

6 June 2023

**VOLUNTARY AND CONDITIONAL
PUBLIC TAKEOVER BID IN CASH**

POSSIBLY FOLLOWED BY A SQUEEZE-OUT

by

LIBERTY GLOBAL BELGIUM HOLDING B.V.

to purchase all shares not already held by Liberty Global Belgium Holding B.V. and its
affiliates including Telenet Group Holding NV

issued by

TELENET GROUP HOLDING NV



RESPONSE MEMORANDUM

**BY THE BOARD OF DIRECTORS OF
TELENET GROUP HOLDING NV**

The response memorandum relating to the voluntary and conditional takeover bid by Liberty Global Belgium Holding B.V. on Telenet Group Holding NV has been published in the official Dutch version. The Dutch version has been approved by the FSMA and composes the sole version that can be used as evidence. The response memorandum is also available in French and in English. The Company has verified and is responsible for the consistency between the respective versions. In case of differences between the Dutch, French and English versions, the Dutch version will prevail.

The Prospectus (including the response memorandum as an exhibit) is available free of charge at the counters of BNP Paribas Fortis NV/SA or by telephone from BNP Paribas Fortis NV/SA on +32 2 433 41 13. An electronic version of the Prospectus is also available on the following websites: www.bnpparibasfortis.be/epargneretplacer (in French and in English) and www.bnpparibasfortis.be/sparenenbeleggen (in Dutch and in English) and on the websites of the Company www.telenetgroup.be and LG plc (<https://www.libertyglobal.com/investors/telenet/>) by reference to a microsite dedicated to the Offer, accessible via: https://shareholder-offer.be/nl/public_offer.php. U.S. Holders may also call the following number + 1 303-220-6600 (US) or email ir@libertyglobal.com to request a copy of the Prospectus.

1.	Introduction.....	1
2.	Composition of the board of directors	7
3.	Comments of the Board on the Prospectus	7
4.	Assessment of the Offer.....	8
5.	Assessment of the Offeror’s strategic plans for the Telenet Group and their likely effects on the results of the Telenet Group and on employment and places of business as stated in the Prospectus.....	17
6.	Overall assessment of the Offer and of the opportunity for the Shareholders to accept the Offer.....	17
7.	Declaration of intent for Shares held by the directors and by the persons represented in fact by such directors	18
8.	Application of clauses of approval and pre-emption rights	19
9.	Final provisions.....	20
10.	Disclaimer for financial advisor.....	20
11.	Legal advisers of the independent directors and of the Company	20
12.	Availability of the Response Memorandum	21

1. Introduction

1.1 Offer

On 21 March 2023 (Central European Time), Liberty Global plc (**LG plc**) announced the intention of its wholly owned subsidiary Liberty Global Belgium Holding B.V., a private limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands, with registered office at Boeing Avenue 53, 1119 PE Schiphol-Rijk, the Netherlands, and registered with the Chamber of Commerce under number 33256392 (**Offeror**) to launch a voluntary and conditional public takeover bid (**Offer**) for all shares issued by Telenet Group Holding NV, a public limited liability company organised under the laws of Belgium, with company number 0477.702.333 and registered office at Liersesteenweg 4, 2800 Mechelen, Belgium (**Company**) and which are not already held by the Offeror and the Persons Affiliated with the Offeror (i.e. the Company), on the basis of an offer price of EUR 22.00 per Share less any gross dividends that would be paid by the Company prior to the closing of the Offer

The board of directors of the Company (**Board**) unanimously appointed Goldman Sachs International, having its registered office at Plumtree Court, 25 Shoe Lane, London EC4A 4AU, England (**Goldman Sachs**) to assist the Board in respect of the evaluation of the Offer. The advice of Goldman Sachs has been shared with the entire Board and has been taken into account by the Board in preparing this Response Memorandum. Goldman Sachs is not an independent expert within the meaning of Article 21 of the Takeover Decree and the advice of Goldman Sachs does not fall within the scope of Article 23 of the Takeover Decree.

The independent directors of the Company, within the meaning of Article 7:87 BCCA, appointed Lazard BV/SRL, a private limited liability company under Belgian law organised under the laws of Belgium, with company number 0899.695.289 and registered office at Blue Tower Louise, Avenue Louise 326, 1050 Brussels, Belgium as independent expert in accordance with Article 21 of the Takeover Decree (**Independent Expert**). The Independent Expert provided its draft report (on the basis of the draft prospectus) on 12 April 2023 to the Board. On the same date, the Company communicated the draft report of the Independent Expert to the Offeror.

On 13 April 2023, the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten*) (**FSMA**) published, in accordance with Article 7 of the Takeover Decree, a notice that the Offeror had formally notified the FSMA of the Offer. The Offer is subject to certain conditions, which the Offeror reserves the right to waive in whole or in part.

On 13 April 2023, the Board has unanimously decided, through written resolutions, for the purposes of Article 26, second paragraph of the Takeover Decree, that the draft prospectus did not contain any omissions or information that could mislead the Company's security holders and it confirmed this view by letter to the FSMA and the Offeror on 14 April 2023.

On 31 May 2023, the Company was provided with a copy of the final draft of the report of the Independent Expert that was sent to the FSMA for its approval (the *Independent Expert Report*).

