

# VodafoneZiggo Reports Preliminary Q3 2021 Results

## Sustained Financial Momentum; Full Year Guidance Updated

**Utrecht, the Netherlands** — November 3, 2021: VodafoneZiggo Group B.V. (“VodafoneZiggo”), a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses, is today providing select, preliminary unaudited financial<sup>1</sup> and operating information for the three months (“Q3”) and nine months (“YTD”) ended September 30, 2021, 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, 2021 unaudited condensed consolidated financial statements prior to the end of November 2021, at which time the report will be posted to our website.

### Highlights for Q3 2021:

- Robust commercial performance:
  - Fixed Mobile Convergence (“FMC”) gained further traction with 49,000 converged<sup>2</sup> SIMs<sup>3</sup> and 9,000 converged households added, driving improvements in Net Promoter Scores (“NPS”) and reduced churn. FMC households have, on average, 10 points higher NPS and are 50% less inclined to churn compared to non-FMC households in the quarter
  - Added 67,000 mobile postpaid SIMs, bringing the YTD total to 184,000 net additions
  - Delivered 3% fixed ARPU<sup>4</sup> growth. Total internet RGUs<sup>5</sup> of 3.3 million, declining 10,500 or 0.3% in the quarter
- Strong financial growth and cash flow generation:
  - Revenue grew 2% YoY, marking our tenth consecutive quarter of growth, primarily driven by mobile customer base growth, roaming and visitor recovery, and fixed ARPU growth
  - Net loss remained stable YoY at €21 million, as higher gains on our derivative portfolio fully offset higher foreign currency exchange losses and lower operating income
  - Adjusted EBITDA<sup>6</sup> increased 2% YoY to €490 million, driven by revenue growth and cost discipline. Adjusted EBITDA margin increased 0.3pp YoY to 47.9%
  - Adjusted EBITDA less P&E Additions<sup>7,8</sup> increased 9% YoY to €324 million, driven by lower property and equipment spend and Adjusted EBITDA growth
- Continuously improving customer experience:
  - 2.2 million customers received a free modem software upgrade, enabling Mesh WiFi technology to optimize in-home connectivity
  - New, network integrated, high-end SmartWiFi pods launched to help deliver in total 1 million Mesh WiFi pods to our customers by the end of 2021
  - Over 60% of our connected households are now upgraded to 1 Gbps internet speeds, including 1.2 million new customer homes added in the third quarter. Nationwide coverage planned for 2022
- 2021 guidance<sup>9</sup> updated:
  - Around 2% Adjusted EBITDA growth (previously 1%-3% growth)
  - 19%-21% of property and equipment addition as % of revenue (unchanged)
  - At least €600 million cash distribution (previously €550 - €650 million)

**Jeroen Hoencamp, VodafoneZiggo CEO, commented:**

“Our customers remain our biggest focus. They expect high-speed and stable connectivity, wherever they are, and regardless of the technology used. That is why we continue to invest in our customers by realizing a Dutch Gigabit society, with our 1 Gigabit national roll-out program, nationwide 5G coverage, new SmartWiFi pods to maximize the in-home customer experience, a dedicated WiFi Crew, and ever faster internet speeds. Our good momentum continued in the third quarter, with strong mobile customer growth, an increase of our FMC penetration, and a broadly stable broadband customer base. As we yet again recorded strong revenue and EBITDA growth, I am confident that we will achieve around 2% EBITDA growth for the year, supporting at least €600 million cash distributions.”

**Consumer performance for Q3 and YTD 2021:**

Total consumer revenue grew 0.5% YoY in Q3 and 1% YTD

Fixed:

