key performance indicators that the Group discloses as part of its financial reporting and outlook, such as EBITDA, and consequently, pressures may exist to deliver expected results. Additionally, certain underlying processes with respect to specific elements of cost capitalization, such as invoices which are exempt from purchase order requirements, are by nature more prone to potential manipulation including management override of controls via manual journal entries.

Due to the relative size of the Group's network related property and equipment in the consolidated statement of financial position and the aforementioned pressures and opportunities for fraud with respect to the proper application of the capitalization criteria, we considered this a key audit matter

Our audit procedures

Our audit procedures included, amongst others:

- Evaluating the design and testing the operating effectiveness of key controls around the network related property and equipment cycle, including controls over whether internal and external fixed and mobile network upgrade and customer installations costs meet the capitalization criteria, as well as controls with respect to the review and approval of manual journal entries;

- Testing a sample of costs capitalized during the year. For each item selected, obtaining the relevant underlying documents and assessing whether the nature of costs incurred met the criteria for capitalization under the Group's accounting policies. For the capitalized costs relating to the processes for which a risk of fraud was identified, selecting additional specific items or otherwise extending the sample;

- Performing ratio analysis over the capital expenditure for network engineering and customer installations. For external costs, we have set an expectation of total capital expenditure based on historical trends. For internal costs, we have set an expectation of total capital expenditure based on the historical average payroll expense capitalized versus total payroll expense of the period;

- Testing manual journal entries impacting the capitalization of costs with characteristics that make them susceptible to fraud.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements.

Aspects concerning the board of directors' annual report on the consolidated financial statements

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in the board of directors' annual report on the consolidated financial statements. The Company has prepared this non-financial information based on the Global Reporting Initiative ("GRI") standards. In accordance with art 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI standards.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.

- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Other aspect

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, March 26, 2021

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Götwin Jackers
Réviseur d'Entreprises /
Bedrijfsrevisor

Telenet Group Holding NV

Statutory financial statements

Abridged annual report of the board of directors to the annual general meeting of shareholders

This section contains an abridged version of the statutory (non-consolidated) annual accounts and annual report of Telenet Group Holding NV (TGH).

The statutory auditor issued an unqualified opinion on the statutory accounts of Telenet Group Holding NV as of and for the year ended December 31, 2020. The second part of the auditor's report includes specific additional paragraphs in accordance with article 7:96 of the Belgian Code of Companies and Associations (conflict of interest reported by a member of the board of directors).

The full version of the annual accounts will be filed with the National Bank of Belgium and are available on the Company's website (http://investors.telenet.be).

1. Abridged non-consolidated balance sheet Telenet Group Holding NV (Statutory accounts)

(€ in millions)	As of December 31,	
	2020	**2019**
Assets		
Non-current assets:		
Financial assets	5,121.0	5,121.1
Total non-current assets	**5,121.0**	**5,121.1**
Current assets:		
Amounts receivable within 1 year	9.2	27.3
Other investments and deposits	199.4	209.2
Cash at bank and in hand	3.9	1.2
Total current assets	**212.5**	**237.7**
Total assets	**5,333.5**	**5,358.8**

(€ in millions)	As of December 31,	
	2020	**2019**
Equity and Liabilities		
Equity:		
Capital	12.8	12.8
Share premium	80.7	80.7
Reserves	267.3	277.0
Profit to be carried forward	4,138.8	4,478.4
Total equity	**4,499.6**	**4,848.9**
Liabilities:		
Provisions	—	9.5
Amounts payable after more than 1 year	517.1	151.2
Amounts payable within 1 year	316.8	349.2
Total liabilities	**833.9**	**509.9**
Total Equity and Liabilities	**5,333.5**	**5,358.8**

2. Abridged non-consolidated income statement Telenet Group Holding NV (Statutory accounts)

(€ in millions)	For the years ended December 31,	
	2020	**2019**
Operating income	8.2	2.1
Operating expenses	3.4	9.2
Operating profit	**11.6**	**11.3**
Finance income	—	474.8
Finance expenses	(25.2)	(27.3)
Taxes	—	—
Profit/(loss) to be appropriated	**(13.6)**	**458.8**

3. Capital Telenet Group Holding NV (Statutory accounts)

	2020	
	(€ in millions)	*(number of shares)*
Issued capital		
January 1, 2020	**12.8**	**114,656,785**
Cancellation of own shares acquired by the Company under the Share Repurchase Program 2020	—	(814,966)
December 31, 2020	**12.8**	**113,841,819**

Composition of the capital

Dispreference shares	—	94,843
Golden shares	—	30
Ordinary shares without nominal value	12.8	113,746,946

4. Accounting Policies Telenet Group Holding NV (Statutory accounts)

4.1 General

The Accounting Policies have been determined in accordance with the conditions of Royal decree of 29 April 2019 implementing the Code for Companies and Associations.

