



# STATUTORY FINANCIAL STATEMENTS 2020

## Abridged annual report of the board of directors to the annual general meeting of shareholders

This section contains an abridged version of the statutory (non-consolidated) annual accounts and annual report of Telenet Group Holding NV (TGH).

The statutory auditor issued an unqualified opinion on the statutory accounts of Telenet Group Holding NV as of and for the year ended December 31, 2020. The second part of the auditor's report includes specific additional paragraphs in accordance with article 7:96 of the Belgian Code of Companies and Associations (conflict of interest reported by a member of the board of directors).

The full version of the annual accounts will be filed with the National Bank of Belgium and are available on the Company's website (<http://investors.telenet.be>).

# 1. Abridged non-consolidated balance sheet

## Telenet Group Holding NV

### (Statutory accounts)

(€ in millions)	As of December 31,	
	2020	2019

### Assets

#### Non-current assets:

Financial assets	5,121.0	5,121.1
<b>Total non-current assets</b>	<b>5,121.0</b>	<b>5,121.1</b>

#### Current assets:

Amounts receivable within 1 year	9.2	27.3
Other investments and deposits	199.4	209.2
Cash at bank and in hand	3.9	1.2
<b>Total current assets</b>	<b>212.5</b>	<b>237.7</b>

<b>Total assets</b>	<b>5,333.5</b>	<b>5,358.8</b>
---------------------	----------------	----------------

(€ in millions)	As of December 31,	
	2020	2019

### Equity and Liabilities

#### Equity:

Capital	12.8	12.8
Share premium	80.7	80.7
Reserves	267.3	277.0
Profit to be carried forward	4,138.8	4,478.4
<b>Total equity</b>	<b>4,499.6</b>	<b>4,848.9</b>

#### Liabilities:

Provisions	—	9.5
Amounts payable after more than 1 year	517.1	151.2
Amounts payable within 1 year	316.8	349.2
<b>Total liabilities</b>	<b>833.9</b>	<b>509.9</b>

<b>Total Equity and Liabilities</b>	<b>5,333.5</b>	<b>5,358.8</b>
-------------------------------------	----------------	----------------

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

(€ in millions)	For the years ended December 31,	
	2020	2019
Operating income	8.2	2.1
Operating expenses	3.4	9.2
<b>Operating profit</b>	<b>11.6</b>	<b>11.3</b>
Finance income	—	474.8
Finance expenses	(25.2)	(27.3)
Taxes	—	—
<b>Profit/(loss) to be appropriated</b>	<b>(13.6)</b>	<b>458.8</b>

### 3. Capital

## Telenet Group Holding NV

### (Statutory accounts)

	2020	
	(€ in millions)	(number of shares)
<b>Issued capital</b>		
<b>January 1, 2020</b>	<b>12.8</b>	<b>114,656,785</b>
Cancellation of own shares acquired by the Company under the Share Repurchase Program 2020	—	(814,966)
<b>December 31, 2020</b>	<b>12.8</b>	<b>113,841,819</b>

### Composition of the capital

Dispreference shares	—	94,843
Golden shares	—	30
Ordinary shares without nominal value	12.8	113,746,946

# 4. Accounting Policies

## Telenet Group Holding NV

### (Statutory accounts)

#### 4.1 General

The Accounting Policies have been determined in accordance with the conditions of Royal decree of 29 April 2019 implementing the Code for Companies and Associations.

Every component of the assets is valued individually. Depreciation is calculated on a monthly basis. As a general rule, each component of the assets is valued at its acquisition cost, and shown in the balance sheet at that amount, minus any depreciation or write-downs. The amounts receivable are also shown, in principle, at their nominal value.

#### 4.2 Specific accounting policies

##### 4.2.1 Formation expenses

Debt issuance costs are expensed as incurred.

##### 4.2.2 Financial assets

Investments are recorded at their acquisition value. For the investments recorded under the heading "Financial fixed assets", an impairment loss is accounted for in case of permanent capital loss or decline in value, justified by the situation, profitability or outlook of the respective investees.

##### 4.2.3 Amounts receivable within one year

Amounts receivable are recorded on the balance sheet at their nominal value. An appropriate write-down will be made if part or all of the payment on the due date is uncertain, or if the recoverable amount on the balance sheet date is lower than the book value.

Amounts receivable in foreign currency are converted at the official exchange rate applicable on the date when the invoice is posted. At the end of the financial year, they are converted using the official exchange rate on the balance sheet date.

##### 4.2.4 Other investments and cash at bank and in hand

Balances held with financial institutions are valued at their nominal value.

Securities are valued at their acquisition value. Other cash equivalents are shown at their nominal value.

The additional expenses are charged immediately to earnings. Write-downs are accounted for if the recoverable amount on the balance sheet date is lower than the book value.