On 2 June 2023, the Offeror provided the Company with a copy of the final draft of the prospectus that the Offeror sent to the FSMA for its approval (the *Prospectus*).

This response memorandum (*Response Memorandum*) was prepared on the basis of the Prospectus and taking into account the Independent Expert Report. The submission of the (final version of this) Response Memorandum for approval by the FSMA was unanimously approved by the Board on 2 June 2023 by way of written resolutions.

On 6 June 2023, the FSMA approved the Prospectus and this Response Memorandum.

1.2 Definitions

Capitalised terms used in this Response Memorandum shall have the meaning set forth below or elsewhere in this Response Memorandum. If not defined in this Response Memorandum, capitalised terms shall have the meaning ascribed to such terms in the Prospectus.

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

BCCA means the Belgian Code of Companies and Associations of 23 March 2019, as amended;

Board means the board of directors of the Company;

CapEx means, for the Company, capital expenditures (in U.S. GAAP) on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions (as reflected in the LRP). For Proximus and Orange Belgium (used by the Offeror as part of its analysis of trading multiples of comparable companies) these are the capital expenditures as represented in consensus financial projections;

Company means Telenet Group Holding NV, a public limited liability company organised under the laws of Belgium, with company number 0477.702.333 and registered office at Liersesteenweg 4, 2800 Mechelen, Belgium;

Compensation Restricted Shares means the Ordinary Shares issued under the May 2021 Compensation Restricted Shares Plan, the December 2021

Compensation Restricted Shares Plan and the 2022 Compensation Restricted Shares Plan issued by the Company to receive Ordinary Shares in accordance with the terms of such May 2021 Compensation Restricted Shares Plan, the December 2021 Compensation Restricted Shares Plan and the 2022 Compensation Restricted Shares Plan respectively;

DCF means Discounted Cash Flow;

EBITDA means profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment;

FCF means Free Cash Flow;

FSMA means the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten*);

Golden Shares means the 30 shares of the Company held by six intermunicipalities offering them, in addition to the rights attached to Ordinary Shares, the right to appoint representatives in the Company's regulatory board (*regulatoire raad*), which supervises the Public Interest Guarantees (the regulatory board no longer meets on a regular basis but can be organised when the articles of association so provide), and the right to appoint an observer in the Board. The six intermunicipalities holding these shares are: Fluvius Antwerpen, INTERGEM, IKA, IVERLEK, IMEWO and Gaselwest;

Goldman Sachs means Goldman Sachs International, having its registered office at Plumtree Court, 25 Shoe Lane, London EC4A 4AU, England;

Independent Expert means Lazard BV/SRL, a private limited company organised under the laws of Belgium, with company number 0899.695.289 and registered office at Avenue Louise 326, 1050 Brussels, Belgium;

Independent Expert Report means the valuation report of the Independent Expert dated 6 June 2023, which is included in the Prospectus as Annex 2.

LG Group means the LG plc group of companies, including the Offeror and any other subsidiaries or joint ventures of LG plc (other than the Company and its subsidiaries), from time to time. For the avoidance of doubt a "subsidiary of LG plc" shall mean each undertaking in respect of which LG plc has the beneficial ownership of 50% of the issued capital or holds 50% of the voting rights or has the right to appoint or remove 50% of the board of directors (or equivalent body);

LG plc – means Liberty Global plc, a public limited company organised under the laws of England and Wales, with company number 08379990 and registered office at Griffin House, 161 Hammersmith Road, London W6 8BS, United Kingdom;

Liquidation Dispreference Shares means the 94,843 shares of the Company owned by Interkabel Vlaanderen CV (as to 16 such shares) and the Offeror (as to 94,827 such shares) and which are subject to a liquidation dispreferential treatment in the case of a liquidation of the Company, and which can be

converted into Ordinary Shares on the basis of a ratio of 1.04 Liquidation Dispreference Shares for one Ordinary Share. The Liquidation Dispreference Shares are otherwise identical to and participate in the capital, voting rights and profits in the same manner as the Ordinary Shares;

LRP means the Company's long range (financial) plan for 2022-2032 as prepared by the Company's management;

Offer means the voluntary and conditional takeover bid in cash, made in accordance with chapter II of the Takeover Decree and upon the terms and subject to the conditions set forth in the Prospectus;

Offeror means Liberty Global Belgium Holding B.V., a private limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands, with registered office at Boeing Avenue 53, 1119 PE Schiphol-Rijk, the Netherlands, and registered with the Chamber of Commerce under number 33256392;

Offer Price means the cash consideration which will be paid by the Offeror for each Share sold in the Offer, i.e. EUR 22.00 per Share, reduced, following the approval by the Company's ordinary general meeting of 26 April 2023 of a gross dividend of EUR 1.00 per share and the payment thereof on 5 May 2023, by the total gross amount of such dividend (before any applicable tax deduction), resulting in an amount of EUR 21.00 per Share, as further described in section 6.2 of the Prospectus;

Options means the share options issued under the General Stock Option Plan 2018, CEO Stock Option Plan 2018, General Stock Option Plan 2018 bis – CFO, General Stock Option Plan 2019, General Stock Option Plan 2020, entitling the holders of such stock options to acquire Ordinary Shares in accordance with the terms of such General Stock Option Plan 2018, CEO Stock Option Plan 2018, General Stock Option Plan 2018 bis – CFO, General Stock Option Plan 2019, General Stock Option Plan 2020 respectively;