Every component of the assets is valued individually. Depreciation is calculated on a monthly basis. As a general rule, each component of the assets is valued at its acquisition cost, and shown in the balance sheet at that amount, minus any depreciation or write-downs. The amounts receivable are also shown, in principle, at their nominal value.

4.2 Specific accounting policies

4.2.1 Formation expenses

Debt issuance costs are expensed as incurred.

4.2.2 Financial assets

Investments are recorded at their acquisition value. For the investments recorded under the heading "Financial fixed assets", an impairment loss is accounted for in case of permanent capital loss or decline in value, justified by the situation, profitability or outlook of the respective investees.

4.2.3 Amounts receivable within one year

Amounts receivable are recorded on the balance sheet at their nominal value. An appropriate write-down will be made if part or all of the payment on the due date is uncertain, or if the recoverable amount on the balance sheet date is lower than the book value.

Amounts receivable in foreign currency are converted at the official exchange rate applicable on the date when the invoice is posted. At the end of the financial year, they are converted using the official exchange rate on the balance sheet date.

4.2.4 Other investments and cash at bank and in hand

Balances held with financial institutions are valued at their nominal value.

Securities are valued at their acquisition value. Other cash equivalents are shown at their nominal value.

The additional expenses are charged immediately to earnings. Write-downs are accounted for if the recoverable amount on the balance sheet date is lower than the book value.

4.2.5 Amounts payable after more than 1 year and within 1 year

Creditors are shown in the balance sheet at their nominal value. Trade creditors in foreign currency are shown at the exchange rate on the date when the incoming invoice was posted. At the end of the financial year, they are converted using the exchange rate on the balance sheet date.

4.2.6 Fees related to long term financing

The financing fees, including early redemption fees and debt issuance costs are expensed as incurred.

4.2.7 Income statement

Income and expenses are recognized in the period to which they relate.

5. Abridged annual report concerning the statutory annual accounts of Telenet Group Holding NV

5.1 Comments on the balance sheet

5.1.1 Financial assets

Investments amounted to €5,120.2 million as of December 31, 2020 (2019: €5,120.0 million) and consisted of:

(€ in millions)	As of December 31,	
	2020	**2019**
Investees		
Telenet Vlaanderen NV	0.3	0.3
Telenet Group NV	5,116.6	5,116.6
Idealabs Telenet Fund NV	0.6	0.6
Imec.istart Fund	0.8	0.6
Recneps NV	1.9	1.9
Investees	**5,120.2**	**5,120.0**
Amounts receivables from affiliated companies		
Doccle Up NV	—	0.3
Doccle cv	0.3	0.3
Idealabs Telenet Fund NV	0.5	0.5
Amounts receivables from affiliated companies	**0.8**	**1.1**
Non-current financial assets	**5,121.0**	**5,121.1**

5.1.2 Amounts receivable within one year

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company recognized a provision amounting to €9.5 million as of December 31, 2019 related to the expected future loss on own shares when the stock options are expected to be exercised. This cost was recharged to Telenet BV and Telenet Group NV, the entities in which the beneficiaries are employed and all personnel expenses are incurred. As per December 31, 2020, all outstanding stock option plans were out of the money, and consequently, no such provision for future losses was recognized. The total outstanding receivable on Telenet BV and Telenet Group NV as per December 31, 2020 amounted to respectively €3.0 million and €1.0 million (2019: respectively €22.7 million and €1.9 million).

Other current receivables as of December 31, 2020 include a €4.8 million current income tax receivable, ultimately payable as to an affiliated Telenet company in the context of tax consolidation.

5.1.3 Other investments, deposits and cash

The investments as reported at year-end 2020 for an amount of €199.4 million consisted integrally of own shares (2019: €209.2 million). The own shares are held by the Company to cover the Company's obligations under existing stock option plans. There are no dividend rights for these shares for as long as they remain in possession of the Company. No stock options were exercised during the 12 months ended December 31, 2020. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved. In 2019, the Company delivered 1,364,091 own shares in exchange for stock options exercised and the settlement of the Company's Performance Share Plan 2016.

5.1.4 Capital

No changes occurred in the capital of the Company during financial year 2020.

5.1.5 Share premium

No changes occured in this section of the annual accounts.

5.1.6 Reserves

Total reserves at year-end 2020 amounted to €267.3 million (2019: €277.0 million).