##### 4.2.5 Amounts payable after more than 1 year and within 1 year

Creditors are shown in the balance sheet at their nominal value. Trade creditors in foreign currency are shown at the exchange rate on the date when the incoming invoice was posted. At the end of the financial year, they are converted using the exchange rate on the balance sheet date.

##### 4.2.6 Fees related to long term financing

The financing fees, including early redemption fees and debt issuance costs are expensed as incurred.

##### 4.2.7 Income statement

Income and expenses are recognized in the period to which they relate.

# 5. Abridged annual report concerning the statutory annual accounts of Telenet Group Holding NV

## 5.1 Comments on the balance sheet

### 5.1.1 Financial assets

Investments amounted to €5,120.2 million as of December 31, 2020 (2019: €5,120.0 million) and consisted of:

(€ in millions)	As of December 31,	
	2020	2019
<b>Investees</b>		
Telenet Vlaanderen NV	0.3	0.3
Telenet Group NV	5,116.6	5,116.6
Idealabs Telenet Fund NV	0.6	0.6
Imec.istart Fund	0.8	0.6
Recneps NV	1.9	1.9
<b>Investees</b>	<b>5,120.2</b>	<b>5,120.0</b>
<b>Amounts receivables from affiliated companies</b>		
Doccle Up NV	—	0.3
Doccle cv	0.3	0.3
Idealabs Telenet Fund NV	0.5	0.5
<b>Amounts receivables from affiliated companies</b>	<b>0.8</b>	<b>1.1</b>
<b>Non-current financial assets</b>	<b>5,121.0</b>	<b>5,121.1</b>

### 5.1.2 Amounts receivable within one year

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company recognized a provision amounting to €9.5 million as of December 31, 2019 related to the expected future loss on own shares when the stock options are expected to be exercised. This cost was recharged to Telenet BV and Telenet Group NV, the entities in which the beneficiaries are employed and all personnel expenses are incurred. As per December 31, 2020, all outstanding stock option plans were out of the money, and consequently, no such provision for future losses was recognized. The total outstanding receivable on Telenet BV and Telenet Group NV as per December 31, 2020 amounted to respectively €3.0 million and €1.0 million (2019: respectively €22.7 million and €1.9 million).

Other current receivables as of December 31, 2020 include a €4.8 million current income tax receivable, ultimately payable as to an affiliated Telenet company in the context of tax consolidation.

### 5.1.3 Other investments, deposits and cash

The investments as reported at year-end 2020 for an amount of €199.4 million consisted integrally of own shares (2019: €209.2 million). The own shares are held by the Company to cover the Company's obligations under existing stock option plans. There are no dividend rights for these shares for as long as they remain in possession of the Company. No stock options were exercised during the 12 months ended December 31, 2020. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved. In 2019, the Company delivered 1,364,091 own shares in exchange for stock options exercised and the settlement of the Company's Performance Share Plan 2016.

### 5.1.4 Capital

No changes occurred in the capital of the Company during financial year 2020.

### 5.1.5 Share premium

No changes occurred in this section of the annual accounts.

### 5.1.6 Reserves

Total reserves at year-end 2020 amounted to €267.3 million (2019: €277.0 million).

(€ in millions)	As of December 31,	
	2020	2019
<b>Reserves</b>		
Legal reserve	64.8	64.8
Reserves unavailable for distribution		
- for own shares	199.5	209.2
Untaxed reserves	3.0	3.0
<b>Reserves</b>	<b>267.3</b>	<b>277.0</b>

As of December 31, 2020, the Company held 4,598,558 own shares. During the twelve months ended December 31, 2020, the Company acquired 1,100,000 own shares under the Share Repurchase Program 2020 for a total amount of €34.4 million. On April 29, 2020, 814,966 own shares previously acquired by the Company under the Share Repurchase Program 2020 were cancelled, resulting in a decrease of the reserves unavailable for distribution amounting to €35.4 million. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved, resulting in a further decrease of the above mentioned reserves of €8.7 million.

The untaxed reserves of €3.0 million relate to the capital reduction of €3.25 as decided upon by the general meeting of shareholders in April 2012 on 648,584 own shares that were held on the payment date, being August 31, 2012. The €2.1 million was not paid out, but added back to the Company's equity as untaxed reserves. The remaining €0.9 million consists of the right to the 2012 dividend and capital reduction of €3.25 and €1.0, respectively) related to the 220,352 own shares held with respect to the obligation under the Company's stock option plans. As this

right was cancelled in 2013, the corresponding amount €0.9 million is recognized as untaxed reserves.



### 5.1.7 Provisions

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company accounted for a provision amounting to €9.5 million at December 31, 2019 related to the expected future loss on own shares when the stock options are expected to be exercised. As per December 31, 2020, no such provision was recognized as all underlying stock option plans were out of the money.