Ordinary Share means the ordinary fully paid shares of the Company with voting rights, without nominal value (excluding Liquidation Dispreference Shares and Golden Shares) that are currently issued or that will be issued prior to the end of the Acceptance Period;

Performance Shares means the rights under the 2020 Performance Shares Plan, 2021 Performance Shares Plan and CEO Performance Shares Plan 2021 issued by the Company to receive Ordinary Shares in accordance with the terms of such 2020 Performance Shares Plan, 2021 Performance Shares Plan and CEO Performance Shares Plan 2021 respectively;

Person Affiliated with the Offeror means a person affiliated with the Offeror within the meaning of Article 1:20 of the BCCA;

Prospectus means the prospectus prepared by the Offeror in relation to the Offer which has been approved by the FSMA on 6 June 2023;

Public Interest Guarantees means certain guarantees on (i) the price and content of the basic package, (ii) roll-out obligations for the digital platform,

and (iii) the provision of public services which utilise new technologies to local administrations at cost price, which guarantees aim to protect the public interest;

Public Law Entity means associations (*samenwerkingsverbanden*) between communes, provinces or any other public law entities or private companies that are controlled directly or indirectly by public law entities or the company Fluvius System Operator CV;

Response Memorandum means this response memorandum in reply to the Offer (*memorie van antwoord*) that has been prepared by the board of directors of the Company in accordance with Articles 22 to and including 30 of the Takeover Law and Articles 26 to and including 29 of the Takeover Decree;

Restricted Shares means the rights issued under the 2021 Restricted Shares Plan and 2022 Restricted Shares Plan issued by the Company to receive Ordinary Shares in accordance with the terms of such 2021 Restricted Shares Plan and 2022 Restricted Shares Plan respectively;

Section means a section of this Response Memorandum;

Share(s) means any or all shares representing the share capital of the Company, *i.e.*, the Ordinary Shares, the Liquidation Dispreference Shares and the Golden Shares;

Shareholder means any holder of one or more Shares;

Simplified Squeeze-Out means, if applicable, the reopening of the Offer in the form of a simplified squeeze-out, pursuant to Article 7:82, §1 BCCA and Articles 42 and 43 of the Takeover Decree;

Takeover Decree means the Royal Decree of 27 April 2007 on public takeover bids (*Koninklijk Besluit van 27 april 2007 op de openbare overnamebiedingen*), as amended;

Takeover Law means the Law of 1 April 2007 on public takeover bids (*Wet van 1 april 2007 op de openbare overnamebiedingen*), as amended;

Telenet Group means the Company and its subsidiaries; and

WACC means Weighted Average Cost of Capital.

1.3 Responsible persons

The Company, represented by its Board, is responsible for the information included in this Response Memorandum.

The Company, represented by its Board, declares that, to its knowledge, the information in this Response Memorandum is consistent with the facts and omits no information that, if it were included, would alter the import of the Response Memorandum.

1.4 Approval of the Response Memorandum by the FSMA

This Response Memorandum has been approved by the FSMA on 6 June 2023, in accordance with Article 28, §3, of the Takeover Law. This approval does not imply any assessment or judgment on the merits and the quality of the Offer.

1.5 Forward-looking statements

This Response Memorandum contains forward-looking statements, prospects and estimates relating to the expected future performance of the Offeror and the Company, their subsidiaries or related entities and the markets in which they operate including but not limited to, in Sections 4 and 6. Some of these forward-looking statements, prospects and estimates are characterised by the use of words such as (but not limited to): “believes”, “thinks”, “expects”, “anticipates”, “seeks”, “would”, “plans”, “contemplates”, “calculates”, “may”, “will”, “remains”, “wishes”, “understands”, “intends”, “relies on”, “attempts”, “estimates”, as well as similar expressions, the future tense and the conditional.

Such statements, prospects and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors that appear reasonable and acceptable at the time of their assessment, but which may or may not prove to be accurate in the future. Actual events are difficult to predict and may depend on factors beyond the control of the Offeror or the Company.

Consequently, it is possible that the actual results, financial situation, performance or achievements of the Offeror and the Company or the results of the sector may differ significantly from the future results, performance or achievements described or implied by these forward-looking statements, prospects or estimates.

In view of these uncertainties, Shareholders should not place undue reliance on any forward-looking information or statements. All forward-looking statements herein are qualified by reference to the cautionary statements set forth in this section.

The statements, prospects and estimates are only valid as of the date of the Response Memorandum, and the Board does not undertake to update such statements, prospects and estimates to reflect any changes in its expectations with respect thereto or any changes in events, conditions or circumstances on which such statements, prospects or estimates are based, except where a supplement is required by Article 30 of the Takeover Law (see Section 9.1 below).

1.6 Disclaimer

Nothing in this Response Memorandum should be construed as investment, tax, legal, financial, accounting or other advice. This Response Memorandum is not intended for use or distribution to persons if making the information available to such persons is prohibited by any law or jurisdiction. Shareholders need to make their own assessment of the Offer before making any investment decision and are invited to seek advice from professional advisors in order to assist them in making such decision.