Consumer fixed revenue<sup>10</sup> remained stable in Q3 and grew 1% YTD

- Q3 revenue remained stable as a 3% YoY increase in Consumer fixed ARPU fully offset the impact of a modest decline in our customer base
  - Implemented an average 2.8% price increase as per July 1 across our customer base
- Internet RGUs decreased by 14,000 in Q3, compared to a 13,500 decrease in the previous quarter
- In August 2021, 2.2 million customers received a free software modem upgrade, adding new smart WiFi features to enable Mesh WiFi technology and optimize in-home internet coverage, supported by SmartWiFi pods and our SmartWiFi app
- New, network integrated, high-end SmartWiFi pods launched in Q3 to complement our existing WiFi pods, with plan to increase the roll-out of SmartWiFi pods from 700,000 to 1 million by the end of the year. Customers with SmartWiFi pods have on average a 10 points higher WiFi NPS than customers without pods
- A dedicated 'WiFi Crew' with customer support specialists scaled-up to support our customers in resolving their WiFi issues, reducing churn from internet problem calls by around 20%, compared to total internet churn
- 1.2 million new customer homes were connected to 1 Gbps speeds in Q3 as part of our DOCSIS 3.1 roll-out, with 63% of our footprint now enabled for Gigabit speeds. We are on track to achieve 80% footprint penetration by the end of 2021, with nationwide coverage planned for 2022
- Strong progress on Mediabox Next roll-out, with 1.7 million customers (53% of our enhanced video base) now having the next-generation video platform, including the upgraded Mediabox XL boxes. New content related OTT apps such as Amazon Prime, NPO Plus, Cinetree and Hayu have been integrated into the platform this year and we continue to integrate more apps
- 1.9 million customers actively use our Ziggo Go TV app on a monthly basis, representing 59% enhanced video base penetration and delivering a positive NPS result of +2 in Q3
- In October 2021, we launched our new customer loyalty program 'Priority', in partnership with Ajax, Ziggo Dome, MOJO Concerts and The Park Playground, giving exclusive benefits to all our customers and further strengthening our FMC strategy

Mobile:

Consumer mobile revenue<sup>11</sup> grew 2% YoY in Q3 and YTD

- Revenue growth momentum continued in Q3 as strong customer base growth was partially offset by a small decrease in ARPU
  - Consumer postpaid ARPU decreased 1% YoY to €18, primarily driven by (i) differences in phasing of converged discounts compared to the prior-year period, (ii) lower national out-of-bundle revenue, partially offset by (iii) price indexation and (iv) higher roaming revenue
- We added 41,000 net mobile postpaid customers in Q3 and 103,000 YTD, benefiting from record low mobile postpaid churn YTD

**Business performance for Q3 and YTD 2021:**

Total B2B revenue grew 5% YoY in Q3 and 3.5% YTD

Fixed:

B2B fixed revenue<sup>12</sup> grew 4% YoY in Q3 and 7% YTD

- Revenue growth in Q3 and YTD was primarily driven by growth in our SOHO (“Small Office Home Office”) and Small Business customer base, and by an increasing demand for our Unified Communication<sup>13</sup> portfolio
  - Q3 SOHO fixed ARPU increased 2% YoY to €62 and Q3 Small Business fixed ARPU increased 2% YoY to €84
- 3,500 Internet RGUs and 9,500 new Unified Communication seats<sup>13</sup> added in Q3
- Launched a revamped Ziggo Business Internet package for SoHo customers with additional benefits: WiFi back-up, a dedicated customer service 'Business Crew' and free access to the Unlimited Learning platform. SmartWiFi pods are now offered in our SoHo product portfolio at no additional cost

Mobile:

B2B mobile revenue<sup>14</sup> grew 5% YoY in Q3 and decreased 0.5% YTD

- Strong Q3 revenue growth was primarily driven by (i) higher roaming and visitor revenue, (ii) higher handset sales volumes, (iii) customer base growth, partially offset by (iv) continued price pressure in the large corporate segment and (v) lower national out-of-bundle revenue
  - Q3 B2B postpaid ARPU decreased 9% YoY to €16 driven by pricing pressure in the large corporate segment and lower national out-of-bundle revenue
- 26,000 net mobile postpaid customers added in Q3, bringing the YTD total to 81,000 net additions

**Financial highlights for Q3 and YTD 2021<sup>1</sup>:**

- Revenue has grown for ten consecutive quarters, with 2% YoY in both Q3 and YTD, primarily driven by mobile customer base growth, roaming and visitor revenue recovery and fixed ARPU growth, more than offsetting the modest decline in mobile postpaid ARPU and fixed customer base

