

Information related to Regulation G

Telenet Group Holding NV (Telenet):

Telenet is a leading provider of media and telecommunication services. Its business comprises the provision of cable television, high speed internet and fixed and mobile telephony services in Belgium. For purposes of its standalone reporting obligations, Telenet prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (GAAP).

Adjusted EBITDA, Adjusted EBITDA less P&E Additions (previously referred to as Operating Free Cash Flow or "OFCF") and Adjusted Free Cash Flow are non-GAAP measures as contemplated by the U.S. Securities and Exchange Commission's Regulation G. Telenet believes that its presentation of Adjusted EBITDA and Adjusted EBITDA less P&E Additions measures provide useful information to investors, as both measures provide a transparent view of Telenet's recurring operations and is a key measure that is used by Telenet's chief operating decision makers to evaluate operating performance and to decide how to allocate resources.

Telenet believes that its presentation of Adjusted Free Cash Flow provides useful information to investors, as this measure can be used to gauge Telenet's ability to service debt and fund new investment opportunities. Adjusted Free Cash Flow should not be understood to represent Telenet's ability to fund discretionary amounts, as Telenet has various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount.

Investors should view Telenet's Adjusted EBITDA, Adjusted EBITDA less P&E Additions and Adjusted Free Cash Flow as supplements to, and not substitutes for, operating income, net profit, cash flows from operating activities and other GAAP measures of income or cash flows. A reconciliation of Adjusted EBITDA, Adjusted EBITDA less P&E Additions and Adjusted Free Cash Flow to the most directly comparable GAAP financial measure is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	in millions			
Profit for the period	€ 90.0	€ 113.2	€ 301.7	€ 298.1
Income tax expense	26.8	27.1	96.5	43.5
Share of the result of equity accounted investees	(1.1)	2.0	1.2	0.7
Gain on disposal of assets/liabilities related to a subsidiary or a joint venture	—	(32.8)	—	(28.5)
Net finance expense	37.4	55.5	66.2	153.3
Depreciation, amortization, impairment and gain on disposal of subsidiaries	174.7	165.6	532.3	547.4
EBITDA (a)	327.8	330.6	997.9	1,014.5
Share based compensation	4.5	10.8	17.3	18.8
Operating charges related to acquisitions or divestitures	5.9	1.4	12.8	3.1
Restructuring charges	0.2	0.3	1.1	5.3
Measurement period adjustments related to business acquisitions	—	—	(2.0)	(0.6)
Adjusted EBITDA (a)	338.4	343.1	1,027.1	1,041.1
Accrued capital expenditures (b)	(135.4)	(129.9)	(417.2)	(427.5)
Recognition of football broadcasting rights	0.4	5.5	3.4	6.0
Recognition of mobile spectrum licenses	8.4	—	16.8	—
Adjusted EBITDA less P&E Additions (c)	€ 211.8	€ 218.7	€ 630.1	€ 619.6

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	in millions			
Net cash from operating activities	€ 232.0	€ 158.2	€ 743.3	€ 729.9
Cash payments for direct acquisition and divestiture costs	0.3	0.8	2.7	1.7
Expenses financed by an intermediary	104.3	81.6	294.0	252.0
Purchases of property and equipment	(62.6)	(56.8)	(206.4)	(200.9)
Purchases of intangibles	(47.5)	(47.6)	(143.2)	(135.7)
Principal payments on amounts financed by vendors and intermediaries	(99.3)	(122.1)	(322.2)	(329.7)
Principal payments on leases (excluding network-related leases assumed in acquisitions)	(7.4)	(11.9)	(30.0)	(29.5)
Principal payments on post acquisition additions to network leases	(8.2)	(7.6)	(24.1)	(29.3)
Adjusted Free Cash Flow (d)	<u>€ 111.6</u>	<u>€ (5.4)</u>	<u>€ 314.1</u>	<u>€ 258.5</u>

- (a) Telenet defines EBITDA as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment. Telenet defines Adjusted EBITDA 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.
- (b) Telenet defines accrued capital expenditures as additions to property, equipment and intangible assets, including additions from leases and other financing arrangements, as reported in Telenet's consolidated statement of financial position on an accrued basis.
- (c) Telenet defines Adjusted EBITDA less P&E Additions as Adjusted EBITDA minus accrued capital expenditures as reported in Telenet's consolidated financial statements. Accrued capital expenditures exclude the recognition of football broadcasting rights and mobile spectrum licenses.
- (d) Telenet defines Adjusted Free Cash Flow as net cash provided by Telenet'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 (a) purchases of property and equipment and purchases of intangibles as reported in Telenet's consolidated statements of cash flows, (b) principal payments on amounts financed by vendors and intermediaries, (c) principal payments on leases (exclusive of network-related leases assumed in acquisitions) and (d) principal payments on post acquisition additions to network leases, each as reported in Telenet's consolidated statements of cash flows.