INTEGRATED ANNUAL REPORT 2022

Connection

VodafoneZiggo helps people make valuable connections. We are the driving force behind digitisation in the Netherlands, and use the power of technology to build the sustainable network of the future and make society stronger.

Enjoyment and progress with every connection

Connectivity is the foundation of our societies and our economies. People's lives revolve around their connections with others – friends, family, and loved ones. When they connect, they fulfil a human need for belonging. They can enjoy everything the world has to offer. This creates the opportunity for businesses and society to prosper. We are entering an exciting new era of connectivity. We are moving beyond just better-connected networks and technologies towards better-connected people. This is something to celebrate and feel excited about. It is time to move forward together – powered by connection.

In this report

Management Board report

Operational and financial highlights

AVAILABILITY OF FIXED NETWORK ✓
In %
99.97 2021: 99.92

AVAILABILITY OF MOBILE NETWORK ✓
In %
99.79 2021: 99.89

WOMEN IN TOP MANAGEMENT ✓
In %
34 2021: 30

CO_2 EMISSIONS ✓ **AND REDUCING CO_2 EMISSIONS BY HALF**[1]
Scope 1 + 2 in kTon | Scope 3 in kTon
9 2021: 9 | 381 2021: 404

Achieved CO_2 reduction in %
30 2021: 26

ENABLE TWO MILLION PEOPLE TO PROGRESS IN SOCIETY[2] Number of people in thousands and achieved result in % compared vs. 2025 target
564 2021: 335 | 28 2021: 17

BRAND NPS
Ziggo Consumer ✓
2 2021: 1
Vodafone Consumer ✓
16 2021: 12
Ziggo Business ✓
-11 2021: -11
Vodafone Business ✓
0 2021: 3

REVENUE
In € millions
4,066 2021: 4,077

ADJUSTED EBITDA AL[3]
In € millions
1,894 2021: 1,887

CAPEX ADDITIONS[1]
In € millions | % of revenue
948 2021: 830 | 23.3 2021: 20.4

OPERATIONAL FREE CASH FLOW[1]
In € millions
946 2021: 1,056

SHAREHOLDER CASH DISTRIBUTIONS[1]
In € millions
602 2021: 626

COVENANT LEVERAGE RATIO[1]
4.49x 2021: 4.42x

1 CO_2 reduction achieved compared to base year 2018.
2 Compared to the target of enabling two million people to progress in society in the period 2020-2025.
3 For definitions, see sections Alternative Performance Measures and Glossary.

The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✓ symbol.

Throughout the year

Q1

VodafoneZiggo successfully issued its first Sustainability Linked Bonds of €2.1 billion, under the new Sustainable Finance Framework. VodafoneZiggo's financing strategy is directly linked to its People Planet Progress ambition to halve its environmental impact by 2025.

VodafoneZiggo issues €2.1 billion of innovative Sustainability Linked Bonds to market

Q2

At the Utrecht Canal Pride, main sponsor Vodafone showcased its 'Real Models' campaign, which presented realistic role models to young people within the LGBT+ community. Pride visitors could also become role models themselves as part of this campaign.

Vodafone showcases 'Real Models' at Utrecht Pride

Q3

Ziggo Dome and Ziggo agreed to extend their collaboration for ten more years. Since the opening of the Ziggo Dome in 2012, Ziggo has shared a connection with the iconic Amsterdam venue as its main partner and event sponsor.

Ziggo Dome and Ziggo extend partnership

Q4

Vodafone became the first provider to introduce network slicing in the Netherlands on the public mobile network for business customers. Network slicing ensures there is always sufficient capacity for business-critical applications, even when the mobile network is busy.

Vodafone launches Network Slicing for business customers

The power of connection

Message from our CEO

In our connected society, the more we digitise, the more important our daily connections become. That is why we continue to invest in the innovative technologies that have made the Netherlands' networks one of the best in the world. In VodafoneZiggo's first Integrated Annual Report, you can read all about the connecting power of VodafoneZiggo and its positive impact on Dutch society.

The year 2022 provided us with ample opportunities to demonstrate the value of our purpose: 'Enjoyment and progress with every connection'. From the Ukraine-Russia war to unprecedented inflation and energy costs – not to mention our ongoing recovery from the coronavirus pandemic – the last twelve months have been turbulent.

For VodafoneZiggo, markets have remained highly competitive and customer behaviour has continued to transform. However, in the face of these challenges, we have underlined our value to society.

A BETTER SOCIETY

We have demonstrated our motivation to move society forward, something I see reflected throughout our entire organisation. For example, the Vodafone Foundation Instant Network team helped set up emergency mobile networks in the border areas of Ukraine. After the team returned, they shared their experiences of enabling refugees to reconnect with their loved ones. Recently, this team put their experiences to good use and travelled to Turkey to set up emergency communications in regions that were severely affected by earthquakes in February 2023. These stories fill me with pride as they show what we do really matters.

"OUR CUSTOMERS PLACE THEIR TRUST IN US FOR A RELIABLE CONNECTION."

Our efforts to support energy transition further underpin our commitment to society. Our ambition is to make ourselves and our value chain partners more sustainable – a goal every single colleague at VodafoneZiggo has a say in. Enabling our technicians to use electric cargo bikes and electric scooters when travelling the final few kilometres in city centres is just one example of this. This not only makes parking easier and enables our technicians to reach their location more quickly, but it is helping us realise our ambition to halve our CO_2 emissions by 2025. I am proud that we are coming up with these ideas and that we are making them a reality.

TECHNOLOGY FOR EVERYONE

A reliable network is a cornerstone of modern society. That is why we continue to focus on providing a secure and stable network and continually expanding it to meet our customers' needs. Since autumn 2022, for example, we have offered all our customers a connection with a download speed of 1 Gigabit per second. We are also helping entrepreneurs by providing them with the tools they need in our digitised society – from a network that enables secure, hybrid and efficient working to smart Internet of Things solutions. These are considerable achievements that a great many colleagues have worked hard to achieve.

We have also worked hard to ensure that, while our technology expands worlds and reduces distances, it does not leave anyone behind. We believe it is important to make sure that everyone is given the opportunity to participate in this digital society – in a conscious and safe way. We are therefore helping improve the digital abilities of senior citizens with our Welcome Online workshop, which covers skills like making video calls and using apps. And in our Online Masters programme, we are teaching children how to be skilful and stay safe online, as well as how to maintain a healthy balance between online and offline activities. Through these programmes, we were able to help over 200,000 people progress in our digital society this year.

THE BEST CUSTOMER EXPERIENCE

Sharing amazing experiences is what strengthens our connections. We know truly exceptional customer experience goes much further than just a secure and stable connection – they need to be super simple, super smart, and super personalised. This idea has been at the core of the VodafoneZiggo partnership for the past six years, and will continue to be, after revising our strategy in 2022. We have compiled this Integrated Annual Report on the basis of that revised strategy.

This was the idea behind our entertainment platform – the leading platform in the Netherlands – which brings together a distinctive range of sport and entertainment with major streaming services. For example, as part of Ziggo Sport, we acquired exclusive TV rights for the UEFA club football. We also continued to innovate the sustainability of our products. Last year, for example, we introduced 'Next Mini', a small and energy-efficient Mediabox.

"WE WANT TO OFFER AN EXCEPTIONAL CUSTOMER EXPERIENCE. ANYTIME, ON ANY DEVICE AND ANYWHERE."

ONE BIG TEAM

I look back at our results in 2022 with pride. We successfully achieved all our financial goals in what was a challenging market. As a result, we were able to invest almost €950 million in further strengthening our networks, products and services.

Our financial, sustainability and social achievements are only possible thanks to the dedication and hard work of all our people. We work together as one big team: from our technicians, call centre employees and shop staff to our IT professionals, marketeers and sales managers. Each of them has helped us achieve our overarching goal of offering our customers enjoyment and progress with every connection. They are the ones who, together, have enabled VodafoneZiggo re-affirm its value to society.

Jeroen Hoencamp
CEO VodafoneZiggo

About VodafoneZiggo

We are VodafoneZiggo, a leading Dutch telecom company that provides fixed and mobile connectivity, entertainment services and business services to consumer and business customers.

3.7m
2021: 3.7m
FIXED-LINE CUSTOMERS

5.5m
2021: 5.4m
MOBILE CUSTOMERS

1.5m
2021: 1.5m
CONVERGED HOUSEHOLDS

6,000
2021: 5,850
NUMBER OF ANTENNA LOCATIONS

8
2021: 8
NUMBER OF OFFICES

106
2021: 116
NUMBER OF SHOPS

500,000
2021: 450k
KILOMETRE COAX & FIBRE

* On 31 December 2022

A COMPLETE RANGE OF PRODUCTS AND SERVICES

VodafoneZiggo started in 2017 as a joint venture from a merger between Vodafone Netherlands and Ziggo, with Vodafone Group and Liberty Global as parent companies. Since then, VodafoneZiggo has become a fully 'converged operator', where we offer both fixed and mobile services. Bundling our services in this way allows us to serve our customers more effectively and grow faster as a company.

Our converged offering provides us with a host of opportunities to sell additional services to our existing customers.

In addition to our services, we offer something extra to our customers with our Priority program, which gives them access to unique live experiences at the Ziggo Dome and the Johan Cruijff ArenA, as well as discounts and priority at events, festivals and concerts.

TWO PREMIUM BRANDS

Supported by the modern and stable Vodafone and Ziggo networks, we operate as a single company that delivers two premium brands. In addition, we serve the mobile 'no-frills' segment with 'hollandsnieuwe': affordable subscriptions with basic services.

VODAFONE

One of the most innovative brands in the market for mobile telecommunications services. Vodafone was the first network to introduce 5G in the Netherlands and Vodafone Group is a global market leader in providing solutions for the Internet of Things (IoT). At the same time, Vodafone Business is an indispensable partner for the business sector in the Netherlands. We offer services to businesses of all sizes, from SMEs and self-employed professionals to government bodies and the largest Dutch multinationals.

ZIGGO

An iconic and robust brand that has become an integral part of Dutch society. Ziggo offers a broad range of fixed services and products, including a Gigabit internet network offering nationwide coverage, SmartWifi pods and digital television via the Mediabox Next Mini. We provide our unique entertainment content via state-of-the-art video platforms, with the focal point being our award-winning Ziggo GO app. In 2022, we further strengthened one of our major pillars Ziggo Sport by acquiring exclusive rights to all European-level football competitions.

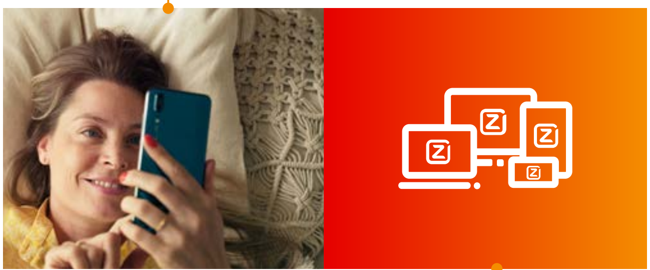
The world around us

With the war in Ukraine, exceptionally high inflation and an energy crisis, the world around is increasingly unstable. Against this challenging backdrop, digitisation has increased and expanded. The combination of the two has underlined the importance of cybersecurity and digital inclusion. In this chapter, we will discuss recent (global) events and explain how we respond.

HIGHER EXPECTATIONS

In a rapidly digitising world, customers – both consumer and business – expect to be able to take care of most things in life with a swipe or a few clicks. The speed at which we can make a purchase or order groceries online is a great example of this.

Keeping up with customer expectations is a challenge – but one we are excited to meet. Our digital systems are ready to serve our customers anytime and anywhere, whether they want to record their favourite series remotely or easily change their subscription in the My Ziggo or My Vodafone app. And our customer service team is always on hand to answer questions via either app's chat function.



COMPETITIVE MARKET

We are operating in a competitive market; one made more challenging by our competitors investing in and installing fibre optic cables and connecting homes with them. We have responded by improving our own network, combining fibre optic and coaxial cables, which means we can continue to amply meet the demand for a fast and stable connection now, and in the future.

At the same time, the TV landscape has changed. Viewers have swapped traditional television viewing for streaming, with service providers now competing hard for consumers' attention (and their budget). At VodafoneZiggo, we primarily play a facilitating role. Our aim is to be the 'home of entertainment' for our customers, which we do by integrating all relevant streaming services on a single platform, and by offering exclusive content and Ziggo Sport on top.

Elsewhere, in the world of business, telephone calls have partly been superseded by video conferencing – a trend that impacts our services portfolio and how our customers do business. In response, we are helping small and medium-sized enterprises take advantage of the opportunities digitisation has created. For example, our V-Hub platform provides users with information on the very latest business topics, such as working from home efficiently and securely, selling online and opportunities to further develop digital capabilities.

THE ENERGY CRISIS IS STIMULATING SUSTAINABILITY

The Netherlands is part of the global energy transition towards a fossil-free future. Energy conservation was already a national concern but is now an even greater priority due to the ongoing energy crisis.

At VodafoneZiggo, we are continually making improvements to reduce our impact on the environment, not only for our organisation but also for our chain partners and our customers as well. In 2022, we expanded measures to reduce our energy consumption. We increased our energy efficiency, for example by installing smarter software. We are also replacing old equipment with new devices that consume less energy. For instance, we expedited our plan to provide our customers with a new, energy-saving TV platform: the Mediabox Next Mini.

High energy prices have prompted customers to invest in smart and energy-saving electronics at home, such as smart thermostats, lighting and plugs – increasing demands on our customers' home networks and WiFi coverage. We responded to this with SmartWifi pods and new WiFi6 modems.

ATTRACTIVE EMPLOYER

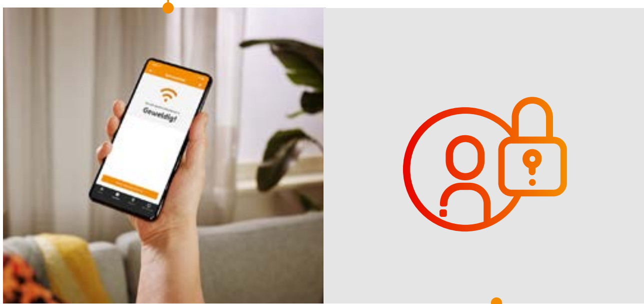
Labour market shortages reached a crisis point in 2022, with staff shortages across all professional groups, according to the *Spanningsindicator* (Tensions Indicator) of the Employee Insurance Agency (UWV). As a result, the labour market was under twice the amount of pressure than it had been one year earlier – a new record.

To remain relevant and innovative, we attach great importance to being an attractive employer for our existing and prospective employees. We offer a modern and market-leading employment package that includes the option of hybrid working, a diverse, equal and inclusive culture, a competitive annual leave scheme, and unlimited training and development opportunities.

STRONG DIGITAL CONNECTIVITY

The Netherlands is one of the best-performing countries in Europe for digitisation. That is evident from the Digital Economy and Society Index 2022 (DESI 2022), which tracks the development of digital technology in Europe across a variety of fronts.

At VodafoneZiggo, we are constantly investing in our network to connect the world and maintain the Netherlands' position as a digital leader. In 2022, we provided all Ziggo customers in the Netherlands access to internet with a download speed of 1 Gigabit per second. In addition, 93.7% of the populated areas in the Netherlands are already benefiting from our 5G mobile coverage – making the country one of the front runners for 5G coverage.



AN INCREASING FOCUS ON (CYBER)SECURITY

Far-reaching digitisation also has a downside: the number of cyberattacks has risen explosively in recent years. The increased risk of digital disruptions can partly be attributed to geopolitical developments. Cyberattacks – including malware, phishing and DDoS attacks – are becoming increasingly dangerous and more advanced.

With our 'Security First' initiative, we are providing our customers, our company and our employees with a secure network. In doing so, we apply the highest standards. Moreover, we are helping our customers protect their vital infrastructure so that they can focus on taking advantage of the opportunities the digital world offers with confidence.

INFLATION AND REDUCED PURCHASING POWER

Unprecedented high inflation has been a significant challenge for Dutch households in 2022, reducing their purchasing power considerably. As a result, it is more difficult for certain groups to buy an internet subscription, even though being digitally connected is now a primary necessity of life.

We believe everyone should be able to use our products and services. That is why we, as part of the Alliantie Digitaal Samenleven (Digital Society Alliance), partnered with the telecommunications sector to launch a pilot project in 2023 examining a potential 'social inclusion package' for those unable to afford an internet connection.

THE IMPORTANCE OF DIGITAL INCLUSION

According to DESI 2022, 67% of people in the Netherlands possess basic digital skills – well above the EU average of 54%. However, there is still a long way to bridge the digital divide between people who have access to and can effectively use digital technologies and those who do not.

VodafoneZiggo is working to ensure that everyone can participate in our digital society. Together with our partners, we continued to develop various programmes in 2022, such as 'Online Masters' and 'Welcome Online', to help people become digitally literate. We are also continually looking to see how we can make our products and services more accessible for all our customers.

UNPREDICTABLE WORLD

Many of the major events that defined 2022 came as a surprise. This underlines once again how unpredictable economic developments can be. Looking ahead, we are sufficiently confident that we can promise that we will continue to remain at the forefront of the areas mentioned above. From smart devices to 5G. From sustainability to digital inclusion. From working wherever you want to a stable and reliable connection – throughout the Netherlands.

Our Experience Centre

The VodafoneZiggo Central Office in Utrecht is home to the Experience Centre, a place where our purpose comes to life. Customers, new employees, youth groups, representatives of municipalities and educational institutions are introduced to VodafoneZiggo and the idea of 'enjoyment and progress with every connection'.

A hologram that provides information about our fixed and mobile networks. A 3D-show that demonstrates the impact of our technology. And the chance to dance in a mini Ziggo Dome. At our Experience Centre, there is so much to see and do, as well as versatile spaces for groups to come together and share knowledge.

EMPLOYEES

All new office employees start their VodafoneZiggo career with an introductory meeting at the Experience Centre, where they are welcomed by the HR department and our Chief Operating Officer (CEO), Jeroen Hoencamp and briefed on the business goals and values of VodafoneZiggo. The same applies to new shop employees, who are also welcomed by the Retail department.

BUSINESS CUSTOMERS

VodafoneZiggo also welcomes customers to the Experience Centre, such as B2B customers, who take part in interactive sessions that focus on future opportunities – analysing where their company is now and in which direction they would like to grow. Customers can choose between two inspiration sessions: 'Smarter Business: responding to the opportunities offered by the Internet of Things and Big Data' and 'Digital Workplace: responding to the emergence of (more) flexible working'.

MUNICIPALITIES AND SCHOOLS

We also invite representatives from municipalities and schools to visit the Experience Centre to get to know VodafoneZiggo and share knowledge among themselves. After all, many municipalities and schools are now facing the same challenges. The B2B and Public Affairs departments deliver sessions in which participants have an opportunity to examine how they can support each other in responding to difficult issues.

SCHOOL PUPILS

The Experience Centre is a big day out for children. Organised by VodafoneZiggo's Corporate Social Responsibility (CSR) department in collaboration with children's non-profit JINC, school trips to the Experience Centre are a chance to learn how to be active online and on social media safely and consciously. Pupils can also experience new technology up close, from seeing inside a fibre node to programming their own game.

MEETING AND GETTING STARTED

All in all, the Experience Centre is designed to develop human networks. We bring together progressive thinkers with the technologies and professions of the future. We connect like-minded people and introduce them to what VodafoneZiggo has to offer. It is a starting point for new careers, active collaborations, and advanced projects, as well as a place in which to experiment and to amaze.

Helping society

PEOPLE PLANET PROGRESS FESTIVAL FOR COLLEAGUES

If we want to realise our ambitions to improve the world around us, we need actions as well as words. With that in mind, we organised the People Planet Progress Festival once again in 2022 – a week full of inspiring sessions, well-known speakers and captivating stories that focused on making VodafoneZiggo even more inclusive.

Professor of Communication Science Alexander van Deursen kicked off the festival with an inspiring session on digital inclusion. During a session given by MuZIEum, colleagues were given a lesson in empathy as they were transported into the world as experienced by people with vision impairments with the aid of virtual reality. By experiencing what life is like for those who are blind, colleagues were able to develop ideas on how businesses can ensure those with disabilities are included in tomorrow's world.

We also held our inaugural award ceremony for employees who solved a major problem with a new small idea. The ceremony is our way of building an innovation culture and encouraging employees to think about how they can make VodafoneZiggo more sustainable.

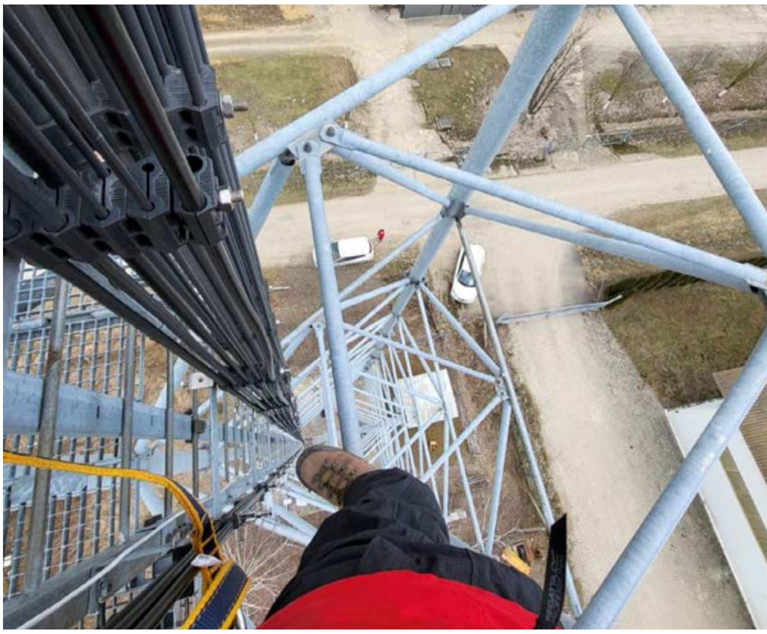
INSTANT NETWORK FOR UKRAINE

Our thoughts are with all those affected by *the war in Ukraine*. It is our duty to help where we can, which is why we donated 12,000 prepaid SIM cards to Ukrainian refugees in the Netherlands and made calls to and from Ukraine free for all of our customers.

Through the Vodafone Foundation's Instant Network programme, we set up emergency networks with free WiFi in border areas of Ukraine and laid connections in masts, emergency buildings and train stations. In June, we travelled to a former summer camp in Poland, where 120 Ukrainian orphans are currently living, and installed a free WiFi network.

We also supported refugee families in the Netherlands. Together with the municipality of Gooise Meren, we accommodated 120 Ukrainian families in a hotel. We facilitated offices, transport and internet connections while the municipality enabled education and healthcare programmes. We offered children respite by adding Ukrainian Nickelodeon to all our TV packages.

We made sure that Ukrainians new to the Netherlands could use our new fast-track application process to apply for a job at VodafoneZiggo, with a bespoke career platform for adults who wanted to start working quickly. We are pleased to say we can already count many of them among the VodafoneZiggo family.



ENERGY CREW FOR ENERGY REDUCTION

Sustainability is an integral part of our strategy. That is why we have an Energy Crew – a team of energy-conscious colleagues from all corners of our company who have already identified more than a hundred possible energy savings across the business. In 2022, motivated by the energy transition and rising energy prices, they focused on accelerating the reduction of our energy consumption. The result is an ambitious action plan, which our Energy Crew is implementing.

Further energy efficiency measures include switching off outdated services and installing energy-saving software updates. Furthermore, IoT solutions have enabled us to make our buildings smarter. For example, if there are no people in a room, then the IoT-supported heating will be turned down automatically.

We also do our best to reduce our customers' energy consumption, for example, by replacing old media boxes with the Mediabox Next Mini. The Mini uses less power, switches to standby automatically and has a power saving mode. Moreover, it is made of 85% recycled material and fits through the letterbox with ease – enabling more energy-efficient delivery that doesn't require a courier.

"A TEAM OF VOLUNTEERS FROM VODAFONE TRAVELS TO DISASTER AREAS TO HELP SET UP EMERGENCY NETWORKS."

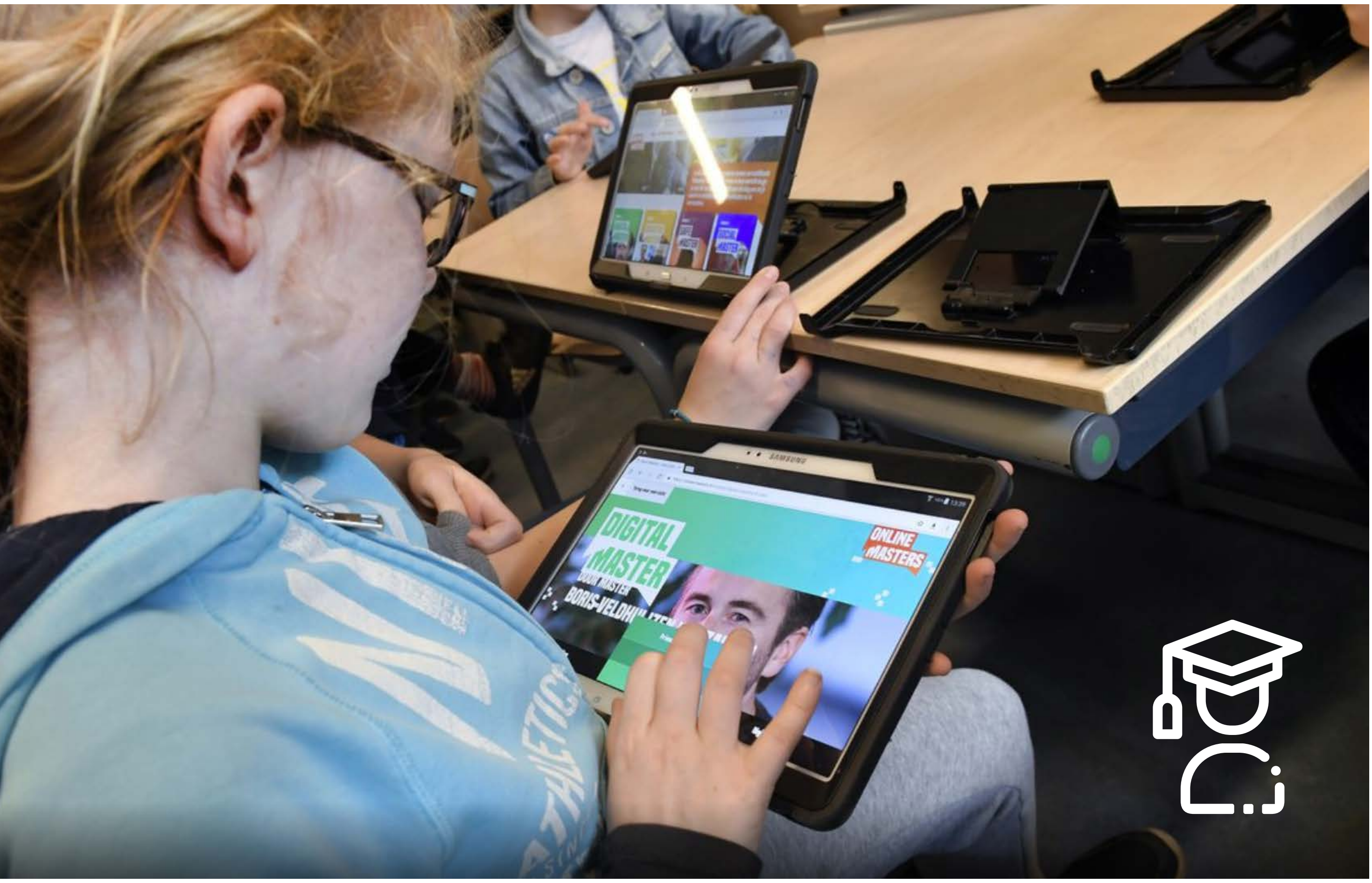
ONLINE MASTERS FOR KIDS

To ready young people in the Netherlands for our fast-paced, digital world, we launched an innovative programme to prepare them: Online Masters. This free teaching package has already allowed us to teach important digital skills to more than 550,000 pupils, focused on four themes: the digital world, online skills, safe online and the balance between online and offline.

The lessons, developed together with Safe Internet and Mediawijzer.net, invite field experts – from professors to vloggers – to pass on insights to pupils in the upper years of primary education and lower years of secondary education. With the aid of engaging video lessons, they learn about making the most of the opportunities that digitisation has to offer.

Online Masters also featured specifically-designed modules for teenagers in special education, as well as teachers and parents involved in their education. The former are taught about online bullying and sexting, teachers brush up on online gaming and programming, while parents are provided with an Online Masters@Home module, so that they can stay up-to-date with digital education.

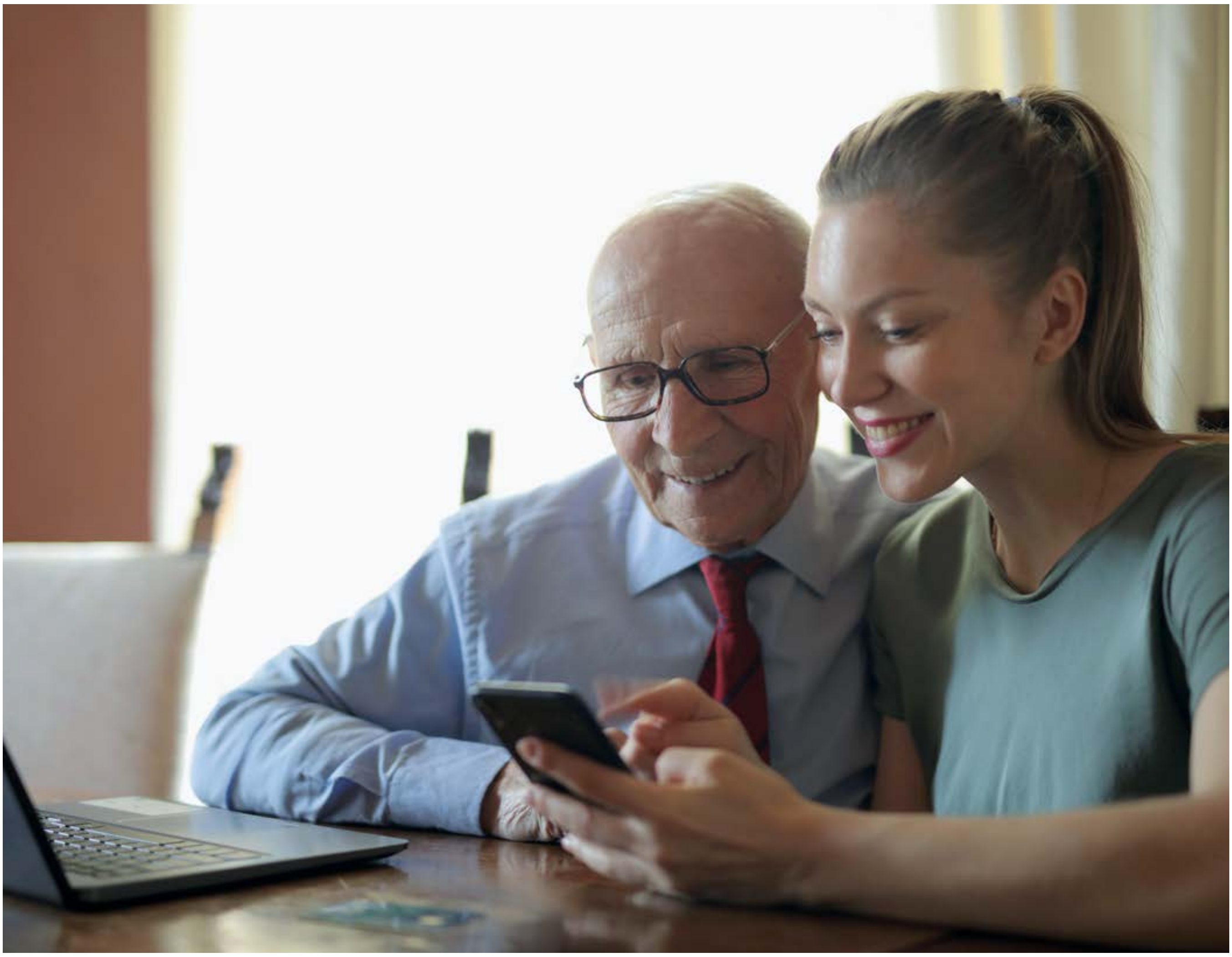
"IT IS ESSENTIAL THAT WE PROVIDE CHILDREN AND YOUNG PEOPLE WITH THE RIGHT DIGITAL KNOWLEDGE."



WELCOME ONLINE FOR ELDERLY

Not everyone can navigate the digital world so easily. Elderly, for example, sometimes feel left out, frustrated or powerless because they cannot keep up. For them, together with ASML and the National Foundation for we established the Welcome Online teaching programme – an accessible way for them to explore the digital world gradually.

Welcome Online is a free online teaching programme for anyone who wants to become more digitally literate. Through various workshops, students learn about digital topics and develop basic skills. Examples include online banking, making an appointment with the general practitioner online or using an app to plan a trip. Volunteers from the National Foundation for Elderly, ASML and VodafoneZiggo teach these classes. We also created and debuted the documentary series Welcome Online in 2022 – an online show that followed five elderly students learning how to make better use of the internet thanks to this course.



Our strategy

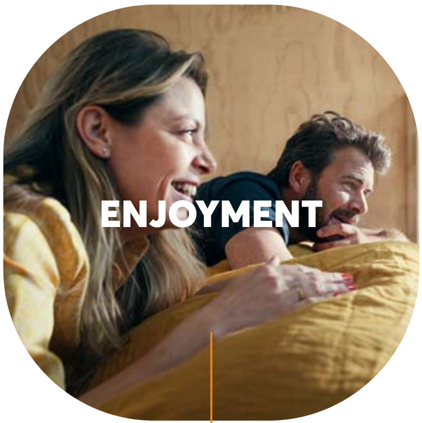
What sets VodafoneZiggo apart from the rest? What role do we play in our customers' lives, and in Dutch society as a whole? Our goals and our strategy set the direction for everything we do – from small choices to major investments.

OUR PURPOSE

VodafoneZiggo makes valuable connections; between people and for people. Whatever connection our customers make – video calls to their grandparents, with family at home in front of a good movie, or while presenting a project to a screen full of colleagues – we ensure that they can maximise every moment and continue to move forward. This is fully reflected in our purpose at VodafoneZiggo:
enjoyment and progress with every connection.

We are ready for the future. It is a future in which we make innovative technology available to everyone. In which we bridge every divide possible and bring people closer, wherever they are.

In which we ensure that the Netherlands remains a digital frontrunner. And in which your world will become smarter, faster, more sustainable and more enjoyable – at home, at work and on the road. That is the power of connection. That is the power of VodafoneZiggo.



We create content and develop technology that inspires people and brings them enjoyment.

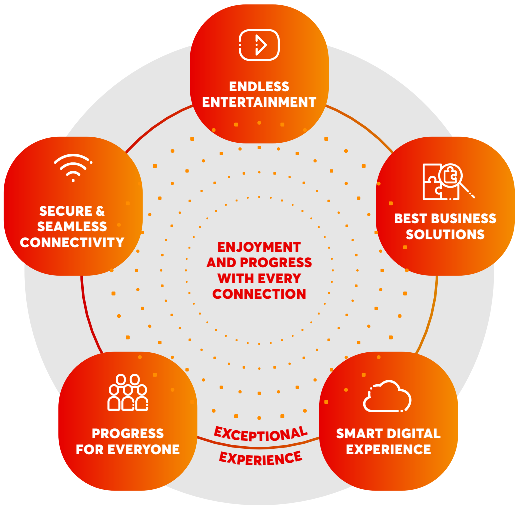
Working, playing, relaxing, creating and meeting: it is always within hand's reach.

We are a driving force behind innovation and digitisation in the Netherlands.

We build and manage the infrastructure that makes everything possible: a stable, smart and future-proof network. Our technological processes are helping society move forward.

OUR STRATEGIC FOCUS

We put our customers first in all that we do, day in and day out. Providing an exceptional experience is therefore the central theme in the revised strategy that we developed in 2022 and launched at the beginning of 2023. The strategy itself concentrates on five focus points:



How we enjoy the challenge

Our ambitions are huge. To achieve them, we work as one team. From our technicians and shop assistants to IT staff, marketers and sales managers, everyone is working together to offer customers enjoyment and progress. This will only succeed if our employees have the best working conditions and feel good. That is why we have created a culture of openness, equality and respect. We bring together a wonderful mix of people with diverse backgrounds, cultures and characters. We offer them opportunities to grow, take on new challenges and bring out the best in themselves and each other.

SECURE & SEAMLESS CONNECTIVITY

Every day, VodafoneZiggo creates countless connections. Between people, businesses and even smart devices. We improve and upgrade our network continuously to meet the needs of millions of Dutch people, so our customers can enjoy a safe, seamless and carefree connection wherever they are.

ENDLESS ENTERTAINMENT

The excitement of a sports match, a riveting film or an unforgettable concert. When it comes to entertainment, we are just as passionate as our customers. We go all the way to provide an exhilarating experience. We are creating the Netherlands' leading entertainment platform, where people come for their favourite films, series and sport. An easy-to-use search function and personal recommendations make the experience complete. Furthermore, we offer our customers priority access to live concerts and sports competitions with our Priority programme.

BEST BUSINESS SOLUTIONS

The Netherlands is home to over two million companies, from pioneering start-ups to major players on the global market. Together, they are the driving force behind our economy. What aids their success? Strong connections and constant innovation. VodafoneZiggo provides them this, with technology that enables secure, hybrid and customer-oriented working, as well as IoT applications that make cities smart. This makes us a rock-solid partner and a driving force behind digitalisation in the Netherlands.

SMART DIGITAL EXPERIENCE

By accelerating our digitisation, we can provide large-scale, exceptional customer experiences. We are busy creating super simple, super smart and super personal customer journeys, making VodafoneZiggo the go-to partner in people's everyday digital lives.

PROGRESS FOR EVERYONE

The more digitised our world becomes, the more important it is to make sure nobody gets left behind. Our mission is to ensure everyone can participate properly, consciously and safely. That is why we help elderly acquire digital skills and teach children how to be safe online and maintain a healthy balance between online and offline activities. In addition, we are examining how we can make our products and services more accessible to vulnerable target groups.

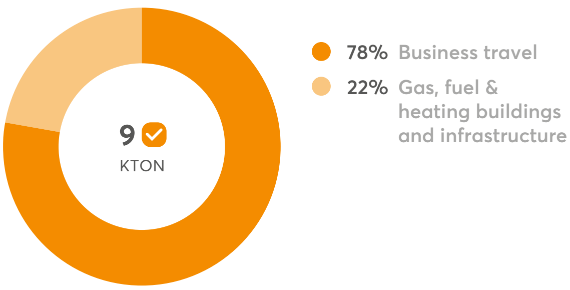
We are also making these contributions to society in a more sustainable and more inclusive way. We have firm ambitions to reduce our CO_2 footprint and sett clear conditions for who we work with in our value chain. Our sustainable products and services are also enabling our customers to save energy.

People Planet Progress

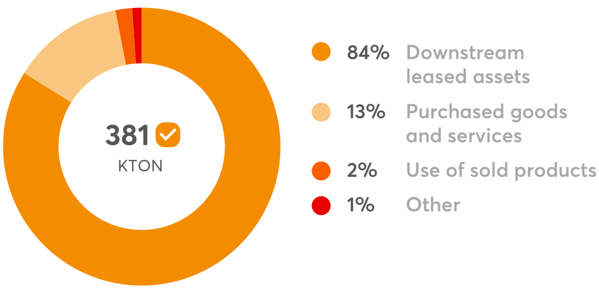
Our products and services bring people together and enable us to have a positive impact on millions of customers. We want to make that contribution in an even more sustainable and inclusive way.

This is reflected in the goals of our Corporate Social Responsibility strategy, under the heading of People Planet Progress (PPP). By 2025, we intend to halve our environmental impact and enable two million people to progress in society. Under the watchful eye of our Corporate Social Responsibility team, the entire organisation is playing its part to achieve these goals.

SCOPE 1 + 2 CO_2 EMISSIONS IN 2022



SCOPE 3 – CO_2 EMISSIONS IN 2022



The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✓ symbol.

PEOPLE

Digital developments offer lots of opportunities, but they also create inequalities in what's otherwise known as the 'digital divide'. VodafoneZiggo is striving to ensure that everyone gets the opportunity to participate in the digital society fully. Thanks to our technologies and programmes, we are improving the lives of vulnerable groups and society as a whole, with a focus on three key areas:

- Making sure that everyone has the right skills to participate in the digital society of today and tomorrow
- Ensuring that everyone has appropriate access to digital products and services
- Ensuring that our own products and services are accessible to everyone

PLANET

Our overarching objective by 2025 is to reduce CO_2 emissions within the entire chain (Scope 1, 2 and 3 emissions) by 50% compared to 2018. We will then offset the remaining emissions within our own chain, reducing them to zero. We are focusing on three key environmental performance areas:

- Environmentally-friendly working: we are minimising the ecological footprint of our network (electricity, fossil fuels and e-waste) and our buildings (shops and offices)
- Sustainable products & services: we are reducing our production emissions and the energy consumed by our products and services, and we are using less and less packaging materials
- Sustainable mobility: we are minimising the ecological footprint of our mobility (leased vehicle fleet, technicians' vans, commuting and flights)

PROGRESS

Digital innovations offers great opportunities to advance society. Within our Business segment we have seen many examples of ways in which our technology and our network can progress society in groundbreaking ways. Some examples of these innovations include:

- Remotely monitor dikes to prevent floods
- Enabling diagnostic healthcare through 5G Vodafone Business
- Narrowband IoT solution to measure water levels and improve irrigation

To stay on track, we measure our performance against various indicators and our ambitions for 2025. We use the insights that this generates to adapt our approach, increase our positive impact on society and reduce our negative impact on the environment. In 2022 we enabled another 229,000 people to progress in society. Since 2020 we helped in total 564,000 people, mainly via our Online Masters programme. This results in achieving 28% of our ambition to enable 2,000,000 people to progress in society between 2020 and 2025.

Sustainability ambitions

Sustainability and circularity are playing an increasingly significant role in our entire organisation. There is a growing awareness among our employees of the importance of both, which is being translated into robust ambitions and measurable results. We are constantly looking for opportunities to work more efficiently, consume less energy and use fewer raw materials. Here, you can read about the steps we took in 2022 and how they contribute towards our ambitions.

SUSTAINABLE GOALS

Our overarching goal for 2025 is to reduce CO_2 emissions by 50% compared to our emissions in 2018. In addition, our aim is to significantly increase the energy efficiency of the organisation between 2021 and 2024. We achieve this by earmarking various energy initiatives within the organisation. An example of such an initiative is the continuous decommissioning of legacy mobile equipment in our network.

Many factors influence our CO_2 footprint, such as our network, how we use vehicles and, most importantly, how we design our products. We believe we can be more efficient in improving our environmental impact if we collaborate across departments. Every business department at VodafoneZiggo has ambassadors of our People Planet Progress strategy who drive change inside their teams – enabling us to make lasting sustainable changes in how we operate.

SUBSTANTIAL REDUCTION IN CO_2 EMISSIONS

Our CO_2-reduction goals for 2025 have been approved by the Science Based Targets initiative (SBTi). This means they are in line with the reduction necessary to limit global warming to no more than 1.5°C – the most ambitious objective of the Paris Agreement[1].

At VodafoneZiggo, we aim to transform our value chain operation to be fully CO_2-neutral[2]. We are taking all the steps we can at this point to accelerate the initiatives that have a significant impact on our CO_2 reduction efforts. Our goal is to reduce our emissions yearly until the official SBTi target year of 2050 and beyond.

We offset Scope 1 and 2 CO_2 emissions that we genuinely cannot prevent by supporting Gold Standard-certified climate projects. This is the highest standard applicable to CO_2 reduction projects.

1 The Paris agreement's aim is to keep global temperature rise this century well below 2 degrees Celsius and to pursue efforts to limit temperature increase even further to 1.5 degrees Celsius.
2 According to the SBTi standards for the ICT sector, 'net zero' means that by 2050, at least 95% of the scope-1 and scope-2 emissions and 90% of the scope-3 emissions will be reduced to zero and any residual emissions will be offset.

In 2022, for example, we offset our direct CO_2 footprint amounting to 9 kTon of CO_2 by investing in a wind farm in Turkey. Every year, we carefully select a project that resonates with our core values and where we believe we can make the most impact.

SUSTAINABLE FINANCING

After issuing green bonds in 2020, we introduced 'Sustainability Linked Bonds' in 2022, which directly links our financing strategy to our environmental performance goals. It incentivises reaching our goals because doing so will unlock lower repayment costs, while failure to do so will result in an interest penalty. We will reinvest any savings into environmentally friendly and sustainable projects within VodafoneZiggo.