- Net loss remained stable YoY at €21 million in Q3, as higher realized and unrealized gains on derivative instruments fully offset higher foreign currency transaction losses and lower operating income
  - YTD net loss decreased 52% YoY to €47 million, primarily driven by (i) higher realized and unrealized gains on derivative instruments, (ii) changes in income tax expense, partially offset by (iii) higher foreign currency transaction losses and (iv) lower operating income
- Adjusted EBITDA grew 2% YoY to €490 million in Q3, primarily driven by strong revenue growth and disciplined cost control
  - On a YTD basis, Adjusted EBITDA grew 1% YoY to €1,432 million, primarily driven by the aforementioned strong revenue growth and disciplined cost control, partially offset by the positive impact of certain benefits in the prior-year period
- Property and equipment additions were 16% of revenue in Q3 and 19% in YTD
  - Q3 additions were €15 million lower YoY, primarily driven by higher spend on consolidation of IT systems in the prior-year period
- Adjusted EBITDA less P&E Additions increased 9% YoY to €324 million in Q3, representing 32% of revenue compared to €297 million or 30% of revenue in the prior-year period, primarily due to the aforementioned decrease in property and equipment additions and increase in Adjusted EBITDA
  - YTD Adjusted EBITDA less P&E Additions increased 4% YoY to €843 million
- During the quarter, we made equity distributions of €175 million to shareholders and €25 million of interest on the Shareholder Notes, bringing the YTD shareholder cash returns total to €475 million
- In July 2021, we paid the remaining installment of spectrum license fees to the Dutch government with a total of €212 million, consisting of €208 million of principal and €4 million of interest. The principal payment was fully funded by new shareholder loans
- At September 30, 2021, our fully-swapped third-party debt borrowing cost<sup>15</sup> was 4.3% and average tenor of our third-party debt (excluding vendor and handset financing obligations) was 6.9 years
- At September 30, 2021, total third-party debt (excluding vendor financing, other debt and lease obligations) was €9.7 billion, which is an increase of €0.2 billion from June 30, 2021 related to the strengthening of the US Dollar. 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 was €9.1 billion at September 30, 2021, which is unchanged from June 30, 2021. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below
- At September 30, 2021, 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 3.52x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.47x, 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 5.29x at September 30, 2021
- At September 30, 2021, 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, 2021 borrowing levels, we anticipate that we will continue to 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,	
	2021	2020
<b>Footprint</b>		
Homes Passed <sup>16</sup>	7,320,700	7,288,100
<b>Fixed-Line Customer Relationships<sup>17</sup></b>		
Fixed-Line Customers	3,762,900	3,852,600
Q3 organic Fixed-Line Customer net losses*	(22,000)	(18,200)
RGUs per Fixed-Line Customer	2.45	2.47
Q3 Monthly ARPU per Fixed-Line Customer	€ 52	€ 51
<b>Mobile SIMs<sup>3</sup></b>		
Postpaid	4,940,200	4,690,100
Prepaid	387,500	464,700
Total Mobile	5,327,700	5,154,800
Q3 organic Postpaid net additions	66,500	75,800
Q3 organic Prepaid net losses	(8,800)	(25,300)
Total organic Mobile net additions	57,700	50,500
<b>Q3 Monthly Mobile ARPU</b>		
Postpaid (including interconnect revenue)	€ 17	€ 18
Prepaid (including interconnect revenue)	€ 4	€ 4
<b>Convergence<sup>2</sup></b>		
Converged Households	1,487,900	1,432,400
Converged SIMs	2,455,500	2,269,600
Converged Households as % of Internet RGUs	45%	42%
<b>Subscribers (RGUs)</b>		
Basic Video <sup>18</sup>	531,700	500,300
Enhanced Video <sup>19</sup>	3,223,000	3,347,300
Total Video	3,754,700	3,847,600
Internet <sup>20</sup>	3,337,300	3,371,300
Telephony <sup>21</sup>	2,124,600	2,315,500
Total RGUs	9,216,600	9,534,400
<b>Q3 Organic RGU Net Additions (Losses)</b>		
Basic Video*	7,200	400
Enhanced Video*	(30,100)	(18,500)
Total Video	(22,900)	(18,100)
Internet	(10,400)	(6,700)
Telephony	(52,400)	(38,800)
Total organic RGU net losses	(85,700)	(63,600)

\* During Q3 2021, we made changes in our subscriber count methodology associated with certain of our B2B multiple dwelling unit subscribers, which resulted in a non-organic reduction of our Fixed-Line Customer and Basic Video subscriber count of 10,000. Furthermore, we reclassified 23,500 subscribers from Enhanced Video to Basic Video during Q3 2021 on a non-organic basis.

