FINANCIAL REPORT 2019

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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 2019 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, 2019, in accordance with articles 3:6 and 3:32 (previously articles 96 and 119) 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) For purposes of calculating **rebased** growth rates on a comparable basis for the year ended December 31, 2019, Telenet has adjusted its historical revenue and Adjusted EBITDA to include (i) the pre-acquisition revenue and Adjusted EBITDA of Nextel (fully consolidated since May 31, 2018), (ii) the pre-acquisition revenue and Adjusted EBITDA of De Vijver Media (fully consolidated since June 3, 2019) and (iii) the impact of International Financial Reporting Standards ("IFRS 16") (applied as of January 1, 2019) in our rebased amounts for the year ended December 31, 2018 to the same extent that the revenue and Adjusted EBITDA of such entity is included in our results for the year ended December 31, 2019. Telenet has reflected the revenue and Adjusted EBITDA of Nextel and De Vijver Media in our 2018 rebased amounts based on what the Company believes to be the most reliable information that is currently available to it (generally pre-acquisition financial statements), as adjusted for the estimated effects of (a) any significant differences between our accounting policies and those of the acquired entities, (b) any significant effects of acquisition accounting adjustments, and (c) other items we deem 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 the Company 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 its historical results or that the pre-acquisition financial statements Telenet 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 our 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, and are not presented as a measure of its pro forma financial performance.

(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, post measurement period adjustments related to business acquisitions and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets, (ii) due diligence, legal, advisory and other third-party costs directly related to the Company's efforts to acquire or divest controlling interests in businesses, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted EBITDA is 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.

(3) **Accrued capital expenditures** are defined as additions to property, equipment and intangible assets, including additions from capital 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.

(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 capital 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 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 all of the Company's short-term and long-term 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 EBITDA. In its statement of financial

position, Telenet's USD-denominated debt has been converted into € using the December 31, 2019 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 2.3 Term Loan AN) 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.

(18) **Net covenant leverage** is calculated as per the 2018 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 leases entered into on or prior to August 1, 2007, (iv) any indebtedness incurred under the network lease entered into with the pure intermunicipalities and (v) any vendor financing-related liabilities, divided by last two quarters' Consolidated Annualized EBITDA including certain unrealized cost synergies related to the BASE and SFR Belux acquisitions.

Important reporting changes

Representation of mobile postpaid telephony subscribers: Telenet has represented the March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018 mobile postpaid subscriber base following the removal of inactive "pay as you go subscribers". These subscribers do not pay a monthly subscription fee and are only being billed on their effective usage. As a result of the inactive status of certain SIM cards, Telenet reduced both its mobile postpaid subscriber base and total mobile subscribers by 49,400, 58,800, 52,700 and 47,100, respectively for the periods mentioned above. This adjustment did not impact the Company's mobile telephony revenue for the year ended December 31, 2019.

Adoption of IFRS 16 Leases: As of January 1, 2019, the Company has adopted IFRS 16 Leases as mentioned in its 2018 Annual Report (see Section 5.2.20 - ***Forthcoming requirements***). In applying IFRS 16, the Company has recognized new assets and liabilities for leases previously classified as operating leases, being operating leases of (i) site rentals, (ii) real estate, (iii) cars and (iv) dark fiber. IFRS 16 also changed the nature of expenses related to those leases because the Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. In addition, the Company no longer recognizes provisions for operating leases that are assessed to be onerous. Instead, the Company includes the payments due under such leases in the lease liability and records an impairment of the corresponding right-of-use asset. The application of IFRS 16 had a €41.7 million favorable impact on the Company's Adjusted EBITDA for the year ended December 31, 2019 and when applied as of January 1, 2018, the application of IFRS 16 would have boosted the Company's Adjusted EBITDA over the year ended December 31, 2018 by €42.3 million.

Purchase price allocation for the Nextel acquisition: The Company's December 31, 2018 statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation ("**PPA**") for the Nextel acquisition, which was not yet available at year-end 2018. The fair value adjustment on the intangible assets (€25.7 million) mainly related to the acquired customer relationships (€16.5 million), trade names (€6.8 million) and technology (€2.4 million). The assessment of the sale-and-lease back and renting model resulted in the derecognition of deferred revenue (€2.7 million) and property and equipment (€7.1 million) which were replaced by a lease receivable (€8.9 million). Together with the deferred tax impact of the above mentioned adjustments (€7.8 million), goodwill was reduced by €22.3 million. The recognition of the fair value of the intangible assets and the adjustment to the sale-and-lease back and accounting policy alignment of Nextel resulted in additional amortization expense (€2.1 million), a decrease in depreciation expense (€1.8 million), a reduction of the revenues (€1.0 million) and an increase of the cost of goods sold (€0.7 million) recognized for the period between the acquisition date (May 31, 2018) and December 31, 2018, for which the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2018 was 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 following the acquisition of SFR Belux, which Telenet acquired on June 19, 2017. 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, 2019, Telenet served 2,072,100 unique customer relationships, which represented approximately 61% of the 3,385,200 homes passed by its leading HFC network across its Flemish and Brussels footprint. At December 31, 2019, Telenet provided 4,743,500 fixed services ("**RGUs**") consisting of 1,866,600 video, 1,664,400 broadband internet and 1,212,500 fixed-line telephony subscriptions. In addition, approximately 91% of video subscribers had upgraded to the higher ARPU enhanced video platform at December 31, 2019. 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 our over-the-top ("**OTT**") platform "Yelo Play". At December 31, 2019, Telenet also served 2,808,400 mobile subscribers, of which approximately 84% are subscribed to any of its 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, 2019, which was stable compared to December 31, 2018. Approximately 31% of Telenet's cable customers subscribed to a quadruple-play bundle at December 31, 2019 (excluding mobile subscriptions under the BASE brand), a solid increase of 4 percentage points compared to the same period of last year, indicating continued uptake of Telenet's fixed-mobile convergence strategy. At December 31, 2019, our FMC customer base, which includes both Telenet's "WIGO" and "YUGO" customers, reached a total of 547,400 FMC customers, which was up 37% year-on-year. As such, the penetration of FMC subscribers relative to the total number of customer relationships represented approximately 26% at December 31, 2019 as compared to approximately 19% at December 31, 2018. All of Telenet's "WIGO" bundles include a superfast broadband connection, WiFi access, unlimited fixed and mobile calls in Belgium and a mobile data allowance to be shared among individual family members. For the year ended December 31, 2019, Telenet's total revenue was €2,583.9 million, which was up 2% versus €2,533.8 million for the year ended December 31, 2018, and its Adjusted EBITDA was €1,375.4 million, up 4% compared to the year ended December 31, 2018.

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, 2019, Telenet achieved an ARPU per customer relationship of €57.7, representing a solid 3% increase relative to the year ended December 31, 2018. Growth in the ARPU per customer relationship was underpinned by (i) a higher proportion of multiple-play subscribers in the overall customer mix, (ii) a larger share of higher-tier broadband subscribers in the mix and (iii) the benefit from certain price adjustments, which was partly offset by a higher proportion of bundle discounts (including fixed-term promotions) and lower out-of-bundle usage-related revenue.

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. At December 31, 2019, Telenet's total basic and enhanced video customer base reached 1,866,600. All of Telenet's basic video subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio 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.

Early October 2019, Telenet launched the "Signal Switch" campaign in order to prepare for the switch-off of both the analog radio and video signals between 2020 and 2021. This will free up capacity on the Combined Network for the ever-increasing digital traffic. The analog video switch-off will start in the autumn of 2020 and will be phased until the end of 2021, whereas the analog radio signal will be phased out as of February 2020.

For the year ended December 31, 2019, Telenet lost 73,300 net video subscribers (for the year ended December 31, 2018: 91,400), impacted by higher churn in the acquired SFR Belux footprint and the intensely competitive environment. The aforementioned 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 television service or having moved out of Telenet's service footprint.

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, 2019, 1,701,900 of Telenet's video customers had upgraded to the higher ARPU enhanced video services, so they can enjoy a much richer 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 includes Telenet's latest digital TV platform, including the next-generation cloud-based set-top box with voice recognition capabilities, which Telenet launched at the end of April 2019. For the year ended December 31, 2019, Telenet lost 36,800 enhanced video subscribers (for the year ended December 31, 2018: 47,900), impacted by higher churn in the acquired SFR Belux footprint as mentioned above and the intensely competitive market environment. Telenet's digitalization ratio, which measures the total base of enhanced video customers relative to Telenet's total video subscriber base, reached approximately 91% at December 31, 2019, compared to approximately 90% at December 31, 2018.

Telenet's subscription VOD packages "Play" and "Play More" had 431,300 customers at December 31, 2019. Telenet continues to invest in promising local content both through co-productions with the wholly-owned commercial channels "VIER", "VIJF" and "ZES" as well as certain proprietary content. In December 2018, Telenet extended and increased the size of its contract with the American channel HBO. As a result, Telenet has been offering the full catalog of HBO top series as from early 2019. Telenet also provides the broadest sports offering within its footprint through "Play Sports", which combines domestic and foreign football, including the UK Premier League amongst others, with other major sport events including golf, ATP tennis, Formula One racing, volleyball, basketball and hockey. At December 31, 2019, Telenet served 238,700 "Play Sports" customers.

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 GHz, enabling data download speeds of at least 1 Gbps. 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. Telenet's brand-wide "Go With The Good Flow" campaign, which Telenet launched during the summer of 2018, has been very successful with 544,000 WiFi boosters distributed at the end of 2019. This already represents over one-third of Telenet's total broadband internet subscriber base in only 18 months.

At December 31, 2019, Telenet has deployed around 1.5 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global and certain of its affiliates, as well as Walloon cable operator Nethys, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company's network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks.

At December 31, 2019, Telenet served 1,664,400 broadband internet subscribers, broadly stable from December 31, 2018 and equivalent to approximately 49% of the homes passed by its HFC network. For the year ended December 31, 2019, Telenet lost 6,600 net broadband subscribers (16,300 for the year ended December 31, 2018), impacted by the intensely competitive market environment. Consequently, Telenet's annualized churn rate reached 10.1% for the year ended December 31, 2019, as compared to 11.6% for the year ended December 31, 2018, which was impacted by the ongoing migration of former SFR subscribers.

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, 2019, Telenet served 1,212,500 fixed-line telephony subscribers, representing a 3% decrease compared to December 31, 2018. For the year ended December 31, 2019, Telenet lost net 43,600 fixed-line telephony RGUs (46,500 for the year ended December 31, 2018), reflecting an overall declining market trend. Annualized churn for Telenet's fixed-line telephony service reached 11.7% for the year ended December 31, 2019 versus 13.7% for the year ended December 31, 2018.

1.5.2 Mobile telephony

In February 2016, Telenet finalized the acquisition of Belgian mobile operator BASE Company NV. 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. Prior to the BASE acquisition, Telenet has historically been operating through a mobile virtual network operator ("**MVNO**") partnership with Orange Belgium, the third-largest mobile operator in Belgium (the "**MVNO Arrangement**"). By the end of March 31, 2018, Telenet had migrated all of its Full MVNO customers from the rented Orange Belgium network to its own mobile network, realizing important MVNO synergies. Through its own mobile network, Telenet offers its cable customers mobile voice and data services, including 4G/LTE ("**Long Term Evolution**").

Telenet's active mobile subscriber base, which excludes subscribers under its commercial wholesale partnerships and its SME customers, totaled 2,808,400 SIMs at December 31, 2019, including 2,363,800 postpaid subscribers. The remaining 444,600 mobile subscribers are prepaid subscribers under the BASE brand. Despite a competitive market backdrop, characterized by temporary price promotions and improved offers launched by Telenet's direct competitors, Telenet added 169,300 net postpaid subscribers for the year ended December 31, 2019 (92,100 for the year ended December 31, 2018). This was mainly driven by the accelerated growth of its FMC customer base and attractive fixed-term promotions.

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 interconnect revenue and costs are recharged through Telenet Group (former BASE Company NV). 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 70-80% of the business fixed-line market in Belgium according to the most recent Annual Report (2018) from the Belgian Institute for Postal and Telecommunication services ("**BIPT**").

In the premium service mobile business, Telenet and Telenet Group connect 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 Group has over 600 bilateral roaming agreements. For this purpose, Telenet has closed a roaming agreement with an international provider, acting as a roaming hub provider.

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, 2019, Telenet incurred interconnection expenses of €189.7 million (€208.5 million for the year ended December 31, 2018). For the year ended December 31, 2019, Telenet received interconnection revenue of €193.7 million (€210.6 million for the year ended December 31, 2018). 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.

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.

Telenet Business generated revenue of €205.8 million for the year ended December 31, 2019, up 7% compared to the year ended December 31, 2018. Telenet's B2B revenue growth was primarily driven by the inorganic contribution of Nextel, which the Company consolidates as from May 31, 2018. Excluding the impact of Nextel, Telenet's revenue for the year ended December 31, 2019 decreased 2% compared to the year ended December 31, 2018. The decline was mainly caused by (i) a lower contribution from our security and ICT integrator businesses and (ii) lower out-of-bundle revenue generated by our SME mobile subscribers.

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 through Telenet BVBA and Telenet Vlaanderen NV, 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.

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 sales area. 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.

In August 2014, Telenet announced a five-year €500.0 million network investment program as it plans to increase the capacity of the Combined Network to 1 GHz, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. In September 2019, Telenet announced the finalisation of the investment program and launched as the first in Belgium 1 Gigabit speeds. By expanding the network to all of the three million homes and businesses in Flanders and Brussels, Telenet created the largest 1 Gbps internet network region in Europe.

For the ongoing mobile network modernization, Telenet upgraded all of its 2,800 macro sites and deployed 501 new sites. The Company also successfully launched new Voice-over-WiFi -and Voice-over-LTE services, improving indoor coverage and delivering HD sound quality.

1.8 Strategy

Telenet's strategy is to be the best-in-class and preferred provider of enhanced video, broadband internet and telephony services while improving its revenue, profitability and cash flow. Telenet aims to accomplish this by continuing to improve the quality of its network and offer cutting-edge technologies and innovative services to its customers.

Over the past three years, Telenet has invested around €2.1 billion cumulatively in its fixed and mobile networks, its products and its customers in order to further solidify its converged network leadership in the Belgian market. Telenet has also successfully started to unlock the potential in business solutions, while continuing to lead on converged connected entertainment so customers can get the most out of their digital lifestyle.

The cornerstones of Telenet's strategy for the next three years represent an extension of the previous strategic plan. Having upgraded around 98% of nodes in its HFC network and having fully completed the modernization of the acquired mobile network, Telenet is able to provide data download speeds of at least 1 Gbps, complemented with a leading mobile network across Belgium. Against the backdrop of continued growth in both fixed and mobile data traffic, Telenet is confident it can sustain a lower capital intensity over the next three years, while continuing to innovate within the Belgian telecoms landscape.

Telenet has further strengthened the foundations to grow in the business market through the acquisition of SFR Belux, the local ICT integrator Nextel and lastly the local media broadcasting and production company De Vijver Media. These acquisitions will drive future growth, expanding to adjacent value-added ICT services, addressing the increasing customer need for one-stop-shop solutions and allowing for further innovation in the media space, for example advanced targeted advertising.

In the residential market, Telenet aims to leverage its strong brands and amazing customer experience. Telenet has built a unique positioning in converged connected entertainment and the Company aims to create further customer value across its customer base. As part of the three-year plan, Telenet wants to boost penetration in the acquired SFR Belux footprint, while leveraging data and digital to create highly personalized customer touchpoints.

Finally, Telenet aims to further improve the customer experience by simplifying how customers interact with Telenet in an increasingly digital way. Together with a radical simplification of Telenet's IT landscape and a simplification of the operating model, these initiatives are expected to result in significant cost savings of up to 15% in IT and residential customer operations by 2021. These cost reductions will be partially reinvested to accelerate growth in 2020 and 2021.

2. Discussion of the consolidated financial statements

2.1 Revenue by service

For the year ended December 31, 2019, Telenet generated revenue of €2,583.9 million, which was up 2% versus €2,533.8 million for the year ended December 31, 2018. Telenet's revenue for the year ended December 31, 2019 included a full year contribution from the local ICT integrator Nextel, which Telenet acquired on May 31, 2018, as opposed to a seven-month contribution for the year ended December 31, 2018, contributing an incremental €50.1 million to revenue for the year ended December 31, 2019. In addition, Telenet's revenue for the year ended December 31, 2019 also included a seven-month 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, contributing €71.4 million to revenue for the year ended December 31, 2019. Excluding the aforementioned inorganic effects, Telenet's rebased revenue for the year ended December 31, 2019 declined modestly by just over 1% (1.2%), which was significantly better compared to the previously upgraded top line guidance of around -2%. Telenet also succeeded in maintaining cable subscription revenue broadly stable for the year ended December 31, 2019 despite certain competitive and regulatory headwinds. Rebased revenue for the year ended December 31, 2019 was adversely impacted by (i) lower other revenue, reflecting the loss of the MEDIALAAN MVNO contract, which has started to adversely impact Telenet's wholesale revenue since early April, (ii) lower Interconnect revenue due to lower fixed termination rates and declining SMS volumes and (iii) lower mobile telephony revenue, reflecting lower usage-related revenue amidst the continued success of Telenet's flat-fee "WIGO" quad-play bundles and improved mobile line-up, including higher mobile data allowances. Excluding the loss of the aforementioned MVNO contract, Telenet's rebased revenue would have been broadly stable year-on-year for the year ended December 31, 2019.

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 5.19 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 Telenet's 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 "Play", "Play More" and "Play Sports" and (iii) transactional and broadcasting-on-demand services. For the year ended December 31, 2019, video revenue amounted to €574.4 million, representing a 1% decline compared to the year ended December 31, 2018, both on a reported and rebased basis. The anticipated decline in video revenue was mainly driven by the continued gradual decline in Telenet's total video subscriber base, which was only partially offset by the benefit from rate adjustments and a higher share of premium entertainment customers.

2.1.2 Broadband internet

The revenue generated by Telenet's residential and small business broadband internet RGUs totaled €651.7 million for the year ended December 31, 2019, representing a nearly 4% increase compared to the year ended December 31, 2018, both on a reported and rebased basis. This was driven by (i) continued traction for Telenet's "WIGO" propositions, leading to a larger share of high-tier broadband internet subscribers in the mix, (ii) a continued robust performance in the small business segment, including the success of the new "KLIK" offer (formerly called "WIGO Business") launched in September 2019 and (iii) the favorable impact from the aforementioned price adjustments. Following the recent revamp of Telenet's broadband standalone portfolio, a lower revenue share from Telenet's fixed and FMC bundles will be allocated to broadband internet revenue as of January 1, 2020. This will adversely impact Telenet's broadband internet revenue, fully offset by a higher allocation to Telenet's video, fixed-line telephony and mobile telephony revenue. The aforementioned change will also impact the ARPU per customer relationship as discussed above, yet will not impact the underlying revenue profile.

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 interconnection revenue generated by these customers which is reported under other revenue. For the year ended December 31, 2019, fixed-line telephony revenue decreased 6% on both a reported and rebased basis to €219.0 million compared to €232.9 million for the year ended December 31, 2018. The favorable impact from the aforementioned price adjustments was more than offset by (i) a continued gradual decline in Telenet's residential fixed-line telephony RGU base amidst a challenging market backdrop and an overall declining market trend and (ii) lower usage-related revenue due to a continued shift to unlimited calling.

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 interconnection 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. For the year ended December 31, 2019, Telenet generated mobile telephony revenue of €444.7 million, representing a more than 3% year-on-year decrease on both a reported and rebased basis. Continued solid net postpaid subscriber growth was more than 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) higher bundle-related discounts following the success of Telenet's quad-play "WIGO" propositions and (iii) a continued decline in the number of prepaid subscribers.

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 SME customers, (iii) Telenet's carrier business and (iv) value-added services such as network hosting and managed data security. Telenet's business services revenue also includes the revenue generated by the local ICT integrator Nextel, which it acquired on May 31, 2018. Revenue generated by business customers on all coax-related products, such as its flagship bundle "KLIK" (formerly called "WIGO Business"), is allocated to cable subscription revenue lines and is not captured within Telenet Business, Telenet's business services division.

Telenet Business generated revenue of €205.8 million for the year ended December 31, 2019, up 7% on a reported basis as compared to the year ended December 31, 2018 and mainly impacted by the aforementioned contribution from Nextel since the May 31, 2018 acquisition date. On a rebased basis, Telenet's FY 2019 B2B revenue showed a 2% decline compared to the year ended December 31, 2018. The decline was mainly caused by (i) a lower contribution from Telenet's security and ICT integrator businesses and (ii) lower out-of-bundle revenue generated by SME mobile subscribers.

2.1.6 Other

Other revenue primarily includes (i) interconnection revenue from both fixed-line and mobile telephony customers, (ii) wholesale revenue generated through both Telenet's commercial and regulated wholesale businesses, (iii) mobile handset sales, including the revenue earned under "Choose Your Device" programs, (iv) the contribution from De Vijver Media NV, which Telenet fully consolidated as of June 3, 2019, (v) product activation and installation fees and (vi) set-top box sales revenue. Other revenue reached €488.3 million for the year ended December 31, 2019, an 11% year-on-year increase on a reported basis as lower interconnection revenue and lower wholesale revenue following the loss of the MEDIALAAN MVNO contract were more than offset by the seven-month revenue contribution from De Vijver Media and higher revenue related to handset sales. On a rebased basis, other revenue declined just over 2% year-on-year, reflecting lower wholesale revenue following the loss of the MEDIALAAN MVNO contract and lower interconnection revenue following a regulatory decrease of fixed termination rates, partially offset by higher revenue from handset sales compared to the year ended December 31, 2018 and a higher revenue contribution from De Vijver Media.

2.2 Total expenses

For the year ended December 31, 2019, Telenet incurred total expenses of €1,898.4 million, representing a decrease of 2% compared to the year ended December 31, 2018. Total expenses for the year ended December 31, 2019 reflected the aforementioned inorganic impact from both the Nextel and De Vijver Media acquisitions, whereas total expenses for the year ended December 31, 2018 included a €36.8 million impairment loss on the Luxembourg cable operations. Total expenses represented approximately 73% of revenue for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 76%).

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, remained broadly stable on a reported basis for the year ended December 31, 2019 including the aforementioned inorganic acquisition impacts and the application of IFRS 16. On a rebased basis, when adjusting expenses for the year ended December 31, 2018 for the inorganic acquisition impacts and IFRS 16, operating expenses for the year ended December 31, 2019 decreased by almost 1% compared to the year ended December 31, 2018. This was predominantly driven by (i) a 13% decrease of indirect costs and (ii) a more than 4% reduction in staff-related expenses, which reflected the transfer of Telenet's network field services to Unit-T as of Q3 2018, partly offset by (i) higher network operating expenses, (ii) higher costs related to outsourced labor and professional services, (iii) a 1% increase in direct costs mainly due to higher programming costs at De Vijver Media and higher costs related to handset purchases.

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.

2.2.1 Cost of services provided

Cost of services provided as a percentage of revenue represented approximately 52% for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 55%).

2.2.2 Selling, general and administrative expenses

Selling, general and administrative expenses represented approximately 21% of total revenue for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 21%).

2.3 Expenses by nature

2.3.1 Network operating expenses

Network operating expenses reached €196.9 million for the year ended December 31, 2019 compared to €192.0 million for the year ended December 31, 2018, on a reported basis. On a rebased basis, network operating expenses increased 3% year-on-year. In Q3 last year, Telenet completed the transfer of its network field services to Unit-T, in which Telenet has taken a 30% shareholding. Through this joint venture, Telenet will be able to share in the benefits of the growing market of field services in areas such as new digital technologies and the Internet-of-Things ("**IoT**"). This transaction resulted in higher network operating expenses and higher costs related to outsourced labor and professional fees, while at the same time favorably impacting staff-related expenses as Telenet's field engineers and their related costs have been transferred to Unit-T.

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

Direct costs include all of Telenet's direct expenses such as (i) costs related to interconnection, including MVNO-related costs, (ii) programming and copyrights and (iii) handset sales and subsidies. For the year ended December 31, 2019, direct costs were €525.4 million, up 4% compared to the year ended December 31, 2018 on a reported basis. On a rebased basis, direct costs showed a modest 1% year-on-year increase following higher programming costs at De Vijver Media and higher costs related to handset purchases, almost fully offset by lower interconnect expenses and copyright costs.

2.3.3 Staff-related expenses

Staff-related expenses for the year ended December 31, 2019 were €261.1 million, which represented an increase of 3% compared to the year ended December 31, 2018 on a reported basis as a result of the aforementioned inorganic impacts and the unfavorable cost impact of the wage indexation since January 2019. On a rebased basis, staff-related expenses for the year ended December 31, 2019 decreased more than 4% relative to the year ended December 31, 2018 and reflected the impact of the aforementioned Unit-T transaction and a lower headcount as compared to the year ended December 31, 2018.

2.3.4 Sales and marketing expenses

Sales and marketing expenses for the year ended December 31, 2019 totaled €96.8 million, representing an increase of 7% on a reported basis as compared to the year ended December 31, 2018. On a rebased basis, sales and marketing expenses increased nearly 3% compared to the year ended December 31, 2018, mainly because of higher promotional activity and the launch of new products.

2.3.5 Outsourced labor and professional services

Costs related to outsourced labor and professional services were €38.2 million for the year ended December 31, 2019, representing a 19% increase year-on-year on a reported basis and reflected the aforementioned transfer of Telenet's network field services to Unit-T. On a rebased basis, costs related to outsourced labor and professional services increased an equivalent 18% compared to the year ended December 31, 2018.

2.3.6 Other indirect expenses

Other indirect expenses reached €90.1 million for the year ended December 31, 2019, representing a robust 35% decrease compared to the year ended December 31, 2018, which is mainly attributable to the aforementioned application of IFRS 16. On a rebased basis, other indirect expenses decreased 13% year-on-year, reflecting Telenet's continued focus on operating leverage and tight cost control.

2.3.7 Depreciation and amortization, incl. gains on disposal of property and equipment and other intangible assets

Depreciation and amortization, including impairment of long-lived assets, loss (gain) on disposal of subsidiaries and restructuring charges, reached €676.2 million for the year ended December 31, 2019 compared to €706.1 million for the year ended December 31, 2018 and which included the aforementioned impairment charge. Relative to the year ended December 31, 2018, despite the impact of the application of IFRS 16, Telenet incurred lower depreciation and amortization expenses as the vast majority of Telenet's both fixed and mobile infrastructure improvement programs has now been completed.

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, 2019, net finance expense totaled €332.2 million compared to €263.3 million for the year ended December 31, 2018. Finance income for the year ended December 31, 2019 decreased to €24.7 million as compared to €112.2 million for the year ended December 31, 2018, primarily due to a lower non-cash gain on derivatives. Finance expenses for the year ended December 31, 2019 decreased 5% to €356.9 million compared to €375.5 million for the year ended December 31, 2018. This decrease was mainly due to a €71.8 million lower non-cash foreign exchange loss on Telenet's USD-denominated debt as compared to the year ended December 31, 2018, partly offset by a €24.9 million higher loss on extinguishment of debt following certain refinancing transactions. Excluding these impacts, net finance expense was up year-on-year following a higher debt balance in connection with the October 2018 extraordinary dividend payment.

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

2.4.2 Income taxes

Telenet recorded an income tax expense of €117.9 million for the year ended December 31, 2019 compared to €118.1 million for the year ended December 31, 2018.

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

2.4.3 Net profit

Telenet realized a net profit of €234.6 million for the year ended December 31, 2019 compared to a net profit of €250.8 million for the year ended December 31, 2018. The 6% decrease in net profit was primarily driven by higher net finance expenses in the period, offsetting a robust 15% year-on-year increase in operating profit. Telenet's net profit for the year ended December 31, 2018 also included a €22.7 million favorable impact from the reversal of an impairment in an equity accounted investee and a €10.5 million gain on the disposal of assets to a joint venture. Excluding both these impacts, Telenet's underlying net profit would have been up year-on-year. For the year ended December 31, 2019, Telenet achieved a net profit margin of 9.1% compared to a net profit margin of 9.9% for the year ended December 31, 2018.

2.5 Adjusted EBITDA

For the year ended December 31, 2019, Telenet realized Adjusted EBITDA of €1,375.4 million, up 4% compared to the year ended December 31, 2018 when Telenet achieved Adjusted EBITDA of €1,322.4 million. Telenet's Adjusted EBITDA for the year ended December 31, 2019 reflected the application of IFRS 16 as of January 2019, favorably impacting Adjusted EBITDA in the period by €41.7 million versus the year ended December 31, 2018. In addition, Adjusted EBITDA for the year ended December 31, 2019 reflected the aforementioned inorganic impact of both the Nextel and De Vijver Media acquisitions with the latter contributing €22.8 million to Adjusted EBITDA for the year ended December 31, 2019. Telenet's Adjusted EBITDA margin reached 53.2% for the year ended December 31, 2019 compared to 52.2% for the year ended December 31, 2018 on a reported basis.

On a rebased basis, Telenet's Adjusted EBITDA for the year ended December 31, 2019 declined almost 2% (-1.7%) compared to the year ended December 31, 2018, reflecting the loss of the MEDIALAAN MVNO contract and certain regulatory headwinds. On a rebased basis, Telenet succeeded in keeping its Adjusted EBITDA margin broadly stable for the year ended December 31, 2019, driven by continued tight cost control and its ability to achieve operating leverage across the business.

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.

(in millions of euro)	For the years ended December 31,	
	2019	2018 - as restated (*)
Profit for the period	**234.6**	**250.8**
Income tax expense	117.9	118.1
Share of the result of equity accounted investees	0.9	(1.4)
Reversal of impairment of investments in equity accounted investees	—	(22.7)
Gain on disposal of assets to a joint venture	(0.1)	(10.5)
Net finance expense	332.2	263.3
Depreciation, amortization, impairment and loss (gain) on disposal of subsidiaries	675.5	694.5
EBITDA	**1,361.0**	**1,292.1**
Share based compensation	13.0	17.5
Operating charges related to acquisitions or divestitures	0.7	4.4
Restructuring charges	0.7	11.6
Post measurement period adjustments related to business acquisitions	—	(3.2)
Adjusted EBITDA	**1,375.4**	**1,322.4**
Adjusted EBITDA margin	53.2%	52.2%
Net profit margin	9.1%	9.9%

(*) We refer to note 5.1.6 ***Reporting change**s* and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

2.6 Capital expenditures

Accrued capital expenditures for the year ended December 31, 2019 reached €586.9 million, representing a 15% decrease versus the year ended December 31, 2018 and equivalent to approximately 23% of revenue. Accrued capital expenditures for the year ended December 31, 2019 included the recognition of the UK 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. Accrued capital expenditures for the year ended December 31, 2018 reflected the extension of the 2G mobile spectrum license until March 2021, which will be paid in annual installments until maturity. Excluding the recognition of the mobile spectrum license and the football rights in both periods, accrued capital expenditures represented approximately 21% of revenue for the year ended December 31, 2019 as compared to approximately 26% for the year ended December 31, 2018. Telenet succeeded in significantly reducing its capital intensity from previous years as the modernization of both fixed and mobile infrastructures has now been substantially completed.

Capital expenditures related to customer premises equipment, which includes spending on set-top boxes, modems and WiFi powerlines, amongst others, represented €95.7 million for the year ended December 31, 2019. The 9% decrease compared to the year ended December 31, 2018 was mainly driven by seasonally higher spending in the latter part of 2018, which more than offset the impact of Telenet's successful in-home connectivity campaigns and the launch of the next-gen set-top box. For the year ended December 31, 2019, capital expenditures related to customer premises equipment represented approximately 17% of total accrued capital expenditures (excluding the recognition of the football broadcasting rights).

Accrued capital expenditures for network growth and upgrades amounted to €109.1 million for the year ended December 31, 2019, marking a 50% decrease compared to the year ended December 31, 2018 and predominantly reflected the substantial completion of both fixed and mobile network infrastructure improvement programs. For the year ended December 31, 2019, network-related capital expenditures represented approximately 20% of total accrued capital expenditures (excluding the recognition of the football broadcasting rights).

Capital expenditures for products and services, which reflects investments in product development and the upgrade of IT platforms and systems, amongst others, totaled €112.3 million for the year ended December 31, 2019. This represents a 6% year-on-year decrease, reflecting the progress made on the IT upgrade program. Capital expenditures for products and services represented approximately 20% of total accrued capital expenditures (excluding the recognition of the football broadcasting rights) for the year ended December 31, 2019.

The remainder of accrued capital expenditures included (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 the IT platform and systems and (iv) lease additions under IFRS 16. These reached €269.8 million for the year ended December 31, 2019, including the aforementioned recognition of the UK Premier League broadcasting rights and the inorganic impact from De Vijver Media acquisition.

The above implies that approximately 57% of accrued capital expenditures (excluding the recognition of the football broadcasting rights) for the year ended December 31, 2019 were scalable and subscriber growth related. Telenet will continue to closely monitor its capital expenditures in order to make sure that they drive incremental returns.

(in millions of euro)	For the years ended December 31,	
	2019	2018 - as restated (*)
Accrued capital expenditures	**586.9**	**687.7**
Assets acquired under capital-related vendor financing arrangements	(210.6)	(293.5)
Assets acquired under leases	(64.1)	(28.1)
Changes in current liabilities related to capital expenditures	99.7	37.6
Cash capital expenditures, net	**411.9**	**403.7**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

2.7 Operating Free Cash Flow

For the year ended December 31, 2019, the sum of Adjusted EBITDA and accrued capital expenditures, excluding the recognition of football broadcasting rights, yielded an Operating Free Cash Flow of €821.3 million. Compared to the year ended December 31, 2018, Operating Free Cash Flow improved 23% and was mainly driven by a 15% reduction in accrued capital expenditures (excluding the recognition of the 2G mobile spectrum license and the football broadcasting rights) and the aforementioned increase in Telenet's Adjusted EBITDA. Excluding the impact of the adoption of IFRS 16 on accrued capital expenditures, Operating Free Cash Flow for the year ended December 31, 2019 would have been up 18% versus the year ended December 31, 2018 on a rebased basis.

(in millions of euro)	For the years ended December 31,	
	2019	2018 - as restated (*)
Adjusted EBITDA	**1,375.4**	**1,322.4**
Accrued capital expenditures	(586.9)	(687.7)
Recognition of football broadcasting rights	32.8	—
Recognition of mobile spectrum licenses	—	33.5
Accrued capital expenditures excluding recognition of football broadcasting rights and mobile spectrum licenses	**(554.1)**	**(654.2)**
Operating Free Cash Flow	**821.3**	**668.2**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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, 2019, Telenet's operations yielded €1,092.5 million of net cash compared to €1,075.6 million for the year ended December 31, 2018. The net cash from operating activities for the year ended December 31, 2019 included the inorganic impact from the Nextel and De Vijver Media acquisitions and the application of IFRS 16, which is offset through the net cash used in financing activities. Telenet's net operating cash flow was up 2% year-on-year, driven by a positive one-off €69.9 million trend in working capital following the alignment of certain customer billing cycles and a 4% increase in Adjusted EBITDA. These tailwinds were almost fully offset by €56.0 million higher cash interest expenses from Telenet's increased debt balance and timing variances in cash interest payments following certain refinancing transactions and €55.9 million higher cash taxes paid relative to the year ended December 31, 2018.