INTERNATIONAL STANDARDS

Like our parent companies, Vodafone Group and Liberty Global, we are committed to the Science Based Target initiative (SBTi), in which an independent party assesses our sustainable goals against the Paris Agreement. We also comply with important international rules such as the European Energy Efficiency Directive (EED), and the international standard for environmental management systems (ISO 14001). And we have build our energy management system in accordance with the international standard for energy management systems (ISO 50001).

OUR AMBITIONS AND OBJECTIVES

This is how we are reducing our impact on the climate:

- We are limiting our CO_2 emissions. Our overarching strategy is to reduce our CO_2 emissions within the entire chain (Scope 1, 2 and 3) by 50% in 2025 compared to 2018
- We aim to save at least 287 TJ of energy between 2021 and 2024
- Since 2013, we have purchased 100% green electricity with Guarantees of Origin (GvO) from European wind energy. By purchasing GVOs we ensure the renewable energy was generated within the European economic zone
- For Scope 1 and 2, we offset the CO_2 emissions that we cannot prevent. We do that by supporting Gold Standard-certified climate projects, the most stringent standard that applies to CO_2 reduction projects

This is how we are saving energy and limiting our CO_2 emissions:

- We are reducing our energy consumption in our offices and shops as much as possible. One of the ways we are achieving this is by operating fewer office sites and fewer shops and by making flexible working highly accessible. We also print as little as possible, have installed LED lighting and monitor our consumption using smart meters
- We are innovating our network with low-energy and efficient solutions. Examples of this include using equipment that consumes less energy, utilising smart solutions to cool our data centres, phasing out old equipment and network technology and creating synergies between our fixed and mobile networks
- We are also making our new media boxes smaller and more energy-efficient by deploying the latest technologies. Customers can adjust the energy level themselves
- We are encouraging sustainable mobility among our employees by making it possible for everyone to travel by public transport free of charge for business and private purposes
- We are greening our vehicle fleet. By introducing more electric leased cars, electric vans, electric scooters and bikes for technicians

This is how we are contributing towards a circular economy:

- In our logistics processes, we use as many biodegradable materials as possible
- We recycle our customers' old or broken equipment or encourage customers to hand it in at a Wecycle recycling point
- We are constantly reducing the number of packaging materials we use by packaging our products in a smarter way with less empty space. This reduces the amount of material required and reduces empty space and empty runs during transportation
- We also offer services such as the Vodafone Trade-in deals and the Smartphone Scan so that consumers can make conscious choices to extend the service life of their phones and get the most out of them: recycle, reuse, repair and reduce

Creating value for our stakeholders

The value creation model shows what value we create, for whom and how. This approach is derived from the guiding principles of the International Integrated Reporting Framework. The model clearly sets out what we need in order to carry out our operational activities (input), what we do with that input (business model), the results of what we do (output) and what impact this has on the environment and on society (impact).

INPUT

As an organisation, use various forms of short-term, medium-term and long-term capital. One of our most important forms of capital is our network, which includes transmitter masts, fibre nodes and underground cables. Financial resources are needed to make essential investments in our network, people, and sustainable and innovative solutions.

One of our most crucial assets is our people, as they put our strategy into practice. Their knowledge, experience and commitment are the driving forces behind our company. We also need access to natural resources such as energy, water and raw materials for the development of our networks, our offices and the products we sell. Finally, we work closely with our stakeholders and social partners to make a valuable contribution to society.

BUSINESS MODEL

Our core activities and strategy are the key focus in the value creation model. The strategy is focused on achieving our purpose: enjoyment and progress with every connection. We do this by concentrating on five strategic focus points:

- Secure & seamless connectivity
- Endless entertainment
- Best business solutions
- Smart digital experience
- Progress for everyone

Our core activities are therefore focused on these strategic focal points and contributing towards our goal. Finally, we use our organisational structure as a starting point in the management of our internal and external risks and our ethical conduct.

OUTPUT

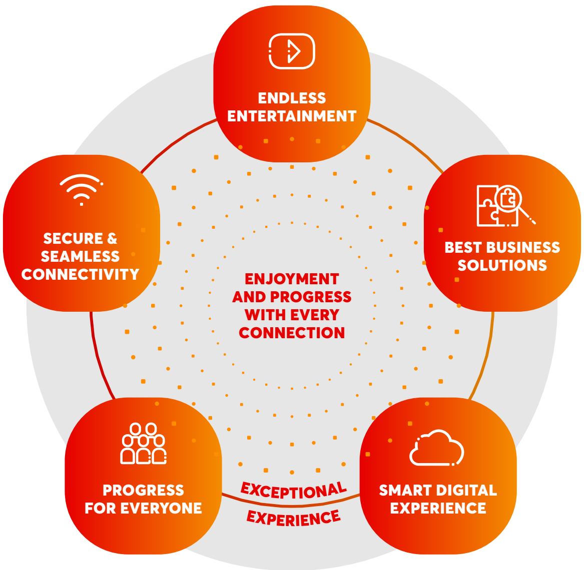
Our most important output are our reliable and future-proof networks that are continuously used by millions of customers every day. We do everything possible to enable customers and employees to be online and experience a safe and privacy-protected digital environment.

The Net Promoter Score (NPS) reflects how our customers perceive our service. We use this to determine to which extent customers would recommend our products to others. In this way, we can better understand how customers perceive our products and which parts of them need further improvement.

We want our products and services to play their part in creating a healthier, more efficient, sustainable, and safer society. The introduction of the energy efficient Mediabox Next Mini in 2022 is one way in which we have done this. We have also been working for several years to create Internet of Things solutions to enable efficient business operations and an improved customer experience.

Our output also includes our energy consumption, CO_2 emissions and material streams. We monitor our environmental performance closely and are working hard with our chain partners to reduce our footprint and become an increasingly sustainable organisation.

In 2022, we achieved a healthy financial result, which means we can continue investing in our network, innovative products and services, and our employees – for whom we have strived to create an inclusive organisation that encourages everyone to be themselves and helps them feel safe and at home.



"OUR GOALS ARE TO HALVE OUR ENVIRONMENTAL IMPACT BY 2025 AND TO ENABLE TWO MILLION PEOPLE TO PROGRESS IN SOCIETY."

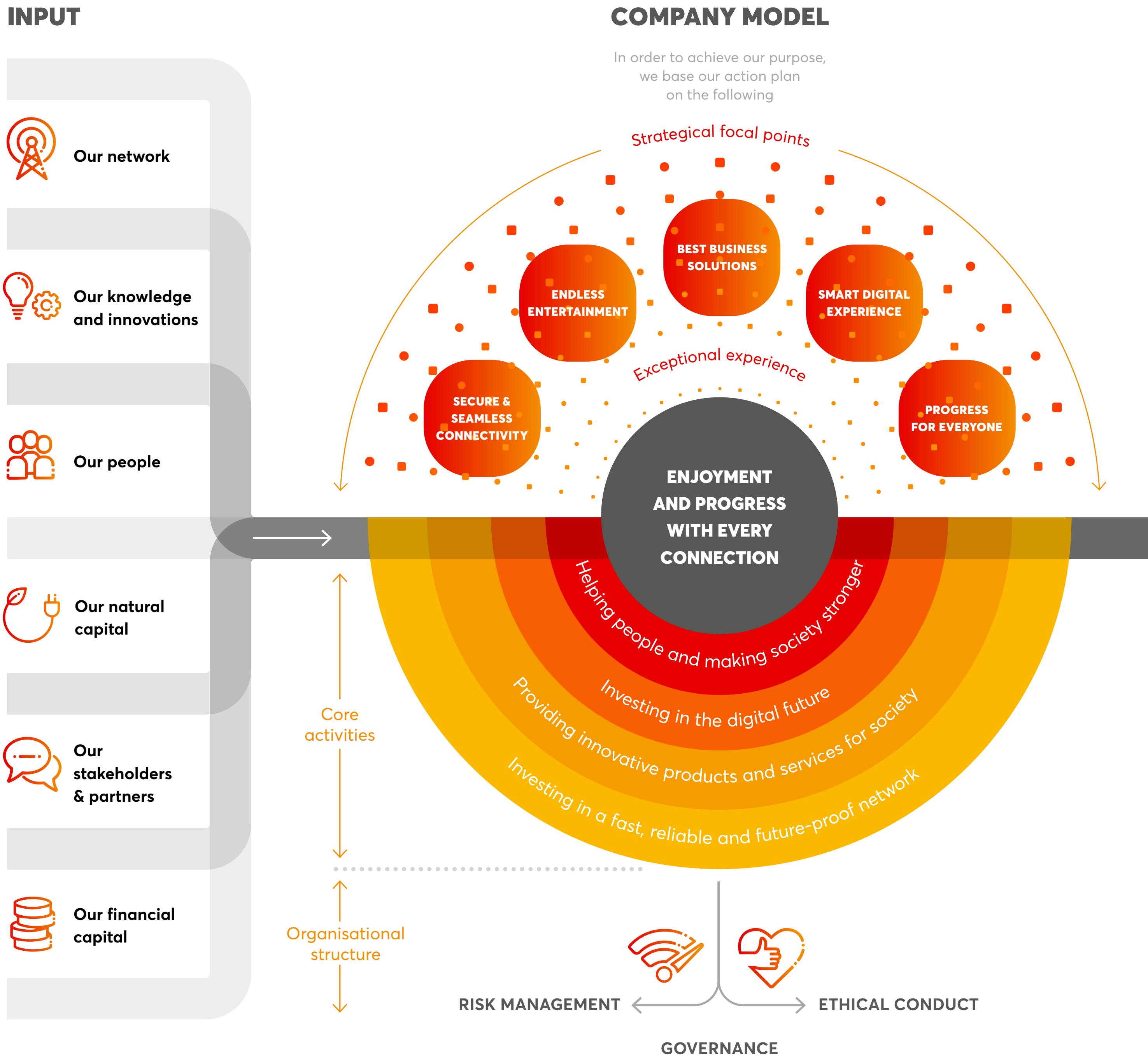
IMPACT

Our outputs are what enable us to have an impact on society and to create economic, social and ecological value. First and foremost: our role is essential in an increasingly digital world to ensure that the Netherlands remains connected. With our networks, we are making it possible for millions of people to stay in touch with friends, family, colleagues, classmates and customers. In addition, we are also working on making our society healthier, greener and safer through our products and services, and we are doing that together with our partners in the chain.

Our People Planet Progress strategy aims to halve our environmental impact by 2025 and to enable two million people to progress in society. To achieve these goals, we have set several targets and continue to communicate the results of our impact – as shown in our value creation model. This strategy will also help us meet six UN Sustainable Development Goals (SDGs) by 2030.

Value creation model

The value creation model shows the very essence of our organisation at a glance: what value we create, for whom and in which way.



“WITH OUR NETWORKS, WE ENABLE MILLIONS OF PEOPLE TO STAY CONNECTED.”

OUTPUT

Reliable and future-proof network	• Availability of fixed network 99.97% • Availability of mobile network 99.79%
Data security & privacy for our customers	• 54 data breaches reported to the Dutch Data Protection Authority
Putting the customer first	• Brand NPS Ziggo consumer +2 business -11 • Brand NPS Vodafone consumer +16 business 0
Innovative products and services for society	• 41% active Ziggo Go users • 1.8 million customers with the newest generation TV watching experience and 1.6 million SmartWifi pods provided to customers • 3.7 million fixed-line customers and 5.5 million mobile customers
Diversity, equity and inclusion	• 115 persons at a distance to the labour market employed • 34% women in top management
Environmental performance	• Energy consumption 1,040 TJ • CO_2 emissions 390 kTon
Financial performance	• €4,066 million Revenue • €1,894 million Adjusted EBITDA AL

IMPACT

SOCIAL AMBITION 2025

Social and digital inclusion
28% achieved of the goal to enable two million people to progress in society by 2025

Environmental effects
30% CO_2 reductions achieved of the goal to halve our environmental impact by 2025 (baseline year 2018)

PEOPLE PLANET PROGRESS

People
- Leave no one behind (SDG 4)
- Most inclusive company (SDG 10)

Planet
- Fossil free mobility (SDG 7)
- Energy efficient and climate neutral network (SDG 7)
- Sustainable products, accessories and packaging (SDG 12)

Progress
- Secure & seamless connectivity (SDG 9 and SDG11)
- Ethical and sustainable value chain (SDG 9)
- Solutions for a healthier, greener and safer society (SDG 11)

CONTRIBUTION TO THE SDGS

Stakeholder interaction and materiality

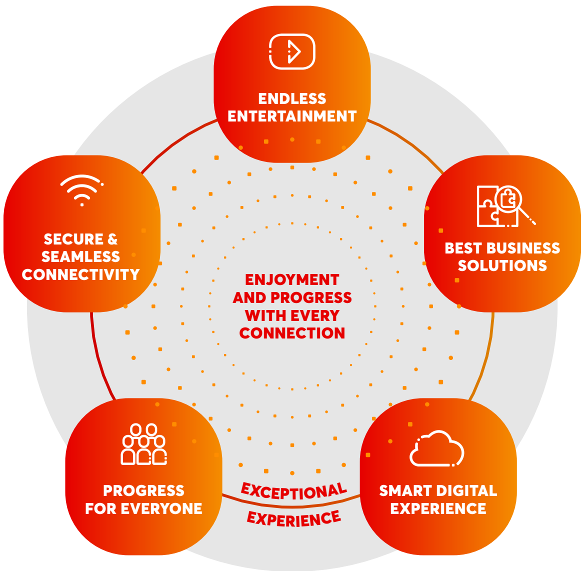
In this Integrated Annual Report, we provide an up-to-date picture of the topics that are relevant to our stakeholders and us. To determine those topics, we consulted internal and external stakeholders, reviewed our strategic pillars and examined the developments within society that affect our organisation.

The process to define our material topics began with surveys, media and political scans, issue analyses, individual interviews and an employee satisfaction survey called Heartbeat. We also reviewed reporting guidelines, our reputation surveys, business risks, trend analysis, market developments and factors that affect trust and reputation. All of these sources enabled us to identify what we consider to be the most material topics. Together, they form the basis of our Integrated Annual Report.

In 2021, we asked our internal and external stakeholders to prioritise the material topics. Material topics are those topics which, in the eyes of its internal and external stakeholders, enable VodafoneZiggo to have the most significant impact on society (people and the environment). In 2022, we internally reviewed our material topics again, assessing and reformulating them as necessary to better align with the way we managed the material topics during the past year. The outcomes of these reviews were then reviewed and approved by our Senior Leadership Team (SLT) and Senior Management Team (SMT). The SLT and SMT are ultimately responsible for actions and performance concerning the identified material topics.

Based on internal discussions and market developments, we have implemented the following changes:

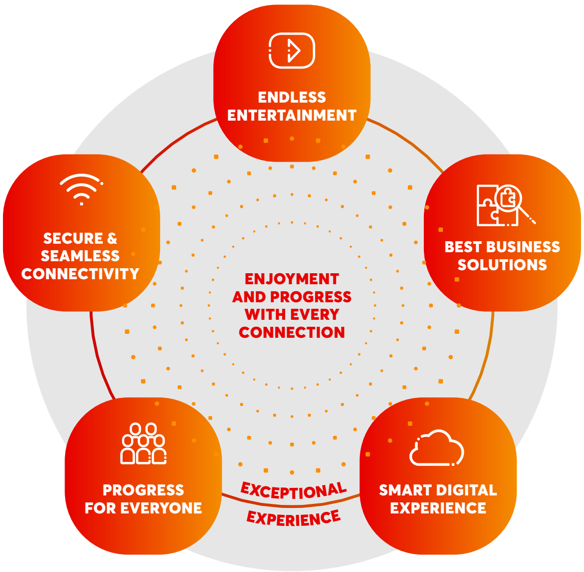
- 'Innovative products and services' and 'Technological solutions for society' were merged to become 'Innovative products and services for society'
- 'Data security of our customers' and 'Privacy of our customers' were merged to become 'Data security and privacy of our customers'
- 'Circular economy' and 'Energy consumption and CO_2 emissions' were merged to become 'Environmental performance'. In addition, we discovered that awareness for and impact of the subject have increased. For that reason, we added this topic to the top five of our most material topics



- From our interaction with our stakeholders, we discovered that they are now focusing more closely on the following topics: 'Putting the customer first', 'Digital inclusion for everyone' and 'Employer of choice'. In addition, we found out that, by focusing on these themes, we can increase our impact on society
- 'Social partnerships' has been removed from the list because we recognise that we are collaborating with our social partners in connection with several topics, in order to increase our positive impact. We decided that this topic should be reflected in the context of these separate topics

The list of material topics and an update of the definitions and the priority order can be found below. Our progress and our policies regarding material topics is evaluated each year, based on the results we have achieved.


"OUR MOST IMPORTANT OUTPUT IS A
RELIABLE AND FUTURE-PROOF NETWORK
WHICH IS CONTINUOUSLY USED
BY MILLIONS OF CUSTOMERS."



WHAT ARE OUR MATERIAL TOPICS?

The material topics referred to this report are listed below, in line with the adjusted prioritisation:

SECURE & SEAMLESS CONNECTIVITY

1 RELIABLE AND FUTURE-PROOF NETWORK

Working with our partners on a reliable, innovative and future-proof network that is available to everyone.

3 DATA SECURITY AND PRIVACY FOR OUR CUSTOMERS

Protecting customers, consumers and companies against (cyber)crime and handling personal data in a responsible way.

14 ELECTROMAGNETIC RADIATION

Providing transparency and communicating openly regarding the possible health effects of electromagnetic radiation.

ENDLESS ENTERTAINMENT

4 INNOVATIVE PRODUCTS AND SERVICES FOR SOCIETY

Offering innovative products and services that connect people, help them move forward and enable them to participate in a digital society that is more secure, more efficient, healthier and cleaner.

BEST BUSINESS SOLUTIONS

4 INNOVATIVE PRODUCTS AND SERVICES FOR SOCIETY

Offering innovative products and services that connect people, help them move forward and enable them to participate in a digital society that is more secure, more efficient, healthier and cleaner.

SMART DIGITAL EXPERIENCE

2 PUTTING THE CUSTOMER FIRST

Putting customers first by listening to them and improving and developing existing and new products and services.

13 DIGITAL AND TRANSFORMATIVE ORGANISATION

Preparing for the digital future by creating an agile, flexible and transformative organisation.

PROGRESS FOR EVERYONE

5 ENVIRONMENTAL PERFORMANCE

Reducing our impact on the environment by reducing our energy consumption, our CO_2 emissions and our use of (new) raw materials, as well as reusing and recycling raw materials and extending the service life of our products.

6 DIGITAL INCLUSION FOR EVERYONE

Helping people learn digital skills to ensure that everyone in the Netherlands can participate in the digital society in a responsible way.

7 EMPLOYER OF CHOICE

Supporting employees in their personal development with training courses, individual guidance and attractive terms and conditions of employment. To achieve this, we also focus on having a positive impact on the health and safety of our employees and our environment.

9 DIVERSITY, EQUITY AND INCLUSION

A diverse and inclusive working environment that reflects society and is a place where everyone feels safe and at home.

10 WORKING ETHICALLY

Working responsibly, fairly and ethically.

11 GOVERNANCE AND COMPLIANCE

Ensuring responsible and effective governance in the long term and complying with legislation and regulations.

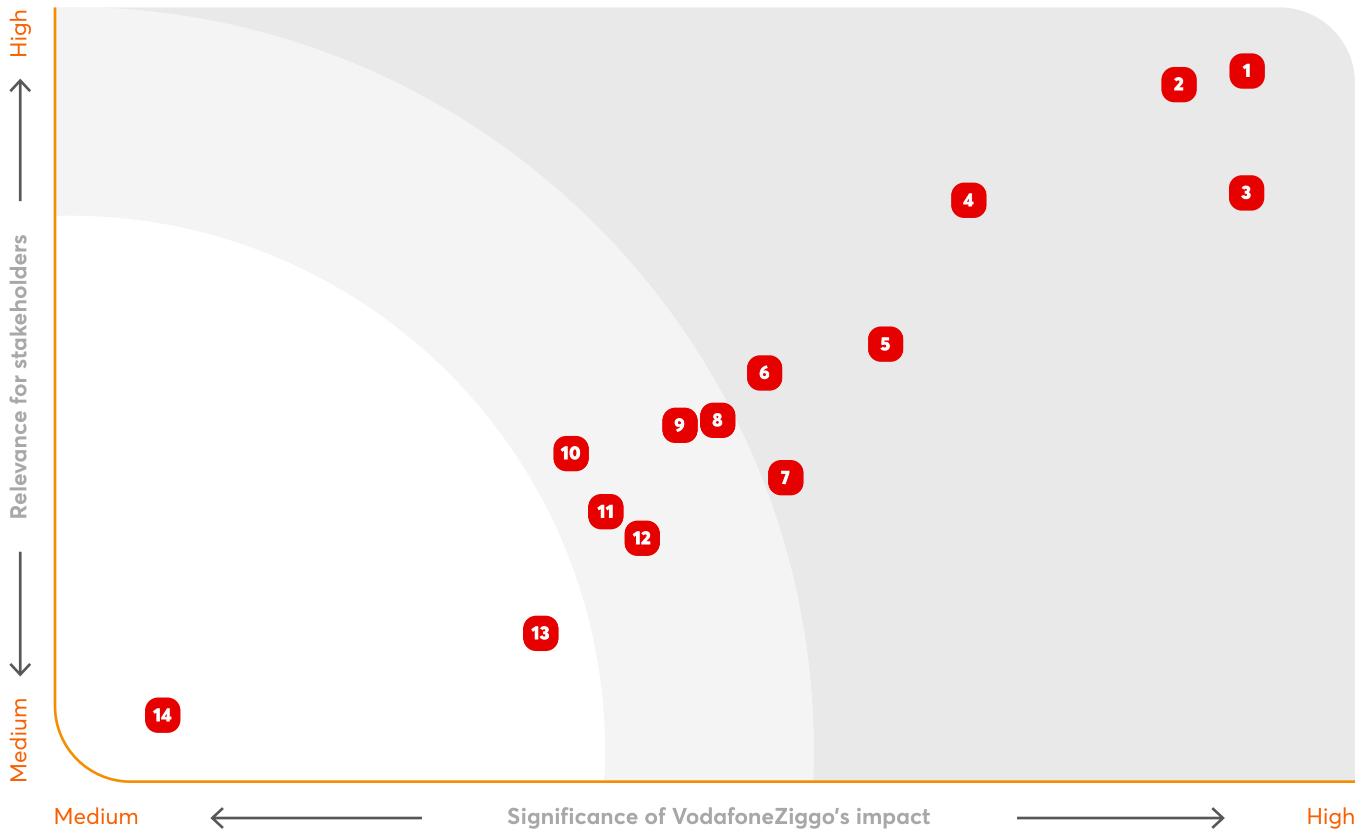
12 SUSTAINABLE AND ETHICAL SUPPLY CHAIN

Working with our partners to ensure we have an honest, ethical and sustainable purchasing and sales chain.

FINANCIALS

8 FINANCIAL PERFORMANCE

Striving to achieve a healthy and robust financial performance so that we can continue creating value for all our stakeholders in the long term.



1 Reliable and future-proof network
2 Putting the customer first
3 Data security and privacy for our customers
4 Innovative products and services for society
5 Environmental performance
6 Digital inclusion for everyone
7 Employer of choice
8 Financial performance
9 Diversity, equity and inclusion
10 Working ethically
11 Governance and compliance
12 Sustainable and ethical supply chain
13 Digital and transformative organisation
14 Electromagnetic radiation

WHO ARE OUR STAKEHOLDERS?

Whether it is customers, partners, suppliers, or the government –VodafoneZiggo makes communication possible for the Netherlands. We regard anyone we impact with our actions or who impacts us as a stakeholder, and we are committed to maintaining consistent contact with them. We want to know what is going on in their world and what role they envision for VodafoneZiggo, taking their insights and using them to shape our strategic priorities, material topics and the SDGs to commit to. You can find more information in the Stakeholder table in the Additional information section about the dialogues we had with our stakeholders in 2022, the frequency of those discussions and the topics we addressed.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. VodafoneZiggo subscribes to the six SDGs to which we can have the biggest impact, which we have linked to our People Planet Progress strategy and Sustainable Finance Framework.

SDG 4: QUALITY EDUCATION

We are working with our partners to develop special teaching programmes to teach young people and senior citizens to acquire digital skills. In this way, they can be safe, skilled and aware while online. In addition, we organise workshops at our offices to introduce children to the technology sector.

SDG 7: AFFORDABLE AND CLEAN ENERGY

Our networks, offices and shops all consume energy, so we are continually investing in the most energy efficient equipment and software. Our organisation has been purchasing 100% certified green wind energy from Europe for years. Since 2016, our organisation has also been purchasing green electricity with Guarantees of Origin (GvO) to offset the CO_2 emissions caused by our electricity consumption. A GvO is a certificate demonstrating the origin of the energy produced.

SDG 9: INDUSTRY, INNOVATION & INFRASTRUCTURE

VodafoneZiggo contributes to creating high-quality infrastructure and is developing innovative IoT solutions. In doing so, we are enhancing people's well-being while paving the way for sustainable solutions. In addition, we are also unlocking the potential of digitisation by heavily investing every year in improving our fixed and mobile networks. In 2022, we invested almost €950 million.

SDG 10: REDUCED INEQUALITIES

We want our employees to feel at home with us and realise their talents. That is why we are actively developing a safe working environment where everyone – regardless of who they are – can be themselves. We also work with partners to ensure everyone benefits from our digital society. We are doing this by providing programmes to teach people both young and old digital skills and improving the availability and accessibility of our products and digital services.

SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

IoT solutions from VodafoneZiggo can be used to make cities more efficient, safer and more sustainable. These are also known as 'smart' cities.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

We are constantly working to develop ways to use natural resources more efficiently. That is why we recycle and reuse our old network equipment, modems, media boxes and telephones. We have also implemented programmes that collect old equipment from customers so that it can be recycled and reused.

As VodafoneZiggo, we have selected six Sustainable Development Goals (SDGs) and intend to make an active contribution in those areas. Those objectives are linked to our People Planet Progress strategy. These arrangements were formulated by our CSR Committee, in consultation with our parent companies. In addition, the SDGs also form part of our Green Bond Framework and the Sustainable Finance Framework.

Connectivity table

Strategic pillar	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
SECURE & SEAMLESS CONNECTIVITY	1 Reliable and future-proof network	Availability of fixed network (%)	99.90	99.97	99.92	9 11
		Availability of mobile network (%)	99.70	99.79	99.89	
	3 Data security and privacy for our customers	Number of data breaches that we reported to the Dutch Data Protection Authority (#)	-	54	125	
	14 Electromagnetic radiation	Monitor developments in scientific research on electromagnetic radiation	We adhere to ICNIRP standards	We adhered to ICNIRP standards	We adhered to ICNIRP standards	

Strategic pillar	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
ENDLESS ENTERTAINMENT	4 Innovative products and services for society	Active Ziggo Go users (%)	-	41	53	
		Customers with the newest generation TV watching experience (# in mln)	-	1.8	1.7	
		SmartWifi pods provided to customers (# in mln)	-	1.6	1.2	

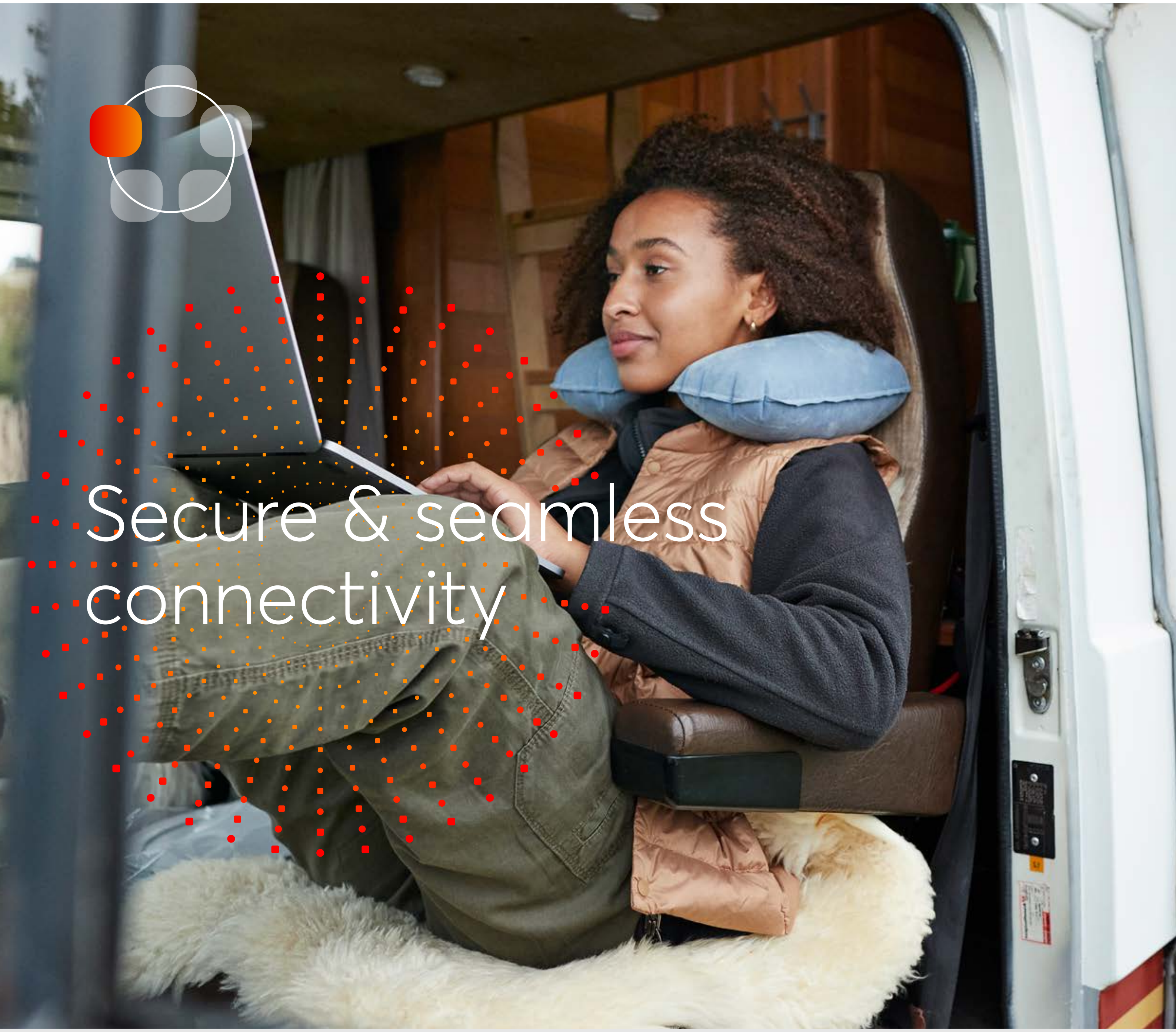
Strategic pillar	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
BEST BUSINESS SOLUTIONS	4 Innovative products and services for society	IoT revenues (in € mln)	-	36	27	9 11
		IoT subscribers in the Netherlands (#SIMs in mln)	-	2.1	1.9	

Strategic pillar	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
SMART DIGITAL EXPERIENCE	2 Putting the customer first	Brand NPS Ziggo Consumer	4	2	1	
		Brand NPS Vodafone Consumer	18	16	12	
		Brand NPS Ziggo Business	-8	-11	-11	
		Brand NPS Vodafone Business	1	0	3	
		Brand NPS hollandsnieuwe	-	25	19	
	13 Digital and transformative organisation	NPS digital journey mobile	-	15	13	

Strategic pillar	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
PROGRESS FOR EVERYONE	5 Environmental performance	CO_2 emissions (in kTon) ✓	279 (target 2025)	390	413	7, 12
		CO_2 reduction compared to the goal to halve environmental impact by 2025 (%)	50% (target 2025)	30	26	
		Returned Ziggo equipment (%)	-	87	80	
	6 Digital inclusion for everyone	Enable two million people to progress in Society (# '000) *% vs 2025 target*	2 million (target 2025)	564 *28*	335 *17*	4
	7 Employer of choice	Employee engagement score	80	76	77	
	9 Diversity, equity and inclusion	Total number of people with a distance to the labour market	-	115	70	10
	10 Working ethically	Speak out reports (#)	-	12	7	
	11 Governance and compliance	Women in top management (%) ✓	35 (target 2025)	34	30	
		Women in sub-top management (%) ✓		20	20	
	12 Sustainable and ethical supply chain	Total expenditure on EcoVadis rated suppliers (in € mln)	-	1,238	850	9
		Top-500 suppliers in EcoVadis (%)	75	55	39	

	Material topic	Indicators	Target 2022	Result 2022	Result 2021	Contribution to SDG
Financials	8 Financial performance	Revenue (in € mln)	-	4,066	4,077	
		Adjusted EBITDA AL (in € mln)	-	1,894	1,887	
		Adjusted EBITDA AL growth (%)	Stable to modest growth	0.4	0.9	
		Capex additions (in € mln) *% of revenue*	- *22 - 24*	948 *23.3*	830 *20.4*	
		Operational Free Cash Flow (in € mln)	-	946	1,056	
		Shareholder cash distributions (in € mln)	550-650	602	626	
		Covenant Leverage Ratio	-	4.49x	4.42x	

The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✓ symbol.



Secure & seamless connectivity

INDICATORS	RESULT 2022	RESULT 2021	
Availability of fixed network (%) ✓	99.97	99.92	→
Availability of mobile network (%) ✓	99.79	99.89	→
Number of data breaches that we reported to the Dutch Data Protection Authority (#) ✓	54	125	↘
Monitor developments in scientific research on electromagnetic radiation	We adhered to ICNIRP standards	We adhered to ICNIRP standards	→

The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✓ symbol.

Our network
(vodafoneziggo.nl)

"CONSUMERS AND BUSINESSES ARE USING OUR NETWORK MORE INTENSIVELY AND REQUIRE MORE CAPACITY."

Vodafone and Ziggo's powerful networks form a high-quality infrastructure that enables seamless connectivity, smart working solutions and innovative services – all of which means we are ready for the future of digital. We also invest in making our network more secure, stable and sustainable every year, efforts which have made them both among the best in the world. In fact, in 2022, Ziggo's fixed network was rated the best by leading independent test provider Umlaut.

RECORD ON OUR NETWORK

Our customer's average data consumption increased again in 2022 to record levels, primarily because consumers and businesses needed more and more internet capacity and are using our network more intensively. Our customers are also increasingly watching high-quality series and films from the well-known streaming services and Ziggo's offerings via our media boxes. In addition, people have made more intensive use of the internet as they work from home or complete online education. We see this reflected in our customers' upstream internet traffic, especially through video calls from home.

We offer an increasingly secure, stable, and sustainable network to service this new reality. That is why we continuously invest in the reliability of our network and ensure that the internet speed of the various subscriptions continues to meet the needs of our customers. In 2022, for example, our customers received another automatic speed upgrade of around 20% on average.

1GBPS INTERNET CONNECTIONS

On the subject of speed: 97% of the signal received by our customers is transmitted via fibre optic, which is an ideal way of sending large quantities of data over long distances. The final leg to the customer's home – from the local exchanges to each address – is provided using coaxial cables. VodafoneZiggo has been using DOCSIS technology for many years, a robust technology that allows us to offer ever-increasing bandwidths thanks to the availability of ever-smarter software.

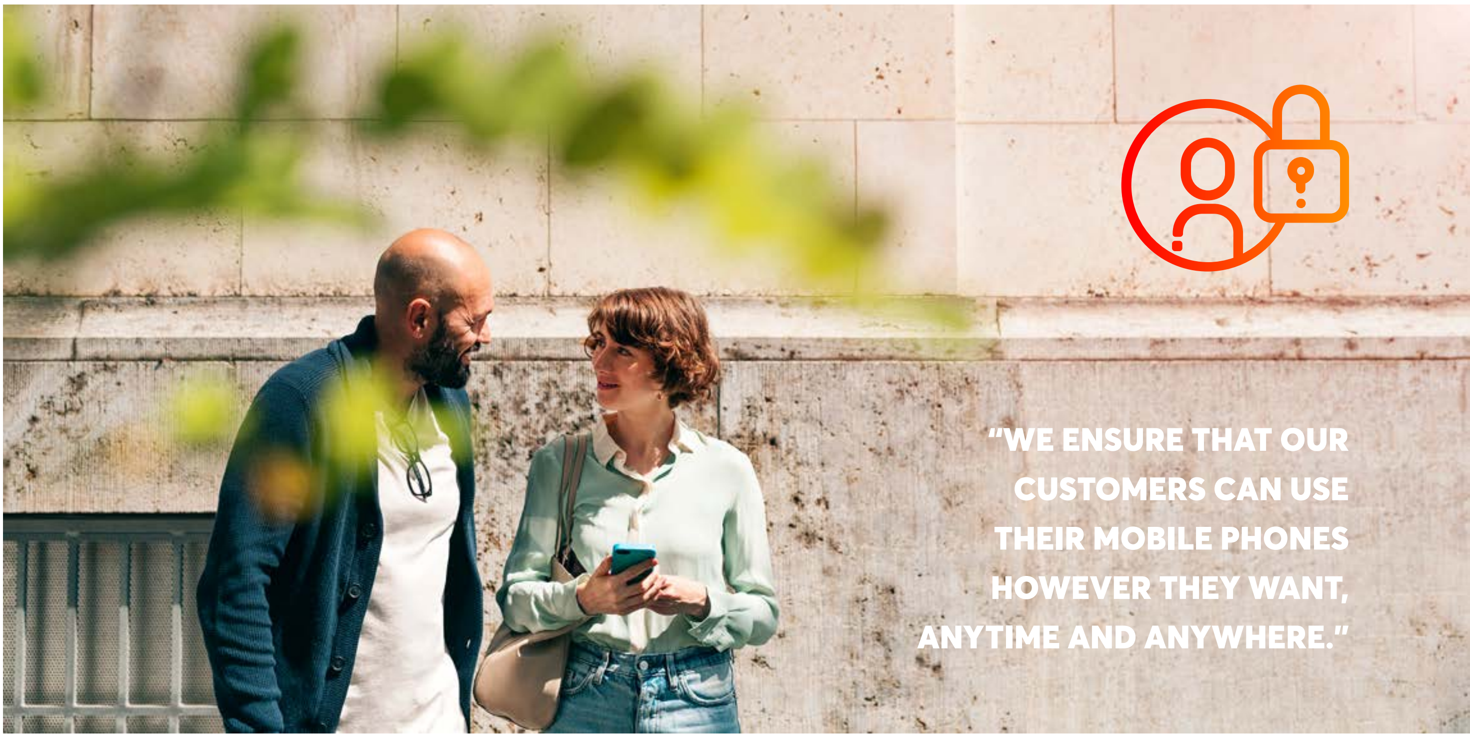
Using these technological improvements, we have reached the final stage of a four-year national operation, supported by 120 colleagues. As of 2022, over seven million households and businesses are now able to benefit from Gigabit speeds. That means, hypothetically, a household could allow 80 people to hold meetings via MS Teams, or 40 people could simultaneously watch television in 4K.

We are aiming to increase that speed in the coming years. In early 2023, VodafoneZiggo will start testing DOCSIS 4.0 – paving the way for download speeds of 10 Gbps and upload speeds of more than 1 Gbps, ensuring a fast and stable internet connection in the future. In 2022, the availability of our fixed network was 99.97%.

QUALITY FIRST

Our customers indicate that reliability and availability are the most important criteria for them to base their choices. Ensuring we provide sufficient capacity and that services are always available remains our focus.

Mobile internet traffic from customers is also increasing substantially every year. In 2022, mobile internet usage on the Vodafone network increased by approximately 31% – partly due to the growth in the number of devices used and partly due to what users do with them. We installed around 300 new transmission masts in the past two years to make that growth possible. Increasing the 'density' of our network in this way means that everyone can continue to rely on a smooth connection. We also invested heavily in stability and reliability, so our customers can use their mobile phones however they want, anytime and anywhere. In 2022, the availability of our mobile network totaled 99.79%.



SUSTAINABLE NETWORK

We are continually cleaning up our network by switching off old systems, servers and platforms, either because they are no longer needed or because newer and more economical systems are taking over their task. This clean-up saves energy consumption, makes our network easier to manage, and makes our services even more stable and reliable, meaning progress for customers and employees.

We are also saving energy by deploying equipment smartly. One of the ways we do that is by using algorithms to determine when the network requires less power, such as at night. For more information about our environmental performance, see the chapter entitled 'Environmentally-friendly working'.

ELECTRICITY USAGE IN 2022

35%	Mobile network
30%	Datacenters and infrastructure
29%	Fixed network
5%	Offices
1%	Shops

IOT TAKES FLIGHT

The number of online devices is increasing rapidly, both in people's homes and the business sector, thanks to the game-changing 5G technology that underpins IoT. From inspection drones to wireless lasers and robotic lawnmowers – innovative technology keeps on coming. We are contributing to this enthusiastically at the 5G Hub in Eindhoven and in 5Groningen. For VodafoneZiggo, this development means that our network must remain stable and reliable day and night, which will require continuing investments.

"THE 5G TECHNOLOGY UNDERPINNING THE INTERNET OF THINGS IS A GENUINE GAME CHANGER."

Security and privacy for customers and employees

Millions of customers trust us with their personal data – from online activities and e-mail traffic to invoicing data. As a telecom provider, we therefore bear a great deal of responsibility. We protect all data traffic and customer information to the highest possible standard. The privacy and security of our customers and their data is the prime consideration in every choice we make.

TWICE AS SECURE

Under the initiative 'Security First', we believe that everything we do must first be secure for the sake of our customers, company and employees.

An example of our work is the protection we offer against phishing and other cybercrime. A large amount of cybercrime occurs using links in fake messages – what is often referred to as 'phishing'. That is why we apply strict security at the gate. We block e-mails and text messages that do not meet specific security requirements as much as possible. However, if something still slips through the net, we isolate the infection from the rest of our network.

Moreover, we have now activated dual-factor authentication for all our customers. That applies to e-mail accounts and the My Ziggo and My Vodafone platforms. When logging in, users confirm their identity, for example, via a text message containing a security code or by using a Microsoft or Google authenticator. For us, it is always security over convenience.

EVERYONE PLAYING THEIR PART

We can only achieve our major ambitions – to apply the highest standard and to be the best in class – if everyone in our organisation plays their part. That was why in 2022, we established a structured security awareness programme linked to clear objectives and measurable results. We communicate with our colleagues on security matters across multiple channels; they even receive specific notifications based on their individual behaviour.

We're also busy collaborating outside the walls of our company. We pool our expertise and experience with that of others and are continually involved in discussions with

government bodies, the judicial authorities, and other parties within our sector and other sectors. The goal is to work together towards a cyber-resilient Netherlands.

PRIVACY CHAMPIONS

Our privacy specialists are constantly working to protect our customers' data. Our in-house privacy champions assist them in this: employees with additional expertise and experience who keep a watchful eye on privacy issues. We also work together to make all colleagues privacy conscious. For example, all new employees undergo training in privacy and security as part of their onboarding at VodafoneZiggo.

At the same time, our employees can work safe in the knowledge that their own data is secure. For example, we do not use reports with visible individual data during internal data collection and organisational network analysis (ONA). Whether it is the footage collected by security cameras, the software in technicians' vehicles to identify the shortest possible routes and reduce fuel consumption, or the internal surveys we use to measure diversity, we work hard to safeguard the privacy of our employees.

"EVERYTHING THAT WE DO MUST BE SECURE FOR THE SAKE OF OUR CUSTOMERS, OUR COMPANY AND OUR EMPLOYEES."

CUSTOMERS IN THE DRIVING SEAT

Our customers retain control over their own data via a personal privacy dashboard. They can easily make a request there to receive an overview of their personal data and have the right to request to delete (part of) their personal data.

Government and investigative authorities sometimes ask us to share customer data with them. Requests of that type are evaluated by a special team. We only comply with those requests if required to do so by law or in accordance with a court order.

BALANCING INTERESTS

Data fuels many of our innovations, which is why our experts test all new technology and solutions for privacy risks. In 2022, we carried out 255 privacy quick scans, which resulted in 200 initiatives being examined more closely by staff from the Privacy Office. If multiple interests are at play and need to be considered, the plans will then be assessed and documented by a multidisciplinary team. This process enables us to document why and under what conditions we carried out a particular processing of personal data.

DATA BREACHES AND REPORTS

A data breach is when data ends up in the wrong place, such as in an e-mail sent to an incorrect recipient or a file containing customer data being made public. We should limit data breaches as much as possible. When data breaches do occur, however, we report them immediately. Breaches of certain size and nature are required to be reported to the Dutch Data Protection Authority. In 2022 we made 54 reports. The decline in reports over the past year is driven by applying better measures like two factor authentication on the digital customer portals, masking of bank numbers and a change in definition of large and severe breaches.