(€ in millions)	As of December 31,	
	2020	**2019**
Reserves		
Legal reserve	64.8	64.8
Reserves unavailable for distribution		
- for own shares	199.5	209.2
Untaxed reserves	3.0	3.0
Reserves	**267.3**	**277.0**

As of December 31, 2020, the Company held 4,598,558 own shares. During the twelve months ended December 31, 2020, the Company acquired 1,100,000 own shares under the Share Repurchase Program 2020 for a total amount of €34.4 million. On April 29, 2020, 814,966 own shares previously acquired by the Company under the Share Repurchase Program 2020 were cancelled, resulting in a decrease of the reserves unavailable for distribution amounting to €35.4 million. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved, resulting in a further decrease of the above mentioned reserves of €8.7 million.

The untaxed reserves of €3.0 million relate to the capital reduction of €3.25 as decided upon by the general meeting of shareholders in April 2012 on 648,584 own shares that were held on the payment date, being August 31, 2012. The €2.1 million was not paid out, but added back to the Company's equity as untaxed reserves. The remaining €0.9 million consists of the right to the 2012 dividend and capital reduction of €3.25 and €1.0, respectively) related to the 220,352 own shares held with respect to the obligation under the Company's stock option plans. As this right was cancelled in 2013, the corresponding amount €0.9 million is recognized as untaxed reserves.

5.1.7 Provisions

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company accounted for a provision amounting to €9.5 million at December 31, 2019 related to the expected future loss on own shares when the stock options are expected to be exercised. As per December 31, 2020, no such provision was recognized as all underlying stock option plans were out of the money.

5.1.8 Amounts payable after more than one year

As of December 31, 2020 and 2019, total amounts payable after more than one year consisted of loans from Telenet International Finance S.à r.l of which €517.1 million is due after more than one year as of December 31, 2020 (2019: €151.2 million) and €142.3 million within one year (2019: €188.2 million). The increase in outstanding loan payable during 2020 resulted primarily from additional funds received for financing the 2020 dividend payments.

5.1.9 Amounts payable within one year

Amounts payable within one year amounted to €166.6 million as of December 31, 2020 compared to €350.1 million at year-end 2019 and can be detailed as follows:

(€ in millions)		**As of December 31,**
	2020	**2019**
Amounts payable within one year		
Trade debts	0.4	0.4
Taxes, remuneration and social security	2.7	5.8
Loan Telenet International Finance S.à r.l	142.3	188.2
Other amounts payable	171.4	154.8
Amounts payable within one year	**316.8**	**349.2**

The outstanding trade debts as per December 31, 2020 (€0.4 million) relate mostly to invoices to receive for other professional services for €0.3 million (2019: €0.4 million).

The taxes, remuneration and social security outstanding as of December 31, 2020 amounted to €2.7 million (2019: €5.8 million) and consisted primarily of the social security charges related to performance shares which are payable upon vesting of the underlying performance shares amounting to €1.4 million (2019: €4.8 million) and €1.3 million related to additional accruals for annual bonus (2019: € 1.0 million).

The Company received loans from Telenet International Finance S. à r.l in order to finance the dividend payments and to fund the Share Buy Back programs, the short term portion of this loan is €142.3 million as of December 31, 2020 (2019: €188.2 million).

The other amounts payable for an amount of €171.4 million as per December 31, 2020 (2019: €155.7 million) consisted of €151.5 million of 2020 dividends declared as well as past dividends and capital reductions payable, which were not yet claimed as of December 31, 2020. The other amounts payable of €19.9 million as of December 31, 2020 were linked to the interest accrual on debts towards Telenet International Finance S.à.r.l.

5.2 Comments on the income statement

The income statement showed a loss of €13.6 million for the financial year ended December 31, 2020 (versus a gain of €458.8 million in 2019). Net operating profit for the year amounted to €11.6 million (compared to a profit of €11.3 million in 2019).

Operating income amounted to €8.2 million for the year ended December 31, 2020 (2019: €2.1 million) and included recharges of costs related stock options to Telenet BV and Telenet Group NV (€3.4 million), next to a non-recurrent income of €4.8 million recognized under the system of group contribution under the Belgian fiscal consolidation regime.

The operating expenses decreased from a net income of €9.2 million to a net income of €3.4 million for the 12 months ended December 31, 2020 mainly attributable to a reversal of the provision for expected future loss on own shares for when the stock options are expected to be exercised (€9.5 million reversal of provision in 2020 versus a €14.5 million reversal of provision in 2019). In line with the underlying accounting principles additions as well as reversals of such provisions are included in operating expenses.

The financial income amounted to €474.8 million for the year ended December 31, 2019, for the year ended December 31, 2020 no such financial income has been accounted for.

(€ in millions)	For the years ended December 31,	
	2020	**2019**
Finance income		
Financial income from financial fixed assets	—	474.6
Reversal of impairment De Vijver Media NV	—	0.2
Finance income	**—**	**474.8**

Financial income from financial fixed assets as per December 31, 2019 resulted from an interim dividend distribution by Telenet Group NV, as approved by the Board of Directors on December 18, 2019. For the year ended December 31, 2020 no interim dividend distribution has occurred.

