

VodafoneZiggo Reports Preliminary Q3 2023 Results

Commercial Actions Support Financial Improvement; 2023 Guidance Reiterated

Utrecht, October 31, 2023 — VodafoneZiggo¹ announces its unaudited consolidated results for the three months (“Q3”) and nine months (“YTD”) ended September 30, 2023.

Highlights for Q3 2023:

- Stable performance in mobile and convergence:
 - Fixed Mobile Convergence (“FMC”)² households remained stable at over 1.5 million households, and FMC SIMs³ increased organically by 13,000 to more than 2.6 million, delivering significant Net Promoter Scores (“NPS”) and customer loyalty benefits. Converged households as % of Internet RGU's increased from 45% to 48% YoY
 - Mobile postpaid SIMs grew 28,600 to 5.3 million. Mobile postpaid ARPU⁴ declined 3.1% YoY, driven by ARPU decline in B2B
 - B2B internet RGUs⁵ grew by 5,300, partially offsetting 39,200 decline in Consumer, resulting in a total decline of 33,900 in the quarter. Consumer fixed ARPU improved by 4.4% YoY as a result of price indexation implemented in July 2023
- Sustaining solid cash flow generation:
 - Revenue remained stable YoY supported by revenue growth in fixed, partially offset by a decline in B2B mobile revenue
 - Reported a net loss of €58.3 million, compared to net earnings of €166.6 million in the prior year period, driven by lower gains on our derivative portfolio, higher third-party interest expense and lower operating income, partially offset by lower losses on foreign currency exchange and an income tax benefit
 - Adjusted EBITDA⁶ declined 4.1% YoY to €476.5 million, with €22.7 million of cost inflation, partially offset by growth in sales margin
 - Generated €264.5 million of Adjusted EBITDA less P&E Additions⁷, reflecting continued investments in our networks and innovative customer premises equipment
- Confirming FY 2023 guidance⁸:
 - Low to mid-single digit decline in Adjusted EBITDA, with revenue growth expected to be offset by elevated cost inflation, with around €100 million year on year cost growth
 - 21% to 23% of property and equipment (“P&E”) additions⁹ as % of revenue
 - €300 to €400 million total shareholder cash distributions

Jeroen Hoencamp, CEO VodafoneZiggo, commented:

“In the third quarter, we delivered stable revenue and an improved Adjusted EBITDA trend compared to the first half of 2023. I am pleased that our revenue trend remained solid in Q3, while we have commercial actions in place to improve our fixed net adds performance, including the recent increase in the internet speeds for all customers and the launch of a new front book proposition. We remain fully committed to delivering our financial guidance for the year. At the same time, we continue to invest in our networks and commercially. We offer new exciting propositions such as SkyShowtime replacing Movies & Series on the Ziggo platform, and Health-e proposition for our mobile customers.”

Consumer performance for Q3 and YTD 2023:

Total consumer revenue increased by 0.7% YoY in Q3 and remained stable YoY in YTD 2023

Fixed:

Consumer fixed revenue¹⁰ grew in Q3 by 0.7% YoY and declined by 1.8% YoY in YTD 2023

- The YoY increase in Q3 was primarily driven by the average price indexation of 8.5% which was implemented in July 2023, more than offsetting the decline in the customer base
- Consumer internet RGUs decreased by 39,200 in the quarter amidst the continued competitive environment. Q3 ARPU improved by 4.4% to €56
- We continue to execute our strategy by providing high-speed, reliable and secure connectivity and the best entertainment through our Hybrid Fiber Coax network
 - 49,000 SmartWiFi pods delivered to our customer homes in Q3, bringing the total to more than 1.7 million pods and representing approximately 52% of our internet RGUs
 - During the third quarter, we extended our partnership with SkyShowtime, replacing our Movies & Series catalog. Furthermore, we extended our rental film offer with Pathé Thuis, now offering more than 5,000 movies
 - In October 2023, we increased both the upload and download internet speeds for all customers. This is the second time this year that internet speeds have been increased for our customers