Blauw Research, a market research agency, recently informed us on a data breach by one of its suppliers. It is possible that our customer data is involved in this data breach. As a cautionary measure, VodafoneZiggo informed customers on 29 and 30 March 2023 about the data breach. We have notified the incident to the Dutch Data Protection Authority and continue to monitor the situation.

SERVICE AND PRIVACY

We like to help customers efficiently with problems related to their home network via phone or web chat. This convenient service can have an impact on the privacy of customers. To stay safe, we communicate clearly with them about what we can and cannot see and ask for their permission where necessary.

Electromagnetic fields

VodafoneZiggo strives to provide a high-quality network with nationwide coverage so that everyone is connected, wherever they may be. However, VodafoneZiggo is also aware of questions in society regarding electromagnetic fields caused by mobile networks. As a supplier of vital infrastructure, we guarantee a mobile network that is safe for people and the environment thanks to strict standards and stringent policies.

VIEW FROM OUTSIDE

The issue of electromagnetic fields concerns many parties. These include the government – including the State Inspectorate for Digital Infrastructure (formerly the Telecommunications Agency) – the International Commission on Non-Ionizing Radiation Protection (ICNIRP), our parent companies Vodafone Group and Liberty Global, the association of network operators Monet, the media and, of course, Dutch citizens. VodafoneZiggo is also a member of the *Nederlands Elektrotechnisch Comité* (Dutch Electrotechnical Committee), which is responsible for drawing up additional standards governing how exposure is measured or calculated.

INTERNATIONAL STANDARDS

Extensive research has shown that the frequencies used for mobile telephony do not harm human health as long as exposure remains within limits set by the ICNIRP. When formulating those limits, the ICNIRP included significant safety margins. Like all other telecom providers, VodafoneZiggo must adhere to these ICNIRP standards and the standards set by the government. Measurements carried out by the State Inspectorate for Digital Infrastructure have shown once again that we are operating well within the ICNIRP standards (see, for example *Straling en gezondheid | Antennebureau* (Measuring the radiation from antennas | Radio waves and our health | Antennas Office).

A ROBUST COMPANY POLICY

External safety standards act as our starting point, from which we set far higher internal standards and performance levels. When managing potential health and safety risks resulting from electromagnetic fields, we follow the Vodafone Group RF Management Policy Standard – a policy that applies to the management, design, procurement and installation of radio base stations and smaller mobile antennas and terminals.

We have also agreed a policy with mobile operators on how we share the locations of our equipment. As operators, we regularly discuss electromagnetic fields with other mobile network operators – a collaboration that ensures the telecoms sector as a whole stays well below the limits.

"VODAFONEZIGGO IS REQUIRED TO ADHERE TO STANDARDS SET BY ICNIRP AND THE GOVERNMENT."

Endless entertainment

INDICATORS	RESULT 2022	RESULT 2021	
Active Ziggo Go users (%)	41	53	↘
Customers with the newest generation TV watching experience (# in mln)	1.8	1.7	↗
SmartWifi pods provided to customers (# in mln)	1.6	1.2	↗

"WE WANT TO BECOME THE HOME OF ENTERTAINMENT FOR OUR CUSTOMERS."

VodafoneZiggo has been a leading platform for exclusive content for many years, where audiences can enjoy their favourite Movies & Series and Ziggo Sport. The next step in our evolution is to become the home of entertainment for our customers. We're creating the ultimate entertainment platform where customers can find all the content they need in one place. We're bringing live events into viewers' homes, too: from live music to live sports. We recently acquired rights to UEFA club football competitions, this will contribute to achieving our ambition.

IT'S ALL COMING TOGETHER

Amazon, HBO, Viaplay, Disney+, SkyShowtime – the number of content providers available to viewers in the Netherlands is growing all the time. Our mission is to help audiences access the very best by connecting them to their favourite streaming platforms in a way that delivers a convenient and seamless viewing experience.

We worked hard on this goal in 2022, building the complex infrastructure for this new service range – one that brings together content from different providers in a single database, which customers can sift through easily. We are calling this new option 'metasearch', and searching for content is not the only convenient thing about it. We have created a simplified invoicing system that gathers all of a customer's orders on a single Ziggo invoice. Netflix, Viaplay, Videoland, Prime Video, Disney+ and NPO Start apps are plugged in and already available via the Mediabox Next and Next Mini. We aim to expand our search and invoicing functionality for all media outlets.

BEING THERE WITH PRIORITY

We have offered our customers special giveaways and priority tickets to live events since 2021 through our customer programme Priority. This continued in 2022: fans of The Crown watched the première of the fifth season in Paleis Het Loo, while racing fans followed the Formula 1 races on giant screens at Racesquare. We gave football fans the opportunity to view matches in the Johan Cruijff ArenA, and gave music lovers a chance to see Maan, Bryan Adams, the Dolly Dots and many more artists in the Ziggo Dome.

NEVER SEEN BEFORE

In 2022, Ziggo Sport acquired the exclusive media rights to the UEFA Champions League, the UEFA Europa League and the UEFA Europa Conference League. The agreements with UEFA will be valid for three football seasons – from mid-2024 to mid-2027 – and will bring the most important European club competitions together under one roof in the Netherlands for the first time. We have also added MotoGP to our range, expanding our Dutch sports content.

THE FUTURE OF ENTERTAINMENT

2022 was a great year for VodafoneZiggo, but it does not end there – we have been looking to the future too. Our vision of becoming a 'full-service provider' that brings everything together in one place for its customers is becoming a reality. We want our customers to receive the very best range of entertainment available, provide media companies with long-term access to the Dutch market, and for us to continue to do what we do best – providing entertainment of the highest quality.

"OUR VISION OF BECOMING A 'FULL-SERVICE PROVIDER' THAT BRINGS EVERYTHING TOGETHER IN ONE PLACE FOR OUR CUSTOMERS IS BECOMING A REALITY."

Seamless on all devices

In everything that we do, our main objective is to provide an enjoyable and seamless experience for our customers, from intuitive access to entertainment to the best possible content. We use the best technology for this, both in customers' homes and behind the scenes.

MEDIABOX NEXT AND NEXT MINI

We go the extra mile to provide customers with their favourite streaming services in one place on a single platform where customers can find what they're looking for effortlessly.

A new generation of equipment is needed to make our new entertainment vision possible – including the Mediabox Next Mini, a product we are proud of. The design has received a Red Dot Design Award and is breaking new ground. As its name suggests, the device is extremely small, measuring 8x8x19cm. A coaxial cable is no longer required, meaning a WiFi connection is all that is needed to watch 4K-quality TV. And as the device consumes only 5 watts of electricity, it is undoubtedly the most economical media box we have ever had. Moreover, the Mini primarily consists of recycled materials, and its design also means repairing and recycling the device is easy.

"SUPER SIMPLE, SUPER SMART AND SUPER PERSONAL CUSTOMER JOURNEYS."

In 2022, we conducted a large-scale roll-out of that technology – 1.2 million customers have the Mediabox Next or Next Mini. During the fourth quarter of 2022, a further 250,000 customers joined them. Things are moving fast, but slower than we would like, with our roll-out slowed by shortages in the microchip market.

VOICE CONTROL AND TRACKING

We put a world of entertainment at viewers' fingertips, but we are not stopping there. We have enabled customers to search for programmes quickly and intuitively by adding voice control to our platform – built into the remote control – a first for the Netherlands. We have also added personalised viewing recommendations, based on their viewing behaviour – available with tracking permission from the customer themselves. And finally, we have added viewer profiles, so viewers within a family can enjoy their own unique experience inside one household. We are turning TV into a seamless viewing experience that continually inspires and provides the perfect suggestions for the best experience.

STRONG NETWORKS WITH SMARTWIFI

Enjoyable entertainment needs a reliable connection. Thanks to our SmartWifi products, every household member can access the best possible wireless internet connection in every part of their home. Currently, 1.6 million customers use our SmartWifi pods, which provide coverage throughout their homes or offices. To ensure connections remain as good as they can be, our specialist WiFi Crew is on hand 24/7 to answer customers' questions and solve problems. Customers can also keep a close eye on their home network using the SmartWifi app.

ZIGGO GO APP

1.4 million of our Ziggo customers are now using our Ziggo GO App. Updated in 2022, the app now looks the same on any screen a customer uses it – making it even easier to switch seamlessly between a TV, smartphone, tablet and laptop. The Ziggo Go App allows viewers to effortlessly follow a match, movie or TV programme at different times and on different devices – a clear indicator of how we are evolving to match their media consumption habits.

Best business solutions

INDICATORS	RESULT 2022	RESULT 2021	
IoT revenues (in € mln)	36	27	↗
IoT subscribers in the Netherlands (#SIMs in mln)	2.1	1.9	↗

Vodafone Business launches new cybersecurity services (vodafoneziggo.nl)

"WE PROVIDE COMPANIES WITH A FRAMEWORK FOR THE REDUCTION AND MANAGEMENT OF CYBERSECURITY RISKS."

The digitisation of society has had an enormous impact on entrepreneurs. At Vodafone Business, we're ensuring they move forward and make the most of the opportunities created by this transformation with products, services and support – such as smart solutions for digital collaboration to deploying new technology, such as 5G.

SECURITY FIRST

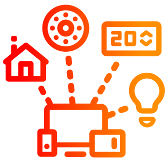
A protected digital environment is vital for business continuity. Within this, we distinguish between two levels of protection: protecting our network and the network of our customer's environment. As is the case every year, we invested heavily in the security of our entire network and systems in 2022.

For our customers we provide a broad range of security products. These security products are designed to keep the data of our customers secure. To make sure our products cover all cybersecurity domains, we use for reference the NIST framework. This mitigates cybersecurity risks on their mobile phones, laptops, personal network components and servers, WiFi networks and other connections, as well the use of passwords, dual-factor authentication and other security measures.

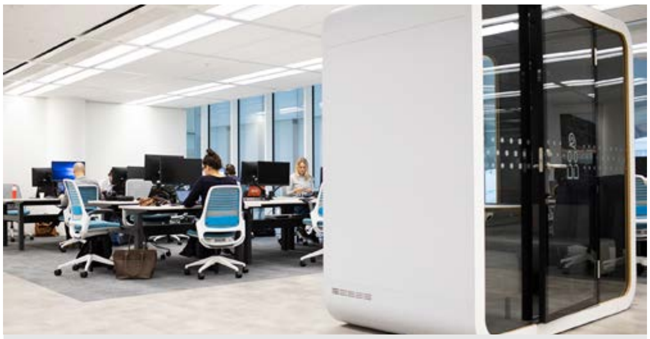
THIS IS HOW SMARTER WORKING WORKS

With our Smarter Working service package, we help our business customers handle their people and resources smarter. It eliminates the need for individual products, instead offering entrepreneurs an entire suite of end-to-end solutions – from stable connectivity and robust security to customised Microsoft Office and working in the cloud. Customers can also add specific homeworking solutions and, where necessary, have the option to streamline their entire customer contact centre digitally.

Smarter Working can also support company CSR efforts – enabling them to commit better to sustainability by working smartly. We help companies consider improvements such as reducing travel by opting for online meetings, opting for greener and more energy-efficient vehicles, and installing money-saving smart devices that alert owners when it is time for maintenance. By working with our customers, we can identify the improvements that will have the biggest impact and make their businesses fit for the future.



"WE ARE WORKING TO MAKE TECHNOLOGY MORE ACCESSIBLE, FOR SMALLER BUSINESSES AS WELL AS FOR OUR CORPORATE CUSTOMERS."



SMARTER BUILDING
A great example of smart and future-proof technology is VodafoneZiggo's Central Office in Utrecht. Heating and lighting that switches off when nobody is present, noise sensors that help employees find a quiet room and a reservation system that links meeting rooms to visitors– technology makes the building as efficient as possible. The software, hardware and connectivity services in our Utrecht office is now available to customers as part of our Smarter Building offering – which dozens of companies made use of in 2022.

Each year, we use our Fit for the Future survey to ascertain the state of the Dutch business sector. Among other things, we investigate how open, prepared and flexible companies are and how ready they are to embrace new technology. In 2022, 322 companies took part in the survey, which covered three main topics: sustainability, innovation and business resilience & cybersecurity. By sharing the results, we are boosting the business sector and playing an active part in fulfilling the Dutch government's digital strategy.

EVERYTHING CONNECTED WITH THE INTERNET OF THINGS
Powered by our SIM cards and our low-latency 5G network, the Internet of Things (IoT) is becoming increasingly important to our business customers. Not only does it make their operations more efficient, but it can help them develop new products and improve the customer experience. In 2022, globally, Vodafone Group connected more than 159 million IoT devices, establishing 3 million new IoT connections each month to wirelessly link devices, sensors and systems. Moreover, 84% of the companies fundamentally use IoT to improve their ecological sustainability.

IoT relies on 5G. That is why we are working with knowledge partners and entrepreneurs at our 5G HUB Eindhoven and 5Groningen hub to push 5G technology further. We implemented one of our innovations during a Red Hot Chili Peppers concert at Goffertpark in Nijmegen in June 2022. The event represented a major logistical challenge, with 60,000 visitors descending on the park. To help organisers, we worked with Ericsson, Fieldlab and Gigtech to set up a new camera system to monitor crowds, which used 'network slicing' – a unique feature of 5G that makes it possible to reserve one portion of the mobile network. The result: the cameras' images were crystal clear and relayed to the event control room in real-time, without any glitches or drop-outs.

FOCUSING ON SIMPLICITY
Digitisation has impacted companies of all shapes and sizes. We want it to be as straightforward as possible for our customers to organise their affairs, without requiring constant support. That is why we are working to make technology more accessible for small businesses and entrepreneurs, as well as our major customers.

Technological solutions for society

Thanks to the development of 5G, VR and AI technologies, our physical and digital worlds are becoming more closely intertwined. At VodafoneZiggo, we focus on how society can take advantage of these technologies to move forward. Together with entrepreneurs, students, policymakers and knowledge institutions, we are building on concepts that will contribute towards an inclusive and green society for everyone. We are doing this from three physical hubs.

5G HUB EINDHOVEN

To collaborate on the future's innovative applications made possible by 5G, we set up the 5G HUB Eindhoven in early 2020 with Brainport Development, High Tech Campus and Ericsson. We give entrepreneurs and students the opportunity to develop world-changing technology – like scale-up company TechBinder, for example. After realising ships don't always take the shortest route and make unnecessarily long journeys, TechBinder is using IoT to make the shipping industry more efficient and sustainable. The company has created technology that allows the skipper to see exactly what the optimal route is on their dashboard – a powerful example of how technology can reduce costs and cut a company's ecological footprint. TechBinder was the winner of the 5G HUB Innovation Challenge 2022. In doing so, it won a co-creation programme to develop this groundbreaking idea further.

Elsewhere, under the name 5Groningen, we are also collaborating with entrepreneurs and non-profit organisations to test 5G applications in Groningen.

MEDIA INNOVATION HUB HILVERSUM

Technologies such as AR and VR will radically change how people consume content. That is why we are building a Media Innovation Hub in Hilversum and working with parties such as Beeld & Geluid, NEP, NPO, Stuurgroep Mediapark and CLICKNL on new applications for entertainment, media and immersive content. A great example of our work is the 5GameClash campaign, which pitted two teams of gamers head-to-head in a VR game at locations 250km apart – a world first. Thanks to high-quality 3D images and a smooth connection, the participants actually felt like they were in the game together.

GREEN INNOVATION HUB IN ALMERE

According to predictions, the population of the Netherlands is set to increase to 18.9 million by 2035. With an increase of 2.1% per year, Almere is the fastest-growing city in the country and home to the largest sustainable area development project in the Netherlands – which is why we chose to build our Green Innovation Hub there.

The Green Innovation Hub is a public-private partnership between VodafoneZiggo, the municipality of Almere and the province of Flevoland. It is included in the coalition agreement of the municipality of Almere and is a breeding ground for innovation.

This unique public-private partnership is working on the development of new residential districts, such as Almere Pampus, that will act as a prototype for the city of the future and for a sustainable and inclusive living environment.

The Hub is also stimulating, facilitating and co-creating technology-driven innovations, including grid balancing and smart energy storage and distribution. Digital inclusion is also set to play an important role in ensuring that everyone can keep up in this living environment, where people live, work and participate in recreational activities.

PRESSING AHEAD AND SCALING UP

Work at our 5G HUB has resulted in significant technological development. Up to this point, our focus has been awareness and testing. As we advance, we will focus on maximum impact in the coming years. To achieve that, we will concentrate on the scalability of ideas and on developing products and services – that generate tangible results – for organisations. We will take that same ambition to our other hubs in Hilversum and Almere. Through it all, we'll keep two important goals in mind: giving emerging talents, start-ups and scale-ups the opportunity to make a rapid impact, and arriving as quickly as possible at scalable solutions relevant to our stakeholders and society.

Smart digital experience

INDICATORS	RESULT 2022	RESULT 2021	
Brand NPS Ziggo Consumer ✔	2	1	↗
Brand NPS Vodafone Consumer ✔	16	12	↗
Brand NPS Ziggo Business ✔	-11	-11	→
Brand NPS Vodafone Business ✔	0	3	↘
Brand NPS hollandsnieuwe ✔	25	19	↗
NPS digital journey mobile	15	13	↗

The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✔ symbol.

How we really get to know our customers with the help of AI
(vodafoneziggo.nl)

Technology and retail companies are setting the bar higher than ever for speed, flexibility and intuitive convenience in the user experience – raising consumer expectations with them. We have been inspired by the challenge to keep pace – and surpass – expectations around ease of use, customer contact and service. We're making the most of digitisation and a data-driven approach to drive success.

"BASED ON THE CUSTOMER'S VIEWING BEHAVIOUR, WE CAN PROVIDE THEM WITH PERSONALISED RECOMMENDATIONS."

THE BEST CUSTOMER EXPERIENCE

Our own digital transformation is in full swing, impacting all corners of our service provision – from marketing to customer service and from technological innovation to our employees' mindset. Our ultimate goal is to set up all of our processes in a way that they help provide the best possible customer experience.

To achieve this, we have developed a unique approach to leverage data and insights. We firmly believe that data analysis and insights should be used not only to make commercial decisions but also to improve customer processes, by generating faster response times and better customer service. Our experience in applying Data & Insights to all parts of the organisation enables us to deliver the best results for our clients.

SIMPLE, SMART AND PERSONAL

Customers need support, whether they are installing a modem or a MediaBox, changing a TV package, extending a phone contract, or improving their WiFi at home. We want to make the solution as simple, smart, and personal as possible. In fact, we like to go beyond support and be as proactive as possible – thanks to data analysis. We call that super simple, super smart and super personal. We have the technology to send customers that suit their situation at any specific time – from offers such as tickets for a favourite concert in the Ziggo Dome to advice on preventing technical problems. This makes us a trustworthy partner for our customers in their digital lives.

AWARD-WINNING CUSTOMER RETENTION

In 2022, we won a DDMA Dutch CRO Award for customer retention, an award that recognised the success of our chat channel. Our chat channel uses machine learning to analyse the satisfaction levels of customers and gets in touch with those who are potentially dissatisfied in a timely and proactive manner to restore the customer relationship.

Obviously, customers should expect to only receive relevant messages from us. However, we also want to stimulate our customers' curiosity with messages they cannot ignore. The more we can do this, the more our customers understand VodafoneZiggo as a company that takes care of them and has their interests at heart. This is how we are developing the best possible customer service.

A KEY ROLE FOR DATA

To enable us to communicate with customers increasingly personally, we need to know and understand their situation, preferences, wishes, needs and behaviour better. We no longer aim our communications at general target groups or base them on assumptions but strive to address our customers' preferences. We make personalised recommendations using the data that our customers share with us. This is why we are working hard to ensure that our data is of good quality. It also helps with customer contact, service and campaigns, as well as effective evaluations and reporting.

Data's growing role means we pay close attention to privacy and security. We always ask for the appropriate consent, handle collected data carefully and give customers control over their data. You can read more about our approach to privacy in the section 'security and privacy for customers and employees'.

EXPERT SERVICE

To help deliver exceptional customer service, our approach to customer interaction has changed. Instead of waiting for a customer to call us with a complaint, we are increasingly approaching them proactively. With our ServiceScan, we remotely monitor the signal of our customers' network. Customers can choose to receive updates on their network strength and, if their signal is orange or red, can opt-in to being directly contacted by a VodafoneZiggo expert ready to help – for example, by updating a customer's equipment to the latest technology or scheduling a free technician visit.

Elsewhere, we have improved customer service by creating our WiFi Crew – a team specialising in solving internet problems at home. Formed in 2021, we increased the size of the WiFi Crew almost 14-fold in 2022 and gave them even more effective tools, along with increased freedom to make a diagnosis and immediately offer a solution.

ACCESSIBLE CHANNELS

Customer experience must be inclusive. For example, people with an auditory or visual disability should be able to use our apps and websites without problems. That is why we are taking steps to ensure that our customer contact channels fulfil WCAG guidelines – the international standard for digital accessibility. We also strive to include those who find keeping up with digitisation harder and prefer a personal service. Our customers can still speak to an employee in our shops and receive assistance at home from a technician.

DATA-DRIVEN WORKING

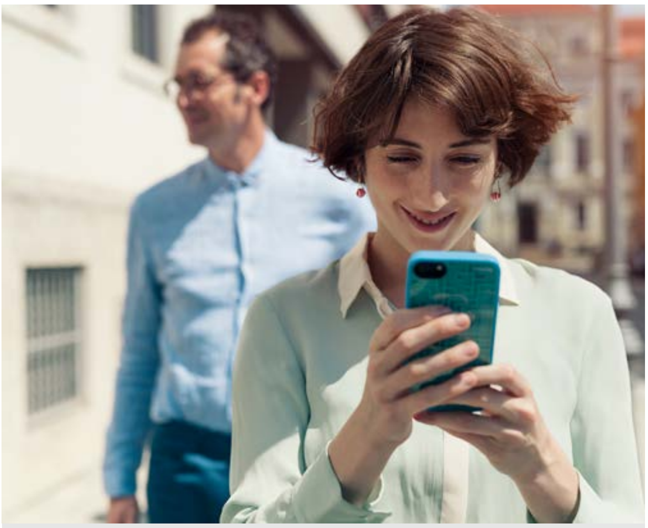
We are taking a data-driven approach to further improving our customer experience with VodafoneZiggo. Each department has at least one team of data analysts, who we task with enabling direct and efficient data-driven collaboration within business units and using specific tools like Qlik to convert data into insights and actions that create value for our customers. Another relevant and smart tool they use is GURU, which uses artificial intelligence to send customers the most relevant messages based on available customer data.

EMPLOYEES AND CULTURE

Digitisation efforts require more than just technology and tools, products and platforms. It is just as important that all employees can work together. To enable this, we have implemented an agile way of working, bringing together cross-department teams to rapidly develop new products and services and respond better to our customers' needs. Our efforts have been aided by the fact that we are able to attract and retain people with the right digital skills, partly because we have developed an organisational culture in which customer value, innovation and self-management play a key role.

AMBITIONS FOR 2025

Super simple, super smart and super personal customer journeys are our main focus. In concrete terms, our goal is that 80% of our customer interactions can take place via digital channels by 2025. Supported by our trained staff, who can help customers personally with their needs.



NPS: WHAT CUSTOMERS THINK OF US

Our Net Promoter Score (NPS) reveals the extent to which customers would recommend our products to others. This score also highlights areas of customer experience that could be improved, such as our speed of response. Because we want to understand our customers' overall experiences, we have also been specifically measuring the Journey NPS (JNPS) since 2020, which provides insight into the satisfaction and loyalty of our customers at various points in the customer journey. In short, by measuring the NPS and JNPS, we give our customers the opportunity to influence our products and services, ultimately resulting in an even better customer experience.

"GURU USES ARTIFICIAL INTELLIGENCE TO SEND CUSTOMERS THE MOST RELEVANT MESSAGES."

Progress for everyone

INDICATORS	RESULT 2022	RESULT 2021	
CO_2 emissions (in kTon) ✓	390	413	↘
CO_2 reduction compared to the goal to halve environmental impact by 2025 (%)	30	26	↗
Returned Ziggo equipment (%)	87	80	↗
Enable two million people to progress in Society (# '000)	564	335	↗
% vs 2025 target	28	17	↗
Employee engagement score	76	77	→

INDICATORS	RESULT 2022	RESULT 2021	
Total number of people with a distance to the labour market	115	70	↗
Speak out reports (#)	12	7	↗
Women in top management (%) ✓	34	30	↗
Women in sub-top management (%) ✓	20	20	→
Total expenditure on EcoVadis rated suppliers (in € mln)	1,238	850	↗
Top-500 suppliers in EcoVadis (%)	55	39	↗

The indicators that fall within the scope of limited assurance of our external auditor are marked with the ✓ symbol.

At VodafoneZiggo, we aim to provide our employees with a fulfilling working environment. That is why we encourage them to have their say on their collective labour agreement, develop themselves without limits, and connect and collaborate with others. To support this aim and underline its importance, we provide training courses, smartly designed offices and insights derived from data about our working methods.

PERSONAL DEVELOPMENT COMES FIRST

A good workplace is one where employees can see their career path, develop themselves, and monitor progress. That is why we encourage our employees to pursue their own development and equip them with the tools to do so. Employees have access to Career4U, the platform that provides insight into potential internal career pathways; GROW, our performance management system that focuses on development; and Progress for You, a learning platform offering over 20,000 training courses, workshops and e-learning programmes.

To help structure development and these tools, we created six different employee personas – descriptions of fictional colleagues at different stages of their careers that real-life employees can relate to. For each persona, we provide guidelines for quarterly targets and how to use Career4U, GROW and Progress for You most effectively. We also employ ambassadors for each of these personas who are on hand to give fellow employees advice.

"WE ENCOURAGE OUR EMPLOYEES TO PURSUE THEIR OWN DEVELOPMENT."

FOCUS ON EMPLOYEES

Learning and training courses are crucial to employee development. In the past year, the number of training courses applied for by our employees was just under 7,000. Around 40% were delivered in-company. In many cases, these training courses were organised from within the business and involved employees working with their colleagues. Examples of courses include English courses or certification as a Scrum Product Owner, as well as Storytelling and Leading without Power. In addition to training courses, employees have access to online learning opportunities – often used as the first step in development. For example, hundreds of e-learning programmes have been followed and 365 scans completed, including a large number of talent and career scans.

INCLUSIVE COLLECTIVE LABOUR AGREEMENT

We have developed employment conditions that employees broadly support thanks to the collective labour agreement (*draagvlak-cao*) that we have concluded with the trade union De Unie. As part of our process, employees who are not trade union members are also allowed to vote on issues. In 2022, 83% of our employees voted for the most recent collective labour agreement proposal, and 67% voted in favour of the negotiated result that was reached.

VodafoneZiggo's collective labour agreement also contains inclusive leave arrangements. Employees living in different types of partnerships and with different family compositions receive the same options for leave. Under the terms of the collective labour agreement, employees taking childbirth and parental leave will also receive additional leave. From now on, employees can also exchange Ascension Day and Whit Monday for another day (or public holiday) that suits them better.

CONNECTED WORKING 2.0

The coronavirus pandemic fundamentally changed the way we work and collaborate. In order to continue offering the most effective working environment in 2022, we introduced a new way of working: Connected Working 2.0. The focus of Connected Working 2.0 is to ensure that employees continue to see each other, feel connected and maintain an healthy work-life balance. Colleagues working in the same team must also agree which days in the week they will come to the office. Whoever does come to the office does so mainly to maintain social contacts and to work with colleagues on complex matters and on products that demand a high degree of creativity. To encourage this way of working, we have created more collaborative spaces at our offices.

DISCUSSIONS BASED ON DATA

In an age of hybrid working, good connections are vital. That is why, every quarter, we send out our Heartbeat survey – an anonymous engagement survey that investigates our employees' job satisfaction. We then use insights from these surveys as a starting point for ways of working discussions. A recent Heartbeat survey showed that 86% of our employees are engaged and enthusiastic – a great result.

In addition to our Heartbeat survey, we also have an ONA dashboard that provides work and collaboration insights on a team level – that cannot be traced back to individuals. For example, if data shows that a team is often working overtime, we will advise them on how to achieve a more effective work-life balance. We can also see whether many team members are multitasking during meetings, which is a sign that they may have too much work to complete in the amount of time available. Giving teams the tools to initiate discussions amongst themselves enables them to improve their work and collaboration patterns and to create a thriving workplace.

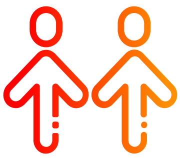
VodafoneZiggo also offers its employees a wide range of activities to boost vitality. These focus on four areas: mentally fit, physically fit, socially connected and financially fit.

FOCUSING ON GROWTH AND ENGAGEMENT

To help VodafoneZiggo grow, we need to help our employees grow too. We will continue to do that by encouraging them to take up training and development opportunities and ensuring that opportunities are visible to everyone. In addition, we will continue to devote extra attention to colleagues who have direct contact with customers: from technicians to shop employees and colleagues in our contact centres. If we can help increase their positive energy, that's only good for the customer experience.

CULTURE CREW

VodafoneZiggo has established three corporate values in collaboration with its employees: Open Up, Team Up and Step Up. To bring these values to life, we formed the Culture Crew in 2017 at the inception of VodafoneZiggo. The Culture Crew is comprised of colleagues from all over VodafoneZiggo who share a passion for our culture, especially the way we conduct ourselves within the company. They initiate various activities, such as facilitating Coffee & Connect sessions, engaging in discussions about topics from the Heartbeat, and informing new colleagues about our culture during onboarding days. As a company, we are continuously evolving and developing our culture.



"OUR HEARTBEAT SURVEY PROVIDES TEAMS WITH INSIGHTS INTO THEIR OWN JOB SATISFACTION."

Diversity, equity and inclusion

Diverse and inclusive teams strengthen the feeling of well-being among our employees – which leads to better performance. Therefore, increasing diversity, equity and inclusion is of huge importance to us. To achieve this, we are focusing on raising awareness, both internally and externally, of the importance of diversity; we are striving for recruitment that attracts talent from all backgrounds; and creating a safe working environment in which everyone – regardless of gender, orientation, disability, origin or religion – can be themselves.

BEING CONNECTED MAKES YOU STRONGER

According to an internal survey, our internal employee networks help improve employee satisfaction – something we are very proud of. These networks include: Women Connected, a community working collectively to achieve a better gender balance within VodafoneZiggo; Go-getters Connected, which aims to improve accessibility in the workplace; Queers Connected, which seeks to ensure a safe working environment for LGBT+ colleagues; and finally: Intercultural Connected, a network in which colleagues from a variety of backgrounds can share their experiences.

These groups are open to all – employees from different backgrounds can join as allies. For example, one of the chairpersons of Women Connected is a man. The aim is that colleagues from different groups get to know each other better and have the opportunity to promote the network's message within VodafoneZiggo.

ACTION FOR DIVERSITY

To gain insight into areas where we are doing well and where there is still room for improvement, we sent out our second survey into Diversity, Equity and Inclusion (DE&I) in 2022. More than 2,300 colleagues – an increase of more than 800 from the year before – made their voices heard. The survey revealed that 83% of respondents can be themselves, and 78% said they felt at home at VodafoneZiggo. While this is a positive result, we can and must do better for those colleagues who answered negatively.

Based on the survey results, each Business Unit has drawn up an action plan to contribute towards our goal of being a diverse and inclusive organisation. In 2022, for example, we adjusted the recruitment policy in several business units to influence gender ratios. Employees also increased their knowledge and skills of DE&I by taking part in training courses on topics such as psychological security. During Lunch & Learn sessions, colleagues discussed topics connected with DE&I – such as 'unconscious prejudices', 'cultural identity' and the 'gender gap'. More than 350 of our employees have participated in one or more of these discussions to date.

We have adopted a learning-based approach to our action plans, where we review our goals and interventions based on the results of each of our annual DE&I surveys. This allows us to make continual improvements.

A SAFE WORKING ENVIRONMENT

As a company, we focus on creating a working environment in which all employees feel safe, respectfully treated and at home. In 2022, we prioritised this topic within our organisation, not only in connection with our DE&I survey, but also as a response to a debate within society about unacceptable behaviour. We clearly communicated our policy and our guidelines concerning unacceptable behaviour in the form of a code of conduct. We also sent out communications from the HR department and the company's management, to stimulate further discussion. In addition, we made the various contact points for reporting purposes more accessible and introduced Trust Buddies – colleagues who can discuss options to address inappropriate behaviour with employees.

We also introduced a new intervention: the Hotlines page, a hub with all the information about our Trust Buddies and the options we offer within VodafoneZiggo for when employees feel the need to talk to someone or wish to report inappropriate behaviour. The introduction of Hotlines led to a number of reports being made that enabled us to take action in a careful and considerate way.

It is important to realise that combating unacceptable behaviour is a continuous process. As a company, we must conduct regular evaluations and improvements to ensure that the working environment is free of this behaviour.

AWARD-WINNING RECRUITMENT

Diversity in the workplace can be improved with an inclusive recruitment process. With this in mind, we adjusted our vacancy texts to make them more appealing to women.
As of 2022, candidates applying for any full-time vacancy can choose to work either 32 or 40 hours a week – an attractive proposition for anyone who prefers to work part-time.
In addition, we received a Digital Recruitment Award 2022 for the best online application experience, thanks to our accessible and transparent online application process.

UNIQUE TALENT

Genuinely inclusive recruitment reaches the talented individuals who are often overlooked in the labour market. In 2022, we set out to address this issue by creating tailor-made positions with, among other things, an adapted range of tasks and adjusted working hours, increasing the number of skilled workers who could find work with us. We aim to obtain step 1 of the Performance Ladder for Social Enterprise (PSO) in 2023 in recognition of our efforts.

Another great example of the steps we have taken to assist those who have difficulties accessing the job market is our Greywatchers programme. We often have to disconnect the TV and internet access of people who use our services without paying for a subscription – called 'Greywatchers'. As well as sending installation staff to carry disconnections out, we employ assistants in the shape of those who have difficulty accessing the labour market – people who need a defined list of tasks and enjoy working outdoors.

We also have special roles for deaf employees in our Sign Language Coffee Bar at our central office in Utrecht. Employees and visitors can use sign language to order a coffee from a barista who is deaf – creating opportunities for them undertake paid employment.

DIVERSITY THROUGH PARTNERSHIPS

In 2022, we once again were involved in several partnerships to play our part in boosting diversity, equity and inclusion within society as a whole. One of those partnerships was with Refugee Talent Hub, which helps refugees find jobs. We also partnered with Cable & Telecommunications to strengthen the position of women within the sector. A third partnership was with the Edwin van der Sar Foundation, which welcomes colleagues with non-congenital brain injuries as Data Analysts.

OUR NEXT STEPS IN 2023

Our ultimate ambition is to reach a point where a diversity and inclusion policy is unnecessary. However, there is still a long way to go before that happens. We have marked out our roadmap for 2023 under the heading of Belonging, Representation & Allyship, focusing on ensuring everyone can be themselves and feel equal and represented. For example, we are currently setting up a platform that will enable colleagues with opposing points of view to sit down and talk together, because sharing ideas and opinions can lead to greater mutual understanding.

REAL MODELS

Our diversity, equity and inclusion ambitions extend far beyond our own organisation. In 2022, for example, we were once again the main sponsor of Pride in Utrecht, running our 'Real Models' campaign to encourage Canal Pride visitors to celebrate the freedom to "be who you are". We wanted to provide young people within the queer community with realistic role models. So we invited real visitors to Pride to be our campaign models, photographing them on-site and immediately displaying the results on digital screens throughout the city. At Pride Groningen and Pride Amsterdam, visitors also had an opportunity to appear as a 'real models' in the same way. The first models were colleagues from 'Queers Connected', the employees' network at VodafoneZiggo that brings together LGBT+ people and their allies.

We also designed the Unstereotype Framework to ensure that we are truly diverse and inclusive in all of our brand communications, which we are now using to test our communications to ensure they reflect diversity and inclusion.

Leave no-one behind

According to research by the Netherlands Court of Audit, as many as 2.5 million people in the Netherlands have insufficient digital literacy skills. Together with our partners, we are working to ensure that everyone can benefit from our digital society. We are achieving this in various ways – by providing digital skills programs for everyone, whether young or old, by improving the availability of digital services and by making our digital services and products accessible to everyone.

DIGITAL LITERACY SKILLS FOR SENIOR CITIZENS

One area we are focusing on in particular is improving digital literacy skills among children and senior citizens. We have been supporting senior citizens now for many years with our Welcome Online programme, in which we work closely with the National Foundation for the Elderly (*Ouderenfonds*) and ASML. By offering this programme, our aim is to help elderly people improve their digital literacy skills. Volunteers, some of whom are our colleagues, are on hand to answer questions from senior citizens during our Welcome Online workshops.

In 2022, we released our series of documentaries entitled Welcome Online, in which we follow the progress of five senior citizens who learn how to use the internet thanks to the Welcome Online course. And at the 50PlusBeurs event, we hosted our Welcome Online Café and had the opportunity to talk with senior citizens and discuss their questions and skills.

DIGITAL LITERACY SKILLS FOR YOUNG PEOPLE

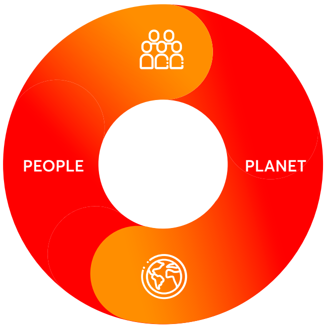
We are involved in discussions with public and private-sector entities to ensure that digital literacy is made a fixed part of the curriculum in primary schools. Until that becomes a reality, we are working together with partners such as Mediawijzer.net and ECP/ veiliginternetten to offer primary and secondary schools a free teaching programme entitled Online Masters. The aim of the programme is to make children aware of the opportunities and challenges of the digital world and to learn about aspects such as online harassment, fake news and programming. Last year, a new module was added to the programme for young people aged 12 to 18 who are in special education. One of the activities involves holding discussions with their teacher about online harassment and sexting. They also learn how to keep WhatsApp fun for everyone.

Thanks to our Welcome Online programme for the elderly and Online Masters for young people, we are able to reach around 200,000 people each year.

EXPERIENCE DAYS

The professions of the future will require more digital literacy skills than the professions we know today. That's why we run Experience Days, where we invite school pupils from Groups 7 and 8 in primary school to visit our offices at VodafoneZiggo. The aim is to inspire children and to introduce them to the technologies of today and tomorrow. During the course of the day, they take part in a variety of technology workshops – from programming to cable-stripping – with assistance from VodafoneZiggo colleagues. Experience Days not only help young people gain a more insight into the job market, but also a better idea of their own individual talents. We organise Experience Days in collaboration with JINC, an organisation that offers children from socio-economically deprived districts with opportunities on the job market. In 2022, over 800 school pupils took part in the Experience Days.

"ONE OF OUR KEY RESPONSIBILITIES IS TO ENSURE THAT EVERYONE CAN BENEFIT FROM THE OPPORTUNITIES IN THE DIGITAL SOCIETY."



DIGITAL ACCESS FOR EVERYONE

In our view, one of our key responsibilities is to make it easier for everyone who lives in the Netherlands to access the internet and digital products. That is why we form part of the *Alliantie Digitaal Samenleven* (Digital Society Alliance). This alliance is an initiative of the Dutch Ministry of the Interior and Kingdom Relations, the Number 5 Foundation and VodafoneZiggo. The only way we can achieve a digitally inclusive society will be if government bodies, businesses and social organisations work together.

Within the Alliance, we will be testing a social internet product in the telecom sector from 2023 onwards. This means that people who are unable to afford an internet subscription will nevertheless be able to access the internet. We also intend to link this product to our teaching programmes for digital literacy skills and to use it to enable people to access digital devices.

SERVICE AND SUPPORT

On Digital Inclusion Day 2022, in order to help a larger number of people with their digital literacy skills, we announced that we would be increasingly using our shops as service and support points. Staff in our 106 shops will receive training to enable them to answer customers' questions about digital resources even more effectively at present. To make this programme even more effective, we are also working together on a local level with organisations that specialise in providing online help.

ACCESSIBLE USE

We want our products and services to be accessible to as many people as possible. Based on the national average, we estimate that 1.5 million of our customers are living with some form of disability. We want to offer them a much better user experience. For example, our remote control with voice control makes it easy for customers to navigate their way through the menus. Using their voice, users can give an instruction to the remote control and the mediabox will carry it out. Another adjustment is the contrast on our website. For example, we plan to replace the white letters on an orange background with black letters on an orange background and we are improving the contrast of the buttons on our website. We have launched a study into how we can improve the accessibility of our products and services even further.

EMPLOYEES STEP UP

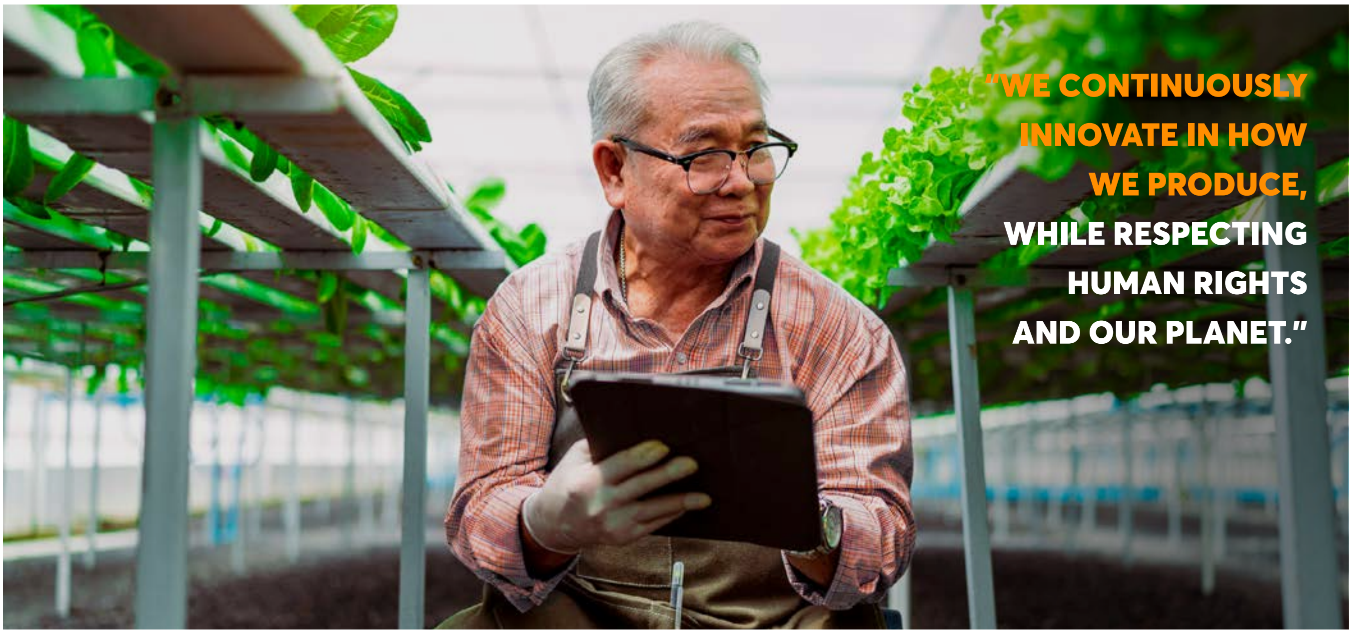
The success of these programmes is due in part to the commitment of VodafoneZiggo's employees. Via our platform Step up for Good, they can sign up to devote some of their working hours to these programmes, for example by delivering a guest lesson for Online Masters. In 2022, a total of 178 colleagues voluntarily took part in our social programmes.

SOCIAL PARTNERS

We strengthen our programmes in collaboration with many social partners (see page 155).

Impact of purchasing

Ethics and sustainability are of paramount importance at VodafoneZiggo. We are always working to make our value chain more sustainable with our purchasing code, intensive monitoring and guidance. These efforts were rewarded with a gold medal from EcoVadis in 2022. This means that we are now among the 5% best-performing companies worldwide in terms of sustainability and corporate social responsibility.



WORKING TOGETHER

Each year, we purchase goods and services worth more than €2 billion from over one thousand suppliers, ranging from companies that construct and maintain our fixed and mobile networks to international suppliers of equipment such as telephones, modems and media boxes. On top of this, we work with many distribution partners who deliver our products to our customers.

VodafoneZiggo works closely with those suppliers, so that they also meet the high standards that we set ourselves. We continuously innovate production methods, while respecting human rights, health and the planet. We also expect our suppliers to do the same. Only then will we be able to improve working conditions and reduce our collective CO_2 footprint.

OUR PURCHASING CODE

Our suppliers are required to meet standards regarding privacy, health, working conditions and sustainability. To ensure those achievements are measurable, we laid down our requirements in a code of sustainable and ethical purchasing. That code forms the basis of our agreements with suppliers. For example, we enter into agreements with our call centres in Suriname and Turkey regarding working conditions and fair salaries. We also make agreements with our energy suppliers that the electricity delivered is always green and certified.