2.8.2 Net cash used in investing activities

The Company used €432.0 million of net cash in investing activities for the year ended December 31, 2019 compared to €466.4 million for the year ended December 31, 2018. The net cash used in investing activities for the year ended December 31, 2019 reflected the acquisition of the remaining 50% stake in the local media company De Vijver Media in June 2019, whereas the net cash used in investing activities for the year ended December 31, 2018 reflected the full acquisition of the local ICT integrator Nextel in May 2018. Telenet utilizes a vendor financing program through which it is able to extend payment terms for certain suppliers to 360 days at an attractive all-in cost. During the year ended December 31, 2019, Telenet acquired €210.6 million of assets through capital-related vendor financing arrangements, favorably impacting the net cash used in investing activities for the equivalent amount. This represented a 28% year-on-year decline for the year ended December 31, 2019. Please refer to Section 2.5 - *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, 2019, the net cash used in financing activities was €647.3 million compared to €560.1 million of net cash used in financing activities for the year ended December 31, 2018. The net cash used in financing activities for the year ended December 31, 2019 reflected a net cash outflow of €412.7 million related to loan repayments as a result of (i) the October 2019 early redemption of the 4.875% Senior Secured Fixed Rate Notes for an aggregate amount of €413.3 million (including a €42.3 million make-whole premium), (ii) the July 2019 partial redemption of the 4.875% Senior Secured Fixed Rate Notes for an aggregate amount of €109.2 million (including a €3.2 million make-whole premium), (iii) the voluntary redemption of De Vijver Media's external debt and (iv) scheduled repayments of short-term vendor financing commitments. Telenet spent €101.0 million on share repurchases for the year ended December 31, 2019 as part of the €300.0 million Share Repurchase Program 2018bis, which has been fully completed at the end of June 2019. Under this program, Telenet repurchased approximately 6.8 million own shares, of which approximately 3.1 million have been canceled throughout the year ended December 31, 2019. In December 2019, Telenet paid a first intermediate dividend of €62.8 million (€0.57 gross per share) as part of its shareholder remuneration framework as highlighted during the December 2018 Capital Markets Day. 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, 2019, Telenet generated Adjusted Free Cash Flow of €391.0 million compared to €421.9 million for the year ended December 31, 2018. Hence, Telenet delivered on its full year outlook of €380.0 up to €400.0 million. Relative to the year ended December 31, 2018, Telenet's Adjusted Free Cash Flow for the year ended December 31, 2019 reflected a €94.2 million lower contribution from Telenet's vendor financing program. Excluding this impact, the underlying Adjusted Free Cash Flow was up 19% year-on-year driven by solid growth in net operating cash flow as mentioned earlier.

(in millions of euro)	**For the years ended December 31,**	
	2019	**2018**
Net cash from operating activities	1,092.5	1,075.6
Cash payments for direct acquisition and divestiture costs	1.1	3.9
Expenses financed by an intermediary	233.4	158.7
Purchases of property and equipment	(261.7)	(245.8)
Purchases of intangibles	(150.2)	(157.9)
Principal payments for mobile spectrum licenses	(19.8)	(19.8)
Principal payments on amounts financed by vendors and intermediaries	(440.2)	(364.7)
Principal payments on capital leases (excluding network-related leases assumed in acquisitions)	(44.7)	(5.7)
Principal payments on post acquisition additions to network leases	(19.4)	(22.4)
Adjusted Free Cash Flow	**391.0**	**421.9**

2.9 Debt profile, cash balance and net leverage ratio

2.9.1 Debt profile

At December 31, 2019, Telenet carried a total debt balance (including accrued interest) of €5,733.0 million, of which €1,490.6 million principal amount is related to the Senior Secured Fixed Rate Notes due March 2028 and €3,153.8 million principal amount is owed under the 2018 Amended Senior Credit Facility with maturities ranging from August 2026 through December 2027. Telenet's total debt balance at December 31, 2019 also included a principal amount of €354.9 million related to the vendor financing program, all of which is maturing within less than twelve months, and €4.0 million for the outstanding portion of the 2G and 3G mobile spectrum licenses. The remainder primarily represents lease obligations associated with the Interkabel Acquisition and lease liabilities following the adoption of IFRS 16.

Throughout 2019, Telenet has executed several (re)financing transactions with a view to both improve the overall funding cost and extend the debt maturity profile. In May 2019, Telenet issued a new short-dated revolving credit facility ("RCF AP") for an aggregate amount of €60.0 million. This facility matures on December 31, 2021, carries a margin of 2.25% over EURIBOR (floored at 0%) and can be used for general corporate purposes of the group. At December 31, 2019, this facility was fully undrawn.

On June 3, 2019, Telenet acquired the remaining 50% stake in the local media company De Vijver Media NV. Immediately after the closing of this transaction, Telenet repaid De Vijver Media's €62.0 million third-party debt and terminated the existing interest rate swaps on its floating-rate debt, resulting in a cash payment of €1.1 million. All transactions were settled through available cash on the balance sheet.

In July 2019, Telenet redeemed 20% of its €530.0 million 4.875% Senior Secured Fixed Rate Notes due July 2027 for an aggregate amount of €109.2 million, which included a €3.2 million make-whole premium. This repayment followed a first voluntary redemption of 10% in March

2018 and was partially financed through available cash on the balance sheet and a temporary draw-down on Telenet's revolving credit facilities.

In October 2019, Telenet successfully issued a USD 220.0 million Term Loan and a €175.0 million Term Loan as an add-on to the existing term loan facilities. The net proceeds of these issuances were used to redeem in full the outstanding amount of €371.0 million under the aforementioned July 2027 Notes post the partial July 2019 redemption, including the payment of a €42.3 million make-whole premium.

In January 2020, Telenet issued a new 8.25-year USD 2,295 million Term Loan and a new 9.25-year €1,110 million Term Loan in order to redeem the equivalent amounts under the aforementioned term loan facilities. Through this accretive leverage-neutral transaction, Telenet succeeded in locking in attractive long-term interest rates while extending tenor. See note 5.30 ***Subsequent events*** for more information.

Excluding short-term liabilities related to the vendor financing program, Telenet faces no debt maturities prior to August 2026 with a weighted average maturity of 7.4 years at December 31, 2019. In addition, Telenet also had full access to €505.0 million of undrawn commitments under its revolving credit facilities at December 31, 2019 with certain availabilities up to June 2023.

2.9.2 Debt overview and payment schedules

For an overview of the Company's debt instruments and payment schedule at December 31, 2019 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, 2019, Telenet held €101.4 million of cash and cash equivalents compared to €88.2 million at December 31, 2018. To minimize the concentration of counterparty risk, cash equivalents and AAA-rated money market funds are placed with highly rated European and US financial institutions. In addition to the available cash balance, Telenet also had access to €505.0 million of available commitments under its 2018 Amended Senior Credit Facility and its other revolving credit facilities at December 31, 2019, 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, Telenet reconfirmed its leverage framework, maintained at 3.5x to 4.5x Net Total Debt to Consolidated Annualized EBITDA ("net total leverage"). Please see ***Definitions*** for more information and especially for the difference between net total leverage and net covenant leverage. The detailed calculations can be retrieved from the Investor & Analyst Tookit on Telenet's investor relations website.

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. At December 31, 2019, net total leverage reached 4.0x, a modest decrease versus 4.1x at the end of 2018. The modest year-on-year decrease in Telenet's net total leverage was mainly driven by a robust cash flow generation throughout the year and was achieved despite an attractive shareholder remuneration pay-out for the year ended December 31, 2019, including €101.0 million of share repurchases and a €62.8 million gross intermediate dividend.

Net covenant leverage, as calculated under the 2018 Amended Senior Credit Facility and which excludes lease-related liabilities and vendor financing-related short-term liabilities, was 3.2x at December 31, 2019. This was stable versus the prior quarter and represented a decrease from 3.4x end-2018. The 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, 2019, the Company's revolving credit facilities were fully undrawn.

2.10 Shareholder remuneration

In December 2018, Telenet hosted its Capital Market Day during which it outlined its strategic plan for the next three years through 2021 and detailed its capital allocation and shareholder remuneration framework. In absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment, Telenet intends to stay around 4.0x net total leverage, representing the mid-point of the 3.5x to 4.5x range. At December 31, 2019, net total leverage reached 4.0x despite (i) €101.0 million of share repurchases for the year ended December 31, 2019 as part of the €300.0 million Share Repurchase Program 2018bis and (ii) a first intermediate dividend of €62.8 million (€0.57 gross per share) paid in December 2019.

As part of its capital allocation framework, Telenet aims 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 may be considered for incremental share buy-backs, extraordinary dividends, deleveraging, accretive acquisitions or a combination thereof.

In light of the intermediate dividend paid in December 2019 and the robust Adjusted Free Cash Flow generated for the year ended December 31, 2019, the board of directors will propose a gross final dividend of €143.2 million (€1.3050 gross per share) to its shareholders at the April 29, 2020 Annual General Shareholders' Meeting. If and when approved, the final dividend will be paid in early May 2020. The proposed gross final dividend per share is based on 109,733,247 dividend-entitled shares at March 20, 2020, excluding 4,923,538 treasury shares which are not dividend-entitled. The sum of both the intermediate and final dividend amounts to €1.8750 per share (gross), equivalent to €206.0 million in aggregate.

As an add-on to the total dividend paid over the year ended December 31, 2019, the board of directors has also authorized a new share buy-back program of up to €55.0 million (the "Share Repurchase Program

2020”), effective as of end-February 2020. Under this program, Telenet may acquire from time to time its common stock, for a maximum of 1.1 million shares or a maximum consideration of €55.0 million, up to October 31, 2020. The share repurchases will be conducted under the terms and conditions approved by the extraordinary general shareholders’ meeting of the Company of April 24, 2019. The program will be implemented in accordance with industry best practices and in compliance with the applicable buy-back rules and regulations. To this end, an independent financial intermediary will repurchase shares on the basis of a discretionary mandate during a three-month period as of March 2, 2020. The precise timing of the repurchase of shares pursuant to the program will depend on a variety of factors including market conditions. During the repurchase program, the Company will regularly publish press releases with updates on the progress made (if any), as required by law. This information will also be available on the investor relations pages of Telenet's website (investors.telenet.be) under the Shareholders section. The repurchased shares under this program will be used to cover future obligations under the Company's share option plans or will be canceled to the extent repurchased shares under this program would exceed such obligations. Telenet will continuously monitor both its current and future obligations under such plans in view of keeping an adequate level of treasury shares.

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. Due to Telenet's continuous strategic investments in its network, Telenet has the fastest fixed gigaspeed network in Belgium, covering more than 98% of the footprint. In addition, Telenet is also a leading mobile network provider in Belgium, underpinned by the latest BIPT drive tests performed during the September-October 2019 period.

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" and "Based on You", 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 working to optimize its customer service models, adopting a more digital-first attitude, to create 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 with partners to deliver strategic initiatives that benefit its customers. These efforts result in new, disruptive business models and innovative products and solutions that shape the digital age. Opened in October 2017, the Telenet Innovation Center steers the development of new technologies for connectivity, entertainment, value-added services and customer experiences. The Center's primary focus is on 5G and the Internet of Things.

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

The non-financial information required by article 3:32 §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.

In spring 2019, Telenet reviewed, in close alignment with its key stakeholders, its materiality matrix to better reflect the extended business scope and geographical footprint of Telenet in all regions of Belgium and the Grand Duchy of Luxembourg. The new 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; and (v) Digital inclusion and skills development. In its materiality assessment, Telenet has identified the key business risks and opportunities, and has defined a management approach

The Telenet sustainability program underscores the Company's commitment to help people and businesses stay one step ahead in the digital world, embracing the endless possibilities of digital platforms to the fullest extent 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.

In 2019, 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 seventh time, as best performer 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 2019, a rating used by large corporate clients that wish to assess the Company's sustainability performance.

The 2019 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, 2019. The present report 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. All data included in the present report covers Telenet's business scope at year-end, including the acquisitions of BASE Company, SFR Belux and Nextel. In June 2019, Telenet received approval from the Belgian Competition Authorities to take full ownership of De Vijver Media NV. This non-financial chapter includes relevant ESG data from De Vijver Media, where available.

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.

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, 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 dialog 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, 2019

Telenet is a company in full transformation. The Human Resources department acts as one of the cornerstones 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 a new, 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 roll-out of digital communications and collaboration tools and the set-up of new, more collaborative working environments. During 2019, Telenet embarked on a journey to transform itself into a more agile organization with more empowered, productive and expert-driven teams and individuals. The transformation was kicked-off with two pilots involving the residential marketing and the IT and engineering teams of the Company and will be extended to the broader organization beginning spring 2020 onwards. This transition will enable 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 will be implemented in an open and transparent way through regular company-wide internal communications and personal alignment between staff members and people leads. Telenet is investing heavily in providing training and coaching so that employees can quickly adapt to this new agile way of working.

In order to measure and monitor the active engagement of its employees, Telenet conducts its Zoom employee engagement survey every two years and uses the Employee Net Promoter Score ("**E-NPS**") in the interim. The most recent survey was conducted in September 2019. The survey had a response rate of 76% and showed strong scores for sustainable engagement (78%) and wellbeing (81%).

Key attention points included ability to change (47%), recruitment and retention of talent (50%) and pay & benefits (57%). In parallel to the Zoom survey, the employee engagement was measured, reaching an E-NPS score of +3, a company-wide decrease of 9 points compared to the E-NPS measurement in January 2019.

Ensuring the wellbeing of employees in these times of change 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. Special attention is put on addressing and preventing (long-term) absenteeism through training, personal coaching and on-the-job support.

In autumn 2018, the Company conducted its sixth employee wellbeing survey. In 2019, the Safety, Health and Environment ("**SHE**") team, which ensures the day-to-day follow-up of all wellbeing actions, took several actions to strengthen the employees' resilience, engagement, and physical and mental health. In addition to the Employee Assistance Program, two wellbeing management tools - HiBrain and Happy Care - were developed and a series of wellbeing information sessions were organized. The SHE-team also created a centralized, digital information point on wellbeing, health, safety, environment and risk handling, located on the internal communications portal. A special toolkit was developed to address psycho-social risks at work and employees out of the Telenet Retail department can participate in a training on how to cope with the emotional stress related to assertive customer interactions.

Finally, the Company offered a free medical check-up to all fifty-plus employees, as part of the collective labor agreement (CAO104) and the Wellbeing at Work-program. The medical check-up will be renewed every three years.

A trend that does not only affect Telenet, but rather the economy at large, is the growing digitalization and its consequences in terms of the new way of working and the war on talent. Similar to other companies and 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 Science, Technology, Engineering and Mathematics ("**STEM**") education and skills development. In January 2020, the Company announced the set up of an Academy for Digital & Data Talent, in partnership with the universities of KU Leuven, VUB, ULB 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 digital 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.

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 in every stage of the employment cycle: from recruitment, over learning and development to career planning. Still, a key attention point for Telenet remains gender equality. Equileap, an independent organization that promotes gender equality in the workplace, assessed Telenet's gender equality performance. While the Company reached the 34th rank in 2018 with a score of 60%, Telenet's position dropped to the 85th rank in 2019, with a score of 58%. The Company recognizes the importance of strengthening its approach to diversity and gender equality. In spring 2020, Telenet committed to the establishment of a gender equality charter based on the UN Women's Empowerment Principles, to be followed by a formal diversity, inclusion and gender equality policy in autumn 2020.

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 increase in electricity consumption, waste production and carbon emissions caused by increased demand in products. Efforts to mitigate and adapt to climate change also produce 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 of its own operations and its 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 its 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 the 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.

Outcomes: Most important environmental developments in the year ended December 31, 2019

In 2018, Telenet redefined its targets and commitments for energy efficiency and carbon emission reduction considering its extended environmental footprint. The 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.

Telenet's goal is to improve the efficiency of its electricity consumption by 15% every year through 2025. The Company 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 energy consumption and GHG emissions per terabyte (TB) of data transported through its networks.

Following the 2018 environmental performance insights, Telenet realized the need to increase its ambition level as it comes to carbon efficiency efforts, by setting an additional, absolute target aimed at reducing emissions arising from mobile combustion, which represented 49% of the total emissions in 2018 performance and 39% in 2019 performance (note: preliminary results). Telenet has set a preliminary absolute carbon emissions reduction target from mobile combustion of 60 percent by 2030, using 2017 as a base year, which aligns with the Paris Agreement's 1.5 degree-reduction scenario. Measures will include investments in a greener fleet (maximum 95gr/km) and a reduction of the number of kilometers driven with 5 percent from 2021 onwards. The final target and underlying intermediate targets as well as a mobile combustion action plan will be detailed out in the course of spring 2020, in close alignment with the senior management and the social partners. Outcomes will be published in the Sustainability Report 2019 to be issued in June 2020.

.In 2019, Telenet took actions to ensure the Company's reduction of its carbon emissions impact of its operations by 2030 in alignment with the Paris Agreement. Specifically, this included the development of an employee mobility action plan, with investments in a more fuel-efficient fleet, the installation of additional charging stations for electrical vehicles and bicycle storage racks, and the active promotion of alternative mobility solutions like public transport and cycling.

Telenet is also looking into reducing emissions arising from third-party transport, in particular the last-mile delivery of goods in city environments. During 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. The Company is currently running a proof of concept with the city of Mechelen for the delivery of goods to the Telenet and BASE shops using electric vehicles and bikes. The proof of concept will be evaluated in the course of 2020.

Besides investments in green mobility solutions, the Company further improved its network and data center operations in 2019. A free cooling project was initiated allowing for an increase of the maximum temperatures in the technical locations, reducing the need for cooling and therefore improving energy efficiency.

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 the course of 2019.

With regard to reducing the use of resources and 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 378 tons of waste in 2019. In addition to the environmental benefit, Vlotter/IMSIR offers job opportunities to individuals with limited access to the labor market.

In 2019, Telenet invested more in the refurbishment and reuse of computers, network and electrical equipment. In addition, the waste generated by packaging was reduced by more than 20%.

An important challenge for Telenet when addressing its environmental priorities are the local regulatory developments requiring more elaborate environmental reporting. In addition, the regional differences on radiation norms are creating both operational and innovation challenges for improving and expanding network infrastructure service coverage.

7.4 Community engagement

Our 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 we address 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, 2019

In 2019, Deloitte carried out a socio-economic impact study of Telenet in the period 2014-2019: the total impact measured by gross output was €26.7 billion, and the impact measured by gross value add was € 16 billion. Furthermore, Telenet actively invested in technology innovations and network improvements to the benefits of its customers and the evolution of the digital society. In 2019, these investments represented € 587 million. Telenet invests €1.6 million per day.

As a committed member of the local community, Telenet continued its contribution to structural digital society initiatives and community investments. These investments aim at boosting innovation, creativity & entrepreneurship, nurturing digital skills, reducing the digital divide and promoting the right digital balance. In the period 2014-2019, the Company did invest €89 million in digital society initiatives and community engagement. In 2019, Telenet's financial contribution to charities and community initiatives totaled 2,023,405 euros. In addition, Telenet employees contributed 1,170 hours to volunteering in 2019.

In 2019 Telenet also launched a new initiative #TelenetGo that inspires consumers on the endless possibilities offered by digital through workshops in the Telenet shops, and online expert talks on the website. 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 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. The year 2019 was marked by the launch of an online matchmaking platform that connects SME entrepreneurs with digital experts and coaches. In 2019, the Digital Acceleration program reached more than 1000 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, as well as through 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 The Grand Duchy of Luxembourg and are covered by stringent local legislation and regulation. In addition to 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 The Grand Duchy of Luxembourg and is covered by stringent local legislation and regulation. In addition to 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 its 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. Subscribing to the principles of the UN Global Compact, Telenet is committed to uphold 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. More information on these policies can be found on the sustainability section of the Telenet corporate website.

Employees: Telenet's 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.

Customers: In compliance with all applicable legislation, Telenet has a dedicated Privacy 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.

Suppliers: The 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'.

Outcomes: Most important human rights developments in the year ended December 31, 2019

Employees: Updated and approved by the Board of Directors and the Senior Leadership Team in autumn 2018, the Telenet Code of Conduct was rolled out across the organization in 2019 through extensive internal communication.

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; and
- the update of the internal procedures and IT systems.

While Telenet is compliant with the GDPR rules as it comes to customer communications on the Telenet Customer Data Policy, the Company is continuing its investments to assure compliance across the customer value chain.

More information on Telenet's approach to privacy and data security can be found on the sustainability section of the Telenet corporate website.

Suppliers: Telenet has updated its Supplier Code of Conduct to be in alignment with the supplier policy of its majority shareholder, Liberty Global. Suppliers have been informed about the new Supplier Code of Conduct and actions have been taken to include the formal acceptance of the Supplier Code of Conduct in the onboarding process of new suppliers. The outcomes of the Telenet and Liberty Global 2019 annual supplier assessment through the EcoVadis platform will be collected and reported in spring 2020 in the upcoming 2019 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 these types of corruption compared to the rest of the organization.

How the Company addresses them: policies and due diligence

Telenet's dedicated anti-corruption policy is in line with international regulations, Belgian legislation and the anti-corruption policy of Liberty Global. The anti-corruption policy was reviewed in 2019 and has been approved by the Board of Directors and the Audit Committee and was extensively communicated to all employees and agents, contractors and suppliers. During 2019, an anti-corruption classroom training was offered to the Telenet Leadership team, and the anti-corruption and bribery policy is thoroughly addressed in Telenet's Code of Conduct, which is accessible to all employees of the Company at any time. In addition, a separate Gifts & Hospitality policy was published. This policy prohibits the giving and taking of bribes, a limitation on the giving and receiving of gifts, and reminds employees, agents, contractors and suppliers to observe laws and regulations and of their obligation of transparency surrounding political donations. to observe laws and regulations and 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. As such, in 2019 an anti-corruption classroom training was offered to the Telenet Leadership team. 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, 2019

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 which it operates. Telenet actively engages with corporate stakeholders, including public authorities, through consultation and dialog. The Company has established a stakeholder engagement charter with a number of principles that ensure it develops lasting, trusted relationships with its corporate stakeholders in an open and transparent way.

7.7 Non-financial indicators according to selected GRI Core Standards

GRI Standard		Metric	For the years ended December 31, 2019	2018
	Labor			
102-8	Employees	Headcount, year end	3,611	3,310
	Employees by contract type			
	Permanent contracts	Headcount, year end	3,555	3,245
	Temporary contracts	Headcount, year end	56	65
	Employees by contract type			
	Full time	Headcount, year end	3,343	3,084
	Part time	Headcount, year end	268	226
102-41	Percentage of total employees covered by collective bargaining agreements	%	92	96
401-1	New employee hires	Headcount, total number of newly hired employees over the course of the year	510	335
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	64	58
	Women	%, year end	36	42
	Environment[1]			
302-1	Total energy consumption within the organization	mWh	198,694	218,145
305-1	Direct (Scope 1) GHG emissions	Metric tons CO2e	9.661	8.155
305-2	Energy indirect (Scope 2) GHG emissions - market-based	Metric tons CO2e	3,301	2,069
305-2	Energy indirect (Scope 2) GHG emissions - location-based	Metric tons CO2e	28.951	31.910
305-3	Other indirect (Scope 3) GHG emissions	Metric tons CO2e	3,405	3,666
	Carbon credits	Metric tons CO2e	(8,627)	(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
	Anti-Corruption and Bribery			
205-3	Confirmed incidents of corruption	#	—	—

[1] Final environmental data for the year ended December 31, 2019 will be reported in Telenet's 2019 Sustainability Report, to be released in June 2020. This report will also contain more elaborate GRI Standards disclosures.

7.8 2020 sustainability outlook

In 2020, Telenet will continue its active policies and execution towards sustainable growth.

In the day-to-day management of the Company's sustainability program, Telenet will focus on developing an action plan in order to reach the reduction goal of the Company's long-term mobile combustion emissions target. The action plan will focus on the implementation of more sustainable employee mobility solutions, policies and technology investments that help reduce home-work travel and a strategic reflection on facilities and offices. Telenet will present its intermediate 2025 goal and final 2030 goal for the reduction of its absolute carbon emissions target from mobile combustion in the 2019 Sustainability Report.

Telenet will further invest in the reduction of emissions arising from third-party transport in general and the last-mile delivery of goods in city environments in particular. The Company will evaluate the proof of concept from its current project with the city of Mechelen for the delivery of goods to the Telenet and BASE shops using electric vehicles and bikes.

As far as environmental sustainability is concerned, Telenet will also further review and optimize its waste management processes by exploring circular economy options and by reducing waste generated by packaging, with special attention to single use plastics. In addition, the Procurement team will promote eco-efficiency among suppliers and sharpen the supplier selection and evaluation criteria as it comes to environmental responsibility.

In the area of labor, Telenet will continue delivering on its agile transformation by ensuring that all key human resources processes like role descriptions, function classifications and performance management procedures reflect the agile way of working. Extensive investments will be made in learning & development in order to bring the whole Telenet employee community fully up to speed on the principles of the agile way of working. Telenet will also leverage its partnership with the universities of KU Leuven, VUB, ULB and the BeCode programming school to develop and grow digital and data talent.

Telenet is committed to drawing up a diversity and gender equality charter in the spring of 2020, based on the UN's Women Empowerment Principles, which will be followed in late 2020 by a formal diversity, inclusion and gender equality policy.

In terms of human rights, Telenet will continue focusing on the implementation of the GDPR guidelines across all its operations ensuring full compliance. Compliance on privacy, anti-corruption and bribery will be guaranteed through internal awareness campaigns and a compliance training for high-risk departments. A company-wide online, bi-annual training is expected to be rolled-out in mid-2020. This training is mandatory for all employees and will cover a broad set of compliance topics such as privacy, cybersecurity, human rights and bribery.

Detailed information about the 2019 sustainability results and the 2020 sustainable development plans will become available in Telenet's 2019 Sustainability Report, to be released in June 2020.

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, 2019.

8.1 Reference code

The Corporate Governance Charter of the Company has been revised by decision of the board of directors of the Company, taken on February 10, 2020, in order to designate the new Belgian Corporate Governance Code 2020 as 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 ("NRA"), 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.

On July 7, 2017, the Belgium Regulatory Authorities published a draft market review decision (the "2017 Draft Decision"). The 2017 Draft Decision was notified to the European Commission on April 27, 2018. The European Commission issued its comments on May 25, 2018 ("Comments Letter"). The 2017 Draft Decision which has been adopted on June 29, 2018 (the "2018 Decision") replaces the 2011 Decision. The 2018 Decision confirms a finding of Significant Market Power of Telenet in the wholesale broadband market. The obligations include (i) providing third-party operators with access to the digital television platform (including basic digital video and analog video) and (ii) making available to third-party operators a bitstream offer of broadband internet access (including fixed voice as an option). The 2018 Decision no longer applies a retail minus pricing on Telenet, but as of August 1, 2018, imposes monthly wholesale cable resale access prices during an interim period, before setting "reasonable access tariffs" with a link to cable cost model which is under development by the Belgium Regulatory Authorities, of €20.29 (for services including broadband speeds up to 149Mbps download) and of €30.12 (for services including broadband speeds of 150Mbps download and above) . 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. The proposed tariffs represent for Telenet another 25% reduction compared to the interim prices.

Telenet provided substantive comments in September 2019. The next step for the Belgium Regulatory Authorities is to notify a final draft decision to the European Commission. Ahead of the notification, Telenet submitted its comments to the European Commission opposing the "reasonable access tariffs". The Belgium Regulatory Authorities had indicated their intention to adopt a final decision in the fourth quarter of 2019, with the application of new tariffs in early 2020, however the notification to the European Commission still needs to be made which will trigger the review process by the European Commission.

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. For these reasons Telenet filed an appeal with the Brussels Markets Court that was rejected on September 4, 2019. Telenet has the intention to file an appeal before the Belgian Supreme Court (Hof van Cassatie / Cour de Cassation) against this judgment.

The 2018 Decision aims to, and in their 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.

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, 2019, and was represented by 114,656,785 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 24, 2019, the Extraordinary General Shareholders' Meeting approved the cancellation of 1,881,040 own shares acquired by the Company under the Share Repurchase Program 2018bis. Following the partial share cancellation, the total number of outstanding shares decreased from 117,716,323 to 115,835,283.

On December 4, 2019, the Extraordinary General Shareholders' Meeting approved the cancellation of 1,178,498 own shares acquired by the Company under the Share Repurchase Program 2018bis. Following the partial share cancellation, the total number of outstanding shares decreased from 115,835, 283 to 114,656,785.

8.3.1.2 Other Securities

Details on the various stock option plans for a selected number of employees, the Senior Leadership Team ("**SLT**") and the Chief Executive Officer ("**CEO**"), issued before December 31, 2018, can be consulted in Telenet's 2018 Financial Report.

On February 11, 2019, the board of directors approved the 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 selected number of employees (i) stock options, (ii) performance shares and (iii) restricted shares.

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 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.

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 started as of January 1, 2019 and ending on December 31, 2021 to the Operating Free Cash Flow for the period started 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. More details on the outstanding 2019 Telenet Performance Shares can be found in section 8.7.2.4 b) of this Statement.

More details on previous performance share grants, issued before December 31, 2018, to the SLT and the CEO can be consulted in Telenet's 2018 Financial Report.

On May 6, 2019, the Company granted its CEO, its Senior Leadership Team and a selected number of employees 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.

8.3.2 Evolution of the share capital of Telenet Group Holding NV

No capital movements took place in the year ended December 31, 2019.

8.3.3 Shareholders

Important movements in shareholdings

Transparency declarations

In the course of the year ended December 31, 2019, the Company received the following transparency declarations:

On January 3, 2019, Telenet received a transparency notification from Liberty Global plc, in accordance with articles 6 and 18 of the Law of 2 May 2007. In its notification of January 2, 2019, Liberty Global plc reports (i) certain changes as per December 28, 2018, to the chain of control through which it holds its stake in Telenet as well as (ii) as the consequence of purchases of own shares by Telenet, the crossing, by Telenet, of the 3% threshold in the week of August 13, 2018, and the 5% threshold in the week of October 22, 2018, and the crossing, by Liberty Global plc, of the 60% threshold in the week of September 10, 2018. The voting rights attached to shares in Telenet, held by Telenet as the consequence of purchase of own shares, are suspended in accordance with applicable law.

On March 20, 2019, 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 20, 2019, BlackRock, Inc. reports that its total ultimate shareholding in Telenet (aggregated with its controlled undertakings) has exceeded the 3% threshold on March 18, 2019.

On March 21, 2019, 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 21, 2019, BlackRock, Inc. reports that its total ultimate shareholding in Telenet (aggregated with its controlled undertakings) has dropped below the 3% threshold on March 19, 2019.

On April 16, 2019, 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 16, 2019, BlackRock, Inc. reports that its total ultimate shareholding in Telenet (aggregated with its controlled undertakings) has exceeded the 3% threshold on April 15, 2019.

On April 18, 2019, 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 18, 2019, BlackRock, Inc. reports that its total ultimate shareholding in Telenet (aggregated with its controlled undertakings) has dropped below the 3% threshold on April 17, 2019.

On April 25, 2019, 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 25, 2019, BlackRock, Inc. reports that (i) voting rights attached to shares in Telenet (aggregated with its controlled undertakings) have exceeded the the 3% threshold on April 23, 2019, and (ii) its total ultimate holdings in Telenet (aggregated with its controlled undertakings) has exceeded the 3% threshold on April 23, 2019.

On April 26, 2019, 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 26, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet (aggregated with its controlled undertakings listed above) has dropped below the 3% threshold on April 24, 2019.

On April 30, 2019, 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 30, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on April 29, 2019.

On June 3, 2019, 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 June 3, 2019, BlackRock, Inc. reports that total holdings as well as voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on May 29, 2019.

On June 5, 2019, 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 June 5, 2019, BlackRock, Inc. reports that total holdings in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on May 30, 2019.

On June 12, 2019, 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 June 12, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on June 3, 2019.

On June 13, 2019, 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 June 13, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on June 11, 2019.

On June 17, 2019, 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 June 17, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on June 13, 2019.

On June 18, 2019, 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 June 18, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on June 14, 2019.

On June 20, 2019, 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 June 20, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on June 18, 2019.

On July 4 2019, 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 July 4, 2019, BlackRock, Inc. reports that the total participation and voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on July 3, 2019.

On July 16, 2019, 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 July 16, 2019, BlackRock, Inc. reports that the total participation in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on July 15, 2019.

On July 18, 2019, 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 July 18, 2019, BlackRock, Inc. reports that voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) have dropped below the 3% threshold on July 17, 2019.

On July 23, 2019, 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 July 23, 2019, BlackRock, Inc. reports that the total participation in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on July 22, 2019.

On July 30, 2019, 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 July 30, 2019, BlackRock, Inc. reports that the total participation in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on July 26, 2019.

On July 31, 2019, 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 July 31, 2019, BlackRock, Inc. reports that the total participation in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on July 30, 2019.

On August 2, 2019, 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 August 2, 2019, BlackRock, Inc. reports that the total participation in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on August 1, 2019.

On August 8, 2019, 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 August 8, 2019, BlackRock, Inc. reports that the total participation and voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on August 7, 2019.

On August 16, 2019, 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 17, 2018.

On September 26, 2019, Telenet disclosed a transparency notification from Liberty Global plc, Binan Investments BV and Telenet Group Holding SA/NV in accordance with articles 6 and 18 of the Law of 2 May 2007. In its notification dated September 25, 2019, Liberty Global plc, Binan Investments and Telenet Group Holding SA/NV report that the number of own shares held by Telenet Group Holding SA/NV have dropped below the 5% threshold on September 20, 2019. Other than Telenet Group Holding SA/NV crossing below the 5% threshold, no shares in Telenet Group Holding SA/NV were transferred or acquired by Liberty Global plc or its subsidiaries.

On October 4, 2019, 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 October 3, 2019, BlackRock, Inc. reports that the total participation and voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has crossed the 3% threshold on October 2, 2019.

On October 8, 2019, 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 October 7, 2019, BlackRock, Inc. reports that the total participation and voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on October 4, 2019.

On November 28, 2019, 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 November 27, 2019, BlackRock, Inc. reports that the total participation and voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on November 26, 2019.

On December 2, 2019, 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 November 29, 2019, BlackRock, Inc. reports that the voting rights attached to shares in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on November 28, 2019.

On December 9, 2019, Telenet received two transparency notifications from BlackRock, Inc. in accordance with articles 6 and 18 of the Law of May 2, 2007. In its first notification of December 6, 2019, BlackRock, Inc. reports that the total participation as to voting rights in Telenet held by it (aggregated with its controlled undertakings) has dropped below the 3% threshold on December 5, 2019. In its second notification of December 9, 2019, BlackRock, Inc. reports that the total participation in voting rights in Telenet held by it (aggregated with its controlled undertakings) has exceeded the 3% threshold on December 6, 2019.

On December 11, 2019, 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 December 11, 2019, BlackRock, Inc. reports that the voting rights in Telenet held by it (aggregated with its controlled undertakings) have exceeded the 3% threshold on December 10, 2019.

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

Share Repurchase Program 2018bis

On June, 25 2018, the Company announced the initiation of a €300.0 million share repurchase program (**the "Share Repurchase Program**

2018bis"), which replaced the Share Repurchase Program 2018, which commenced on February 13, 2018.

Under the Share Repurchase Program 2018bis, Telenet could repurchase from time to time up to 7.5 million shares for a maximum consideration of €300.0 million until June 28, 2019. This program was funded through the Company's existing cash balances as well as available untapped liquidity under its revolving credit facilities.

Under this program, 2,332,478 shares were repurchased in the year ended December 31, 2019 for a total amount of €101.0 million. With this repurchase, the Company completed the aforementioned share buyback program.

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"**), effective as of the end of February 2020.

Under this program, Telenet may acquire from time to time its common stock, for a maximum of 1.1 million shares or a maximum consideration of €55.0 million, up to October 31, 2020. The share repurchases will be conducted under the terms and conditions approved by the extraordinary general shareholders' meeting of the Company of April 24, 2019. The program will be implemented in accordance with industry best practices and in compliance with the applicable buy-back rules and regulations. To this end, an independent financial intermediary will repurchase shares on the basis of a discretionary mandate during a three-month period as of March 2, 2020. The precise timing of the repurchase of shares pursuant to the program will depend on a variety of factors including market conditions. The repurchased shares under this program will be used to cover future obligations under the Company's share option plans or will be canceled to the extent repurchased shares under this program would exceed such obligations. Telenet will continuously monitor both its current and future obligations under such plans in view of keeping an adequate level of treasury shares.