Mobile:

Consumer mobile revenue¹¹ grew 0.8% YoY in Q3 2023 and 3.7% YoY in YTD 2023

- Q3 revenue growth was primarily driven by growth of our customer base
 - Q3 postpaid ARPU remained stable YoY at €18
- We added 17,800 net mobile postpaid customers in Q3, supported by a low churn level. YTD 2023 total net mobile postpaid customer additions were 52,400
- As part of our Smart Digital proposition, we have launched Health-e, together with Teladoc Health, providing customers with access to medical, mental health and well-being advice, underpinning our commitment to deliver an exceptional customer experience
- As of October 1, 2023, we have implemented a 10% price indexation in line with average CPI inflation for 2022

Business performance for Q3 and YTD 2023:

Total B2B revenue declined by 1.5% YoY in Q3 and grew 1.3% YoY in YTD 2023

Fixed:

B2B fixed revenue¹² increased by 6.5% YoY in Q3 and 2.7% YoY in YTD 2023

- The increase in revenue was primarily driven by growth in SOHO (“Small Office Home Office”) and our Unified Communication¹³ portfolio
 - Q3 SOHO fixed ARPU was stable YoY at €63 and Q3 small business fixed ARPU increased 1.2% YoY to €86

- 5,300 B2B internet RGUs added in Q3, bringing the YTD total to 19,700. Unified Communication seats¹³ slightly declined by 1,700 in the quarter, bringing the YTD total net additions to 22,000
- As part of our focus on delivering Best Business Solutions, we are pleased that Vodafone Business will be providing fixed services for the next five years to over 200 municipalities

Mobile:

B2B mobile revenue¹⁴ declined 9.1% YoY in Q3 and remained stable YoY in YTD 2023

- Revenue decline was primarily driven by (i) lower handset sales, (ii) lower out of bundle revenue, mainly in roaming, partially offset by (iii) customer base growth
 - Q3 postpaid ARPU declined 8.7% YoY to €15 driven by price pressure in the large corporate segment and lower out of bundle revenue
- 10,800 mobile postpaid net additions in Q3, bringing the YTD total to 52,200

Financial highlights for Q3 and YTD 2023:

- Revenue remained stable YoY in both Q3 and YTD 2023, supported by continued strong revenue growth in B2B fixed, a return to revenue growth in B2C fixed in Q3, partially offset by a decline in B2B mobile revenue in Q3
 - Mobile subscription revenue grew 0.7% YoY in Q3 and 2.6% YoY in YTD 2023, supported by growth in mobile postpaid customer base
- Reported a net loss of €58.3 million in Q3 and €257.7 million in YTD 2023, compared to net earnings of €166.6 million and €366.8 million in the prior year periods, respectively, driven by lower gains on our derivative portfolio, higher third-party interest expense and lower operating income, partially offset by lower losses on foreign currency exchange and an income tax benefit
- Adjusted EBITDA decreased 4.1% YoY in the quarter to €476.5 million, with €22.7 of million cost inflation partially offset by growth in sales margin
 - On a YTD basis, Adjusted EBITDA decreased 5.3% YoY to €1,361.3 million, reflecting a YTD total cost inflation of €69.7 million
- Property and equipment additions were 20.5% of revenue in Q3 and 22.4% in YTD 2023
 - Q3 additions were stable YoY, as a net result of (i) higher capacity and coverage expansion in both mobile and fixed networks, (ii) increased new build, and (iii) higher spend on IT transformation projects, which is offset by (iv) lower investments in customer premises equipment
 - YTD 2023 additions were €38.9 million higher YoY, reflecting elevated spend on capacity and coverage expansion in our networks and IT projects
- Generated €264.5 million of Adjusted EBITDA less P&E Additions in Q3, representing 25.6% of revenue
 - On a YTD basis, Adjusted EBITDA less P&E Additions decreased 14.4% YoY to €680.3 million, primarily driven by the decline in Adjusted EBITDA and the higher investments in networks and IT transformation projects
- During the quarter, we made interest payments on the Shareholder Notes of €25.7 million, bringing the YTD total to €76.4 million