CONTINUOUS MONITORING

We not only make arrangements, but we also check whether our suppliers are actually complying with our sustainability requirements. In the case of Dutch suppliers with a high risk profile, we conduct workplace inspections ourselves, for example on-site at Ericsson, our mobile network supplier. Internationally, we receive help from the Joint Audit Corporation (JAC), in which our parent company, Vodafone Group, collaborates with other telecom companies. The JAC conducts international audits as a means of improving the social and environmental performance of influential suppliers. This is one of the ways we can make an impact sector-wide and worldwide.

INSIGHT INTO SUPPLIERS

The independent rating agency EcoVadis helps us to gain insight into our suppliers' sustainability performance. EcoVadis evaluates and monitors our suppliers to see how they score in terms of 21 social issues structured around four themes: environmental risks, social risks, ethical risks and supplier risks. This provides us with insight on how ethical and sustainable our partners are operating. Making our supply chain completely transparent and getting a grip on this is not simple, but the evaluations from EcoVadis are certainly helping us in achieving this goal.

Meanwhile, EcoVadis has evaluated over 275 of our top-500 suppliers and has connected them to its platform. Together, they account for over €1 billion of our expenditures. Now that we have a clear picture of our largest suppliers, we have also started to connect more and more of our smaller suppliers to the platform together with EcoVadis.

GOLD FROM ECOVADIS

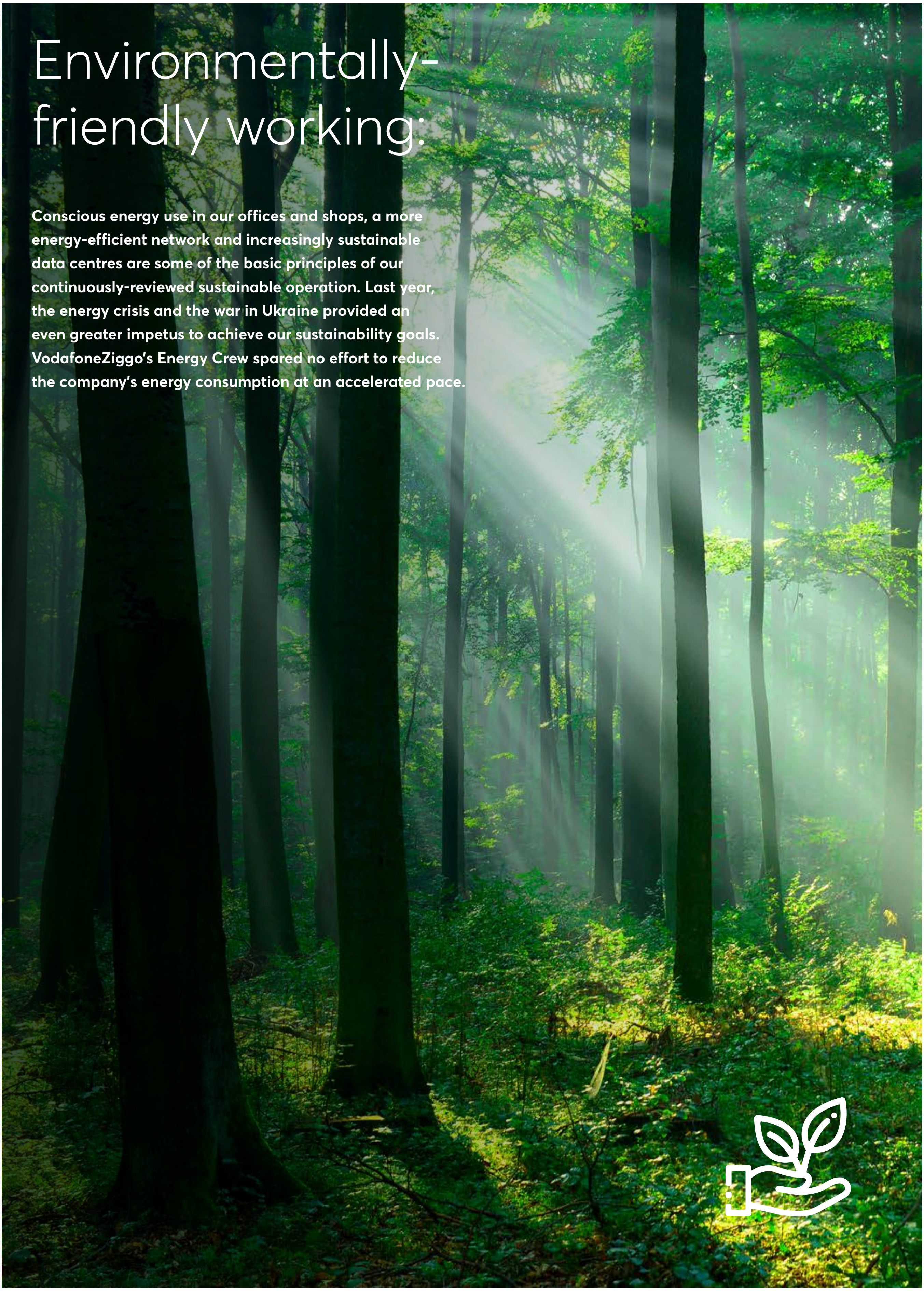
Any organisation that is evaluated by EcoVadis and is performing well is awarded a medal, ranging from bronze to platinum. At VodafoneZiggo, we help our suppliers achieve at least a bronze medal. If they do not achieve this level, we hold discussions with them and work together to draw up an improvement plan.

That approach also has a positive impact on our own score at EcoVadis, which also evaluates our sustainability performance. It is partly due to our increasingly sustainable supply chain that EcoVadis awarded us a gold medal in 2022. This means that we belong to the world's top 5% of companies in terms of sustainability and corporate social responsibility.

100% CONSCIOUS PURCHASING

Our ambition is to ensure that we consider sustainability in every purchase request and investment decision throughout our organisation. As part of this, we strive to ensure we include social responsibility criteria in tendering processes by adding it as a requirement to our CSR strategy. In late 2022, half of our tenders included such criteria, and we intend to increase that proportion in 2023 – until it reaches 80%.

"THE INDEPENDENT RATING AGENCY ECOVADIS HELPS US TO GAIN INSIGHT INTO OUR SUPPLIERS' SUSTAINABILITY PERFORMANCE."



Environmentally-friendly working:

Conscious energy use in our offices and shops, a more energy-efficient network and increasingly sustainable data centres are some of the basic principles of our continuously-reviewed sustainable operation. Last year, the energy crisis and the war in Ukraine provided an even greater impetus to achieve our sustainability goals. VodafoneZiggo's Energy Crew spared no effort to reduce the company's energy consumption at an accelerated pace.

CONSCIOUS ENERGY USE

From our shops and offices to our network and data centres, our operation impacts the environment through the energy we consume and the CO_2 we emit. To use energy as consciously as possible, VodafoneZiggo purchases 100% European wind energy with Guarantee of Origin certificates.

Of the electricity our company consumes, 94% is used to keep our network running. The rest is attributable to our offices (5%) and shops (1%). Our annual gas consumption is decreasing year-on-year, among other ways, through closed doors in our shops and lower temperatures in our offices. In 2022, this consumption was still about half of that compared to 2020.

SAVING ON OUR NETWORK

We made our largest reduction in energy by adjusting our network. We partly achieved savings on our mobile network by switching off 3G equipment sooner than planned. We plan to switch off around 2000 3G sites by May 2023. In addition, we installed smart software that switches on masts during peak usage times and switches them off during off-peak periods – an upgrade that will save 5 GWh per year.

MORE ENERGY-EFFICIENT DATA CENTRES

In our data centres, we implemented several low-energy measures in 2022, such as adjusting the temperature at those locations. We are also making more frequent use of 'free cooling' by utilising external air, which, given our mild climate in the Netherlands, could generate considerable savings. We have also started using more energy-efficient equipment and software and are writing our own software codes to automate our network even further. To make our data centres even more sustainable, we are investigating whether we can reuse residual heat at our data centres in Tilburg and Groningen.

TRANSPORTING DATA MORE EFFICIENTLY

We are continually expanding the capacity of our networks in order to meet the ever-increasing demand for data. Our ambition, however, is to continue reducing the energy we use for that purpose. Our mobile network has become almost 40% more energy efficient since 2020, while the efficiency of our fixed network has increased by over 25%.

ENERGY CREW

Our specialist Energy Crew has been active since 2022. The team itself is made up of energy-conscious colleagues from all parts of the company. Together, they drew up an action list of over one hundred possible savings to be made by eliminating hidden consumption. Seven of those were already addressed in 2022, including taking outdated equipment out of service sooner and implementing software updates capable of delivering energy savings.

The measures are not only confined to our own energy consumption, but to our customers' energy consumption as well. We are replacing old media boxes in our customers' homes for new ones that consume less energy (read more on page 68).

"OUR AMBITION IS TO CONTINUE TO REDUCE OUR ENERGY CONSUMPTION BY MAKING USE OF ENERGY-EFFICIENT EQUIPMENT AND SOFTWARE."

Sustainable products and services

We are continually looking to see how we can make our products even smarter and more energy-efficient by using fewer raw materials, encouraging reuse or repairs and extending the service life of our products. With recycling, we are closing the loop. We engage our customers in this process by offering them as many sustainable choices as possible and by educating them about sustainability. Since 2018, all of our initiatives have already reduced our CO_2 emissions by 30%.

SUSTAINABLE PRODUCTS

We are vigilant about how we use the raw materials for the equipment we use to satisfy our customers' needs. As part of this, we look for opportunities to reuse more and we try to extend the service life of our products and develop equipment and software that are increasingly energy-efficient.

AN ENERGY-EFFICIENT MEDIA BOX

The Mediabox Next Mini, introduced in 2022, is a good example of one of our sustainable, new products. With a power consumption between 2.5 and 5 watts, it is more energy-efficient than its predecessors. It also switches into stand-by mode if it isn't being used. Customers can adjust this energy-saving setting for themselves or can switch it on or off.

In addition, 85% of the media box itself is made from recycled materials. It is also so small that it will fit in the customer's letterbox. It is also efficiently packed in cardboard in order to use the smallest quantity of packaging materials as possible, significantly reducing the use of plastic. This means that the devices take up 30% less space inside the delivery vehicles, as a result of which fewer delivery runs are required.

Since 2022, we have been replacing old media boxes with the next generation of smaller, low-energy devices earlier than planned – 1.2 million customers now have a Mediabox Next or a Next Mini. Last year, the number of energy-efficient TV products used by our customers rose from 21% to 41%.

SMART PACKAGING

Other initiatives to ensure we use a much lower quantity of raw materials are our e-sims and our improved packaging. E-sims are digital SIM cards that replace the familiar plastic SIM cards along with their packaging. In 2022, we introduced new cardboard boxes that have been made to fit our products precisely. This means that the devices take up 30% less space inside the delivery vehicles, meaning fewer delivery runs are required. Moreover, our packaging is increasingly made from biodegradable materials such as soya ink and recycled cardboard.

REUSE WHERE POSSIBLE

We also encourage Ziggo customers to return outdated and non-functioning equipment. They receive a box which they can use to return devices free of charge. Media boxes, modems, routers and WiFi boosters that are returned but are still usable are reused once any necessary repairs have been carried out. We now refurbish 1 million devices each year; around 85% of all hardware that is returned.

As a result of our collaboration with the non-profit organisation Wecycle, we are ensuring that equipment we are unable to recycle ourselves still ends up where it needs to be. We do this by encouraging customers to hand in end-of-life hardware at one of the 13,000 Wecycle recycling points located throughout the country.

EXTENDING THE LIFE OF YOUR PHONE

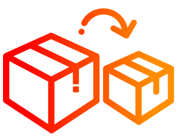
Vodafone encourages customers to make conscious choices that will extend the service life of their phones. We do this under the banner: recycle, reuse, repair and reduce. If customers continue using their phones just one year longer, they will reduce its CO_2 impact by up to 29%. With our campaign 'Geef je telefoon een langer leven' (Give your phone a longer life), which began in 2023, we want to help customers in the Netherlands to get the most out of their phones.

Thanks to the Smartphone Scan available in Vodafone shops, customers can check in just a few minutes how they can still use their phone effectively and when it is time for a new model (reduce). Instead of a new model, they can also choose a refurbished phone instead (reuse). A refurbished device is better value for money and saves around 50 kilos of CO_2 emissions (source: Vodafone circular economy plan). Repairing a broken phone is also an option, even if it is not insured (repair).

Finally, customers with Vodafone Trade-in deals can simply exchange their device for cash. Old or broken phones that no longer have any exchange value can be handed in at our shops (recycle). The phones will be recycled and the old materials will have a second life with the help of our partners. As part of this, we look for opportunities to reuse more and extend the service life of our products, and develop equipment and software that are increasingly energy-efficient.

CLOSING THE LOOP

When it comes to recycling the business phones of VodafoneZiggo colleagues, social enterprise Closing the Loop is there to give us a helping hand. For every phone handed in by a VodafoneZiggo colleague, Closing the Loop will recycle a discarded phone in countries that lack recycling expertise. Ecowave is helping us recycle phones handed in by consumers. In this way, we are working with our customers, employees and partners to close the loop.



"SINCE 2018, ALL OF OUR INITIATIVES HAVE REDUCED ALREADY OUR CO_2 EMISSIONS BY 30%."

Sustainable mobility

We are committed to significantly reducing the CO_2 emissions of our everyday mobility every year – starting with VodafoneZiggo employees. That is why we are informing, engaging and inspiring them to use sustainable modes of transport. Our aim of having a largely electric vehicle fleet moved one step closer last year. We now have more electric lease cars on the road, and our installers also use e-vans, e-bikes and e-scooters.

"TO REDUCE OUR CO_2 EMISSIONS, WE INSPIRE OUR EMPLOYEES TO USE SUSTAINABLE TRANSPORTATION."

SUSTAINABLE BUSINESS TRAVEL

Together with seventy other leading companies in the Netherlands, we are playing an active part in the Anders Reizen (Travel Differently) coalition to promote sustainable business travel. We encourage employees to use public transport as much as possible to and from work, giving all employees at the company's offices and shops an NS-Business Card with which they can travel first class, free of charge. Our newest offices are also located within walking distance of a railway station.

ELECTRIC LEASE CARS

In addition to encouraging more employees to use public transport, we want to ensure that all car journeys are fossil-free. That is why since 2022, we have only been providing electric lease cars to those of our staff who are required to travel. The proportion of electric lease cars in our vehicle fleet has increased to 27% in 2022.

ELECTRIC TRANSPORT

Some of our employees still have to go on the road, including technicians who must visit a customer's address as quickly as possible. Together with our installation partners, Circet and Guidion, we are trying to ensure that our essential customer visits are environmentally friendly. First, we are taking initiatives to reduce travel distances and drastically reduce emissions per kilometre.

We are also experimenting with the use of electric vehicles by our installers. In 2022, we also successfully concluded a pilot project involving e-vans, and we intend to roll that programme out further in 2023. In the major cities, we also provide more two-wheeled forms of electric transport for technicians visiting customers' homes. These include e-bikes, covered e-scooters and several SunRiders – electric cargo bikes with solar panels. In 2022, a trial involving StapSteps also proved successful – a type of electric scooter that can be used to complete the final few kilometres, which users can charge on their electric van. Compared to a diesel-powered van, an electric scooter provides a CO_2 reduction of 99.3% for every kilometre travelled. In addition, it is also an effective solution to the parking problems in urban areas.

Our 2022 results

Financial performance

2022 FINANCIAL KPI'S AT A GLANCE

We measure our success through key performance indicators that reflect our strategic, operational and financial progress and performance.

REVENUE
in € millions

4,066 2021: 4,077

ADJUSTED EBITDA AL[1]
in € millions

1,894 2021: 1,887

CAPEX ADDITIONS[1]
in € millions | % of revenue

948 2021: 830

23.3% 2021: 20.4%

OPERATIONAL FREE CASH FLOW[1]
in € millions

946 2021: 1,056

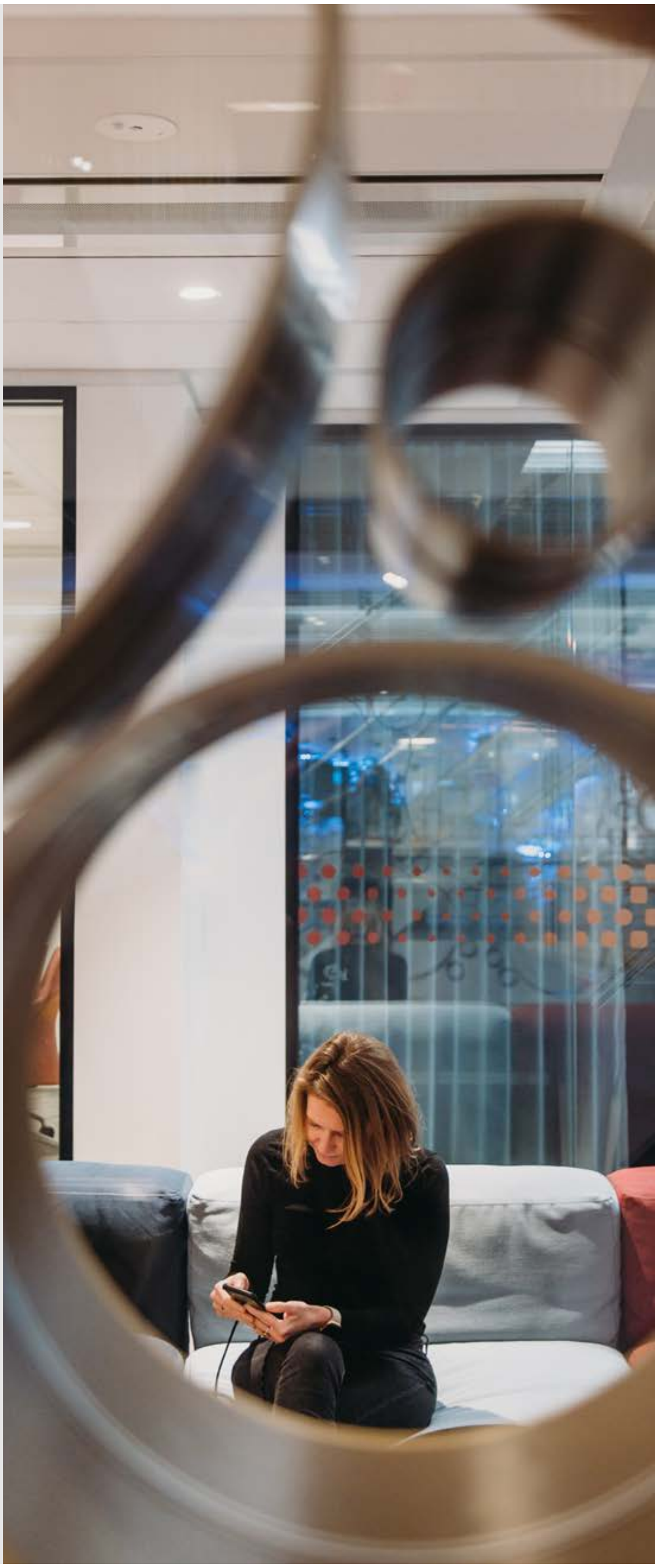
SHAREHOLDER CASH DISTRIBUTIONS[1]
in € millions

602 2021: 626

COVENANT LEVERAGE RATIO[1]

4.49x 2021: 4.42x

1 For definitions, see sections Alternative Performance Measures and Glossary.



DELIVERING ALL OUR FINANCIAL GUIDANCE

Despite broader macroeconomic challenges, we ended 2022 on a positive note and delivered on all of our 2022 guidance with stable revenue and Adjusted EBITDA AL. Through disciplined cost control, we managed to absorb significant cost inflation in primarily energy and wage costs. As a result, our Adjusted EBITDA AL increased by 0.4% year-on-year. We invested nearly €950 million (23.3% of our revenue) into our networks, product and services to expand our network capacity and coverage as well as to continuously improve customer experience. Through a healthy free cash flow generation and strong financial position, we delivered shareholder cash distributions of €602 million.

	2022 Results	2022 Guidance	
Adjusted EBITDA AL growth	0.4%	Stable to modest growth	√
Capex-to-revenue ratio	23.3%	22% - 24%	√
Shareholder cash distributions	€602 mln	€550 - 650 mln	√

Revenue

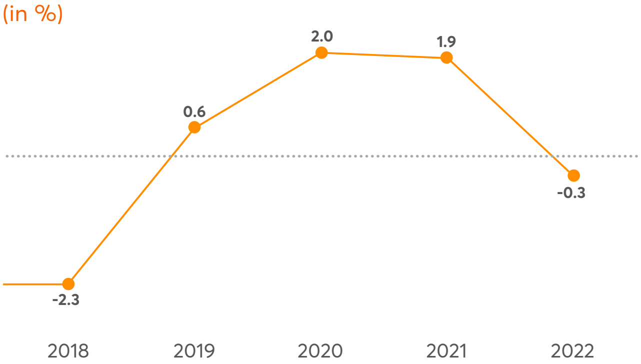
Our revenue was stable year-on-year in 2022, as higher ARPU and strong B2C and B2B mobile and B2B fixed performance largely offset the decline in our B2C fixed customer base. We added 179,200 organic mobile postpaid SIMs for the year and recorded the 5th million postpaid SIM early in 2022. The decline in our B2C fixed customer base is driven by increased promotional activities in the market and the impact of the loss of Formula 1 sports rights at the start of the new Formula 1 season.

Revenue in B2C fixed declined by 3.0% year-on-year, driven by customer base decline and lower out of bundle usage, partially offset by the effect of our inflation adjustment. Despite continued promotional intensity in the market, our B2C fixed customer base decline has reduced considerably in the last quarter of 2022.

Revenue in B2C mobile grew by 2.1% year-on-year, primarily driven by 97,800 mobile postpaid SIMs growth and 0.6% postpaid ARPU growth as roaming revenue started to recover post the coronavirus pandemic.

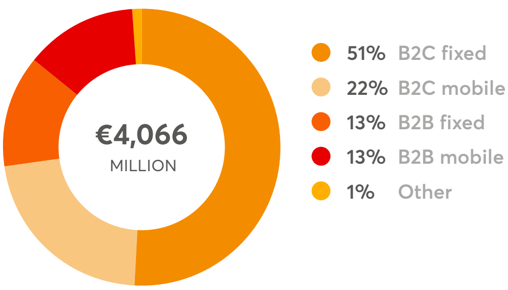
REVENUE GROWTH PER YEAR

(in %)



* We transitioned to EU-IFRS effectively on January 1, 2019. Prior to January 1, 2019 we prepared our statutory financial statements in accordance with Dutch GAAP. As a consequence, the comparison reflected in this figure is not like-for-like for the presented revenue growth in 2019 vs 2018.

REVENUE PER SEGMENT IN 2022



Revenue in B2B fixed grew by 1.3% year-on-year, primarily driven by growth in SoHo, small business and our unified communication portfolio.

Revenue in B2B mobile grew by 8.5% year-on-year, primarily driven by (i) higher roaming and visitor revenue, (ii) higher handset sales, (iii) higher IoT revenue, and (iv) 81,400 mobile postpaid SIMs growth, partially offset by (v) price pressure in the large Corporate segment.

ADJUSTED EBITDA AL
(in € million)

Adjusted EBITDA AL

Adjusted EBITDA AL increased by €7.6 million or 0.4% year-on-year during 2022, supported by stable revenue whereby incremental cost efficiency measures more than offset the €26.5 million impact from higher energy- and average wage costs. Cost of outsourced work and other external costs decreased by €5.2 million, primarily driven by the net effect of lower programming costs following contract renewals and expirations and higher energy prices. Our personnel expenses decreased by €14.5 million, primarily driven by lower number of FTEs, partially offset by higher average costs per FTE.

Operating profit

Our operating profit (EBIT) increased from €294.9 million in 2021 to €378.8 million in 2022, representing an increase of €83.9 million. The increase in our operating profit is primarily driven by (i) a decrease of our amortisation and depreciation expenses (excl. lease related depreciation) by €51.5 million, (ii) a decrease in our impairment, restructuring and other operating items, net by €25.0 million and (iii) the aforementioned increase of our Adjusted EBITDA AL by €7.6 million.

In 2022 and 2021, we recognised impairment, restructuring and other operating items, net, of €12.5 million and €37.5 million, respectively. These charges primarily relate to (i) restructuring charges of €10.4 million and €25.4 million, (ii) acquisition and disposition costs of €2.2 million and €10.2 million, (iii) impairment charges related to property & equipment of €0.8 million and €2.5 million and (iv) a gain from disposal of assets of €0.9 million and €0.6 million, respectively.

Net finance result

Our net finance result increased from net finance costs of €385.7 million in 2021 to net finance income of €186.8 million in 2022, representing an increase of €572.5 million. This increase is mainly driven by an increase of €664.8 million in realised and unrealised gains on derivative instruments due to the appreciation of the USD compared to the euro and an increase in interest rates. Our derivative results are partially offset by foreign currency transaction losses, which decreased by €35.5 million compared to 2021. Our third-party debt interest expenses increased by €58.4 million due to an increase in interest expenses on debt with a variable interest rate and appreciation of the USD. We recorded losses on debt extinguishment of €71.1 million in 2022 as compared to €7.6 million in 2021. The losses on debt extinguishment in 2022 are primarily associated with the redemption of our senior secured notes due in 2027, which were refinanced by issuing sustainability-linked senior secured notes due in 2032.

Income taxes

In 2022 and 2021, we recognised income tax expenses of €200.9 million and €57.0 million, respectively. The effective tax rate (ETR) is 35.2% (2021: 62.8%) compared to a nominal tax rate of 25.8% (2021: 25.0%). The ETR is higher than the nominal tax rate as interest deduction is limited to 20% of fiscal EBITDA as of January 1, 2022 (previously 30% of fiscal EBITDA). This limits our ability to recover non-deductible interest and losses on debt extinguishment.

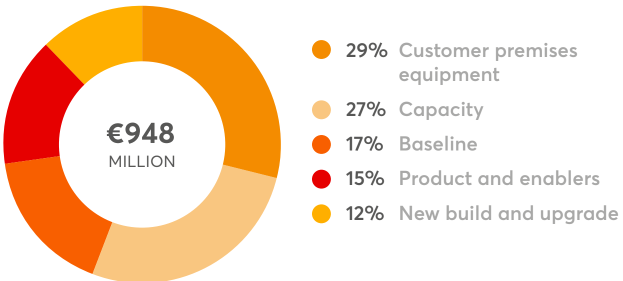
Net profit

In 2022, our net result increased by €517.1 million compared to 2021. The increase in our net result is primarily driven by (i) an increase in net finance result by €572.5 million caused by results on our derivative portfolio and (ii) an increase in our operating profit by €83.9 million. These increases are partially offset by an increase of our income tax expenses by €143.9 million.

Capex additions

We continue to be committed to long term success for VodafoneZiggo and hence our customers through investments in innovate products and services and our high-quality future proof infrastructure. In 2022, we reinvested €948.2 million or 23.3% (2021: €830.4 million or 20.4%) of our revenue into, among others, expanding our network capacity and coverage through the realisation of nationwide 1 Gigabit speed coverage in our fixed network and 5G coverage on our mobile network. We also invested heavily into our products, by delivering the next generation of our TV platform Mediabox Next and its smaller and more sustainable version, Next Mini as well as WiFi signal amplifier SmartWifi pods to our customer homes. By the end of 2022, 1.2 million customers have a Mediabox Next or Next Mini and nearly half of our fixed customer base have SmartWifi pods at home.

BREAKDOWN OF CAPEX ADDITIONS IN 2022



Operational Free Cash Flow

Operational Free Cash Flow is defined as Adjusted EBITDA AL minus Capex additions. In 2022, our Operational Free Cash Flow decreased by €110.2 million compared to 2021. The decrease in our Operational Free Cash Flow is primarily attributable to our aforementioned increase in Capex additions.

Cash flows

Net cash provided by operating activities decreased by €53.3 million compared to 2021. The decrease is primarily driven by higher cash paid for income taxes and interest, partially offset by an increase in our Adjusted EBITDA AL and working capital changes.

Net cash used in investing activities decreased by €16.4 million compared to 2021. The decrease is primarily driven by a decrease by €207.9 million in cash payments for spectrum licenses. This decrease more than offsets the increase in property and equipment and software additions, the decrease in current liabilities related to capital expenditures and the decrease in assets acquired under capital-related vendor financing arrangements.

Net cash used by financing activities increased by €56.8 million compared to 2021. The decrease in net borrowings of debt and higher payments of financing costs and debt premiums more than offset the decrease in equity distributions to our shareholders and lower net repayments of vendor financing.

Resilient balance sheet

We have a resilient balance sheet and liquidity position at the end of 2022 and managed to maintain our covenant leverage ratio[1] well within our capital structure policy of 4.5x - 5x. Furthermore, our capital structure policy is to provide for an economic hedge, ensuring that we are hedged against foreign currency exchange rate movements and increases in interest rates on our variable-rate debt.
For an overview of our risk management and exposure to credit risk and counterparty credit risk, liquidity and cash flow risk and market risk, refer to note 18.2 to our consolidated financial statements.

On December 31, 2022, our total third-party debt (excluding vendor financing, handset financing and lease obligations) was €10.2 billion, which is an increase of €0.4 billion from December 31, 2021, all due to the strengthening of the US Dollar against the euro. 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 December 31, 2022, which is unchanged compared to December 31, 2021.

At December 31, 2022, our covenant leverage ratio was 4.49x. This was 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.

1 Calculated as Total Net Debt to Last 2 Quarters Annualised Covenant EBITDA.

On December 31, 2022, our fully-swapped third-party debt borrowing cost was 3.8% and average tenor of our third-party debt (including vendor and handset financing obligations) was 6.6 years, which is in line with our capital structure policy to maximise our tenor and proactively term-out our debt. €9.6 billion of our third-party debt is not due until 2028 and thereafter.

Our group equity on December 31, 2022 amounts to €2.6 billion, a decrease of €0.1 billion compared to December 31, 2021. The decrease in our equity is driven by our comprehensive income for the period of €369.3 million and equity distributions to our shareholders of €500.0 million.

Sustainable capital structure

We continued our efforts to build a sustainable capital structure. In January 2022, we expanded our Green Bond Framework introduced in 2021 into a new Sustainable Finance Framework, further integrating our People Planet Progress target of halving our CO_2 emissions by 2025 into our financial strategy.

In 2022, through the issuance of our first €2.1 billion Sustainability Linked Bonds, we introduced a first-of-its-kind, innovative call-feature into the sustainable bond market. If one or more of our sustainability performance targets (absolute reduction of our Scope 1 and Scope 2 emissions by 50% against a 2018 baseline and absolute reduction of our Scope 3 emissions by 50% against a 2018 baseline) are not achieved, we will pay an increased coupon rate not exceeding 0.25% and increased optional redemption prices of 0.125% from 2026 onwards, until the maturity date in 2032. But, if we achieve both targets, we will benefit from a reduction of optional redemption prices by 0.125% if the loan is repaid before its maturity date. This feature, in itself, is an innovation within the global bond market for sustainable investments.

Shareholder cash distributions

In line with our capital structure policy to distribute any excess cash back to our shareholders, in 2022, we distributed €602.2 million to our shareholders, Vodafone Group and Liberty Global. The distribution consisted of equity distributions of €500.0 million and interest payments on the Shareholder Notes of €102.2 million. The distributions were funded from our own healthy free cash flow generation, without increasing debt nor limiting investments in our business. .

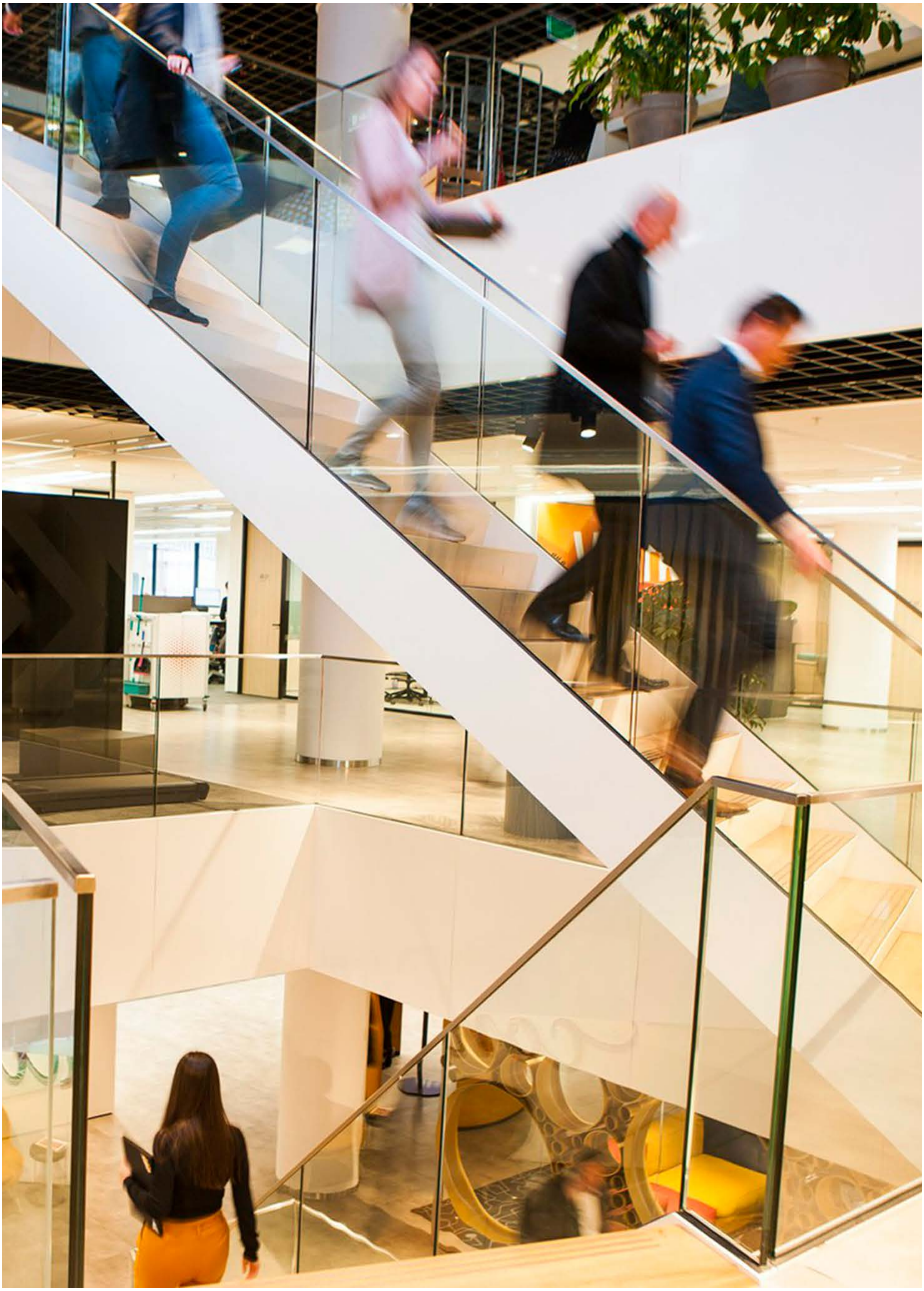
OUTLOOK

Our underlying performance remains healthy and we expect to return to revenue growth in 2023, supported by continued commercial momentum in mobile and B2B. However, we will face significant cost inflation, in particular in our energy costs. Nonetheless, we remain committed to reinvest more than 20% of our revenue in our networks, products and services in 2023, positioning the business for mid-term and long-term growth.

Our 2023 guidance reflects the expected impact of cost inflation and an increase in income tax payments:

- Low to mid-single digit decline in Adjusted EBITDA AL, with revenue growth expected to be offset by elevated cost inflation, with around €100 million year-on-year cost growth, of which around €65 million relates to higher energy costs
- 21% to 23% of Capex additions as % of revenue
- €300 to €400 million shareholder cash distributions, primarily reflecting an anticipated increase in income tax payments due to timing differences related to the final payment of our 2022 corporate income taxes and tax legislation changes effective per January 1, 2022

"IN JANUARY 2022, WE ISSUED OUR FIRST SUSTAINABILITY LINKED BONDS."



Corporate governance

VodafoneZiggo Group Holding B.V. is a private limited liability company under Dutch law and is subject to the mitigated large company regime. VodafoneZiggo's Central Office is located in Utrecht. VodafoneZiggo has a two-tier governance structure, with a Management Board and a Supervisory Board.

SHAREHOLDERS

VodafoneZiggo is a 50/50 joint venture between Vodafone Group and Liberty Global. Both shareholders and VodafoneZiggo have entered into a shareholders' agreement which, among other things, contains provisions on the governance of VodafoneZiggo.

The shares in VodafoneZiggo Group Holding B.V. are held by Liberty Global Europe Holding II B.V. (50%) and Vodafone Europe B.V. (50%), which together form the General Meeting. The General Meeting adopts the company's financial statements and decides on the grant of discharge to the members of the Management Board for the management conducted and to the members of the Supervisory Board for the supervision exercised during the financial year. In addition, the General Meeting also decides on distributions to the shareholders and the appointment of Management Board and Supervisory Board members. Resolutions of the General Meeting are mainly adopted without holding a meeting, whereby the Management Board and Supervisory Board members are given the opportunity to give advice prior to the resolution-making.

MANAGEMENT BOARD AND SENIOR LEADERSHIP TEAM

VodafoneZiggo's Management Board consists of the company's Chief Executive Officer (CEO) and its Chief Financial Officer (CFO). The Management Board is responsible for the overall management of the company. The CEO and CFO have been appointed by the General Meeting for an indefinite period.

In addition to the Management Board, VodafoneZiggo also has a Senior Leadership Team (SLT), which oversees day-to-day operations of the company and is responsible for developing a long-term vision and for formulating and implementing the company's strategy.

The SLT consists of the CEO, the CFO and seven Executive Directors, who collectively represent our business units:

- Strategy, Insights & Digital Transformation
- Business-to-Consumer
- Business-to-Business
- Customer Operations
- Technology
- Human Resources
- External & Legal Affairs
- Finance

The SLT works closely with the Senior Management Team (SMT). This is a group of around 60 experienced directors and senior managers, from across the company's eight business units. The SMT's role is to support the SLT in the day-to-day management of the company including its more than 7,000 permanent and temporary employees and external contractors.

SUPERVISORY BOARD

VodafoneZiggo's Supervisory Board advises the Management Board and supervises its policies and decisions. In doing so, the Supervisory Board is (just as the Management Board is in the performance of its duties) guided by the interests of the company and its affiliated enterprise, but it also considers interests of the company's stakeholders. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and associated risks, both among its own members as well as with the Management Board. Under the company's governance structure, certain Management Board decisions require prior approval of the Supervisory Board.

The Supervisory Board consists of eight members who are appointed or reappointed by the General Meeting after being nominated by the Supervisory Board:

- Three representatives of Liberty Global
- Three representatives of Vodafone Group
- Two independent members on the recommendation of VodafoneZiggo's Works Council

One of the members of the Supervisory Board is appointed as Chair; this position rotates annually between a Liberty Global representative and a Vodafone Group representative.

The Supervisory Board has adopted regulations that set out its governance and role in more detail, including rules relating to the exercising of duties and authorities, decision-making, as well as meetings and interaction with the company's external auditor. These regulations also contain a profile describing the desired composition of the Supervisory Board, which takes into account, among other factors, the nature and size of the company and the desired expertise and background for individual members. This profile is used by the Supervisory Board to guide its nominations for appointments and reappointments.

The Supervisory Board is supported by the Company Secretary, who ensures that the correct procedures are followed and that the Supervisory Board fulfils its obligations under the law and the articles of association and that its regulations are duly observed. The Company Secretary assists the Chair of the Supervisory Board with organisational tasks (including circulating information to Supervisory Board members and preparing meeting agendas and minutes).

Committees

The Supervisory Board has two committees consisting of members of the Supervisory Board: the Audit, Risk & Compliance Committee and the Remuneration & Nomination Committee. The committees provide the Supervisory Board with advice and recommendations and undertake preparatory work for the decision-making by the Supervisory Board.

- The main role of the Audit, Risk & Compliance Committee is to oversee the accuracy, integrity and quality of the company's financial reporting, the effectiveness of the company's internal risk management and control systems and the performance of the internal audit department and external auditor
- The main role of the Remuneration & Nomination Committee is to oversee the company's remuneration policy, performance and succession planning of VodafoneZiggo's senior management

For more information about the activities of the Supervisory Board during 2022, please see the report of the Supervisory Board on pages 90-93.

EMPLOYEE PARTICIPATION

VodafoneZiggo has a Works Council representing the company's employees. The Works Council has 25 members from across our business units and operates through various sub-committees and working groups, supported by an official secretariat. The sub-committees include the Employment Conditions Committee; the Health, Safety & Wellbeing Committee and committees for specific business units.

Under the Dutch Works Councils Act (WOR), the Management Board must submit certain decisions to the Works Council for its advice or consent. When assessing these decisions, the Works Council considers the interests of both employees and the company as a whole. Regular Works Council meetings are held every two weeks. Every six weeks, a meeting takes place with members of the Management Board. During this meeting, the CEO, CFO and/or Executive Director HR updates the Works Council. Current and upcoming requests for advice or consent are also discussed, and there is an opportunity for Works Council members to ask questions. Twice a year, the overall state of affairs within the company is discussed, along with shareholder representatives. Works Council elections take place once every three years. The most recent elections were held in September 2022.

EXTERNAL AUDITOR

The external auditor is responsible for auditing the financial statements. The external auditor communicates its findings to the Management Board, the Audit, Risk & Compliance Committee and the Supervisory Board. Every year, the external auditor explains its findings in a meeting of the Audit, Risk & Compliance Committee. During this meeting, an opportunity is provided to the Audit, Risk & Compliance Committee to discuss any questions with the auditor. KPMG Accountants N.V. has been appointed as external auditor for the 2022 financial year. The independent auditor's report of KPMG Accountants N.V. for the 2022 financial year may be found on pages 145-149.

Tax contribution report

We are committed to acting with integrity, honesty and transparency in all tax-related matters. We align our tax strategy with our company purpose and values because we recognize the societal contribution we make by paying a fair share of tax. As part of this, we adhere to corporate governance standards and provide full transparency by adequately disclosing the taxes paid – alongside the information already provided in our financial statements. This Tax contribution report presents information about our tax strategy and tax contributions in 2022.

VODAFONEZIGGO'S TAX STRATEGY AND PRINCIPLES

We responsibly handle taxation at almost every aspect of our business – from the company level down to the product, from costs to profits. Taxes are collected on behalf of the company and behalf of customers, employees and service providers. As VodafoneZiggo, we believe that a responsible tax approach is essential for good corporate citizenship, taking long-term considerations into account and carefully weighing the interests of our stakeholders. Our overall objective is to comply with all applicable tax laws and regulations and effectively manage our tax position and risks through robust processes and controls. To clarify what this means in practice, VodafoneZiggo developed its tax strategy, guided by the following principles:

MANAGING OUR TAX POSITION

- Tax is an integrated part of doing business. The business and its commercial needs are the priority, so VodafoneZiggo's Tax department will act where possible in a way that supports VodafoneZiggo's overall purpose
- We strive to ensure maximum value for shareholders through tax-efficient approaches – for example, avoiding double taxation when possible. However, shareholder value and/or commercial need will in no circumstances override our compliance with applicable laws and regulations
- We consider both the letter and the spirit of laws and regulations in all tax matters

COMPLIANCE AND REPORTING

- We prepare and submit our tax returns, tax filings and pay our taxes promptly and in accordance with all applicable laws and regulations
- Our approach to tax and our tax positions is transparent. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards

MANAGING TAX RISKS

- VodafoneZiggo engages with tax authorities based on mutual trust, understanding and transparency. We provide the tax authorities with all required information within a reasonable timeframe and discuss current tax issues proactively and transparently to ensure timely and efficient compliance. We work to an Individual Monitoring Plan designed by the Dutch tax authorities, as per the policy for all of the 100 largest companies in the Netherlands
- The VodafoneZiggo Tax department may engage in tax planning initiatives and make use of incentives promoted by government authorities. However, when doing so, due consideration is paid to VodafoneZiggo's legitimate interests, reputation, brand and corporate social responsibility
- We maintain adherence to our Tax Control Framework, which enables VodafoneZiggo to proactively manage its tax risks. Our Tax department is part of the Finance department, reporting to the CFO. The VodafoneZiggo Tax department includes specialists in direct and indirect taxes, payroll taxes, transfer pricing, tax compliance and reporting

- Tax is a standing item on the VodafoneZiggo Audit, Risk & Compliance Committee's agenda. The VodafoneZiggo Tax Director updates the Audit, Risk & Compliance Committee on the material tax risks and mitigating actions taken. The VodafoneZiggo Audit, Risk & Compliance Committee oversees VodafoneZiggo's tax position as a core part of corporate responsibility and governance

GOVERNANCE

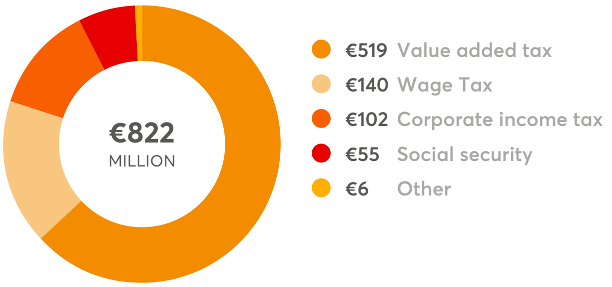
- VodafoneZiggo's Tax department is involved in the planning, implementation and documentation of business proposals, significant transactions and changes in the corporate structure. In accordance with our internal governance guidelines and Tax Control Framework, relevant tax matters are reviewed and approved by the Tax Director and, as appropriate, by members of the Senior Leadership Team
- The Tax Director and Tax department ensure that senior management and relevant employees understand and adhere to VodafoneZiggo's tax principles and to create sufficient tax awareness throughout the organisation

For details on our income tax positions and tax related contingencies, refer to notes 7 and 20 to our consolidated financial statements.