Shareholder structure

The shareholder structure of the Company at December 31, 2019, based on (i) the shareholders' register of the Company, (ii) all transparency declarations received by the Company, (iii) as well as the latest notification of each relevant shareholder as notified to the Financial Services & Markets Authority ("**FSMA**"), was as follows:

Shareholders	Outstanding shares	Percentage
Liberty Global Group (*)	66,342,037	57.86 %
Own Shares (***)	4,513,142	3.94 %
BlackRock, Inc.	3,784,052	3.30 %
Lucerne Capital Management, L.P.	3,540,452	3.09 %
Employees	755,626	0.66 %
Public (**)	35,721,476	31.16 %
Total (****)	**114,656,785**	**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 financing 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 110,143,643 at December 31, 2019
(****) Including the cancellation of (i) 1,881,040 treasury shares on April 24, 2019 and (ii) 1,178,498 treasury shares on December 4, 2019, both 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 shareholders. Furthermore, 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 2020, this will be on April 29.

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 the 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, 2019, 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 financing 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 board of directors.

- Share option plans are described in note 5.12 to the consolidated financial statements of the Company. The CEO SOP 2014 and CEO SOP 2014bis provide that all outstanding stock options would immediately vest upon a change of control, a de-listing of the Company or the launch of a squeeze-out offer in relation to the shares of the Company. The ESOP 2014, CEO SOP 2015, SSOP 2015, ESOP 2015, ESOP 2016, ESOP 2016bis, ESOP 2017, ESOP 2017bis, ESOP 2018 ESOP 2018bis and ESOP 2019 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 (previously article 556) 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 (previously article 620 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 of the Company's subsidiaries would become effective or would be terminated in case of a change of control over the Company. The relevant provisions were approved at the extraordinary shareholders' meeting of the relevant subsidiaries of the Company in accordance with article 556 of the Belgian Company Code, and will in the future be subject to article 7:152 of the Belgian Code of Companies and Associations.

- The Telenet Performance Share Plan 2016, the Telenet Performance Share Plan 2018 and the Telenet Performance Share Plan 2019 (more details on these Performance Shares to be found in section 8.7.2.4 b) of this Statement) 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 Plan 2019 was 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 (previously article 556) 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 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 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, decides on the risk profile and key policies of the Company, decides on the executive management structure and determines the powers and duties entrusted to the executive management (see also section 8.5 ***"Board of directors"***).

The board of directors has installed a number of committees to assist the board with the analysis of specific issues. 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 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, 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, 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 2018 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 July 29, 2019 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 related risk management coverage and results) 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 26, 2017 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 for compliance. Every domain (i.e. policy) is given a priority score based on the current risk level and current mitigating measures. Based on this priority score, the compliance roadmap for 2019 - 2020 was defined. 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, : (i) Market Dynamics, (ii) Business Transformation and Programs, (iii) Security and Resilience, (iv) Customer Experience and (v) Laws and Regulations. In 2019, these prioritized risks have been further monitored and 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 5 prioritized risks are detailed below.

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 cordcutting), 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 projects are translated into shorter term projects 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 constantly looking for and investing in new growth opportunities (e.g. IoT) 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 €101.4 million of cash and cash equivalents at the end of December 2019. Following the successful refinancing of both its € and USD-denominated Term Loans in January this year, 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.

To ensure such programs are properly managed, Telenet has traditionally put in place a robust project governance framework, consisting of a strong project methodology and supported by layered project forums and a dedicated project portfolio management office working together with divisional project management offices as a virtual team. However, as the environment in which Telenet operates is becoming more and more complex, volatile and uncertain, a fundamental change was needed within the working environment 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 2019 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 in mid 2019, followed by a further company-wide scale-up to other relevant departments. The scale-up aims to be implemented as from the second quarter of 2020.

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. The methodology complements the project risk screening process which remains in place to identify and assess risks related to the more traditional projects.

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)) will damage the Company's customer relationships and adversely impact the Company's brand and business growth.

To this end, a dedicated customer journey design and management team has been established. Customer journey managers assess if customer experience is properly taken into consideration throughout the Company's key processes. Customer journey design is embedded in the Company's project governance to ensure that the customer's perspective is timely and properly considered in all projects, and has been extended to the related agile activities. In addition, the continuous attention for delivering a strong customer experience has also been reflected in the new organizational structure as part of the aforementioned agile transformation.

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 projects are set up when needed for the implementation of new laws and regulations. Both teams are also actively involved in the aforementioned agile risk by design process and project risk screening process to ensure that the legal and regulatory impact of the agile activities and more traditional projects is timely identified and assessed. When needed, legal and regulatory requirements are defined for incorporation in the agile activities or projects and are followed up till implementation.

8.4.3.5 Corona virus (COVID-19)

In view of the COVID-19 pandemic, Telenet has activated its crisis team which is following up on the evolution of the virus outbreak on a daily basis. Telenet also aligns its measures and communication with the advice of the Liberty Global Group Crisis Management Team.

In order to limit the impact on Telenet's operations, several precautionary measures have already been taken in the following domains:

- Employee safety (including travel restrictions, hygienic measures, extension of homeworking, etc)
- Supply Chain (including close monitoring of the deliveries at risk in order to avoid major hick-ups in our critical supply chain processes)
- Operational activities (including "splitting" of teams that are performing critical tasks in order to ensure continuous availability of these teams)

The Telenet crisis team evaluates on a daily basis if and to which extent additional measures need to be taken.

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, 2019, 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 (previously article 526ter) 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 (previously article 526ter) of the Belgian Code of Companies and Associations.

The mandate of Mr. Charles H. Bracken expires at the annual general shareholders' meeting of 2020. 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.

At the meeting of the board of directors of February 12, 2019, Mr. Diederik Karsten announced that he would resign as director of the Company with effect as of February 15, 2019.

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 2020:

- the (re)appointment of Mr. Charles H. Bracken 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, 2019, the board of directors of the Company was composed as follows:

Name	Function	Nominated by
Bert De Graeve (IDw Consult BV)	Director of companies	Independent director - CM
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	Chief Financial Officer and Deputy Chief Executive Officer of Virgin Media	Liberty Global Group

CM: Chairman

Mr. Bart van Sprundel, Director Legal Affairs at the Company, 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, their diverse competences and experience, their ages and nationality and their specific knowledge of the telecommunications and media sector.

At December 31, 2019, 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, 2019 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, independent director of Euroclear Holding 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. As of September 1, 2015, Jo Van Biesbroeck is manager and member of the board of RSC Anderlecht. As of April 1, 2020, Mr. Van Biesbroeck will only be 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, Inno.com and 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 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 2018. 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 Telenet'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.

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 Pascu is the Chief Financial Officer and Deputy Chief Executive Officer of Virgin Media. In this capacity she is responsible for the finance function at Virgin Media, as well as customer service, field operations, logistics and supply chain.

Prior to that, she served, since September 2018, as Chief Executive Officer (CEO) for Liberty Global's business in Switzerland ("UPC Switzerland"). Before that, she was Chief Operating Officer (COO) for Central Europe, in addition to her role as Managing Director of Liberty Global Central Eastern Europe, which she had held since 2015. Severina joined the company in 2008 as Chief Financial Officer (CFO) for UPC Romania and was then appointed CEO - first for Romania and later for Hungary as well.

Prior to that, she held a number of senior management positions in leading international companies. Between 2005 and 2008, she was manager of CAIB Romania, one of the main investment banks in Central Europe. Between 2000 and 2005, Severina was a member of the management of the American cable telecommunications company Metromedia International. A graduate of the Bucharest Academy of Economic Studies, she began her career in 1996 at KPMG Romania and then worked for the company in Great Britain.

Amy Blair, director (°1966)

Amy Blair is Senior Vice President and Chief People Officer for Liberty Global. In this capacity, she is responsible for the global people function, including developing and implementing programs and policies which address employment and retention, compensation and benefits, organizational structure, talent and development, employee engagement, and compliance.

Since 1991, Ms. Blair has held numerous key operational and human resource management positions with Liberty Global and its predecessor companies. From 1999 to 2006, Amy was based in Amsterdam where she served as Vice President of Operations Management and then as Managing Director of Human Resources for the European operations. Ms Blair is an executive officer of Liberty Global and sits on Liberty Global's Executive Leadership Team.

In 2013, Amy was inducted as Woman of the Year by Women in Cable Television Rocky Mountain Chapter, and became a member of the National Board for Women in Cable Television in January 2015.

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

Enrique Rodriguez, director (°1962)

Enrique Rodriguez is the Executive Vice President & Chief Technology Officer of Liberty Global, the world's largest international TV and broadband company, joining the company in July of 2018. Prior to this role, Enrique served as the President and Chief Executive Officer and a member of the Board of Directors of TiVo. Before becoming CEO, Enrique was Executive Vice President and Chief Technology Officer of AT&T Entertainment Group from August 2015 to November 2017. From January 2013 to July 2015, he served as Executive Vice President, Operations and Products for Sirius XM and was Group Vice President of Sirius XM from October 2012 to January 2013. Prior to his employment with Sirius XM, Enrique was the Senior Vice President and General Manager of Cisco Systems' Service Provider Video Technology Group. Enrique also held various executive positions at Microsoft from 2003 to 2010, including Corporate Vice President for the TV Division and as Vice President of Xbox Partnerships. Prior to joining Microsoft, Enrique spent over 20 years at Thomson/RCA in a variety of engineering and executive roles where he was awarded over 25 U.S. patents and international derivatives. Enrique holds a B.S. in electrical engineering from Mexico's Instituto Tecnologico de Monterrey.

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, 2019, 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 2019, article 7:96 (previously article 523) of the Belgian Code of Companies and Associations was applied once. In 2020, article 7:96 (previously article 523) 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 & Nomination Committee and the board of directors. The last evaluation took place in February 2018, and the board of directors of April 2018 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 and social responsibility 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 30, 2019, Telenet formally approved the Sustainibility Report 2018.

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, 2019, 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 (previously article 526bis §1) 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. 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, 2019, 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 principal tasks of the Remuneration and Nomination Committee with respect to remuneration include:

i. 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);

ii. 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;

iii. 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

iv. 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:

i. 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;

ii. 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;

iii. 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

iv. 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, 2019, the Remuneration and Nomination Committee met five 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 (5)
Bert De Graeve (IDw Consult BV)	9 of (9) CM		5 of (5) CM
John Porter	6 of (9)		
Jo Van Biesbroeck (JoVB BV)	9 of (9)	6 of (6) (CM)	5 of (5)
Christiane Franck	9 of (9)	6 of (6)	
Charles H. Bracken	8 of (9)		
Diederik Karsten*	N/A		
Manuel Kohnstamm	8 of (9)		
Enrique Rodriguez**	5 of (5)		
Severina Pascu	5 of (9)	2 of (6)	
Amy Blair	7 of (9)		4 of (5)
André Sarens (Observer)	9 of (9)	6 of (6)	

CM: Chairman
* Mr. Diederik Karsten resigned from the Board of Directors of Telenet Group Holding NV with effect from February 15, 2019.
** Mr. Enrique Rodriguez was appointed as director of Telenet Group Holding NV at the annual meeting of shareholders which took place on April 24, 2019.

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 / article 523 of the (former) Belgian Companies Code

During the meeting of the board of directors of February 12, 2019, article 7:96 (previously article 523) of the Belgian Code of Companies and Associations was applied.

At the meeting of February 12, 2019, the board of directors discussed, amongst other items, the determination of the bonus & merit for the CEO and the determination of the performance criteria 2018 under the Performance Share Plan 2016 for the SLT (including 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 11, 2019 and the deliberation and resolving on some of these items in particular (i) the determination of bonus & merit for the CEO and (ii) the determination of the performance criteria 2018 under the Performance Share Plan 2016 for the SLT (including the CEO), 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 523 of the Belgian Companies Code.

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 fo the CEO within the meeting of the Remuneration & Nomination Committee of February 11, 2019. 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 938,385 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.

The chairman of the Remuneration & Nomination committee reports on the discussions held on the achievement of the performance criteria 2018 under the Performance Share Plan 2016 for the SLT (including the CEO) within the meeting of the Remuneration & Nomination Committee meeting of February 11, 2019. The Committee decided:

- that the results of 2018 have resulted in an (over)achievement of the performance criteria under the Performance Share Plan (199%);

- to advise the board of directors accordingly.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the Board ratifies and confirms the same.

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 (previously article 523) 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.

8.5.6.2 Conflicts of interest in the meaning of article 524 of the former Belgian Companies Code (currently article 7:97 of the Belgian Code of Companies and Associations)

During the meeting of the board of directors of April 5, 2019, article 524 of the Belgian Companies Code (currently article 7:97 of the Belgian Code of Companies and Associations) was applied.

At the April 5, 2019 meeting, the board of directors discussed, among other items, a transaction consisting of the entry into, by Telenet Group NV and Telenet BV, of an agreement with Liberty Global B.V. under which the Horizon 4 video platform and the related Horizon Go application, is made available to the Telenet group, primarily through licensing.

This agreement qualified as a decision or transaction related to relations between a listed entity (and/or its subsidiaries) on the one hand and companies which are affiliated to the listed entity on the other hand, excluding relations between the listed entity and its fully-owned subsidiaries, as set out in article 524 of the Belgian Companies Code (currently article 7:97 of the Belgian Code of Companies and Associations Code).

The decision of the committee of independent directors reads as follows:

"Opinion. Supported by the report issued by the Independent Expert, the Committee is of the opinion that the EOS Programme Term Sheet offers the Company the EOS Programme at terms and conditions (including, for the avoidance of doubt, financial conditions such as price) which are market practice, and allows the Company to achieve, in its corporate benefit, its objective to offer to its customers a video platform that, in line with its entertainment strategy, is high end and feature rich, is developed and launched at a large scale and sufficiently flexible to be future proof.

Opinion on whether or not the proposed transaction is manifestly illegitimate. Considering the above and after deliberation, the Committee is of the opinion that the Proposed Transaction: (1) is not of a nature to cause the Company a disadvantage which, in light of the strategy of the Company, is manifestly illegitimate; and (2) is in the interest of the Company and does not cause a disadvantage to the Company which would not be outweighed by benefits for the Company."

The relevant part of the minutes of the board of directors reads as follows:

"Under the EOS programme, it is proposed that Telenet would launch a new video entertainment platform and related application whereby, unlike the current and previous generations thereof, Telenet would not be acting as the integrator of such platform, but LG would take this role, by making its HZN 4 video platform and the related HZN Go application, developed, operated and integrated by LG, available to Telenet (the EOS Programme). The terms and conditions for Telenet's participation in such programme, documented in the Documentation (...) submitted for approval to the Board in this Board meeting constitutes the Proposed Transaction.

(...)

The Board acknowledges receipt and understanding of the Opinion and deliberates and resolves on the Proposed Transaction after thoroughly taking note of the Opinion and its content, as well as discussion thereof.

The Board shares the opinion of the Committee as assisted by the Independent Expert:

"Supported by the report issued by the Independent Expert, the Committee is of the opinion that the EOS Programme Term Sheet offers the Company the EOS Programme at terms and conditions (including, for the avoidance of doubt, financial conditions such as price) which are market practice, and allows the Company to achieve, in its corporate benefit, its objective to offer to its customers a video platform that, in line with its entertainment strategy, is high end and feature rich, is developed and launched at a large scale and sufficiently flexible to be future proof.

Considering the above and after deliberation, the Committee is of the opinion that the Proposed Transaction: (i) is not of a nature to cause the Company a disadvantage which, in light of the strategy of the Company, is manifestly illegitimate; and (ii) is in the interest of the Company and does not cause a disadvantage to the Company which would not be outweighed by benefits for the Company.

Following the deliberation in accordance with article 524 BCC as set out before, the Board unanimously RESOLVES to approve the Proposed Transaction and the Documentation."

The conclusion of the statutory auditor reads as follows:

"We can conclude that our review did not result in any findings that could have a significant impact on the fairness of the information mentioned in the opinion of the committee of the independent directors dated April 5, 2019 and in the minutes of the board of directors dated April 5, 2019. This engagement was performed exclusively in the context of article 524 of the Belgian Company Code and our report may not be used for any other purpose."

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 General Counsel 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 13, 2017.

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 (previously article 524bis) 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, 2019, four women were part of the Senior Leadership Team (see below for full composition of the SLT).

At December 31, 2019, 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
Luc Machtelinckx*	1962	Executive Vice President - General Counsel
Micha Berger	1970	Chief Technology Officer
Patrick Vincent	1963	Chief Transformation Officer
Jeroen Bronselaer	1978	Senior Vice President Residential Marketing
Martine Tempels	1961	Senior Vice President Telenet Business
Claudia Poels*	1967	Senior Vice President Human Resources
Dieter Nieuwdorp	1975	Senior Vice President Strategy & Corporate Development
Ann Caluwaerts	1966	Chief Corporate Affairs
Benedikte Paulissen	1969	Chief Customer Officer

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

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 February 28, 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 the Chief Executive Officer of Telenet. The Company aims to be the leading provider of converged, connected entertainment and business solutions in Belgium. As CEO, Mr. Porter is responsible for the day-to-day operations. Prior to joining Telenet in 2013, he served as CEO of AUSTAR United Communications, at the time a Liberty Global subsidiary and an Australian public company that was a leading provider of subscription television and related products in regional Australia. He held this position until AUSTAR was acquired by Foxtel, a joint venture between News Corporation and Telstra, in May 2012. Mr. Porter led the growth of AUSTAR since inception, becoming its CEO at the time of its 1999 initial public offering. Previously, he served as the Chief Operating Officer for the Asia/Pacific region for a predecessor company of Liberty Global. From 1989 to 1994, Mr. Porter was President, Ohio Division, of Time Warner Communications. He started his career at Group W Broadcasting and Cable, as Director Government Relations before becoming General Manager of Westinghouse Cable Systems in Texas and Alabama. Until the end of 2019, Mr. Porter served as the Chairman of the board of Enero, a diversified marketing services company. He has a Bachelor of Arts from Kenyon College and also studied Political Economy at the University of Zagreb.

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.

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.

Micha Berger, Chief Technology Officer

Micha Berger joined the Telenet Group in July 2013 and as Chief Technology Officer ("**CTO**"), leading the Technology and Innovation Telenet team, he is responsible for Mobile and HFC Network Build and expansions, Network Operations for Telenet's HFC and Mobile services, Field Operations, Converged Fixed & Mobile Engineering and Innovations and to deliver Telenet services including video platforms. Mr. Berger is driving several programs to remain the leading provider in superior connectivity with a converged fixed and mobile network. As of July 1, 2013, he also joined Telenet's SLT, reporting directly to the Company's CEO. Mr. Berger has worked for Liberty Global since 2006, initially managing the Engineering Department at UPC Nederland. As Vice President at Liberty Global since 2010, he has been responsible for Horizon Next Generation digital TV development and product roll-out. Before these endeavors, he gained his first experience in the cable industry at HOT Israel, where he was responsible amongst others for the development of the interactive digital service platform and the roll-out of video-on-demand.

Patrick Vincent, Chief Transformation Officer

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. 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, Senior Vice President Residential Marketing

Jeroen Bronselaer joined the Telenet Group in September 2010 and was at first responsible for the negotiations and relations with broadcasters and content suppliers. Later he took on broader roles managing Telenet's premium sport and movie channels and was named Vice President Product Entertainment, responsible for the entire entertainment product portfolio of Telenet. In September 2015, Jeroen joined the Senior Leadership Team as Senior Vice President Residential Marketing. Prior to joining the Telenet Group, Jeroen Bronselaer worked at the Flemish public broadcaster VRT, where he started out as a TV producer but quickly evolved into more business driven roles within the Media department of VRT. Jeroen Bronselaer holds a Master degree as Commercial Engineer and Post-graduate degree in Communication from the KU Leuven.

Martine Tempels, Senior Vice President 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.

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).

Dieter Nieuwdorp, Senior Vice President Strategy & Corporate Development

As of May 1, 2014, Dieter Nieuwdorp joined the SLT as Senior Vice President Strategy & Corporate Development. Besides the development of the general strategy of the company and the structuring of M&A transactions and other partnerships, his function also includes heading the Telenet Innovation Center and managing the CEO Office. 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. 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, Chief Corporate Affairs

Ann Caluwaerts, Chief Corporate Affairs, brings to the table over 25 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, strategy development, change management, stakeholder management as well as managing P&L's. Within Telenet, she is currently responsible for the wholesale division as well as the communications and regulatory department. Ann graduated as civil engineer electronics (KUL) and followed different courses at (a.o.) Insead, Londen Business School, Colombia University and Guberna. She regularly speaks at conferences and academic organizations.

Benedikte Paulissen, Chief Customer Officer

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.

8.7 Remuneration report

8.7.1 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 remuneration of the independent directors is as follows: A fixed annual remuneration of the chairman of the board of directors €120,000, an attendance fee for board meetings for the independent directors of €3,500, but with a maximum of €24,500 per year, an attendance fee of €4,000 for the chairman of the Audit Committee for presiding Audit Committee meetings, an attendance fee for the other independent directors participating in the Audit Committee at 3,000 per meeting, and an attendance fee 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 independent directors are awarded remuneration for (attending) committee meetings (see above). The observer to the board of directors of Telenet is paid in the same fashion as the independent directors of Telenet but is not remunerated for attending 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.

For the year ended December 31, 2019, the aggregate remuneration of the members of the board of directors (including the observer) amounted to €459,000 for the Company (see table below for individual remuneration).

Upon recommendation of the Remuneration and Nomination Committee, the Company for now unanimously decided not to grant performance-related remuneration, shares or other securities issued by

Telenet, nor options, bonuses, fees, benefits in kind or pension plan benefits 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.

Pursuant to Belgian legislation and regulations, all board members (or persons related to them or entities fully controlled by them) must report details of their (transactions in) stock options and shares of the Company to the Belgian Financial Services and Markets Authority.

The individual remuneration paid for each member of the board of directors and the observer to the board for the year ended December 31, 2019 is set out in the table below.

Name	**Remuneration 2019**
Bert De Graeve (IDw Consult BV) (CCM) **	€144,500
John Porter	-
Christiane Franck **	€69,500
Jo Van Biesbroeck (JoVB BV) **	€69,500
Charles H. Bracken	€24,000
Diederik Karsten (***)	N/A
Manuel Kohnstamm	€26,000
Amy Blair	€24,000
Severina Pascu	€18,000
Enrique Rodriguez	€14,000
André Sarens *	€69,500

CCM: Current Chairman - in function as of 30/04/2014

(*) Observer

(**) Remuneration not including committee fees

(***) Diederik Karsten resigned from the board of directors with effect on February 15, 2019 and did not receive any remuneration.

The Company expects the remuneration principles of the directors of the Company for the next two financial years to be consistent with the current remuneration policy.

8.7.2. Remuneration of Executive Management (Senior Leadership Team)

1. General remuneration principles

The determination and evolution of the Company's remuneration practices are closely linked with the growth, results and success of the Company as a whole. The Company'sremuneration policy is built around internal fairness and external market competitiveness. These principles are executed through HR tools like function classification, career paths, and external benchmarking. The Company's strategy aligns competitive pay with the interests of shareholders and other stakeholders, aiming for an optimal balance between offering competitive salaries and avoiding excessive remuneration, while maintaining focus on performance and results. This implies that the Company's policies are reviewed periodically and adapted where needed.

The Company strives for an optimal mix between the different components of the remuneration package, balancing elements of fixed pay and variable pay. As examples, the Company's policy on fringe benefits offers good social support in terms of extra-legal pension, life and disability coverage and medical insurance; all of the Company's employees can benefit from price concessions or additional benefits for Telenet products; and share ownership of the Company is encouraged via employee stock purchase plans and other long-term incentive plans. The Company's experience has shown that this balanced remuneration policy helps to attract and retain top talent.

Performance management and the achievement of results is another anchoring element in the Company's total rewards strategy: the vast majority of its employees are evaluated on and rewarded according to (i) the achievement of individual and/or corporate objectives and (ii) individual performance being in line with the company's competence and leadership model. Throughout the Company's remuneration policy, customer loyalty (measured by means of a Net Promotor Score ("**NPS**") - see further below) plays a pivotal role.

2. Remuneration principles for executive management (Senior Leadership Team)

a) General

The Remuneration and Nomination Committee prepares a proposal for the remuneration principles and remuneration level of the CEO and submits it for approval to the board of directors.

The Senior Vice President Human Resources prepares a proposal for determining the remuneration principles and remuneration level of the members of the SLT (other than the CEO) for submission to the Remuneration and Nomination Committee. The Remuneration and Nomination Committee discusses (and possibly amends) the proposal and submits it for approval to the board of directors.

The remuneration policies of the members of the SLT are based on principles of internal fairness and external market competitiveness. The Company endeavors to ensure that the remuneration of the Senior Leadership Team consists of an optimal mix between various remuneration elements.

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, thereby linking rewards 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, 2019, 100% of management's bonuses (other than the CEO) depend on financial and operational targets, individual and departmental objectives will define a multiplier of the bonus. The functioning of each member of the SLT is assessed on the basis of the company's competence and leadership model.

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.

b) Remuneration principles for the CEO

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. Every year, the Remuneration and Nomination Committee formulates a bonus and salary proposal for approval by the board of directors. For 2019, the Remuneration and Nomination Committee proposed to the board of directors (i) to grant a cash bonus to the CEO for 2019 equal to €948,591; (ii) to determine his fixed compensation for 2019 to be €630,000 on an annual basis; (iii) to determine the maximum cash bonus for 2019 to be 150% of the 2019 annual fixed compensation.

The CEO is eligible for share-based remuneration. For details on the share-based remuneration of the CEO (including the share-based remuneration received in 2019), please see section 3.b) below.

c) Remuneration principles for the members of the SLT (excluding the CEO)

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. With respect to the bonus for each member of the SLT (excluding the CEO) for performance year 2019, 100% was linked to the Company's financial and operational targets, an additional multiplier was linked to the individual evaluation score based on achieving the success of the individual and departmental objectives. Upon advice of the CEO, the Remuneration and Nomination Committee decides on the achievement of the performance criteria of each member of the SLT as leader of their department and as an individual. For the year ended December 31, 2019, the board of directors approved to grant a total variable remuneration package to the CEO and the members of the SLT, composed of:

- A target cash bonus subject to performance criteria and targets over 1 year, limited to a certain percentage of the respective base salary, and
- A long-term incentive plan carefully designed upon recommendation of the Remuneration and Nomination Committee and within the limits of the existing stock option plans approved by the general shareholders' meeting, consisting of 1/3 of stock options, 1/3 of performance shares and 1/3 of restricted shares (temporarily non-transferable shares):
    - The performance shares provide in a potential grant of Company shares based on the achievement of key performance indicators over a three-year period. The Performance Share Plans 2019, 2018 and 2016 for members of the SLT contain a provision regarding "claw back" of variable remuneration granted in well defined circumstances, including restatement of the Company's financial statements or fraud. None of the Company's other share-based compensation plans, including those with the CEO, have such "claw back" features.
    - 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 restricted shares are share entitlements which foresee in a two-year vesting period, followed by a mandatory two-year shareholding period prior to becoming available to the participant.

Please see section 4.b) below for further details hereon.

As a result of the variable remuneration plan design, members of the SLT build up a shareholding 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, and with regard 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.

In addition, the payout of the cash bonus to members of the SLT will be linked to meeting certain predetermined performance criteria over a one-year period. When these performance criteria are met, the acquired cash bonus will be paid out in the year following the performance year. All performance criteria will be determined by the CEO and the Remuneration and Nomination Committee and validated by the board of directors.

The general shareholders' meeting of the Company approved the relevant terms of this remuneration package on April 27, 2011 and April 2014, in accordance with the provisions of the Law of April 6, 2010.

3. Remuneration CEO

a) Cash-based remuneration

The Company's CEO was granted the following remuneration in the year ended December 31, 2019: (i) a fixed remuneration of €630,000, (ii) a variable remuneration of € 948,591, and (iii) benefits in kind valued at €81,866. As mentioned in section 8.7.1, the CEO is not remunerated for the exercise of his mandate as director of the Company or any other Telenet companies.

The relative weight these components for the year ended December 31, 2019 was: (i) fixed remuneration 37.9%, (ii) variable remuneration 57.1%, and (iii) benefits in kind 5%.

This cash-based variable remuneration, together with the relevant part of the share-based variable remuneration under the CEO SOP 2014, CEO SOP 2015, ESOP 2016, ESOP 2017 and ESOP 2018 (see below) and the performance shares under the PS 2016, PS 2018 and PS 2019, constitutes the total variable remuneration of the CEO for purposes of the Law of April 6, 2010, as approved by the general shareholders' meeting of April 27, 2011.

As a result of the variable remuneration plan design, the CEO builds up a share ownership in the Company over time, it being clear that no minimum threshold exists expressed in a fixed amount, thereby arguably deviating from principle 7.9 of the Corporate Governance Code 2020.

With the exception of certain performance share 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 CEO does not contain provisions that enable the Company to reclaim paid variable remuneration.

The benefits in kind include insurances for medical costs, life and disability, a company car, school fees for his children and a travel allowance up to certain maximum annual amounts. The CEO further receives a price concession with respect to Telenet products and services he orders.

He receives no benefits in cash linked to a performance period of longer than one year.

b) Share-based remuneration

Stock Options

On November 8, 2013, the CEO received 185,000 stock options under the CEO Stock Option Plan 2014 ("**CEO SOP 2014**"). These stock options are of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is seven years, such that all of the stock options granted under the CEO SOP 2014 have an expiration date of June 26, 2020. The stock options vested in two installments, on respectively June 26, 2016 and on March 1, 2017. All stock options that vested pursuant to the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, determined for each installment the performance criteria and the Remuneration Committee decided that these criteria were met. As the applicable (cumulative) performance criteria were achieved for 2014 and 2015, the first tranche of 138,750 stock options vested on June 26, 2016 while the second tranche of 46,250 stock option vested on March 1, 2017.

Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The CEO shall consider the general interest of the Company when exercising Stock Options and/or selling the shares acquired upon the exercise of Stock Options.

On July 15, 2014, the CEO received 180,000 stock options under the CEO Stock Option Plan 2014 bis ("**CEO SOP 2014 bis**"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.
The term of the stock options is five years, such that all of the stock options granted under the CEO SOP 2014 bis have an expiration date of July 15, 2019. The stock options vested in three installments, on July 15, 2015, July 15, 2016 and July 15, 2017, respectively. All stock options that vested pursuant to the CEO SOP 2014 bis become exercisable during defined exercise periods as from July 15, 2017.

The vesting of the stock options under the CEO SOP 2014 bis is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, determined for each installment the performance criteria, and the Remuneration Committee decided that these criteria were met. As the applicable (cumulative) performance criteria were achieved for 2014, 2015 and 2016, the first tranche of 45,000 stock options vested on July 15, 2015, the second tranche of 67,500 stock options vested on July 15, 2016 and the third tranche of 67,500 stock options vested on July 15, 2017.

Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The CEO shall consider the general interest of the Company when exercising Stock Options and/or selling the shares acquired upon the exercise of Stock Options.

On March 13, 2015, the CEO received 180,000 stock options under the CEO Stock Option Plan 2015 ("**CEO SOP 2015**"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that all of the stock options granted under CEO SOP 2015 have an expiration date of March 13, 2020. The stock options vest in three installments, on March 13, 2016, March 13, 2017 and March 13, 2018 respectively. All stock options that vest pursuant to the CEO SOP 2015 become exercisable during defined exercise periods as from March 13, 2018.

The vesting of the stock options under the CEO SOP 2015 is 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 the Remuneration Committee decided that these criteria were 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.

Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The CEO shall consider the general interest of the Company when exercising Stock Options and/or selling the shares acquired upon the exercise of Stock Options.

On April 15, 2016 the CEO received 244,209 stock options under the ESOP 2016 plan (**"ESOP 2016"**) (see also 8.3.1). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis. The term of the stock options is five years, such that all of the stock options granted under the ESOP 2016 plan, have an expiration of April 15, 2021. The stock options vest in quarterly installments.

On June 8, 2017, the CEO received 177,680 stock options under the ESOP 2017 plan (**"ESOP 2017"**) (see also 8.3.1). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that all of the stock options granted under the ESOP 2017 plan, have an expiration date of June 8, 2022. The stock options vest in quarterly installments.

On June 6, 2018, the CEO received 204,942 stock options under the ESOP 2018 plan (**"ESOP 2018"**) (see also 8.3.1). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis. The term of the stock options is five years, such that all of the stock options granted under the ESOP 2018 plan, have an expiration date of June 6, 2023. The stock options vest in quarterly installments.

On May 6, 2019, the CEO received 185,611 stock options under the ESOP 2019 plan (**"ESOP 2019"**) (see also 8.3.1). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis. The term of the stock options is five years, such that all of the stock options granted under the ESOP 2019 plan, have an expiration date of May 6, 2024. The stock options vest in quarterly installments.

During the year ended December 31, 2019, the beneficiary exercised 208,446 vested stock options of the CEO Stock Option Plan 2014, resulting in the delivery of a total of 208,446 own shares held by the Company. As of November 25, 2019, there were no more stock options outstanding under the CEO Stock Option Plan 2014.

During the year ended December 31, 2019, the beneficiary exercised 101,406 vested stock options of the CEO Stock Option Plan 2014bis, resulting in the delivery of a total of 101,406 own shares held by the Company. As of March 14, 2019, there were no more stock options outstanding under the CEO Stock Option Plan 2014bis.

During the year ended December 31, 2019, the beneficiary exercised 100,000 vested stock options of the CEO Stock Option Plan 2015, resulting in the delivery of a total of 100,000 own shares held by the Company.

As of December 31, 2019, Mr. Porter had been granted the following stock options:

Name Plan	Number of stock options outstanding	Current Exercise price*	Vesting	Expiration date
CEO SOP 2014**				
first installment	—	€34.51	June 26, 2016	June 26, 2020
second installment	—	€34.51	March 1, 2017	June 26, 2020
CEO SOP 2014 bis***				
first installment	—	€34.95	July 15, 2015	July 15, 2019
second installment	—	€34.95	July 15, 2016	July 15, 2019
third installment	—	€34.95	July 15, 2017	July 15, 2019
CEO SOP 2015*				
first installment	—	€44.88	March 13, 2016	March 13, 2020
second installment	32,954	€44.88	March 13, 2017	March 13, 2020
third installment	69,857	€44.88	March 13, 2018	March 13, 2020
ESOP 2016*				
	275,159	€40.36	Quarterly	April 15, 2021
ESOP 2017*				
	200,198	€51.60	Quarterly	June 8, 2022
ESOP 2018*				
	230,915	€37.91	Quarterly	June 6, 2023
ESOP 2019				
	185,611	€46.54	Quarterly	May 6, 2024

*Upon the payment of the extraordinary dividend on October 4, 2018, the Company adjusted all options to ensure that benefits granted to the option holders were not reduced. The number of options was increased and the exercise price was decreased. More details on the extraordinary dividend and respective adjustments can be found in note 5.12 to the consolidated financial statements.
** As of November 25, 2019, there were no more stock options outstanding under the CEO Stock Option Plan 2014.
*** As of March 14, 2019, there were no more stock options outstanding under the CEO Stock Option Plan 2014bis.