2. Composition of the board of directors

The Board consists of the following 11 directors; in addition, one person acts as an observer in accordance with Article 26 of the Company's Articles of Association:

Name	Position ⁽¹⁾
JoVB BV ⁽²⁾	Chairman and independent director
Lieve Creten BV ⁽³⁾	Independent director
John Gilbert	Independent director
Dirk JS Van den Berghe Ltd. ⁽⁴⁾	Independent director
John Porter	Chief Executive Officer and Managing Director
Charles H. Bracken	Director nominated by LG plc
Enrique Rodriguez	Director nominated by LG plc
Amy Blair	Director nominated by LG plc
Manuel Kohnstamm	Director nominated by LG plc
Severina Pascu	Director nominated by LG plc
Madalina Suceveanu	Director nominated by LG plc
André Sarens	Observer

- (1) With the exception of the Chief Executive Officer/Managing Director, all directors are non-executive directors.
- (2) With Jo Van Biesbroeck as permanent representative.
- (3) With Lieve Creten as permanent representative.
- (4) With Dirk Van den Berghe as permanent representative.

3. Comments of the Board on the Prospectus

As mentioned above, the Board, by written resolutions dated 13 April 2023, unanimously decided, for the purposes of Article 26, second paragraph, of the Takeover Decree, without prejudice and with full reservation of all rights of the Company, that the draft prospectus, dated 13 April 2023, did not contain any omissions or information that could mislead the security holders. The Board

also confirmed this view by letter to the FSMA and the Offeror on 14 April 2023 in accordance with Article 26, second paragraph, of the Takeover Decree.

4. Assessment of the Offer

The submission of the Response Memorandum for approval to the FSMA was unanimously approved by the Board on 2 June 2023 through written resolutions.

The Board thereby came to the following assessment of the Offer:

4.1 Effect on the Company's interests

The Prospectus provides that the Offeror currently intends that the Company will continue as a separate legal entity incorporated under Belgian law, with the head office of the Telenet Group located in the current premises in Mechelen.

A delisting of the Company would have an impact on the governance structure of the Company, which will be brought in line with the governance structure of privately-held companies.

Once the Offer is completed and if it is followed by a squeeze-out, the Company will become a wholly-owned subsidiary of the Offeror and, indirectly, of LG plc.

Also further to the Prospectus, the Offer would allow in the case of a delisting a more simple governance and decision-making process and the removal of the costs associated with a public listing.

The Prospectus also states that the Offeror, as a controlling shareholder of the Company since 2007, and taking into account the anticipated increased shareholding through the Offer, is committed to the continuity of the Telenet Group, including with respect to the various Telenet brands, and the position of the Telenet Group as a preeminent and innovative telecommunications (broadband, mobile/fix and data) and entertainment company in Flanders/Belgium, and the continued modernisation of its network to achieve this.

Considering the statements set forth in the Prospectus, the Board has no indication that the Offer and the intentions of the Offeror would not be in the Company's interests.

4.2 Effect on the Shareholders' interests

In accordance with article 28, §1, 1^o Takeover Decree, the Board examined the effects of the implementation of the Offer on the interests of the Shareholders, i.e. the holders of Ordinary Shares, Golden Shares and Liquidation Dispreference Shares.

4.2.1 The justification of the Offer Price

The Offeror is offering EUR 22.00 in cash for each Share, reduced, following the approval by the Company's ordinary general meeting of 26 April 2023 of a gross dividend of EUR 1.00 per share and the payment thereof on 5 May 2023, by the total gross amount of such dividend (before any applicable tax

deduction), resulting in an amount of EUR 21.00 per Share. The Board, having regard to the valuation proposed by the Offeror as set out in section 6.2 of the Prospectus, supports the Offer.

The Board supports the Offer Price after having considered, taking into account the financial advice of Goldman Sachs to the Board, the following elements:

- the justification of the Offer Price by the Offeror contained in section 6.2 of the Prospectus; and
- the conclusions of the Independent Expert Report, which are included in the Prospectus as Annex 2.

Taking into account:

- the Offeror's confirmation that neither the Offeror nor any Person Affiliated with the Offeror is engaged in or actively pursuing any transactions with respect to the Company or parts thereof that would materially affect the valuation of the Company positively or negatively, other than the Company's transactions that the board of directors of the Company is aware of and/or transactions for which there has been a public disclosure; and
- the fact that the Offeror in its own name and on behalf of the Persons Affiliated with the Offeror has confirmed that they acknowledge the Telenet material agreements and the execution of such agreements.

The Board thereby notes that the valuation on the basis of a DCF analysis of the Long Range Plan of the Company's management for 2022-2032 (the **LRP**) results in a higher price than the Offer Price. The Board however acknowledges that the LRP is subject to

- (i) certain risks and assumptions including the scope, costs (an estimated investment of up to EUR 2.0 billion¹) and timing of the fibre-roll out, the impact of the fourth entrant and the ability of management to achieve the lower long-term CapEx outlook included in the LRP;
- (ii) significant reliance on long-term terminal value in DCF calculation given the FCF profile contained in the LRP and the need for higher discounting of those future cash flows; and
- (iii) increased recent market volatility and the impact that has on WACC.

The Board also notes that only the first 3 years (2023-2025) of the LRP are based on the Board approved plan in December 2022 and the remaining 7 years are an extrapolation of the plan based on assumptions by management, but not

¹ Excluding termination capital expenditures.

reviewed or approved by the Board and so does not affect its endorsement of the Offer Price as set forth in this Response Memorandum.