TAX CONTRIBUTION

Taxes collected and paid by VodafoneZiggo in 2022 include:
- **Direct taxes:** including corporate income tax, municipal taxes and other taxes (e.g. real estate tax)
- **Indirect taxes:** taxes collected by and paid by VodafoneZiggo on behalf of governments, such as value added tax, wage tax, social security contributions and other taxes (e.g. energy tax)

TAX CONTRIBUTION IN 2022



Risk management

We have a comprehensive Risk Management Framework in place. This Framework helps us achieve our strategic goals, maintain confidence in our brands and protect our stakeholders, including customers, employees and shareholders.

Our Framework provides a basis for effective risk management throughout the company. It establishes a clear and consistent process to ensure we comply with all legal and regulatory requirements. This process is based on identifying, assessing, managing and mitigating potential risks to our business. As part of the process, we identify any significant or emerging risks, both internal and external. A consolidated risk list – along with proposed risk tolerances – is then presented to management and the Audit, Risk & Compliance Committee. The Audit, Risk & Compliance Committee monitors via risk deep dives the measures taken to manage and reduce the significant risks.

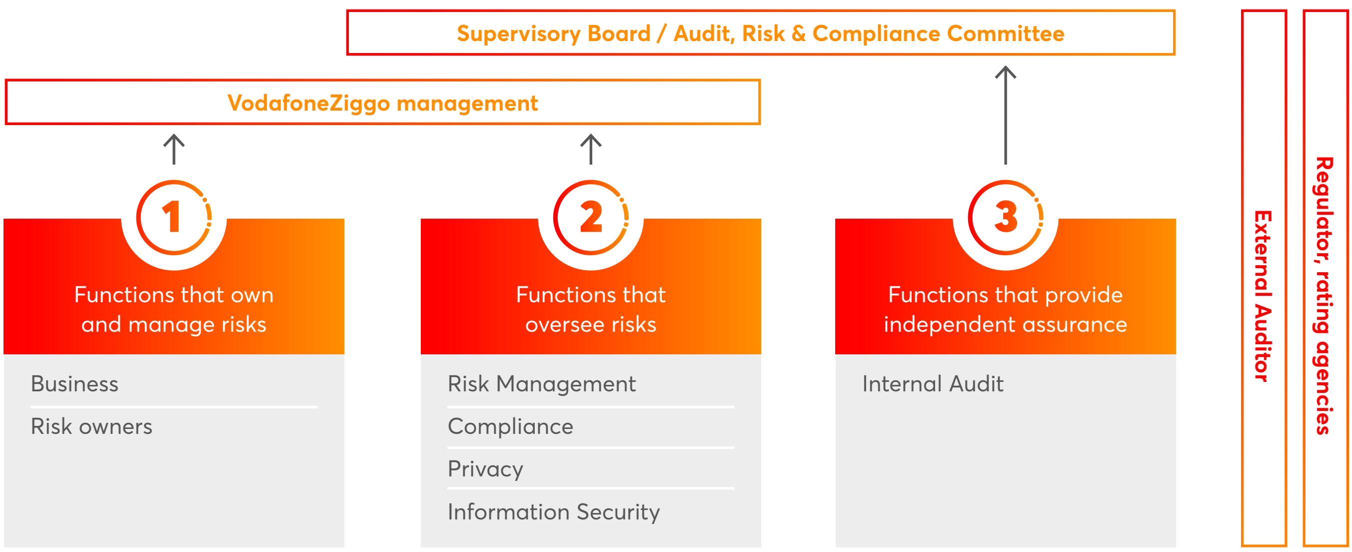
Each significant risk is assigned to a 'risk owner', responsible for managing that risk and implementing mitigation measures. In addition, each business unit has a designated 'risk champion' to oversee management of existing risks, as well as identifying and reporting new risks.

GOVERNANCE AND THREE LINES MODEL

In managing risk, VodafoneZiggo adheres to the 'three lines model':

- **First line:** management and risk owners are responsible for designing, implementing and maintaining an effective system to manage all identified risks
- **Second line:** within the company, specific risk functions analyse any significant and emerging risks; these functions carry out risk monitoring, oversee our risk policies, and ensure risk acceptance remains in line with our strategic goals, legal obligations and regulatory requirements
- **Third line:** our internal audit department provides assurance on the effectiveness of the company's internal controls, governance, risk management and compliance. Planning for these audits is included in its annual audit plan, or in special requests for verification

THREE LINES MODEL



The Supervisory Board has delegated responsibility for overseeing the quality and integrity of the company's Risk Management Framework to its Audit, Risk & Compliance Committee. Members of this Committee oversee the implementation of control measures, as well as the company's exposure to significant and emerging risks (against established risk tolerances).

RISKS AND CONTROL MEASURES

Below is an overview of significant risks identified in 2022, along with control measures taken to manage or mitigate these risks:

TECHNICAL FAULTS

The risk of a technical fault in critical parts of our networks, systems or platforms, potentially disrupting fixed-line or mobile services. This may lead to lower customer satisfaction, damage to our reputation or even fines from regulators.

Control measures

We have very low tolerance for any network, system or platform faults that may adversely affect our customers. To limit the impact of service disruptions, we have put in place clear recovery objectives and measures for critical components. We monitor our networks, systems and platforms closely, so we can identify and address technical faults as they arise. When incidents do occur, we carry out a comprehensive investigation to identify the causes and take appropriate action to remedy the fault.

CYBER THREATS

The risk of a cyberattack, originating either within the company or outside. Such attacks may have serious consequences, including loss of data or network failures, which may, in turn, adversely affect our customers, financial situation or reputation.

Control measures

To mitigate this risk, we have extensive control measures in place across all business units. We identify potential cyber threats, and conduct simulations to ensure we are able to respond effectively to attacks. Our goals are to:

- Prevent cyberattacks where possible
- Ensure all incidents are reported immediately
- Respond to attacks quickly to limit damage

MARKET DISRUPTION

The risk of disruptive competition – i.e. competitors (such as other telecom operators) expanding their networks, improving service or introducing new customer propositions that may mean VodafoneZiggo is no longer able to compete effectively in its chosen markets.

Control measures

We monitor market developments closely, support innovation and continue to offer customers products, services and content that distinguish us from the competition, such as sports, films and TV series.

FAILURE TO MEET CUSTOMER EXPECTATIONS

The risk that we fail to meet customer expectations regarding our products, services and overall customer experience. This may be the result of faults in our systems or products, or inadequate customer service which may, in turn, lead to lower customer satisfaction or increased customer churn.

Control measures

We monitor customer feedback and market developments closely, and take measures to address any shortcomings. To meet customer expectations, we introduce regular initiatives to improve both the customer experience and our products and services.

CHANGES IN REGULATORY REQUIREMENTS

The risk of major changes to regulations as a result of case law or new or amended legislation. In our industry, national and international regulations are becoming increasingly complex. New regulations may significantly increase the 'regulatory pressure' within our organisation or adversely affect our competitive position.

Control measures

Our Regulatory Affairs department monitors legal and regulatory developments closely, and regularly consults with governments and other stakeholders to ensure policymakers have the benefit of our industry knowledge and experience before framing new laws or regulations.

FAILURE TO COMPLY WITH LAWS AND REGULATIONS

The risk that we fail to comply with laws and/or regulations in the markets in which we operate; these include the EU's General Data Protection Regulation (GDPR), anti-bribery laws, competition law, consumer law and consumer credit regulations, as well as our own internal standards, policies and guidelines. Failure to comply may result in financial penalties and/or a loss of reputation.

Control measures

We have in place a comprehensive framework of policies, controls and risk management measures to ensure we comply with relevant laws and regulations. We also have a Code of Conduct setting out ethical standards and principles. The Code of Conduct applies to all VodafoneZiggo employees. In addition, we provide extensive training to inform employees of new laws or regulations, and to help them understand their and the company's obligations. We regularly review and audit our business activities to ensure continued compliance with laws and regulations.

DATA INTEGRITY, QUALITY AND MANAGEMENT

The risk that our data quality and data management fails to reach a minimum standard; this may impair decision-making, adversely affect customers, potentially impede the company's digital transformation, and prevent or delay realisation of our commercial and strategic objectives.

Control measures

We have appointed a dedicated Data Officer, responsible for overseeing our data quality and data management. We have initiatives to improve the quality of our data (both financial and non-financial), and policies in place to ensure we maintain certain quality levels.

SUSTAINABILITY REPORTING

The risk that we fail to comply with new environmental, social and governance (ESG) reporting regulations; this includes the EU's Corporate Sustainability Reporting Directive (CSRD), due to come into effect from 2024 (effective date for VodafoneZiggo: 1 January 2025).

Control measures

To ensure compliance with the CSRD, we have established a project team to review all requirements and make adjustments as necessary to our current reporting, risk and control processes.

COMPANY AND IT TRANSFORMATION

The risk of IT system failures, resulting from the scale and complexity of our IT infrastructure. Failures may have significant adverse consequences for our customers, financial performance and reputation.

Control measures

To address this risk, we monitor our IT systems closely to identify any errors or malfunctions. Management and risk owners regularly discuss risks associated with current IT programmes. Where necessary, adjustments are made to reduce risk levels. As a rule, we prioritise risk management in our decision-making processes.

EMERGING RISKS

In 2022, VodafoneZiggo carried out extensive research into three emerging risk areas:

- employee/integrity risks and salary expenses
- managing third parties, and
- energy and climate control

We have identified and agreed control measures for each of these risks. In 2023, we will conduct a further evaluation with a view to adding these risks to our significant risk list.

OUR RESPONSE TO FRAUD RISKS

We closely monitor fraud risks at operational and financial reporting levels. We conduct annual fraud risk assessments, host workshops and review and assess fraud risks based on risk heatmapping. We have implemented mitigating activities to reduce fraud risks and continuously assess the appropriateness of our response to those risks. In order to foster a culture of fraud awareness throughout our organisation, we have a company-wide Code of Conduct and mandatory e-learnings for new employees. We have whistleblowing procedures in place to encourage employees to report fraud, corruption and inappropriate behaviour, as outlined in our Code of Conduct.

Ethical working

We have thousands of colleagues who, every day, collaborate with each other, serve customers, and manage our products and services. For our business to function fairly and ethically and to protect our employees and the world around us, it is essential we have clear rules of conduct.

A SOLID FOUNDATION
Our code of conduct outlines in black and white what we expect of everyone within VodafoneZiggo: formally, informally and ethically. The Privacy, Risk and Compliance department works continuously on the awareness for all employees.

To promote the code of conduct, the Privacy, Risk & Compliance department runs an "integrity programme" to ensure a firm foundation for our code of conduct and our ethical and open culture. As part of this, they run year-round campaigns on 'We Do / We Don't' – focused on a different ethical theme every month – and they require all new employees to complete an e-learning course in ethical conduct, covering topics such as privacy, security, anti-bribery, competition law and health and well-being. All colleagues must complete a refresher course every year, and colleagues and teams for whom specific topics are especially relevant complete additional training.

We also require all employees to declare any gifts, hospitality or potential conflicts of interest. This helps ensure transparency and protects colleagues, our organisation and our stakeholders.

AN OPEN CULTURE
Unfortunately, it is impossible to entirely prevent a breach of the code of conduct. That is why a safe and open company culture is so important, in which employees feel safe and empowered to report concerns, confident that VodafoneZiggo will protect them adequately.

Employees can report to managers and the Security, Compliance or HR departments. In 2022, we introduced trust buddies – trained colleagues to whom you can go for a listening ear or a safe and confidential place to tell your story and when needed provide support on how to proceed. For anonymous reporting, employees have access to Whispli, an external reporting tool that enables secure and anonymous contact between the person submitting a report and the person handling it. In addition, we have an external confidential adviser and a complaints committee for transgressive behaviour.

In 2022, we witnessed an increase in reports across our different reporting channels. We largely put this down to an increased attention and awareness in society and our employees and our commitment to highlighting our code of conduct and reporting process to employees.

Reporting channel	2022	2021
Security (transgressive behaviour)	19	20
External confidential adviser	49	29
Complaints Committee (GIMD)	2	-
Whispli	12	7

A FAIR VALUE CHAIN
Our Human Rights Statement sets out several promises regarding how we interact with employees, suppliers and broader society. It also underlines our commitment to acting ethically, sustainably, and without abuses – covering issues like bribery and child labour – across the entire value chain. It is also in keeping with our Code of Sustainable and Ethical Purchasing. We screen all of our suppliers using a variety of processes, including questionnaires and other tools. We also work hard to find any risks applicable to suppliers and that we implement suitable measures jointly. We will cease doing business with them if no effective solution is forthcoming.

Regulatory

VodafoneZiggo is subject to sector-specific regulation enforced by different regulatory authorities, most notably the Authority for Consumer & Markets (ACM) and the Authority for Digital Infrastructure (RDI). Our Regulatory Affairs department regularly consults these and other government stakeholders and closely monitors the latest developments in regulation to minimise the risk of adverse regulatory pressure.

EUROPEAN DEVELOPMENTS

Many laws and regulations VodafoneZiggo is subject to, originate at European Union (EU) level. As of 2022, the Digital Services Act and the Digital Markets Act entered into force, while the EU renewed its Roaming Regulation. Also, in 2022, The Netherlands transposed the full European Electronic Communications Code (EECC) into national law. Member states initially had until December 21, 2020 to transpose the EECC. The Netherlands met this deadline for specific parts of the EECC, but experienced a delay for implementation of the majority of articles.

The EU is in discussion over various proposals d and we expect the introduction of new or amended laws and regulations in the near future, including:

- Artificial Intelligence Act, which lays down harmonised rules on artificial intelligence
- Gigabit Infrastructure Act, which will replace the Broadband Cost Reduction Directive and includes measures to reduce the cost of deploying Gigabit electronic communications networks
- e-Privacy Regulation, which will replace the current e-Privacy Directive

All of these initiatives could have an impact on our business from 2023 onwards and are therefore closely monitored.

MARKET REGULATION

ACM performs five-yearly market analyses and can impose (access) obligations on market players as a result. There are currently no such obligations in place following the Court's annulment of ACM's market analysis decision in March 2020, which abolished a cable access obligation on VodafoneZiggo and access regulation on KPN.

ACM has since been investigating the need to re-regulate the fixed broadband market. A draft market analysis decision was expected in the first quarter of 2022, but was put on hold after KPN announced it had improved the wholesale conditions to its Fibre to the Home(FttH)-network.
In August 2022, ACM made this offer binding for a period of eight years via a so-called commitments decision.
In March 2023, ACM announced that its market analysis now focuses on possible regional markets. In a hypothetical cable-only market (where FttH has not been deployed), ACM might consider access obligations on VodafoneZiggo. A draft decision for consultation is expected towards the summer of 2023. ACM is at the same time assessing a request for symmetric access to our fixed network in the city of Amsterdam.

SPECTRUM LICENSES

The Ministry of Economic Affairs is responsible for spectrum management and granting of spectrum licenses. A spectrum license confers the right to use a specific set of frequencies in a specific band for a specific period of time and under specific conditions, such as coverage obligations. Spectrum licenses for mobile services are usually assigned via an auction. In addition to one-off license fees, there are annual supervision costs, based on the amount of spectrum held.

We currently hold approximately 33% of the total mobile spectrum licenses in the Netherlands, with which we provide 2G (GSM), 4G (LTE) and 5G communications. In 2020, we acquired licenses in the 700, 1400, and 2100 MHz bands for a period of 20 years. We also hold 800, 900, 1800 and 2600 MHz licenses that will expire in 2030. The Dutch Government is planning to auction 300 MHz in the 3.5 GHz band for mobile services in the second half of 2023. This auction has been delayed as a result of court rulings regarding the protection of satellite services.

SECURITY & CONTINUITY

As a provider of public electronic communication networks and services, VodafoneZiggo is subject to specific obligations in the Dutch Telecommunications Act to safeguard the security and integrity of our networks and services.
We are also obliged to ensure the continuity of electronic communications services in the event of disturbances or outages of the electricity grid. Further to the *Wet beveiliging netwerk- en informatiesystemen* (Wbni), the Dutch implementation of the Security of Network and Information systems directive (NIS), we are also required to notify RDI and the National Cyber Security Center (NCSC) of (cyber) security and integrity breaches which materially threaten the continuity of our networks and services.

European institutions are currently discussing the NIS2 directive (a revision of the current NIS regime, aiming to tackle its limitations, as well as respond to changes in the cyber security threat landscape), the Critical Entities Resilience Directive (CER) and the Cyber Resilience Act (CRA). Under NIS2, which will be implemented in a revised Wbni, VodafoneZiggo will be designated an operator of essential services, and will therefore be subject to the strictest obligations of both NIS2 and the CER, the latter regulating physical security aspects. The CRA is a regulation on horizontal cybersecurity requirements for products with digital elements, and aims to increase the cybersecurity of devices with digital elements by establishing common requirements, applicable from the design phase through to the product's entire life cycle.

Composition of our Senior Leadership Team

JEROEN HOENCAMP
Chief Executive Officer (M, 1966)
(Statutory Director)
Nationality: Dutch

Jeroen Hoencamp has been the Chief Executive Officer (CEO) of VodafoneZiggo since its formation on 1 January 2017. Jeroen has worked at Vodafone since 1998 and occupied various senior executive positions, including CEO of Vodafone Ireland (2010-2012), CEO of Vodafone United Kingdom (2013-2016), and CEO of Vodafone Netherlands (2016). Earlier in his career, he held various senior marketing and sales roles at Canon Southern Copy Machines, Inc. in the United States and Thorn EMI/Skala Home Electronics in the Netherlands. Jeroen is a former officer in the Royal Netherlands Marine Corps. He holds a BBA degree from Nyenrode Business University and obtained an MBA at the University of Georgia in the United States.

Ancillary positions: Trustee of the Vodafone Group Foundation, Board member of VNO-NCW and Supervisory Board member of PostNL

RITCHY DROST
Chief Financial Officer (M, 1974)
(Statutory Director)
Nationality: Dutch

Ritchy Drost has been the Chief Financial Officer (CFO) of VodafoneZiggo since its formation. Before that, he was the CFO and a member of the board of directors of Ziggo since 2015. Ritchy held various roles at Liberty Global since 1999, including CFO of the former European division of Liberty Global, as well as CFO of UPC Netherlands. After obtaining a master's degree in business economics, Ritchy worked as an auditor at Arthur Andersen.

Ancillary positions: Supervisory Board member, NEMO Science Museum and Board member and treasurer at Stichting Uitmarkt Amsterdam

ROBIN KROES
Executive Director Consumer Market
(M, 1975)
Nationality: Dutch

Robin Kroes has been the Executive Director of Consumer Market since 1 September 2022. Previously, he had held the position of Executive Director of Strategy, Insights & Integration since the formation of VodafoneZiggo on 1 January 2017. Robin was the VP of Strategy & Integration at the time of the merger of UPC and Ziggo in 2014. Before this, Robin was VP of Strategy & Corporate Development and a member of the Management Team at UPC Netherlands from March 2012. Prior to UPC, Robin fulfilled various positions at Chellomedia, including VP of Commercial, Operations and Corporate Development. Robin obtained an MSc in economics at the Erasmus University Rotterdam.

Ancillary positions: Chair of the Vodafone Foundation and member of the Advisory Board of Kunstmuseum Den Haag

JOHN VAN VIANEN
Executive Director Business Market
(M, 1969)
Nationality: Dutch

John van Vianen has been the Executive Director of Business Market at VodafoneZiggo since its formation. He held various management positions before being appointed CEO of iBasis in the United States in 2009. In 2011, John became CEO of KPN Business Market and a member of the KPN Executive Committee. John has a master's degree in business economics, specialising in marketing, from Tilburg University, and a master's degree in business telecommunications from Delft University of Technology. In 2014, he completed the New Board Program at Nyenrode Business University.

Ancillary positions: Member of the Economic Board of Utrecht

BARBARA DE KONING GANS

Executive Director Customer Operations (F, 1972)
Nationality: Dutch

Barbara de Koning Gans has been the Executive Director of Customer Operations since 16 August 2021. Before this, Barbara worked for Rabobank where she was the Executive Vice President Customer Service. Before that, she worked as Chief Commercial Officer at Independer, as General Manager of Bergman Clinics and fulfilled various roles at the ING Group. She has a master's degree in business administration from the Erasmus University Rotterdam and obtained an MBA in Switzerland.

Ancillary positions: Board member of Stichting Vestingeiland in Naarden

EBEN ALBERTYN

Executive Director Technology (M, 1975)
Nationality: South African

Eben Albertyn has been the Executive Director for Technology at VodafoneZiggo since it was formed. Before that, Eben worked at Vodafone Netherlands as Chief Technology Officer (CTO) from 1 October 2015 onwards, where he was responsible for the IT landscape and its network. Before relocating to the Netherlands, Eben held various technical roles with telecommunications providers in Africa. Eben studied at the Rand Afrikaans University in South Africa and holds an MSc in electronic and telecoms engineering.

Ancillary positions: None

THOMAS MULDER

Executive Director Human Resources (M, 1978)
Nationality: Dutch

Thomas Mulder has been Executive Director of Human Resources at VodafoneZiggo since July 2018. Since the VodafoneZiggo joint venture, he was appointed HR Director of Vodafone Group Enterprise in December 2016. Before joining Vodafone in January 2012, he worked for Accenture, where he was HR Director for Benelux. Thomas obtained a global executive MBA at the Rotterdam School of Management.

Ancillary positions: Board Member of VNO-NCW, Board Member WENB, Board Member Anders Reizen

FLEUR VAN BEEM

Executive Director Strategy, Insights & Digital Transformation (F, 1977)
Nationality: Dutch

Fleur van Beem has been the Executive Director of Strategy, Insights & Digital Transformation at VodafoneZiggo since 1 September 2022. This position also entails the responsibility for innovation, content and Ziggo Sport. Prior to this, she held the position of Executive Director for Digital Transformation at VodafoneZiggo starting from October 1, 2021. Before that, Fleur was a partner at the strategic consultancy firm Bain & Company, and advised Dutch and international organisations in the telecommunications and financial sectors. Fleur has a master's degree in finance from the University of Amsterdam.

Ancillary positions: None

BARBARA DE RIDDER-JONGERDEN

Executive Director External & Legal Affairs (F, 1975)
Nationality: Dutch

Barbara de Ridder-Jongerden has been Executive Director External & Legal Affairs since 2019 and Executive Director Legal & Regulatory since 2017 at VodafoneZiggo. Before that, Barbara was Director of Corporate Affairs & Strategy at Vodafone Netherlands from 2014, where she was responsible for strategy, security, legal, regulatory and external affairs. She originally joined Vodafone in 2012 as Head of Legal Affairs. Before Vodafone, she worked at PwC, Buhrmann N.V. and Liberty Global. Barbara studied Dutch law and law and economics at Utrecht University.

Ancillary positions: Board member of RODAP *(Rechtenoverleg voor Distributie van Audiovisuele Producties)* and board member of GigaEurope

Report of the Supervisory Board

Across the world, 2022 was a year of unprecedented geopolitical, social and macro-economic challenges. In March, while the world was gradually recovering from the coronavirus pandemic – albeit dealing with the aftershocks – the world faced another major crisis: Russia's invasion of Ukraine.

The conflict has resulted in economic sanctions, rising gas and electricity prices, sky-high inflation rates, refugees fleeing the area and other significant economic and social ramifications. In the meantime, people are becoming increasingly concerned about the reality of achieving the Paris climate objectives, with the effects of global warming becoming increasingly visible. Finally, 2022 was also the year of 'MeToo' reckoning in the Netherlands – specifically regarding The Voice of Holland – with increasing attention placed on unacceptable behaviour in the workplace.

"THE NEW STRATEGIC FOCUS WILL LEAD TO THE ACHIEVEMENT OF THE AMBITION TO PROVIDE AN EXCEPTIONAL CUSTOMER EXPERIENCE."

Against this turbulent background, the Supervisory Board of VodafoneZiggo can look back with satisfaction at the company's achievements in 2022. A year in which, despite the heavy (macro-economic) headwinds and increasing market dynamics, the company demonstrated stable results and achieved its financial targets according to its plan. For the Supervisory Board, 2022 was also the year in which it was closely involved in determining and implementing VodafoneZiggo's new strategy. The Supervisory Board trusts the new strategic focus and is convinced that the five strategic pillars – Secure & Seamless Connectivity, Endless Entertainment, Best Business Solutions, Smart Digital Experience and Progress for Everyone – will lead to our overall ambition of exceptional customer experience. The first 'proof points' look very promising.

In the Secure & Seamless Connectivity domain, for example, 1.6 million of our customers had SmartWifi pods by the end of 2022. In late 2022, internet access at a speed of 1 Gbps was available throughout the country on our fixed network. And in entertainment, VodafoneZiggo acquired the exclusive rights for UEFA club football for the seasons 2024-2027 and high-quality streaming services, such as Disney+, were added to the Mediabox Next and Next Mini. The Supervisory Board is also pleased to report that within the new strategy, ambitions related to climate, (digital) social inclusion and personnel have been given an even more prominent place. In 2022, alongside the company's existing sustainability ambitions, this resulted in a tightening of its diversity policy and safety in the workplace, together with a new Collective Labour Agreement.

ABOUT THE SUPERVISORY BOARD

The members of the Supervisory Board form a diverse group in terms of nationality, (cultural) background, expertise, experience and competencies. This ensures a good mix of perspectives, which helps the Supervisory Board perform its supervisory role effectively.

A great deal of importance is also attached to maintaining a balance between the number of men and women on the Supervisory Board. Until Bettina Karsch resigned on 30 June 2022, the ratio of men to women on the Supervisory Board was four men and four women (50%/50%). On 11 November 2022, Sateesh Kamath was appointed to the Supervisory Board to replace Bettina Karsch. This means that the ratio of men to women has shifted slightly to five men and three women.

For the composition of our Supervisory Board, please refer to page 93.

The most recent evaluation by the Supervisory Board of its own performance took place in 2021. The findings from that evaluation were extensively discussed within the Supervisory Board. Some of those findings were also discussed with the Management Board to strengthen further the mutual collaboration between the Management Board and the Supervisory Board. The Supervisory Board perceived the process surrounding the evaluation to be very useful – especially because the findings from the evaluation also contributed towards the effectiveness and efficiency of the Supervisory Board during 2022.

MEETINGS AND MOST IMPORTANT AGENDA ITEMS IN 2022

The Supervisory Board held four regular meetings in full composition in 2022. These fixed meetings took place on 10 February, 19 May, 14 September and 16 November. Each of those meetings lasted half a day (four hours). In addition to a number of recurring agenda items, these regular meetings included urgent matters on the agenda for decision-making. At every meeting, the Management Board provides a business update, in which the financial, commercial and operational results of the various business units were extensively discussed. The Chairs of the Audit, Risk & Compliance, and the Remuneration & Nomination Committees brought the members of the Supervisory Board up to date with the most important topics under discussion within these two committees. Extensive attention was devoted to risks and developments in the field of cybersecurity and the progress of the so-called 'Cyber Up' programme. The progress of our IT transformation programme BRIGHT was placed on the agenda at every meeting, along with various developments and initiatives within the area of HR, including a new programme for Diversity, Equity and Inclusion and People, Planet & Progress.

At least once a year, the Supervisory Board receives an update about important developments in regulations, legal procedures and claims. The Supervisory Board also signs off the financial statements and liaises closely with the Management Board during discussions concerning financial planning and the (multi-year) budgets of the company.

In addition to the scheduled meetings, the Supervisory Board meets a number of times a year on video calls to discuss 'ad hoc' matters and approve matters by email when required. This occurs when approving certain transactions that exceed threshold values or relate to so-called "reserved matters": important decisions (such as raising financing), the approval of which is reserved for the Supervisory Board.

Finally, the Supervisory Board also meets at least once a year at the Strategy Day. That is an occasion at which the Management Board, Supervisory Board and senior management of Vodafone Group and Liberty Global hold joint discussions about the short-term and long-term strategy of VodafoneZiggo. In 2022, that Strategy Day took place on 16 and 17 November in London and ultimately resulted in the formal approval of the renewed strategy.

THE AUDIT, RISK & COMPLIANCE COMMITTEE

The Audit, Risk & Compliance Committee is a sub-committee of the Supervisory Board. It also met four times during 2022. The CEO, CFO, Executive Director External & Legal Affairs, Executive Director Technology, Director Internal Audit & Financial Risk Management and the external accountant are also invited to attend. The external accountant was (partially) present at all of the meetings. In 2022, the topics discussed by the committee included the approval of the financial statements for 2021, the quarterly results and the accompanying press releases, internal control over financial reporting, tax-related matters, results of internal audits, completion of the annual audit plan and progress regarding management actions, risk management, compliance and ethics developments and improvements aimed at cybersecurity and the key points of the auditing activities carried out by the external auditor. During every regular meeting of the Supervisory Board, the Chair of the Audit, Risk & Compliance Committee provides the other members of the Supervisory Board with a summary of the matters discussed.

REMUNERATION & NOMINATION COMMITTEE

The second sub-committee of the Supervisory Board is the Remuneration & Nomination Committee. This committee met twice in 2022. The Executive Director HR attended (part of) those meetings. In 2022, the committee focused on the development of talented individuals and the remuneration of the SLT and the wider remuneration policy within the company. Another topic that was discussed extensively was the progress of the Collective Labour Agreement negotiations. Finally, the committee discussed the determination of (bonus) targets and checked the pay-out percentages for the variable remuneration of members of the SLT and SMT, before submitting it to the Supervisory Board for approval.

FINANCIAL STATEMENTS FOR THE 2022 FINANCIAL YEAR

The 2022 financial year ended on 31 December 2022. The financial statements for 2022 have been prepared by the Management Board, audited by KPMG Accountants NV and provided with an unqualified independent auditor's report. The independent auditor's report is included on pages 145-149.

The financial statements were signed by the members of the Management Board and Supervisory Board in accordance with Article 2:210, paragraph 2 of the Dutch Civil Code. The financial statements will be submitted to the General Meeting for adoption.

The Supervisory Board proposes that the General Meeting grants discharge to the members of the Management Board in respect of their management and to the members of the Supervisory Board with regard to their supervision exercised during the financial year 2022.

FINAL REMARKS OF THE CHAIR

Last year was challenging for VodafoneZiggo, its customers and society in general. The Supervisory Board is impressed with the resilience of the VodafoneZiggo business operations, the commitment of its employees, and the operational results achieved. Senior management has shown strong leadership in driving a motivated team. On behalf of the entire Supervisory Board, I would hereby like to thank them all for their efforts and for the great results achieved in 2022.

Manuel Kohnstamm – Chair
Serpil Timuray – Vice Chair
Carmen Velthuis
Huub Willems
Carla Mahieu
Baptiest Coopmans
Charlie Bracken
Sateesh Kamath

Composition of our Supervisory Board

The Supervisory Board consists of the following eight members (composition as on 31 December 2022):

SERPIL TIMURAY (F, 1969, TURKISH)
(Chair until 31-12-2022)
Appointed as of 31-12-2018 until 31-12-2022,
reappointed until 31-12-2026
CEO Europe Cluster Vodafone Group

MANUEL KOHNSTAMM (M, 1962, DUTCH)
(Chair as of 01-01-2023)
Appointed as of 22-03-2019 until 22-03-2023,
reappointed until 22-03-2027
Senior Vice President & Chief Corporate Affairs Officer Liberty Global

BAPTIEST COOPMANS (M, 1965, DUTCH)
Appointed as of 31-12-2016 until 31-12-2020,
reappointed until 31-12-2022, reappointed until 31-12-2026
Member of Executive Leadership Team Liberty Global

CHARLIE BRACKEN (M, 1966, BRITISH)
Appointed as of 31-12-2016 until 31-12-2020,
reappointed until 31-12-2022, reappointed until 31-12-2026
Executive Vice President & Chief Financial Officer Liberty Global

CARMEN VELTHUIS (F, 1974, DUTCH)
Appointed as of 31-12-2019 until 31-12-2023
CFO Vodafone Germany

SATEESH KAMATH (M, 1973, INDIAN)
Appointed as of 11-11-2022 until 11-11-2026
CFO EU Cluster Vodafone Group

HUUB WILLEMS (M, 1944, DUTCH)
Appointed as of 31-12-2016 until 31-12-2020,
reappointed until 31-12-2022, reappointed until 31-12-2026
Professor of Corporate Litigation at the University of Groningen and former chairman of the Enterprise Chamber of the Amsterdam Court of Appeal

CARLA MAHIEU (F, 1959, DUTCH)
Appointed as of 22-05-2017 until 22-05-2021,
reappointed until 22-05-2023, reappointed until 22-05-2027
Supervisory Board member DSM and Supervisory Board member Arcadis

Bettina Karsch resigned as member of the Supervisory Board on 30-06-2022.

Carmen Velthuis is expected to resign as member of the Supervisory Board per May 2023. The intention is that she will be replaced by Vodafone Group representative John Otty.

The Supervisory Board has two sub-committees (composition as on 31-12-2022):

- **The Audit, Risk & Compliance Committee:** Charlie Bracken (Chair), Baptiest Coopmans, Carmen Velthuis and Sateesh Kamath
- **The Remuneration & Nomination Committee:** Manuel Kohnstamm (Chair), Charlie Bracken, Sateesh Kamath, Serpil Timuray

Financial statements

Consolidated statement of profit or loss and other comprehensive income

In € millions	Notes	Year ended December 31 2022	2021
Revenue	3, 21	4,065.6	4,076.9
Total operating income		**4,065.6**	**4,076.9**
Cost of outsourced work and other external costs	4, 21	1,617.5	1,622.7
Personnel expenses	5, 21	463.2	477.7
Amortisation and depreciation	8, 9, 10	1,593.6	1,644.1
Impairment, restructuring and other operating expenses, net	9	12.5	37.5
Total operating expenses		**3,686.8**	**3,782.0**
Operating profit		**378.8**	**294.9**
Finance income	6	1,189.9	526.0
Finance costs	6, 15, 21	(1,003.1)	(911.7)
Other income		4.6	–
Earnings (loss) before tax		**570.2**	**(90.8)**
Income tax expense	7	(200.9)	(57.0)
Net earnings (loss) attributable to equity owners of the company		**369.3**	**(147.8)**
Other comprehensive income		–	–
Total comprehensive income (loss) attributable to equity owners of the company		**369.3**	**(147.8)**

Consolidated statement of financial position

In € millions	Notes	December 31 2022	December 31 2021
Assets:			
Intangible assets and goodwill	8	12,231.6	12,840.6
Property and equipment	9	4,370.3	4,349.2
Right-of-use assets	10	355.2	372.0
Derivative financial instruments	19	968.9	162.0
Contract assets and contract costs	11	83.6	84.5
Other assets		35.1	25.6
Total non-current assets		**18,044.7**	**17,833.9**
Contract assets and contract costs	11	209.3	210.9
Inventories		36.3	31.4
Trade and other receivables	12	210.4	218.4
Derivative financial instruments	19	170.1	56.7
Other assets		25.1	18.4
Cash and cash equivalents	13	99.9	247.3
Total current assets		**751.1**	**783.1**
Total assets		**18,795.8**	**18,617.0**

In € millions	Notes	December 31 2022	December 31 2021
Equity:			
Share capital		0.0	0.0
Share premium		3,539.0	4,039.3
Retained earnings		(952.4)	(1,321.7)
Equity attributable to the owners of the Company	14	**2,586.6**	**2,717.6**
Liabilities:			
Debt	15	12,024.6	11,661.5
Deferred tax liabilities	7	1,206.6	1,154.6
Derivative financial instruments	19	67.0	263.6
Lease liabilities	10	294.8	323.9
Provisions		21.7	37.3
Other liabilities		53.1	48.1
Total non-current liabilities		**13,667.8**	**13,489.0**
Debt	15	1,100.4	1,070.2
Trade and other payables	16	729.7	644.2
Accruals and deferred income	17	478.5	485.7
Derivative financial instruments	19	41.4	70.1
Lease liabilities	10	78.0	73.7
Accrued income taxes	7	108.8	61.7
Provisions		4.6	4.8
Total current liabilities		**2,541.4**	**2,410.4**
Total liabilities		**16,209.2**	**15,899.4**
Total equity and liabilities		**18,795.8**	**18,617.0**

Consolidated statement of changes in equity

		Equity attributable to equity holders of the Company			
In € millions	Notes	Share capital	Share premium	Retained earnings	Total
Balance at January 1, 2021		**0.0**	**4,569.2**	**(1,173.9)**	**3,395.3**
Loss for the period		–	–	(147.8)	(147.8)
Total comprehensive loss for the period		**–**	**–**	**(147.8)**	**(147.8)**
Contributions and distributions:					
Equity distributions to shareholders	21	–	(530.0)	–	(530.0)
Share-based compensation	21	–	0.5	–	0.5
Other		–	(0.4)	–	(0.4)
Balance at December 31, 2021		**0.0**	**4,039.3**	**(1,321.7)**	**2,717.6**
Earnings for the period		–	–	369.3	369.3
Total comprehensive income for the period		**–**	**–**	**369.3**	**369.3**
Contributions and distributions:					
Equity distributions to shareholders	21	–	(500.0)	–	(500.0)
Other		–	(0.3)	–	(0.3)
Balance at December 31, 2022		**0.0**	**3,539.0**	**(952.4)**	**2,586.6**

Consolidated statement of cash flows

In € millions	Notes	Year ended December 31 2022	2021
Cash flows from operating activities:			
Net earnings (loss)		369.3	(147.8)
Adjustments to reconcile net earnings (loss) to net cash generated from operating activities:			
- Depreciation and amortisation	8, 9	1,593.6	1,644.1
- Impairment, restructuring and other operating items, net		12.5	37.5
- Net finance costs (income)	6, 15, 21	(186.8)	385.7
- Income tax expense	7	200.9	57.0
Changes in operating assets and liabilities		148.5	57.9
Cash generated from operating activities		**2,138.0**	**2,034.4**
Interest paid		(576.1)	(521.4)
Interest received		–	0.6
Income tax paid	7	(101.6)	–
Net cash provided by operating activities		**1,460.3**	**1,513.6**
Cash flows from investing activities:			
- Capital expenditures	8, 9	(491.1)	(298.1)
- Cash paid for spectrum licenses	8	–	(207.9)
- Other investing activities, net		1.8	0.3
Net cash used by investing activities		**(489.3)**	**(505.7)**
Cash flows from financing activities:			
- Borrowings of third-party debt	15	186.4	50.5
- Operating-related vendor financing additions	15	733.6	698.4
- Related-party borrowings, net	21	–	207.9
- Repayments of third-party debt and lease obligations:			
Debt (excluding vendor financing)	15	(145.0)	(166.8)
Principal payments on operating-related vendor financing	15	(715.8)	(695.4)
Principal payments on capital-related vendor financing	15	(532.4)	(545.8)
Payments on lease obligations	10	(82.0)	(81.5)
Equity distributions to Shareholders	21	(500.0)	(530.0)
Receipts (payment) of financing costs and debt premiums	15	(65.3)	0.8
Other financing activities, net		0.8	(1.0)
Net cash used by financing activities		**(1,119.7)**	**(1,062.9)**
Effect of exchange rate changes on cash and cash equivalents		1.3	0.2
Net decrease in cash and cash equivalents		**(147.4)**	**(54.8)**
Cash and cash equivalents:			
- Beginning of year		247.3	302.1
- End of year		99.9	247.3

Notes to the consolidated financial statements

1. General information

VodafoneZiggo Group Holding B.V. (the Company), having its registered address at Boven Vredenburgpassage 128, 3511WR Utrecht, is a private limited liability company under Dutch law and is registered as a financial holding company under number 65291166 in the Trade Register. The Company has its legal seat in Amsterdam. The Company and its subsidiaries are called the Group, VodafoneZiggo or we hereafter. The Group provides fixed, mobile and integrated communication and entertainment services to consumers and businesses in the Netherlands

The Company is indirectly 50% owned by each of Liberty Global plc (Liberty Global) and Vodafone Group Plc (Vodafone Group). Liberty Global contributed Ziggo Group Holding B.V. (Former Ziggo), subsequently renamed VodafoneZiggo Group B.V. and its subsidiaries into the VodafoneZiggo Joint Venture (the JV) after which VodafoneZiggo Group B.V. became a wholly owned subsidiary of the Company. Vodafone's Vodafone Libertel B.V. (Vodafone NL), and its subsidiaries, were contributed into the JV and Vodafone NL became an indirect wholly owned subsidiary of the Company upon the closing of the JV Transaction on December 31, 2016.

The consolidated financial statements of the Group are part of the statutory financial statements of VodafoneZiggo Group Holding B.V. The financial statements were authorised for issue by the Supervisory Board and the Management Board on April 21, 2023 and are subject to approval by the General Meeting.

2. Basis of preparation and general accounting policies

Basis of preparation

The consolidated financial statements and accompanying explanatory notes have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (**EU-IFRS**), and with Section 2:362(9) of the Dutch Civil Code.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, except for derivative financial instruments, which are measured at fair value. The financial statements have been prepared on the basis of the going concern assumption. The financial statements are presented in euros (**€**), which is the Group's functional currency. Unless otherwise indicated, all amounts have been rounded to millions, with one decimal place of precision.

Estimates and judgements

The preparation of financial statements in conformity with EU-IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of allowances for impairment of receivables, certain components of revenue, programming and copyright expenses, deferred income taxes, loss contingencies, fair value measurements, impairment assessments, capitalisation of internal costs associated with construction and installation activities and development of internal-use software and useful lives of non-current assets. Actual results could differ from those estimates.

We believe the following accounting policies are critical in the preparation of our consolidated financial statements because of the judgment necessary to account for these matters and the significant estimates involved, which are susceptible to change:

- Impairment of goodwill;
- Costs associated with capitalisation of property & equipment and development of internal-use software;
- Fair value measurements; and
- Income tax accounting.

Impairment of goodwill

We annually perform an impairment test on goodwill, irrespective of whether there are indicators of impairment. To determine if any impairment exists in relation to goodwill, the carrying amount of the cash-generating unit is compared with the recoverable amount. The recoverable amount concerns the higher of value in use and fair value less costs of disposal.

When the carrying amount of the cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. The resulting impairment loss is allocated to goodwill.

For additional information concerning our annual impairment testing, see note 8 to our consolidated financial statements.

Costs associated with capitalisation of property & equipment and development of internal-use software

We capitalise costs associated with the construction of new, or upgrades to existing, fixed and mobile transmission and distribution facilities, the installation of new fixed-line services and the development of internal-use software. Installation activities that are capitalised include (i) the initial connection (or drop) from our fixed-line system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for new, or upgrades to existing, fixed-line services. The costs of other customer-facing activities, such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. We capitalise internal and external costs directly associated with the development of internal-use software.

We make judgments regarding the construction, upgrade and installation activities to be capitalised and the development of internal-use software. In addition to direct external and internal labour and materials, we also capitalise other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalisation of these costs is based on time sheets, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalisable activity. We continuously monitor the appropriateness of our capitalisation policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services and changes in the manner that installations, construction or upgrade activities or the development of internal-use software are performed.

Fair value measurements

IFRS provides guidance with respect to the recurring and nonrecurring fair value measurements and for a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During 2022, no such transfers were made.

Recurring valuations. We perform recurring fair value measurements with respect to our derivative instruments. We use cash flow valuation models to determine the fair values of our interest rate and foreign currency derivative instruments. Changes in the fair values of our derivative instruments have had, and we believe will continue to have, a significant and volatile impact on our results. For additional information concerning fair value measurements of our derivative instruments, see note 18 to our consolidated financial statements.