Performance Shares

In 2016, Telenet granted performance shares to the CEO (**"2016 Performance Shares"**). The performance target applicable to these Telenet performance shares is the achievement of an Operating Cash Flow ("OCF") compound annual growth rate ("CAGR") over the performance period over 3 years starting on January 1 of the year of acceptance. A performance range of 75% to 160% of the targeted OCF CAGR would generally result in the recipient being awarded between 75% and 300% of these Performance Shares provided the performance conditions have been realized and subject to reduction or forfeiture based on service requirements. These performances shares vest 3 years after the grant date.

In 2018, Telenet granted performance shares to the CEO (**"2018 Performance Shares"**). The performance target applicable to these Telenet performance shares is the achievement of an Operating Cash Flow ("OCF") compound annual growth rate ("CAGR") over the performance period over 3 years starting on January 1 of the year of acceptance. A performance range of 75% to 130% of the targeted OCF CAGR would generally result in the recipient being awarded between 75% and 200% of these Performance Shares provided the performance conditions have been realized and subject to reduction or forfeiture based on service requirements. These performances shares vest 3 years after the grant date.

In 2019, Telenet granted performance shares to the CEO (**"2019 Performance Shares"**). The performance target applicable to these Telenet performance shares is the achievement of an Operating Cash Flow ("OFCF") compound annual growth rate ("CAGR") over the performance period over 3 years starting on January 1 of the year of acceptance. A performance range of 75% to 120% of the targeted OFCF CAGR would generally result in the recipient being awarded between 75% and 150% of these Performance Shares provided the performance conditions have been realized and subject to reduction or forfeiture based on service requirements. These performances shares vest 3 years after the grant date.
On February 11, 2019, the board of directors determined that the performance targets applicable to the 2016 Telenet Performance Shares were met, resulting in the vesting of these performance shares on April 15, 2019. On February 11, 2019 the Remuneration and Nomination Committee decided to settle the vested performance shares in shares of the Company. Following the decision of the Remuneration & Nomination Committee at total of 77,562 (gross amount) shares were paid out.

Restricted Shares

In 2019, Telenet granted 19,222 restricted shares to the CEO. These shares do not have a performance criterion. 40% of the granted shares will vest on 6 May 2021. The remaining 60% of these shares will vest on 6 May 2020.

These shares have a blocking period of 2 years starting on the vesting date of the granted respective shares. During this blocking period, it is not permitted, either directly or indirectly, to transfer the Allocated Shares, grant option rights on them, pledge, donate or sell them.

c) Termination arrangements

The CEO has a termination arrangement in his contract with the Company, providing that in case of early termination, the CEO is entitled to a maximum total cash remuneration equal to 12 months remuneration.

4. Remuneration Senior Leadership Team

a) Cash-based remuneration

For the year ended December 31, 2019, the aggregate remuneration paid to the other members of the SLT (excluding the CEO), amounted to €5,323,197. All members of the SLT (excluding the CEO) have an employment agreement with Telenet BV.

This amount is composed of the following elements (for all members jointly, excluding the CEO): (i) a fixed salary of €2,989,070, a variable salary of €1,718,168 (constituting 100% of the total cash bonus of 2019), (iii) paid premiums for group insurance for an amount of €386,070 and (iv) benefits in kind valued at €229,890. All amounts are gross without employer's social security contributions.

The members of the SLT (excluding the CEO) benefit from a defined benefit pension scheme. The plan is financed by both employer and employee contributions. The total service cost (without contributions of the employees) amounted to €269,917. The benefits in kind include insurance for medical costs, a company car, representation allowance, luncheon vouchers and for some members housing and travel expenses. The members of the SLT (excluding the CEO) further receive a price reduction with respect to Telenet products or services they order. The members of the SLT receive no benefits in cash linked to a performance period of longer than one year.

b) Share-based compensation

Performance Shares

On February 11, 2019, the board of directors determined that the performance targets applicable to the 2016 Telenet Performance Shares were met, resulting in the vesting of these performance shares on April 15, 2019. On February 11, 2019 the Remuneration and Nomination Committee decided to settle the vested performance shares in shares of the Company. Following the decision of the Remuneration and Nomination Committee at total of 132,303 (gross amount) shares were paid out.

An overview of the numbers of 2016 Telenet performance shares vested in favor of (current) members of the Senior Leadership Team can be found below:

Name	Number of 2016 performance shares vested
Berger Micha	25,854
Bronselaer Jeroen	14,221
Caluwaerts Ann	10,631
Machtelinckx Luc	10,631
Poels Claudia	10,631
Tempels Martine	10,631
Paulissen Benedikte	14,221
Nieuwdorp Dieter	10,631
Vincent Patrick	14,221

In 2019 Telenet granted 27.124 performance shares to the SLT. The performance target applicable to these Telenet performance shares is the achievement of an Operating Cash Flow ("OCF") compound annual growth rate ("CAGR") over the performance period over 3 years starting on January 1 of the year of acceptance. A performance range of 75% to 120% of the targeted OCF CAGR would generally result in the recipients being awarded between 75% and 150% of these Performance Shares provided the performance conditions have been realized and subject to reduction or forfeiture based on service requirements. These performances shares vest 3 years after the grant date.

Stock Options

On December 31, 2019, the current members of the SLT (excluding the CEO) held in aggregate 152,040 exercisable stock options under the ESOP 2015, 257,458 under the ESOP 2016, 162,886 under the ESOP 2017, 108,238 under the ESOP 2018 and 42,770 under the ESOP 2019. Each stock option can be exercised for one share. The vesting of these stock options occurs progressively (per quarter) over a period of four years. The stock options become exercisable after vesting.

During 2019, the members of the SLT also received stock options under the ESOP 2019 plan. An overview of the stock options granted to (and accepted by) the current members of the SLT (excluding the CEO) during 2019 can be found in the table below:

Name	Grant	Number of stock options granted	Number of stock options accepted	Current Exercise price
Berger Micha	ESOP 2019	42,262	42,262	€46.54
Bronselaer Jeroen	ESOP 2019	23,244	23,244	€46.54
Caluwaerts Ann	ESOP 2019	17,207	17,207	€46.54
Van den Enden Erik	ESOP 2019	31,697	31,697	€46.54
Nieuwdorp Dieter	ESOP 2019	17,207	17,207	€46.54
Paulissen Benedikte	ESOP 2019	23,244	23,244	€46.54
Tempels Martine	ESOP 2019	34,029	34,029	€46.54
Vincent Patrick	ESOP 2019	34,029	25,000	€46.54

An overview of the stock options exercised by the members of the SLT (excluding the CEO) during 2019, while they were members of the SLT, can be found in the table below:

Name	Number of stock options exercised	Current Exercise Price	Plan
Berger Micha	39,436	€40.18	ESOP 2014
Bronselaer Jeroen	5,000	€45.15	ESOP 2015
	10,000	€40.36	ESOP 2016
	6,000	€37.91	ESOP 2018
Caluwaerts Ann	24,436	€40.18	ESOP 2014
	15,211	€45.15	ESOP 2015
	6,000	€37.91	ESOP 2018
Machtelinckx Luc	13,168	€40.18	ESOP 2014
	18,900	€40.36	ESOP 2016
	6,760	€37.91	ESOP 2018
Nieuwdorp Dieter	39,436	€ 40.18	ESOP 2014
	10,000	€45.15	ESOP 2015
Poels Claudia	39,436	€40.18	ESOP 2014
Tempels Martine	13,436	€40.18	ESOP 2014
	17,746	€45.15	ESOP 2015
	22,956	€40.36	ESOP 2016
	13,520	€37.91	ESOP 2018
Vincent Patrick	20,000	€40.18	ESOP 2014
	21,126	€43.34	ESOP 2015

Restricted Shares

In 2019, Telenet granted 30.526 restricted shares to the SLT. These shares do not have a performance criterion. 40% of the granted shares will vest on 6 May 2021. The remaining 60% of these shares will vest on 6 May 2020.

These shares have a blocking period of 2 years starting on the vesting date of the granted respective shares. During this blocking period, it is not permitted, either directly or indirectly, to transfer the Allocated Shares, grant option rights on them, pledge, donate or sell them.

c) Termination arrangements

The employment agreements of some members of the SLT, all concluded before July 2009, contain termination arrangements providing for a notice period which can exceed twelve months in case of termination by Telenet BV (other than for cause). Most employment agreements, however, do not contain specific provisions relating to (early)

termination as these agreements precede the implementation of the Corporate Governance Code 2020 on January 1, 2020. As a result, the employment contracts of certain members of the SLT deviate from principle 7.12 of the Corporate Governance Code.
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 employment agreement with Ms. Martine Tempels, concluded when she was not yet a member of the SLT (and before May 4, 2010, i.e. the date of entry into force of the Law of April 6, 2010), does contain specific provisions relating to early termination, although it does not contain a clause specifying that severance pay in the event of early termination should not exceed 12 months' remuneration. The Company did not conclude a new agreement with her at the occasion of her appointment as member of the SLT.

The employment agreement with Mr. Dieter Nieuwdorp, and Ms. Benedikte Paulissen concluded when they were not yet members of the SLT (and before May 4, 2010, i.e. the date of entry into force of the Law of April 6, 2010) do not contain specific provisions relating to early termination.

The employment agreements with Mr. Patrick Vincent, Mr. Jeroen Bronselaer and Ms. Claudia Poels do not contain specific provisions relating to early termination.

The agreements with Ms. Ann Caluwaerts and Mr. Micha Berger all concluded after May 4, 2010, contain clauses specifying that severance pay in the event of early termination shall not exceed the maximum amount foreseen by law.

All new agreements concluded with members of the SLT after May 4, 2010 comply with the legal provisions of the Law of April 6, 2010. All future agreements will comply with the Belgian Corporate Governance Code 2020.

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, 2019, 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.

Brussels, March 24, 2020

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, 2019	December 31, 2018, restated (*)
Assets			
Non-current assets:			
Property and equipment	5.4	2,366.8	2,230.8
Goodwill	5.5	1,874.6	1,807.8
Other intangible assets	5.6	790.3	753.5
Deferred tax assets	5.15	261.4	247.1
Investments in and loans to equity accounted investees	5.7.1	16.3	67.3
Other investments	5.7.2	6.1	5.0
Derivative financial instruments	5.14	55.3	6.0
Trade receivables	5.8.1	—	0.9
Other non-current assets	5.9.1	27.9	17.3
Total non-current assets		**5,398.7**	**5,135.7**
Current assets:			
Inventories	5.10	25.2	28.0
Trade receivables	5.8.2	204.5	201.9
Other current assets	5.9.2	130.4	142.7
Cash and cash equivalents	5.11	101.4	88.2
Derivative financial instruments	5.14	61.7	62.8
Total current assets		**523.2**	**523.6**
Total assets		**5,921.9**	**5,659.3**

(€ in millions)	Note	December 31, 2019	December 31, 2018, 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	695.7	719.2
Retained loss	5.12	(2,287.8)	(2,446.0)
Remeasurements	5.12	(13.5)	(16.5)
Total equity attributable to owners of the Company		**(1,512.1)**	**(1,649.8)**
Non-controlling interests	5.12	25.1	22.9
Total equity		**(1,487.0)**	**(1,626.9)**
Non-current liabilities:			
Loans and borrowings	5.13	5,206.0	5,161.0
Derivative financial instruments	5.14	261.4	211.3
Deferred revenue	5.19	3.8	2.9
Deferred tax liabilities	5.15	172.4	163.4
Other non-current liabilities	5.16	63.1	55.4
Provisions	5.18.2	17.6	19.0
Total non-current liabilities		**5,724.3**	**5,613.0**
Current liabilities:			
Loans and borrowings	5.13	527.0	504.1
Trade payables		247.7	184.7
Accrued expenses and other current liabilities	5.18.1	418.4	463.2
Provisions	5.18.2	70.9	72.1
Deferred revenue	5.19	107.8	101.3
Derivative financial instruments	5.14	69.5	64.3
Current tax liability	5.22	243.3	283.5
Total current liabilities		**1,684.6**	**1,673.2**
Total liabilities		**7,408.9**	**7,286.2**
Total equity and liabilities		**5,921.9**	**5,659.3**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The Company has initially applied IFRS 16 at January 1, 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application (note 5.29).

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	**2019**	**2018 as restated (*)**
Profit for the period			
Revenue	5.19	2,583.9	2,533.8
Cost of services provided	5.20	(1,353.3)	(1,401.2)
Gross profit		**1,230.6**	**1,132.6**
Selling, general and administrative expenses	5.20	(545.1)	(535.0)
Operating profit		**685.5**	**597.6**
Finance income		24.7	112.2
Net interest income, foreign exchange gain and other financial income	5.21	0.8	0.4
Net gain on derivative financial instruments	5.14 & 5.21	23.9	111.8
Finance expense		(356.9)	(375.5)
Net interest expense, foreign exchange loss and other finance expense	5.21	(307.4)	(350.9)
Loss on extinguishment of debt	5.21	(49.5)	(24.6)
Net finance expenses	5.21	**(332.2)**	**(263.3)**
Share in the profit of equity accounted investees	5.7.1	(0.9)	1.4
Reversal of impairment of investments in equity accounted investees	5.7.1	—	22.7
Gain on disposal of assets related to discontinued operations	5.7.1	0.1	10.5
Profit before income tax		**352.5**	**368.9**
Income tax expense	5.22	(117.9)	(118.1)
Profit for the period		**234.6**	**250.8**

(€ in millions, except per share data)		For the years ended December 31,	
	Note	**2019**	**2018 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)	5.17	4.2	(4.9)
Deferred tax		(1.2)	1.9
Other comprehensive income (loss) for the period, net of income tax		**3.0**	**(3.0)**
Total comprehensive income for the period		**237.6**	**247.8**
Profit (loss) attributable to:		**234.6**	**250.8**
Owners of the Company		234.5	252.0
Non-controlling interests		0.1	(1.2)
Total comprehensive income (loss) for the period, attributable to:		**237.6**	**247.8**
Owners of the Company		237.5	249.0
Non-controlling interests		0.1	(1.2)
Earnings per share			
Basic earnings per share in €	5.23	2.13	2.21
Diluted earnings per share in €	5.23	2.13	2.21

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The Company has initially applied IFRS 16 at January 1, 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application (note 5.29).

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, 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]		—	—	—	—	—	—	—	(1.5)	—	(1.5)	—	(1.5)
Nextel accounting policies policy change [1]		—	—	—	—	—		—	0.1	—	0.1	—	0.1
January 1, 2019 as 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 [2]		—	—	—	—	—	—	—	—	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	5.12	—	—	—	—	—	—	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)
Realized loss on 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)
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)**

[1] We refer to note 5.24.2 and 5.1.6 regarding the impact of the finalization of the purchase price allocation and the accounting policy alignment of the Nextel acquisition.

[2] Remeasurements of defined benefit liabilities/(asset), net of taxes

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 loss	Remeasurements	Total	Non-controlling Interest	Total equity
(€ in millions, except share data)													
December 31, 2017 as reported		**117,716,323**	**12.8**	**80.7**	**87.8**	**99.3**	**(108.7)**	**827.9**	**(2,099.7)**	**(13.5)**	**(1,113.4)**	**21.9**	**(1,091.5)**
January 1, 2018 after impact of finalization PPA SFR Belux			**12.8**	**80.7**	**87.8**	**99.3**	**(108.7)**	**827.9**	**(2,101.9)**	**(13.5)**	**(1,115.6)**	**21.9**	**(1,093.7)**
Impact of changes in accounting policies		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**8.6**	**—**	**8.6**	**—**	**8,622.0**
Reclass legal reserves		**—**	**—**	**—**	**—**	**(34.5)**	**—**	**34.5**	**—**	**—**	**—**	**—**	**—**
January 1, 2018 restated			**12.8**	**80.7**	**87.8**	**64.8**	**(108.7)**	**862.4**	**(2,093.3)**	**(13.5)**	**(1,107.0)**	**21.9**	**(1,085.1)**
Total comprehensive income for the period													
Profit for the period		—	—	—	—	—	—	—	253.4	—	253.4	(1.2)	252.2
Other comprehensive income (loss)		—	—	—	—	—	—	—	—	(3.0)	(3.0)	—	(3.0)
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**253.4**	**(3.0)**	**250.4**	**(1.2)**	**249.2**
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
Recognition of share-based compensation	5.12	—	—	—	16.8	—	—	—	—	—	16.8	—	16.8
Own shares acquired	5.12	—	—	—	—	—	(228.0)	—	—	—	(228.0)	—	(228.0)
Realized loss on own shares sold	5.12	—	—	—	—	—	24.2	—	(5.7)	—	18.5	—	18.5
Dividend declared	5.12	—	—	—	—	—	—	—	(599.1)	—	(599.1)	—	(599.1)
Other	5.12	—	—	—	—	—	—	(0.1)	0.1	—	—	—	—
Total contribution by and distributions to owners of the Company		**—**	**—**	**—**	**16.8**	**—**	**(203.8)**	**(0.1)**	**(604.7)**	**—**	**(791.8)**	**—**	**(791.8)**
Changes in ownership interests in subsidiaries													
Capital contributions by NCI		—	—	—	—	—	—	—	—	—	—	2.2	2.2
Total transactions with owners of the Company		**—**	**—**	**—**	**16.8**	**—**	**(203.8)**	**(0.1)**	**(604.7)**	**—**	**(791.8)**	**2.2**	**(789.6)**
December 31, 2018		**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)**

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

4. Consolidated statement of cash flows

(€ in millions)		For the years ended December 31,	
	Note	**2019**	**2018 as restated (*)**

Cash flows provided by operating activities:

Profit for the period		234.6	250.8
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.20	681.3	709.4
Gain on disposal of property and equipment and other intangible assets	5.20	(1.9)	(3.0)
Income tax expense	5.22	117.9	118.1
Increase (decrease) in allowance for bad debt	5.8	2.1	(1.4)
Gain on disposal of assets to a joint venture	5.7.1	(0.1)	(10.5)
Net interest income and foreign exchange gain	5.21	(0.8)	(0.4)
Net interest expense, foreign exchange loss and other finance expense	5.21	307.3	350.9
Net gain on derivative financial instruments	5.14 & 5.21	(23.8)	(111.8)
Loss on extinguishment of debt	5.21	49.5	24.6
Share in the result of equity accounted investees	5.7.1	0.9	(1.4)
Reversal impairment of investments in equity accounted investees	5.7.1	—	(22.7)
Share based payments	5.12 & 5.20	13.0	16.8
Change in:			
Trade receivables		24.6	21.6
Other assets		4.8	11.7
Deferred revenue		1.7	(0.7)
Trade payables		24.3	18.9
Other liabilities		31.5	(59.9)
Accrued expenses and other current liabilities		26.0	21.5
Interest paid	5.13.4	(241.1)	(188.4)
Interest received		0.1	35.0
Income taxes paid		(159.4)	(103.5)
Net cash provided by operating activities		**1,092.5**	**1,075.6**

(€ in millions)		For the years ended December 31,	
	Note	2019	2018 as restated (*)

Cash flows used in investing activities:

Acquisitions of property and equipment		(261.7)	(245.8)
Acquisitions of intangibles		(150.2)	(157.9)
Acquisitions of and loans to equity accounted investees	5.7.1	(1.3)	(2.8)
Acquisitions of subsidiaries, net of cash acquired	5.24	(19.6)	(62.5)
Proceeds from sale of property and equipment and other intangibles		0.8	2.6
Net cash used in investing activities		**(432.0)**	**(466.4)**

Cash flows used in financing activities:

Repayments of loans and borrowings	5.13	(1,215.6)	(694.4)
Proceeds from loans and borrowings	5.13	815.9	1,009.5
Repayments of loans to related parties	5.13	(13.0)	—
Payments of lease liabilities	5.13	(73.8)	(45.2)
Payments for debt issuance costs	5.13	(1.4)	(25.7)
Payments for early termination of loans and borrowings	5.13	(45.5)	—
Repurchase of own shares	5.12	(101.0)	(228.5)
Sale of own shares	5.12	49.6	18.6
Payments related to capital reductions and dividends	5.12	(62.8)	(598.9)
Proceeds from capital transactions with equity participants		0.3	4.5
Net cash used in financing activities	5.13.4	**(647.3)**	**(560.1)**
Net increase in cash and cash equivalents		**13.2**	**49.1**
Cash and cash equivalents:			
at January 1	5.11	88.2	39.1
at December 31	5.11	101.4	88.2

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The Company has initially applied IFRS 16 at January 1, 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application (note 5.29).

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

5. Notes to the consolidated financial statements for the year ended December 31, 2019

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.

On May 1, 2018, the Company acquired **TelelinQ NV** and its subsidiaries (hereinafter referred to as "**Nextel**"), which acts as a Belgian integrator and provides additional expertise to design, build and manage all-in-one solutions for businesses.

On June 3, 2019, the Company acquired the remaining 50% of **De Vijver Media**, its previously held equity investment, a Belgian media company active in the free-to-air broadcasting (through its TV channels "VIER", "VIJF" and "ZES") and content production (through its production company "Woestijnvis").

On October 18, 2019, the Company acquired **Native Nation** and **Stream 32**, active in the market of influencer marketing and public relations campaigns online.

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 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
- note 5.8: Trade receivables: doubtful debtors
- note 5.14: Derivative financial instruments
- 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 - Asset Retirement obligations

- note 5.18.2: Provisions
- note 5.24: Acquisition of subsidiary - Purchase price allocation
- note 5.29: Impact of adopting IFRS 16 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, 2019 showed a negative consolidated equity amounting to €1,487.0 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.

5.1.6 Reporting changes

IFRS 16 Leases: As of January 1, 2019, the Company has adopted IFRS 16 Leases as mentioned in its 2018 Annual Report (see Section 5.2.20 - ***Forthcoming requirements***). In applying IFRS 16, the Company has recognized new assets and liabilities for leases previously classified as operating leases, being leases of (i) site rentals, (ii) real estate, (iii) cars and (iv) dark fiber. IFRS 16 also changed the nature of expenses related to those leases because the Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. In addition, the Company no longer recognizes provisions for leases that are assessed to be onerous. Instead, the Company includes the payments due under such leases in the lease liability and records an impairment of the corresponding right-of-use asset.

Purchase price allocation for the Nextel acquisition: The Company's December 31, 2018 consolidated statement of financial position has been restated, reflecting the retrospective impact of the purchase price allocation ("PPA") and accounting policies alignment for the Nextel acquisition, which was not yet available at year-end 2018. The fair value adjustment on intangible assets (€25.7 million) mainly related to the acquired customer relationships (€16.5 million), trade names (€6.8 million) and technology (€2.4 million). The assessment of the sale-and-lease back and renting model resulted in the derecognition of deferred revenue (€2.7 million) and property and equipment (€7.1 million) which were replaced by a lease receivable (€8.9 million). Together with the deferred tax impact of the above mentioned adjustments (€7.8 million), goodwill was reduced by €22.3 million. The recognition of the fair value of the intangible assets and the adjustment to the sale-and-lease back and accounting policy alignment of Nextel resulted in additional amortization expense (€2.1 million), a decrease in depreciation expense (€1.8 million), a reduction of the revenues (€1.0 million) and an increase of the cost of goods sold (€0.7 million) recognized for the period between the acquisition date (May 31, 2018) and December 31, 2018, for which the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2018 was restated (see Note 5.24.2).

Presentation of provisions: As of December 31, 2019, provisions are presented as a separate item in the consolidated statement of financial position, whereas previously, these were presented as part of the (i) other non-current liabilities, and (ii) accrued expenses and other current liabilities. The Company also applied this change retroactively to the prior year period. Accordingly, €19.0 million of other non-current liabilities and €72.1 million of accrued expenses and other current liabilities was reclassified to respectively non-current and current provisions as of December 31, 2018 (see Note 5.18.2).

5.1.7 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 24, 2020.

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.

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 Nextel and De Vijver Media, 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.

Prior to acquiring the remaining 50% shares in De Vijver Media, the Company determined that its 50% investment in this business was considered to be a separate operating segment that was not a reportable segment as it did not exceed the quantitative thresholds. Following the acquisition of the remaining 50% shares in De Vijver Media on June 3, 2019, De Vijver Media became a fully owned and consolidated subsidiary. Taking into account the interdependencies and synergies between De Vijver Media and Telenet's content business, the De Vijver Media business has been included in the Company's aggregated and consolidated reporting upon which the Company's performance is assessed and the necessary resource allocation is decided by the CODM.

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, 2019 and 2018 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, 2019 and 2018.

(€ in millions)	December 31, 2019 Belgium	Foreign countries	TOTAL	December 31, 2018, as restated (*) Belgium	Foreign countries	TOTAL
Property & equipment	2,358.3	8.5	2,366.8	2,222.6	8.2	2,230.8
Intangible assets	770.6	19.7	790.3	730.8	22.7	753.5
Total fixed assets	**3,128.9**	**28.2**	**3,157.1**	**2,953.4**	**30.9**	**2,984.3**

(€ in millions)	For the year ended December 31, 2019 Belgium	Foreign countries	TOTAL	For the year ended December 31, 2018, as restated (*) Belgium	Foreign countries	TOTAL
Total revenue	**2,574.7**	**9.2**	**2,583.9**	**2,523.3**	**10.5**	**2,533.8**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For the years ending December 31, 2019 and December 31, 2018, no single third party customer accounted for 10 percent 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 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

Policy applicable from January 1, 2019 following the adoption of IFRS 16

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.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

i. Leases in which the Group 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. Specifically with respect to lease contracts of site rentals, the Company reassesses on a regular basis the agreements for which the minimum enforceable term will end within two years and performs an assessment whether it is reasonably certain that the option will be exercised. If this latter is the case, the Company modifies the contract asset and liability accordingly.

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 Group 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.

Policy applicable before January 1, 2019

For contracts entered into before January 1, 2019, the Company determined at inception of an arrangement, including arrangements that convey to the Company the right to use equipment, fibers or capacity for an agreed period of time in return for a series of payments, whether such an arrangement was or contained a lease. A specific asset was the subject of a lease if fulfillment of the arrangement was dependent on the use of that specified asset. An arrangement conveyed the right to use the asset if the arrangement conveyed to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separated payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Leases were classified as finance leases whenever the terms of the lease transferred substantially all of the risks and rewards of ownership to the Company. Property and equipment acquired by way of a finance lease were stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, were included in long-term debt with the interest element of the finance cost charged to the statement of profit or loss and other comprehensive income over the lease period. All other leases were classified as operating lease payments and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Leased assets were depreciated over the shorter of the lease term and their useful lives unless it was reasonably certain that the Company would obtain ownership by the end of the lease term in which case they were depreciated over their useful lives.

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. Due to a change in legislation regarding the minimum guaranteed rates of return at the end of 2015, the Company accounts for its defined contribution plans as defined benefit plans as from 2016 onwards.

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, 2019.

Annual improvements to IFRSs 2015-2017 Cycle, issued on December 12, 2017, covers the following minor amendments:

- IFRS 3 *Business Combinations*: the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11 *Joint Arrangements*: the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 *Income Taxes*: the amendments clarify that a company accounts for all income tax consequences of dividend payments consistently with the transactions that generated the distributable profits - i.e. in profit or loss, OCI or equity.
- IAS 23 *Borrowing Costs*: the amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

These amendments are effective for annual reporting periods beginning on or after January 1, 2019. These amendments had no material impact on the Group's consolidated financial statements.

IFRS 16 Leases makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remained similar to the previous accounting standard, i.e. lessors continue to classify leases as finance or operating leases. The Company determined IFRS 16 applicable to the following categories of lease contracts: (i) site rentals, (ii) real estate, (iii) cars and (iv) dark fiber. Application of IFRS 16 involves a certain degree of judgement, more specifically with respect to the assessment of the applicable lease term and the assessment if any options to extend the lease term are to be considered 'reasonably certain' to be exercised or not. Specifically for the site rentals, Telenet has determined that upon adoption of IFRS 16, the extension options were not 'reasonably certain' to be exercised and consequently, these were not taken into account in the determination of the lease term.

IFRS 16 replaced existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

i. Leases in which the Group is a lessee
The Company has recognized new assets and liabilities for those leases classified as operating leases under previous accounting principles generally accepted under IFRS, being:

- Operating leases of site rentals
- Operating leases of real estate
- Operating leases of cars
- Operating leases of dark fiber

The nature of expenses related to those leases changed because the Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

In addition, the Company no longer recognizes provisions for operating leases that it assesses to be onerous. Instead, the Company includes the payments due under the lease in its lease liability.

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, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, 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.

The application of IFRS 16 had no significant impact for the Company's leases which were previously classified and accounted for as finance leases in conformity with IAS 17 Leases.

The adoption of IFRS 16 does not impact the Company's ability to comply with the revised maximum leverage threshold loan covenant.

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 Group is a lessor

For other leases in with the Group is a lessor, the Company determined that there was no significant impact of the adoption of IFRS 16.

iii. Transition

The Company applied the modified retrospective approach and thus recorded a cumulative effect adjustment to the opening balance of retained earnings as per January 1, 2019, with no restatement of comparative information.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at January 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company applied the following practical expedients:

- Grandfathering the definition of a lease on transition. This means that IFRS 16 was applied to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4;
- No right-of-use assets or lease liabilities were recognized for leases with a term of 12 months or less;
- In transition, the Company applied the practical expedients that permit the Company not to reassess whether expired or existing contracts contain a lease under the new standard. In addition, the Company did not use hindsight during transition;
- The Company applied a single discount rate to a portfolio of leases with similar characteristics.

The Company did not apply the practical expedient that permits a lessee to account for lease and non-lease components in a contract as a single lease component and, accordingly, the Company continued to account for these components separately. The Company did not exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Telenet assessed potentially onerous leases by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The right-of-use asset at the date of initial application was adjusted by the amount of any provision for onerous leases recognized in the statement of financial position immediately before the date of initial application.

The financial impact of IFRS 16 on the opening balance sheet can be summarized as follows:

	January 1, 2019
	(€ in millions)
Right-of-use assets	163.8
Other current assets	(0.7)
Lease liabilities	(163.1)

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognized €163.8 million of right-of-use assets, -€0.7 million of other current assets and €163.1 million lease liabilities as at January 1, 2019. Also in relation to those leases, the Company recognized depreciation and accretion costs, instead of operating lease expense. For the year ended December

31, 2019, the Company recognized €42.5 million of depreciation charges and €4.2 million of accretion costs in respect of these leases.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) issued on October 12, 2017, clarifies how companies should account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective for annual periods beginning on or after January 1, 2019. These amendments have been endorsed by the EU in February 2019 and had no material impact on the Group's consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments issued on June 7, 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognize and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation. An entity is required to assume that a tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. Detection risk is not considered in the recognition and measurement of uncertain tax treatments. The entity should measure the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. The interpretation is effective for annual periods beginning on or after January 1, 2019. This interpretation has been endorsed by the EU. The amendments had no material impact on the Group's consolidated financial statements.

IFRS 9 Prepayment Features with Negative Compensation Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments were to be applied retrospectively and were effective from January 1, 2019, with earlier adoption permitted. These amendments have been endorsed by the EU and had no impact on the consolidated financial statements of the Company.

IAS 19: Plan Amendment, Curtailment or Settlement The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect on the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding the amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019. These amendments apply only to any future plan amendments, curtailments, or settlements of the Company. The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.

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, 2019 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 January 1, 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 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 amendment applies to businesses acquired in annual periods beginning on or after January 1, 2020, with earlier application permitted. The amendment has not yet been endorsed by the EU.

Amendments to IAS 1 and 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 prospectively for annual periods beginning on or after January 1, 2020 with earlier application permitted.

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 judgements 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, whereas the Board will start using the revised Conceptual Framework immediately.

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, with earlier application permitted.

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 risen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with 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 to which the Company is involved. Outside 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 parts of Luxembourg, and outstanding receivables towards Telenet Group'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, 2019	December 31, 2018, as restated (*)
Cash and cash equivalents (including money market funds, certificates of deposits)	5.11	101.4	88.2
Trade receivables	5.8	213.9	211.7
Derivative financial instruments	5.14	117.0	68.8
Receivables from sale of sports broadcasting rights	5.9	7.9	1.7
Indemnification receivable pylon tax KPN	5.9	13.5	18.3
Prepaid content	5.9	11.2	6.3
Prepayments	5.9	35.4	29.8
Outstanding guarantees to third parties for own liabilities (cash paid)	5.9	1.5	3.9
Loans to equity accounted investees	5.7	1.6	1.3
Total		**503.4**	**430.0**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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

5.3.3 Liquidity risk

Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition, new regulations and potentially adverse outcomes with respect to the Company's litigations as described in note 5.26.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations 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 2018 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 2018 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

The 2018 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 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 addition, 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 December 2017, the Company entered into a short-term €20.0 million revolving credit facility with availability up to September 30, 2021. In June 2019, the Company also entered into a short-term €60.0 million revolving credit facility with availability up to December 31, 2021. This new revolving credit facility can be used for general corporate purposes and carries a margin of 2.25% over EURIBOR (0% floor).

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, 2019 and 2018 were as follows:

Situation as of December 31, 2019			**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**

Situation as of December 31, 2018 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]	7,052.3	561.8	230.0	225.3	225.1	224.1	5,586.0
Finance lease obligations [1] [3]	546.6	70.6	66.3	63.2	63.4	53.6	229.5
Operating lease obligations	84.2	40.1	17.3	7.1	3.6	2.8	13.3
Other contractual obligations [2]	1,092.9	254.6	77.6	39.6	32.7	33.3	655.1
Interest rate derivatives [3]	(229.5)	3.6	(35.5)	(35.5)	(35.7)	(41.5)	(84.9)
Foreign exchange derivatives	42.7	42.7	—	—	—	—	—
Accrued expenses and other current liabilities [4]	456.2	456.2	—	—	—	—	—
Trade payables	184.7	184.7	—	—	—	—	—
Total contractual obligations	**9,230.1**	**1,614.3**	**355.7**	**299.7**	**289.1**	**272.3**	**6,399.0**

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 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.3.4 Market risk

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

Qualitative disclosures on foreign exchange risk

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

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. Approximately 4.9% (2018: approximately 3.0%) 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 Company has significant US dollar obligations with respect to the contracts it is party to for the supply of premium content. 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 EURO debt markets in order to diversify its lenders' sources and to maximize the all-in EURO rate It is the Company policy to hedge the currency risk on the capital and the interests arising from the issuance of an USD denominated debt.The USD

In October 2019, Telenet successfully issued a USD 220.0 million Term Loan and a €175.0 million Term Loan as an add-on to the existing term loan facilities. The net proceeds of these issuances were used to redeem in full the outstanding amount of €371.0 million under the July 2027 Notes post the partial July 2019 redemption, including the payment of a €42.3 million make-whole premium.

In January 2020, Telenet issued a new 8.25-year USD 2.295 million Term Loan ("Term loan AR") and a new 9.25-year €1.110 million Term Loan ("Term loan AQ"). Through this accretive leverage-neutral transaction, Telenet succeeded in locking in attractive long-term interest rates while extending tenor. See note 5.30 ***Subsequent events*** for more information.

The currency risk exposure of the USD 2.295 million Term Loan ("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, 2019 and 2018, 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, 2019 and 2018, are disclosed in more detail in Note 5.13 to the consolidated financial statements of the Company.