The Board specifically wishes to note that the estimated CapEx level, scope and timing are an important element for the valuation that the Board has taken into account in its consideration of the Offer Price.

The Board notes that the Independent Expert has taken this view on board, and considers the long term part of the LRP (2026-2032) optimistic given fourth entrant considerations as well as the Company's fibre plan (see page 25 of the Independent Expert Report).

The following table provides an overview of the results of the different valuation methodologies and reference points used by the Offeror and the Independent Expert.

Valuation method / reference point	DCF management BP ¹	DCF alternative case	DCF brokers' consensus	Sum-of-the-Parts	Trading multiples comparable companies ²³⁴	VWAP and historical share price performance	Analysts' / Broker target prices
Offeror	€18.2 - €30.8	n.a.	n.a.	n.a.	<u>EV / 2023E EBITDAaL:</u> 6.1x vs. 3.7x peer average <u>EV / 2024E EBITDAaL:</u> 6.1x vs. 3.8x peer average <u>EV / 2023E EBITDAaL - CapEx:</u> 14.8x vs. 12.3x peer average <u>EV / 2024E EBITDAaL - CapEx:</u> 23.8x vs. 11.5x peer average	<u>12-month VWAP:</u> €17.98 <u>1-month VWAP:</u> €14.45 <u>3-month VWAP:</u> €15.05 <u>6-month VWAP:</u> €14.93	€14.0 - €22.0 <u>Median:</u> €16.5 <u>Average:</u> €17.2
Independent Expert	€25.0 - €36.2	€19.3 - €29.5	€15.3 - €25.5	€25.3 - €33.8	<u>EV / 2023E EBITDA IFRS16:</u> n.m. - €11.1	n.a. ⁵	€14.0 - €22.0 ⁶ <u>Median:</u> €17.0 <u>Average:</u> €17.15

					<u>EV / 2024E EBITDA</u> <u>IFRS16:</u> n.m. - €6.8 <u>EV /</u> <u>2023E EBITDA IFRS16 -</u> <u>Capex:</u> €13.1 - €18.9 <u>EV /</u> <u>2024E EBITDA IFRS16 -</u> <u>Capex:</u> n.m.		
--	--	--	--	--	--	--	--

¹ Reference is made to the comparison of the enterprise value to equity value bridge between the Offeror and the Independent Expert as included on page 57 of the Independent Expert Report. Furthermore, the Offeror has assumed a 7.25%-8.25% WACC range whereas the Independent Expert has assumed a 6.75%-7.25% WACC range.

² The peer group retained by the Offeror consists of Proximus and Orange Belgium, whereas the Independent Expert has retained a peer group consisting of European “single country” Public Telecommunications Operators and challengers.

³ The Offeror has not provided a price range in the Prospectus but has provided the relevant multiples for the Company at the Offer Price as compared to the peer average.

⁴ EBITDA IFRS16 corresponds to EBITDA for which lease costs are recognised within balance sheet through a right-of-use and lease debt and are not accounted as a cost (above EBITDA) but below as depreciation & amortization as well as interests on leases. EBITDAaL means that costs related to leases are accounted above EBITDA (as per before implementation of IFRS16 rule). EBITDA IFRS16-Capex follows the same logic as capex are not impacted by IFRS16 rule which means that the impact is only done at EBITDA level.

⁵ This analysis has not been retained by the Independent Expert in its valuation exercise. However, having run the same analysis, the Independent Expert agrees with the one conducted by the Offeror and has obtained similar premia on a VWAP basis.

⁶ Both the Offeror and the Independent Expert considered target prices issued by equity research analysts starting 16 February 2023, being the date at which Telenet published its annual results. The Offeror’s analysis however does not retain Degroof Petercam and Oddo BHF.

The Independent Expert Report provides for an overall price range of EUR 20.0 to EUR 25.0 per Share. The Board notes that the Offer Price falls within those price ranges and just below the mid-point thereof.

The Board in particular further wishes to note that:

- the Offer Price represents a premium of 59% to the closing price of the share as of 15 March 2023 (i.e. the last full trading day before the public announcement of the Offeror's intention to offer) and a premium of 52%, 46%, 47% and 22% to the volume-weighted average trading price of the Company over one month, three months, six months and 12 months before such date;
- the Offer does not represent an acquisition of control as the Offeror already holds a controlling stake in the Company;
- the Company is expected to undergo a significant change in its financial profile over the next few years as it builds out its fibre network and upgrades to 5G, resulting in a significantly higher CapEx and consequently a depressed cash flow profile. Additionally, it should be noted that there is downside risk to the business plan from the uncertainty around new Belgium market entrant's strategy. The risk of a new entrant in Belgium is particularly relevant given Digi Communication and Citymesh's acquisition of spectrum rights in June 2022 for a total consideration of EUR 114 million, with the aim of building a new 4th national mobile network in Belgium;
- overall, the Offer Price provides Shareholders with immediate and certain liquidity for the Shares they hold.

On that basis, the Board supports the Offer Price.

4.2.2 Risks for Shareholders that do not accept the Offer

If the Acceptance Threshold Condition (as defined in the Prospectus) is not met and the Offeror does not decide to waive it, the Offer will lapse.