- At September 30, 2023, our fully-swapped third-party debt borrowing cost¹⁵ was 3.9% and average tenor of our third-party debt (excluding vendor and handset financing obligations) was 6.0 years
- At September 30, 2023, total third-party debt (excluding vendor financing, handset financing and lease obligations) was €10.2 billion, an increase of €0.1 billion compared to June 30, 2023. Furthermore, when taking into consideration the projected principal-related cash flows associated with our cross-currency derivative instruments, the total covenant amount of third-party gross debt remained at €9.2 billion at September 30, 2023. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below
- At September 30, 2023, and subject to the completion of our corresponding compliance reporting requirements, (i) the ratio of Senior Net Debt to Annualized EBITDA (last two quarters annualized) was 3.68x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.65x, each as calculated in accordance with our most restrictive covenants, and reflecting the Credit Facility Excluded Amount as defined in the respective credit agreements
 - Vendor and handset financing obligations are not included in the calculation of our leverage covenants. If we were to include these obligations in our leverage ratio calculation, and not reflect the Credit Facility Excluded Amount, the ratio of Total Net Debt to Annualized EBITDA would have been 5.49x at September 30, 2023
- At September 30, 2023, we had maximum undrawn Revolving Credit Facility commitments of €800 million. When our Q3 compliance reporting requirements have been completed and assuming no changes from September 30, 2023 borrowing levels, we anticipate that we will have €800 million of our unused Revolving Credit Facility commitments available to be drawn

Operating Statistics Summary

	As of and for the three months ended September 30,	
	2023	2022
Footprint		
Homes Passed ^{16*}	7,467,100	7,361,300
Q3 organic Homes Passed net additions	28,800	8,100
Fixed-Line Customer Relationships¹⁷		
Fixed-Line Customers	3,600,200	3,681,500
Q3 organic Fixed-Line Customer net losses	(38,600)	(19,500)
RGUs per Fixed-Line Customer	2.33	2.40
Q3 Monthly ARPU ⁴ per Fixed-Line Customer	€ 54	€ 53
Mobile SIMs³		
Postpaid	5,261,500	5,130,700
Prepaid	336,600	380,600
Total Mobile	5,598,100	5,511,300
Q3 organic Postpaid net additions	28,600	67,000
Q3 organic Prepaid net losses	(900)	(5,100)
Total organic Mobile net additions	27,700	61,900
Q3 Monthly Mobile ARPU⁴		
Postpaid (including interconnect revenue)	€ 17	€ 18
Prepaid (including interconnect revenue)	€ 4	€ 4
Convergence², including SOHO		
Converged Households	1,537,400	1,501,300
Converged SIMs	2,649,600	2,534,800
Converged Households as % of Internet RGUs	48%	45%
Subscribers (RGUs)⁵		
Video ¹⁸	3,573,500	3,670,400
Internet ¹⁹	3,233,600	3,300,500
Telephony ²⁰	1,593,000	1,862,200
Total RGUs	8,400,100	8,833,100
Q3 Organic RGU Net Losses		
Video	(38,000)	(20,200)
Internet	(33,900)	(9,300)
Telephony	(65,900)	(71,100)
Total organic RGU net losses	(137,800)	(100,600)

* Includes non-organic net additions of 63,000 in Q3 2023. These non-organic net additions reflect adjustments to our previously reported numbers.

Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions

The following table reflects preliminary unaudited selected financial results for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022*	Change	2023	2022*	Change
in millions, except % amounts						
Total revenue						
Consumer fixed revenue¹⁰						
Subscription revenue	€ 514.2	€ 510.2	0.8 %	€ 1,495.7	€ 1,521.2	(1.7%)
Non-subscription revenue	2.7	3.0	(10.0%)	8.6	10.0	(14.0%)
Total consumer fixed revenue	516.9	513.2	0.7%	1,504.3	1,531.2	(1.8%)
Consumer mobile revenue¹¹						
Subscription revenue	177.8	172.9	2.8%	520.7	502.0	3.7%
Non-subscription revenue	59.7	62.8	(4.9%)	181.0	174.7	3.6%
Total consumer mobile revenue	237.5	235.7	0.8%	701.7	676.7	3.7%
Total consumer revenue	754.4	748.9	0.7%	2,206.0	2,207.9	(0.1%)
B2B fixed revenue¹²						
Subscription revenue	140.1	131.4	6.6%	406.7	395.6	2.8%
Non-subscription revenue	3.0	3.0	0.0%	8.7	8.9	(2.2%)
Total B2B fixed revenue	143.1	134.4	6.5%	415.4	404.5	2.7%
B2B mobile revenue¹⁴						
Subscription revenue	98.6	101.6	(3.0%)	294.4	292.3	0.7%
Non-subscription revenue	30.9	40.8	(24.3%)	106.8	109.4	(2.4%)
Total B2B mobile revenue	129.5	142.4	(9.1%)	401.2	401.7	(0.1%)
Total B2B revenue	272.6	276.8	(1.5%)	816.6	806.2	1.3%
Other revenue ²¹	7.3	7.4	(1.4%)	20.8	26.4	(21.2%)
Total revenue	€ 1,034.3	€ 1,033.1	0.1 %	€ 3,043.4	€ 3,040.5	0.1%
Adjusted EBITDA ⁶	€ 476.5	€ 496.7	(4.1%)	€ 1,361.3	€ 1,437.1	(5.3%)
Adjusted EBITDA as a percentage of revenue	46.1 %	48.1 %		44.7 %	47.3 %	

* Certain revenue amounts have been reclassified to conform to our 2023 presentation.

The following table provides a reconciliation of net earnings (loss) to Adjusted EBITDA:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	in millions			
Net earnings (loss).....	€ (58.3)	€ 166.6	€ (257.7)	€ 366.8
Income tax expense (benefit).....	(17.1)	60.5	(49.1)	182.8
Other expense (income), net.....	—	(0.2)	0.4	(0.5)
Losses on debt extinguishment, net.....	—	—	—	71.1
Foreign currency transaction losses, net.....	182.2	421.2	70.5	892.7
Realized and unrealized gains on derivative instruments, net ...	(212.1)	(683.9)	(135.3)	(1,636.5)
Interest expense:				
Third-party.....	160.8	121.7	460.4	333.5
Related-party.....	25.7	25.7	76.4	76.4
Operating income.....	81.2	111.6	165.6	286.3
Impairment, restructuring and other operating items, net.....	5.3	4.0	41.3	9.0
Depreciation and amortization.....	390.0	381.1	1,154.4	1,141.8
Adjusted EBITDA.....	€ 476.5	€ 496.7	€ 1,361.3	€ 1,437.1

The table below highlights the categories of our property and equipment additions for the indicated periods and reconciles those additions to the capital expenditures that we present in our condensed consolidated statements of cash flows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	in millions, except % amounts			
Customer premises equipment	€ 47.5	€ 71.0	€ 176.3	€ 186.3
New build and upgrade	27.5	24.5	81.6	78.9
Capacity	57.0	46.3	176.0	164.4
Baseline	43.8	35.2	132.6	119.5
Product and enablers	36.2	32.9	114.5	93.0
Property and equipment additions ⁹	212.0	209.9	681.0	642.1
Assets acquired under capital-related vendor financing arrangements	(115.0)	(87.8)	(293.4)	(320.6)
Assets acquired under finance leases	(8.0)	(0.1)	(10.8)	(2.2)
Changes in liabilities related to capital expenditures	36.0	37.0	107.2	72.6
Total capital expenditures ²²	€ 125.0	€ 159.0	€ 484.0	€ 391.9
Property and equipment additions as a percentage of revenue ..	20.5 %	20.3 %	22.4 %	21.1 %
Adjusted EBITDA less P&E Additions⁷ Reconciliation				
Adjusted EBITDA	€ 476.5	€ 496.7	€1,361.3	€1,437.1
Property and equipment additions	(212.0)	(209.9)	(681.0)	(642.1)
Adjusted EBITDA less P&E Additions	€ 264.5	€ 286.8	€ 680.3	€ 795.0
as a percentage of revenue	25.6 %	27.8 %	22.4 %	26.1 %