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 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, 2019 and 2018, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Under the 2018 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)	**2019**		**2018, as restated (*)**	
Changes in fair value	**+0.25%**	**-0.25%**	**+0.25%**	**-0.25%**
Swaps	60.8	(60.8)	52.8	(52.8)
Floors	(12.6)	12.6	—	—
Total	**48.2**	**(48.2)**	**52.8**	**(52.8)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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

Situation as of December 31, 2019	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	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**

Situation as of December 31, 2018, 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	52.9	99.0	98.8	98.8	99.3	304.9
2018 Amended SCF Term Loan AO	22.6	23.9	23.8	23.8	24.0	105.2
Interest Derivatives	(0.3)	(42.6)	(42.6)	(42.8)	(48.6)	(101.1)
Total	**75.2**	**80.3**	**80.0**	**79.8**	**74.7**	**309.0**

Situation as of December 31, 2018, 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	47.6	89.8	89.6	89.6	90.1	276.6
2018 Amended SCF Term Loan AO	22.5	23.8	23.7	23.7	23.8	104.7
Interest Derivatives	7.3	(28.7)	(28.6)	(28.9)	(34.6)	(68.8)
Total	**77.4**	**84.9**	**84.7**	**84.4**	**79.3**	**312.5**

(*) We refer to note 5.1.6 *Reporting changes* and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. Due to the recent refinancing, the Company does not have any obligation to redeem fixed rate debt prior to maturity until March 31, 2028 and, accordingly, interest rate risk and changes in fair market value should not have a significant effect on the 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 AN 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, 2019						
(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
2018 Amended SCF - Term Loan AN	USD	2,295.0	(227.1)	On profit or loss	185.8	On profit or loss

December 31, 2018, as 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	(97.0)	On profit or loss	79.4	On profit or loss
2018 Amended SCF - Term Loan AN	USD	2,075.0	(201.3)	On profit or loss	164.7	On profit or loss

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.3.5 Capital Risk

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

On the December 2018 Capital Markets Day, Telenet reconfirmed its leverage framework, maintained at 3.5x to 4.5x Net Total Debt to Consolidated Annualized 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. At December 31, 2019, net total leverage reached 4.0x and represented a modest decrease versus 4.1x at the end of 2018. The modest year-on-year decrease in Telenet's net total leverage was mainly driven by a robust cash flow generation throughout the year and was achieved despite an attractive shareholder remuneration pay-out for the year ended December 31, 2019, including €101.0 million of share repurchases and a €62.8 million gross intermediate dividend.

Net covenant leverage, as calculated under the 2018 Amended Senior Credit Facility and which excludes lease-related liabilities and vendor financing-related short-term liabilities, was 3.2x at December 31, 2019. This was stable versus the prior quarter and represented a decrease from 3.4x at December 31, 2018. The 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.

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, 2019	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 and borrowings (including accrued interest excluding deferred financing fees and lease obligations)	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	—
- Loan the Park		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

December 31, 2018, 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	53.2	53.2	53.2	—	—
Derivative financial assets	5.14	68.8	68.8	—	68.8	—
Total financial assets carried at fair value		**122.0**	**122.0**	**53.2**	**68.8**	**—**
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	(275.6)	(275.6)	—	(275.6)	—
Total financial liabilities carried at fair value		**(275.6)**	**(275.6)**	**—**	**(275.6)**	**—**
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		2,748.1	2,646.1	—	2,646.1	—
- Senior Secured Fixed Rate Notes[1]		1,992.1	1,893.9	1,893.9	—	—
- Revolving Credit Facility		3.0	2.9	—	2.9	—
- Global Handset Finco Ltd Loan		12.7	12.7	—	12.7	—
- SFR network right of use		4.1	4.1	—	4.1	—
- Vendor financing		359.0	359.0	—	359.0	—
- Finance lease obligations		410.9	369.4	—	369.4	—
- Clientele fee > 20 years		124.7	119.3	—	119.3	—
- 3G Mobile Spectrum		23.7	21.8	—	21.8	—
- Renting debt		5.1	4.5	—	4.5	—
Total financial liabilities carried at amortized cost		**5,683.4**	**5,433.7**	**1,893.9**	**3,539.8**	**—**

[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 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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: - 2018 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	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, 2019, 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, 2018		**162.2**	**3,440.9**	**112.1**	**82.8**	**3,798.0**
Additions		11.9	333.2	129.1	9.6	483.8
Acquisition of Nextel	5.24.2	7.9	—	—	4.9	12.8
Carve-out Unit-T		(0.3)	(3.3)	—	(1.5)	(5.1)
Transfers		—	63.3	(63.3)	—	—
Asset retirement obligation		—	0.4	—	—	0.4
Disposals		—	(6.2)	—	(0.1)	(6.3)
Write off of fully depreciated assets		(5.1)	(372.1)	—	(5.9)	(383.1)
At December 31, 2018, as Reported		**176.6**	**3,456.2**	**177.9**	**89.8**	**3,900.5**
Acquisition Nextel PPA	5.24.2	(7.8)	—	—	—	(7.8)
At December 31, 2018, as restated (*)		**168.8**	**3,456.2**	**177.9**	**89.8**	**3,892.7**
IFRS 16	5.29	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 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		**216.1**	**3,780.4**	**158.3**	**101.5**	**4,256.3**
Accumulated Depreciation						
At January 1, 2018		**74.5**	**1,539.0**	**—**	**34.9**	**1,648.4**
Depreciation charge for the year		14.1	385.0	—	7.0	406.1
Carve out Unit-T		—	(2.5)	—	(0.4)	(2.9)
Disposals		—	(5.3)	—	(0.1)	(5.4)
Write off fully depreciated assets		(5.1)	(372.6)	—	(5.4)	(383.1)
At December 31, 2018, as reported		**83.5**	**1,543.6**	**—**	**36.0**	**1,663.1**
Acquisition of Nextel - amortization charge PPA	5.24.1	(1.2)	—	—	—	(1.2)
At December 31, 2018, as restated (*)		**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 of fully depreciated assets		(1.9)	(174.0)	—	(1.4)	(177.3)
At December 31, 2019		**103.7**	**1,742.6**	**—**	**43.2**	**1,889.5**
Carrying Amount						
At December 31, 2019		112.4	2,037.8	158.3	58.3	2,366.8
December 31, 2018, as restated (*)		86.5	1,912.6	177.9	53.8	2,230.8

(*) We refer to note 5.1.6 ***Reporting change**s* and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Capital expenditures for property and equipment reached €378.0 million for the year ended December 31, 2019, (€483.8 million for the year ended December 31, 2018) mainly representing the following additions:

- accrued capital expenditures for both the broadband and the mobile network growth and upgrades for an amount of €315.1 million (2018: €398.0 million);
- capital expenditures for customer installations for an amount of €28.2 million (2018: €43.9 million);
- set-top box related capital expenditures for an amount of €34.1 million (2018: €41.9 million).

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

For the year ended December 31, 2019, the Company removed €177.3 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company (€383.1 million for the year ended December 31, 2018).

The Company recognized a gain on disposal of assets of €1.9 million for the year ended December 31, 2019 (€3.0 million for the year ended December 31, 2018), mainly attributable to modems and set-up boxes €1.0 million (€0.9 million for the year ended December 31, 2018) , and the sale of scrap material €0.8 million (€2.1 million for the year ended December 31, 2018).

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, 2019 amounted to €1,874.6 million (December 31, 2018: €1,807.8 million as restated). The increase of €66.8 million was attributable to the combined effect of the acquisition and purchase price allocation of De Vijver Media (€62.0 million), the accounting policy alignment regarding Nextel (-€0.3 million) and the acquisition of Native Nation / Stream 32 (€5.1 million).

	(€ in millions)
January 1, 2018	**1,795.9**
Acquisition of subsidiaries - Nextel	71.0
Impairment Coditel S.à r.l. (SFR Luxemburg)	(36.8)
December 31, 2018 as reported	**1,830.1**
Purchase price allocation - Nextel	(22.3)
December 31, 2018 as restated	**1,807.8**
Accounting policy alignment - Nextel	(0.3)
Acquisition of subsidiaries - De Vijver Media	67.2
Purchase price allocation - De Vijver Media	(5.2)
Acquisition of subsidiaries - Native Nation / Stream 32	5.1
December 31, 2019	**1,874.6**

For detailed information regarding the acquisitions of De Vijver Media, Native Nation / Stream 32 and Nextel, as well as regarding the purchase price allocation for De Vijver Media and Nextel, we refer to note 5.24.

The Company performed its annual reviews for impairment during the fourth quarter of 2019 and 2018.

Upon completion of the transfer of the Telenet mobile customers to its own BASE network in the first half of 2018, the fixed to mobile conversion and the SFR Brabant restructuring with respect to the network and the products offered, Telenet, BASE and SFR Brabant were considered to be one single cash generating unit. As of December 31, 2018, upon the acquisition of Nextel, the Company identified three cash generating units, being:

- Telenet (excluding SFR Lux and Nextel),
- SFR Lux, and
- Nextel.

After having integrated Nextel's operations into Telenet's business in the course of 2019 and the merger of Nextel into Telenet at year end 2019, the Company concluded that in 2019, Nextel was no longer considered to be a separate cash generating unit.

Upon the acquisition of De Vijver Media in mid 2019, the Company identified, as of December 31, 2019 the following three cash-generating units:

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

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

The provisional goodwill arising from the De Vijver Media 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 €62.0 million. The Company did however not identify any impairment triggers with respect to this CGU as at December 31, 2019.

The provisional goodwill arising from the Native Nation / Stream 32 acquisition of €5.1 million has not yet been allocated since the purchase price allocation related to this acquisition is not yet completed. The Company was not yet able to perform a goodwill impairment test. The Company did however not identify any impairment triggers with respect to this CGU as at December 31, 2019.

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, 2019 was determined in a similar manner to the year ended December 31, 2018.

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, 2019) weighted average Euro & USD debt,
- a market risk premium (Source: BIPT WACC, 2019),
- 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 2023, and a pre-tax discount rate of 7.4% (8.7% for the year ended December 31, 2018) 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 historic 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, 2019, cash flows beyond the four-year period have been extrapolated using a negative growth rate of 2%, 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, 2019.

The business relating to SFR Luxembourg (together with Coditel Brabant referred to as SFR Belux) is considered as separate cash-generating unit as it generates largely independent cash flows. Consequently, the associated goodwill relating to this CGU was tested for impairment on a stand-alone CGU-basis. The business was acquired on June 13, 2017 but throughout 2018 it was faced with a declining customer base and market share due to lower business focus and low investment levels compared to the initial business plan. In the course of the last quarter of 2018, the Company agreed upon several remediation actions including specific investments in the network and rebranding that are aimed at providing the business with an opportunity to return to growth. These actions were reflected in an updated business plan for the period 2019-2022. Based on the value-in-use calculation taking into account the expected cash flows as determined in the new business plan which were discounted at a pre-tax weighted average cost of capital of 10.8%, the recoverable amount of the business as per December 31, 2018 was estimated at €45.7 million, compared to a carrying amount of the CGU of €82.5 million. The applied WACC included an additional forecasting risk (alpha-factor) to take into account the risk of successfully regaining the lost market share which has been included in the business plan. As a consequence, at December 31, 2018, the Company recognized a goodwill impairment charge of €36.8 million reducing the associated goodwill relating to this CGU to €22.6 million (see note 5.20). The annual review for impairment performed during the fourth quarter of 2019. The recoverable amount of the cash generating unit SFR Lux was based on its value in use, determined by discounting the cash flows to be generated from its continuing use and was determined in a similar manner to the year ended December 31, 2018. The key assumptions for the value in use calculations consist of the discount rates and the CGU's underlying business plan. The Company applied a pre-tax weighted average cost of capital of 9.2% (10.8% for the year ended December 31, 2018). Management concluded that key assumptions and the resulting calculated value in use do not cause the carrying amount to exceed the recoverable amount at December 31, 2019 and thus did not lead to any further impairment with respect to the goodwill related to SFR Lux.

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, 2018		**261.1**	**156.4**	**735.3**	**381.8**	**189.6**	**19.5**	**1,743.7**
Additions		33.5	—	152.8	—	17.1	—	203.4
Write-off of fully amortized assets		—	(0.5)	(165.9)	(195.0)	(22.4)	—	(383.8)
December 31, 2018, as reported		**294.6**	**155.9**	**722.2**	**186.8**	**184.3**	**19.5**	**1,563.3**
Acquisition Nextel - PPA	5.24.2	—	6.8	2.4	16.5	—	—	25.7
At December 31, 2018, as restated (*)		**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 Native Nations	5.24.3	—	—	—	—	—	0.1	0.1
Write-off of fully amortized assets		—	—	(38.2)	(0.1)	(67.8)	—	(106.1)
At December 31, 2019		**294.6**	**188.5**	**817.8**	**203.9**	**251.4**	**34.1**	**1,790.3**
Accumulated Amortization								
At January 1, 2018		**115.0**	**124.8**	**431.7**	**235.9**	**55.9**	**1.9**	**965.2**
Amortization charge of the year		35.0	1.8	111.4	33.4	69.9	0.5	252.0
Write-off of fully amortized assets		—	(0.5)	(165.9)	(195.0)	(22.4)	—	(383.8)
At December 31, 2018, as reported		**150.0**	**126.1**	**377.2**	**74.3**	**103.4**	**2.4**	**833.4**
Acquisition of Nextel - amortization charge PPA	5.24.2	—	0.8	0.3	1.1	—	—	2.2
At December 31, 2018, as restated (*)		**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		**175.2**	**131.6**	**455.7**	**100.0**	**133.4**	**4.2**	**1,000.1**
Carrying Amount								
At December 31, 2019		119.4	56.9	362.1	103.9	118.0	29.9	790.2
At December 31, 2018, as restated (*)		144.6	35.8	347.1	127.9	80.9	17.1	753.4

(*) We refer to note 5.1.6 *Reporting changes* and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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 €85.8 million for 2019, which primarily relates to newly acquired sport rights, mainly for UK soccer Premier League (€41.0 million), season 2019-2022, and investments in flat fees for €24.5 million.

The main additions of 2019 with respect to software (€130.4 million) consist essentially of: investments in a new billing platform (€40.9 million), investments in the company's ERP system (€6.4 million) together with investments in a platform for mobile services (€3.7 million) and several smaller investments to individual capex projects.

The write-off of fully amortized assets in 2019 of €106.1 million consisted mainly of fully amortized software (infrastructure and projects), together with broadcasting rights (€67.8 million), primarily related to UK Soccer Premier League, season 2016-2019.

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, 2018, as restated (*)	**51.1**	**14.4**	**65.5**
Acquisition of De Vijver Media[1]	—	0.5	0.5
Reclass to fully consolidated subsidiary	(51.1)	—	(51.1)
At December 31, 2019	**—**	**14.9**	**14.9**
Share in the result			
At December 31, 2018, as restated (*)	**1.1**	**(0.6)**	**0.5**
Share in the result	(1.3)	0.4	(0.9)
Reclass to fully consolidated subsidiary	0.2	—	0.2
At December 31, 2019	**—**	**(0.2)**	**(0.2)**
Loans granted			
At December 31, 2018, as restated (*)	**—**	**1.3**	**1.3**
New loans granted	—	0.3	0.3
At December 31, 2019	**—**	**1.6**	**1.6**
Carrying Amount			
At December 31, 2019	**—**	**16.3**	**16.3**
At December 31, 2018, as restated (*)	**52.2**	**15.1**	**67.3**

[1]The additions amounting to €0.5 million are related to the stake of De Vijver Media in its associates.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

De Vijver Media

In February 2015, the Company acquired, through a combination of share purchases (€26.0 million) and share subscription (€32.0 million), 50% of the capital of De Vijver Media NV ("**DVM**"), a Belgian media company active in free-to-air broadcasting and content production (through its production company ”Woestijnvis“). The remaining 50% of the shares of De Vijver Media were held by Waterman & Waterman (the holding company of Wouter Vandenhaute and Erik Watté) and Mediahuis NV (a Belgian print and online media group). On March 7, 2018, Telenet entered into an agreement with the two other shareholders of De Vijver Media NV to sell their respective stakes of 30%

and 20% to Telenet, who became the sole shareholder. De Vijver Media, which formerly qualified as a joint venture and was accounted for using the equity method, became a fully consolidated entity as of June 3, 2019 (see note 5.24.1).

During the period ended June 3, 2019, the Company recognized its €1.3 million share in the net loss of De Vijver Media (for the year December 31, 2018: €1.6 million share in net profit).

The following table summarizes the financial information of De Vijver Media NV as included in its own financial statements for the year ended December 31, 2018 (as a result of the step-up acquisition in 2019). The below figures are adjusted for fair value adjustments at acquisition, impairment losses and differences in accounting policies.

The table also reconciles the summarized financial information to the carrying amount of the Company's interest in De Vijver Media NV.

The remaining goodwill mainly relates to future advertising revenues to be realized and future revenues related to new formats.

(€ in millions)	**2018**
Net assets	
Non-current assets	104.9
Current assets	76.1
Non-current liabilities	(72.2)
Current liabilities	(69.0)
Net assets (100%)	**39.8**
Group's share of the net assets (50%)	
Group's share of the net assets (50%)	20.0
Goodwill	32.3
Carrying amount of interest in joint venture	**52.3**
Profit and total comprehensive income	
Revenue	132.6
Depreciation and amortization	(4.7)
Interest expense	(2.5)
Profit for the period	**3.3**
Total comprehensive profit (100%)	**3.3**
Group's share of the total comprehensive income (50%)	**1.7**

Unit-T

On April 26, 2018 Telenet BVBA 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.

As compensation for the contribution Telenet received an equity stake of 30% in the JV (vs. 70% for Solutions 30's contribution) which was valued by an external expert at €10.5 million and resulted in a gain on disposal for a similar amount (as the net book value of the assets/liabilities transferred were zero).

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 cvba

On July 1, 2019, Telenet granted a €0.3 million loan to Doccle cvba, with a five-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).

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 for the year closed on 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 to reach an investment value of €0.6 million end of 2019.

5.8 Trade receivables

5.8.1 Non-current

(€ in millions)	December 31, 2019	December 31, 2018, as restated (*)
Trade receivables	—	0.9
Trade receivables, net	**—**	**0.9**

(*) We refer to note 5.1.6 *Reporting changes* and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Non-current trade receivables comprise Installment sales relating to the long-term receivables on handset financing contracts with external customers.

5.8.2 Current

(€ in millions)	December 31, 2019	December 31, 2018, as restated (*)
Trade receivables	213.9	210.8
Less: allowance for bad debt	(9.4)	(8.9)
Trade receivables, net	**204.5**	**201.9**

At December 31, 2019 and 2018, 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, 2019	138.6	37.9	5.6	2.8	2.1	26.9	213.9
December 31, 2018, as restated (*)	135.3	42.0	5.7	2.3	5.5	20.0	210.8

(*) We refer to note 5.1.6 *Reporting changes* and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

All invoices related to residential customers are due within 20 days. Invoices related to BASE residential mobile customers are due within 8 to 12 days. For other clients, the payment due date is set at 30 or 60 days. At December 31, 2019, a total amount of €75.3 million (2018: €75.5 million) was past due.

The Company recognized 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 determined an actual loss rate which was used as expected credit loss and which is applied on the aging buckets of its outstanding receivables.

At December 31, 2019, current receivables related to handset sales with a customer credit agreement amounted to €0.2 million (2018: €3.7 million). Non-current receivables linked to handset sales with a customer credit agreement amounted to €0.9 million for the year ended December, 31 2018 and no such receivables were outstanding per December 31, 2019.

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, 2019	December 31, 2018, as restated (*)
Provision for impairment of trade receivables at the beginning of the year	(8.9)	(11.6)
Nextel acquisition	—	(0.1)
SFR acquisition	—	1.3
Additions	(5.3)	(5.1)
Reductions and write-offs	4.8	6.6
Provision for impairment of trade receivables at the end of the year	**(9.4)**	**(8.9)**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income. The Company does not hold any receivables in foreign currency. In application of IFRS 9, the Company recognizes loss allowances for expected credit losses on its trade receivables, unbilled revenue and contract assets.

5.9 Other assets

5.9.1 Non-current

(€ in millions)	Note	December 31, 2019	December 31, 2018 as restated (*)
Outstanding guarantees to third parties for own liabilities (cash paid)		1.5	3.9
Deferred financing fees		2.4	3.0
Contract assets	5.19	1.6	1.4
Receivables from sale of sports broadcasting rights		4.0	0.5
Surplus of post retirement plan assets	5.17	9.6	1.3
Non-current lease receivable		4.6	3.7
Other		4.2	3.5
Other non-current assets		**27.9**	**17.3**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Non-current assets increased by €10.6 million, which is primarily driven by the increase in i) surplus of post retirement plan assets (increase of €8.3 million), and ii) receivables from sale of sports broadcasting rights, for which there is an increase of €3.5 million, explained by higher receivables for sub-licensing of Premier League UK Soccer rights.

The Company presents the deferred financing fees related to undrawn Term Loans and Revolving Credit Facilities as other non-current assets. At December 31, 2019, the Revolving Credit Facility AP and AG were 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 €1.6 million at December 31, 2019 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, 2019.

5.9.2 Current

(*€ in millions*)	Note	December 31, 2019	December 31, 2018, restated (*)
Recoverable withholding taxes		0.2	0.4
Prepaid content		11.2	6.3
Prepayments		33.3	29.8
Unbilled revenue		55.9	70.6
Receivables from sale of sports broadcasting rights		3.9	1.2
Indemnification receivable from acquisitions	5.18.2	16.1	18.3
Contract assets	5.19	6.4	7.2
Settlement receivables		—	0.5
Current lease receivable		2.7	4.5
Other		0.7	3.9
Other current assets		**130.4**	**142.7**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Unbilled revenue generally represents revenue for which the Company has already provided a service or product and has a right to invoice in accordance with the customer agreement but for which the customer has not yet been invoiced and thus relate to unconditional rights to receivables and are not to be considered contract assets. The outstanding balance for unbilled revenue decreased by €14.7 million for the year ended December, 31, 2019 which is driven by the alignment of the Company's billing cycles, causing a shift from unbilled revenue to deferred revenue.

The increase in prepaid content of €4.9 million is primarily explained by the acquisition of De Vijver Media, making up €3.5 million of the closing balance as of December 31, 2019 (not included in the comparative period).

The receivables from the sale of sports broadcasting rights increased by €2.7 million following the increase in receivables for sub-licensing of the Premier League UK soccer rights.

Indemnification receivables from acquisitions amounted to €16.1 million and comprised the receivable on KPN related to pylon taxes (€13.5 million, we refer to 5.18.2) and a receivable versus the former shareholders of SFR Belux (€2.6 million).

The contract assets amounting to €6.4 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

At December 31, 2019, inventories amounted to €25.2 million (December 31, 2018: €28.0 million) consisting of mobile handsets, tablets, and other DTV materials.

Gross inventory of mobile handsets and accessories decreased by €2.2 million to €21.1 million as of December 31, 2019. The telephony and internet related customer premise equipment represented a total value of €6.6 million in gross inventory (December 31, 2018: €7.4 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 €2.6 million and €2.7 million as at December 31, 2019 and 2018, respectively.

For the year ended December 31, 2019, the Company recognized €107.5 million (December 31, 2018: €86.4 million) as "costs related to sold inventory".

5.11 Cash and cash equivalents

(*€ in millions*)	December 31, 2019	December 31, 2018, as restated (*)
Cash at bank and on hand	71.4	35.0
Money market funds	30.0	53.2
Total cash and cash equivalents	**101.4**	**88.2**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

At December 31, 2019, the Company held €101.4 million of cash and cash equivalents.

To minimize the concentration of counterparty risk, the Company's cash equivalents and AAA-rated money market funds are placed with highly rated European and US financial institutions. Compared to December 31, 2018, the Company's cash balance increased by €13.2 million which is primarily due to:

- an improvement of net cash from operating activities (€1,092.5 million for the year ended December 31, 2019 compared to €1,075.6 million for the year ended December 31, 2018) ;
- lower net cash used in investing activities (€432.0 million for the year ended December 31, 2019 compared to €466.4 million for the year ended December 31, 2018) ; and
- a significant increase in net cash used in financing activities (€647.3 million for the year ended December 31, 2019 compared to €560.1 million for the year ended December 31, 2018), mainly as a result of the increase in net repayments of debt of €727.8 million, lower cash used for dividend payments and capital reductions of €536.1 million, and the decrease in the purchase of own shares of €127.5 million.

On December 31, 2019, the Money Market funds with a daily liquidity had a weighted average interest rate of -0.46% (December 31, 2018: -0.36%) and represented 30% of the total consolidated cash (December 31, 2018: 60%). The investments of Telenet's cash and cash equivalents at December 31, 2019 and 2018 were in compliance with the Company's Risk Management policies.

At December 31, 2019 and 2018 and subject to compliance with certain covenants, the Company had access to the following liquidity:

(€ in millions)	**December 31, 2019**	**December 31, 2018, as restated (*)**
Available commitment under Revolving Credit Facility AG	400.0	400.0
Available commitment under Revolving Credit Facility AP	60.0	—
Available commitment under Revolving Credit Facility	20.0	20.0
Total cash and cash equivalents	**480.0**	**420.0**

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

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.12 Shareholders' equity

5.12.1 Shareholders' equity

On December 31, 2019, 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:

114,656,785 ordinary shares (December 31, 2018: 117,716,323 shares), including:

- 94,843 Liquidation Dispreference Shares (December 31, 2018: 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, 2018: 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 24, 2019 and on December 4, 2019, the Extraordinary General Shareholders' Meeting approved the cancellation of respectively 1,881,040 and 1,178,498 own shares acquired by the Company under the Share Repurchase Program 2018bis. Following the partial share cancellation, the total number of outstanding shares decreased from 117,716,323 to 114,656,785.

As of December 31, 2019, the Company's share capital amounted to €12.8 million (December 31, 2018: €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 June 25, 2018, the Company announced the initiation of a €300 million share repurchase program (the "Share Repurchase Program 2018bis"), which replaced the Share Repurchase Program 2018, which commenced on February 13, 2018.

Under the Share Repurchase Program 2018bis, Telenet could repurchase from time to time up to 7.5 million shares for a maximum consideration of €300 million until June 28, 2019. This program was funded with the Company's existing cash balances as well as available untapped liquidity under its revolving credit facilities. Under this program, 2,332,478 shares were repurchased in 2019 for a total consideration of €101.0 million.

Own shares

As of December 31, 2019, the Company held 4,513,142 own shares. During the twelve months ended December 31, 2019, the Company acquired 2,332,478 own shares under the Share Repurchase Program 2018bis for a total amount of €101.0 million.

In 2018, a total of 4,953,697 shares were repurchased for a total amount of €228.1 million under the Share Repurchase Program 2018 and 2018bis.

Stock options exercised during the twelve months ended December 31, 2019 resulted in the delivery of 1,255,465 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 in 2019 in total another 108,626 shares to the beneficiaries involved. The cash received at the occasion of the exercise of the options amounted to €49.6 million. As the cost of all own shares delivered amounted to €63.0 million, the Company realized a loss of €13.4 million.

5.12.2 Employee share based compensation

Employee Stock Option Plan 2014

On December 5, 2014, the board of directors approved a general stock option plan for the employees, for a total number of 830,500 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 24, 2013 (the "**Employee Stock Option Plan 2014**" or "**ESOP 2014**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On December 12, 2014, the board of directors authorized a grant under this plan to certain beneficiaries. On January 31, 2015, a total of 766,500 stock options were accepted.

The vesting of these stock options occurred quarterly 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.

During 2019, beneficiaries of the ESOP 2014 plan exercised a total of 488,788 stock options, resulting in the delivery of a total of 488,788 own shares held by the Company.

As of December 2, 2019, there were no more stock options outstanding under the ESOP 2014 plan.

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.

During 2019, beneficiaries of the ESOP 2015 plan exercised a total of 101,319 stock options, resulting in the delivery of a total of 101,319 own shares held by the Company.

Specific Performance based Stock Option Plan 2015 bis

On July 24, 2015, the board of directors approved a specific performance based stock option plan for a selected employee for a total number of 18,750 stock options on existing shares (the "**Specific Performance based Stock Option Plan 2015 bis**" or "**SSOP 2015 bis**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 18,750 stock options, with an exercise price of €48.83 per option, was offered to the selected beneficiary on December 28, 2015, who accepted this offer on January 15, 2016.

The vesting of the stock options under the Performance based ESOP 2015 bis is contingent upon the achievement of certain performance criteria over a period of three years in a first tranche of 75% or 14,055 options and a second tranche of the remaining 25% or 4,693 stock options.

Any stock options that vest under the Performance based ESOP 2015 bis become exercisable during defined exercise periods following December 28, 2018 for the first tranche and February 11, 2019 for the second tranche and have an expiration date of December 28, 2020.

The Remuneration and Nomination Committee of February 7, 2018 decided that in respect of the first tranche 8,097 stock options vested which became exercisable as from December 28, 2018. On February 11, 2019, the Remuneration and Nomination Committee decided that the second tranche vested at 100% and thus the 4,695 underlying stock options became exercisable. In addition, the Committee determined that with respect to the first tranche which partially vested in February 2018 (8,097 stock options), an additional 4,685 stock options vested on February 11, 2019.

During 2019, the beneficiary of the SSOP 2015 bis plan exercised a total of 21,126 stock options, resulting in the delivery of a total of 21,126 own shares held by the Company.

As of June 4, 2019, there were no more stock options outstanding under the SSOP 2015 bis 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.

During 2019, beneficiaries of the ESOP 2016 plan exercised a total of 82,023 stock options, resulting in the delivery of a total of 82,023 own shares held by the Company.

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.

During 2019, beneficiaries of the ESOP 2016 bis plan exercised a total of 54,001 stock options, resulting in the delivery of a total of 54,001 own shares held by the Company.

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 twelve months ended at December 31, 2019.

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 twelve months ended at December 31, 2019.

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.

During 2019, beneficiaries of the ESOP 2018 plan exercised a total of 98,356 stock options, resulting in the delivery of a total of 98,356 own shares held by the Company.

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 twelve months ended at December 31, 2019.

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 twelve months ended at December 31, 2019.

CEO Stock Option Plan 2014

On November 8, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 185,000 options on existing shares (the "**CEO Stock Option Plan 2014**" or "**CEO SOP 2014**"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 185,000 stock options, with an exercise price of €38.88 per stock option, was effectively made to the CEO on November 8, 2013 and was accepted on February 5, 2014.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable (cumulative) performance criteria have been achieved for 2014 and 2015, the first tranche of 138,750 stock options vested on June 26, 2016 while the second tranche of 46,250 stock option vested on March 1, 2017.

Any stock options that vest under the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All options under the CEO SOP 2014 have an expiration date of June 26, 2020.

During 2019, the beneficiary of the CEO ESOP 2014 plan exercised a total of 208,446 stock options, resulting in the delivery of a total of 208,446 own shares held by the Company.

As of November 25, 2019, there were no more stock options outstanding under the CEO ESOP 2014 plan.

CEO Stock Option Plan 2014 bis

On June 26, 2014, 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 2014 bis**" or "**CEO SOP 2014 bis**"). 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 €39.38 per stock option, was effectively made to the CEO on July 15, 2014, who accepted this offer on September 13, 2014.

The vesting of the stock options under the CEO SOP 2014 bis is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on June 26, 2014, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable (cumulative) performance criteria were achieved for 2014, 2015 and 2016, the first tranche of 45,000 stock options vested on July 15, 2015, the second tranche of 67,500 stock options vested on July 15, 2016 and the third tranche of 67,500 stock options vested on July 15, 2017.

Any stock options that vest under the CEO SOP 2014 bis become exercisable during defined exercise periods following July 15, 2017. All options under the CEO SOP 2014 bis have an expiration date of July 15, 2019.

During 2019, 101,406 stock options under the CEO SOP 2014 bis were exercised, resulting in the delivery of a total of 101,406 own shares held by the Company.

As of March 14, 2019, there were no more stock options outstanding under the CEO ESOP 2014 bis plan.

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 is 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 is the Remuneration Committee that will decide whether these criteria have 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 vest under the CEO SOP 2015 become exercisable during defined exercise periods following March 13, 2018 and have an expiration date of March 13, 2020.

During 2019, the beneficiary of the CEO ESOP 2015 plan exercised a total of 100,000 stock options, resulting in the delivery of a total of 100,000 own shares held by the Company.

The details regarding the stock option plans issued by the Company and still outstanding at December 31, 2019 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**
CEO Stock Option Plan 2015	February 10, 2015	180,000	CEO SOP 2015	March 13, 2015	180,000	180,000	CEO
Employee Stock Option Plan 2015	October 27, 2015	873,000	ESOP 2015	November 2, 2015	873,000	402,350	certain employees
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

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

- the time
- the volatility
- 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 2015 Stock Options	December 15, 2015	4.58 - 6.63	46.89	50.87	45.15	20.7% - 21.8%	4.3 years	0.0%	-0.25% - -0.01%
CEO SOP 2015 Stock Options	February 9, 2016	4.31	42.52	50.57	44.88	23.0%	3.4 years	0.0%	-0.24%
"	February 14, 2017	6.39	49.90	50.57	44.88	22.5%	2.4 years	0.0%	-0.45%
"	February 8, 2018	10.56	59.10	50.57	44.88	21.2%	1.4 years	0.0%	-0.41%
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%

Effect of the 2018 extraordinary dividend payment on the outstanding options

The extraordinary shareholders meeting of September 26, 2018 approved a dividend of €5.30/share, which represented a total dividend to be distributed of €599.1 million. Upon the payment of the €5.30 extraordinary dividend on October 4, 2018, the Company adjusted all its stock options to ensure that the benefits granted to the option holders were not reduced. The number of options and warrants was increased and the exercise price was decreased by a factor, which is the ratio of the quoted closing market price of the Telenet Group Holding NV shares on the cum date less the amount of the capital reduction (or extraordinary dividend) per share versus the quoted market price on the cum date. The cum date is the last day that the share is traded with the relevant coupon attached, i.e. the date that falls 2 business days before the date on which the extraordinary dividend is paid (payment date).

Extraordinary dividend

	Coupon n°	Cum date	Payment date	Dividend amount per share (in euro)	Adjustment factor
Extraordinary dividend 2018	8.00	October 2, 2018	October 4, 2018	5.30	0.887521

As a result of the 2018 adjustment, fair values of the stock options before and after the extraordinary dividend payment remained the same for all option holders. The aforementioned modifications to the different stock option plans can be summarized as follows:

		Outstanding number of stock options			Exercise price of the stock options (in euro)		
Extraordinary dividend Stock Option Plan		before dividend payment	after dividend payment	Adjustment	before dividend payment	after dividend payment	Adjustment
ESOP 2014		582,850	656,711	73,861	45.27	40.18	(5.09)
ESOP 2015		364,475	410,667	46,192	50.87	45.15	(5.72)
ESOP 2016		619,597	698,123	78,526	45.48	40.36	(5.12)
ESOP 2016bis		322,295	363,132	40,837	46.97	41.68	(5.29)
ESOP 2017		376,614	424,344	47,730	58.14	51.60	(6.54)
ESOP 2017bis		409,464	461,356	51,892	55.59	49.34	(6.25)
ESOP 2018		808,963	911,488	102,525	42.72	37.91	(4.81)
CEO SOP 2014	tranche 1	138,750	156,334	17,584	38.88	34.51	(4.37)
	tranche 2	46,250	52,111	5,861	38.88	34.51	(4.37)
CEO SOP 2014 bis	tranche 1	—	—	—	—	—	—
	tranche 2	22,500	25,352	2,852	39.38	34.95	(4.43)
	tranche 3	67,500	76,055	8,555	39.38	34.95	(4.43)
CEO SOP 2015	tranche 1	55,000	61,970	6,970	50.57	44.88	(5.69)
	tranche 2	63,000	70,984	7,984	50.57	44.88	(5.69)
	tranche 3	62,000	69,857	7,857	50.57	44.88	(5.69)
SSOP 2015 bis	tranche 1	—	—	—	—	—	—
	tranche 2	8,097	9,123	1,026	48.83	43.34	(5.49)
	tranche 3	4,695	5,290	595	48.83	43.34	(5.49)
		3,952,050	**4,452,897**	**500,847**			

As the modification was decided upon on October 17, 2018 but with application of an adjustment factor as per October 2, 2018, the fair value of the total award before and after the transaction are not exactly the same for the option holders and as a consequence, this modification did lead to an incremental compensation cost. The total incremental compensation cost amounted to €15.0 million, of which €10.3 million related to already vested options and thus was recognized immediately in the 2018 stock compensation expense. The remaining €4.7 million will be recognized upon the future vestings of the underlying awards.