However, if (i) the Acceptance Threshold Condition is not met and the Offeror decides to waive it or (ii) the Acceptance Threshold Condition is met, but the Offeror is unable to achieve a Simplified Squeeze-Out and does not launch a subsequent squeeze-out, this could have further consequences for the non-tendering Shareholders as set out below. The Board notes that in section 6.4.1 of the Prospectus, the Offeror has indicated that, in such scenario, the intentions of the Offeror with respect to the Company remain largely the same as if the Simplified Squeeze-Out would be achieved, whereby the Offeror may rely on the control it already has over the Company to realise such intentions, subject to appropriate decision making by the Board and shareholders' meeting in accordance with legal regulations.

Liquidity

The number of Shareholders in the Company and the number of Shares held by the free float will decrease. Consequently, this could negatively impact the liquidity and the market value of the remaining non-tendered Shares.

Dividend and leverage policy

Over the 2023-2029 period the Company targets a dividend floor equal to an annual dividend of EUR 1.00 per share (gross), which will thereafter be re-evaluated. As a strategic investor, LG plc's investment in the Company is not driven by set expectations regarding an annual dividend. LG plc will assess the future dividend policy of the Company in light of the realisation of the Company's business plan, investment requirements and opportunities, as well as its financing needs and whether a delisting of the Company can be obtained. Investors should by no means assume that after the completion of the Offer the Company will pursue a dividend policy which is in line with past or current policies (irrespective of whether the completion of the Offer is followed by a squeeze-out). In this respect, in the Prospectus, the Offeror specifically reserves the right to review the EUR 1.00 per share dividend floor for the 2023-2029 period as announced by the Company, subject to appropriate decision making by the Board and shareholders' meeting in accordance with legal regulations.

Non-tendering Shareholders could therefore see the dividend of the Shares be limited in the future.

Furthermore, according to the Prospectus, the Offeror intends to further align the Telenet Group's operational, financial and strategic policies with those of LG plc, including aligning the Company's current leverage target of 4 times EBITDA with that of LG plc, which is 4 to 5 times EBITDA.

Governance

The Offeror has indicated that it will propose certain changes to the articles of association and to the governance structure of the Company (e.g. to reduce the number of directors generally and/or to reduce the number of independent directors to the required minimum of three), also in the case where the Company is not delisted. This could result in the interests of the minority shareholders being taken into account to a lesser extent (without prejudice to legal safeguards, including the related-party procedure set forth in Article 7:97 BCCA).

4.2.3 Golden Shares

As described in Section 8, the Golden Shares are subject to transfer restrictions and entitle their holders to certain rights as provided in the Company's articles of association. Although the Golden Shares are subject to the Offer, these transfer restrictions prevent the holders of the Golden Shares from tendering these Golden Shares into the Offer, other than through a transfer pursuant to law in case of a squeeze-out. If the Offeror proceeds with a squeeze-out, any transfer restrictions applicable to the Golden Shares would become inapplicable by operation of law and any Golden Shares would thus be transferred to the Offeror

pursuant to law. In such a case, the Offeror has indicated in the Prospectus to intend to amend article 15.1 of the Company's articles of association to remove the requirement that the Golden Shares can only be held by Public Law Entities. Other than in the case of a squeeze-out, the Offeror has indicated that it does not intend to amend the rights attached to the Golden Shares.

The Offer, including any transfer of ownership of the Golden Shares or any change of characteristics of the Golden Shares does not affect any of the Company's obligations under the Public Interest Guarantees (to the extent still relevant), as also recognised by the Offeror in the Prospectus.

4.3 Effect on the creditors' interests

In accordance with Article 28, §1, 1° Takeover Decree, the Board also considered the potential impact of the effectuation of the Offer on the interests of the Telenet Group's creditors.

In the Prospectus, the Offeror does not expressly address the Offeror's potential impact on the creditors of the Telenet Group. The Board notes that the Offer does not trigger any repayment or other obligations of the Company under the Company's existing financing arrangements.

The Board also notes that the Offeror intends to align the Company's leverage targets with those of LG plc, which are higher than the Company's current targets of the consolidated net leverage ratio² of 4 times EBITDA. The Board considers that an increase of leverage could include a risk for the existing creditors and could increase the Company's cost of capital.

4.4 Effect on the employees' interests, including employment

(a) General

In accordance with Article 28 §1, 1° Takeover Decree, the Board examined the consequences of the implementation of the Offer on the interests of the employees of the Telenet Group.

The Prospectus provides that following the completion of the Offer, the Company will continue to operate as an indirect subsidiary of LG plc under the guidance of its own and LG plc's operational management, with functional

² Defined as the sum of loans and borrowings under current and non-current liabilities (excluding leaserelated liabilities) minus cash and cash equivalents ("Net Total Debt"), as recorded in the Company's statement of financial position, divided by the last two quarters' consolidated annualized Adjusted EBITDA. In its statement of financial position, Telenet's USD-denominated debt has been converted into EUR using the 31 December 2022 EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the EUR-equivalent hedged amounts were EUR 2,041.5 million (USD 2,295.0 million Term Loan AR) and EUR 882.8 million (USD 1.0 billion Senior Secured Notes due 2028), respectively. For the calculation of its net leverage ratio, Telenet uses the EUR-equivalent hedged amounts given the underlying economic risk exposure. Net total leverage is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G.

reporting lines into the LG plc Group consistent with LG plc's other operating subsidiaries.