Third-Party Debt, Finance Lease Obligations and Cash and Cash Equivalents

The following table details the borrowing currency and euro equivalent of the nominal amount outstanding of VodafoneZiggo's consolidated third-party debt, finance lease obligations and cash and cash equivalents.

	September 30, 2023		June 30, 2023	
	Borrowing currency	€ equivalent		
		in millions		
Credit Facilities				
Term Loan H (EURIBOR + 3.00%) EUR due 2029	€	2,250.0	€ 2,250.0	€ 2,250.0
Term Loan I (SOFR + 2.50%) USD due 2028	\$	2,525.0	2,387.1	2,312.6
Financing Facility			7.3	9.6
€800.0 million Ziggo Revolving Facilities EUR due 2026			—	—
Total Credit Facilities			4,644.4	4,572.2
Senior Secured Notes				
5.00% USD Senior Secured Notes due 2032	\$	1,525.0	1,441.7	1,396.7
4.875% USD Senior Secured Notes due 2030	\$	991.0	936.9	907.6
3.50% EUR Senior Secured Notes due 2032	€	750.0	750.0	750.0
2.875% EUR Senior Secured Notes due 2030	€	502.5	502.5	502.5
Total Senior Secured Notes			3,631.1	3,556.8
Senior Notes				
3.375% EUR Senior Notes due 2030	€	900.0	900.0	900.0
6.00% USD Senior Notes due 2027	\$	625.0	590.9	572.4
5.125% USD Senior Notes due 2030	\$	500.0	472.7	457.9
Total Senior Notes			1,963.6	1,930.3
Vendor financing			999.6	999.2
Other debt ²³			175.9	171.2
Finance leases			20.5	14.7
Total third-party debt and finance lease obligations			11,435.1	11,244.4
Unamortized premiums, discounts and deferred financing costs, net			(31.9)	(32.8)
Total carrying amount of third-party debt and finance lease obligations			11,403.2	11,211.6
Less: cash and cash equivalents			71.2	33.0
Net carrying amount of third-party debt and finance lease obligations²⁴	€	11,332.0	€	11,178.6
Exchange rate (\$ to €)			1.05775	1.09185

Covenant Debt Information

The following table details the euro equivalent of the reconciliation from VodafoneZiggo's consolidated third-party debt to the total covenant amount of third-party gross and net debt²⁴ and includes information regarding the projected principal-related cash flows of our cross-currency derivative instruments. The euro equivalents presented below are based on exchange rates that were in effect as of September 30, 2023 and June 30, 2023. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	September 30, 2023	June 30, 2023
in millions		
Total third-party debt and finance lease obligations (€ equivalent)	€ 11,435.1	€ 11,244.4
Vendor financing	(999.6)	(999.2)
Finance lease obligations	(20.5)	(14.7)
Other debt ²³	(175.9)	(171.2)
Credit Facility excluded amount	(482.4)	(470.9)
Projected principal-related cash receipts associated with our cross-currency derivative instruments	(604.9)	(422.8)
Total covenant amount of third-party gross debt	9,151.8	9,165.6
Less: cash and cash equivalents*	(28.9)	(26.8)
Total covenant amount of third-party net debt²⁴	<u>€ 9,122.9</u>	<u>€ 9,138.8</u>