## Financial Results, Adjusted EBITDA Reconciliation, Property and Equipment Additions & Operating FCF Reconciliation

The following table reflects preliminary unaudited selected financial results for the three and nine months ended September 30, 2021 and 2020:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
in millions, except % amounts						
<b>Total revenue</b>						
<b>Consumer fixed revenue<sup>10</sup></b>						
Subscription revenue .....	€ 521.4	€ 521.6	0.0 %	€1,559.3	€1,549.3	0.6%
Non-subscription revenue .....	5.5	6.2	(11.3%)	20.8	14.3	45.5%
Total consumer fixed revenue .....	526.9	527.8	(0.2%)	1,580.1	1,563.6	1.1%
<b>Consumer mobile revenue<sup>11</sup></b>						
Service revenue .....	163.7	157.4	4.0%	480.1	468.0	2.6%
Non-service revenue .....	59.5	61.4	(3.1%)	178.9	178.3	0.3%
Total consumer mobile revenue .....	223.2	218.8	2.0%	659.0	646.3	2.0%
Total consumer revenue .....	750.1	746.6	0.5%	2,239.1	2,209.9	1.3%
<b>B2B fixed revenue<sup>12</sup></b>						
Subscription revenue .....	129.2	123.4	4.7%	385.7	357.0	8.0%
Non-subscription revenue .....	3.4	3.8	(10.5%)	10.7	12.0	(10.8%)
Total B2B fixed revenue .....	132.6	127.2	4.2%	396.4	369.0	7.4%
<b>B2B mobile revenue<sup>14</sup></b>						
Service revenue .....	92.3	92.2	0.1%	273.6	286.1	(4.4%)
Non-service revenue .....	32.8	26.8	22.4%	92.2	81.4	13.3%
Total B2B mobile revenue .....	125.1	119.0	5.1%	365.8	367.5	(0.5%)
Total B2B revenue .....	257.7	246.2	4.7%	762.2	736.5	3.5%
Other revenue <sup>22</sup> .....	15.3	12.0	27.5%	39.5	29.4	34.4%
<b>Total revenue</b> .....	<b>€1,023.1</b>	<b>€1,004.8</b>	<b>1.8 %</b>	<b>€3,040.8</b>	<b>€2,975.8</b>	<b>2.2%</b>
Adjusted EBITDA <sup>6</sup> .....	€ 490.1	€ 478.5	2.4%	€1,431.9	€1,417.4	1.0%
Adjusted EBITDA as a percentage of revenue .....	47.9 %	47.6 %		47.1 %	47.6 %	

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	in millions			
Net loss	€ (20.9)	€ (21.2)	€ (47.1)	€ (98.9)
Income tax expense (benefit)	(6.9)	(6.3)	(14.7)	47.0
Other income, net	—	(0.2)	—	(0.1)
Losses on debt extinguishment, net	—	—	7.6	29.6
Foreign currency transaction losses (gains), net	127.9	(223.9)	291.7	(234.7)
Realized and unrealized losses (gains) on derivative instruments, net	(157.1)	231.1	(392.4)	106.1
Interest expense:				
Third-party	103.6	106.3	311.5	334.8
Related-party	24.9	21.9	69.8	61.2
Operating income	71.5	107.7	226.4	245.0
Impairment, restructuring and other operating items, net	11.8	(21.9)	27.1	(18.6)
Depreciation and amortization	406.8	392.7	1,177.9	1,190.7
Share-based compensation expense	—	—	0.5	0.3
Adjusted EBITDA	€ 490.1	€ 478.5	€ 1,431.9	€ 1,417.4

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,	
	2021	2020	2021	2020
in millions, except % amounts				
Customer premises equipment .....	€ 45.1	€ 42.1	€ 153.8	€ 131.8
New build and upgrade .....	29.6	29.6	95.1	100.3
Capacity .....	50.2	48.4	169.2	176.8
Baseline* .....	20.0	36.3	100.1	119.9
Product and enablers* .....	21.0	24.9	71.1	81.4
Property and equipment additions <sup>8</sup> .....	165.9	181.3	589.3	610.2
Assets acquired under capital-related vendor financing arrangements .....	(112.1)	(142.0)	(364.1)	(372.8)
Assets acquired under finance leases .....	(2.1)	(0.9)	(5.2)	(11.2)
Changes in liabilities related to capital expenditures .....	22.5	7.1	12.0	17.4
Total capital expenditures <sup>23</sup> .....	€ 74.2	€ 45.5	€ 232.0	€ 243.6
Spectrum license additions <sup>8</sup> .....	€ —	€ 252.4	€ 163.3	€ 252.4
Changes in liabilities related to spectrum expenditures .....	207.9	(44.5)	44.6	(44.5)
Total cash paid for spectrum licenses .....	€ 207.9	€ 207.9	€ 207.9	€ 207.9
Property and equipment additions as a percentage of revenue .....	16.2 %	18.0 %	19.4 %	20.5 %
<b>Adjusted EBITDA less P&amp;E Additions<sup>7</sup> Reconciliation</b>				
Adjusted EBITDA .....	€ 490.1	€ 478.5	€1,431.9	€1,417.4
Property and equipment additions .....	(165.9)	(181.3)	(589.3)	(610.2)
Adjusted EBITDA less P&E Additions .....	€ 324.2	€ 297.2	€ 842.6	€ 807.2
as a percentage of revenue .....	31.7 %	29.6 %	27.7 %	27.1 %