As a controlling shareholder of the Company since 2007, and taking into account its anticipated increased shareholding through the Offer, the Offeror is committed to the Telenet Group being a stable employer in Belgium and continues to be supportive of a strong Telenet management in Belgium able to implement its intentions as set out in the Prospectus and interact with stakeholders.

The Offeror does not currently anticipate any material change in the working conditions or employment policies of the Telenet Group. The Offeror does not believe that the completion of the Offer would have a material impact on the Telenet Group's employees or employment generally. The Offeror intends to grow the business of the Telenet Group and, as a consequence, over time certain changes in employment profile and skill sets may occur.

The Offeror intends to maintain an attractive work environment for the Telenet Group's management team and employees within which they will be well placed to continue to flourish. In this light, the Offeror shall consider the introduction of new management and employee benefit plans.

Furthermore, the Board believes that becoming a 100% subsidiary within the LG Group will provide opportunities for career and talent development.

(b) LTIs

With respect to the Options, Performance Shares, Restricted Shares and Compensation Restricted Shares, the Offeror has expressed the following intentions:

The Offeror and LG plc have committed, as soon as or shortly after the Offeror has achieved a Simplified Squeeze-out of the Company, to organise, in consultation with the Company, a rollover of these equity incentives into reasonably similar equity incentive plans at the LG Group level granting instruments relating to shares of LG plc. The rollover may be effected pursuant to contractual provisions included in the relevant equity incentive plans or amendments to such plans. For stock options that are out of the money, the LG Group will compensate the holders of such stock options for taxes paid by such holders in connection with the award of such stock options. It is intended that such payment will be tax neutral to the holder.

The Telenet Board will be allowed to assess the equivalence of the LG plc instruments and/or the cash compensation to decide whether to replace the existing instruments with such LG instruments or, as applicable, to recommend to the participants to exchange their Telenet instruments for such LG plc instruments and/or accept the cash compensation.

In case there will be no Simplified Squeeze-out, the Offeror does not intend to organise any roll-up or roll-over of the equity incentives or offer cash compensation in lieu thereof.

The Company and the Board will coordinate with the Offeror on the details of the treatment of the equity incentives and the determination of the equivalent nature of any alternative instruments and/or cash compensation therefor.

The Board however notes that where the Offeror waives the Acceptance Threshold but is unable to achieve a Simplified Squeeze-Out, the limited liquidity of the Ordinary Shares may have a negative impact on the value of the different instruments.

(c) Conclusion

On the basis of the above, the Board believes that the Offer should not have any adverse impact on the employees and on employment, without prejudice to the risk identified in the previous paragraph.

5. Assessment of the Offeror's strategic plans for the Telenet Group and their likely effects on the results of the Telenet Group and on employment and places of business as stated in the Prospectus

The Board refers to the Offeror's intentions and objectives as set out in section 6.4 of the Prospectus whereby the Offeror confirms to be committed to the continuity of the Telenet Group, including with respect to the various Telenet Group brands, and the position of the Telenet Group as a preeminent and innovative telecommunications (broadband, mobile/fix and data) and entertainment company in Flanders/Belgium, and the continued modernisation of its network to achieve this.

Apart from what has been set out in Section 4, the Board does not see any presumable other consequences of the strategic plans of the Offeror on the Telenet Group's results, employment and places of business. The Board refers to its assessment of the Offeror's proposed strategy in Section 4.1, of the proposed price for the Shares set out in Section 4.2.1 and of the effects on employment set out in Section 4.4.

6. Overall assessment of the Offer and of the opportunity for the Shareholders to accept the Offer

The full Board is of the opinion that, in view of the above-mentioned advantages, the Offer is opportune for the Shareholders, taking into account, inter alia, the following considerations:

- the justification of the Offer Price by the Offeror contained in section 6.2 of the Prospectus; and
- the conclusions of the Independent Expert Report, which has identified a price range between EUR 20.0 and EUR 25.0.

The Board has been advised by Goldman Sachs in the assessment of the Offer Price, as mentioned above.

Taking into account the aforementioned considerations set forth in this Response Memorandum and the information included in the Prospectus and in particular (i) the price justification and (ii) the strategic plans of the Offeror, the

Board has unanimously decided to support the Offer and to recommend its Shareholders to accept the Offer.

7. Declaration of intent for Shares held by the directors and by the persons represented in fact by such directors

At the date of the Response Memorandum, the following Shares are held by members of the Board:

Name	Shares	
	Held	Intended to be tendered
JoVB BV ⁽¹⁾	1,000	/(4)
Lieve Creten BV ⁽²⁾	0	0
John Gilbert	0	0
Dirk JS Van den Berghe Ltd. ⁽³⁾	1,990	1,990
John Porter	192,031	113.144 ⁽⁵⁾
Charles H. Bracken	0	0
Enrique Rodriguez	0	0
Amy Blair	0	0
Manuel Kohnstamm	0	0
Severina Pascu	0	0
Madalina Suceveanu	0	0

- (1) With Jo Van Biesbroeck as permanent representative.
- (2) With Lieve Creten as permanent representative.
- (3) With Dirk Van den Berghe as permanent representative.
- (4) The 1,000 Shares are held by Mr. Van Biesbroeck through an asset manager in the context of a discretionary mandate. Mr. Van Biesbroeck therefore has no impact on the decision as to whether or not the Shares will be tendered in the Offer.
- (5) 78,887 Shares which Mr. Porter has acquired in the context of equity incentive plans of the Company are currently still subject to lock-up periods and therefore not transferable. Since the first of those lock-up periods only expires in December 2023, these Shares will not be able to be tendered into the Offer and will only be able to be transferred in case a Simplified Squeeze-Out or a stand-alone squeeze-out is achieved.