* This excludes the cash that is related to the unutilized portion of the Vendor Finance Note facility of €11.9 million and €5.7 million as of September 30, 2023 and June 30, 2023, respectively, as well as the cash that is outside the covenant group, amounting to €30.4 million and €0.5 million as of September 30, 2023 and June 30, 2023, respectively.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to our strategies, future financial and operational growth prospects and opportunities; expectations with respect to our Adjusted EBITDA and cash returns to our shareholders; expectations with respect to the development, enhancement and expansion of our superior networks and innovative and advanced products and services; expectations regarding the availability of mobile devices with 1 Gbps+ download speeds; expectations with respect to synergies; the strength of our balance sheet and tenor of our third-party debt; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include events that are outside of our control, such as current political and economical environment; geopolitical tensions; the impact of inflation on consumer disposable income; the continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings; our ability to meet challenges from competition, to manage rapid technological change or to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the effects of changes in laws or regulation; general economic factors; our ability to obtain regulatory approval and satisfy regulatory conditions associated with acquisitions and dispositions; the availability of attractive programming for our video services and the costs associated with such programming; our ability to achieve forecasted financial and operating targets; the outcome of any pending or threatened litigation; the ability of our operating companies to access cash of their respective subsidiaries; the impact of our operating companies' future financial performance, or market conditions generally, on the availability, terms and deployment of capital; fluctuations in currency exchange and interest rates; the ability of suppliers and vendors to timely deliver quality products,

equipment, software, services and access; our ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions; and other factors detailed from time to time in our most recent Annual and Quarterly Reports. These forward-looking statements speak only as of the date of this release. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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About VodafoneZiggo

VodafoneZiggo is a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses. As of September 30, 2023, we have almost 6 million mobile, almost 4 million video, 3 million fixed broadband internet and more than 1.5 million fixed telephony subscribers.

Approximately 7,000 people are employed by VodafoneZiggo. Our offices are located in Utrecht, Amsterdam, Maastricht, Hilversum, Leeuwarden, Groningen and Nijmegen.

The VodafoneZiggo JV is a 50:50 joint venture between Liberty Global, one of the world's leading converged video, broadband and communications companies, and Vodafone Group, one of the world's leading technology communications companies.

Liberty Global is a world leader in converged broadband, video and mobile communications services. It delivers next-generation products through advanced fiber and 5G networks, and currently provides over 85 million connections* across Europe and the United Kingdom. Liberty Global's businesses operate under some of the best-known consumer brands, including Virgin Media-O2 in the UK, VodafoneZiggo in The Netherlands, Telenet in Belgium, Sunrise in Switzerland, Virgin Media in Ireland and UPC in Slovakia. Liberty Global, through its global investment arm Liberty Global Ventures, has a portfolio of more than 75 companies across content, technology and infrastructure, including strategic stakes in companies like ITV, Televisa Univision, AtlasEdge, Plume and the Formula E racing series.

Vodafone is the largest pan-European and African telecoms company with the purpose to connect for a better future by using technology to improve lives, digitalise critical sectors and enable inclusive and sustainable digital societies. Vodafone provides mobile and fixed services to over 300 million customers in 17 countries, partner with mobile networks in 46 more and are also a world leader in the Internet of Things (IoT), connecting over 167 million devices and platforms. With Vodacom Financial Services and M-Pesa, the largest financial technology platform in Africa, it serves more than 71 million people across seven countries.

*Represents aggregate consolidated and 50% owned non-consolidated fixed and mobile subscribers. Includes wholesale mobile connections of the VMO2 JV and B2B fixed subscribers of the VodafoneZiggo JV.