### 5.1.8 Amounts payable after more than one year

As of December 31, 2020 and 2019, total amounts payable after more than one year consisted of loans from Telenet International Finance S.à r.l. of which €517.1 million is due after more than one year as of December 31, 2020 (2019: €151.2 million) and €142.3 million within one year (2019: €188.2 million). The increase in outstanding loan payable during 2020 resulted primarily from additional funds received for financing the 2020 dividend payments.

### 5.1.9 Amounts payable within one year

Amounts payable within one year amounted to €166.6 million as of December 31, 2020 compared to €350.1 million at year-end 2019 and can be detailed as follows:

(€ in millions)		As of December 31,	
	2020	2019	
<b>Amounts payable within one year</b>			
Trade debts	0.4	0.4	
Taxes, remuneration and social security	2.7	5.8	
Loan Telenet International Finance S.à r.l.	142.3	188.2	
Other amounts payable	171.4	154.8	
<b>Amounts payable within one year</b>	<b>316.8</b>	<b>349.2</b>	

The outstanding trade debts as per December 31, 2020 (€0.4 million) relate mostly to invoices to receive for other professional services for €0.3 million (2019: €0.4 million).

The taxes, remuneration and social security outstanding as of December 31, 2020 amounted to €2.7 million (2019: €5.8 million) and consisted primarily of the social security charges related to performance shares which are payable upon vesting of the underlying performance shares amounting to €1.4 million (2019: €4.8 million) and €1.3 million related to additional accruals for annual bonus (2019: € 1.0 million).

The Company received loans from Telenet International Finance S. à r.l. in order to finance the dividend payments and to fund the Share Buy Back programs, the short term portion of this loan is €142.3 million as of December 31, 2020 (2019: €188.2 million).

The other amounts payable for an amount of €171.4 million as per December 31, 2020 (2019: €155.7 million) consisted of €151.5 million of 2020 dividends declared as well as past dividends and capital reductions payable, which were not yet claimed as of December 31, 2020. The other amounts payable of €19.9 million as of December 31, 2020 were linked to the interest accrual on debts towards Telenet International Finance S.à.r.l.

## 5.2 Comments on the income statement

The income statement showed a loss of €13.6 million for the financial year ended December 31, 2020 (versus a gain of €458.8 million in 2019). Net operating profit for the year amounted to €11.6 million (compared to a profit of €11.3 million in 2019).

Operating income amounted to €8.2 million for the year ended December 31, 2020 (2019: €2.1 million) and included recharges of costs related stock options to Telenet BV and Telenet Group NV (€3.4 million), next to a non-recurrent income of €4.8 million recognized under the system of group contribution under the Belgian fiscal consolidation regime.

The operating expenses decreased from a net income of €9.2 million to a net income of €3.4 million for the 12 months ended December 31, 2020

mainly attributable to a reversal of the provision for expected future loss on own shares for when the stock options are expected to be exercised (€9.5 million reversal of provision in 2020 versus a €14.5 million reversal of provision in 2019). In line with the underlying accounting principles additions as well as reversals of such provisions are included in operating expenses.

The financial income amounted to €474.8 million for the year ended December 31, 2019, for the year ended December 31, 2020 no such financial income has been accounted for.

(€ in millions)	For the years ended December 31,	
	2020	2019
<b>Finance income</b>		
Financial income from financial fixed assets	—	474.6
Reversal of impairment De Vijver Media NV	—	0.2
<b>Finance income</b>	<b>—</b>	<b>474.8</b>

Financial income from financial fixed assets as per December 31, 2019 resulted from an interim dividend distribution by Telenet Group NV, as approved by the Board of Directors on December 18, 2019. For the year ended December 31, 2020 no interim dividend distribution has occurred.

Finance expense amounted to €25.2 million for the year ended December 31, 2020 compared to €27.3 million in the prior year and consists of:

(€ in millions)	For the years ended December 31,	
	2020	2019
<b>Finance expense</b>		
Interest charges		
- Telenet International Finance S.à r.l.	13.5	13.9
Loss on sale of treasury shares	8.7	13.4
Financing cost	2.8	—
Other finance expense	0.2	—
<b>Finance expense</b>	<b>25.2</b>	<b>27.3</b>

No stock options were exercised during the 12 months ended December 31, 2020. Following the in 2020 (partial) vesting and settlement in own shares of the Restricted Share Plan 2019, the Compensation Restricted Share Plan 2020 and the Compensation Restricted Share Plan 2020 bis, the Company delivered in 2020 in total 199,618 shares to the beneficiaries involved. As the cost of all own shares delivered amounted to €8.7 million, with no cash received, the Company realized a loss of €8.7 million. During 2019, stock options exercised resulted in the delivery of own shares by the Company to the stock option holders. As part of the Performance Share Plan 2016 and hiring bonus being settled in own shares, the Company delivered another 108,626 shares to the beneficiaries involved. The Company realized a loss on the sale of own shares of €13.4 million for the year ended December 31, 2019.