All plans

A summary of the activity in the Company's stock option and warrant plans for the years ended December 31, 2019, and 2018 is as follows:

	Outstanding Options and Warrants	
	Number of Options and Warrants	**Average Exercise Prices (in euro)**
January 1, 2018	**3,550,207**	**47.98**
Granted		
Employee Stock Option Plan 2018	808,963	42.72
Employee Stock Option Plan 2018 bis	53,781	44.62
Additional issued upon plan amendment		
Additional Stock Option Plan 2014 stock options issued upon plan amendment	73,861	5.09
Additional Stock Option Plan 2015 stock options issued upon plan amendment	46,192	5.72
Additional Stock Option Plan 2016 stock options issued upon plan amendment	78,526	5.12
Additional Stock Option Plan 2016 bis stock options issued upon plan amendment	40,837	5.28
Additional Stock Option Plan 2017 stock options issued upon plan amendment	47,730	6.54
Additional Stock Option Plan 2017 bis stock options issued upon plan amendment	51,892	6.25
Additional Stock Option Plan 2018 stock options issued upon plan amendment	102,525	4.81
Additional CEO Stock Option Plan 2014 stock options issued upon plan amendment	23,445	4.37
Additional CEO Stock Option Plan 2014 bis stock options issued upon plan amendment	11,407	4.43
Additional CEO Stock Option Plan 2015 stock options issued upon plan amendment	22,811	5.69
Additional Specific Performance based Stock Option Plan 2015 bis stock options issued upon plan amendment	1,621	5.49
Exercised		
Stock Option Plan 2013 primo stock options exercised	(167,611)	34.33
Stock Option Plan 2013 bis stock options exercised	(500)	36.75
Stock Option Plan 2014 stock options exercised	(203,576)	41.23
Stock Option Plan 2016 stock options exercised	(17,307)	40.36
Stock Option Plan 2016 bis options exercised	(2,750)	46.97
Stock Option Plan 2018 options exercised	(676)	37.91
CEO Stock Option Plan 2014 bis options exercised	(90,000)	39.38
Forfeited		
Stock Option Plan 2014 stock options forfeited	(24,400)	45.27
Stock Option Plan 2015 stock options forfeited	(9,240)	49.96
Stock Option Plan 2016 stock options forfeited	(24,424)	45.48
Stock Option Plan 2016 bis stock options forfeited	(13,056)	45.33
Stock Option Plan 2017 stock options forfeited	(26,652)	58.14
Stock Option Plan 2017 bis stock options forfeited	(11,316)	51.66
Stock Option Plan 2018 bis stock options forfeited	(2,254)	37.91
Specific Performance based Stock Option Plan 2015 bis stock options forfeited	(5,958)	48.83
December 31, 2018	**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**

The stock options in the table below were exercised resulting in the receipt of payments of €49.6 million during the year ended December 31, 2019. The ESOP 2014, ESOP 2015, ESOP 2016, ESOP 2016 bis and ESOP 2018, as well as the CEO SOP 2014 and CEO SOP 2014 bis stock options were exchanged on a one-for-one basis for existing ordinary shares of the Company. Stock options exercised during the year ended December 31, 2018 resulted in the receipt of €18.6 million.

Class of options	Number of options exercised	Exercise date	Exercise price at exercise date (in euro)	Share price at exercise date (in euro)
ESOP 2014 stock options	95,899	First Quarter	40.18	42.84
	362,299	Second Quarter	40.18	47.61
	30,590	Fourth Quarter	40.18	43.57
ESOP 2015 stock options	101,319	Second Quarter	45.15	49.42
ESOP 2016 stock options	82,023	Second Quarter	40.36	48.25
ESOP 2016 bis stock options	54,001	Second Quarter	41.68	48.63
ESOP 2018 stock options	93,760	Second Quarter	37.91	48.03
	2,906	Third Quarter	37.91	43.30
	1,690	Fourth Quarter	37.91	41.86
CEO SOP 2014 stock options	108,446	Second Quarter	34.51	47.35
	50,000	Third Quarter	34.51	43.80
	50,000	Fourth Quarter	34.51	42.34
CEO SOP 2014 bis stock options	101,406	First Quarter	34.95	41.58
CEO SOP 2015 stock options	100,000	Second Quarter	44.88	48.81
SSOP 2015 bis stock options	21,126	Second Quarter	43.34	48.52
Total	**1,255,465**			

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2019:

Class of options	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life	Current exercise prices (in euro)
ESOP 2015 stock options	283,551	283,551	10 months	45.15
ESOP 2016 stock options	593,133	525,376	15 months	40.36
ESOP 2016 bis stock options	297,877	232,192	22 months	41.68
ESOP 2017 stock options	424,344	282,810	29 months	51.60
ESOP 2017 bis stock options	442,741	298,414	33 months	49.34
ESOP 2018 stock options	805,974	361,196	41 months	37.91
ESOP 2018 bis stock options	53,781	21,512	46 months	44.62
ESOP 2019 stock options	670,889	134,092	52 months	46.54
CEO SOP 2015 stock options	102,811	102,811	2 months	44.88
Total outstanding	**3,675,101**	**2,241,954**		

Total compensation expense associated with the Company's stock option plans amounted to €7.1 million in 2019 (2018: €16.3 million) which are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which are reflected on the balance sheet in equity.

Performance shares

On April 15, 2016, the Company granted its Senior Leadership Team members (including its chief executive officer) and one other manager a total of 119,842 performance shares (the "**2016 Telenet Performance Shares**"). The performance target applicable to the 2016 Telenet Performance Shares was the achievement of an Operating Cash Flow CAGR (under USGAAP), when comparing the Operating Cash Flow during the period started as of January 1, 2016 and ending on December 31, 2018 to the Operating Cash Flow for the period started on January 1, 2015 and ended on December 31, 2015. A performance range of 75% to 160% of the target Operating Cash Flow CAGR would generally result in award recipients earning 75% to 300% of their 2016 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2016 Telenet Performance Shares vested on April 15, 2019. Any compensation costs attributable to the 2016 Telenet Performance Shares were recognized over the requisite service period of the awards and were included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income. On February 11, 2019, the Remuneration and Nomination Committee decided that the performance criteria for the 2016 Telenet Performance Shares had been over-achieved, and therefore, the earned 2016 Telenet Performance Shares vested at 199% on April 15, 2019. This performance share plan was paid out in shares on a net basis.

As this was the second year in a row that a similar performance share plan was settled in shares, it was decided during 2019 that the historical track record of equity settlements of these particular equity awards triggered a modification of the liability classification of all performance shares outstanding. As a result, all similar performance share plans have been considered to be equity settled share based payment plans and as such, the Company represented the related share based compensation expense recognized as equity and no longer in liability. This reclassification amounted to €2.9 million. As the performance shares have been fair valued until the modification date, no incremental compensation cost was recognized for the 2016 and 2018 Performance Share Plans.

In 2017, the Company did not grant its Senior Leadership Team any 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.

In 2019, Telenet recognized €3.8 million of compensation expense in respect of the Telenet Performance Shares plans (2018: €1.2 million) which are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which are reflected on the balance sheet in equity.

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.

Total compensation expense associated with the Company's restricted shares plan amounted to €2.1 million in 2019 (2018: nil) which are are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income and which are reflected in equity.

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, 2019 and 2018.

(€ in millions)	**December 31, 2019**	**December 31, 2018, as restated (*)**
2018 Amended Senior Credit Facility:		
Revolving Credit Facility AG	0.3	0.5
Term Loan AN	2,040.2	1,807.7
Term Loan AO	1,117.9	939.9
Senior Secured Fixed Rate Notes:		
€530 million Senior Secured Notes due 2027	—	487.7
USD1000 million Senior Secured Notes due 2028	912.9	894.9
€600 million Senior Secured Notes due 2028	609.6	609.5
Nextel Credit Facility	1.2	3.0
Overdraft Facility	0.2	—
Global Handset Finco Ltd Loan	—	12.7
SFR network right of use	4.0	4.1
Vendor financing	358.0	359.0
Lease obligations	569.2	410.9
2G & 3G Mobile Spectrum	4.5	23.8
Clientele fee > 20 years	125.3	124.7
Renting debt	3.4	5.1
Loan the Park	0.2	—
	5,746.9	**5,683.5**
Less: deferred financing fees	(13.9)	(18.4)
	5,733.0	**5,665.1**
Less: current portion	(527.0)	(504.1)
Total non-current loans and borrowings	**5,206.0**	**5,161.0**

(*) We refer to note 5.1.6 ***Reporting change*****s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

As of December 31, 2019 and 2018, all loans and borrowings were denominated in Euro except for Term Loan AN and the USD 1,000 million Senior Secured Notes due 2028, which are denominated in USD. Fixed interest rates applied to 32.0% of the total loans and borrowings at December 31, 2019 (December 31, 2018: 41.38%). The weighted average interest rates at December 31, 2019, were 3.36% on fixed rate loans (December 31, 2018: 3.73%) and 3.29% on floating rate loans (December 31, 2018: 3.46%).

5.13.1 2018 Amended Senior Credit Facility

In May 2018, Telenet issued a new €730.0 million Term Loan Facility ("**Facility AO**"), under which Telenet International Finance S.à r.l. is the borrowing entity. Facility AO carries a reduced margin of 2.50% over EURIBOR with a 0% floor, matures on December 15, 2027 and was issued at 99.875% of par. Through Telenet Financing USD LLC, Telenet issued a new USD 1.6 billion Term Loan facility ("**Facility AN**") with a modestly improved maturity of August 15, 2026. Facility AN carries a reduced margin of 2.25% over LIBOR with a 0% floor and was issued at 99.875% of par. Telenet used the net proceeds from these new facilities in June 2018 to entirely prepay the following credit facilities under the 2018 Amended Senior Credit Facility: (i) Facility AM (€730.0 million due December 2027, EURIBOR +2.75%, 0% floor); and (ii) Facility AL (USD 1.6 billion due March 2026, LIBOR + 2.50%, 0% floor).

In August 2018, Telenet successfully issued and priced an additional USD 475.0 million Term Loan ("**Facility AN2**") and an additional €205.0 million Term Loan ("**Facility AO2**"). Facility AN2, under which Telenet Financing USD LLC is the borrowing entity, carries the same characteristics as the initial Facility AN, which was issued on May 24, 2018. As such, Facility AN2 carries (i) a margin of 2.25% over LIBOR, (ii) a 0% LIBOR floor and (iii) a maturity of August 15, 2026. Facility AN2 was issued at 98.5% of par. Facility AO2, under which Telenet International Finance S.à r.l. is the borrowing entity, carries the same characteristics as the initial Facility AO, which was issued on May 25, 2018. As such, Facility AO2 carries (i) a margin of 2.50% over EURIBOR, (ii) a 0% EURIBOR floor and (iii) a maturity of December 15, 2027. Facility AO2 was issued at 98.0% of par. The net proceeds of these two issuances, together with excess cash and cash equivalents, have been used in early October 2018 to pay €598.9 million of the €600.0 million gross extraordinary gross dividend.

In October 2019, the Company successfully issued a USD 220.0 million ("**Facility AN3**") Term Loan and a €175.0 million Term Loan ("**Facility AO3**"), which allowed the company to pay back the remaining outstanding amount of €371.0 million July 2027 Notes.

5.13.2 Senior Secured Notes

Issuance of €530.0 million Senior Secured Fixed Rate Notes due 2027

Telenet Finance VI Luxembourg S.C.A. (further referred to as "**TFL VI**") was incorporated on August 14, 2012 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On July 21, 2015 TFL VI entered into a Global Note offering (the "**Senior Secured Notes due 2027**"). TFL VI was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance VI Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL VI is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL VI is included in the consolidated financial statements of the Company.

In July 2015, TFL VI issued €530.0 million 4.875% Senior Secured Fixed Rate Notes due 2027. The interest rate on the Senior Secured Fixed Rate Notes due 2027 is 4.875% annually and accrued interest is paid semi-annually on January 15 and July 15. The final maturity of these Senior Secured Notes is July 15, 2027.

The bond was issued below par (98.55%) but the difference between the discount and the par value was paid by the underwriters resulting in nominal proceeds of €530.0 million.

In July 2019, the Company redeemed 20% of our €530.0 million 4.875% Senior Secured Fixed Rate Notes due July 2027 for an aggregate amount of €109.2 million, which included a €3.2 million make-whole premium. This repayment followed a first voluntary redemption of 10% in March 2018 and was partially financed through available cash on the balance sheet and a temporary draw-down on our revolving credit facilities.

In October 2019, the Company successfully issued a USD 220.0 million Term Loan and a €175.0 million Term Loan. The net proceeds of these issuances were used to redeem in full the outstanding amount of €371.0 million under the aforementioned July 2027 Notes post the partial July 2019 redemption.

Issuance of USD 1.0 billion Senior Secured Fixed Rate Notes due 2028 and €600 million Senior Secured Notes due 2028

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.

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, 2019 and 2018 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, 2019						
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 2.295 billion)	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:						
Revolving Credit Facility (Facility AP)	60.0	—	60.0	December 31, 2021	Floating | 1-month EURIBOR (0% floor) + 2.25%	Monthly
Revolving Credit Facility	20.0	—	20.0	September 30, 2021	Floating | 1-month EURIBOR (0% floor) + 2.00%	Monthly
BNP Overdraft Facility						
BNP Overdraft Facility	25.0	—	25.0	December 31, 2020	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**			

(€ in millions)	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
December 31, 2018, as restated (*)						
2018 Amended Senior Credit Facility:						
Term Loan AO	935.0	935.0	—	December 15, 2027	Floating | 6-month EURIBOR (0% floor) + 2.50%	Semi-annually (Jan. and Jul.)
Term Loan AN (USD 2.075 billion)	1,812.0	1,812.0	—	March 1, 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:						
Revolving Credit Facility	20.0	—	20.0	September 30, 2021	Floating | 1-month EURIBOR (0% floor) + 2.00%	Monthly
BNP Overdraft Facility						
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)	873.2	873.2	—	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.)
€530 million Senior Secured Notes due 2027 (Term Loan AB)	477.0	477.0	—	July 15, 2027	Fixed | 4.875%	Semi-annually (Jan. and Jul.)
Total notional amount	**5,142.2**	**4,697.2**	**445.0**			

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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, 2019:

(€ in millions)	2018 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, 2018, as reported	**2,748.1**	**1,992.1**	**359.0**	**416.1**	**168.3**	**(18.5)**	
Restatement Nextel	**—**	**—**	**—**	**(5.1)**	**5.1**	**—**	
At December, 31, 2018, as restated (*)	**2,748.1**	**1,992.1**	**359.0**	**411.0**	**173.4**	**(18.5)**	
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 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**	
Acquisition De Vijver Media	**—**	**—**	**—**	**—**	**62.0**	**—**	
IFRS 16	—	—	—	163.1	—	—	
New leases and new vendor financing	—	—	183.7	58.8	—	—	
Non cash settlement VAT	—	—	22.6	—	—	—	
Amortization deferred financing fees	—	—	—	0.6	9.3	—	
Loss on extinguishment and modification of debt	—	—	—	—	—	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 charges	**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	Remeasure ments	Non controlling interests	Total changes from financing cash flows
At December 31, 2018 as reported	**12.8**	**80.7**	**104.6**	**64.8**	**(312.5)**	**862.3**	**(2,444.6)**	**(16.5)**	**22.9**	
Nextel PPA adjustment	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	
At December 31, 2018, after finalization impact 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 December 31, 2018, as restated (*)	**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 charges	**—**	**—**	**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)**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The following table summarizes the movements of liabilities and shareholders' equity to cash flows used in financing activities for the year ended December 31, 2018:

(€ 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, 2018	**1,816.1**	**2,234.4**	**262.6**	**383.2**	**148.3**	**(20.6)**	
Changes from financing cash flows							
Repayments of loans and borrowings	—	(303.0)	(358.5)	—	(32.9)	—	(694.4)
Proceeds from loans and borrowings	850.1	—	159.4	—	—	—	1,009.5
Payments of finance lease liabilities	—	—	—	(45.2)	—	—	(45.2)
Payments for debt issuance costs	—	—	—	—	—	(25.7)	(25.7)
Total changes from financing cash flows	**850.1**	**(303.0)**	**(199.1)**	**(45.2)**	**(32.9)**	**(25.7)**	**244.2**
The effect from changes in foreign exchange rate	**74.6**	**41.4**	**—**	**—**	**—**	**—**	
The effect from acquisition of Nextel	**—**	**—**	**—**	**7.8**	**5.4**	**—**	
Liability related other changes							
New finance leases and new vendor financing	—	—	260.6	73.2	—	—	
New 2G mobile spectrum financing	—	—	—	—	33.5	—	
Non cash settlement VAT	—	—	32.9	—	—	—	
Loss on extinguishment and modification of debt (Note 5.13.2)	—	—	—	—	—	25.6	
Interest expense	86.8	95.6	7.9	26.7	10.5	—	
Interest paid	(78.7)	(75.5)	(6.5)	(26.6)	(2.2)	—	
Other	(0.8)	(0.8)	0.6	(3.0)	5.6	2.3	
Total liability related other charges	**7.3**	**19.3**	**295.5**	**78.1**	**52.8**	**27.9**	
At December 31, 2018	**2,748.1**	**1,992.1**	**359.0**	**416.1**	**168.2**	**(18.4)**	

(€ 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, 2018 as reported	**12.8**	**80.7**	**87.8**	**99.3**	**(108.7)**	**827.9**	**(2,099.7)**	**(13.5)**	**21.9**	
At January 1, 2018 after impact of finalization PPA SFR Belux	**12.8**	**80.7**	**87.8**	**99.3**	**(108.7)**	**827.9**	**(2,101.9)**	**(13.5)**	**21.9**	
Impact of change in accounting policies	—	—	—	—	—	—	8.6	—	—	
Reclass legal reserves	—	—	—	(34.5)	—	34.5	—	—	—	
At January 1, 2018, as restated	**12.8**	**80.7**	**87.8**	**64.8**	**(108.7)**	**862.4**	**(2,093.3)**	**(13.5)**	**21.9**	
Changes from financing cash flows										
Repurchase of own shares	—	—	—	—	(228.0)	—	—	—	—	(228.0)
Realized loss on own shares sold	—	—	—	—	24.2	—	(5.7)	—	—	18.5

Payments related to capital reductions and dividends	—	—	—	—	—	—	(598.9)	—	—	(598.9)
Proceeds from capital transactions with equity participants	—	—	—	—	—	—	—	—	4.5	4.5
Other	—	—	—	—	—	—	—	—	(0.4)	(0.4)
Total changes from financing cash flows	**—**	**—**	**—**	**—**	**(203.8)**	**—**	**(604.6)**	**—**	**4.1**	**(804.3)**
Total equity related other charges	**—**	**—**	**16.8**	**—**	**—**	**(0.1)**	**253.3**	**(3.0)**	**(3.1)**	
At December 31, 2018	12.8	80.7	104.6	64.8	(312.5)	862.3	(2,444.6)	(16.5)	22.9	
Total changes from financing cash flows										**(560.1)**

5.13.5 Guarantees and covenants

2018 Amended Senior Credit Facility and Senior Secured Notes

At 31 December 2019, Telenet BVBA, 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 BVBA, Telenet Group NV, Telenet International Finance S.à r.l. and Telenet Financing USD LLC under the 2018 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 2018 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 BVBA, 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, 2019, 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 2018 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 2018 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 BVBA 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 BVBA 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 years ended December 31, 2019 and 2018, the average effective borrowing rate for the 3G mobile spectrum was 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, 2019 amounted to 2.00%.

5.13.7 Global Handset Finco Loan

On December 4, 2015 Telenet Finance BVBA 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 till December 4, 2018, where 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, 2019, the outstanding liabilities with respect to vendor financing (€358.0 million; December 31, 2018: €359.0 million) consist of:

- €118.3 million capex related invoices (December 31, 2018: €179.3 million),
- €236.6 million operating expense related invoices (December 31, 2018: €176.0 million), and
- €3.1 million accrued interest (December 31, 2018: €3.7 million).

During the year ended December 31, 2019, the Company repaid €268.1 million of capex related invoices (2018: €233.4 million) and €172.1 million of opex related invoices (2018: €125.0 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, 2019 and 2018, the outstanding forward foreign exchange derivatives were as follows:

(€ in millions)	**December 31, 2019**	**December 31, 2018, as restated (*)**
Forward Purchase Contracts		
Notional amount in US dollar	83.6	51.8
Weighted average strike price (US dollar per euro)	1.151	1.214
Maturity	From January to October 2022	From January to November 2019

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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, 2019 and 2018, the outstanding interest rate derivatives and cross currency interest rates swaps ("**CCIRS**") as follows:

(€ in millions)	**December 31, 2019**	**December 31, 2018, 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		475.0
Average pay interest rate		2.17%
Average receive interest rate		EURIBOR 6M
Maturity		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	
Average pay interest rate	1.75%	
Average receive interest rate	EURIBOR 6M	
Maturity	2022	
Notional amount	1,452.0	

Average pay interest rate	0.73%	
Average receive interest rate	EURIBOR 3M / EURIBOR 6M	
Maturity	2023	
Notional amount	2.5	1,684.8
Average pay interest rate	4.75%	0.71%
Average receive interest rate	EURIBOR 6M	EURIBOR 3M / EURIBOR 6M
Maturity	2025	2025
Notional amount	270.0	650.0
Average pay interest rate	1.09%	1.17%
Average receive interest rate	EURIBOR 3M	EURIBOR 3M / EURIBOR 6M
Maturity (1)	2025	2025
Notional amount		350.0
Average pay interest rate		1.23%
Average receive interest rate		EURIBOR 6M
Maturity (1)		2026
Notional amount		205.0
Average pay interest rate		0.87%
Average receive interest rate		EURIBOR 6M
Maturity		2027
Notional amount	885.0	
Average pay interest rate	0.96%	
Average receive interest rate	EURIBOR 6M	
Maturity	2027	
Notional amount	150.0	
Average pay interest rate	0.71%	
Average receive interest rate	EURIBOR 6M	
Maturity (1)	2027	
Basis Swaps USD		
Notional amount	2,295.0	1,600.0
Average pay interest rate	USD 6M + 2.09%	USD 6M + 2.38%
Average receive interest rate	USD 1M + 2.25%	USD 1M + 2.50%
Maturity	2020	2019
Notional amount		2,075.0
Average pay interest rate		USD 6M + 2.10%
Average receive interest rate		USD 1M + 2.25%
Maturity		2019
Cross currency interest rate swap		
Section 1: Receiving USD floating rate / Paying EUR fixed rate		
Notional amount USD	50.0	1,300.0
Average receive interest rate	USD 6M + 2.50%	USD 6M + 2.50%
Notional amount EUR	45.2	1,184.9

Average pay interest rate	2.78%	2.95%
Maturity	2025	2025
Notional amount USD	50.0	
Average receive interest rate	USD 6M + 2.25%	
Notional amount EUR	45.2	
Average pay interest rate	2.66%	
Maturity (4)	2026	
Notional amount USD	300.0	300.0
Average receive interest rate	USD 6M + 2.5%	USD 6M + 2.5%
Notional amount EUR	246.4	246.4
Average pay interest rate	3.33%	3.33%
Maturity	2026	2026
Notional amount USD	1,945.0	475.0
Average receive interest rate	USD 6M + 2.25%	USD 6M + 2.25%
Notional amount EUR	1,750.1	409.5
Average pay interest rate	2.67%	3.01%
Maturity	2026	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
Notional amount USD		1,300.0
Average receive interest rate		0.25%
Notional amount EUR		1,184.9
Average pay interest rate		0.23%
Maturity		2025
Section 3: Receiving EUR fixed rate / Paying USD fixed rate		
Notional amount USD	50.0	
Average receive interest rate	0.21%	
Notional amount EUR	45.2	
Average pay interest rate	0.25%	
Maturity	2025	
Notional amount USD	300.0	300.0
Average receive interest rate	0.23%	0.25%

Notional amount EUR	246.4	246.4
Average pay interest rate	0.25%	0.23%
Maturity	2026	2026

Floor		
Notional amount	1,110.0	
Average floor interest rate	0.34%	
Floor strike	0%	
Maturity (3)	2027	

(1) Forward starting contract with effective date 2023;
(2) Forward starting contract with effective date 2024;
(3) Forward starting contract with effective date 2020;
(4) Forward starting contract with effective date 2025.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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

(€ in millions)	**December 31, 2019**	**December 31, 2018, as restated (*)**
Current assets	61.7	62.8
Non-current assets	55.3	6.0
Current liabilities	(69.5)	(64.3)
Non-current liabilities	(261.4)	(211.3)
	(213.9)	**(206.8)**
Interest rate derivatives	(153.7)	(133.7)
Cross currency interest rate swaps	(62.0)	(75.1)
Foreign exchange forwards	1.8	2.0
	(213.9)	**(206.8)**

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

(€ in millions)	December 31, 2019	December 31, 2018, 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	12.8	114.7
Interest rate derivatives	(45.5)	(42.5)
Foreign exchange forwards	(0.3)	4.8
Interest rate caps	25.9	—
Total change in fair value	**(7.1)**	**77.0**
Realized result on derivatives		
Cross currency interest rate swaps	(72.7)	16.1
Interest rate derivatives	106.3	20.7
Foreign exchange forwards	0.2	(2.0)
Total realized result on derivatives	**33.8**	**34.8**
Net gain on derivative financial instruments	**23.9**	**111.8**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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. 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 2019.

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, 2018, as reported	Impact of finalization PPA Nextel (restatement 2018)	December 31, 2018, as restated (*)	IFRS 16 impact	Purchase Accounting Adjustments (DVM)	(Charged) credited to the statement of profit or loss and other comprehensive income	December 31, 2019
Deferred tax assets:							
Financial instruments	47.9	—	47.9	—	—	4.3	52.2
Lease obligation	0.9	(0.7)	0.2	34.8	0.2	0.8	36.0
Provisions	5.9	—	5.9	—	(0.3)	4.4	10.0
Receivables	2.8	—	2.8	—	0.3	(2.5)	0.6
Tax loss carry-forwards	209.1	—	209.1	—	13.4	(6.1)	216.4
Other	15.5	—	15.5	—	0.4	(2.7)	13.2
Total Deferred tax assets	**282.1**	**(0.7)**	**281.4**	**34.8**	**14.0**	**(1.8)**	**328.4**
Deferred tax liabilities:							
Right of use assets	—	—	—	(34.8)	(0.1)	(0.7)	(35.6)
Property and equipment	(82.8)	1.2	(81.6)	—	(0.4)	(6.6)	(88.6)
Goodwill	(17.4)	—	(17.4)	—	—	(0.4)	(17.8)
Intangible assets	(39.0)	(6.1)	(45.1)	—	(10.6)	8.3	(47.4)
Receivables	(0.1)	(2.2)	(2.3)	—	—	0.6	(1.7)
Deferred financing fees	(5.3)	1.5	(3.8)	—	0.6	0.9	(2.3)
Other	(46.6)	(0.9)	(47.5)	—	(0.1)	1.6	(46.0)
Total Deferred tax liabilities	**(191.2)**	**(6.5)**	**(197.7)**	**(34.8)**	**(10.6)**	**3.7**	**(239.4)**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

(€ in millions)	Statement of profit or loss and other comprehensive income	Statement of financial position
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

As of December 31, 2019, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €1,383.4 million (2018: €1,326.0 million). These tax losses may be historical (before acquisition of the group Telenet) 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. The same assessment is applied for group companies that incurred losses during one of the the last two years, but where management was able to determine with sufficient probability, based on the business plans and projections of their taxable results, that the losses carried forward will be utilized in the foreseeable future (Telenet Group NV and Telenet International Finance Sarl were in this position and recorded a net DTA of respectively €135,3m and €117,1m).

Telenet did not recognize deferred tax assets of €133.7 million (2018: €123.9 million) in respect of losses amounting to €534,8 million (2018: €508.8 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, 2018 as reported	Statement of financial position, 2018 as reported	Statement of profit or loss and other comprehensive income, 2018 as restated (*)	Statement of financial position, 2018 as restated (*)
Deferred tax assets	(39.5)	282.1	(39.5)	281.4
Deferred tax liabilities	48.1	(191.2)	48.7	(197.7)
	8.6	**90.9**	**9.2**	**83.7**
Statement of profit & loss and comprehensive income (see Note 5.22)				
Deferred tax expense in profit or loss (see Note 5.22)	(6.7)		(7.3)	
Deferred tax expense in OCI	(1.9)		(1.9)	
Total deferred tax expense	**(8.6)**		**(9.2)**	
Current tax expense (see Note 5.22)	**125.3**		**125.4**	
Total Comprehensive Income	**116.7**		**116.2**	
Deferred tax expense in OCI	**1.9**		**1.9**	
Total profit or loss	**118.6**		**118.1**	
Balance Sheet				
Deferred tax assets		247.1		247.1
Deferred tax liabilities		(156.2)		(163.4)
		90.9		**83.7**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.16 Other non-current liabilities

(€ in millions)	Note	December 31, 2019	December 31, 2018, as restated (*)
Employee benefit obligations	5.17	22.3	18.8
Other personnel related obligations		0.2	0.2
Long service awards	5.17	7.4	6.6
Interkabel out of market opex		17.3	16.5
Liabilities regarding sports broadcasting rights	5.6	9.6	5.5
Liabilities regarding pylon taxes		—	1.4
Acquisition related liabilities	5.24	5.5	4.7
Other		0.8	1.7
Total Other non-current liabilities		**63.1**	**55.4**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Total non-current and current liabilities regarding sports broadcasting rights amounted to €9.6 million and €33.9 million, respectively (see note 5.18.1) at December 31, 2019 (December 31, 2018: €5.5 million and €46.4 million, respectively). The €4.1 million increase in the non-current sports rights liability is the combined effect of i) additions of sports rights, mainly linked to UK Soccer Premier league (+€28.5 million) and broadcasting rights for hockey (€1.0 million), partially offset by ii) a -€26.4 million reclass to current liabilities, primarily linked to UK Soccer Premier League (€13.8 million) and Jupiler Pro League (€10.8 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, 2019 amounted to €17.3 million (December 31, 2018: €16.5 million).

The acquisition related payables relate to the Nextel acquisition (note 5.24.2).

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, 2019			December 31, 2018, 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		22.3	11.7	10.6	18.8	7.7	11.1
Total LT employee benefit obligations	5.16	**22.3**	**11.7**	**10.6**	**18.8**	**7.7**	**11.1**
Total LT service awards	5.16	**7.4**	**—**	**—**	**6.6**	**—**	**—**
Total LT asset related to surplus of post retirement obligations (plan assets)	**5.9.1**	**(9.6)**	**(9.6)**	**—**	**(1.3)**	**(1.3)**	**—**
Total employee benefit plans liability		**20.1**	**2.1**	**10.6**	**24.1**	**6.4**	**11.1**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Long service awards

The Company has recognized a liability of €7.4 million at December 31, 2019 (2018: €6.6 million) 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 2019, the minimum guaranteed rate of return was equal to 1.75% (same for 2018). 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 58% of the total benefit obligations at December 31, 2019. 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, 2019, are financed directly by the Company.

During 2019, a curtailment gain was recognized as a result of the restructuring of Coditel. In this context, the remaining benefit obligations and plan assets for Coditel's former defined benefit pension plan were transferred from an insurance company to the IBP Telenet OFP resulting in a partial release of the asset ceiling and the recognition of a net pension asset of €9.6 million relating to this plan as of December 31, 2019 (as the surplus will result in a reduction in future contributions).

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)	
	2019	2018	2019	2018	2019	2018	2019	2018
At January 1	**138.8**	**135.7**	**(127.7)**	**(120.8)**	**6.4**	**6.3**	**17.5**	**21.3**
Components of defined benefit cost included in profit or loss								
Current service cost (incl. administration costs)	8.3	10.4	—	—	—	—	8.3	10.4
Past service cost	(1.3)	0.4	—	—	—	—	(1.3)	0.4
Interest cost / (income)	2.4	2.3	(2.3)	(2.1)	0.1	0.1	0.2	0.3
	9.4	**13.1**	**(2.3)**	**(2.1)**	**0.1**	**0.1**	**7.2**	**11.1**
Components of defined benefit cost included in OCI								
Remeasurements								
Actuarial loss (gain) arising from:								
Changes to demographic assumptions	—	0.8	—	—	—	—	—	0.8
Changes to financial assumptions	6.6	(2.6)	—	—	—	—	6.6	(2.6)
Experience adjustments	2.9	3.4	—	—	—	—	2.9	3.4
Return on plan assets excluding interest income	—	—	(8.9)	3.1	—	—	(8.9)	3.1
Change in asset ceiling (2)	—	—	—	—	(4.8)	(0.1)	(4.8)	(0.1)
	9.5	**1.6**	**(8.9)**	**3.1**	**(4.8)**	**(0.1)**	**(4.2)**	**4.6**
Other								
Contributions paid by the employee	2.0	2.1	(2.0)	(2.1)	—	—	—	—
Contributions paid by the employer (incl. taxes)	—	—	(7.4)	(14.6)	—	—	(7.4)	(14.6)
Benefits paid (incl. taxes)	(4.1)	(6.5)	3.7	6.2	—	—	(0.4)	(0.3)
Transfers (1)	—	9.4	—	(9.4)	—	—	—	—
Business combination / divestitures	4.4	(16.6)	(4.4)	12.0	—	—	—	(4.6)
	2.3	**(11.6)**	**(10.1)**	**(7.9)**	**—**	**—**	**(7.8)**	**(19.5)**
At December 31	**160.0**	**138.8**	**(149.0)**	**(127.7)**	**1.7**	**6.3**	**12.7**	**17.6**

Represented by:	**2019**	**2018**
Defined benefit pension plans	2.1	6.4
Other post-retirement plans	10.6	11.2
Total	**12.7**	**17.6**

(1) Transfer of plan assets & Defined Benefit Obligation from Eandis to Telenet prior to transfer of the plan to Unit-T.

(2) 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	
	2019	**2018**	**2019**	**2018**
Discount rate	1.00%	1.75%	1.00%	1.75%
Rate of compensation increase	3.10%	3.11%	—%	2.75%
Underlying inflation rate	1.75%	1.75%	1.75%	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%	3.9 %	(3.8)%
Rate of compensation increase	0.25%	(0.8)%	0.8 %
Increase of medical benefits	0.25%	(2.3)%	2.4 %
Mortality tables	1 year	(0.8)%	0.8 %

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 years.

The plan assets consist of:

Defined Benefit Pension Plans		
	2019	**2018**
Bonds	31%	30%
Equities	37%	35%
Insurance policies	19%	27%
Other	13%	8%
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, 2020 (including the defined contribution plans accounted for as defined benefit plans) are estimated at €8.0 million.