Nonrecurring valuations. Our nonrecurring valuations are primarily associated with (i) the application of acquisition accounting, (ii) impairment assessments, and (iii) fair value assessments, each of which require that we make fair value determinations as of the applicable valuation date. In making these determinations, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, market comparables and discount rates, remaining useful lives of intangible assets and property and equipment, replacement or reproduction costs of property and equipment and the amounts to be recovered in future periods from acquired net operating losses and other deferred tax assets. To assist us in making these fair value determinations, we may engage third-party valuation specialists. Our estimates in this area impact, among other items, the amount of depreciation and amortisation, impairment charges and income tax expense or benefit that we report. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain. A significant portion of our intangible assets and property and equipment were initially recorded through the application of acquisition accounting and all of our intangible assets and property and equipment are subject to impairment assessments.

Income tax accounting

Tax laws in the Netherlands are subject to varied interpretation, and many tax positions we take may be subject to uncertainty regarding whether the position will be ultimately sustained after review by the relevant tax authority. We recognise the financial statement effects of a tax position when it is considered probable that the position will be sustained upon examination. The determination of whether the tax position meets the probable threshold requires a facts-based judgment using all information available.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

We are required to estimate the amount of tax payable or refundable for the current year and the deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing tax credit carryforwards, using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. This process requires our management to make assessments regarding the timing and probability of the ultimate tax impact of such items.

Deferred tax assets and liabilities are separately recognised and netted off when permitted. Net deferred tax assets are recognised to the extent that the realisation of them is considered probable. Recognising deferred tax assets requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning strategies. At December 31, 2022, we had unrecognised deferred tax assets of €97.8 million (2021: €42.4 million). The actual amount of income tax benefits realised in future periods will likely differ from the net deferred tax assets reflected in our December 31, 2022 consolidated balance sheet due to, among other factors, possible future changes in income tax law or interpretations thereof and differences between estimated and actual future taxable income. Any such factors could have a material effect on our current and deferred tax positions as reported in our consolidated financial statements. A high degree of judgment is required to assess the impact of possible future outcomes on our current and deferred tax positions.

For additional information concerning our income taxes, see note 7 to our consolidated financial statements.

Accounting policies

Where necessary, accounting policies relating to financial statement captions are included in the relevant notes to the consolidated financial statements. These are presented as text highlighted in grey at the bottom of each note. The accounting policies below are applied throughout the financial statements.

Basis of consolidation

Business combinations. We account for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. For the list of subsidiaries please see note 23 to the company financial statements.

Loss of control. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Foreign currencies

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Provisions

Provisions are recognised when (i) we have a present obligation (legal or constructive) as a result of a past event, (ii) it is more likely than not that the we will be required to settle that obligation and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The discount rate used to determine the present value reflects current market assessments of the time value of money and risks specific to the liability.

Cash flow statement
The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Transactions that do not include an exchange of cash and cash equivalents are not included in the cash flow statement.

Leases. In the cash flow statement, we have classified the repayment of the lease obligation as cash flows from financing activities, whereas we have allocated the interest portion to cash flows from operating activities.

Derivative instruments. Cash flows from derivative instruments are classified in accordance with the nature of the instrument. For contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity.

Vendor financing. Our operating-related expenses financed by an intermediary, are treated as constructive operating cash outflows and constructive financing cash inflows when the intermediary settles the liability with the vendor on our behalf as there is no actual cash outflow until we pay the financing intermediary. When we pay the financing intermediary, we record financing cash outflows in our consolidated statement of cash flows. The capital expenditure that we report in our consolidated statement of cash flows do not include amounts that are financed under capital-related vendor financing. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the principal is repaid.

New accounting policies effective for 2022
We apply new standards and amendments issued by the International Accounting Standards Board (IASB) when effective and endorsed by the European Union. We have not early adopted any standards. The accounting policies applied are consistent with those of the previous financial year, except for the adoption of endorsed amendments to the following standards:
- IFRS 3 regarding updated references to the Conceptual Framework for financial reporting;
- IAS 16 regarding property, plant and equipment in relation to recognition of proceeds before intended use. The amendments clarify that it is prohibited for a company to deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company has to recognise such sales proceeds and related cost in the statement of profit or loss; and
- IAS 37 regarding clarification of cost of fulfilling a contract for the purpose of onerous contract assessment. The amendments clarify that the 'costs of fulfilling a contract' comprise both (i) the incremental costs and (ii) an allocation of other direct costs.

We have concluded that the aforementioned amendments do not have a significant impact on our financial statements.

New accounting policies not yet effective for 2022
The following amended standards effective January 1, 2023 (or later) are not expected to have a significant impact on our financial statements:
- IAS 1 regarding (i) disclosure of accounting policies and (ii) classification of debt and other liabilities as current or non-current, with the latter not being endorsed yet;
- IAS 8 regarding the definition of accounting estimates; and
- IAS 12 regarding the accounting treatment of transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

3. Revenue

We provide fixed, mobile and integrated communication and entertainment services to consumers and businesses in the Netherlands.

Our revenue by major category is set forth below:

In € millions	2022	2021
Consumer fixed revenue (a):		
- Subscription revenue	2,026.6	2,076.8
- Non-subscription revenue	13.0	25.1
Total consumer fixed revenue	**2,039.6**	**2,101.9**
Consumer mobile revenue (b):		
- Service revenue	673.7	644.2
- Non-service revenue	236.7	247.9
Total consumer mobile revenue	**910.4**	**892.1**
B2B fixed revenue (c):		
- Subscription revenue	525.5	516.9
- Non-subscription revenue	11.7	13.5
Total B2B fixed revenue	**537.2**	**530.4**
B2B mobile revenue (d):		
- Service revenue	392.0	364.8
- Non-service revenue	145.2	130.2
Total B2B mobile revenue	**537.2**	**495.0**
Other Revenue (e)	41.2	57.5
Total	**4,065.6**	**4,076.9**

(a) 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 amortisation of installation fee. Consumer fixed non-subscription revenue includes, among other items, interconnect, channel carriage fees, late fees and revenue from the sale of equipment. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the stand-alone price for each individual service. As a result, changes in the stand-alone pricing of our fixed and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) 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.

(c) 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 small or home office (**SOHO**) customers and 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.

(d) 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.

(e) Other revenue includes, among other items, programming, advertising and site sharing revenue.

Accounting policy - Revenue recognition and related costs

Gross versus net presentation. When we sell goods or services as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating costs. If we sell goods or services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned.

Subscription revenue – fixed network services. We recognise revenue from the provision of video, broadband internet and fixed-line telephony services over our fixed network to customers over time in the periods the related services are provided, with the exception of revenue recognised pursuant to certain contracts that contain promotional discounts, as described below. Installation fees related to services provided over our fixed network are generally deferred and recognised as revenue over the contractual period.

Sale of multiple products and services. We sell video, broadband internet, fixed-line telephony and mobile services and handsets to our customers in bundled packages at a rate lower than if the customer purchased each product on a stand-alone basis. Revenue from bundled packages generally is allocated proportionally to the individual products or services based on the relative stand-alone selling price for each respective product or service.

Mobile revenue – General. Consideration from mobile contracts is allocated to the airtime service component and the handset component based on the relative stand-alone selling prices of each component. Offers for handsets and airtime services in separate contracts entered into at the same time are accounted for as a single contract.

Mobile revenue – Airtime Services. We recognise revenue from mobile services over time in the periods the related services are provided. Revenue from pre-pay customers is deferred prior to the commencement of services and recognised as the services are rendered or usage rights expire.

Mobile revenue – Handset revenue. Arrangement consideration allocated to handsets is recognised as revenue at the point in time in which the goods have been transferred to the customer. Mobile handset contracts that permit the customer to take control of the handset upfront and pay for the handset in instalments over a contractual period may contain a significant financing component. For contracts with terms of one year or more, we recognise the significant financing component as revenue over the contractual period using the effective interest method.

B2B fixed revenue. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortised into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Contract costs. Incremental costs to obtain a contract with a customer, such as incremental sales commissions, are generally recognised as assets and amortised over the applicable period benefited, which generally is the contract life, to (i) Cost of outsourced work and other external costs or (ii) in the case of commissions earned on devices sold through indirect channels, against service revenue. If, however, the amortisation period is less than one year, we expense such costs in the period incurred.

Contract fulfilment costs are recognised as assets and amortised to cost of outsourced work and other external costs over the applicable period benefited, which is generally the substantive contract term for the related service contract. Installation activities are not considered to be contract fulfilment costs.

Promotional discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognised uniformly over the contractual period if the contract has substantive termination penalties. For subscriber promotions offered for longer than an introductory period, we allocate discounts over the related performance obligations and the related period of delivery.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognised as revenue when the associated services are provided.

Contract balances
If we transfer goods or services to a customer but do not have an unconditional right to payment, we record a contract asset. Contract assets typically arise from the delivery of a handset that is paid for over the duration of the contract period or the uniform recognition of introductory promotional discounts over the contract period.

We record deferred revenue when we receive payment prior to transferring goods or services to a customer. We primarily defer revenue for (i) services that are invoiced prior to when services are provided and (ii) installation and other upfront services.

The carrying value of the contract assets recorded at amortised cost is reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balances, historical experience and forward looking considerations. Individual balances are written off when management deems them not to be collectible.

For information regarding our contract balances, see note 11.

Unsatisfied performance obligations
A large portion of our revenue is derived from customers whose initial contracts have been extended. A large portion of these customers have a one month notice period. Revenue from customers who are subject to initial contracts will be recognised over the term of such contracts, which is generally 12-24 months for our consumer contracts and one to five years for our B2B service contracts.

4. Cost of outsourced work and other external costs

The amounts includes the following fees charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1) and (2) of the Dutch Civil Code.

Auditor fees

In € millions	2022	2021
KPMG Accountants N.V.:		
- Audit of the financial statements	2.4	2.2
- Other audit engagements and audit related services	0.7	0.3
Total	**3.1**	**2.5**

The fees in the table above include all activities relating to 2022 (2021) irrespective of whether the activities have been performed during the financial year.

5. Personnel expenses

in € millions	2022	2021
Wages and salaries (a)	358.5	369.2
Social security charges	55.9	58.8
Pension charges (b)	48.8	49.7
Total	**463.2**	**477.7**

(a) We capitalise internal labour costs directly associated with the development of internal-use software and construction of property and equipment. In 2022 and 2021 the amount of capitalised internal labour costs was €86.5 million and €79.5 million, respectively. In 2022 and 2021 we recognised €24.6 million and €27.1 million, respectively, in wages and salaries associated with external specialists.

(b) We provide retirement benefits to our subsidiaries' employees via multiemployer benefit plans and a defined contribution plan. The aggregate expense of our matching contributions under the various multiemployer benefit plans was €28.8 million and €30.4 million during 2022 and 2021, respectively. The aggregate expense of our matching contributions under the defined contribution plan was €20.0 million and €19.2 million during 2022 and 2021, respectively.

Staffing level

During the 2022 financial year, the average number of staff employed in the Group, converted into full-time equivalents (FTEs), amounted to 6,243 FTEs, all of whom work in the Netherlands. The average number of FTEs per business unit is:

FTE	2022	2021
Customer operations	2,214	2,523
Technology	1,430	1,381
B2C	1,220	1,236
B2B	693	701
HR, Strategy, Insights & Digital Transformation, Finance and Legal & Regulatory	686	697
Total average FTEs	**6,243**	**6,538**

Accounting policy - Employee benefits

Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Multi-employer plans
We are part of a multi-employer plan which is administered by ABP. This pension scheme is a conditionally indexed average-salary scheme and is a defined benefit plan. We are not liable for deficits in the multi-employer plans but could be impacted by these deficits through an increase in the pension contribution rate. Our share to the total ABP pension plan is limited. The ABP plan is accounted for as if it were a defined contribution plan as insufficient information is available to use defined benefit accounting. The expected contribution to the plan for 2023 will be similar to 2022. The funding ratio (market value of the assets expressed as a percentage of the pension provision measured according to De Nederlandsche Bank's principles) on December 31, 2022, was 110.9% (2021: 110.2%).

Other long-term employee benefits
Our obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long term benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Remeasurements are recognised in the period in which they arise.

6. Finance income and costs

in € millions	2022	2021
Derivative realised and unrealised gains, net	1,189.6	524.8
Other finance income	0.3	1.2
Total finance income	**1,189.9**	**526.0**
Interest expense - third-party		
- Debt	(470.3)	(411.9)
- Lease liabilities	(12.3)	(12.6)
- Other	(2.5)	(3.3)
Foreign-currency transaction losses	(344.7)	(380.1)
Interest expense on debt - related party	(102.2)	(95.5)
Losses on debt extinguishment, net	(71.1)	(7.6)
Other finance expense	–	(0.7)
Total finance costs	**(1,003.1)**	**(911.7)**
Net finance income (costs)	**186.8**	**(385.7)**

Interest capitalised for the year ended 31 December 2022 was €4.0 million (2021: €0.9 million).

Accounting policy - Finance income and costs

Our finance income and finance costs includes interest income, interest expense, realised and unrealised gains or losses on derivative instruments, gains or losses on debt modification and extinguishment and foreign currency transaction gains or losses.

Interest income and interest expenses are recognised in the profit or loss account on an accrual basis, using the effective interest rate method.

Premiums, discounts and redemption premiums are recognised as finance costs in the period to which they belong.
The amounts of premiums, discounts and deferred financing costs are recorded on the balance sheet as an increase and decrease of debt, respectively, and are amortised over the life of the debt subsequently. Redemption premiums are directly recognised in the profit and loss account and arise for any differences between the redemption amount and the net carrying value of the debt at the moment of redemption.

7. Income taxes

Our consolidated financial statements include the income taxes of all entities wholly owned by VodafoneZiggo. All pretax income and income tax expense relate to the Netherlands. All material subsidiaries of VodafoneZiggo are part of the VodafoneZiggo Fiscal Unity.

The VodafoneZiggo Fiscal Unity is one taxpayer for the period of time subsequent to the closing of the JV Transaction.

On December 27, 2021 the Dutch Government enacted legislation regarding the yearly changes to the tax legislation (i.e., "Belastingplan 2022"). One of the most important changes within these legislative plans of the government has been an adjustment of the corporate income tax rate effective January 1, 2022. The highest tax rate in the Netherlands increased from 25% to 25.8%. As a result of the enactment of these plans VodafoneZiggo recalculated the deferred tax balances and recorded an income tax rate change expense. In addition, the general interest deduction is limited from 30% of fiscal EBITDA to 20%. This limits VodafoneZiggo's possibility to recover the non-deductible interest carried forward from previous financial years, resulting in unrecognised deferred tax assets.

Components of income tax expense consist of:

in € millions	2022	2021
Tax expense:		
Current income tax expense	(148.7)	(61.7)
Current tax expense	**(148.7)**	**(61.7)**
Origination and reversal of temporary differences and tax losses	(52.2)	39.4
Enacted tax law and rate changes	–	(34.7)
Deferred tax benefit (expense)	**(52.2)**	**4.7**
Income tax expense	**(200.9)**	**(57.0)**

The numerical reconciliation between the applicable and the effective tax rate is as follows:

in € millions	2022	2021
Earnings (loss) before tax	**570.2**	**(90.8)**
Income tax benefit (expense) using the applicable tax rate in the Netherlands	(147.1)	22.7
Tax effect of:		
- Deductible temporary differences for which no deferred tax asset is recognised	(55.4)	(42.4)
- Enacted tax law and rate changes (a)	–	(34.7)
- Non-deductible expenses	(0.4)	(1.1)
- Other	2.0	(1.5)
Income tax expense	**(200.9)**	**(57.0)**

(a) On December 27, 2021, legislation was enacted in the Netherlands to increase the highest Dutch corporate income tax rate from 25.0% to 25.8% effective January 1, 2022. Substantially all of the impacts of this rate change on our deferred tax balances were recorded during the fourth quarter of 2021.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

2022

in € millions	Net balance at January 1	Recognition in statement of profit or loss	Net balance at December 31	Deferred tax assets (a)	Deferred tax liabilities
Intangible assets	(1,027.5)	120.1	(907.4)	–	(907.4)
Derivative financial instruments	34.4	(272.1)	(237.7)	–	(237.7)
Property and equipment, net	(181.9)	29.7	(152.2)	–	(152.2)
Debt and interest	(1.5)	71.0	69.5	71.3	(1.8)
Other future deductible or taxable amounts	21.9	(0.7)	21.2	27.2	(6.0)
Net deferred tax liabilities	**(1,154.6)**	**(52.0)**	**(1,206.6)**	**98.5**	**(1,305.1)**

2021

in € millions	Net balance at January 1	Recognition in statement of profit or loss	Net balance at December 31	Deferred tax assets (a)	Deferred tax liabilities
Intangible assets	(1,101.2)	73.7	(1,027.5)	–	(1,027.5)
Property and equipment, net	(208.0)	26.1	(181.9)	–	(181.9)
Debt and interest	(96.3)	94.8	(1.5)	4.6	(6.1)
Derivative financial instruments	147.8	(113.4)	34.4	34.4	–
Net operating loss or other carry forwards	20.7	(20.7)	–	–	–
Other future deductible or taxable amounts	77.7	(55.8)	21.9	24.7	(2.6)
Net deferred tax liabilities	**(1,159.3)**	**4.7**	**(1,154.6)**	**63.7**	**(1,218.1)**

(a) Based on management's best estimates, we believe that it is probable that sufficient future taxable profits will be generated to support the recognised deferred tax asset. As of December 31, 2022, we have unrecognised deferred tax assets of €97.8 million, reflecting the limitation to recover non-deductible interest as well as losses on debt extinguishment, following the interest deduction limitation to 20% of fiscal EBITDA as of January 1, 2022 (was 30% of fiscal EBITDA). These unrecognised deferred tax assets do not have any expiration date.

In the normal course of business, our income tax filings are subject to review by the Dutch tax authority. In connection with such review, disputes could arise with the tax authority over the interpretation or application of certain income tax rules related to our business. Such disputes may result in future tax and interest and penalty assessments by the tax authority. There are no material outstanding disputes as of December 31, 2022. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the tax authority in either cash or agreement of income tax positions or (ii) the date when the tax authority is statutorily prohibited from adjusting the company's tax computations. In this respect tax filings for 2019-2021 are still open for examination by the Dutch tax authority.

Accounting policy - Income taxes

Income tax comprises the current and deferred income tax payable or receivable for the reporting period. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Temporary differences arise when the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base). For taxable temporary differences, deferred tax liabilities are recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if we have a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable group, or the same fiscal unity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the way we expect, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

8. Intangible assets and goodwill

Movements in intangible assets and goodwill were as follows:

In € millions	Goodwill	Customer relationships	Spectrum licenses	Software	Trade name	Software under construction	Total
Balance as at January 1, 2021:							
- Cost	7,369.0	6,420.0	1,331.2	662.9	270.0	168.1	16,221.2
- Accumulated amortisation and impairment	–	(2,086.8)	(352.0)	(455.6)	(43.2)	–	(2,937.6)
Carrying amount	**7,369.0**	**4,333.2**	**979.2**	**207.3**	**226.8**	**168.1**	**13,283.6**
Changes in carrying amount:							
- Investments	–	–	163.3	–	–	141.0	304.3
- Reclassification	–	–	–	161.0	–	(161.0)	–
- Amortisation	–	(505.0)	(101.1)	(130.4)	(10.8)	–	(747.3)
- Disposals	–	–	(23.6)	(14.3)	–	–	(37.9)
- Accumulated amortisation of disposals	–	–	23.6	14.3	–	–	37.9
Total changes in carrying amount	**–**	**(505.0)**	**62.2**	**30.6**	**(10.8)**	**(20.0)**	**(443.0)**
December 31, 2021:							
- Cost	7,369.0	6,420.0	1,470.9	809.6	270.0	148.1	16,487.6
- Accumulated amortisation and impairment	–	(2,591.8)	(429.5)	(571.7)	(54.0)	–	(3,647.0)
Carrying amount	**7,369.0**	**3,828.2**	**1,041.4**	**237.9**	**216.0**	**148.1**	**12,840.6**
Changes in carrying amount:							
- Investments	–	–	–	–	–	137.3	137.3
- Reclassification	–	–	–	62.8	–	(62.8)	–
- Amortisation	–	(505.0)	(101.3)	(130.4)	(10.8)	–	(747.5)
- Disposals	–	–	–	(447.0)	–	–	(447.0)
- Accumulated amortisation of disposals	–	–	–	447.0	–	–	447.0
- Other	–	–	–	1.2	–	–	1.2
Total changes in carrying amount	**–**	**(505.0)**	**(101.3)**	**(66.4)**	**(10.8)**	**74.5**	**(609.0)**
December 31, 2022:							
- Cost	7,369.0	6,420.0	1,470.9	426.6	270.0	222.6	16,179.1
- Accumulated amortisation and impairment	–	(3,096.8)	(530.8)	(255.1)	(64.8)	–	(3,947.5)
Carrying amount	**7,369.0**	**3,323.2**	**940.1**	**171.5**	**205.2**	**222.6**	**12,231.6**

Goodwill

Goodwill represents the fair value of the combined business of VodafoneZiggo in excess of the fair value of the identifiable assets and liabilities assumed upon closing of the JV transaction. We have one cash-generating unit.

The annual impairment test in 2022 and 2021, respectively, did not indicate that our carrying value is not recoverable. The recoverable amount is estimated based on value in use. The test was carried out by discounting future cash flows to be generated from the continuing use of our cash-generating unit and are based on past experience and our long-range plan. Projected cash flows for the first five years are based on the long-range plan as approved by management. Key assumptions used in the calculation of the recoverable amount are the EBITDA AL (EBITDA after Leases) margin, pre-tax weighted average cost of capital and the terminal value growth rate.

The following rates were applied in performing the impairment test:

	October 1, 2022	October 1, 2021
Goodwill carrying amount	7,369.0	7,369.0
EBITDA AL margin	44-47%	47-49%
Pre-tax discount rate	7.7%	6.0%
Terminal value growth rate	2.0%	0%

The recoverable amount exceeds the carrying value by €2.3 billion. If the pre-tax discount rate increases by 0.9% or if the terminal value growth rate decreases by 1.0%, without taking into consideration any potential offsetting impacts, the recoverable amount of our cash-generating unit would be in line with its carrying amount.

Customer relationships

The majority of the customer relationships are related to Fixed-Mobile-Convergence (FMC). This comprises the customer relationships to which converged services are offered, resulting in (i) the highest rates of customer retention and (ii) the longest period over which the related future economic benefits will be received. The remaining amortisation period for customer relationships is between 1 and 16 years.

Spectrum licenses

Represents primarily mobile spectrum licenses associated with our mobile operations. Spectrum licenses are the mobile spectrum licenses with a remaining useful life (license terms) between 8 and 19 years.

Software

Software is the costs of purchasing and developing computer software with estimated lives of 3-5 years.

Trade name

The trade name represents the future economic benefits arising from the Ziggo trade name. The remaining amortisation period for the trade name is 19 years.

Accounting policy - Intangible assets and goodwill

Customer relationships are initially recorded at their fair values in connection with business combinations and subsequently at cost less accumulated amortisation and impairments, if any. Upon closing the JV Transaction, our mobile spectrum licenses were recorded at their fair value and subsequent to the closing of the JV Transaction, we record licenses at costs less accumulated amortisation and impairments, if any.

Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that are expected to generate economic benefits beyond one year, are recognised as intangible assets and are amortised over their estimated useful life on a straight-line basis over a period of three to five years. Capitalised internal use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with the project. Capitalisation of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Costs associated with maintaining computer software are recognised as an expense as incurred.

The trade name was initially recorded in connection with the JV transaction at fair value and is amortised over its estimated useful life on a straight-line basis.

Goodwill is not amortised, but instead is tested for impairment at least annually. Intangible assets with finite lives are amortised on a straight-line basis over their respective estimated useful lives to their estimated residual values and reviewed for impairment. Useful lives used to amortise our intangible assets are assessed periodically and are adjusted when warranted.

The estimated useful lives of our intangible assets are as follows:

Customer relationships	7-22 years
Spectrum licenses	17-20 years
Software	3-5 years
Trade name	25 years

Intangible assets are assessed at each reporting date to determine if any indication of an impairment exists. If any such indication exists, the recoverable amount of the asset is estimated, which is the higher of value in use and fair value less costs of disposal. When the carrying amount exceeds its recoverable amount, an impairment loss is recognised for the difference between those amounts. Impairments other than on goodwill are reversed if and to the extent that the impairment does not longer exist.

9. Property and equipment

Movements in property and equipment were as follows:

in € millions	Distribution systems	Customer premises equipment	Support equipment and buildings (a)	Assets under construction	Total
Balance as at January 1, 2021:					
Cost	5,726.3	948.7	436.8	148.0	7,259.8
Accumulated depreciation and impairment	(2,174.1)	(487.6)	(117.9)	–	(2,779.6)
Carrying amount	**3,552.2**	**461.1**	**318.9**	**148.0**	**4,480.2**
Changes in carrying amount:					
Investments	–	–	–	689.4	689.4
Reclassifications	434.7	172.9	43.9	(651.5)	–
Impairment	–	–	–	(2.5)	(2.5)
Depreciation	(579.2)	(188.2)	(51.6)	–	(819.0)
Disposals	(581.1)	(156.5)	(28.3)	–	(765.9)
Accumulated depreciation and impairment of disposals	581.1	156.5	28.3	–	765.9
Other, net	1.6	(3.4)	(3.6)	6.5	1.1
Total changes in carrying amount	**(142.9)**	**(18.7)**	**(11.3)**	**41.9**	**(131.0)**
Balance as at December 31, 2021:					
Cost	5,581.5	961.7	448.8	189.9	7,181.9
Accumulated depreciation and impairment	(2,172.2)	(519.3)	(141.2)	–	(2,832.7)
Carrying amount	**3,409.3**	**442.4**	**307.6**	**189.9**	**4,349.2**
Changes in carrying amount:					
Investments	–	–	–	810.9	810.9
Reclassifications	426.8	260.6	42.8	(730.2)	–
Impairment	–	–	–	(0.8)	(0.8)
Depreciation	(532.2)	(188.9)	(46.6)	–	(767.7)
Disposals	(335.8)	(301.7)	(166.1)	–	(803.6)
Accumulated depreciation and impairment of disposals	335.8	301.7	166.1	–	803.6
Other, net	(1.1)	(15.0)	(2.5)	(2.7)	(21.3)
Total changes in carrying amount	**(106.5)**	**56.7**	**(6.3)**	**77.2**	**21.1**
Balance as at December 31, 2022:					
Cost	5,672.5	920.6	325.5	267.1	7,185.7
Accumulated depreciation and impairment	(2,369.7)	(421.5)	(24.2)	–	(2,815.4)
Carrying amount	**3,302.8**	**499.1**	**301.3**	**267.1**	**4,370.3**

(a) All of the support equipment and buildings are pledged as security under our various debt instruments. For additional information, see note 15.

Accounting policy - Property and equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalise costs associated with the construction of new, or upgrades to existing, fixed and mobile transmission and distribution facilities and the installation of new fixed-line services. Capitalised construction and installation costs include materials, labour, and other directly attributable costs. Installation activities that are capitalised include (i) the initial connection (or drop) from our fixed-line system to a customer location, (ii) the replacement of a drop, and (iii) the installation of equipment for new, or upgrades to existing fixed-line services. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to us. The costs of other customer-facing activities, such as reconnecting and disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Interest capitalised with respect to construction activities was not material during any of the periods presented.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Property and equipment are depreciated over their estimated useful lives to their estimated residual values and reviewed for impairment. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted.

The estimated useful lives, per asset category, are as follows:	
Distribution systems	4-30 years
Customer premises equipment	3-5 years
Support equipment and buildings	3-40 years

Additions, replacements, and improvements that extend the asset life are capitalised. Repairs and maintenance are charged to operations. We recognise a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations may arise from the loss of rights of way that we obtain from local municipalities or other relevant authorities.

Property and equipment are assessed at each reporting date to determine if any indication of an impairment exists. If any such indication exists, the recoverable amount of the asset is estimated, which is the higher of value in use and fair value less costs of disposal. When the carrying amount exceeds its recoverable amount, an impairment loss is recognised for the difference between those amounts. Impairments are reversed if and to the extent that the impairment does not longer exist.

10. Leases

We enter into leases for network equipment, real estate, mobile site sharing and vehicles. We provide residual value guarantees on certain of our vehicle leases, which are included in our measurement of the lease obligation.

Right-of-use assets

The Right-of-use assets (ROU assets) are separately presented on our consolidated statement of financial position. A summary of the carrying value of the underlying classes of assets is set forth below:

	December 31	
in € millions	2022	2021
Distribution systems	267.6	275.7
Support equipment and building	87.6	96.3
Total carrying amount	**355.2**	**372.0**

During the year, we recorded additions to our ROU assets of €36.2 million (2021: €36.9 million). During 2022, we realised €6.5 million (2021: €5.6 million) of income from sublease of miscellaneous sites, which is presented in revenue.

Lease expenses

A summary of our aggregate lease expense is set forth below:

	Year ended December 31	
in € millions	2022	2021
Depreciation (a)	78.4	78.2
Interest expense (a)	12.3	12.6
Variable lease expense (b)	1.8	(1.0)
Total lease expense	**92.5**	**89.8**

(a) Our depreciation charge is related to asset classes (i) Distribution systems for €55.1 million (2021: €54.2 million), and (ii) Support, equipment and building for €23.3 million (2021: €24.0 million). Depreciation and interest expenses are included in our consolidated statements of operations and are presented as amortisation and depreciation, and finance costs, respectively.

(b) Variable lease expense represents payments made to a lessor during the lease term that vary because of a change in circumstance that occurred after the lease commencement date. Variable lease payments are expensed as incurred and included in cost of outsourced work and other external costs in our consolidated statement of operations.

Cash flow implications

A summary of our cash outflows relating to our leases, is set forth below:

	Year ended December 31	
in € millions	2022	2021
Cash outflow from operating activities	12.2	12.6
Cash outflow from financing activities	82.0	81.5
Total cash outflows from leases	**94.2**	**94.1**

Maturities of lease obligations

The maturities of our lease obligations as of December 31, 2022 is presented below. Amounts presented below represent euro equivalents based on December 31, 2022, exchange rates:

in € millions	
Year ending December 31:	
- 2023	91.5
- 2024	82.3
- 2025	60.1
- 2026	48.1
- 2027	38.8
- 2028 and thereafter	111.0
Total principal and interest payments	**431.8**
Less: present value discount	(59.0)
Present value of net minimum lease payments	**372.8**
Current portion	78.0
Non-current portion	294.8

Accounting policy - Leases

When we lease an asset, a right-of-use asset is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is determined as the non-cancellable term of a contract together with any periods covered by an option to extend the lease if we are reasonable certain to exercise this option or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the discounted value of the lease payments over the lease term that are not paid at the commencement date. As the implicit discount rates on our leases are not readily available, we apply the incremental borrowing rate applicable at commencement date of a lease to determine the discounted value. The incremental borrowing rate is determined using a risk-free rate combined with a spread reflecting our credit risk.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase) or if our assessment of the lease term changes.

Purchase options are taken into account when we are reasonably certain to execute these options. Penalties for early termination of a lease are not included when we are reasonably certain that the related early termination will not take place.

The lease liability that is expected to be due within one year is presented in current liabilities, the long-term portion is included in non-current liabilities.

We apply the practical expedient not to separate non-lease components from lease components for certain lease-categories. We do not apply the practical expedients for low-value leases and short-term leases.

11. Contract assets and contract costs

	December 31	
in € millions	**2022**	**2021**
Contract assets (a)	58.2	58.8
Costs to obtain a contract	16.2	16.0
Costs to fulfil a contract	9.2	9.7
Total non-current contract assets and contract costs	**83.6**	**84.5**
Contract assets (a)	152.5	152.4
Costs to obtain a contract	51.2	53.0
Costs to fulfil a contract	5.6	5.5
Total current contract assets and contract costs	**209.3**	**210.9**
Total contract assets and contract costs	**292.9**	**295.4**

(a) Our contract assets are reported net of an allowance for doubtful accounts. Such allowance aggregated €5.5 million and €4.4 million at December 31, 2022 and 2021, respectively.

Contract Costs

During 2022 and 2021 we amortised €85.1 million and €93.5 million, respectively, to cost of outsourced work and other external costs.

12. Trade and other receivables

	December 31	
in € millions	**2022**	**2021**
Trade receivables (a)	154.4	164.2
Related-party receivables (b)	47.3	47.1
Other receivables	8.7	7.1
Carrying amount	**210.4**	**218.4**

(a) All receivables have an estimated maturity shorter than one year, and no interest is charged on receivables.
(b) Related-party receivables represents non-interest bearing receivables from certain Liberty Global and Vodafone Group subsidiaries.

Trade Receivables

in € millions	December 31 2022	2021
Trade accounts receivable	111.9	123.6
Unbilled revenue	66.8	69.4
Less: Allowance for impairment of trade accounts receivable and unbilled revenue (a)	(24.3)	(28.8)
Carrying amount	**154.4**	**164.2**

(a) The allowance for impairment of trade accounts receivable and unbilled revenue is based upon our assessment of probable losses related to uncollectible trade receivables. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risks. The allowance is maintained until either receipt of payment or the likelihood of collection is considered to be remote.

The ageing of the gross trade accounts receivable and unbilled revenue, as well as the associated allowance for credit losses, are set forth below:

	December 31, 2022			December 31, 2021		
		Allowance for credit losses:			Allowance for credit losses:	
In € millions	**Trade accounts receivable and unbilled revenue, gross**	**Trade accounts receivable**	**Unbilled revenue**	**Trade accounts receivable and unbilled revenue, gross**	**Trade accounts receivable**	**Unbilled revenue**
Current	125.4	(2.1)	(1.0)	133.7	(2.5)	(1.0)
30 days or less	21.0	(1.6)	–	22.5	(2.2)	–
31-60 days	9.0	(1.8)	–	8.2	(1.6)	–
61-180 days	11.1	(6.2)	–	11.1	(5.0)	–
Over 180 days	12.2	(11.6)	–	17.5	(16.5)	–
Total	**178.7**	**(23.3)**	**(1.0)**	**193.0**	**(27.8)**	**(1.0)**

The table below shows the movement of the allowance for impairment of trade accounts receivable and unbilled revenue:

In € millions	2022	2021
Allowance at January 1	28.8	31.5
Provisions for impairment of trade accounts receivable and unbilled revenue	5.3	(0.1)
Write-off of receivables and other movements	(9.8)	(2.6)
Allowance at December 31	**24.3**	**28.8**

Accounting policy - Trade and other receivables

Trade and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses, unless it is a trade receivable without a significant financing component. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category trade and other receivables are accounted for at the transaction date.

For more general information related to the accounting policies of financial instruments, see note 18.

13. Cash and cash equivalents

	December 31	
In € millions	2022	2021
Money-market funds	58.0	160.7
Cash	35.6	84.2
Restricted cash	6.3	2.4
Carrying amount	**99.9**	**247.3**

All cash and cash equivalents are available on demand, with the exception of the restricted cash balances.

Accounting policy - Cash and cash equivalents

Cash and cash equivalents are held at amortised cost and consist of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition.

14. Group equity

Share capital

The Company's authorised capital is not limited. At December 31, 2022 and 2021, there were 104 ordinary shares of €1.- each issued and fully paid.

Share premium

Amounts contributed by the shareholders of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

The equity distributions to shareholders, declared and paid in 2022 and amounting to €500.0 million (2021: €530.0 million), have been deducted from the share premium.

The share premium, except for our legal reserves as disclosed in note 24 to our company financial statements, is freely distributable, subject to covenant testing as required by our third-party debt agreements and the equity distribution test as per Dutch law.

Retained earnings

The Management Board proposes, with the consent of the Supervisory Board, to the General Meeting to appropriate the result after tax for 2022 to retained earnings.

15. Debt

The euro-equivalents of the components of our third-party and related-party debt are as follows:

	December 31, 2022			December 31, 2021	
In € millions	Weighted average interest rate (a)	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior and Senior Secured Notes	4.44%	5,530.2	4,513.8	5,256.1	5,368.4
Credit Facilities (b) (c)	6.29%	4,611.1	4,404.6	4,493.6	4,461.5
Vendor financing (d)	2.67%	999.5	999.5	999.7	999.7
Other Debt (e)	2.73%	168.4	167.9	166.5	166.5
Total third-party debt	**5.01%**	**11,309.2**	**10,085.8**	**10,915.9**	**10,996.1**
Related-party debt	5.55%	1,815.8	1,815.8	1,815.8	1,815.8
Total debt	**5.09%**	**13,125.0**	**11,901.6**	**12,731.7**	**12,811.9**
Current maturities of debt		**1,100.4**		**1,070.2**	
Non-current maturities of debt		**12,024.6**		**11,661.5**	

(a) Represents the weighted average interest rate in effect at December 31, 2022 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of deferred financing costs, the weighted average interest rate on our aggregate third-party variable- and fixed-rate indebtedness was 3.8% at December 31, 2022. For information regarding our derivative instruments, see note 19.

(b) The Credit Facilities include a revolving facility with a maximum borrowing capacity of €800.0 million, which was undrawn at December 31, 2022. Unused borrowing capacity represents the maximum availability under the Credit Facilities at December 31, 2022 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2022, based on the most restrictive applicable leverage covenants and leverage-based restricted payment tests, the full €800.0 million of unused borrowing capacity was available to be borrowed and there were no additional restrictions on our ability to make loans or distributions from this availability. Upon completion of the relevant December 31, 2022 compliance reporting requirements and based on the most restrictive applicable leverage covenants and leverage-based restricted payment tests, we expect that the full amount of unused borrowing capacity will continue to be available to be borrowed and that there will be no additional restrictions with respect to loans or distributions from this availability. Our above expectations do not consider any actual or potential changes in our borrowing levels or any amounts loaned or distributed subsequent to December 31, 2022, or the impact of additional amounts that may be available to borrow, loan or distribute under certain defined baskets under the Credit Facilities.

(c) Principal amounts include €17.6 million and €41.9 million at December 31, 2022 and 2021, respectively, of borrowings pursuant to an excess cash facility under the Credit Facilities. These borrowings are owed to a non-consolidated special purpose financing entity that has issued notes to finance the purchase of receivables due from our company to certain other third parties for amounts that we and our subsidiaries have vendor financed. To the extent that the proceeds from these notes exceed the amount of vendor financed receivables available to be purchased, the excess proceeds are used to fund this excess cash facility.

(d) Represents amounts owed to various creditors pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our property and equipment additions and operating expenses. These arrangements extend our repayment terms beyond a vendor's original due dates (e.g. extension beyond a vendor's customary payment terms, which are generally 90 days or less) and as such are classified outside of accounts payable as debt on our consolidated balance sheets. These obligations are generally due within one year and include Value Added Tax (**VAT**) that was also financed under these arrangements. For purposes of our consolidated statements of cash flows, operating-related expenses financed by an intermediary are treated as constructive operating cash outflows and constructive financing cash inflows when the intermediary settles the liability with the vendor as there is no actual cash outflow until we pay the financing intermediary. During 2022 and 2021, the constructive cash outflow included in cash flows from operating activities and the corresponding constructive cash inflow included in cash flows from financing activities related to these operating expenses was €733.6 million and €698.4 million, respectively. Repayments of vendor financing obligations at the time we pay the financing intermediary are included in repayments of third-party debt and finance lease obligations in our consolidated statements of cash flows.

(e) Represents a handset securitisation facility relating to our mobile handset receivables. Originally, repayments of the facility were scheduled to start in April 2023 and the facility was due to be repaid in full in 2024. On March 23, 2023 this facility has been extended and repayments are scheduled to start in December 2023 and the facility is due to be repaid in full in 2025.

Senior and Senior Secured Notes

The details of the outstanding Senior and Senior Secured Notes as of December 31, 2022 are summarised in the following table:

In millions	Maturity	Interest rate	Outstanding principal amount: Borrowing currency	Outstanding principal amount: Euro equivalent	Carrying value (a)
Senior and Senior Secured Notes					
2027 Senior Notes	*January 15, 2027*	6.000%	$625.0	€583.5	€575.4
2030 Dollar Senior Secured Notes	*January 15, 2030*	4.875%	$991.0	925.3	932.7
2030 Euro Senior Secured Notes	*January 15, 2030*	2.875%	€502.5	502.5	501.5
2030 Euro Senior Notes	*February 28, 2030*	3.375%	€900.0	900.0	896.0
2030 Dollar Senior Notes	*February 28, 2030*	5.125%	$500.0	466.8	463.5
2032 Dollar Senior Secured Notes	*January 15, 2032*	5.000%	$1,525.0	1,423.8	1,415.5
2023 Euro Senior Secured Notes	*January 15, 2032*	3.500%	€750.0	750.0	745.6
Total				€5,551.9	€5,530.2

(a) Amounts are net of unamortised premiums, discounts, fair value adjustments and deferred financing costs, as applicable.

Ziggo Bond Company B.V. and VZ Secured Financing B.V. have issued certain senior and senior secured notes, respectively. In general, our senior and senior secured notes are senior obligations of the issuer of such notes that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of such issuer. Our senior secured notes (i) contain certain guarantees from other subsidiaries of VodafoneZiggo (as specified in the applicable indenture), and (ii) are secured by certain pledges or liens over certain assets and/or shares of certain subsidiaries of VodafoneZiggo. In addition, the indentures governing our senior and senior secured notes contain certain covenants, the more notable of which are as follows:

- Subject to certain materiality qualifications and other customary and agreed exceptions, our notes contain (i) certain customary incurrence-based covenants and (ii) certain restrictions that, among other things, restrict the ability of certain of our subsidiaries to (a) incur or guarantee certain financial indebtedness, (b) make certain disposals and acquisitions, (c) create certain security interests over their assets, and (d) make certain restricted payments to their direct and/or indirect parent companies through dividends, loans or other distributions;
- Our notes provide that any failure to pay principal at its stated maturity (after the expiration of any applicable grace period) of, or any acceleration with respect to, other indebtedness of the issuer or certain of our subsidiaries over agreed minimum thresholds (as specified under the applicable indenture), is an event of default under the respective notes;
- If the relevant issuer or certain of its subsidiaries (as specified in the applicable indenture) sell certain assets, such issuer must, subject to certain materiality qualifications and other customary and agreed exceptions, offer to repurchase the applicable notes at par, or if a change of control (as specified in the applicable indenture) occurs, such issuer must offer to repurchase all of the relevant notes at a redemption price of 101%; and
- Our senior secured notes contain certain early redemption provisions including the ability to, during each 12-month period commencing on the issue date for such notes until the applicable call date, redeem up to 10% of the original principal amount of the notes at a redemption price equal to 103% of the principal amount of the notes to be redeemed plus accrued and unpaid interest.

In January 2022, we published our new Sustainable Finance Framework (SFF) which incorporates our previously published Green Bond Framework. Our SFF enables us to issue green and sustainable financing and aligns our Corporate Social Responsibility strategy with our capital structure. Key Performance Indicators with corresponding Sustainable Performance Targets to halve our CO2 emissions (Scope 1, 2 and 3) by 2025 (compared to 2018) are included in our SFF. Our SFF is aligned with the Green Bond Principles 2021, the Green Loan Principles 2021, the Sustainability-Linked Bond Principles 2020, and the Sustainability-Linked Loan Principles 2021 and has been certified by Sustainalytics, a leading and global independent company in Environmental, Social and Governance research and rating provider. In 2022, we issued our inaugural Sustainability-Linked Senior Secured Notes under our SFF. For additional information on the issuance of these notes, see *Financing Transactions* below.

All our notes are non-callable prior to the applicable Call Date presented in the table below. At any time prior to the applicable Call Date, we may redeem some or all of the applicable notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the applicable Call Date using the discount rate as of the redemption date plus a premium (each as specified in the applicable indenture).

