

## **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, 2022. 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 (conflicts 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,

	2022	2021
<b>Assets</b>		
<b>Non-current assets:</b>		
Financial assets	3,102.0	5,121.2
<b>Total non-current assets</b>	<b>3,102.0</b>	<b>5,121.2</b>
<b>Current assets:</b>		
Amounts receivable within 1 year	11.1	5.8
Other investments and deposits	143.9	201.4
Cash at bank and in hand	10.1	11.1
Deferred charges and accrued income	2.7	—
<b>Total current assets</b>	<b>167.8</b>	<b>218.3</b>
<b>Total assets</b>	<b>3,269.8</b>	<b>5,339.5</b>

(€ in millions) As of December 31,

	2022	2021
<b>Equity and Liabilities</b>		
<b>Equity:</b>		
Capital	12.8	12.8
Share premium	80.7	80.7
Reserves	212.4	270.0
Profit to be carried forward	2,849.7	4,343.6
<b>Total equity</b>	<b>3,155.6</b>	<b>4,707.1</b>
<b>Liabilities:</b>		
Amounts payable after more than 1 year	—	312.8
Amounts payable within 1 year	114.2	319.6
<b>Total liabilities</b>	<b>114.2</b>	<b>632.4</b>
<b>Total Equity and Liabilities</b>	<b>3,269.8</b>	<b>5,339.5</b>

## 2. Abridged non-consolidated income statement Telenet Group Holding NV (Statutory accounts)

(€ in millions)	For the years ended December 31,	
	2022	2021
Operating income	9.5	12.5
Operating expenses	(4.5)	(5.8)
<b>Operating profit</b>	<b>5.0</b>	<b>6.7</b>
Finance income	108.8	524.7
Finance expenses	(1,485.3)	(24.6)
Taxes	(0.2)	—
<b>Profit/(loss) to be appropriated</b>	<b>(1,371.7)</b>	<b>506.8</b>

# 3. Capital

## Telenet Group Holding NV

### (Statutory accounts)

	2022	
	(€ in millions)	(number of shares)
<b>Issued capital</b>		
<b>January 1, 2022</b>	<b>12.8</b>	<b>113,841,819</b>
Cancellation own shares	—	(1,731,819)
<b>December 31, 2022</b>	<b>12.8</b>	<b>112,110,000</b>
<b>Composition of the capital</b>		
Dispreference shares	—	94,843
Golden shares	—	30
Ordinary shares without nominal value	12.8	112,015,127

# 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.

The Board of Directors assesses whether there is a permanent impairment of the book value of the investments.

For this assessment, the Board of Directors uses, among other things, the average historical share price, the value based on discounted cash flow models and the value based on EBITDA multiples of Telenet Group Holding NV, the listed parent company. If the current share price of Telenet Group Holding NV at year-end is below the average value of the aforementioned methods, the Board of Directors assesses whether this loss in value is of a permanent nature, based on the period over which and the extent to which it has decreased below this average value.

#### 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 €3,010.9 million as of December 31, 2022 (2021: €5,120.5 million) and consisted of:

(€ in millions)	As of December 31,	
	2022	2021
<b>Investees</b>		
Telenet Vlaanderen NV	0.3	0.3
Telenet Group NV	3,007.0	5,116.6
Idealabs Telenet Fund NV	0.6	0.6
Imec.istart Fund	1.1	1.1
Recneps NV	1.9	1.9
<b>Investees</b>	<b>3,010.9</b>	<b>5,120.5</b>
<b>Amounts receivable from affiliated companies</b>		
Telenet Group NV	90.3	—
Doccle BV	0.3	0.2
Idealabs Telenet Fund NV	0.5	0.5
<b>Amounts receivable from affiliated companies</b>	<b>91.1</b>	<b>0.7</b>
<b>Non-current financial assets</b>	<b>3,102.0</b>	<b>5,121.2</b>

The Board of Directors concluded that at December 31, 2022, there was a permanent impairment in the Company's investment in Telenet Group NV. Consequently, the Company has recognized a permanent impairment of €1,472.4 million per December 31, 2022. In its analysis, the Board of Directors used the average historical share price, the value based on discounted cash flow models, the value based on EBITDA multiples, as well as other relevant data points. Based on these inputs, the Board of Directors determined the extent to which the decline in value of the Company's investment in Telenet Group NV was of a permanent nature as at December 31, 2022.