Financing cost for the year ended December 31, 2020 of €2.8 million resulted from the successful issuance of a new USD 2,295 million Term Loan (Facility AR), maturity April 30, 2028 and a new €1,110 million Term Loan (Facility AQ), maturity April 30, 2029. In line with underlying accounting principles, financing costs of debt issuance were fully recognized in financial expenses at the time of the transaction. No similar

transaction occurred in 2019 which would have required the Company to recognize such cost in 2019.

The Company proposes to the general shareholders' meeting to:

- bring forward the profit brought forward at the prior year-end amounting to €4,478.4 million, resulting in a profit available for appropriation amounting to €4,138.8 million at December 31, 2020;
- allocate an amount of €25.8 million to the reserves unavailable for distribution for own shares;
- allocate an amount of €300.2 million as dividend contribution to its shareholders.

As a result, the profit to be carried forward amounted to €4,138.8 million as of December 31, 2020.

### 5.3 Information on research and development

We refer to the consolidated annual report of the board of directors.

### 5.4 Risk factors

We refer to the consolidated annual report of the board of directors.

### 5.5 Information about subsequent events

We refer to the consolidated annual report of the board of directors.

### 5.6 Going concern

The going concern of the Company is entirely dependent on that of the Telenet Group.

Currently, the Telenet group still has a substantial amount of losses carried forward on the balance sheet, but succeeded to deliver mostly stable Adjusted EBITDA margins and slightly lower operational cash flows. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's profit generating activities in order to absorb the losses carried forward over time. Because of the relatively stable number of subscribers on telephony, internet and digital television and a further focus on cost control and process improvements, the Company was again able to deliver strong operating results.

As of December 31, 2020, the Company carried a total debt balance (including accrued interest) of €5,417.9 million, of which €1,358.1 million principal amount is related to the € and USD-denominated Senior Secured Fixed Rate Notes due in March 2028 and €2,996.7 million principal amount is owed under Telenet's 2020 Amended Senior Credit Facility with maturities ranging from April 2028 through April 2029. Telenet's total debt balance at December 31, 2020 also included €353.9 million of short-term debt related to Telenet's vendor financing program (including accrued interest). The remainder primarily represents the Company's lease obligations merely associated with the Interkabel Acquisition and lease liabilities following the adoption of IFRS 16.

Taking into account the mostly stable Adjusted EBITDA results of the current year, the board of directors believes that the Telenet group will be able to fund the further development of its operations and to meet its obligations and believes that the current valuation rules, as enclosed in the annual accounts, and in which the continuity of the Company is assumed, are correct and justified under the current circumstances.

### 5.7 Application of legal rules regarding conflicts of interest

We refer to the consolidated annual report of the board of directors, paragraph 8.5.6.1 of corporate governance statement.

### 5.8 Branch office of the Company

Telenet Group Holding NV has no branch offices.

### 5.9 Extraordinary activities and special assignments carried out by the auditor

We refer to the notes to the consolidated financial statements of the Company.

### 5.10 Telenet hedging policy and the use of financial instruments

We refer to the consolidated annual report of the board of directors.

### 5.11 Grant of discharge to the directors and statutory auditor

In accordance with the law and articles of association, the shareholders will be requested at the annual shareholders' meeting of April 28, 2021 to grant discharge to the directors and the statutory auditors of their responsibilities assumed in the financial year 2020.

### 5.12 Information required pursuant to article 34 of the Belgian Royal Decree of November 14, 2007 and the law of April 6, 2010

We refer to the consolidated annual report of the board of directors.

This report shall be deposited in accordance with the relevant legal provisions and is available at the registered office of the Company.

### 5.13 Non-financial information

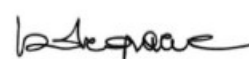
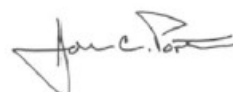
We refer to the consolidated annual report of the board of directors.

Mechelen, March 19, 2021

On behalf of the board of directors

John Porter  
Chief Executive Officer

Bert De Graeve  
Chairman



## Notes



**Corporate Communications**

T. 015 33 30 00 - [Telenet.be](http://Telenet.be)

**Responsible editor**

Telenet, Rob Goyens,

Liersesteenweg 4, 2800 Mechelen





**Corporate Communications**

T. 015 33 30 00 - [Telenet.be](http://Telenet.be)

**Responsible editor**

Telenet, Rob Goyens,

Liersesteenweg 4, 2800 Mechelen