It is furthermore possible that Mr. Porter acquires additional Shares on the basis of the rights granted to him in the context of certain equity incentive plans. These will however also be subject to a lock-up period of two years as of the moment of their vesting.

Charles H. Bracken, Enrique Rodriguez, Amy Blair, Manuel Kohnstamm, Severina Pascu and Madalina Suceveanu *de facto* represent the Offeror.

The other directors do not represent in fact any other Shareholders.

8. Application of clauses of approval and pre-emption rights

The articles of association of the Company provide that the Golden Shares can only be transferred to other associations (*samenwerkingsverbanden*) between communes and to communes, provinces or other public law entities or private companies that are controlled directly or indirectly by public law entities or the company Fluvius System Operator CV (**Public Law Entity**). The articles of association provide further that the Golden Shares can only be transferred per package of three Golden Shares.

The Offeror is not a Public Law Entity and, as a result, the holders of Golden Shares will not be able to sell the Golden Shares to the Offeror in the context of the Offer.

In a possible squeeze-out by the Offeror (whether by means of a Simplified Squeeze-Out or a stand-alone squeeze-out in accordance with the Royal Decree of April 27, 2007 on public squeeze-out bids), the Golden Shares would transfer to the Offeror by operation of law.

Under Article 15 of the Company's articles of association, the Offeror must transfer the Golden Shares to one or more Public Law Entities within four weeks as from the date on which the Offeror has acquired legal title to the Golden Shares.

As set out in Section 4.2.3, it is to be noted that the Offeror indicates in the Prospectus that the provision of Article 15.1 would be modified in the case of the completion of the Offer followed by a squeeze-out, to ensure that also other entities than Public Law Entities can hold the Golden Shares. The Board wishes to point out that the Golden Shares are relevant for the composition of the Regulatory Board within the Company and give right to an observer in the Board. The Regulatory Board has a veto right in respect of changes that would be made to the Public Interest Guarantees. However, the Board adds that the Regulatory Board no longer meets on a regular basis but can be organised when the articles of association so provide. The Board also notes that the Offeror has confirmed in the Prospectus that the Offer, including any transfer of ownership of the Golden Shares or any change of characteristics of the Golden Shares does not affect any of the Company's obligations under the Public Interest Guarantees (to the extent still relevant).

9. Final provisions

9.1 Supplement

The information contained in this Response Memorandum refers to the status as of the date of the Response Memorandum. Any new significant fact, or material error or inaccuracy concerning the information contained in the Response Memorandum, that can influence the assessment of the Offer and which arises or becomes known to the Board between the date of the approval of the Response Memorandum and the end of the Acceptance Period will be made public in Belgium by means of a supplement to the Response Memorandum in accordance with Article 30 of the Takeover Law.

9.2 Languages

The Response Memorandum is available in Dutch, which is the version approved by the FSMA.

A translation of the Response Memorandum in French and English is available as indicated in Section 12 below. The Company has verified and is responsible for the consistency between the language versions. In case of differences between the Dutch, French and English versions, the Dutch version will prevail.

10. Disclaimer for financial advisor

Goldman Sachs is acting as financial advisor to the Company in relation to the Offer and no one else and will not be responsible to anyone other than the Company (whether or not a recipient of this document) for providing the protections afforded to clients of Goldman Sachs. Apart from the responsibilities and liabilities, if any, which may be imposed on Goldman Sachs by any applicable law, rule or regulation, Goldman Sachs accepts no responsibility or liability for the contents of this document or for any other statement made or purported to be made in connection with the Company or the Offer. Goldman Sachs accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

11. Legal advisers of the independent directors and of the Company

Baker McKenzie has advised the independent directors in respect of certain legal aspects in connection with the Offer. These services have been provided exclusively to the independent directors and cannot be relied upon by any other party. Baker McKenzie does not assume any responsibility for the information contained in the Response Memorandum.

Freshfields Bruckhaus Deringer LLP has advised the Company in respect of certain legal aspects in connection with the Offer. These services have been provided exclusively to the Company and cannot be relied upon by any other party. Freshfields Bruckhaus Deringer LLP does not assume any responsibility for the information contained in the Response Memorandum.

12. Availability of the Response Memorandum

The Prospectus (including the response memorandum as an exhibit) is available free of charge at the counters of BNP Paribas Fortis NV/SA or by telephone from BNP Paribas Fortis NV/SA on +32 2 433 41 13. An electronic version of the Prospectus is also available on the following websites: www.bnpparibasfortis.be/epargneretplacer (in French and in English) and www.bnpparibasfortis.be/sparenenbeleggen (in Dutch and in English) and on the websites of the Company www.telenetgroup.be) and LG plc (<https://www.libertyglobal.com/investors/telenet/>) by reference to a microsite dedicated to the Offer, accessible via: https://shareholder-offer.be/nl/public_offer.php. U.S. Holders may also call the following number + 1 303-220-6600 (US) or email ir@libertyglobal.com to request a copy of the Prospectus.