\* During 2021, certain Baseline-related additions have been reclassified to Product and enablers. Accordingly, the related prior period amounts also have been reclassified to conform to current presentation.



## Third-Party Debt and Cash

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

	September 30,		June 30,	
	2021		2021	
	Borrowing currency	€ equivalent in millions		
<b>Credit Facilities</b>				
Term Loan H (EURIBOR + 3.00%) EUR due 2029	€	2,250.0	2,250.0	2,250.0
Term Loan I (LIBOR + 2.50%) USD due 2028	\$	2,525.0	2,182.2	2,131.1
Financing Facility	€	41.9	41.9	22.7
€800.0 million Ziggo Revolving Facilities EUR due 2026			—	—
<b>Total Credit Facilities</b>			<b>4,474.1</b>	<b>4,403.8</b>
<b>Senior Secured Notes</b>				
5.50% USD Senior Secured Notes due 2027	\$	1,600.0	1,382.8	1,350.4
4.25% EUR Senior Secured Notes due 2027	€	620.0	620.0	620.0
4.875% USD Senior Secured Notes due 2030	\$	991.0	856.5	836.4
2.875% EUR Senior Secured Notes due 2030	€	502.5	502.5	502.5
<b>Total Senior Secured Notes</b>			<b>3,361.8</b>	<b>3,309.3</b>
<b>Senior Notes</b>				
3.375% EUR Senior Notes due 2030	€	900.0	900.0	900.0
6.00% USD Senior Notes due 2027	\$	625.0	540.1	527.5
5.125% USD Senior Notes due 2030	\$	500.0	432.1	422.0
<b>Total Senior Notes</b>			<b>1,872.2</b>	<b>1,849.5</b>
Vendor financing			990.8	999.0
Other debt <sup>24</sup>			168.9	168.9
Finance leases			20.1	20.7
<b>Total third-party debt and finance lease obligations</b>			<b>10,887.9</b>	<b>10,751.2</b>
Unamortized premiums, discounts and deferred financing costs, net			(47.0)	(48.0)
<b>Total carrying amount of third-party debt and finance lease obligations</b>			<b>10,840.9</b>	<b>10,703.2</b>
Less: cash and cash equivalents			174.7	178.0
<b>Net carrying amount of third-party debt and finance lease obligations<sup>25</sup></b>	€	<b>10,666.2</b>	€	<b>10,525.2</b>
Exchange rate (\$ to €)			1.15710	1.18485

## 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<sup>26</sup> and net debt<sup>25</sup> 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, 2021 and June 30, 2020. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	September 30, 2021	June 30, 2021
	in millions	
<b>Total third-party debt and finance lease obligations (€ equivalent)</b> .....	€ 10,887.9	€ 10,751.2
Vendor financing .....	(990.8)	(999.0)
Finance lease obligations .....	(20.1)	(20.7)
Other debt <sup>24</sup> .....	(168.7)	(168.9)
Credit Facility excluded amount .....	(505.4)	(493.8)
Projected principal-related cash receipts associated with our cross-currency derivative instruments .....	(105.8)	20.7
<b>Total covenant amount of third-party gross debt<sup>26</sup></b> .....	<b>9,097.1</b>	<b>9,089.5</b>
Less: cash and cash equivalents* .....	(58.7)	(79.7)
<b>Total covenant amount of third-party net debt<sup>25</sup></b> .....	<b>€ 9,038.4</b>	<b>€ 9,009.8</b>

\* This excludes the cash that is related to the unutilized portion of the Vendor Finance Note facility of €36.1 million and €14.6 million as of September 30, 2021 and June 30, 2021, respectively, as well as the cash that is outside the covenant group, amounting to €79.9 million and €83.7 million as of September 30, 2021 and June 30, 2021, 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 the impact of the COVID-19 pandemic on our company; 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; our ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from any acquired businesses; 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, 2021, we have over 5 million mobile, nearly 4 million video, over 3 million fixed broadband internet and over 2 million fixed telephony subscribers.