Footnotes

1. VodafoneZiggo Group B.V. ("VodafoneZiggo"), a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses, reports its selected, preliminary unaudited financial and operating information for the three months ("Q3") and nine months ("YTD") ended September 30, 2023, as compared to the results for the same periods in the prior year (unless otherwise noted). The financial and operating information contained herein is preliminary and subject to change. We expect to issue our September 30, 2023 unaudited condensed consolidated financial statements in November 2023, at which time the report will be posted to our website. The financial figures contained in this release are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").
2. Converged households or converged SIMs represent customers in either our Consumer or SOHO segment that subscribe to both a fixed-line digital TV and an internet service and Vodafone and/or hollandsnieuwe postpaid mobile telephony service.
3. Our 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 (mobile broadband or secondary SIM) would be counted as two mobile subscribers. Our mobile subscriber count includes both prepaid and postpaid plans. Prepaid customers are excluded from our prepaid mobile telephony subscriber counts after a period of inactivity of 9 months.
4. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription revenue, for either fixed or mobile services, respectively, per average fixed customer relationship or mobile subscriber, as applicable. Although presented on a combined basis in our operating statistics summary table above, our ARPU per fixed customer relationship is calculated separately for our residential ("Consumer fixed ARPU"), SOHO ("SOHO fixed ARPU") and small business ("Small business fixed ARPU") subscribers by dividing the average applicable monthly fixed subscription revenue for the indicated period, by the average of the opening and closing balances for the fixed customer relationships for the period. Fixed customer relationships of entities acquired during the period are normalized. Although presented on a combined basis in our operating statistics summary table above, our ARPU per mobile subscriber is calculated separately for our Consumer ("Consumer mobile postpaid ARPU") and B2B ("B2B mobile postpaid ARPU") subscribers. Our ARPU per mobile subscriber calculations refer to the average monthly mobile subscription and interconnect revenue per average mobile subscribers in service and are calculated by dividing the average monthly postpaid mobile subscription revenue including interconnect revenue for the indicated period, by the average of the opening and closing balances of postpaid mobile subscribers in service for the period.
5. RGU ("Revenue Generating Unit") is separately a Video Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our market subscribed to our video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Video, Internet and 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 our 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 video, internet or 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, or free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our September 30, 2023 RGU counts exclude our separately reported prepaid and postpaid mobile subscribers.
6. Adjusted EBITDA is the primary measure used by our management to evaluate the operating performance of our businesses. Adjusted EBITDA is also a key factor that is used by our management and our Supervisory Board to evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, Adjusted EBITDA is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our management believes Adjusted EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between entities and (c) identify strategies to improve operating performance. We believe our Adjusted EBITDA measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other companies. Adjusted EBITDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of net loss to Adjusted EBITDA is presented under the *Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions* section of this release.
7. Adjusted EBITDA less P&E Additions, which is a non-GAAP measure, represents Adjusted EBITDA less property and equipment additions on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions. Adjusted EBITDA less P&E Additions is a meaningful measure because it provides (i) a transparent view of Adjusted EBITDA that remains after our capital spend, which we believe is important to take into account when evaluating our overall performance and (ii) a comparable view of our performance relative to other telecommunications companies. Our Adjusted EBITDA less P&E Additions measure may differ from how other companies define and apply their definition of similar measures. Adjusted EBITDA less P&E Additions should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or losses and other U.S. GAAP measures of income.
8. The financial guidance for FY 2023 is:
 - a. Low to mid-single digit decline in Adjusted EBITDA, with revenue growth expected to be offset by elevated cost inflation, with around €100 million year on year cost growth, of which around €65 million relates to higher energy costs
 - b. 21% to 23% of property and equipment additions as % of revenue

- c. €300 to €400 million total shareholder cash distributions, primarily reflecting an anticipated increase in cash tax due to timing differences related to the final payment of our 2022 corporate income taxes and tax legislation changes effective per January 1, 2022

A reconciliation of our Adjusted EBITDA guidance to a U.S. GAAP measure is not provided due to the fact that not all elements of the reconciliation are projected as part of our forecasting process, as certain items may vary significantly from one period to another.

Total shareholder cash distributions includes payments for equity distributions and principal and interest on Shareholder Notes. Of note, this is in addition to the shareholder charges that we describe in our 2022 annual report. Shareholders refers to the 50:50 ownership by Vodafone and Liberty Global of VodafoneZiggo.