### 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 is required to recognize a provision for the expected future loss on own shares when the stock options are expected to be exercised. Such cost is 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, 2022 and December 31, 2021, 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, 2022 amounted to respectively €0.5 million and €3.3 million (2021: respectively €4.4 million and €1.2 million).

On March 25, 2022, Telenet Group Holding NV and DigitalBridge Investments LLC, a wholly owned subsidiary of DigitalBridge Group, Inc. (further referred to as "DigitalBridge"), entered into a binding agreement for the sale of 100% of the shares of Telenet Newco

NV (further referred to as "TowerCo") for a total consideration of €745.0 million on a cash-free and debt-free basis, fully payable in cash. The initial purchase price as defined in the aforementioned agreement, taking into account an initial net working capital adjustment as well as a price correction for new sites built at completion date amounted to a cash amount received of €733.0 million upon the closing of the transaction, i.e. June 1, 2022. As per December 31, 2022, the adjusted purchase price, after agreed upon contractually foreseen adjustments was determined to be €740.2 million, of which €733.0 million has been received in cash as per December 31, 2022, while the remaining €7.2 million has been accounted for as amount receivable within one year. This amount has been received in January 2023.

### **5.1.3 Other investments, deposits and cash**

The investments as reported at year-end 2022 for an amount of €143.9 million consisted integrally of own shares (2021: €201.4 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.

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

Under this program, 435,709 shares were repurchased in 2021 and 664,291 shares in 2022 for an amount of €13.5 million and €21.9 million respectively. With this repurchase, the Company completed the aforementioned share buy-back program.

Following the repurchase of 664,291 shares in 2022 and the cancellation of 1,731,819 own shares (cancellation of 1,100,000 own shares on April 27, 2022 at a value of €45.2 million and 631,819 own shares on December 6, 2022 at a value of €26.0 million), the Company held 3,500,526 own shares as of December 31, 2022.

No stock options were exercised during the twelve months ended December 31, 2022. As a consequence of the vesting and settlement in own shares in 2022 of the:

- Performance Share Plan 2019,
- Restricted Share Plan 2020,
- Restricted Share Plan 2021 and,
- Compensation Restricted Share Plan May 2022,

the Company delivered in total 216,024 own shares to the beneficiaries involved, resulting in a decrease of own shares of €8.9 million.

Following the (partial) vesting and settlement in own shares of the Performance Share Plan 2018, the Restricted Share Plan 2019, the Restricted Share Plan 2020, the May 2021 Compensation Restricted Share Plan and the December 2021 Compensation share Plan, the Company delivered in 2021 in total 250.189 shares to the beneficiaries involved, resulting in a decrease of own shares of €10.8 million. No stock options were exercised during the twelve months ended December 31, 2021.

### **5.1.4 Capital**

No changes occurred to the capital of the Company during financial year 2022.

### **5.1.5 Share premium**

No changes occurred to the share premium of the Company during financial year 2022.

## 5.1.6 Reserves

Total reserves at year-end 2022 amounted to €212.4 million (2021: €270.0 million).

(€ in millions)	As of December 31,	
	2022	2021
<b>Reserves</b>		
Legal reserve	64.8	64.8
Reserves unavailable for distribution		
- for own shares	144.6	202.2
Untaxed reserves	3.0	3.0
<b>Reserves</b>	<b>212.4</b>	<b>270.0</b>

As of December 31, 2022, the Company held 3,500,526 own shares. During the year ended December 31, 2022, the Company acquired 664,291 own shares under the Share Repurchase Program 2021 for a total amount of €21.9 million. Following the repurchase of 664,291 shares in 2022, 1,731,819 own shares were cancelled (cancellation of 1,100,000 own shares on April 27, 2022 at a value of €45.2 million and 631,819 own shares on December 6, 2022 at a value of €26.0 million). Following the (partial) vesting and settlement in own shares of the Performance Share Plan 2019, the Restricted Share Plan 2020, the Restricted Share Plan 2021 and the May 2022 Compensation Restricted Share Plan, the Company delivered in 2022 in total 216,024 shares to the beneficiaries involved, resulting in a further decrease of the above mentioned reserves of €8.9 million.