5.18 Accrued expenses, other current liabilities and provisions

5.18.1 Accrued expenses and other current liabilities

(€ in millions)	Note	December 31, 2019	December 31, 2018, as restated (*)
Customer deposits		19.9	21.3
Compensation and employee benefits		83.1	68.2
VAT and withholding taxes		15.8	17.7
Dividend payable to shareholders		1.2	1.2
Accrued programming fees		40.9	33.4
Accrued capital expenditures		46.4	62.6
Accrued other liabilities - invoices to receive regarding:			
Goods received and services performed		33.2	47.9
Professional fees		6.9	8.0
Warehouse items received		3.1	11.6
Interconnect		15.9	19.6
Advertising, marketing and public relations		2.9	3.9
Infrastructure		18.0	12.5
Facilities		4.4	7.7
Opex		30.8	35.5
Credit notes to issue		12.2	22.9
Accrued stock compensation		—	8.9
Non-income tax contingencies (IFRS 3)	5.24	2.6	5.2
Accounts receivable with credit balance		24.7	18.8
Liabilities regarding sports broadcasting rights		33.9	46.4
Accrued commissions		19.1	4.2
Other current liabilities		3.4	5.7
Total Accrued expenses and other current liabilities		**418.4**	**463.2**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Compared to December 31, 2018, total accrued expenses and other current liabilities decreased by €44.8 million to €418.4 million as of December 31, 2019. Overall, the main reason for the lower outstanding balance comes from i) decrease in accrued capital expenditures from €62.6 million to €46.4 million, ii) a decrease in outstanding liabilities for goods received and services performed of €14.7 million, iii) lower outstanding credit notes to issue of €10.7 million , and iv) a decrease in accrued liabilities for warehouse items received by €8.4 million. Furthermore there is a decrease in the amount for accrued stock compensation of €8.9 million, which is caused by a change in the liability classification of outstanding performance shares, and which are considered to be equity settled share-based payments as of 2019 (see note 5.12.2).

Liabilities related to compensation and employee benefits increased by €14.9 million compared to December 31, 2018, which is linked to i) an increase in outstanding liabilities for social security and withholding taxes, and ii) outstanding liabilities for De Vijver Media, not included in the comparative period and contributing €4.2 million in the outstanding balance per December 31, 2019.

Accrued commissions increased from €4.2 million as of December 31, 2018, to €19.1 million as of December 31, 2019, which is primarily driven by De Vijver Media, making up €14.3 million in the closing balance per December 31, 2019.

The decrease in liabilities related to sports broadcasting rights (€12.5 million) is primarily explained by (i) the settlement of the liability regarding the Jupiler Pro League Belgian soccer and the Premier League UK soccer partially offset with (ii) the reclass of the long-term to short-term liability with respect to the Jupiler Pro League and Premier League UK soccer, and (iii) additions, primarily linked to Premier League UK Soccer season 2019-2022.

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, 2019 and December 31, 2018:

(€ in millions)	Note	December 31, 2019	December 31, 2018, as restated (*)
Non-current provisions			
Onerous contract provision		6.6	8.3
Site restoration provision		11.0	10.7
Total non-current provisions		**17.6**	**19.0**
Current provisions			
Provisions for legal claims	5.26.1	67.0	63.0
Onerous contract provisions		2.3	2.3
Site restoration provision		0.3	0.3
Restructuring provisions		1.3	6.5
Total current provisions		**70.9**	**72.1**
Total provisions		**88.5**	**91.1**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The site restoration provision consists of liabilities regarding the costs of dismantling sites and restoring them to their original state. The increase in 2019, as compared to 2018, is related to the increased number of sites in 2019.

At the end of 2013, the Company decided to discontinue the provision of DTT services which occurred in the six months ended June 30, 2014. 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 €6.6 million and €2.3 million at December 31, 2019 (2018: respectively €8.3 million and €2.3 million).

Provisions with respect to legal claims increased by €4.0 million, following the outcome of recent court cases, mainly related to Pylon taxes, in combination with the pylon taxes levied for 2019.

The following table gives a detailed overview of the movements in provisions for the year ended December 31, 2019.

(€ in millions)	Legal claims	Restructuring	Onerous contracts	Site restoration	Other	Total
At January 1, 2019	**63.0**	**6.5**	**10.5**	**11.0**	**0.1**	**91.1**
Provision made during the year (+)	10.2	4.0	—	0.6	—	14.8
Provisions used during the year (-)	(1.1)	(9.2)	(2.3)	(0.3)	(0.1)	(13.0)
Provisions reversed during the year (-)	(4.5)	—	—	—	—	(4.5)
Reclass	(0.6)	—	—	—	—	(0.6)
Interest accretion	—	—	0.7	—	—	0.7
At December 31, 2019	**67.0**	**1.3**	**8.9**	**11.3**	**—**	**88.5**
Non-current provision (more than 1 year)	—	—	6.6	11.0	—	17.6
Current provision (less than 1 year)	67.0	1.3	2.3	0.3	—	70.9

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 €5.2 million to €1.3 million at December 31, 2019 , primarily linked to the execution of the SFR restructuring plan.

Provisions for onerous contracts decreased by €1.6 million in 2019, which is the net effect of i) a utilization of the provisions for an amount of €2.3 million and ii) interest accretion of €0.7 million. Provisions are classified as current or non-current, according to the expected timing of utilization of the provision.

Provisions for site restoration increased from €11.0 million at December 31, 2018 to €11.3 million at December 31, 2019. The outstanding balance breaks down in a current asset retirement obligation of €0.3 million and a non-current asset retirement obligation of €11.0 million .

For certain legal claims the settlement of the provision is expected to be reimbursed by another party. As of December 31, 2019, the Company recognized indemnification assets for an aggregate of €16.1 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,		
	2019	**2018 as restated (*)**	**2018 as reported**
Subscription revenue			
Video	574.4	582.4	582.4
Broadband internet	651.7	628.4	628.4
Fixed-line telephony	219.0	232.9	232.9
Cable subscription revenue	**1,445.1**	**1,443.7**	**1,443.7**
Mobile telephony	444.7	459.7	459.7
Total subscription revenue	**1,889.8**	**1,903.4**	**1,903.4**
Business services	205.8	192.2	193.2
Other	488.3	438.2	438.2
Total revenue	**2,583.9**	**2,533.8**	**2,534.8**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For the year ended December 31, 2019, the Company generated revenue of €2,583.9 million, which was up 2% versus €2,533.8 million for the year ended December 31, 2018. The revenue for the year ended December 31, 2019 included a full year contribution from the local ICT integrator Nextel, which was acquired on May 31, 2018, as opposed to a seven-month contribution in 2018, contributing an incremental €50.1 million to the Company's revenue in 2019. In addition, the Company's 2019 revenue also included a seven-month 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, contributing €71.4 million to our revenue in 2019. The Company also succeeded in maintaining its cable subscription revenue broadly stable for the full year of 2019 despite certain competitive and regulatory headwinds.

Telenet Business generated revenue of €205.8 million for the year ended December 31, 2019, an increase of 7% compared to the prior year which was mainly impacted by the aforementioned contribution from Nextel since the May 31, 2018 acquisition date.

Other revenue primarily included (i) interconnection revenue from both our fixed-line and mobile telephony customers, (ii) wholesale revenue generated through both our commercial and regulated wholesale businesses, (iii) mobile handset sales, including the revenue earned under our "Choose Your Device" programs, (iv) the contribution from De Vijver Media NV, which we fully consolidated as of June 3, 2019, (v) product activation and installation fees and (vi) set-top box sales revenue. The Company's other revenue is comprised of the following:

The Company's other revenue amounted to €488.3 million for the year ended December 31, 2019 , an 11% year-on-year increase as lower interconnection revenue and lower wholesale revenue following the loss of the MEDIALAAN MVNO contract were more than offset by the seven-month revenue contribution from De Vijver Media and higher revenue related to handset sales.

(€ in millions)	For the years ended December 31,		
	2019	**2018 as restated (*)**	**2018 as reported**
Interconnect	190.2	204.4	204.4
Sale of handsets and customer premise equipment	112.9	87.3	87.3
Wholesale	87.0	111.3	111.3
Advertising and production	70.0	—	—
Other	28.2	35.2	35.2
Total other revenue	**488.3**	**438.2**	**438.2**

The Company also had deferred revenue as follows:

(€ in millions)		
	December 31, 2019	**December 31, 2018 as restated (*)**
Subscription revenue		
Video	18.2	20.9
Broadband internet	24.8	20.3
Fixed-line telephony	15.6	13.3
Cable subscription revenue	**58.6**	**54.5**
Mobile telephony	23.4	23.3
Total subscription revenue	**82.0**	**77.8**
Business services	18.0	15.6
Other	3.5	2.7
Total deferred subscription revenue	**103.5**	**96.1**
Other contract liabilities (IFRS 15)	**8.1**	8.1
Total deferred revenue	**111.6**	**104.2**
- of which non-current deferred revenue	**3.8**	2.9
- of which current deferred revenue	**107.8**	101.3

(*) We refer to note 5.1.6 *Reporting changes* and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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

For 2019, the contract liabilities amounting to €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, 2018	**2.5**	**9.7**	**—**	**—**	**(103.4)**
+	**Additions**					
	New additions on the balance sheet during the year	3.2	6.5	(3.4)	(6.4)	(802.6)
-	**Recognition in the result of the current year**					
	Contract assets / liabilities comprised in the opening balance sheet of January 1, 2018	—	(9.7)	—	—	—
	Contract assets / liabilities recognized in previous year	—	—	—	2.3	103.0
	Contract assets / liabilities recognized in the current year	—	(3.6)	—	3.6	702.7
+/-	**Reclasses**					
	Reclass from non-current to current contract assets / liabilities	(4.3)	4.3	4.0	(4.0)	—
	Reclass from deferred revenue	—	—	(1.9)	(2.3)	4.2
	December 31, 2018, as restated (*)	**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	**1.7**	**6.4**	**(2.2)**	**(5.9)**	**(103.5)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

As per December 31, 2019, the transaction price allocated to the remaining unsatisfied performance obligations and the expected period in which the revenue will be recognized can be summarized as follows:

(€ in million)						
	Remaining performance obligations - Expected recognition in the result of the year					
	TOTAL	**2020**	**2021**	**2022**	**2023**	**thereafter**
Contract assets						
Recognized as contract asset in 2018	(1.4)	(1.4)	—	—	—	—
Recognized as contract asset in 2019	(6.7)	(5.1)	(1.6)	—	—	—
Total contract assets	**(8.1)**	**(6.5)**	**(1.6)**	**—**	**—**	**—**
Contract liabilities						
Recognized as contract liabilities in 2018	2.6	1.9	0.7	—	—	—
Recognized as contract liabilities in 2019	5.5	3.9	1.2	0.4	—	—
Deferred revenue						
Deferred revenue	103.5	101.9	0.2	0.2	0.2	1.0
Total contract liabilities	**111.6**	**107.7**	**2.1**	**0.6**	**0.2**	**1.0**

5.20 Expenses by nature

(€ in millions)	Note	For the years ended December 31,		
		2019	**2018 as restated (*)**	**2018 as reported**
Network operating expenses		196.9	192.0	192.0
Direct costs (programming, copyrights, interconnect and other)		525.4	506.6	505.9
Staff-related expenses		261.1	252.3	252.3
Sales and marketing expenses		96.8	90.4	90.4
Outsourced labor and Professional services		38.2	32.2	32.2
Other indirect expenses		90.1	137.9	137.9
Operating expenses		**1,208.5**	**1,211.4**	**1,210.7**
Restructuring expenses		0.7	11.6	11.6
Operating charges related to acquisitions or divestitures		0.7	4.4	4.4
Share-based payments granted to directors and employees	5.12	13.0	17.5	17.5
Depreciation	5.4	411.0	404.4	406.2
Amortization	5.6	172.0	184.0	182.0
Amortization of broadcasting rights	5.6	92.5	69.9	69.9
Post measurement period adjustments related to business acquisitions		—	(3.2)	(3.2)
Impairment of long-lived assets - goodwill	5.5	—	36.7	36.8
Impairment of long-lived assets - property and equipment		1.9	2.5	2.6
Gain on disposal of property and equipment	5.4	(1.9)	(3.0)	(3.0)
Non-cash and other items		**689.9**	**724.8**	**724.8**
Total costs and expenses		**1,898.4**	**1,936.2**	**1,935.5**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For the year ended December 31, 2019, Telenet incurred total expenses of €1,898.4 million, representing a decrease of 2% compared to the prior year. Total expenses for the full year ended December 31, 2019 reflected the impact from both the Nextel and De Vijver Media acquisitions, together with the impact of the application of the new IFRS 16 lease standard as of 2019, whereas total expenses in 2018 included a €36.8 million impairment loss on the Luxembourg cable operations. Total expenses represented approximately 73% of revenue for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 76%). Cost of services provided as a percentage of revenue represented approximately 52% for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 55%), while selling, general and administrative expenses represented approximately 21% of total revenue for the year ended December 31, 2019 (for the year ended December 31, 2018: approximately 21%).

Operating expenses, which includes (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, remained broadly stable on a reported basis for the year ended December 31, 2019 including the aforementioned inorganic acquisition impacts and the application of IFRS 16.

Network operating expenses reached €196.9 million for the year ended December 31, 2019 compared to €192.0 million for the year ended December 31, 2018. In the third quarter of 2018, the Company completed the transfer of its network field services to Unit-T, in which the Company has taken a 30% shareholding. Through this joint venture, Telenet is able to share in the benefits of the growing market of field services in areas such as new digital technologies and the Internet-of-Things ("IoT"). This transaction resulted in higher network operating expenses and higher costs related to outsourced labor and professional fees, while at the same time favorably impacting the Company's staff-related expenses as field engineers and their related costs have been transferred to Unit-T.

Direct costs include all of Telenet's direct expenses such as (i) costs related to interconnection, including MVNO-related costs, (ii) programming and copyrights and (iii) handset sales and subsidies. For the year ended December 31, 2019, the company's direct costs were €525.4 million, representing an increase of 4% compared to the prior year.

Staff-related expenses for the year ended December 31, 2019 amounted to €261.1 million, which represented an increase of 3% compared to the prior year as a result of the aforementioned inorganic impacts and the unfavorable cost impact of the wage indexation since January 2019. The increase in staff-related expenses was partially offset by the favorable impact of the above mentioned transaction with Unit-T where staff-related costs for field engineers were transferred to Unit-T.

Sales and marketing expenses for the year ended December 31, 2019 totaled €96.8 million, representing an increase of 7% as compared to the prior year.

Costs related to outsourced labor and professional services were €38.2 million for the year ended December 31, 2019, representing a 19% increase year-on-year and reflected the aforementioned transfer of Telenet's network field services to Unit-T.

Other indirect expenses reached €90.1 million for the year ended December 31, 2019, representing a 35% decrease compared to the prior year, which is mainly attributable to the aforementioned application of IFRS 16.

Depreciation and amortization, including impairment of long-lived assets, loss (gain) on disposal of subsidiaries and restructuring charges, reached €676.2 million for the year ended December 31, 2019 compared to €706.1 million for the year ended December 31, 2018, which included the aforementioned impairment charge. Relative to the prior year, despite the impact of the application of IFRS 16, the Company incurred lower depreciation and amortization expenses as the vast majority of both fixed and mobile infrastructure improvement programs has now been completed.

5.21 Finance income / expense

(€ in millions)	Note	For the years ended December 31, 2019	2018, 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		0.7	0.4
Interest income on receivables		0.1	—
		0.8	**0.4**
Net gain on derivative financial instruments			
Change in fair value	5.14	23.9	111.8
		23.9	**111.8**
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		(261.3)	(233.8)
Amortization of financing cost		(2.7)	(1.9)
Net foreign exchange loss		(43.4)	(115.2)
		(307.4)	**(350.9)**
Loss on extinguishment of debt	5.13	**(49.5)**	**(24.6)**
Net finance expenses		**(332.2)**	**(263.3)**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For the year ended December 31, 2019, net finance expense totaled €332.2 million compared to €263.3 million in the prior year. Finance income for the year ended December 31, 2019 decreased to €24.7 million as compared to €112.2 million last year, primarily due to a lower non-cash gain on derivatives. Finance expenses for the year ended December 31, 2019 decreased 5% to €356.9 million compared to €375.5 million last year. This decrease was mainly due to a €71.8 million lower non-cash foreign exchange loss on the company's USD-denominated debt as compared to 2018, partly offset by a €24.9 million higher loss on extinguishment of debt following certain refinancing transactions. Excluding these impacts, our net finance expense was up year-on-year following a higher debt balance in connection with the October 2018 extraordinary dividend payment.

5.22 Income tax expense

(€ in millions)	For the years ended December 31, 2019	2018, as restated (*)
Current tax expense	121.0	125.4
Deferred tax expense (note 5.15)	(3.1)	(7.3)
Income tax expense	**117.9**	**118.1**
Effective Tax Rate	**33.44%**	**31.99%**

The effective tax rate was 33.44% for the year ended December 31, 2019 (31.99% for the year ended December 31, 2018). The tax expenses as shown above have been calculated in conformity with Belgian and international tax laws. Telenet believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

The 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,	
	2019	**2018, as restated (*)**
Profit before tax	**352.5**	**368.9**
Income tax expense at the Belgian statutory rate of 29.58%	104.3	109.1
Income not taxable	(1.2)	(18.2)
Expenses not deductible for tax purposes (incl. prior year adjustments)	3.2	21.8
Benefit of the investment deduction	(4.6)	(3.8)
Utilization of previously unrecognized tax losses	4.1	(0.1)
Adjustments recognized in the current year in relation to the filings for prior years	4.1	1.1
Impact of different tax rates in Luxembourg	3.5	(0.1)
Tax on realization of financial fixed assets	4.9	—
Impact of change enacted tax rate Belgium / Luxembourg	(7.9)	(0.2)
Penalty for insufficient prepayments	7.5	8.5
Tax expense for the year	**117.9**	**118.1**

(*) We refer to note 5.1.6 ***Reporting change*s** and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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,		
	2019	2018	
Net profit attributable to the equity holders of the Company	234.5	252.0	(*)
Weighted average number of ordinary shares	110,032,405	114,022,603	
Weighted average number of shares used in the calculation of basic earnings per share	**110,032,405**	**114,022,603**	
Basic earnings per share in €	2.13	2.21	(*)

(*) as restated, We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.23.2 Diluted

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

For the year ended December 31, 2019, the Company had the following outstanding options throughout the year:

- ESOP 2014 stock options
- CEO SOP 2014 stock options
- CEO SOP 2014bis stock options
- ESOP 2015 stock options
- CEO SOP 2015 stock options
- SSOP 2015bis 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

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 €2.13 (2018: €2.21). For the year ended December 31, 2018, 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,	
	2019	2018 as restated (*)
Weighted average number of shares used in the calculation of basic earnings per share	110,032,405	114,022,603
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	**110,180,519**	**114,022,603**
Diluted earnings per share in €	2.13	2.21

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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 "VIER", "VIJF" and "ZES") 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.

The acquisition was immediately followed with a voluntary repayment of De Vijver Media's outstanding debt, amounting to €62.0 million and the termination of the existing interest rate swaps on its floating-rate debt, resulting in a cash payment of €1.1 million.

For the year ended December 31, 2019 and 2018, the Company incurred acquisition-related costs of respectively €0.1 million and €0.6 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 December 31, 2019, the Company performed a detailed provisional allocation of the total purchase price. 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). The deferred tax adjustment resulting from the purchase price allocations amounted to -€0.1 million and is reported under non-current deferred tax assets. The adjustment to the fair value and the remaining useful lives of the respective intangible assets, has resulted in reduced amortization (€0.1 million) recognized for the period between the acquisition date and December 31, 2019. The accounting of the acquisition can still be revised based on the ongoing purchase price allocation which will be completed within one year of the date of acquisition.

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)	(0.1)	(11.5)
Other liabilities	(2.4)	2.4	—	—	—
Total non-current liabilities	**(78.0)**	**2.5**	**(75.5)**	**(0.1)**	**(75.6)**
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)**	**(0.1)**	**(147.1)**

Fair value of identifiable net assets acquired	**41.4**
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	**62.0**

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 Nextel

On May 31, 2018, pursuant to a definitive agreement and following regulatory approval, Telenet acquired 100% of the shares of TelelinQ NV with subsidiaries Nextel NV, Nextel Telecom Solutions NV and TelelinQ D&F NV for a cash purchase price of €77.2 million (the "Nextel" acquisition). Total consideration net of cash acquired amounts to €68.2 million. Taking into account the deferred payments, the Company transferred a total cash amount of €62.5 million.

In addition to the initial purchase price, an earn-out was applicable based on the fulfillment of certain conditions, being:

- a maximum allowed decrease in 'key employee members';
- an aggregate cost savings target;
- revenues

for the years 2018 and 2019. Based on the available financial information at acquisition date, the Company initially estimated and recognized an earn-out liability amounting in total to €4.0 million. In total €2,2 million earn out was paid with respect to conditions that were met. The remaining €1.8 million that was accrued for at acquisition date, was reversed as the underlying conditions were not met.

Nextel is a Belgian integrator working for large companies, SMEs, healthcare institutions, non-profit organizations and public authorities. Nextel has offices in Wommelgem and Zaventem, and employs 340 people. The acquisition of Nextel strengthens Telenet's capabilities to offer integrated services and all-in-one solutions to medium-sized and large companies.

In 2018, the Company incurred acquisition-related costs of €0.2 million on legal fees and due diligence costs. These have been included in 'Selling, general and administrative expenses'.

The Company accounted for the Nextel acquisition using the acquisition method of accounting, whereby the total purchase price is allocated to the acquired identifiable net assets of Nextel 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, 2018, 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 May 31, 2019, the purchase price allocation was finalized. The fair value adjustment on the intangible assets (€25.7 million) mainly related to the acquired customer relationships (€16.5 million), trade names (€6.8 million) and technology (€2.4 million). The assessment of the sale-and-lease back and renting model resulted in the derecognition of deferred revenue (€2.7 million) and property and equipment (€7.1 million) which were replaced by a lease receivable (€8.9 million). Together with the deferred tax impact of the above mentioned adjustments (€7.8 million), goodwill was reduced by €22.3 million.

The recognition of the fair value of the intangible assets and the adjustment to the sale-and-lease back and renting model of Nextel resulted in additional amortization expense (€2.1 million), a decrease in depreciation expense (€1.8 million), a reduction to revenue (€1.0 million) and an increase of the cost of goods sold (€0.7 million) recognized for the period between the acquisition date (May 31, 2018) and December 31, 2018, for which the comparative financial information has been restated.

As a result of the acquisition of Nextel, the Company acquired in total €7.1 million of trade receivables, €8,9 million lease receivables and €0.7 million of unbilled revenue, of which in total €0.1 million was estimated not to be collectible. These are mainly receivables a large number of counterparties for smaller amounts. As in case of irrecoverability, the services are not rendered anymore, the Company faces a low credit risk.

A summary of the purchase price and the identifiable assets acquired and liabilities assumed for the Nextel 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	12.8	(7.1)	5.7	—	5.7
Goodwill	71.0	(71.0)	—	—	—
Other intangible assets	—	0.1	0.1	25.7	25.8
Other assets	—	4.8	4.8	—	4.8
Total non-current assets	**83.8**	**(73.2)**	**10.6**	**25.7**	**36.3**
Current assets:					
Inventories	4.4	—	4.4	—	4.4
Trade receivables	7.2	(0.1)	7.1	—	7.1
Other current assets	2.5	3.5	6.0	—	6.0
Cash and cash equivalents	9.1	—	9.1	—	9.1
Total current assets	**23.2**	**3.4**	**26.6**	**—**	**26.6**
Total assets acquired	**107.0**	**(69.8)**	**37.2**	**25.7**	**62.9**
Liabilities					
Non-current liabilities:					
Loans and borrowings	(9.0)	—	(9.0)	—	(9.0)
Deferred tax liabilities	1.0	0.2	1.2	(7.6)	(6.4)
Other liabilities	(3.4)	—	(3.4)	—	(3.4)
Total non-current liabilities	**(11.4)**	**0.2**	**(11.2)**	**(7.6)**	**(18.8)**
Current liabilities:					
Loans and borrowings	(4.3)	—	(4.3)	—	(4.3)
Trade payables	(2.6)	—	(2.6)	—	(2.6)
Accrued expenses and other current liabilities	(5.9)	0.5	(5.4)	—	(5.4)
Deferred revenue	(5.5)	2.7	(2.8)	—	(2.8)
Total current liabilities	**(18.3)**	**3.2**	**(15.1)**	**—**	**(15.1)**
Total liabilities assumed	**(29.7)**	**3.4**	**(26.3)**	**(7.6)**	**(33.9)**
Fair value of identifiable net assets acquired					**29.0**
Total consideration transferred					**77.2**
Final goodwill arising from the acquisition					**48.2**

In the period from May 31, 2018 through December 31, 2018, Nextel contributed revenue of €32.1 million and a profit of €0.6 million to the Company's results. If the acquisition had occurred on January 1, 2018, management estimates that consolidated revenue would have been €2,556.5 million, and consolidated operating result for the period would have been €600.7 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, 2018.

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

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 €3.0m, of which €2.7m was paid and €0.3m 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, 2019, the Company incurred acquisition-related costs of €0.1 million related to legal fees and due diligence costs. These have been 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. Due to the restricted access to financial and operational data prior to closing of the acquisition on October 18, 2019, the Company was not able to perform a detailed allocation of the total purchase price as of December 31, 2019. The preliminary opening balance sheet is therefore subject to adjustment based on our assessment of the fair values of the acquired identifiable assets and liabilities. The items with the highest likelihood of changing upon the valuation process include intangible assets associated with tradenames, customer relationships, deferred taxes and goodwill. The unallocated goodwill is attributable to the synergies expected to be achieved from integrating the company into the Group's existing business and the advertising relationships. 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	—	0.2	0.2	—	0.2
Goodwill	5.1	(5.1)	—	—	—
Other intangible assets	0.1	—	0.1	—	0.1
Total non-current assets	**5.2**	**(4.9)**	**0.3**	**—**	**0.3**
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**	**(4.9)**	**1.1**	**—**	**1.1**
Liabilities					
Non-current liabilities:					
Loans and borrowings	—	(0.2)	(0.2)	—	(0.2)
Total non-current liabilities	**—**	**(0.2)**	**(0.2)**	**—**	**(0.2)**
Current liabilities:					
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)**	**—**	**(0.3)**	**—**	**(0.3)**
Total liabilities assumed	**(0.3)**	**(0.2)**	**(0.5)**	**—**	**(0.5)**

Fair value of identifiable net assets acquired	**0.6**
Total consideration transferred	**5.7**
Final goodwill arising from the acquisition	**5.1**

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the company into the Group'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.

5.25 Non cash investing and financing transactions

(€ in millions)	For the years ended December 31,	
	2019	**2018, as restated (*)**
Acquisition of property and equipment in exchange for lease obligations	56.1	77.3
Acquisition of property and equipment in exchange for vendor financing obligations	163.9	218.8
Non-cash borrowings/repayments of debt	—	2,100.1
Acquisition of sports broadcasting rights in exchange for investing obligations	25.9	1.8

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.26 Commitments and contingencies

5.26.1 Pending litigations

Interkabel Acquisition

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

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 and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is responsible for damages in excess of €20.0 million. 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. The proposed tariffs represent for Telenet another 25% reduction compared to the interim prices.

Telenet provided substantive comments in September 2019. The next step for the Belgium Regulatory Authorities is to notify a final draft decision to the European Commission. Ahead of the notification, Telenet submitted its comments to the European Commission opposing the "reasonable access tariffs". The Belgium Regulatory Authorities had indicated their intention to adopt a final decision in the fourth quarter of 2019, with the application of new tariffs in early 2020, however the notification to the European Commission still needs to be made which will trigger the review process by the European Commission.

The 2018 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 filed an appeal with the Brussels Markets Court that was rejected on September 4, 2019. Telenet has the intention to file an appeal before the Belgian Supreme Court (Hof van Cassatie / Cour de Cassation) against this judgment.

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. On January 16, 2017, Orange also initiated interim proceedings, but these have in the meantime been withdrawn.

The proceedings in front of the French-speaking Commercial Court of Brussels are still ongoing. Orange claims damages in the amount of 10 million euro. 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 now 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. A first hearing, limited to the legal principles, took place in September 2019. Once the judgment on the principles has been rendered (expected in 2020), the concrete application of the principles will be the subject of a new round of trial briefs and a separate hearing. A final judgment is expected in 2020 or 2021 unless the matter is referred to the Court of Justice of the European Union, as requested by the collecting societies.

The law of November 25, 2018 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. The law has entered into force on 1 July 2019 and does not apply retroactively (although the collecting societies allege that the law merely provides a clarification of existing situation and therefore should apply to direct injection that is the subject of the pending procedure before the Court of Appeal of Brussels).

On December 27, 2019, Playright started a judicial procedure against Telenet with respect to the fees for the cable retransmission of the performances of performers during 2015. Playright has provisionally estimated its claim at around € 4.3 million. Telenet disputes the claim.

Telenet does not expect the ultimate resolution of these matters to have a material impact on its results of operations or financial condition.

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 (mainly in the Brussels-Capital and Walloon Regions) and certain provinces and the Walloon Region 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

By Decree of December 11, 2013 (the "2014 Walloon Decree"), the Walloon Region implemented an annual tax on masts, pylons and antennas for mobile operators with effect of January 1, 2014. Under this Decree, all municipal taxes on pylons, masts and antennas in the Walloon Region have been abolished. The Decree does however allow municipalities to levy surcharges. The tax amounts to EUR 8,000 per 'site'. Under the Decree all users of 'sites' are jointly liable towards the Walloon Region for the tax related to shared sites. On December 12, 2014, a Walloon Decree was adopted that maintains this tax for 2015 and subsequent years, with the same scope and tax payable (EUR 8,000 per 'site', subject to indexation as of 2015) (the "2015 Walloon Decree"). The three Belgian mobile network operators brought a request for annulment of these Decrees before the Constitutional Court.

On July 16, 2015, the Constitutional Court annulled the 2014 Walloon Decree, but decided to maintain its effects. By judgment of May 25, 2016, the Constitutional Court also annulled the 2015 Walloon Decree, without maintaining its effects. On December 22, 2016, Telenet and the other mobile operators concluded a settlement with the Walloon Region. In addition to payment of a settlement fee to end the dispute related with the 2014 Walloon Decree, this settlement also includes an undertaking from the Walloon Region not to levy any taxes on telecom infrastructure and a commitment for Telenet to invest EUR 20 million until 2019 on top of the investments already planned in the Walloon Region.

On February 15, 2019, the Flemish Government adopted a circular letter containing specific recommendations towards the Flemish communes on how to adopt a tax regulation on pylons and masts in a non-discriminatory manner.

Telenet intends to continue challenging any local tax regulations applicable to its mobile telecom equipment. As per December 31, 2019, Telenet has recognised a provision of €43.3 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 (we refer to note 5.9.1 to the consolidated financial statements for more details). 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 Management LP, a shareholder of Telenet Group Holding NV reporting a 3.09% shareholding, has expressed, through correspondence and messaging (often public), certain policy proposals towards Telenet Group Holding NV, as well as made certain allegations aimed at Telenet's directors, CEO and majority shareholder, Liberty Global plc. Such proposals and allegations have also been accompanied by the (attempted) exercise by Lucerne of certain shareholder rights in the context of Telenet Group Holding NV's shareholder meetings. On November 12, 2018, Lucerne Capital Management LP served a writ of summons on Telenet Group Holding NV, requesting the Enterprise 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 (old) Belgian Companies Code. Article 168 of the (old) 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 2019 and 2018. Related parties further include transactions with Pebble Media NV, Doccle CVBA and Doccle.Up NV, Idealabs Telenet Fund NV, Recneps NV, Unit-T NV and De Vijver Media NV (for the latter, only those transactions before acquisition date 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, 2019**	**December 31, 2018, as restated (*)**
Trade receivables		
Liberty Global Consortium (parent)	1.7	5.9
Joint Ventures	—	(0.8)
Associates	7.0	11.2
Trade payables and accrued trade liabilities		
Liberty Global Consortium (parent)	11.9	10.1
Joint Ventures	—	7.2
Associates	12.1	5.3
Loans and borrowings payable		
Liberty Global Consortium (parent)	0.2	12.7
Loans and borrowings receivable		
Associates	1.6	1.3
Property and equipment		
Liberty Global Consortium (parent)	7.1	4.1
Other Intangible assets		
Liberty Global Consortium (parent)	4.5	—

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

The transactions with the entities of the Liberty Global Consortium mainly consisted of the purchase of certain property and equipment and other services within the normal course of business from Liberty Global Services B.V. In 2019 the Company also repaid a loan to Liberty Global Consortium for an amount of €13.0 million.

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 (former article 524) of the Belgian Company Code.

5.27.2 Statement of profit or loss and other comprehensive income

(€ in millions)	For the years ended December 31	
	2019	2018, as restated (*)
Revenue		
Liberty Global Consortium (parent)	0.7	1.6
Joint Ventures	1.0	6.2
Associates	0.5	0.2
Gain on disposal of assets to Unit-T		
Associates	—	10.5
Operating expenses		
Liberty Global Consortium (parent) [1]	13.2	(5.7)
Joint Ventures	12.1	26.5
Associates	40.1	13.2

[1] Includes recharged expenses from Telenet to Liberty Global Consortium for an amount of €2.1 million in 2019 and €12.1 million in 2018.

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

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

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

The company's purchase policy includes 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 (former article 524) of the Belgian Company Code.

Operating expenses for the year ended December 31, 2019 include €40.1 million for transactions with associates, which is a €26.9 million increase compared to the twelve month period ended December 31, 2018. The balance of €40.1 for the twelve months ended December 31, 2019 mainly consists of i) transactions with Unit-T (see note 5.7) of €39.0 million and ii) transactions with De Vijver Media of €12.1 million million (mainly recharged production costs, and costs for Digital Basic) for the period prior to acquisition date. The increase in operating expenses for transactions with associates is linked to Unit-T, which was not included in the comparative period.

Operating expenses arising from transactions with Liberty Global Consortium mainly relate to the recharge of content costs and content contracts (€10.8 million), centrally purchased maintenance contracts (€3.4 million), treasury services (€0.6 million), internal audit services (€0.2 million), employee expenses (€0.2 million), and IT expenses (€0.3 million) partially offset by recharged expenses for certain technology related costs (€-2.0 million), and employee charges (€-0.5 million).

Revenue generated by transactions with Liberty Global Consortium were €0.7 million for the twelve months ended December 31, 2019, which is mainly linked to IP Peering (€0.1 million) and the recharge of copyrights (€0.4 million).

Revenue related to transactions with associates and joint ventures was €1.5 million, which primarily related to transactions with De Vijver Media (prior to acquisition date) for production costs and advertising revenues, partially offset by Telenet's share in result (€ -1.3 million) for the period prior to acquisition date.