9. Property and equipment ("P&E") additions include property and equipment capital expenditures on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions.
10. Consumer fixed revenue is classified as either subscription revenue or non-subscription revenue. Consumer fixed subscription revenue includes revenue from subscribers for ongoing broadband internet, video, and voice services offered to residential customers and the amortization of installation fee. Consumer fixed non-subscription revenue includes, among other items, interconnect, channel carriage fees and late fees.
11. Consumer mobile revenue is classified as either subscription revenue or non-subscription revenue. Consumer mobile subscription revenue includes revenue from ongoing mobile and data services offered under postpaid and prepaid arrangements to residential customers. Consumer mobile non-subscription revenue includes, among other items, interconnect revenue, mobile handset and accessories sales, and late fees.
12. B2B fixed revenue is classified as either subscription revenue or non-subscription revenue. B2B fixed subscription revenue includes revenue from business broadband internet, video, voice, and data services offered to SOHO, small and medium to large enterprises. B2B fixed non-subscription revenue includes, among other items, revenue from hosting services, installation fees, carriage fees and interconnect.
13. Unified Communication portfolio refers to a suite of B2B product offerings including One Net, One Mobile, One Fixed, Office 365, Skype for Business, cloud hosting and customer contact center solutions. Unified Communication seats are unique licenses subscribed in each of these products.
14. B2B mobile revenue is classified as either subscription revenue or non-subscription revenue. B2B mobile subscription revenue includes revenue from ongoing mobile and data services offered to SOHO, small and medium to large enterprise customers as well as wholesale customers. B2B mobile non-subscription revenue includes, among other items, interconnect including visitor revenue, mobile handset and accessories sales, late fees, and site sharing revenue.
15. Our fully-swapped third-party debt borrowing cost represents the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding finance leases but including vendor and handset financing obligations), including the effects of derivative instruments and commitment fees, but excluding the impact of financing costs.
16. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on internally maintained databases of connected addresses, which are updated monthly. Due to the fact that we do not own the partner networks, we do not report homes passed for partner networks.
17. Fixed Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as RGU, without regard to which or to how many services they subscribe. Fixed Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Fixed Customer Relationships. We exclude mobile-only customers from Fixed Customer Relationships.
18. Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal. Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.
19. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our internet services over our networks, or that we service through a partner network.
20. Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers.
21. Other revenue includes, among other items, programming and advertising revenue.
22. The capital expenditures that we report in our condensed consolidated statements of cash flows do not include amounts that are financed under vendor financing or finance lease arrangements. Instead, these expenditures are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the related principal is repaid.
23. Other debt represents handset financing obligations.
24. Net third-party debt including finance lease obligations is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.

Additional General Notes:

Certain of our B2B fixed revenue is derived from SOHO, small business and multiple dwelling unit subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Small business customers receive video, internet or telephony services that are similar to our SOHO product offerings with additional optional functionality such as static IP addresses, hosted VoIP, or Multi Wi-Fi. The small business product offerings come at a premium price compared to the business products we offer to our SOHO customers. All mass marketed products provided to SOHO and small business customers, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operation, with only those services provided at premium prices considered to be "SOHO RGUs" and "Small business RGUs" or "SOHO customers" and "Small business customers". To the extent our existing customers upgrade from a residential product offering to a SOHO or small business product offering, the number of SOHO or small business RGUs or SOHO or small business customers will increase, but there is no impact to our total RGUs or customer counts. We report multiple dwelling unit subscribers and revenue under our B2B segment as these contracts are managed by the B2B management team. With the exception of our B2B SOHO, small business and multiple dwelling unit subscribers, we generally do not count customers of B2B fixed services as customers or RGUs for external reporting purposes.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability in (i) the nature and pricing of products and services, (ii) the distribution platform, (iii) billing systems, (iv) bad debt collection experience and (v) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.