As of December 31, 2021, the Company held 4,784,078 own shares. During the year ended December 31, 2021, the Company acquired 435,709 own shares under the Share Repurchase Program 2021 for a total amount of €13.5 million. Following the (partial) vesting and settlement in own shares of the Performance Share Plan 2018, the Restricted Share Plan 2019, the Restricted Share Plan 2020, the May 2021 Compensation Restricted Share Plan and the December 2021 Compensation share Plan, the Company delivered in 2021 in total 250,189 shares to the beneficiaries involved, resulting in a further decrease of the above mentioned reserves of €10.8 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 is required to recognize a provision for the expected future loss on own shares when the stock options are expected to be exercised. As per December 31, 2022 and December 31, 2021, all outstanding stock option plans were out of the money, and consequently, no such provision for future losses was recognized.

## 5.1.8 Amounts payable after more than one year

As of December 31, 2021, total amounts payable after more than one year consisted of loans from Telenet International Finance S.à r.l of which €312.8 million due after more than one year and €159.3 million payable within one year. The payable was fully settled during the year 2022 using the proceeds from the TowerCo deal.

## 5.1.9 Amounts payable within one year

Amounts payable within one year amounted to €114.2 million as of December 31, 2022 compared to €319.6 million at year-end 2021 and can be detailed as follows:

(€ in millions)	As of December 31,	
	2022	2021
<b>Amounts payable within one year</b>		
Trade debts	1.0	0.6
Taxes, remuneration and social security	1.6	3.4
Loan Telenet International Finance S.à r.l	—	159.3
Loan Telenet Group NV	1.5	—
Other amounts payable	110.1	156.3
<b>Amounts payable within one year</b>	<b>114.2</b>	<b>319.6</b>

The outstanding trade debts of €1.0 million as per December 31, 2022 (2021: €0.6 million) relate mostly to invoices to receive for other professional services for €0.8 million (2021: €0.4 million).

The taxes, remuneration and social security outstanding as of December 31, 2022 amounted to €1.6 million (2021: €3.4 million) and consisted primarily of the withholding tax related to performance shares which is payable upon vesting of the underlying performance shares amounting to €0.1 million (2021: €1.8 million), €1.3 million related to additional accruals for annual bonus (2021: €1.6 million) and €0.2 million current income tax provision.

The Company received loans from Telenet International 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 being €159.3 million as of December 31, 2021. This loan was fully repaid during 2022 with the proceeds from the TowerCo deal. Per December 31, 2022, Telenet Group Holding NV has a loan payable within one year of €1.5 million towards Telenet Group NV.

The other amounts payable for an amount of €110.1 million as per December 31, 2022 (2021: €156.3 million) consisted of €110.1 million of 2022 dividends declared as well as past dividends and capital reductions payable, which were not yet claimed as of December 31, 2022 (2021: €150.5 million). As of December 31, 2021 the other amounts payable also included a €5.8 million linked to the cash current account and 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 €1,371.7 million for the financial year ended December 31, 2022 (versus a profit of €506.8 million in 2021). Net operating profit for the year amounted to €5.0 million (compared to an operating profit of €6.7 million in 2021).

Operating income amounted to €9.5 million for the year ended December 31, 2022 (2021: €12.5 million) and included recharges of costs related to stock options and other to Telenet BV and Telenet Group NV for a total amount of €9.4 million (2021: €12.5 million).

The operating expenses decreased from a net cost of €5.8 million for the year ended December 31, 2021 to a net cost of €4.4 million for the year ended December 31, 2022 and mainly relates to lower employee benefits related costs.

The financial income amounted to €108.8 million for the year ended December 31, 2022 versus €524.7 million for the year ended December 31, 2021.