Senior and Senior Secured Notes	Call Date
2027 Senior Notes	January 15, 2022
2030 Dollar Senior Secured Notes	October 15, 2024
2030 Euro Senior Secured Notes	October 15, 2024
2030 Euro Senior Notes	February 15, 2025
2030 Dollar Senior Notes	February 15, 2025
2032 Dollar Senior Secured Notes	January 15, 2027
2032 Euro Senior Secured Notes	January 15, 2027

After the applicable Call Date, we may redeem some or all of these notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price						
	2027 Senior Notes	2030 Dollar Senior Secured Notes	2030 Euro Senior Secured Notes	2030 Euro Senior Notes	2030 Dollar Senior Notes	2032 Dollar Senior Secured Notes	2032 Euro Senior Secured Notes
12-month period commencing	January 15	October 15	October 15	February 15	February 15	January 15	January 15
2023	102.000%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2024	101.000%	102.438%	101.438%	N.A.	N.A.	N.A.	N.A.
2025	100.000%	101.219%	100.719%	101.688%	102.564%	N.A.	N.A.
2026	100.000%	100.609%	100.359%	100.844%	101.281%	N.A.	N.A.
2027	100.000%	100.000%	100.000%	100.422%	100.641%	102.500%	101.750%
2028	N.A.	100.000%	100.000%	100.000%	100.000%	101.250%	100.875%
2029	N.A.	100.000%	100.000%	100.000%	100.000%	100.625%	100.438%
2030 and thereafter	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

Credit Facilities

The Credit Facilities are the senior and senior secured credit facilities of certain subsidiaries of the Company. The details of our borrowings under the Credit Facilities as of December 31, 2022 are summarised in the following table:

In millions	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Outstanding principal amount	Unused borrowing capacity	Carrying value (b)
Credit facility						
Senior Secured Facilities:						
Facility H (c)	January 31, 2029	EURIBOR + 3.00%	€2,250.0	2,250.0	–	2,241.1
Facility I (d)	April 30, 2028	LIBOR + 2.50%	$2,525.0	2,357.5	–	2,352.4
Revolving Facility (e)	January 31, 2026	(d)	€800.0	–	800.0	–
Total Senior Secured Facilities				**4,607.5**	**800.0**	**4,593.5**
Senior Facilities:						
Financing Facility (f)	January 15, 2029	2.875%	€17.6	17.6	–	17.6
Total				**4,625.1**	**800.0**	**4,611.1**

(a) Amounts represent total third-party facility amounts as of December 31, 2022.
(b) Amounts are net of unamortised premiums, discounts, and deferred financing costs, as applicable.
(c) Facility H has a EURIBOR floor of 0.0%.
(d) Facility I has a LIBOR floor of 0.0%.
(e) The Revolving Facility bears interest at EURIBOR plus 2.75% (subject to a margin ratchet) and has a fee on unused commitments of 40% of such margin per year.
(f) Amounts represent borrowings that are owed to a non-consolidated special purpose financing entity that has issued notes to finance the purchase of receivables due from our company to certain other third parties for amounts that we and our subsidiaries have vendor financed. To the extent that the proceeds from these notes exceed the amount of vendor financed receivables available to be purchased, the excess proceeds are used to fund this excess cash facility.

We have entered into a senior secured credit facility agreement with certain financial institutions and a senior credit facility agreement with a non-consolidated special purpose financing entity (as described under Credit Facilities below) (the credit facilities). Our credit facilities contain certain covenants, the more notable of which are as follows:

- Our credit facilities contain certain consolidated net leverage ratios, as specified in the relevant credit facility, which are required to be complied with (i) on an incurrence basis and/or (ii) in respect of our senior secured credit facilities, when the associated revolving credit facility has been drawn beyond a specified percentage of the total available revolving credit commitments on a maintenance basis;
- Subject to certain customary and agreed exceptions, our credit facilities contain certain restrictions which, among other things, restrict the ability of certain of our subsidiaries to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, and (iv) make certain restricted payments to their direct and/or indirect parent companies through dividends, loans or other distributions;
- Our credit facilities require that certain of our subsidiaries (i) guarantee the payment of all sums payable under the relevant credit facility and (ii) in respect of our senior secured credit facilities, grant first-ranking security over substantially all of their assets to secure the payment of all sums payable thereunder;
- In addition to certain mandatory prepayment events, the instructing group of lenders under our senior secured credit facilities, under certain circumstances, may cancel the commitments thereunder and declare the loans thereunder due and payable at par after the notice period following the occurrence of a change of control (as specified in our senior secured credit facilities);
- In addition to certain mandatory prepayment events, the individual lender under our senior credit facilities, under certain circumstances, may cancel its commitments thereunder and declare the loans thereunder due and payable at a price of 101% after the notice period following the occurrence of a change of control (as specified in our senior credit facilities);
- Our credit facilities contain certain customary events of default, the occurrence of which, subject to certain exceptions, materiality qualifications and cure rights, would allow the instructing group of lenders to (i) cancel the total commitments, (ii) declare that all or part of the loans be payable on demand, and/or (iii) accelerate all outstanding loans and terminate their commitments thereunder;
- Our credit facilities require that we observe certain affirmative and negative undertakings and covenants, which are subject to certain materiality qualifications and other customary and agreed exceptions;
- In addition to customary default provisions, our senior secured credit facilities include cross-default provisions with respect to our other indebtedness, subject to agreed minimum thresholds and other customary and agreed exceptions; and
- Our senior credit facilities provide that any failure to pay principal at its stated maturity (after the expiration of any applicable grace period) of, or any acceleration with respect to, other indebtedness of the borrower or certain of our subsidiaries over agreed minimum thresholds (as specified under the senior credit facilities), is an event of default under the senior credit facilities.

Vendor Financing

The maturities of our vendor financing obligations as of December 31, 2022 are presented below (in millions):

Year ending December 31:	
2023	999.5
Total vendor financing maturities	**999.5**
Current portion	999.5
Non-current portion	**–**

VZ Vendor Financing II B.V. (VZ Vendor Financing II), a third-party special purpose financing entity that is not consolidated by VodafoneZiggo, has issued an aggregate €700.0 million in notes maturing in January 2029 (the Vendor Financing II Notes). The net proceeds from the Vendor Financing II Notes are used by VZ Vendor Financing II to purchase from various third parties certain vendor-financed receivables owed by the Group. To the extent that the proceeds from the Vendor Financing II Notes exceed the amount of vendor-financed receivables available to be purchased, the excess proceeds are used to fund the Financing Facility. As additional vendor-financed receivables become available for purchase, VZ Vendor Financing II can request that we repay any amounts made available under the Financing Facility.

Financing Transactions

2022 Financing transactions

In January 2022, we issued (i) $1,525.0 million (€1,347.5 million) principal amount of 5.0% sustainability-linked senior secured notes (the 2032 Dollar Senior Secured Notes) at an issue price of 99.0% of par, and (ii) €750.0 million principal amount of 3.5% sustainability-linked senior secured notes (the 2032 Euro Senior Secured Notes, and together with the 2032 Dollar Senior Secured Notes, the 2032 Senior Secured Notes) at an issue price of par, each in accordance with our new Sustainable Finance Framework and maturing on January 15, 2032. From July 16, 2026 and thereafter, the interest rates applicable to the 2032 Senior Secured Notes shall increase by a maximum of 0.25% per annum unless we have achieved certain sustainability performance targets.

The net proceeds of the issuance of these notes have been used to (i) redeem in full the outstanding principal amount of our 2027 Dollar Senior Secured Notes ($1,600.0 million) at a premium of 2.750% and (ii) redeem in full the outstanding principal amount of our 2027 Euro Senior Secured Notes (€620.0 million) at a premium of 2.125%.

In connection with this transaction, we recognised a loss on debt extinguishment of €71.1 million related to (i) the payment of €52.0 million of redemption premiums and (ii) the write-off of fair value adjustments and unamortised deferred financing costs of €19.1 million.

2021 Financing Transactions. In March 2021, pursuant to a private placement, we issued $200.0 million (€163.3 million) principal amount of 2030 Dollar Senior Secured Notes at an issue price of 104.25% of par. The net proceeds from the issuance of these notes were used to redeem 10% of the original aggregate principal amount of our 2027 Dollar Senior Secured Notes at a premium of 3%.

In connection with this transaction, we recognised a net loss on debt extinguishment of €7.6 million related to (i) the payment of €5.0 million of redemption premiums and (ii) the write-off of €2.6 million of fair value adjustments and unamortised deferred financing costs.

Maturities of Debt

The euro equivalents of the maturities of our debt as of December 31, 2022 are presented below:

In € millions	Third-party	Related-party	Total
Year ending December 31:			
2023	1,100.4	–	1,100.4
2024	39.0	–	39.0
2025	43.8	–	43.8
2026	–	–	–
2027	583.5	–	583.5
Thereafter	9,578.2	1,815.8	11,394.0
Total debt maturities	**11,344.9**	**1,815.8**	**13,160.7**
Premiums, discounts and deferred financing costs, net	(35.7)	–	(35.7)
Total debt	**11,309.2**	**1,815.8**	**13,125.0**
Current portion	1,100.4	–	1,100.4
Non-current portion	**10,208.8**	**1,815.8**	**12,024.6**

Cash flow implications

The reconciliation of changes in debt, leases and derivative financial instruments to cash flows from financing activities is as follows:

In € millions	Lease liabilities	Debt obligations	Net derivative liabilities	Total
January 1, 2021	**(443.2)**	**(12,251.0)**	**(663.4)**	**(13,357.6)**
Cash flows from financing activities:				
- Borrowings of third-party debt	–	(50.5)	–	(50.5)
- Operating-related vendor financing additions	–	(698.4)	–	(698.4)
- Related-party borrowings, net	–	(207.9)	–	(207.9)
- Repayments of third-party debt and lease obligations:				
Debt (excluding vendor financing)	–	166.8	–	166.8
Principal payments on operating-related vendor financing	–	695.4	–	695.4
Principal payments on capital-related vendor financing	–	545.8	–	545.8
Payments on lease obligations	81.5	–	–	81.5
- Payment of financing costs and debt premiums	–	(0.8)	–	(0.8)
- Net cash paid related to derivative instruments	–	–	0.1	0.1
Total cash flows from financing activities	**81.5**	**450.4**	**0.1**	**532.0**
Realised and unrealised losses on derivative instruments, net	–	–	524.8	524.8
Effect of changes in foreign exchange rates	–	(374.2)	–	(374.2)
Loss on debt extinguishments and modification	–	(7.6)	–	(7.6)
Other liability-related changes	(35.9)	(549.3)	23.5	(561.7)
December 31, 2021	**(397.6)**	**(12,731.7)**	**(115.0)**	**(13,244.3)**
Cash flows from financing activities:				
- Borrowings of third-party debt	–	(186.4)	–	(186.4)
- Operating-related vendor financing additions	–	(733.6)	–	(733.6)
- Repayments of third-party debt and lease obligations:				
Debt (excluding vendor financing)	–	145.0	–	145.0
Principal payments on operating-related vendor financing	–	715.8	–	715.8
Principal payments on capital-related vendor financing	–	532.4	–	532.4
Payments on lease obligations	82.0	–	–	82.0
- Payment of financing costs and debt premiums	–	65.3	–	65.3
- Net cash paid related to derivative instruments	–	–	(1.8)	(1.8)
Total cash flows from financing activities	**82.0**	**538.5**	**(1.8)**	**618.7**
Realised and unrealised losses on derivative instruments, net	–	–	1,189.6	1,189.6
Effect of changes in foreign exchange rates	–	(344.7)	–	(344.7)
Loss on debt extinguishments and modification	–	(71.1)	–	(71.1)
Other liability-related changes	(57.2)	(515.9)	(42.2)	(615.3)
December 31, 2022	**(372.8)**	**(13,124.9)**	**1,030.6**	**(12,467.1)**

Accounting policy - Debt

Debt is measured at amortised cost, using the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

For more information related to the accounting policies of financial instruments, see note 18.

16. Trade and other payables

in € millions	December 31 2022	2021
Trade payables	585.8	492.5
VAT	126.6	133.1
Payroll tax and social security payable	15.7	15.9
Other	1.6	2.7
Total	**729.7**	**644.2**

All current liabilities have an estimated maturity shorter than one year, no interest is charged on trade and other payables.

Accounting policy - Trade and other payables

Trade and other payables (excluding VAT, payroll tax and social security payable) are measured at amortised cost using the effective interest method.

For more information related to the accounting policies of financial instruments, see note 18.

17. Accruals and deferred income

in € millions	December 31 2022	2021
Deferred revenue	181.6	182.5
Accrued interest payable	148.3	136.3
Accrued compensation and benefits	62.1	68.1
Accrued programming and copyright fees	39.9	42.4
Accrued capital expenditure	23.7	31.3
Subscriber deposits	22.9	25.1
Total	**478.5**	**485.7**

18. Financial instruments - Fair value and risk management

18.1 Fair value

The below table shows a summary of financial assets and liabilities at carrying amount and fair value, classified per category:

	December 31, 2022		December 31, 2021	
in € millions	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at FVTPL:				
- Derivatives	1,139.0	1,139.0	218.7	218.7
Financial assets at amortised cost:				
- Trade and other receivables	210.4	210.4	218.4	218.4
- Cash and cash equivalents	99.9	99.9	247.3	247.3
Total financial assets	**1,449.3**	**1,449.3**	**684.4**	**684.4**
Financial liabilities at FVTPL:				
- Derivatives	108.4	108.4	333.7	333.7
Financial liabilities at amortised cost:				
- Debt	13,124.9	11,901.5	12,731.7	12,811.8
- Trade and other payables (a)	587.4	587.4	495.2	495.2
- Accruals and deferred income (b)	296.9	296.9	303.2	303.2
Total financial liabilities	**14,117.6**	**12,894.20**	**13,863.8**	**13,943.9**

(a) The amount excludes payables related to VAT, payroll tax and social security.

(b) The amount excludes deferred revenue.

Of our categories of financial instruments, only derivatives are measured and recognised on the balance sheet at fair value. The recurring fair value measurements of these instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these instruments. This observable data primarily includes interest rate futures and swap rates, which are retrieved or derived from available market data, and are used to calculate, amongst other items, yield curves and forward interest and currency rates. Furthermore, we use a Monte Carlo based approach to incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 19.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. During 2022 and 2021, we did not perform significant nonrecurring fair value measurements.

The estimated fair values of our (i) trade receivables and other receivables, (ii) cash and other cash equivalents, (iii) trade and other payables and (iv) accruals and deferred income are a reasonable approximation of their carrying amounts. The estimated fair values of our debt instruments are generally determined using the average of applicable bid and ask prices (Level 1).

Accounting policy - financial instruments

Fair value measurements
For information on the accounting policies related to fair value measurements, see note 3.

Financial instruments
Recognition and initial measurement
A financial asset or liability is recognised when we become party to a contract that is a financial instrument. Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.
The accounting policies for subsequent measurement of (i) trade and other receivables, (ii) debt, (iii) trade and other payables and (iv) derivative instruments, are outlined in notes 12, 15, 16 and 19, respectively.

Derecognition
We derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which we neither transfers nor retains substantially all of the risks and rewards of ownership and we do not retain control of the financial asset.

We derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. We also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Classification
Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the contractual terms and our business model for managing them. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

A financial asset and a financial liability are offset when we have a legally enforceable right to set off the financial asset and financial liability and we have the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition on the balance sheet, the transferred asset and the associated liability are not offset.

Impairment of financial assets

A financial asset that is not measured based on (i) fair value with value changes reflected in the profit and loss account, or at (ii) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

We consider evidence of impairment at both individually and on a portfolio basis. All individually significant assets are assessed for specific impairment. The individually significant assets not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, we use historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate. For information related to allowance for impairment of trade receivables, see note 12 to our consolidated financial statements.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss up to the amount of the original cost.

18.2 Risk management

We are exposed to financial and operational risks. The financial risks are monitored through a risk control framework that is embedded in our organisational structure. To control these risks, we have instituted policies, including a code of conduct, and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets, and thus for our financial performance.

We have exposure to the following risks that arise from our financial instruments:
(a) Credit risk and counterparty credit risk
(b) Liquidity and cash flow risk
(c) Market risk

Credit risk and counterparty credit risk

Credit risk

Credit risk is the risk that we would experience financial loss if our customers or the counterparties to our financial instruments and cash investments were to default on their obligations to us.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before our standard payment and delivery terms and conditions are offered. Our review includes external ratings, when available, for the B2B segment. In monitoring customer credit risk, customers are grouped according to their credit characteristics. The credit risk on our trade receivables in the B2C segment is considered to be low as a result of the large residential customer base, the relatively small average outstanding balance per customer and the high percentage of customers who pay by direct debit. We use a number of factors in determining the allowance, including among other things, collection history, collection trends, customer specific credit plans and our disconnection policy.

The credit risk on trade receivables in the B2B segment is considered to be higher as compared to the B2C business as it concerns a smaller customer base with larger outstanding amounts per customer. Credit risk on these trade business receivables is controlled based on restrictive policies for client acceptance. Accepting certain new customers in this segment is based on credit management reports from credit bureaus. In addition, we keep track of the payment performance of customers. In case customers fail to meet set criteria, payment issues have to be solved before a new transaction with the customer will be entered into. We also manage risk by disconnecting services to customers whose accounts are delinquent.

The carrying amounts of our derivative financial instruments, trade and other receivables, contract assets and cash and cash equivalents, represents the maximum credit exposure which amounts to €1.7 billion as at December 31, 2022 (2021: €0.9 billion).

For information regarding the ageing of our trade receivables and allowances of expected credit losses, see note 12. We do not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

Counterparty credit risk

We are exposed to the risk that the counterparties to our derivative instruments and cash investments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of and concentration of risk with the respective counterparties. In this regard, credit risk associated with our derivative instruments and cash investments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral is generally not posted by either party under our derivative instruments and cash investments.

At December 31, 2022 and 2021, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of €1.0 billion and €0.1 billion, respectively, and (ii) cash and cash equivalents and restricted cash balances of €99.9 million and €247.3 million, respectively.

We have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement and are independent of similar arrangements.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

Liquidity and cash flow risk

Liquidity risk is the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash and cash equivalents, our primary sources of liquidity are cash provided by operations and access to unused borrowing capacity under our revolving facility. For information regarding our unused borrowing capacity, see note 15.

Our liquidity requirements include general and administrative expenses and fees associated with the JV Service Agreements. From time to time, we may also require cash for (i) the repayment of its related-party debt and interest, (ii) the funding of dividends or equity distributions pursuant to the Shareholders Agreement, which requires us to distribute all unrestricted cash (as defined in the Shareholders Agreement) to the Shareholders every two months (subject to VodafoneZiggo maintaining a minimum amount of cash and complying with the terms of its financing arrangements), (iii) the satisfaction of contingent liabilities, (iv) acquisitions and other investment opportunities and (v) income tax payments.

Management uses budgeting and cash flow forecasting tools to ensure that the cash position is sufficient to meet our financial obligations towards creditors and to comply with the leverage criteria of our loan covenants. For additional information see note 15.

The following table shows the timing of expected payments or receipts based on the contractually agreed upon terms of our financial liabilities as of December 31, 2022:

	Payment due during:						
in € millions	2023	2024	2025	2026	2027	Thereafter	Total
Debt:							
- Principal	1,100.4	39.0	43.8	–	583.5	11,394.0	13,160.7
- Interest (a)	607.5	609.0	607.5	600.0	581.0	1,212.8	4,217.8
Leases (undiscounted)	91.5	82.3	60.1	48.1	38.8	111.0	431.8
Trade and other payables (b)	587.4	–	–	–	–	–	587.4
Accrued liabilities (c)	148.6	–	–	–	–	–	148.6
Projected derivative cash payments (receipts), net (d)	(97.1)	(127.2)	(137.0)	(116.1)	(116.2)	(604.5)	(1,198.1)
Total	**2,438.3**	**603.1**	**574.4**	**532.0**	**1,087.1**	**12,113.3**	**17,348.2**

(a) Amounts are based on interest rates, interest payment dates, commitment fees and contractual maturities in effect as of December 31, 2022. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. Amounts presented for leases include both principal and interest.
(b) The amount excludes payables related to VAT, payroll tax and social security.
(c) The amount excludes deferred revenue and accrued interest.
(d) The euro equivalents of our net projected cash flows associated with our derivative instruments are based on interest rate projections and exchange rates as of December 31, 2022. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments or receipts required in future periods. For additional information regarding our derivative instruments, see note 19.

Market risk

We are exposed to market risk in the normal course of our business operations. These market risks include interest rate risk and foreign currency risk. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates or interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future profits. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

Interest rate risk

We are exposed to changes in interest rates primarily as a result of our borrowing activities, which include fixed-rate and variable-rate borrowings. Our primary exposure to variable-rate debt is through EURIBOR-indexed and USD LIBOR-indexed borrowings.

In relation to variable-rate debt borrowings, certain underlying interest rate benchmarks have been subject to international efforts to be reformed and/or replaced by alternative risk-free rates. As a consequence, USD LIBOR indexed borrowings will cease to be published after June 30, 2023. Currently, there is no general consensus amongst loan borrowers and investors for what rate(s) should replace USD LIBOR. However, our credit agreements contain certain provisions that contemplate alternative calculations of the base rate applicable to our USD LIBOR-indexed debt. We do not anticipate the alternative calculations to be materially different from what would have been calculated under USD LIBOR.

Generally, we mitigate the risk against increases in variable interest rates by entering into derivative instruments. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use (i) purchased interest rate cap and collar agreements to lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates and (ii) purchased interest rate floor agreements to protect against interest rates falling below a certain level, generally to match a floating rate floor on a debt instrument. Under our current guidelines, we use various interest rate derivative instruments to mitigate interest rate risk, generally for five years. As such, the final maturity dates of our various portfolios of interest rate derivative instruments generally fall short of the respective maturities of the underlying variable-rate debt.

In this regard, we use judgment to determine the appropriate composition and maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the impacts of these interest rate derivative instruments, see note 19.

At December 31, 2022, the outstanding principal amount of our variable-rate indebtedness aggregated €4.8 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 6.2%, excluding the effects of interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by €23.9 million. As discussed above and in note 19, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

Foreign currency risk

We are exposed to foreign currency exchange rate risk with respect to our debt in situations where our debt is denominated in a currency other than our functional currency. Although we generally match the denomination of our and our subsidiaries' borrowings with our functional currency, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At December 31, 2022, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations. For additional information concerning the terms of our derivative instruments, see note 19.

19. Derivative financial instruments

We have entered into various derivative instruments to manage our interest rate and foreign currency exchange risk, as further described in note 18. The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2022			December 31, 2021		
in € millions	Current	Long-term	Total	Current	Long-term	Total
Assets:						
Cross-currency contracts (a)	132.0	666.5	798.5	52.8	153.1	205.9
Interest rate contracts (a)	38.1	302.4	340.5	3.7	8.9	12.6
Foreign currency forward contracts	–	–	–	0.2	–	0.2
Total	**170.1**	**968.9**	**1,139.0**	**56.7**	**162.0**	**218.7**
Liabilities:						
Cross-currency contracts (a)	4.4	32.2	36.6	9.0	89.4	98.4
Interest rate contracts (a)	36.8	34.8	71.6	61.0	174.2	235.2
Foreign currency forward contracts	0.2	–	0.2	0.1	–	0.1
Total	**41.4**	**67.0**	**108.4**	**70.1**	**263.6**	**333.7**

(a) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net losses of €36.8 million and €65.4 million during 2022 and 2021, respectively. These amounts are included in finance income, in our consolidated statement of profit or loss and other comprehensive income. For further information regarding our fair value measurements, see note 18.

The details of our realised and unrealised gains on derivative instruments, net, are as follows:

	Year ended December 31	
in € millions	2022	2021
Cross-currency contracts	729.7	464.8
Interest rate contracts	459.6	59.6
Foreign currency forward contracts	0.3	0.4
Total	**1,189.6**	**524.8**

The classification of the net cash inflows (outflows) related to our derivative instruments is as follows:

	Year ended December 31	
in € millions	2022	2021
Operating activities	42.2	(23.5)
Financing activities	1.8	(0.1)
Total	**44.0**	**(23.6)**

Details of our derivative instruments

In the following tables, we present the details of the various categories of our derivative instruments. The notional amounts of multiple derivative instruments that mature within the same calendar month are shown in the aggregate and interest rates are presented on a weighted average basis. In addition, for derivative instruments that were in effect as of December 31, 2022, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2022, we present a range of dates that represents the period covered by the applicable derivative instruments.

Cross-currency derivative contracts

As detailed in note 18, we are exposed to foreign currency exchange rate risk in situations where our debt is denominated in a currency other than our functional currency. Although we generally seek to match the denomination of our borrowings with our functional currency, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in our functional currency (unmatched debt). Our policy is generally to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At December 31, 2022, substantially all of our debt was either directly or synthetically matched to our functional currency. The weighted average remaining contractual life of our cross-currency derivative contracts at December 31, 2022 was 4.3 years.

The terms of our outstanding cross-currency derivative contracts at December 31, 2022, are as follows:

Final maturity date	Notional amount due from counterparty	Notional amount due to counterparty	Interest rate due from counterparty	Interest rate due to counterparty
	in millions			
January 2025 (a)	$2,230.0	€1,985.9	4.03%	2.95%
April 2028	$2,050.0	€1,581.0	6 mo. LIBOR + 2.50%	3.82%
January 2030	$1,525.0	€1,356.9	5.00%	3.57%
January 2025 (a)	€872.2	$980.0	0.31%	0.33%
January 2028	$500.0	€450.0	4.88%	6 mo. EURIBOR + 3.04%
February 2028	$500.0	€429.9	5.13%	3.64%
January 2028	$491.0	€406.8	4.88%	3.85%
April 2028	$475.0	€431.4	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.58%
April 2025	$325.0	€302.8	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.42%

(a) Includes certain derivative instruments that do not involve the exchange of notional amounts at the inception and maturity of the instruments. Accordingly, the only cash flows associated with these derivative instruments are interest-related payments and receipts. At December 31, 2022, the total euro equivalent of the notional amounts of these derivative instruments was €1,455.7 million.

Interest rate swap contracts

As detailed in note 18, we enter into interest rate swap contracts to protect against increases in the interest rates on our variable-rate debt. Pursuant to these derivative instruments, we typically pay fixed interest rates and receive variable interest rates on specified notional amounts. At December 31, 2022, the related weighted average remaining contractual life of our interest rate swap contracts was 5.8 years.

The terms of our outstanding interest rate swap contracts at December 31, 2022, are as follows:

Final maturity date	Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
	in € millions		
January 2029 (a)	2,250.0	6 mo. EURIBOR	1.20%
January 2028	450.0	6 mo. EURIBOR	0.03%
April 2028	431.4	6 mo. EURIBOR	1.59%
April 2025	11.0	6 mo. EURIBOR	2.71%
	3,142.4		

(a) Includes amounts subject to a 0.0% floor.

Basis swaps

Our basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency, and/or (iii) the borrowing period. We typically enter into these swaps to optimise our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. At December 31, 2022, the euro equivalent of the notional amount due from the counterparty was €2,357.5 million and the related weighted average remaining contractual life of our interest basis swap contracts was 0.8 years.

The terms of our outstanding basis swap contracts at December 31, 2022, are as follows:

Final maturity date	Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
	in millions		
October 2023 (a)	$ 2,525.0	1 mo. LIBOR + 2.50%	6 mo. LIBOR + 2.41%

(a) Includes amounts subject to a 0.0% floor.

Interest rate options

From time to time, we enter into interest rate cap, floor and collar agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates. Purchased interest rate floors protect us from interest rates falling below a certain level, generally to match a floating rate floor on a debt instrument. At December 31, 2022, we had no interest rate collar agreements, and the notional amounts of our interest rate caps and floors were €205.0 million and €4,607.5 million, respectively.

Foreign currency forwards

We enter into foreign currency forward contracts with respect to non-functional currency exposure. At December 31, 2022, the euro equivalent of the notional amount of our foreign currency forward contracts was €10.0 million.

Impact of derivative instruments on borrowing costs

The impact of the derivative instruments that mitigate our foreign currency and interest rate risk, as described above, was a decrease of 171 basis points to our third-party borrowing costs as of December 31, 2022.

Accounting policy - Derivatives

Derivative instruments, including embedded derivatives that are separated from their host contract, are recorded on the balance sheet at fair value. As we do not apply hedge accounting to any of our derivative instruments, changes in the fair values of our derivative instruments are recognised in the profit and loss account.

20. Off-balance sheet assets and liabilities

Commitments

As further described in note 21, we have commitments related to the JV Service Agreements. Additionally, in the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, purchases of customer premises and other equipment and services and other items. The following table sets forth these commitments as of December 31, 2022. The commitments included in this table do not reflect any liabilities that are included in our December 31, 2022 consolidated balance sheet.

	Payments due during:						
in € millions	2023	2024	2025	2026	2027	Thereafter	Total
Programming commitments	122.8	124.6	91.6	50.2	30.0	12.0	431.2
Purchase commitments	245.3	15.0	10.8	1.2	0.4	0.1	272.8
JV Service Agreements (a)	93.4	36.4	32.3	31.9	30.5	30.0	254.5
Other commitments	25.2	23.7	15.7	7.6	7.2	32.2	111.6
Total	**486.7**	**199.7**	**150.4**	**90.9**	**68.1**	**74.3**	**1,070.1**

(a) Amounts represent fixed minimum charges from Liberty Global and Vodafone Group pursuant to the JV Service Agreements. In addition to the fixed minimum charges, the JV Service Agreements provide for certain JV Services to be charged to us based upon usage of the services received. The fixed minimum charges set forth in the table above exclude fees for the usage-based services as these fees will vary from period to period. Accordingly, we expect to incur charges in addition to those set forth in the table above for usage-based services.

Programming commitments consist of obligations associated with certain of our programming contracts that are enforceable and legally binding on us as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services or (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods. In this regard, during 2022 and 2021 the programming and copyright costs incurred by our operations aggregated €301.5 million and €315.0 million, respectively.

Purchase commitments include unconditional and legally binding obligations related to the purchase of customer premises, other equipment and mobile handsets.

Other commitments primarily include sponsorships and certain fixed minimum contractual commitments.

In addition to the commitments set forth in the table above, we have commitments under (i) derivative instruments and (ii) multiemployer defined benefit plans, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2022, see note 19.

Guarantees and other credit enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

Regulations and contingencies

Video distribution, broadband internet, fixed-line telephony, mobile and content businesses are subject to significant regulation and supervision by various regulatory bodies in the Netherlands, including Dutch and EU authorities. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

Our application of VAT with respect to certain mobile revenue generating activities has been challenged by the Dutch tax authorities in two different court cases. The Dutch tax authorities challenged the multipurpose character of certain mobile subscriptions that we entered into during 2017 and 2018. No amounts have been accrued by our company as it is not more likely than not that we will have to pay. The total asserted claimed amount is approximately €33.4 million.

The oral hearing of our first court case was held on May 31, 2021 and the other court case took place on May 16, 2022. The court's verdict in both cases was in favour of the tax authorities. We have appealed this decision to the higher court and the hearing of both cases was held on February 14, 2023.

In addition to the foregoing item, we have other contingent liabilities related to (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues, and (iii) disputes over interconnection, programming, copyright, and channel carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our profit or loss, cash flows or financial position in any given period. Due to, in general, the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavourable outcomes.

21. Transactions with related parties

Transactions with shareholders

The transactions with (subsidiaries of) our shareholders for the periods are as follows:

	Year ended December 31	
in € millions	**2022**	**2021**
Revenue	20.5	16.4
Cost of outsourced work and other external costs	(59.7)	(29.8)
Wages and salaries	10.4	15.6
Share-based compensation expense	—	(0.5)
Impairment, restructuring and other operating items, net	0.4	(1.5)
Related party framework agreement charges:		
Charges from Liberty Global:		
- Operating (a)	(89.9)	(86.5)
- Capital (b)	(16.3)	(16.3)
Total Liberty Global corporate charges	**(106.2)**	**(102.8)**
Charges from Vodafone:		
- Operating (c)	(78.1)	(82.2)
Trade name fees (d)	(30.0)	(30.0)
Total Vodafone Group corporate charges	**(108.1)**	**(112.2)**
Total related party framework agreement charges	**(214.3)**	**(215.0)**
Included in operating profit	(242.7)	(214.8)
Finance costs	(102.2)	(95.5)
Included in earnings (loss) before tax	**(344.9)**	**(310.3)**
Property and equipment additions, net	**215.3**	**186.4**

(a) Represents amounts charged for technology and other services, which are included in the calculation of the "EBITDA" metric specified by our debt agreements (Covenant EBITDA).
(b) Represents amounts charged for capital expenditures made by Liberty Global related to assets that we use or will otherwise benefit our company. These charges are not included in the calculation of Covenant EBITDA.
(c) Represents amounts charged by Vodafone Group for technology and other services, a portion of which are included in the calculation of Covenant EBITDA.
(d) Represents amounts charged for our use of the Vodafone brand name. These charges are not included in the calculation of Covenant EBITDA.

Revenue. Amount represents interconnect fees charged by us to certain subsidiaries of Vodafone.

Cost of outsourced work and other external costs. Amounts represent interconnect fees charged to us by certain subsidiaries of Vodafone.

Wages and salaries. Amount represents recharges for certain personnel services provided to Vodafone Group and Liberty Global.

Related party framework agreement charges. Pursuant to a framework and a trade name agreement (collectively, the JV Service Agreements) entered into in connection with the formation of the VodafoneZiggo JV, Liberty Global and Vodafone Group charge us fees for certain services provided to us by the respective subsidiaries of the Shareholders (collectively, the JV Services). The JV Services are provided to us on a transitional or ongoing basis. Pursuant to the terms of the JV Service Agreements, the ongoing services will be provided for a period of four to six years depending on the type of service, while transitional services will be provided for a period of not less than 12 months after which the Shareholders or VodafoneZiggo will be entitled to terminate based on specified notice periods. The JV Services provided by the respective subsidiaries of the Shareholders consist primarily of (i) technology and other services, (ii) capital-related expenditures for assets that we use or otherwise benefit us, and (iii) trade name and procurement fees. The fees that Liberty Global and Vodafone Group charge us for the JV Services, as set forth in the table above, include both fixed and usage-based fees. The JV Service Agreements are currently being revised, including technical descriptions and commercial terms, and are expected to be finalised in the first half of 2023. For further information regarding future commitments related to the framework agreement, see note 20.

Finance costs. Amount relates to the Liberty Global Notes and the Vodafone Group Notes, as defined and described below.

Property and equipment additions, net. These amounts, which are cash settled, represent customer premises and network-related equipment acquired from certain Liberty Global and Vodafone Group subsidiaries, which subsidiaries centrally procure equipment on behalf of our company.

The following table provides details of our balances with (subsidiaries of) our shareholders:

	December 31	
in € millions	**2022**	**2021**
Assets:		
Trade and other receivables (a)	47.3	47.1
Liabilities:		
- Trade and other payables (b)	150.8	98.4
- Accruals and deferred income (b)	15.7	56.5
Debt (c):		
- Liberty Global Notes	907.9	907.9
- Vodafone Notes	907.9	907.9
Non-current lease liabilities (d)	2.2	2.5
Total liabilities	**1,984.5**	**1,973.2**

(a) Represents non-interest bearing receivables from certain Liberty Global and Vodafone Group subsidiaries.
(b) Represents non-interest bearing payables, accrued capital expenditures and other accrued liabilities related to transactions with certain Liberty Global and Vodafone Group subsidiaries that are cash settled.
(c) Represents debt obligations, as further described below.
(d) Represents lease liabilities, related to Vodafone.

Related-party debt

Liberty Global Notes. The Liberty Global Notes comprise (i) a euro-denominated note payable to a subsidiary of Liberty Global with a principal amount of €700.0 million at December 31, 2022 (the **Liberty Global Note Payable I**) and (ii) a euro-denominated note payable to a subsidiary of Liberty Global entered into during the third quarter of 2020 with a principal amount of €207.9 million at December 31, 2022 (the **Liberty Global Note Payable II**, and, together with the Liberty Global Note Payable I, the **Liberty Global Notes Payable**), out of which, €103.9 million was drawn during July 2021, to fund the final instalment of spectrum license fees due to the Dutch government. The Liberty Global Note Payable I, as amended in June 2020, and the Liberty Global Note Payable II each bear interest at a fixed rate of 5.55% and have a final maturity date of December 31, 2030. During the year ended December 31, 2022, interest accrued on the Liberty Global Notes Payable was €51.1 million, all of which has been cash settled.

Vodafone Notes. The Vodafone Notes comprise (i) a euro-denominated note payable to a subsidiary of Vodafone with a principal amount of €700.0 million at December 31, 2021 (the **Vodafone Note Payable I**) and (ii) a euro-denominated note payable to a subsidiary of Vodafone Group entered into during the third quarter of 2020 with a principal amount of €207.9 million at December 31, 2022 (the **Vodafone Note Payable II**, and, together with the Vodafone Note Payable I, the **Vodafone Notes Payable**), out of which, €103.9 million was drawn during July 2021, to fund the final instalment of spectrum license fees due to the Dutch government. The Vodafone Note Payable I, as amended in July 2020, and the Vodafone Note Payable II each bear interest at a fixed rate of 5.55% and have a final maturity date of December 31, 2030. During the year ended December 31, 2022, interest accrued on the Vodafone Notes Payable was €51.1 million, all of which has been cash settled.

Shareholders agreement

In connection with the JV Transaction, on December 31, 2016, Liberty Global and Vodafone Group entered into a shareholders agreement (the Shareholders Agreement) with VodafoneZiggo Group Holding in respect of the VodafoneZiggo JV. Each Shareholder holds 50% of the issued share capital of VodafoneZiggo Group Holding. The Shareholders Agreement contains customary provisions for the governance of a 50:50 joint venture that result in Liberty Global and Vodafone Group having joint control over decision making with respect to the VodafoneZiggo JV.

The Shareholders Agreement also provides (i) for a dividend policy that requires the VodafoneZiggo JV to distribute all unrestricted cash to the Shareholders as soon as reasonably practicable following each two month period (subject to the VodafoneZiggo JV maintaining a minimum amount of cash and complying with the terms of financing arrangements of its subsidiaries) and (ii) that the VodafoneZiggo JV will be managed with a leverage ratio of between 4.5 and 5.0 times Covenant EBITDA (as calculated pursuant to existing financing arrangements of its subsidiaries) with the VodafoneZiggo JV undertaking periodic recapitalisations and/or refinancings accordingly.

In accordance with the dividend policy prescribed in the joint venture agreement governing our company (the **Shareholders agreement**), VodafoneZiggo made total equity distributions of €500.0 million and €530.0 million during 2022 and 2021, respectively, to its Shareholders. These distributions are reflected as a decrease to our equity attributable to equity owners of the Company in our consolidated statement of changes in equity.

Transactions with key management

Key management personnel compensation comprised the following:

in € millions	2022	2021
Short-term employee benefits	2.7	3.0
Other long-term benefits	4.0	2.7
Post-employment benefits	0.2	0.2
Total	**6.9**	**5.9**

The emoluments, including pension costs as referred to in Section 2:383(1) of the Dutch Civil Code charged in the financial period to the Company and its subsidiaries for our Management Board and Supervisory Board amounted to €6.8 million (2021: €5.8 million) and €0.1 million (2021: €0.1 million), respectively. There are no former members of the Management Board and the Supervisory Board that have received remuneration.

Company statement of profit or loss

In € millions	Note	Year ended December 31 2022	 2021
Share in result of subsidiaries, after tax	23	369.3	(147.8)
Other income and expenses, after tax		–	–
Net result		**369.3**	**(147.8)**

Company statement of financial position

(before result appropriation)

In € millions	Notes	December 31 2022	December 31 2021
Assets:			
Investment in subsidiaries	23	2,586.6	2,717.6
Total non-current assets		**2,586.6**	**2,717.6**
Other current assets		0.1	0.2
Total current assets		**0.1**	**0.2**
Total assets		**2,586.7**	**2,717.8**
Equity:			
Shareholders' equity:			
Issued capital		0.0	0.0
Share premium		3,326.0	3,865.7
Legal reserve		213.0	173.6
Accumulated result		(1,321.7)	(1,173.9)
Result after tax		369.3	(147.8)
Total shareholders' equity	24	**2,586.6**	**2,717.6**
Related party payable		0.1	0.2
Total current liabilities		**0.1**	**0.2**
Total equity and liabilities		**2,586.7**	**2,717.8**

Notes to the Company financial statements

22. Basis of presentation

The company financial statements are part of the statutory financial statements of the Company. The financial information of the Company is included in the consolidated financial statements.

Accounting policies

The Company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of results for its separate financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements are the same as those applied for the consolidated EU-IFRS financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the Company financial statements should be read in conjunction with the consolidated financial statements. Information on the use of financial instruments and on related risks for the Group is provided in the notes to the consolidated financial statements. All amounts in the company financial statements are presented in € millions, unless stated otherwise.

Investment in subsidiaries

Subsidiaries are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases. Investments in subsidiaries are accounted for in the separate financial statements according to the equity method, with the principles for the recognition and measurement of assets and liabilities and the determination of results as set out in the notes to the consolidated financial statements.

Investments with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the subsidiaries that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the subsidiary in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant subsidiary, or if it has the constructive obligation to enable the subsidiary to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the subsidiary. This provision is primarily charged to the receivables on the respective subsidiary that can be regarded as part of the net investment, and for the remainder it is presented under provisions.

Share in result of subsidiaries

This item concerns the Company's share of the profit or loss of these subsidiaries. Results on transactions involving the transfer of assets and liabilities between the Company and its subsidiaries and mutually between subsidiaries themselves, are eliminated to the extent that they can be considered as not realised.

Corporate income tax

The Company is head of the fiscal unity. The Company recognises the portion of corporate income tax that it would owe as an independent tax payer, taking into account the allocation of the advantages of the fiscal unity.

23. Investment in subsidiaries

In € millions	2022	2021
Balance as at January 1	2,717.6	3,395.1
Equity distributions	(500.0)	(530.0)
Share in result of subsidiaries	369.3	(147.8)
Other	(0.3)	0.3
Carrying amount as at December 31	**2,586.6**	**2,717.6**

Consolidated subsidiaries

The Company is at the head of the Group and has (in)direct interests in the following entities:

	Legal seat	Interest
Consolidated subsidiaries:		
VodafoneZiggo Group B.V.	Utrecht	100
Liberty Global Content Netherlands B.V.	Utrecht	100
LGE HoldCo V B.V.	Amsterdam	100
LGE HoldCo VI B.V.	Amsterdam	100
LGE HoldCo VII B.V.	Amsterdam	100
LGE Holdco VIII B.V.	Amsterdam	100
FinCo Partner 1 B.V.	Amsterdam	100
LG Financing Partnership	Delaware (US)	100
Ziggo Real Estate B.V.	Utrecht	100
Zesko B.V.	Utrecht	100
Ziggo Bond Company B.V.	Utrecht	100
Amsterdamse Beheer en Consultingmaatschappij B.V.	Amsterdam	100
Ziggo B.V.	Utrecht	100
Ziggo Services B.V.	Utrecht	100
Ziggo Zakelijk Services B.V.	Utrecht	100
Ziggo Services Employment B.V.	Utrecht	100
Ziggo Deelnemingen B.V.	Utrecht	100
Ziggo Services Netwerk 2 B.V.	Utrecht	100
Ziggo Netwerk B.V.	Utrecht	100
Ziggo Netwerk II B.V.	Utrecht	100
Ziggo Finance 2 B.V.	Utrecht	100
Ziggo Financing Partnership	Delaware (US)	100
ZUM B.V.	Utrecht	100
Esprit Telecom B.V.	Utrecht	100
Zoranet Connectivity Services B.V.	Zwolle	100
XB Facilities B.V.	Amsterdam	100
Vodafone Nederland Holding I B.V.	Utrecht	100
Vodafone Nederland Holding II B.V.	Utrecht	100
Vodafone Libertel B.V.	Maastricht	100
Vodafone Financial Services B.V.	Maastricht	100
VZ Financing I B.V.	Amsterdam	100
VZ Financing II B.V.	Amsterdam	100
VZ FinCo B.V.	Utrecht	100
VodafoneZiggo Employment B.V.	Utrecht	100
VZ Secured Financing B.V.	Utrecht	100
VZ PropCo B.V.	Utrecht	100
Other investments:		
SBC Smart City 1517 B.V.	Amsterdam	10
SBC Amsterdam 2012 B.V.	Amsterdam	10
Wireless Interactions & NFC Accelerator 2013 B.V.	Amsterdam	10
SBC Smart City & IOT 1820 B.V.	Amsterdam	10

24. Shareholders' equity

The details of our movements in shareholders' equity during 2021 and 2022 are set forth below:

In € millions	Share capital	Share premium	Legal reserve	Accumulated result	Unappropriated result	Total
Balance at January 1, 2021	**0.0**	**4,411.9**	**157.3**	**(771.6)**	**(402.3)**	**3,395.3**
Changes in financial year 2021:						
Appropriation of result	–	–	–	(402.3)	402.3	–
Net result for the year	–	–	–	–	(147.8)	(147.8)
Equity distributions	–	(530.0)	–	–	–	(530.0)
Share based compensation	–	0.5	–	–	–	0.5
Legal reserve movement	–	(16.3)	16.3	–	–	–
Other	–	(0.4)	–	–	–	(0.4)
Balance at December 31, 2021	**0.0**	**3,865.7**	**173.6**	**(1,173.9)**	**(147.8)**	**2,717.6**
Changes in financial year 2022:						
Appropriation of result	–	–	–	(147.8)	147.8	–
Net result for the year	–	–	–	–	369.3	369.3
Equity distributions	–	(500.0)	–	–	–	(500.0)
Legal reserve movement	–	(39.4)	39.4	–	–	–
Other	–	(0.3)	–	–	–	(0.3)
Balance at December 31, 2022	**0.0**	**3,326.0**	**213.0**	**(1,321.7)**	**369.3**	**2,586.6**

Legal reserve

The legal reserve is related to internally generated software by subsidiaries of the Company. An amount of €213.0 million (2021: €173.6 million) is not available for distribution as per Dutch Law.