Finance expense amounted to €25.2 million for the year ended December 31, 2020 compared to €27.3 million in the prior year and consists of:

(€ in millions)	For the years ended December 31,	
	2020	**2019**
Finance expense		
Interest charges		
- Telenet International Finance S.à r.l.	13.5	13.9
Loss on sale of treasury shares	8.7	13.4
Financing cost	2.8	—
Other finance expense	0.2	—
Finance expense	**25.2**	**27.3**

No stock options were exercised during the 12 months ended December 31, 2020. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to €8.7 million, with no cash received, the Company realized a loss of €8.7 million. During 2019, stock options exercised resulted in the delivery of own shares by the Company to the stock option holders. As part of the Performance Share Plan 2016 and hiring bonus being settled in own shares, the Company delivered another 108,626 shares to the beneficiaries involved. The Company realized a loss on the sale of own shares of €13.4 million for the year ended December 31, 2019.

Financing cost for the year ended December 31, 2020 of €2.8 million resulted from the successful issuance of a new USD 2,295 million Term Loan (Facility AR), maturity April 30, 2028 and a new €1,110 million Term Loan (Facility AQ), maturity April 30, 2029. In line with underlying accounting principles, financing costs of debt issuance were fully recognized in financial expenses at the time of the transaction. No similar transaction occurred in 2019 which would have required the Company to recognize such cost in 2019.

The Company proposes to the general shareholders' meeting to:

- bring forward the profit brought forward at the prior year-end amounting to €4,478.4 million, resulting in a profit available for appropriation amounting to €4,138.8 million at December 31, 2020;
- allocate an amount of €25.8 million to the reserves unavailable for distribution for own shares;
- allocate an amount of €300.2 million as dividend contribution to its shareholders.

As a result, the profit to be carried forward amounted to €4,138.8 million as of December 31, 2020.

5.3 Information on research and development

We refer to the consolidated annual report of the board of directors.

5.4 Risk factors

We refer to the consolidated annual report of the board of directors.

5.5 Information about subsequent events

We refer to the consolidated annual report of the board of directors.

5.6 Going concern

The going concern of the Company is entirely dependent on that of the Telenet Group.

Currently, the Telenet group still has a substantial amount of losses carried forward on the balance sheet, but succeeded to deliver mostly stable Adjusted EBITDA margins and slightly lower operational cash flows. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's profit generating activities in order to absorb the losses carried forward over time. Because of the relatively stable number of subscribers on telephony, internet and digital television and a further focus on cost control and process improvements, the Company was again able to deliver strong operating results.

As of December 31, 2020, the Company carried a total debt balance (including accrued interest) of €5,417.9 million, of which €1,358.1 million principal amount is related to the € and USD-denominated Senior Secured Fixed Rate Notes due in March 2028 and €2,996.7 million principal amount is owed under Telenet's 2020 Amended Senior Credit Facility with maturities ranging from April 2028 through April 2029. Telenet's total debt balance at December 31, 2020 also included €353.9 million of short-term debt related to Telenet's vendor financing program (including accrued interest). The remainder primarily represents the Company's lease obligations merely associated with the Interkabel Acquisition and lease liabilities following the adoption of IFRS 16.

Taking into account the mostly stable Adjusted EBITDA results of the current year, the board of directors believes that the Telenet group will be able to fund the further development of its operations and to meet its obligations and believes that the current valuation rules, as enclosed in the annual accounts, and in which the continuity of the Company is assumed, are correct and justified under the current circumstances.

5.7 Application of legal rules regarding conflicts of interest

We refer to the consolidated annual report of the board of directors, paragraph 8.5.6.1 of corporate governance statement.

5.8 Branch office of the Company

Telenet Group Holding NV has no branch offices.

5.9 Extraordinary activities and special assignments carried out by the auditor

We refer to the notes to the consolidated financial statements of the Company.

5.10 Telenet hedging policy and the use of financial instruments

We refer to the consolidated annual report of the board of directors.

5.11 Grant of discharge to the directors and statutory auditor

In accordance with the law and articles of association, the shareholders will be requested at the annual shareholders' meeting of April 28, 2021 to grant discharge to the directors and the statutory auditors of their responsibilities assumed in the financial year 2020.

5.12 Information required pursuant to article 34 of the Belgian Royal Decree of November 14, 2007 and the law of April 6, 2010

We refer to the consolidated annual report of the board of directors.

This report shall be deposited in accordance with the relevant legal provisions and is available at the registered office of the Company.

5.13 Non-financial information

We refer to the consolidated annual report of the board of directors.

Mechelen, March 19, 2021

On behalf of the board of directors

John Porter	Bert De Graeve
Chief Executive Officer	Chairman

Notes

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