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,	
	2019	**2018, as restated (*)**
Salaries and other short-term employee benefits	7.1	7.4
Post-employment benefits	0.6	0.5
Share-based payments (compensation cost recognized)	9.0	10.8
	16.7	**18.7**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.28 Subsidiaries

5.28.1 Subsidiaries

Details of the Company's subsidiaries as of December 31, 2019 are as follows:

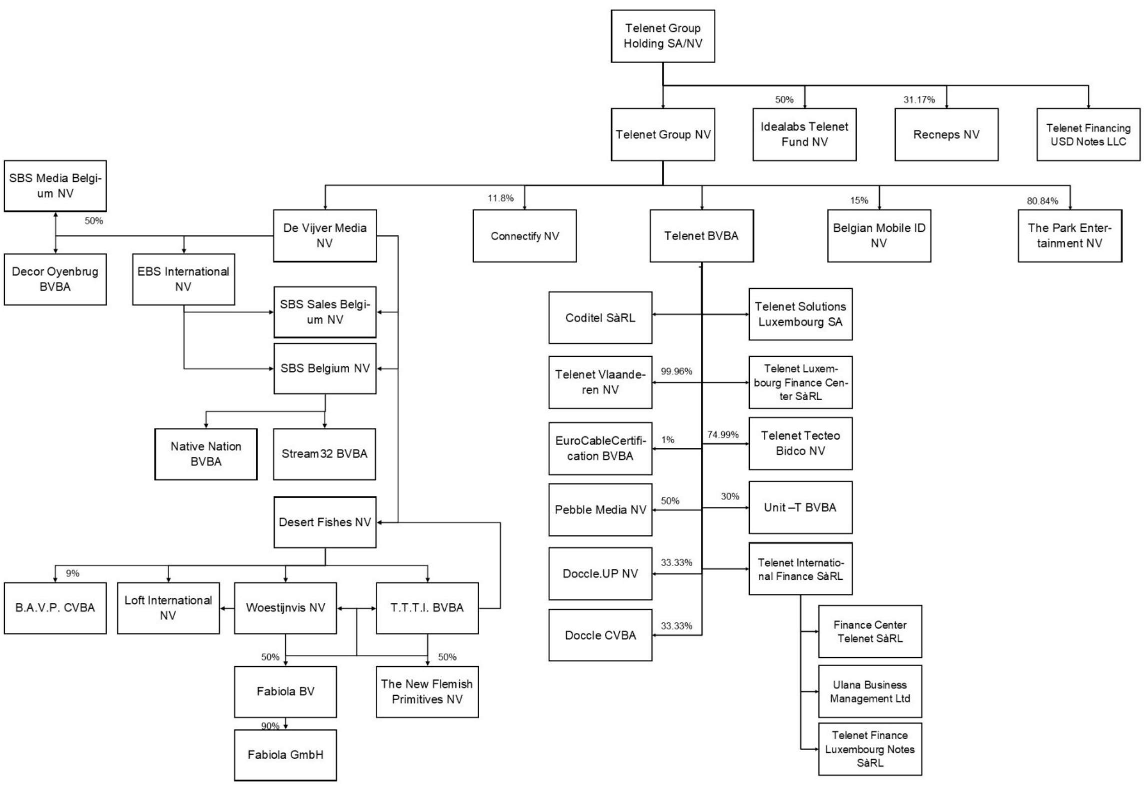
			As of December 31, 2019		As of December 31, 2018	
Company	**National number/ Trade Register number**	**Registered office**	**% Held**	**Consolidation Method**	**% Held**	**Consolidation Method**
Telenet Group Holding NV	0477.702.333	Neerveldstraat 107, 1200 Sint-Lambrechts-Woluwe, Belgium	—%	Parent company	—%	Parent company
Telenet Group NV	0462.925.669	Neerveldstraat 107, 1200 Sint-Lambrechts-Woluwe, Belgium	100%	Fully consolidated	100%	Fully consolidated
Telenet BVBA	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 BVBA	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	Neerveldstraat 107, 1200 Sint-Lambrechts-Woluwe, Belgium	80.84%	Fully consolidated	100%	Fully consolidated
Coditel S.à r.l.	B-112.067	283, route d'Arlon, L-8011 Strassen, Luxembourg	100%	Fully consolidated	100%	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
Finance Center Telenet S.à r.l.	B-165.944	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	50%	Equity method
Décor Oyenbrug BVBA	0424.977.784	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
Desert Fishes NV	0455.597.122	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
EBS International NV	0451.845.202	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
SBS Belgium NV	0473.307.540	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
SBS Sales Belgium NV	0456.631.755	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
Loft International BVBA	0836.155.638	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
Native Nation BVBA	0651.632.241	Doornelei 1, 2018 Antwerpen, Belgium	100%	Fully consolidated	—	(*)
Stream32 BVBA	0724.570.994	Doornelei 1, 2018 Antwerpen, Belgium	100%	Fully consolidated	—	(*)

T.T.T.I. BVBA	0448.196.715	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
Woestijnvis NV	0460.337.749	Harensesteenweg 228, 1800 Vilvoorde, Belgium	100%	Fully consolidated	—	(*)
The New Flemish Primitives NV	0834.756.660	Huart Hamoirlaan 107, 1030 Schaarbeek, Belgium	100%	Fully consolidated	—	(*)
TelelinQ NV	0463.524.495	Koralenhoeve 15, 2160 Wommelgem, Belgium	—	(**)	100%	Fully consolidated
Nextel NV	0424.980.061	Koralenhoeve 15, 2160 Wommelgem, Belgium	—	(**)	100%	Fully consolidated
Nextel Telecom Solutions NV	0810.358.190	Lozenberg 9, 1932 Sint-Stevens-Woluwe, Belgium	—	(**)	100%	Fully consolidated
TelelinQ D&F NV	0447.617.584	Koralenhoeve 15, 2160 Wommelgem, Belgium	—	(**)	100%	Fully consolidated
Coditel Brabant SPRL	0403.107.452	Rue des deux Eglises 26, 1000 Brussels, Belgium	—	(**)	100%	Fully consolidated

(*) As per December 31, 2018, the subsidiaries of De Vijver Media were consolidated at De Vijver Media NV level, and as such recognized by the Company using the equity method.

(**) As per December 31, 2019, TelelinQ NV and all its subsidiaries, as well as Coditel Brabant SPRL were merged into Telenet BVBA.

The group chart as of December 31, 2019 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 Impact of adopting IFRS 16 Leases

As of January 1, 2019, the Company has adopted IFRS 16 ***Leases*** as mentioned in its 2018 Annual Report (see Section 5.2.20 - ***Forthcoming requirements***). In applying IFRS 16, the Company has recognized new assets and liabilities for those leases classified as operating leases under previous IFRS guidance, being operating leases of (i) site rentals, (ii) real estate, (iii) cars, and (iv) dark fiber.

IFRS 16 also changed the nature of expenses related to those leases because the Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

In addition, the Company no longer recognizes provisions for leases that it assesses to be onerous. Instead, the Company includes the payments due under such leases in the lease liability.

Application of IFRS 16 impacted the Company's property and equipment which, as of December 31, 2019, included €139.0 million of right-of-use assets. Additions to the right-of-use assets during 2019 amounted to €14.1 million. Depreciation expense and accretion expense for the year ended December 31, 2019 amounted to €42.5 million and €4.2 million respectively.

In note 5.26.3 Operating leases of the Company's 2018 consolidated financial statements, the future minimum lease payments under non-cancellable operating leases as of December 31, 2018 were disclosed, amounting to €84.1 million. A reconciliation between the afore mentioned non-cancellable lease commitments and the lease liability as recognized in the opening balance sheet of January 1, 2019 following the adoption of IFRS 16 is provided in the table below:

	(€ in millions)
Operating lease commitments at December 31, 2018 (note 5.26.3)	**84.1**
Operating lease commitments at December 31, 2018, but starting after January 1, 2019 (*)	(1.7)
Non-cancellable lease commitments excluding leases starting after January 1, 2019	**82.4**
Impact of expected end date (**)	99.6
Impact of discounting	(18.9)
Existing finance lease liabilities at December 31, 2018, as restated (***)	410.9
Lease liability as per January 1, 2019	**574.0**

(*) The operating lease commitments as reported as of December 31, 2018 included commitments for contracts for which the asset would only be available for use in the course of 2019. Under IFRS 16, leases are to be recognized when they are available for use.

(**) Under IAS 17, the lease term represented the minimum non-cancellable period. Under IFRS 16, the lease term is defined as the minimum non-cancellable period, together with:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

With respect to the lease commitments regarding site rentals, the Company applied the applicable notice period of 6 months to determine the minimum non-cancellable period under IAS 17.

(***) We refer to note 5.22.2 and 5.1.6 for detailed information regarding the impact of the finalization of the purchase price allocation and accounting policy alignment of the Nextel acquisition.

When measuring lease liabilities as of the first adoption of IFRS 16, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 3.0%.

The impact of the adoption of IFRS 16 on the Company's consolidated statement of financial position and its consolidated statement of profit or loss are summarized in the table below:

(€ in millions)	December 31, 2019	Adoption IFRS 16	December 31, 2019 without adoption of IFRS 16
Assets			
Non-current assets:			
Property and equipment	2,366.8	(139.0)	2,227.8
Goodwill	1,874.6	—	1,874.6
Other intangible assets	790.3	—	790.3
Deferred tax assets	261.4	—	261.4
Investments in and loans to equity accounted investees	16.3	—	16.3
Other investments	6.1	—	6.1
Derivative financial instruments	55.3	—	55.3
Trade receivables	—	—	—
Other non-current assets	27.9	—	27.9
Total non-current assets	**5,398.7**	**(139.0)**	**5,259.7**
Current assets:			
Inventories	25.2	—	25.2
Trade receivables	204.5	—	204.5
Other current assets	130.4	3.8	134.2
Cash and cash equivalents	101.4	—	101.4
Derivative financial instruments	61.7	—	61.7
Total current assets	**523.2**	**3.8**	**527.0**
Total assets	**5,921.9**	**(135.2)**	**5,786.7**

(€ in millions)	December 31, 2019	Adoption IFRS 16	December 31, 2019 without adoption of IFRS 16
Equity and liabilities			
Equity:			
Share capital	12.8	—	12.8
Share premium	80.7	—	80.7
Other reserves	695.7	—	695.7
Retained loss	(2,287.8)	1.7	(2,286.1)
Remeasurements	(13.5)	—	(13.5)
Total equity attributable to owners of the Company	**(1,512.1)**	**1.7**	**(1,510.4)**
Non-controlling interests	25.1	—	25.1
Total equity	**(1,487.0)**	**1.7**	**(1,485.3)**
Non-current liabilities:			
Loans and borrowings	5,206.0	(99.9)	5,106.1
Derivative financial instruments	261.4	—	261.4
Deferred revenue	3.8	—	3.8
Deferred tax liabilities	172.4	—	172.4
Other non-current liabilities	63.1	—	63.1
Provisions	17.6	—	17.6
Total non-current liabilities	**5,724.3**	**(99.9)**	**5,624.4**
Current liabilities:			
Loans and borrowings	527.0	(40.4)	486.6
Trade payables	247.7	—	247.7
Accrued expenses and other current liabilities	418.4	3.4	421.8
Provisions	70.9	—	70.9
Deferred revenue	107.8	—	107.8
Derivative financial instruments	69.5	—	69.5
Current tax liability	243.3	—	243.3
Total current liabilities	**1,684.6**	**(37.0)**	**1,647.6**
Total liabilities	**7,408.9**	**(136.9)**	**7,272.0**
Total equity and liabilities	**5,921.9**	**(135.2)**	**5,786.7**

(€ in millions)	December 31, 2019	Adoption IFRS 16	December 31, 2019 without adoption of IFRS 16

Profit for the period

Revenue	2,583.9	—	2,583.9
Cost of services provided	(1,353.3)	—	(1,353.3)
Gross profit	**1,230.6**	**—**	**1,230.6**
Selling, general and administrative expenses	(545.1)	(2.5)	(547.6)
Operating profit	**685.5**	**(2.5)**	**683.0**
Finance income	24.7	—	24.7
Net interest income, foreign exchange gain and other financial income	0.8	—	0.8
Net gain on derivative financial instruments	23.9	—	23.9
Finance expense	(356.9)	4.2	(352.7)
Net interest expense, foreign exchange loss and other finance expense	(307.4)	4.2	(303.2)
Loss on extinguishment of debt	(49.5)	—	(49.5)
Net finance expenses	**(332.2)**	**4.2**	**(328.0)**
Share in the profit of equity accounted investees	(0.9)	—	(0.9)
Reversal of impairment of investments in equity accounted investees	—	—	—
Gain on disposal of assets related to discontinued operations	0.1	—	0.1
Profit before income tax	**352.5**	**1.7**	**354.2**
Income tax expense	(117.9)	—	(117.9)
Profit for the period	**234.6**	**1.7**	**236.3**

(€ in millions)

Consolidated statement of cash flows	December 31, 2019	Adjustments	December 31, 2019 without adoption of IFRS 16

Cash flows provided by operating activities:

Profit for the period	234.6	1.7	236.3
Adjustments for:			
Depreciation, amortization, impairment and restructuring	681.3	(39.2)	642.1
Gain on disposal of property and equipment and other intangible assets	(1.9)	—	(1.9)
Income tax expense	117.9	—	117.9
Increase (decrease) in allowance for bad debt	2.1	—	2.1
Gain on disposal of assets to a joint venture	(0.1)	—	(0.1)
Net interest income and foreign exchange gain	(0.8)	—	(0.8)
Net interest expense, foreign exchange loss and other finance expense	307.3	(4.2)	303.1
Net gain on derivative financial instruments	(23.8)	—	(23.8)
Loss on extinguishment of debt	49.5	—	49.5
Share in the result of equity accounted investees	0.9	—	0.9
Reversal impairment of investments in equity accounted investees	—	—	—
Share based payments	13.0	—	13.0
Change in:			
Trade receivables	24.6	—	24.6
Other assets	4.8	(4.3)	0.5
Deferred revenue	1.7	—	1.7
Trade payables	24.3	—	24.3
Other liabilities	31.5	—	31.5
Accrued expenses and other current liabilities	26.0	3.4	29.4
Interest paid	(241.1)	4.2	(236.9)
Interest received	0.1	—	0.1
Income taxes paid	(159.4)	—	(159.4)
Net cash provided by operating activities	**1,092.5**	**(38.4)**	**1,054.1**

(€ in millions)	December 31, 2019	Adjustments	December 31, 2019 without adoption of IFRS 16
Cash flows used in investing activities:			
Acquisitions of property and equipment	(261.7)	—	(261.7)
Acquisitions of intangibles	(150.2)	—	(150.2)
Acquisitions of and loans to equity accounted investees	(1.3)	—	(1.3)
Acquisitions of subsidiaries, net of cash acquired	(19.6)	—	(19.6)
Proceeds from sale of property and equipment and other intangibles	0.8	—	0.8
Net cash used in investing activities	**(432.0)**	**—**	**(432.0)**
Cash flows used in financing activities:			
Repayments of loans and borrowings	(1,215.6)	—	(1,215.6)
Proceeds from loans and borrowings	815.9	—	815.9
Repayments of loans to related parties	(13.0)	—	(13.0)
Payments of lease liabilities	(73.8)	38.4	(35.4)
Payments for debt issuance costs	(1.4)	—	(1.4)
Payments for early termination of loans and borrowings	(45.5)	—	(45.5)
Repurchase of own shares	(101.0)	—	(101.0)
Sale of own shares	49.6	—	49.6
Payments related to capital reductions and dividends	(62.8)	—	(62.8)
Proceeds from capital transactions with equity participants	0.3	—	0.3
Net cash used in financing activities	**(647.3)**	**38.4**	**(608.9)**
Net increase in cash and cash equivalents	**13.2**		**13.2**
Cash and cash equivalents:			
at January 1	88.2		88.2
at December 31	101.4		101.4

5.29.2 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, 2019	December 31, 2018, as restated (*)	December 31, 2019	December 31, 2018, as restated (*)	December 31, 2019	December 31, 2018, as restated (*)
Within one year	139.0	71.8	33.5	23.9	105.5	47.9
In the second to fifth year, inclusive	325.6	246.5	73.1	67.5	252.5	179.0
Thereafter	257.1	229.5	45.9	45.5	211.2	184.0
Total minimum lease payments	**721.7**	**547.8**	**152.5**	**136.9**	**569.2**	**410.9**

The following table summarizes the obligations per lease type:

(€ in millions)	Total future minimum lease payments		Interest		Future minimum lease payments	
	December 31, 2019	December 31, 2018, as restated (*)	December 31, 2019	December 31, 2018, as restated (*)	December 31, 2019	December 31, 2018, as restated (*)
Canon	547.2	524.9	138.1	134.7	409.1	390.2
Site Rentals	110.3	—	8.9	—	101.4	—
Buildings	49.3	13.0	4.7	1.4	44.6	11.6
Cars	9.3	9.9	0.3	0.8	9.0	9.1
Dark fibre	5.6	—	0.5	—	5.1	—
Total minimum lease payments	**721.7**	**547.8**	**152.5**	**136.9**	**569.2**	**410.9**

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

For the year ended December 31, 2019, the Company recognized interest expenses on lease liabilities for a total amount of €27.0 million.

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

For the year ended December 31, 2019, total cash outflow for leases amounted to €73.8 million (2018: €45.2 million). The Company has no leases with variable lease payments.

Some leases regarding buildings and site rentals contain extension options exercisable by the Company. The Company has determined that the extension options are not 'reasonably certain' to be exercised and are not taken into account in the determination of the lease term.

(€ in millions)	Lease liabilities recognized	Potential future lease payments not included in lease liabilities
Buildings	44.6	29.5
Site Rentals	101.4	145.4
	146.0	**174.9**

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 27 years remained at the end of 2019). 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, 2019, the average effective borrowing rate for the three above mentioned fees was 6.25% (2018: 6.18%).

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

As per December 31, 2019 and 2018, 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, 2019	December 31, 2018, as restated (*)
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	5.0	5.0
Canon agreement	398.0	385.5
Out of Market Component on initial Canon leases acquired as part of a business combination	(0.5)	(1.1)
	402.5	**389.4**
Outstanding non-lease related Clientele debt		
Clientele fee > 20 years	125.3	124.7
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	16.3	16.7

(*) We refer to note 5.1.6 ***Reporting change***s and note 5.24.2 ***Nextel*** for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

Other leases

The Company leases certain assets including buildings, vehicles and dark fibre. For the year ended December 31, 2019, the average effective borrowing rate with respect to these formerly finance leases was 3.55% (2018: 3.65%) . 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.

5.29.3 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, 2019
Finance leases	2.5
Operating leases	3.1
Total lease income	**5.6**

As of December 31, 2019, 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	2.7	1.7	0.2
Current lease receivables / deferred revenue	**2.7**	**1.7**	**0.2**
One to two years	1.5	—	0.2
Two to three years	1.4	—	0.2
Three to four years	1.2	—	0.2
Five years or more	0.5	—	1.7
Non-current lease receivables / deferred revenue	**4.6**	**—**	**2.3**
Total lease receivables	**7.3**	**1.7**	**2.5**

5.29.4 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 year ended December 31, 2019 is presented in the table below:

Carrying amount of leases included in property and equipment				
(€ in millions)	**Land, buildings, and leasehold improvements**	**Network**	**Furniture, equipment, and vehicles**	**Total**
December 31, 2018, as restated (*)	16.1	341.1	9.6	**366.8**
Financial impact of IFRS 16 on the opening balance sheet	36.9	123.0	3.9	**163.8**
January 1, 2019	53.0	464.1	13.5	**530.6**
December 31, 2019	42.8	449.5	12.1	**504.4**
Depreciation expense				
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, 2019	3.3	54.4	3.6	**61.3**

(*) We refer to note 5.1.6 *Reporting change*s and note 5.24.2 *Nextel* for detailed information regarding the impact of the finalization of the purchase price allocation ("**PPA**") and accounting policy alignment of the Nextel acquisition.

5.30 Subsequent events

Corona virus (COVID-19)

In view of the COVID-19 pandemic, Telenet has activated its crisis team which is following up on the evolution of the virus outbreak on a daily basis. Telenet also aligns its measures and communication with the advice of the Liberty Global Group Crisis Management Team.

In order to limit the impact on Telenet'soperations, several precautionary measures have already been taken in the following domains:

- Employee safety (including travel restrictions, hygienic measures, extension of homeworking, etc)
- Supply Chain (including close monitoring of the deliveries at risk in order to avoid major hick-ups in our critical supply chain processes)
- Operational activities (including "splitting" of teams that are performing critical tasks in order to ensure continuous availability of these teams)

The Telenet crisis team evaluates on a daily basis if and to which extent additional measures need to be taken.

Successful issuance and pricing of a new 8.25-year USD 2,295 million Term Loan and a new 9.25-year €1,110 million Term Loan

In January 2020, the Company 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"). The Company 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. The settlement of the refinancing was done on January 31, 2020.

Through this accretive leverage-neutral transaction, the Company succeeded in reducing the margin on both loans by 25 basis points, which will further solidify the Company's Free Cash Flow profile after the October 2019 refinancing of the 4.875% Senior Secured Notes due 2027. Concurrently, the Company further improved its debt maturity profile from 7.4 years currently to 8.5 years. Excluding the short-term commitments under the vendor financing program, the Company does not face any debt maturities prior to March 2028.

Telenet Financing USD LLC is the borrowing entity under Facility AR, carrying (i) a margin of 2.0% over LIBOR, (ii) a 0% LIBOR floor and (iii) a maturity of April 30, 2028. Facility AR was successfully issued at 99.75%. Telenet International Finance S.à r.l. is the borrowing entity under Facility AQ, carrying (i) a margin of 2.25% over EURIBOR, (ii) a 0% EURIBOR floor and (iii) a maturity of April 30, 2029. Facility AQ was successfully issued at par.

Telenet's board of directors proposes a gross final dividend of €1.3050 per share to the April 2020 General Shareholders' Meeting

Telenet's board of directors proposes a gross final dividend per share of €1.3050, equivalent to €143.2 million, to its shareholders at the April 2020 Annual General Shareholders' Meeting. If and when approved, the final dividend will be paid in early May 2020. The proposed gross final dividend is based on 109,733,247 dividend-entitled shares as per March 20, 2020, excluding 4,923,538 treasury shares which are not dividend-entitled. The sum of both the intermediate and final dividend amounts to €1.8750 per share (gross), equivalent to €206.0 million in aggregate.

Telenet's board of directors authorizes a Share Repurchase Program 2020 for up to 1.1 million outstanding shares for a maximum amount of €55.0 million

As an add-on to the total dividend paid over the year ended December 31, 2019, the board of directors has also authorized a new share buy-back program of up to €55.0 million (the "Share Repurchase Program 2020"), effective as of the end of February 2020. Under this program, the Company may acquire from time to time its common stock, for a maximum of 1.1 million shares or a maximum consideration of €55.0 million, up to October 31, 2020. The share repurchases will be conducted under the terms and conditions approved by the extraordinary general shareholders' meeting of the Company of April 24, 2019 and will be used to cover future obligations under our share option plans. We will continuously monitor both our current and future obligations under such plans in view of keeping an adequate level of treasury shares with the excess subsequently earmarked for cancellation as in April and December 2019.

Telenet's board of directors proposes to cancel 814,966 treasury shares at the next EGM in April

Telenet's board of directors proposes to the next Extraordinary Shareholders' Meeting to cancel 814,966 treasury shares. This proposal is consistent with Telenet's policy to maintain an adequate level of treasury shares to cover the outstanding obligations under the Company's management long-term incentive plans. When approved, the Company's share count will decrease from 114,656,785 to 113,841,819.

DPG Media and Telenet are joining forces for a new video streaming service

On February 12, 2020, DPG Media and Telenet announced their intention to jointly launch a full-fledged streaming offering with local and international content through a joint venture between the two companies. Through this joint venture, both parties aim to maximize the response to changing viewing behavior and offer a local alternative in the world of streaming services. Telenet and DPG Media expect the new company to be active in the fall of 2020, subject to approval by the relevant competition authorities.

Eltrona takes over the business of SFR-Coditel in Luxembourg, owned by Telenet

On February 25, 2020, Eltrona and Telenet announced that Eltrona Interdiffusion SA, the Luxembourg cable operator, will take over, through a merger, the business of the SFR-Coditel entity in Luxembourg, owned by Telenet. This merger, accompanied by the issue of new shares in favour of Telenet, seals the strategic partnership between the shareholders of Eltrona and Telenet. At the same time, the Post Luxembourg group, a shareholder in Eltrona since 1998, has decided to sell its 34% holding to Telenet. The shareholders in Eltrona will hold 50%+1 share and Telenet 50%-1 share of the merged entity.

The merger is expected to be completed within a few weeks, and both parties aim to get the joint venture operating around the beginning of April 2020. On June 30, 2020 at the latest, the SFR brand in Luxembourg will disappear and will be replaced by the Eltrona brand.

This transaction will lead to the derecognition of the Coditel S.à r.l. subsidiary and the recognition of Telenet's interest in the new joint venture with Eltrona under the equity method of accounting.

5.31 External audit

The general shareholders' meeting of April 26, 2017 appointed KPMG Bedrijfsrevisoren CVBA ("KPMG") as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Filip De Bock and 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 2019, in relation to services provided by KPMG Bedrijfsrevisoren, amounted to €1.5 million (2018: €1.5 million), which was composed of audit services for the annual financial statements of €1.4 million (2018: €1.3 million) and audit related services of €0.1 million (2018: €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, 2019

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, 2019, 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 26, 2017, 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 ended December 31, 2019. We have performed the statutory audit of the consolidated financial statements of Telenet Group Holding NV for 12 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, 2019, 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, 2019, 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 5.921,9 million and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR 234,6 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, 2019 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 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 judgment, 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 2019, the Group capitalized a total of EUR 378 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 external and internal network engineering and customer installations. For external works, we have set an expectation of total capital expenditure based on the historical trend. For internal works, 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 24, 2020

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Filip De Bock
Réviseur d'Entreprises /
Bedrijfsrevisor

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, 2019. The second part of the auditor's report includes specific additional paragraphs in accordance with article 523 of the Belgian Company Code (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,	
	2019	**2018**
Assets		
Non-current assets:		
Financial assets	5,121.1	5,172.7
Total non-current assets	**5,121.1**	**5,172.7**
Current assets:		
Amounts receivable within 1 year	27.3	39.0
Other investments and deposits	209.2	312.5
Cash at bank and in hand	1.2	4.5
Deferred charges and accrued income	—	0.6
Total current assets	**237.7**	**356.6**
Total assets	**5,358.8**	**5,529.3**

(€ in millions)	As of December 31,	
	2019	**2018**
Equity and Liabilities		
Equity:		
Capital	12.8	12.8
Share premium	80.7	80.7
Reserves	277.0	380.3
Profit to be carried forward	4,477.5	4,262.8
Total equity	**4,848.0**	**4,736.6**
Liabilities:		
Provisions	9.5	24.0
Amounts payable after more than 1 year	151.2	174.0
Amounts payable within 1 year	350.1	594.7
Total liabilities	**510.8**	**792.7**
Total Equity and Liabilities	**5,358.8**	**5,529.3**

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

(€ in millions)	For the years ended December 31,	
	2019	**2018**
Operating Income	2.1	14.9
Operating expenses	9.2	(12.7)
Operating profit / (loss)	**11.3**	**2.2**
Finance income	474.8	33.5
Finance expenses	(27.3)	(22.5)
Taxes	—	(0.1)
Profit/(loss) to be appropriated	**458.8**	**13.1**

3. Capital Telenet Group Holding NV (Statutory accounts)

	2019	
	(€ in millions)	*(number of shares)*
Issued capital		
January 1, 2019	**12.8**	**114,656,785**
December 31, 2019	**12.8**	**114,656,785**

Composition of the capital

Dispreference shares	—	94,843
Golden shares	—	30
Ordinary shares without nominal value	12.8	114,561,912

4. Accounting Policies Telenet Group Holding NV (Statutory accounts)

4.1 General

The Accounting Policies have been determined in accordance with the conditions of Chapter II of the Royal Decree of January 30, 2001 on the financial statements of companies.

4.2 Specific accounting policies

4.2.1 Formation expenses

The capitalized issuance costs relating to the Senior Notes are amortized over the term of the loan and recognized in earnings pro rata the monthly amount of interest. As from 2011 onwards, 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.

Every component of the assets is valued individually. Depreciation was calculated on an annual basis up to 2001 and on a monthly basis from 2002 onwards. 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.

4.2.4 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 deferred financing fees including early redemption fees and debt issuance costs which 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 €5,120.0 million as of December 31, 2019 (2018: €5,171.9 million) and consisted of:

(€ in millions)	As of December 31,	
	2019	**2018**
Investees		
Telenet Vlaanderen NV	0.3	0.3
Telenet Group NV	5,116.6	5,116.6
De Vijver Media NV	—	52.2
Idealabs Telenet Fund NV	0.6	0.6
Imec.istart Fund	0.6	0.3
Recneps NV	1.9	1.9
Telenet Retail BVBA	—	—
Investees	**5,120.0**	**5,171.9**
Amounts receivables from affiliated companies		
Doccle Up NV	0.3	—
Doccle cvba	0.3	0.3
Idealabs Telenet Fund NV	0.5	0.5
Amounts receivables from affiliated companies	**1.1**	**0.8**
Non-current financial assets	**5,121.1**	**5,172.7**

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 (2018: € 24.0 million) related to the expected future loss on own shares when the stock options are expected to be exercised. This cost was recharged to Telenet BVBA and Telenet Group NV, the entities in which the beneficiaries are employed and all personnel expenses are incurred. The total outstanding receivable on Telenet BVBA and Telenet Group NV as per December 31, 2019 amounted to respectively €22.7 million and €1.9 million (2018: respectively €38.4million and €0.5 million).

In addition, other current receivables as of December 31, 2019 include a €2.5 million current account receivable on Telenet International Finance S.à.r.l.

5.1.3 Other investments, deposits and cash

The investments as reported at year-end 2019 for an amount of €209.2 million consisted integrally of own shares (2018: €312.5 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. 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 (2018: 498,065 shares).

5.1.4 Capital

No changes occured in the capital of the Company during financial year 2019.

5.1.5 Share premium

No changes occured in this section of the annual accounts.

5.1.6 Reserves

Total reserves at year-end 2019 amounted to €277.0 million (2018: €380.3 million).

(€ in millions)	As of December 31,	
	2019	**2018**
Reserves		
Legal reserve	64.8	64.8
Reserves unavailable for distribution		
- for own shares	209.2	312.5
Untaxed reserves	3.0	3.0
Reserves	**277.0**	**380.3**

On April 24, 2019 and on December 4, 2019, the Extraordinary General Shareholders' Meeting approved the cancellation of respectively 1,881,040 and 1,179,498 own shares acquired by the Company under the share repurchase program 2018bis. Under the aforementioned share repurchase program, 2,332,478 shares were repurchased in 2019 for a total consideration of €101.0 million. Together with the 1,364,091 delivered shares at the occasion of the exercise of stock options, this resulted in a net decrease of the corresponding reserves unavailable for distribution.

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 (2018: €24.0 million) related to the expected future loss on own shares when the stock options are expected to be exercised.

5.1.8 Amounts payable after more than one year

As of December 31, 2019 and 2018, total amounts payable after more than one year consisted of a loan from Telenet International Finance S.à r.l of which €151.2 million is due after more than one year as of December 31, 2019 (2018: €174.0 million) and €188.2 million within one year (2018: €576.2 million). Total reduction of the outstanding loan payable during 2019 resulted primarily from additional funds received as proceeds under this loan for financing of the 2019 interim dividend payment of €62.8 million, offset by a loan settlement through upstream of a dividend income from Telenet Group NV of €474.6 million.

5.1.9 Amounts payable within one year

Amounts payable within one year amounted to €350.1 million as of December 31, 2019 compared to €594.7 million at year-end 2018 and can be detailed as follows:

(€ in millions)		**As of December 31,**
	2019	**2018**
Amounts payable within one year		
Trade debts	0.4	13.7
Taxes, remuneration and social security	5.8	3.6
Loan Telenet International Finance S.à r.l	188.2	576.2
Other amounts payable	155.7	1.2
Amounts payable within one year	**350.1**	**594.7**

As of December 31, 2018, trade debt amounted to €13.7 million and consisted almost entirely of invoices to receive from Telenet International Finance S.à r.l related to recharges of fees on debt facilities. As of December 31, 2019, the amount of €0.4 million is related to other professional fees.

The taxes, remuneration and social security outstanding as of December 31, 2019 amounted to €5.8 million (2018: €3.6 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 €4.8 million (2018: €2.6 million).

The Company received a loan from Telenet International Finance S. à r.l in order to finance the dividend payments and to fund the Share Buy Back programs, of which the short term portion amount is €188.2 million as of December 31, 2019 (2018: €576.2 million). The reduction of the outstanding loan payable during 2019 was primarily the result of a loan settlement through dividend upstream of €474.6 million, offset by new funds received for financing of the 2019 interim dividend of €62.8 million.

The other amounts payable for an amount of €155.7 million as of December 2019 (2018: €1.2 million) consisted of €144.4 million of 2019 dividends declared as well as past dividends and capital reductions payable, which were not yet claimed as of December 31, 2019. The other amounts payable of €11.3 million as of December 31, 2019 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 gain of €458.8 million for the financial year ended December 31, 2019 (versus a gain of €13.1 million in 2018). Net operating profit for the year amounted to €11.3 million (compared to a profit of €2.2 million in 2018).

Operating income amounted to €2.1 million for the year ended December 31, 2019 (2018: €14.9 million) and included recharges of costs related stock options to Telenet Group Holding NV and Telenet Group NV.

The operating expenses decreased from a cost of €12.7 million to a net income of €9.2 million for the 12 months ended December 31, 2019 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 (€14.5 million reversal of provision in 2019 versus a €8.9 million addition of provision in 2018). 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 (2018: €33.5 million) and consisted of:

(€ in millions)	**For the years ended December 31,**	
	2019	**2018**
Finance income		
Financial income from financial fixed assets	474.6	—
Financial income from current assets	—	5.4
Reversal of impairment De Vijver Media NV	0.2	28.1
Finance income	**474.8**	**33.5**

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.

In 2018, the financial income from current assets consisted of the interest on the intercompany loan to Finance Center Telenet.

Based on the improved profitability of De Vijver Media in the course of 2018, as well as the updated and improved projections included in the updated business plan, the Company concluded that there was an indication that the impairment of this investment might no longer exist or had decreased. Accordingly, on December 31, 2018, the recoverable amount of the equity method investment in De Vijver Media was reassessed at €52.2 million compared to a carrying amount of €24.2 million, resulting in a reversal of the previously recognized impairment of €28.1 million. On March 7, 2018, Telenet entered into an agreement with the other shareholders of De Vijver Media NV to sell their 50% stake to Telenet, and became the only shareholder of De Vijver Media NV as of June 3, 2019. As part of this transaction Telenet Group Holding NV sold its 50% stake in De Vijver Media NV to Telenet Group NV.

Finance expense amounted to €27.3 million for the year ended December 31, 2019 compared to €22.5 million in the prior year and consists of:

(€ in millions)	For the years ended December 31,	
	2019	**2018**
Finance expense		
Interest charges		
- Bank	—	0.5
- Telenet International Finance S.à r.l.	13.9	3.3
Loss on sale of treasury shares	13.4	5.7
Amortization of financing cost	—	12.9
Other finance expense	—	0.1
Finance expense	**27.3**	**22.5**

Stock options exercised during the twelve months ended December 31, 2019 resulted in the delivery of 1,255,465 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 in 2019 in total another 108,626 shares to the beneficiaries involved. The cash received at the occasion of the exercise of the options amounted to €49.6 million. As the cost of all own shares delivered amounted to €63.0 million, the Company realized a loss on the sale of treasury shares of €13.4 million for the year ended December 31, 2019 (2018: €5.7 million).

Amortization of financing cost for the year ended December 31, 2018 of €12.9 million resulted from the successful issuance and pricing in August 2018 of an additional $475.0 million term loan ("Facility AN2") and an additional $205.0 million term loan ("Facility AO2). 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 €4,262.7 million, resulting in a profit available for appropriation amounting to €4,721.5 million at December 31, 2019;
- allocate an amount of €38.0 million to the reserves unavailable for distribution for own shares;
- allocate an amount of €206.0 million as dividend contribution to its shareholders.

As a result, the profit to be carried forward amounted to €4,477.5 million as of December 31, 2019.

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 solid Adjusted EBITDA margins and growing 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, 2019, the Company carried a total debt balance (including accrued interest) of €5,733.0 million, of which €1,490.6 million principal amount is related to the Senior Secured Fixed Rate Notes with maturities in March 2028 and €3,153.8 million principal amount is owed under Telenet's 2018 Amended Senior Credit Facility with maturities ranging from August 2026 through December 2027. Telenet's total debt balance at December 31, 2019 also included €358.0 million of short-term debt related to Telenet's vendor financing program (including accrued interest) and €4.5 million for the outstanding portion of the 2G and 3G mobile spectrum licenses. 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 growing positive 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.

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 29, 2020 to grant discharge to the directors and the statutory auditors of their responsibilities assumed in the financial year 2019.

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.

Brussels, March 24, 2020

On behalf of the board of directors

John Porter	Bert De Graeve
Chief Executive Officer	Chairman

Notes

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