25. Off-balance sheet assets and liabilities

Article 403 declaration

An article 403 (Dutch Civil Code) declaration is in place, consequently the Company has accepted liability for its 100% (in)direct subsidiaries, except for:

- Ziggo Real Estate B.V.
- Vodafone Financial Services B.V.
- VZ FinCo B.V.
- LG Financing Partnership
- Ziggo Financing Partnership
- VZ Secured Financing B.V.

Fiscal unity

The Company together with most of its subsidiaries are a fiscal unity with respect to both corporate income tax and VAT. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

26. Number of employees

During the 2022 and 2021 financial years, the Company had two employees (2.0 FTEs): being the Management Board members, both were employed in the Netherlands. The remuneration for both directors is recognised as expense in subsidiaries of the Company.

Board signatures

Utrecht, April 21, 2023

Management Board:
Jeroen Hoencamp (CEO)
Ritchy Drost (CFO)

Supervisory Board:
Manuel Kohnstamm (Chair)
Serpil Timuray (Vice Chair)
Carmen Velthuis
Huub Willems
Carla Mahieu
Baptiest Coopmans
Charlie Bracken
Sateesh Kamath

Additional information

Other information

Provisions in the articles of association governing the appropriation of profit

Under article 27 of the Company's Articles of Association, the profit is at the disposal of the General Meeting, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds. The General Meeting also has the authority to make distributions from unappropriated profits and any reserves, both on the occasion of the adoption of annual accounts and interim distributions.

Independent auditor's report

To: the General Meeting and the Supervisory Board of VodafoneZiggo Group Holding B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of VodafoneZiggo Group Holding B.V. (the Company), based in Amsterdam. The financial statements include the consolidated financial statements and the Company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of VodafoneZiggo Group Holding B.V. as at 31 December 2022 and of its result and its cash flows for the year 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying Company financial statements give a true and fair view of the financial position of VodafoneZiggo Group Holding B.V. as at 31 December 2022 and of its result for the year 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2022;
2. the following consolidated statements for the year 2022: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The Company financial statements comprise:

1. the Company statement of financial position as at 31 December 2022;
2. the Company statement of profit or loss for the year 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of VodafoneZiggo Group Holding B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the "Risk Management" section of the Management Board report, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistle-blowing procedures, and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit & Financial Risk Management and External & Legal Affairs.
As part of our audit procedures, we:

- obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with supervisory authorities and regulators as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- Media and telecommunications laws and regulations (reflecting the market regulation of the industry);
- Data privacy laws and regulations (reflecting security and privacy for customers and employees);

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, because the revenue is primarily based on a large population of customers with individual small contractual values, as such a large number of customer contracts must be falsified in order to have a material impact. Furthermore the revenue recognition process is non-complex and has a high level of automation. Collusion between multiple departments would need to occur to successfully increase customer numbers and revenues for non-existing customers. The risk for this to occur has been deemed remote. However, as discussed further below, management override of controls has been identified as a risk of fraud, particularly as it relates to Adjusted EBITDA AL manipulation which therefore includes manual adjustments to revenues. Specific procedures to address manipulations to Adjusted EBITDA AL, including revenue, have been performed as addressed in "management override of controls" section below.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)
Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- We performed a data analysis of potential high-risk journal entries related to procedures to identify manipulations to Adjusted EBITDA AL and journal entries recorded by senior management and evaluated key estimates and judgments for bias by the Company's management, including retrospective reviews of prior years' key estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

- We incorporated elements of unpredictability in our audit including inquiry procedures with industry experts regarding certain assumptions made by the Management Board in the goodwill impairment assessment as well as regarding useful lives of non-current assets. In addition, we performed inquiries of management regarding the processes for entering into significant contracts.

Cost capitalisation (risk of fraud)

Risk:
- We have identified a risk of fraud relating to external costs associated with capitalisation of property and equipment and development of internal-use software due to potential pressure on management to meet Adjusted EBITDA AL targets. External costs include materials, external labor and overhead and may be fraudulently capitalised as property and equipment and development of internal-use software, while they do not constitute valid capitalisable activities based on accounting standards.

Responses:
- We assessed the appropriateness of the Company's capitalisation accounting policies relating to cost capitalisation and assess compliance with the accounting policies in terms of EU-IFRS.
- We evaluated the design and implementation of internal controls in the capital expenditures process that would identify a misstatement in the capitalisation of expenses.
- We performed inquiries with personnel in the capital expenditures process to identify instances of override of controls and instances of capitalisation without adequate support.
- Performed substantive test of details over all fixed asset additions utilising an appropriate sampling methodology. The underlying items selected were vouched to underlying documentation, where necessary further clarification was warranted through inquiry of project managers or technicians to obtain an understanding regarding the capitalisation projects and whether the costs within the project were eligible for capitalisation.
- We incorporated elements of unpredictability in our audit including inquiry procedures with industry experts regarding assertions made by management related to the application of accounting policies.

We communicated our risk assessment, audit responses and results to the Management Board and the Audit, Risk and Compliance Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Management Board has performed its going concern assessment and has not identified any going concern risks. To assess the Management Board's assessment, we have performed, inter alia, the following procedures:
- we considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- we analysed the operating results forecast and the related cash flows compared to the previous financial year, developments in the business sectors and any information of which we are aware as a result of our audit;
- we inspected financing agreements in terms of conditions that could lead to significant going concern risks, including the terms of the agreements and any covenants; and
- we analysed whether the headroom of the ratios included in the financing agreements is sufficient or if it gives rise to the risk of any of the covenants in the financing agreement being breached.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Report on the other information included in the Integrated Annual Report

In addition to the financial statements and our auditor's report thereon, the Integrated Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the Management Board report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the Management Board report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements
The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 21 April 2023

KPMG Accountants N.V.

C.A. Bakker RA

Assurance report of the independent auditor

To: the General Meeting and the Supervisory Board of VodafoneZiggo Group Holding B.V.

OUR CONCLUSION

We have reviewed the selected non-financial indicators of VodafoneZiggo Group Holding B.V. for the year ended 31 December 2022 in the VodafoneZiggo Group Holding B.V. Integrated Annual Report 2022 (hereafter: Integrated Annual Report). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the selected non-financial indicators are not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The non-financial indicators in scope consist of the following indicators:

- Availability of fixed network (%)
- Availability of mobile network (%)
- Brand NPS Ziggo (Consumer)
- Brand NPS Vodafone (Consumer)
- Brand NPS Ziggo (Business)
- Brand NPS Vodafone (Business)
- Brand NPS hollandsnieuwe
- Number of data breaches that the Company reported to the Dutch DPA (#)
- CO_2 footprint (Scope 1, 2 and 3)
- Women in top management (%)
- Women in sub-top management (%)

The non-financial indicators are disclosed in the '2022 at a glance' chapter, 'Our strategic pillars' chapter and the 'CO_2 footprint' section in the 'Additional information' chapter of the Integrated Annual Report.

BASIS FOR OUR CONCLUSION

We performed our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of VodafoneZiggo Group Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics). We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

REPORTING CRITERIA

The selected non-financial indicators need to be read and understood together with the reporting criteria. VodafoneZiggo Group Holding B.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the selected non-financial indicators are disclosed in the 'Glossary' section in the 'Additional information' chapter of the of the Integrated Annual Report.

The absence of an established practice on which to draw, to evaluate and measure the non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. Consequently, the non-financial information needs to be read and understood together with the reporting criteria used.

MATERIALITY

Based on our professional judgement we determined materiality levels for each non-financial indicator. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

SCOPE OF THE GROUP REVIEW

VodafoneZiggo Group Holding B.V. is the parent company of a group of entities. The non-financial indicators incorporate the consolidated information of this group of entities.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at entity level. Our selection of entities in scope of our review procedures is primarily based on the entity's individual contribution to the consolidated information.

By performing our review procedures at entity level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's non-financial indicators.

THE MANAGEMENT BOARD AND SUPERVISORY BOARD'S RESPONSIBILITIES

The Management Board is responsible for the preparation of the selected non-financial indicators in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the selected non-financial indicators that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, among other things, responsible for overseeing the VodafoneZiggo Group Holding B.V. reporting process.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures of the selected non-financial indicators;
- Obtaining an understanding of the reporting processes for the selected non-financial indicators, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the selected non-financial indicators where a material misstatement, whether due to fraud or error, is most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
  - Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results;
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data for the selected non-financial indicators;
  - Obtaining assurance information that the selected non-financial indicators reconcile with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation;
  - Performing an analytical review of the data and trends.
- Evaluating the presentation, structure and content of the selected non-financial indicators.

We have communicated with the Management Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 21 April 2023

KPMG Accountants N.V.

C.A. Bakker RA

Alternative performance measures

In this report, we present financial alternative performance measures (non-GAAP measures) that are not directly derived from the financial statements. Management believes that financial alternative performance measures (non-GAAP measures) allow for a better understanding of VodafoneZiggo's operating and financial performance measures. These financial alternative performance measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

Management and our Supervisory Board evaluate the financial performance of VodafoneZiggo in accordance with US GAAP. In this report, we evaluated our financial performance based on Adjusted EBITDA AL (measured based on EU-IFRS), which presents the closest proxy to our US GAAP Adjusted EBITDA performance measure. Adjusted EBITDA (an alternative performance measure that we internally measure based on US GAAP) is the primary measure used by our management to evaluate the operating performance of our businesses. Adjusted EBITDA (an alternative performance measure that we internally measure based on US GAAP) is also a key factor that is used by our management and our Supervisory Board to evaluate the effectiveness of management for purposes of annual and other incentive compensation plans.

ADJUSTED EBITDA AL (ADJUSTED EBITDA AFTER LEASES)

As we use the term Adjusted EBITDA AL in this report, it is defined as operating profit before depreciation of property & equipment and amortisation of intangible assets, provision and provisions releases related to significant litigation and impairment, restructuring and other operating items, net and share-based compensation and after lease expenses. Other operating items include (i) gains and losses on the disposition of non-current 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. Lease-related expenses include depreciation and impairment expenses of right-of-use assets and interest on lease liabilities, as well as gains or losses arising upon remeasurement or termination of a lease. Our management believes Adjusted EBITDA AL 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 AL 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.

In € millions	2022	2021
Operating profit	**378.8**	**294.9**
Depreciation property & equipment	767.7	819.0
Amortisation	747.5	747.3
Impairment, restructuring and other operating items, net	12.5	37.5
Share-based compensation expense	-	0.5
Minus: Interest expense – lease liabilities	(12.3)	(12.6)
Adjusted EBITDA AL	**1,894.2**	**1,886.6**

CAPEX-TO-REVENUE RATIO

Capex-to-revenue ratio is defined as the capital additions (Capex) as percentage of our revenue. We define Capex as investments in property and equipment and software.

In € millions	2022	2021
Property and equipment investments	810.9	689.4
Software investments	137.3	141.0
Capex	**948.2**	**830.4**
Revenue	4,065.6	4,076.9
Capex-to-revenue ratio	**23.3%**	**20.4%**

OPERATIONAL FREE CASH FLOW

Operational Free Cash Flow is defined as Adjusted EBITDA AL minus Capex:

In € millions	2022	2021
Adjusted EBITDA AL	**1,894.2**	**1,886.6**
Capex	(948.2)	(830.4)
Operational Free Cash Flow	**946.0**	**1,056.2**

SHAREHOLDER CASH DISTRIBUTIONS

Shareholder cash distributions includes equity distributions to our shareholders and principal and interest payments on our Shareholder Notes. Our shareholder cash distributions exclude related party framework agreement charges as described in note 21 to our consolidated financial statements.

In € millions	2022	2021
Equity distributions	500.0	530.0
Interest expense on debt – related party	102.2	95.5
Shareholder cash distributions	**602.2**	**625.5**

COVENANT LEVERAGE RATIO

Our Covenant Leverage Ratio is, in line with our debt agreements, calculated in accordance with US GAAP. As our Integrated Annual Report is prepared in accordance with EU-IFRS, no reconciliation is included in this report for our covenant leverage ratio and our total covenant amount of third-party gross debt.

Social partners

OUR PARTNERSHIPS FOR DIGITAL INCLUSION	OUR PARTNERSHIPS FOR DIVERSITY, EQUITY AND INCLUSION	OUR PARTNERSHIPS FOR SUSTAINABILITY
Alliantie Digitaal Samenleven / Number Five Foundation	Agora Network	Closing the Loop
Antoni van Leeuwenhoek Foundation	Complementair	Coalitie Anders Reizen
ASML	Corporate Queer	Duurzaamheid.nl
Co-Teach	De Normaalste Zaak	Fairphone
ECP | Platform voor de informatiesamenleving	Diversiteit in Bedrijf	MVO Nederland
JINC	Edwin van der Sar Foundation / Hersenstichting	NLdigital – Milieubeleidsgroep
Nationaal Ouderenfonds	EnergieQ Sterk Sociaal	NOWA
Nederlands Instituut voor Beeld en Geluid	HOI Foundation	Plastic Soup Foundation
Netwerk Mediawijsheid	Limped Blue	Science Based Targets-initiative
NL Digital	Onbeperkt aan de Slag	Sustainalize
Samsung	Paarse Vrijdag Krant	
Sterk Techniek Onderwijs	Pride Business Club - Pride Amsterdam	
STO Utrecht	Pride Groningen	
VHTO	Pride Utrecht	

CO_2 footprint

		2022	2021[1]	2018[1] (base year)	Reduction 2022 vs. 2018 (base year)
Scope	**Category**	**Emissions (kg of CO_2)**			
1	Business travel (fuel)	6,210,192	6,508,737	9,797,002	
1	Gas and fuel buildings & infrastructure	1,671,116	1,428,964	2,692,099	
1	Coolants	40,404	1,924	46,000	
Total Scope 1		**7,921,712**	**7,939,625**	**12,535,101**	
2	Business travel (electricity)	444,315	247,890	-	
2	Heat (district heating)	221,618	397,361	273,660	
2	Electricity buildings & infrastructure[2]	-	-	-	
Total Scope 2		**665,933**	**645,251**	**273,660**	
Total Scope 1 and 2		**8,587,645**	**8,584,876**	**12,808,760**	**-33%**
Gold standard certificates - Compensation Scope 1 and 2		*-8,587,645*	*-8,584,876*	*-12,808,760*	
3.1	Purchased goods and services	49,574,515	54,437,680	64,295,415	
3.4	Upstream transportation and distribution	1,622,095	3,317,754	3,901,207	
3.5	Waste generated in operations	532,068	400,308	169,847	
3.6	Business travel	208,801	65,039	394,517	
3.7	Employee commuting	1,650,553	1,237,209	11,598,885	
3.9	Downstream transportation and distribution	767,699	809,455	1,156,330	
3.11	Use of sold products	6,196,567	4,878,306	5,524,038	
3.12	End-of-life treatment of sold products	355,973	-	-	
3.13	Downstream leased assets	320,064,391	339,158,004	458,348,800	
Total Scope 3		**380,972,661**	**404,303,755**	**545,389,039**	**-30%**
Total Scope 1, 2 and 3[3]		**389,560,306**	**412,888,631**	**558,197,799**	**-30%**

1 We have restated our 2021 and 2018 (base year) Scope 1, 2 and 3 CO_2 emissions due to enhancing our calculation methodology. This has primarily resulted in a change in Scope 3.13 as we have retrospectively updated the power usage of certain connectivity products based on newly available insights.
2 All our emissions related to electricity for buildings and infrastructure are offset by Guarantees of Origin (GvOs).
3 Total Scope 1, 2 and 3 emissions excluding carbon compensation.

Stakeholder table

WHO ARE OUR STAKEHOLDERS?

From customers to partners and from suppliers to the government. VodafoneZiggo makes communication possible for society as a whole. We regard anyone who is impacted by our actions or who has an impact on us as a stakeholder. As one of the largest telecommunications providers in the Netherlands, we fulfil an important function in society. That is why we stay in constant contact with our stakeholders. We want to know what's going on in the world and what role they envision for VodafoneZiggo in that regard. Their insights form valuable input for our choices regarding our strategic priorities, material topics and the SDGs to which we are able to contribute. In the stakeholder table below, we provide an insight into the dialogues we held with our stakeholders in 2022, the frequency of those discussions and the topics that came to the fore.

Stakeholder group	How we enter into discussion	Topics and issues 2022	Our response	Link to material topic
Customers	1. Reputational research (on a quarterly basis); 2. NPS measurements (monthly); 3. Workshops with customers to gain an effective understanding of the needs, wishes and experiences of the customer (ongoing); 4. Vodafone & Ziggo Community (ongoing).	1. Improved customer experience and customer loyalty; 2. Improved customer journeys; 3. Connectivity: constantly connected anytime and anywhere with our fixed and mobile network; 4. Improved WiFi coverage; 5. Content; 6. Improved viewing experience.	1. Investment in digital infrastructure; 2. Further roll-out of our network (5G on mobile and DOCSIS 3.1 in our fixed network); 3. Internet of Things solutions; 4. Innovative and sustainable products and services Mediabox Next & Next Mini, SmartWifi pods for optimisation of the WiFi network; 5. Best business solutions.	1. Data security and privacy for our customers; 2. Putting the customer first; 3. Digital inclusion for everyone; 4. Electromagnetic radiation; 5. Innovative products and services for society; 6. Reliable and future-proof network.
Employees	1. Heartbeat survey (three times a year); 2. All Hands sessions (on a quarterly basis); 3. Joint participation in voluntary activities (ongoing); 4. Onboarding of new colleagues (monthly); 5. Works Council (ongoing); 6. Monthly CEO update on Intranet.	1. Home-based working and hybrid working; 2. Health and wellbeing of employees; 3. Digital transformation; 4. A safe and COVID-19-safe working environment for all employees; 5. Leadership based on our leadership profile; 6. Maximising internal mobility with continuous support for personal development; 7. Focus on future skills and capabilities, rationalisation and standardisation; 8. A future-proof organisational structure with scope for diversity, equity and inclusivity.	1. Further develop a hybrid working culture; 2. Create a safe and digital working environment, with a focus on the psychological and mental well-being of our employees; 3. Continually invest and develop our employees by means of an extensive digital learning platform; 4. Active Diversity, Equity and Inclusion policy.	1. Diversity, equity and inclusion; 2. Digital and transformative organisation; 3. Good employment practices.
Government (including politics, ministries and regulators)	1. Regular consultation with the Management Board and all other levels within the organisation on a variety of topics (ongoing); 2. Contact with relevant parties and organisations at various times, both within and outside the legislative process, about matters that affect VodafoneZiggo (whenever relevant); 3. Contribute by actively participating in consultations in various areas (such as on the topic of rules regarding an investment obligation in Dutch content) (occasionally); 4. Organising working sessions and information sessions with professional stakeholders to engage in dialogue on material topics of importance (occasionally); 5. Contributing to roundtable discussions and expert sessions (occasionally).	1. Digital inclusion; 2. Hybrid working; 3. The security and integrity of our networks; 4. Green and digital transitions; 5. Preventing non-compliance; 6. Cybersecurity; 7. Roll-out of fixed and mobile networks.	1. We are continuing to provide our input with regard to policy proposals and are continuing our efforts to remain compliant with the latest legislation and regulations; 2. Where possible, we will continue to share our constructive insights with stakeholders within government; 3. We interact closely with ACM with regard to compliance, incidents and potentially different views on interpretation of the law; 4. We engage with local governments on the best way to roll out our networks.	1. Environmental performance; 2. Data security and privacy for our customers; 3. Digital inclusion for everyone; 4. Electromagnetic radiation; 5. Working ethically; 6. Governance and compliance; 7. Innovative products and services for society.

Stakeholder group	How we enter into discussion	Topics and issues 2022	Our response	Link to material topic
Industry (including sector-specific and trade organisations)	1. Regular contact via sector organisations (for example NLdigital, VNO-NCW, Monet) (ongoing); 2. Participation in platform discussions (occasionally).	1. Interoperability; 2. Digital inclusion; 3. Digital well-being.	1. We are continuing to collaborate constructively with the sectoral and trade organisations to coordinate issues associated with interoperability, etc.; 2. Where necessary, we will pull together as a telecommunications sector with regard to policy changes affecting the telecommunications sector; 3. We work closely with the ACM in the area of compliance, incidents and potentially differing conceptions about the interpretation of the law; 4. We collaborate with local government to identify the best way in which to roll out our networks in their territory.	1. Environmental performance; 2. Data security and privacy for our customers; 3. Digital inclusion for everyone; 4. Electromagnetic radiation; 5. Working ethically; 6. Governance and compliance; 7. Innovative products and services for society.
Society	1. We strive to build (varying, sometimes temporary) alliances to put problems on the agenda, solve them and/or to influence policy. Examples of this include the Alliantie Digitaal Samenleven (Digital Society Alliance), which sets out to enable people to participate in the (digital) society (occasionally); 2. We organise events in collaboration with external partners (occasionally); 3. Partner of a wide range of social organisations (e.g. Netwerk mediawijsheid (Media Literacy Network), ECP, JINC and VHTO) (ongoing).	1. Digital inclusion; 2. Green and digital transitions; 3. Ethical and Sustainable Supply Chain.	1. By means of our People Planet Progress programme, we are focusing on improving society in areas such as digital inclusion, digital wellbeing and CO_2 reduction; 2. We laid down our supplier requirements in our Code of Sustainable and Ethical Purchasing.	1. Environmental performance; 2. Data security and privacy for our customers; 3. Digital inclusion for everyone; 4. Electromagnetic radiation; 5. Working ethically; 6. Governance and compliance; 7. Innovative products and services for society.
Investors community	1. We collaborate on different levels (from the Management Board to operational management) with our parent companies and (foreign) colleagues (ongoing); 2. Publication of financial results and informing parties such as the media and analysts about them (quarterly); 3. Attending conferences several times a year, where analysts can speak with our senior management (2 to 3 times a year); 4. Every year, we organise an office day, on which our senior management provide a business and strategy update to various stakeholders (every 2 to 3 years); 5. Responding to (basic) questions from analysts/the media about VodafoneZiggo and responding to requests to the CFO (ongoing).	1. Market developments; 2. Economic developments; 3. Position of competitors; 4. Roll-out of networks, such as DOCSIS 3.1 and 5G; 5. Sustainable bonds; 6. Regulation (risks).	1. Clarifying our strategy, network and financial expectations to the outside world; 2. Sustainability Linked Bonds issued of €2.1 billion; 3. Linking environmental ambitions directly to our financing strategy.	1. Reliable and future-proof network; 2. Environmental performance; 3. Putting the customer first; 4. Digital inclusion for everyone; 5. Working ethically; 6. Financial performance; 7. Governance and compliance; 8. Innovative products and services for society; 9. Data security and privacy for our customers; 10. Digital and transformative organisation.
Suppliers	1. Performance promo planning calls (fortnightly); 2. Evaluation meetings (on a quarterly basis); 3. Board level meetings (ongoing); 4. Board meetings (1 to 2 a year).	1. 5G; 2. Demand and supply changes due to the coronavirus; 3. The impact of the coronavirus on security of delivery within the supply chain; 4. Portfolio changes as a result of the coronavirus; 5. The shift from physical sales to digital sales as a result of the coronavirus; 6. Working on the sustainable improvement of our entire organisation, operation and chain.	1. Due to our constructive relationship with our suppliers and the high frequency of meetings, solutions were found in good time before unforeseen situations occurred. 2. Together with our suppliers, we are implementing sustainable solutions that result in cost reductions, along with reductions in energy and material usage. 3. Partnership with EcoVadis to carry out supplier audits This an evaluation of how well has incorporated the principles of CSR within its operations and management system. The evaluation forms part of our tendering procedure. The application criteria are subdivided into four themes: environment, work and human rights (Employee Safety & Health, Working Conditions, Social Dialogue, Child Labour, Forced Labour and Human Trafficking, Diversity, Discrimination and External Stakeholders, Human Rights, Ethics & Sustainable Purchasing). 4. We've introduced an updated Code of Sustainable and Ethical Purchasing.	1. Environmental performance; 2. Data security and privacy for our customers; 3. Putting the customer first; 4. Electromagnetic radiation; 5. Working ethically; 6. Governance and compliance.

Glossary

2G
2G (GSM, global system for mobile communications) is the second generation of mobile phone technology, introduced in the early 1990s. It uses digital signals, allowing for more efficient use of the radio spectrum and increased capacity. It introduced features such as text messaging and basic internet connectivity but is mainly designed for voice communications.

4G
4G (Fourth Generation) is the fourth wave of mobile phone technology, introduced in the late 2000s. The technique behind 4G, also called LTE (Long Term Evolution), offers significantly faster data transfer speeds and more stable connections compared to earlier generations, making it ideal for high-bandwidth applications like video streaming and online gaming.

5G
5G is the fifth generation of mobile networks, exceeding 4G speeds, with lower latency, dedicated Quality of Service for Mission Critical applications, and higher data capacity. It supports a wide range of devices and services, including IoT and autonomous vehicles. One of its key features is its ability to operate on multiple frequencies, enabling it to deliver at faster speeds and greater capacity.

A

ACM (AUTHORITY FOR CONSUMERS AND MARKETS)
The ACM acts as a regulator in the Netherlands and is responsible for monitoring rules on fair competition between businesses and protects customers' interest.

ADJUSTED EBITDA AL (ADJUSTED EBITDA AFTER LEASES)
Operating profit before depreciation of property & equipment and amortisation of intangible assets, provision and provision releases related to significant litigation and impairment, restructuring and other operating items, net share-based compensation and after lease expenses. Other operating items include (i) gains and losses on the disposition of non-current 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. Lease-related expenses include depreciation and impairment expenses of right-of-use assets and interest on lease liabilities, as well as gains or losses arising upon remeasurement or termination of a lease.

ALLIANTIE DIGITAAL SAMENLEVEN (DIGITAL SOCIETY ALLIANCE)
VodafoneZiggo is a member of the Digital Society Alliance and was initiated by the Ministry of the Interior and Kingdom Relations, Number 5 Foundation and VodafoneZiggo. By working together, we can achieve a digitally inclusive society.

ARPU
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.

AVAILABILITY OF FIXED NETWORK (%)
The availability of our fixed network is measured as a percentage of the total "outage" time divided by the total service delivery time, based on our total customer base. The total "outage" time is calculated based on incident tickets raised in our incident tracking system.

AVAILABILITY OF MOBILE NETWORK (%)
The availability of our mobile network is measured as a percentage of the access network availability of the live sites (availability of 2G/4G/5G antennas). Denoted in the amount of uptime (time when the network is fully operational) in the access network over a specific time interval. Network availability is only the uptime of the elements and is not referring to the service availability. Even with a couple of antennas down the users can still connect to the network via neighboring sites (unless a coverage gap is created).

B

B2B
Business-to-business, a term used to describe commercial transactions between VodafoneZiggo and its business customers, including SoHo, small, medium and large enterprises.

B2C
Business-to-consumers, a term used to describe commercial transactions between VodafoneZiggo and a residential consumer.

BROADBAND
Broadband is a high-capacity transmission technique using a wide range of frequencies, which enables a large number of messages to be communicated simultaneously.

C

CAPEX
Capex expenditure (Capex) refers to our investments in property and equipment and software.

CAPEX-TO-REVENUE RATIO
Capex calculated as a percentage of our revenue.

CAREER4U
The platform that provides insight into possible internal career paths at VodafoneZiggo.

CO_2 FOOTPRINT
The total amount of greenhouse gasses produced to directly and indirectly support human activities, usually expressed in equivalent tons of carbon dioxide (CO_2) for scope 1, 2 and 3. We report on our CO_2 footprint in accordance with the guidance and standards of the GHG Protocol and the ISO 14064-1 standard. CO_2 (Carbon dioxide) is the most relevant Greenhouse Gas (GHG) for VodafoneZiggo. We apply the CO_2 emission factors from co2emissiefactoren.nl as published in the year of reporting.

CIRCULAR ECONOMY
The circular economy is a generic term for an industrial economy that is producing no waste and pollution and in which material flows are of two types: biological nutrients, designed to re-enter the biosphere safely, and technical nutrients, which are designed to circulate at high quality in the production system without entering the biosphere.

CLIMATE-NEUTRAL NETWORK
For VodafoneZiggo, climate-neutral means operating our network by exclusively purchasing green electricity to which zero CO_2 emissions are attributed.

CONNECTED WORKING 2.0
The work balance between private and work, whereby the teams mutually agree on which days they will meet at the office.

CONVERGED HOUSEHOLDS OR CONVERGED SIM
Converged households or converged SIMs represent customers in either our consumer or SoHo segment that subscribe to both a fixed-line digital TV and an internet service and Vodafone and/or hollandsnieuwe postpaid mobile telephony service.

COVENANT AMOUNT OF TOTAL NET DEBT
Total Net Debt calculated in accordance with our debt agreement. Refers to the euro equivalent of the nominal amount outstanding of our third-party debt less (i) vendor financing, (ii) other debt, (iii) projected principal-related cash flows associated with our cross-currency derivative instruments, (iv) credit facility excluded amount and (v) certain cash and cash equivalents.

COVENANT EBITDA
EBITDA calculated in accordance with our debt agreements, used for calculating our Covenant leverage ratio.

COVENANT LEVERAGE RATIO
Total leverage ratio calculated in accordance with our debt agreements, calculated as Total Net Debt to Last 2 quarters annualized Covenant EBITDA.

CSR (CORPORATE SOCIAL RESPONSIBILITY)
CSR, to VodafoneZiggo, is ensuring that environmental, social, and ethical values are embedded in the core of our organisation and are always taken into account for business planning and strategy. Ultimately, we aim to implement sustainable practices in the day-to-day business activities of the organisation to maximize positive impact for society and mitigate any negative impact on the environment.

CSRD
The Corporate Sustainability Reporting Directive (CSRD) will replace the existing reporting requirements of the EU's Non-Financial Reporting Directive (NFRD) and will substantially increase reporting requirements on the companies within its scope in its efforts to expand the sustainability information for users. The CSRD will be effective for VodafoneZiggo as of 1 January 2025.

CUSTOMER BASE
Customer base is the total number of subscribers of our products and services.

CUSTOMER JOURNEY
The path of interaction from a new or existing customer when they have contact with VodafoneZiggo and/or use our products or services, both for direct and indirect interactions.

D

DATA BREACHES REPORTED TO THE DUTCH DPA
Data that ends up in the wrong place is what we call a data breach. This could be an email or file with customer data that goes to an incorrect recipient. A file with customer data that will be made public. Data breaches which meet the criteria for nature and size will be reported to the Dutch Data Protection Authority (Dutch DPA). We report and map out a number of (#) data breaches that met those criteria.

DDOS ATTACKS
DDoS (Distributed Denial of Service) attacks are cyber attacks that flood websites or networks with traffic from multiple sources, making them unavailable to legitimate users.

DE&I
Diversity, Equity and Inclusion.

DOCSIS
Data Over Cable Service Interface Specification (DOCSIS) is an international telecommunications standard that permits the addition of high-bandwidth data transfer to an existing cable television (CATV) system.

DESI (DIGITAL ECONOMY AND SOCIETY INDEX)
DESI (Digital Economy and Society Index) is a composite index that evaluates and benchmarks the digital performance of EU countries based on five dimensions, including connectivity, human capital, use of internet services, integration of digital technology, and digital public services. The index is updated annually and provides an evidence-based perspective on the digital economy and society in the EU.

RDI (RIJKSINSPECTIE DIGITALE INFRASTRUCTUUR)
The Rijksinspectie Digitale Infrastructuur is part of the Ministry of Economic Affairs & Climate. The key objective of the organisation is to ensure a trustworthy and available digital infrastructure, which keeps the Netherlands connected in a save way.

E

EBITDA
Operating profit before depreciation and impairments of property & equipment and amortisation and impairments of intangible assets.

ECOVADIS
EcoVadis is an international agency that evaluates and monitors the sustainability performance of our suppliers and helps VodafoneZiggo to make our supply chain transparent.

EFFECTIVE TAX RATE
Income tax expense as percentage of earnings (loss) before tax.

ENERGY CREW
Energy-conscious colleagues from across the company are part of the Energy Crew. Together they drew up an action list of more than a hundred possible savings on so-called standby consumption.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)
ESG stands for Environmental, Social, and Governance which are the three metrics to evaluate how a company is progressing with regard to sustainability.

EU-IFRS
International Financial Reporting Standards, as adopted by the European Union.

EXPERIENCE DAYS
During the Experience Days, we invite pupils from groups 7 and 8 of primary school to the VodafoneZiggo offices throughout the year. The aim is to inspire children and introduce them to technologies of today and tomorrow.

F

FISCAL EBITDA
EBITDA calculated based on our fiscal results.

FIT FOR THE FUTURE
With our annual Fit for the Future survey, we gauge the state of the Dutch business community. We investigate, among other things, how open, prepared and flexible companies are, and how willing they are to embrace new technology.

FIXED-LINE CUSTOMERS
Number of customers who receive at least one of our video, internet or telephony services that we count as revenue-generating unit, without regard to which or how many services they subscribe. Fixed-line 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-line customers. We exclude mobile-only from our fixed-line customers count.

FTE (FULL-TIME EQUIVALENT)
A measurement to express the number of employees with a full-time contract. Within VodafoneZiggo, FTEs are calculated compared to the standard number of contract hours per employee.

FTTH (FIBRE TO THE HOME)
With this access network architecture, the final part of the connection to the home also consists of optical fibre.

G

GBPS (GIGABIT PER SECOND)
A Gigabit is a unit denoting the speed of data transfer. It is the speed in billions of bits per second.

GO-GETTERS CONNECTED NETWORK
An internal network for improving accessibility in the workplace.

GREYWATCHERS
Greywatchers are people who still use internet and TV from Ziggo, but do not pay for it.

GRI (GLOBAL REPORTING INITIATIVE)
The Global Reporting Initiative is an organisation that publishes international standards for CSR reporting.

GROW
VodafoneZiggo performance management system that focuses on employee development.

GVO (GUARANTEE OF ORIGIN)
Guarantee of Origin is the official standard to certify the renewable origin of electricity in Europe.

H

HEARTBEAT SURVEY
With this anonymous engagement survey, teams within VodafoneZiggo gain insight into various employee engagement topics, such as job satisfaction, employee well-being and NPS, which is used as a starting point for an open conversation.

I

ICNIRP (INTERNATIONAL COMMISSION ON NON-IONIZING RADIATION PROTECTION)
The International Commission on Non-Ionizing Radiation Protection (ICNIRP) is an independent organisation that provides guidelines on the safe exposure to non-ionizing radiation, such as radio waves and electromagnetic fields.

INTERCULTURAL CONNECTED NETWORK
An internal network in which colleagues with different backgrounds share their experiences.

IOT (INTERNET OF THINGS)
The Internet of Things connects objects with sensors, processing ability, software and other technologies that connect and exchange data with other devices and systems over the internet.

M

MBPS (MEGABITS PER SECOND)
Mbps is a unit that indicates the speed of data transfer in millions of bits per second.

MEDIABOX NEXT MINI
A small and energy-efficient mediabox that only has an internet connection.

METASEARCH
A network that brings together the entertainment offerings of media parties in a single database, in which customers can easily search for that one film or TV series in the TV and streaming offerings.

MHZ (MEGAHERTZ)
MHz is one million hertz (a unit of frequency).

MOBILE CUSTOMERS
Our mobile customer count represents the number of active 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 customers. Our mobile customer count includes both prepaid and postpaid plans. Prepaid customers are excluded from our prepaid mobile telephony customer count after a period of inactivity of 9 months.

N

NETWORK SLICING
Network slicing is a technology that creates multiple virtual networks within a single physical network. Each network slice is tailored to specific requirements such as bandwidth, latency, and security, and allows for customized services. It is an important part of 5G networks, enabling more efficient use of resources.

NIST CYBERSECURITY FRAMEWORK
The NIST Cybersecurity Framework is a set of guidelines developed by the US National Institute of Standards and Technology (NIST) to help organisations manage and reduce their cybersecurity risk. The framework provides a set of guidelines and best practices for organisations to use when developing their own cybersecurity programs.

NO-FRILLS-SEGMENT
Affordable subscriptions with basic services.

NPS (NET PROMOTER SCORE)
NPS is a metric for measuring customer enthusiasm (commonly used to analyse to predict customer loyalty), based on whether customers would recommend Vodafone (B2C), Ziggo (B2C), Vodafone (B2B), Ziggo (B2C) and hollandsnieuwe to someone else. The result is displayed as an absolute number within a range of -100 to +100.

O

ONA DASHBOARD
At a team level – which cannot be traced back to individuals – this provides insight into work and collaboration patterns with data collected from, among other things, the Heartbeat survey.

ONLINE MASTERS
With this free educational program for schools, children are made aware of the opportunities and challenges of the digital world and learn about online bullying, fake news and programming, among other things.

OPERATIONAL FREE CASH FLOW
Operational Free Cash Flow is defined as Adjusted EBITDA AL minus Capex.

P

PEOPLE PLANET PROGRESS (PPP)
The sustainable and societal goals that VodafoneZiggo has set for 2025 as outlined in our CSR strategy: People, Planet, Progress. We aim to reduce our impact on the environment by half and enable two million people to progress in society.

PRESTATIELADDER SOCIALER ONDERNEMEN (PSO)
It is an instrument (scientifically substantiated TNO quality mark) that provides insight into the extent to which organisations engage in social entrepreneurship above average, aimed at the labor participation of vulnerable groups in the labor market.

PRIORITY
With Priority the Priority program, Vodafone and Ziggo customers are getting special giveaways and priority when buying tickets for concerts, festivals, football matches and other events.

PROGRESS FOR YOU
VodafoneZiggo learning platform with more than 20,000 training courses, workshops and e-learnings for employees.

Q

QUEERS CONNECTED NETWORK
An internal network for a safe and inclusive working environment for LGBT+ colleagues.

R

RDI (RIJKSINSPECTIE DIGITALE INFRASTRUCTUUR)
The Rijksinspectie Digitale Infrastructuur is part of the Ministry of Economic Affairs & Climate. The key objective of the organisation is to ensure a trustworthy and available digital infrastructure, which keeps the Netherlands connected in a save way.

ROAMING
Roaming, also known as data roaming, means using mobile internet on a different network than the home network.

S

SCIENCE BASED TARGET INITIATIVE (SBTI)
The Science Based Targets initiative (SBTi) is a partnership between several global organisations, aimed at helping companies to set ambitious and verifiable greenhouse gas emissions reduction targets, in line with the Paris Agreement goals.

SCOPE 1
Direct emissions cover emissions from sources that VodafoneZiggo owns or controls directly. In this scope we account for: Fuel consumption of the lease vehicle fleet (employees' passenger vehicles and commercial vehicles), heating of buildings and other sites (gas), consumption of coolants and chemicals for air conditioning and cooling & fuel consumption of power generators.

SCOPE 2
Indirect emissions are emissions that VodafoneZiggo causes indirectly when the energy it purchases and uses is produced. In this scope we account for: Electricity consumption of the fixed and mobile networks, data centers, offices and shops, district heating & district cooling (stadswarmte) and electricity consumption of our electric vehicle fleet.

SCOPE 3
Encompasses emissions that are not produced by VodafoneZiggo itself, but that we're indirectly responsible for. Meaning these emissions are the result of activities up and down our value chain from assets not owned or controlled by us. This for example includes energy consumption by our customers related to the use of customer-premise equipment and the emissions related to purchasing of goods and services.

SHAREHOLDER CASH DISTRIBUTIONS
Equity distributions to our shareholders and principal and interest payments on our shareholder notes.

SIGN LANGUAGE COFFEE BAR
Employees and visitors can use sign language to order coffee from a deaf barista.

SIM
SIM is an abbreviation for Subscriber Identity Module. A SIM card is a microchip in a mobile device that connects it to a mobile network.

SMART BUILDING
A future-proof building that makes smart use of energy and connectivity, such as switching heating or lighting on or off or searching for available spaces.

SMARTER WORKING
A complete package of end-to-end solutions for entrepreneurs.

SMARTWIFI PODS
The pods are a MESH WiFi solution that can be installed with the SmartWifi smartphone app for a good WiFi everywhere in the house.

SME
SME refers to small and medium enterprises.

SOHO
SoHO (Small Office/Home Office) customers are individuals or small businesses that operate from a home office or a small office.

STAKEHOLDERS
Stakeholders are the individuals or groups who have an interest in our company, or are affected by, the activities or outcomes of our business. This can include internal stakeholders such as employees and shareholders, as well as external stakeholders such as customers, suppliers, governments, the industry and society.

STEP UP FOR GOOD
Via our platform Step up for Good, VodafoneZiggo employees register to participate in the programs during working hours.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)
The United Nations has drawn up seventeen sustainable development goals (SDGs) which all have specific targets to be achieved by 2030. At VodafoneZiggo we have linked six SDG's to our People Planet Progress Strategy and our Sustainable Finance Framework.

SUSTAINABLE FINANCE FRAMEWORK
In January 2022, we published our new Sustainable Finance Framework (SFF) which incorporates our previously published Green Bond Framework. Our SFF enables us to issue green and sustainable financing and aligns our CSR strategy with our capital structure. Key Performance Indicators with corresponding sustainable performance targets to have our CO_2 emissions (Scope 1, 2 and 3) by 2025 (compared to 2018) are included in our SFF. Our SFF is aligned with the Green Bond Principles 2021, the Green Loan Principles 2021, the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2021 and has been certified by Sustainalytics, a leading and global independent company in ESG research and rating provider.

SUSTAINABILITY LINKED BONDS
Our 2032 Dollar Senior Secured Notes together with our 2032 Euro Senior Secured Notes, issued in accordance with our Framework. These bonds contain features that link our financing strategy to our environmental performance goals.

T

TRUST BUDDIES
Colleagues who make sensitive topics such as inappropriate behaviour negotiable with other colleagues in an accessible way.

U

UNIFIED COMMUNICATION PORTFOLIO
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.

UNSTEREOTYPE FRAMEWORK
VodafoneZiggo designed this tool to test and improve the level of diversity and inclusion in our communications.

US GAAP
Accounting principles generally applied in the United States. Management and our Supervisory Board evaluate the financial performance of VodafoneZiggo in accordance with US GAAP.

V

VALUE CREATION MODEL
The value creation model is a business framework that explains how our company generates value for its stakeholders, such as customers, shareholders, employees, and society. It is a strategic approach that outlines how our company creates and captures value by leveraging its resources, capabilities, and competitive advantages.

VODAFONE GROUP RF MANAGEMENT POLICY STANDARD
This relates to the management, design, procurement and installation of radio base stations and smaller mobile antennas and terminals. The way in which we share the locations of our equipment with other mobile operators has been laid down in a policy agreed between the mobile operators themselves. The underlying purpose of our policies and discussions is centred upon the safety of the general public and the employees working in the vicinity of the antennas.

VOICE CONTROL
Voice-activated search function, integrated in the remote control.

W

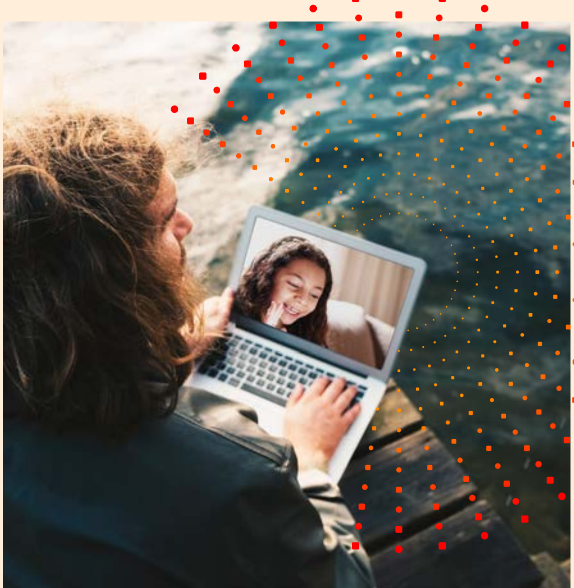
WELCOME ONLINE
With this program we aim to reduce digital divide by helping the elderly to become more digitally skilled.

WIFI6 MODEMS
WiFi6 modems offer faster speeds, increased capacity, improved efficiency, and a more stable connection compared to previous WiFi standards.

WOMEN CONNECT NETWORK
An internal network to promote a better gender balance within VodafoneZiggo.

WOMEN IN THE TOP MANAGEMENT
All women in the Senior Leadership Team (SLT1, B-level) and Senior Management Team (SMT2, C-level) at VodafoneZiggo, with a contract for definite and/or indefinite time as a percentage of total employees in SMT and SLT.

WOMEN IN SUB-TOP MANAGEMENT
All women with a contract for definite or indefinite duration at VZGH with a salary scale of 13 or higher (max 15), following the Willis Towers Watson Global Grading System (TW method).



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