Approximately 8,000 people are employed by VodafoneZiggo. Our offices are located in Utrecht, Amsterdam, Maastricht, Hilversum, Leeuwarden, Groningen, Zwolle, Nijmegen, Helmond and Rotterdam.

The VodafoneZiggo JV is a 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 delivers next-generation products through advanced fiber and 5G networks that connect over 85 million subscribers across Europe and United Kingdom. Liberty Global operates under some of the best-known consumer brands, including Virgin Media-O2 in the UK, VodafoneZiggo in the Netherlands, Telenet in Belgium, Sunrise UPC in Switzerland, Virgin Media in Ireland and UPC in Eastern Europe. Liberty Global, through its global investment arm Liberty Global Ventures, has a portfolio of more than 75 companies and funds across content, technology and infrastructure, including strategic stakes in companies like Plume, ITV, Lions Gate, Univision and the Formula E racing series. Vodafone Group is the largest mobile and fixed network operator in Europe and a leading global IoT connectivity provider, operating mobile and fixed networks in 21 countries and partnering with mobile networks in 49 more. As of June 30, 2021, Vodafone Group had over 300 million mobile customers, more than 28 million fixed broadband customers, over 22 million TV customers and connected more than 130 million IoT devices.

## Footnotes

1. 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 (like Connect Start, Complete and Max) 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 or service 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 relationship 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 service and interconnect revenue per average mobile subscribers in service and are calculated by dividing the average monthly postpaid mobile service 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 Basic Video Subscriber, Enhanced 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 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 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, 2021 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 & Operating FCF Reconciliation* section of this release.
7. Effective with the release of our third quarter earnings we have stopped using the term Operating Free Cash Flow ("OFCF") and now use the term "Adjusted EBITDA less P&E Additions". As we define the term, Adjusted EBITDA less P&E Additions has the same meaning as OFCF had previously, and therefore does not impact any previously reported amounts. Adjusted EBITDA less P&E Additions, which is a non-GAAP measure, represents Adjusted EBITDA less property and equipment additions, which includes capital expenditures on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions. It is an additional metric that we use to measure the performance of our operations after considering the level of property and equipment additions incurred during the period. It 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.
8. Property and equipment 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. Spectrum license additions include capital expenditures for spectrum licenses on an accrual basis.
9. Financial guidance for FY 2021 has been updated to :
  - a. Around 2% Adjusted EBITDA growth (previously 1%-3% growth)
  - b. Property and equipment additions as % of revenue remain within 19%-21% range

- c. At least €600 million shareholder cash returns (previously €550 - €650 million)

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. For the definition and reconciliation of Adjusted EBITDA, see note 6.

Cash returns to our shareholders 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 2020 annual report. Shareholders refers to the 50:50 ownership by Vodafone and Liberty Global of VodafoneZiggo.

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 service revenue or non-service revenue. Consumer mobile service revenue includes revenue from ongoing mobile and data services offered under postpaid and prepaid arrangements to residential customers. Consumer mobile non-service 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 service revenue or non-service revenue. B2B mobile service 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-service revenue includes, among other items, interconnect including visitor revenue, mobile handset and accessories sales, and late fees.
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 and 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. Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband 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 we use to provide our enhanced service offerings. We count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.
19. Enhanced 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 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 our video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers. Subscribers to enhanced video services provided by our operations over partner networks receive basic video services from the partner networks as opposed to our operations.
20. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network.
21. Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers.
22. Other revenue includes, among other items, programming, advertising and site sharing revenue.
23. The capital expenditures that we report in our 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.
24. Other debt represents handset financing obligations.
25. Net third-party debt is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.

26. Total covenant amount of third-party gross debt is the euro equivalent of the nominal amount outstanding of our third-party debt less (i) vendor financing, (ii) finance lease obligations, (iii) other debt and (iv) the projected principal-related cash flows associated with our cross-currency derivative instruments. These projected cash flows are presented for illustrative purposes only and will likely differ from the actual cash receipts or payments in future periods. A reconciliation of total third-party debt to total covenant amount of third-party gross and net debt is provided under the *Covenant Debt Information* section of this release.

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.