(€ in millions)	For the years ended December 31,	
	2022	2021
<b>Finance income</b>		
Financial income from financial fixed assets	106.1	524.0
Financial income from current assets	2.7	0.7
<b>Finance income</b>	<b>108.8</b>	<b>524.7</b>

Financial income from financial fixed assets as per December 31, 2021 resulted from an interim dividend distribution by Telenet Group NV, as approved by the Board of Directors and Extraordinary General Meeting of Shareholders held on July 27, 2021. Finance income includes a €106.1 million gain on the sale of 100% of the shares of TowerCo to DigitalBridge. For the year ended December 31, 2022 no interim dividend distribution occurred.

For the years ended December 31, 2022 and 2021 financial income from current assets primarily includes interest income from the cash current account with Telenet Group NV and Telenet International Finance S.à r.l. respectively.

Finance expense amounted to €1,485.3 million for the year ended December 31, 2022 compared to €24.6 million in the prior year and consists of:

(€ in millions)	For the years ended December 31,	
	2022	2021
<b>Finance expense</b>		
Interest charges		
- Telenet International Finance S.à r.l.	3.8	13.5
Loss on sale of treasury shares	8.9	10.8
Financing cost	—	0.2
Other finance expense	0.2	0.1
Non-recurring finance expense	1,472.4	—
<b>Finance expense</b>	<b>1,485.3</b>	<b>24.6</b>

No stock options were exercised during the 12 months ended December 31, 2022 and 2021. Following the (partial) vesting and settlement in own shares of the Performance Share Plan 2019, the Restricted Share Plan 2020, the Restricted Share Plan 2021 and the May 2022 Compensation Restricted Share Plan, the Company delivered in 2022 in total 216.024 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to €8.9 million, with no cash received, the Company realized a loss of €8.9 million. Following the (partial) vesting and settlement in own shares of the Performance Share Plan 2018, the Restricted Share Plan 2019, the Restricted Share Plan 2020, the May 2021 Compensation Restricted Share Plan and the December 2021 Compensation share Plan, the Company delivered in 2021 in total 250.189 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to €10.8 million, with no cash received, the Company realized a loss of €10.8 million.

Non-recurring finance expense for the year ended December 31, 2022 represents the permanent impairment on the participation in Telenet Group NV as assessed by the Board of Directors of the Company.

The Company proposes to the general shareholders' meeting to:

- bring forward the profit brought forward at the prior year-end amounting to €4,343.6 million, resulting in a profit available for appropriation amounting to €2,971.9 million at December 31, 2022;
- allocate an amount of €13.6 million to the reserves unavailable for distribution for own shares;
- allocate an amount of €108.6 million as dividend to its shareholders.

As a result, the profit to be carried forward amounted to €2,849.7 million as of December 31, 2022.

## 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.

At December 31, 2022, Telenet carried a total debt balance (including accrued interest) of €6,654.9 million, of which €1,473.7 million principal amount is related to the € and USD-denominated Senior Secured Fixed Rate Notes due March 2028 and €3,252.8 million principal amount is owed under its 2020 Amended Senior Credit Facility with maturities ranging from April 2028 through April 2029. Telenet's total debt balance at December 31, 2022 also included a principal amount of €345.9 million related to its vendor financing program as further detailed below. The remainder primarily represents lease obligations associated with (i) the June 1, 2022 sale of Telenet's mobile tower business to DigitalBridge resulting into a 15-year MLA, (ii) the long-term emphyotic lease with Fluvius for the use of its HFC network covering approximately one-third of Flanders prior to the anticipated closing of the NetCo transaction which Telenet expects by summer of 2023 and (iii) other leases. Finally, Telenet's total debt balance at December 31, 2022 also included outstanding liabilities of €399.7 million concerning the mobile spectrum licenses following last year's multiband spectrum auction as the Company has opted for annual deferred payments over the lifetime of each license as opposed to advance payments.

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 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 26, 2023 to grant discharge to the directors and the statutory auditors of their responsibilities assumed in the financial year 2022.

## 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 21, 2023

On behalf of the board of directors

John Porter

Chief Executive Officer

Jo Van Biesbroeck

Chairman







**Corporate Communications**

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**Responsible editor**

Telenet, Rob Goyens

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