

Altice International S.à r.l.



**MANAGEMENT DISCUSSION
AND ANALYSIS**

**FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2023**

Table of contents

1	Basis of preparation	2
2	Principal activities of the Group	2
3	Strategy and performance	7
4	Group financial review	8
5	Revenue	10
6	Adjusted EBITDA	12
7	Operating profit of the Group	13
8	Result for the Group - Items below operating expenses	14
9	Capital expenditures	15
10	Liquidity, capital resources and cash flow	16
11	Key operating measures	18
12	Other disclosures	18
13	Glossary	19

1. BASIS OF PREPARATION

The management discussion and analysis for each of the periods presented is based on the financial information derived from the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023.

Please refer to the Glossary in section 13 for a definition of the key financial terms discussed and analysed in this document.

Disclaimers:

The following discussion and analysis is intended to assist in providing an understanding of the Group's financial condition, changes in financial condition and results of operations and should be read together with the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023, including the accompanying notes. Some of the information in this discussion and analysis includes forward looking statements that involve risks and uncertainties.

Unless the context otherwise requires, when used herein, the terms "Company" and "Group" refer to the business constituting the Group as of June 30, 2023, even though the Group may not have owned such business for the entire duration of the periods presented.

The Group applies International Financial Reporting Standards as endorsed in the EU ("IFRS"). Adjusted EBITDA, and measures derived therefrom, are not defined in IFRS and are "non-IFRS measures". Management believes Adjusted EBITDA is useful to readers of the historical consolidated financial information as it provides a measure of operating results excluding certain items that the Group believes are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group's operating results and cash flow generation to be more easily observable. The Group uses the non-IFRS measures internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the Group's industry, and thus are a basis for comparability between the Group and its peers. Further, Adjusted EBITDA, working capital and total capital expenditures, as used herein, are not necessarily comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA, working capital and total capital expenditures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or loss, operating profit, cash flow or other combined income or cash flow data prepared in accordance with IFRS.

2. PRINCIPAL ACTIVITIES OF THE GROUP

2.1. Overview of the Group's business

Altice International S.à r.l. (the "Company") is a private limited liability company ("*société à responsabilité limitée*") incorporated in Luxembourg, headquartered at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg. The Company is the parent company of a consolidated group (the "Group").

The Company is a wholly-owned subsidiary of Altice Luxembourg S.A. ("Altice Luxembourg"). The controlling shareholder of Altice Luxembourg is Next Alt S.à r.l., which is itself controlled by Mr. Patrick Drahi. As of June 30, 2023, Next Alt S.à r.l. indirectly held 90.39% of the share capital of the Company.

The Group is a convergent leader in telecoms, content, media, entertainment and advertising, and operates in Portugal, Israel and the Dominican Republic. The Group also has a global presence through its online advertising business Teads.

2.2. Products, services and brands

Through its various Group companies, the Group provides fixed services, mobile telephony services and media and advertising services to residential and business customers in all the geographies in which it operates. In addition, the Group offers a variety of wholesale and other services across its footprint. The Group also invests in specific content

to supplement and enrich the services the Group provides. The Group's fixed services (high-quality pay-TV, broadband Internet and fixed-line telephony) are mainly provided over its proprietary fibre- and cable-based network infrastructure which are either FTTH, FTTB, DOCSIS 3.1 or DOCSIS 3.0 enabled, offering download speeds of between 200 Mbps and 10 Gbps depending on geography. On a blended basis, as of June 30, 2023, the Group's high-speed broadband services passed 9.5 million fibre/cable homes, with 2.7 million fibre/cable unique customers. The Group offers xDSL/DSL/DTH services, with 3.1 million residential fixed unique customers as of June 30, 2023. The Group also offers mobile services in the geographies in which it operates, through 2G, 3G, 4G Long-Term-Evolution ("LTE") technology and 5G. On a blended basis, as of June 30, 2023, the Group had 10.4 million residential mobile subscribers (of which 4.9 million were postpaid subscribers).

The Group is focused on the convergence of fixed and mobile services by cross-selling and up-selling its offerings to further increase its multi-play penetration. The Group's fibre and mobile technologies enable it to offer premium digital services, attractive interactive features (e.g., 'MEO Go!' offering in Portugal) and local content (e.g., through its 'HOT 3' channel in Israel) to its customers. The Group has leveraged its network advantage to drive its multi-play strategy and offer an attractive combination of content, speed and functionality. The Group offers to its residential customers bundled double- and triple-play fixed services, which comprises paying for a combination of TV, broadband Internet access and fixed-line telephony services together with customer premise equipment at what the Group believes are attractive prices. The Group believes the demand for its multi-play packages is primarily driven by the inherent quality of the various products included within them, which the Group believes are among the best available in the markets in which it operates. Although the Group is convinced its products offer the best value for money and cost-savings for customers when purchased as part of multi-play packages, the Group also offers most of these services on a stand-alone basis in most of its geographies. In some markets, such as Portugal, the Group offers quad-play bundles including both fixed and mobile services.

The Group is focused on strategically developing content to complement its fixed and mobile services with high-quality content offerings on its own networks and to external partners. The Group continues to broadcast and distribute various sports events in selected countries, including the Portuguese Liga in Portugal.

Teads operates a leading, cloud-based, end-to-end technology platform that enables programmatic digital advertising for a global, curated ecosystem of quality advertisers and their agencies and quality publishers. As an end-to-end solution, Teads' platform consists of buy-side, sell-side, creative, data and AI optimization modules.

The Group markets its products and services under multiple brands, including but not limited to the following brands: 'HOT' in Israel; 'MEO' and 'MOCHE' in Portugal; 'Altice' in the Dominican Republic, and, in each case, several associated trademarks.

2.3. Activities

The Group tracks the performance of its business by geography and further analyses its revenue by activity. The Group has identified the following activities: residential services, business services and media (targeted advertising).

2.3.1. Residential services

2.3.1.1. Fixed residential services

The Group offers a variety of fixed residential services, primarily as part of multi-play packages, with available offerings depending on the bandwidth capacity of its cable and fibre networks in a particular geography, which consist of FTTH, hybrid fibre coaxial ("HFC") and copper line ("xDSL").

The Group has a high-quality fibre- and cable-based network infrastructure across the geographies in which it operates. The Group has already rolled-out and secured plugs in FTTH in Portugal and will enable an acceleration in fibre rollout in Israel through the IBC transaction. The Group's fixed services (high-quality pay-TV, broadband Internet and fixed-line telephony) are mainly provided over its proprietary fibre- and cable-based network infrastructure which are either FTTH, FTTB, DOCSIS 3.1 or DOCSIS 3.0 enabled.

The Group provides broadband Internet access and fixed-line telephony services across its fibre (and in certain areas xDSL) and cable footprint. Large portions of its networks that are FTTH-enabled or DOCSIS 3.1 enabled can offer download speeds of up to 10 Gbps with limited network and customer premise equipment upgrades given the existing technological capability of its networks. This technological capability can be realized with relatively low levels of capital expenditure and will enable it to better meet the needs of its residential customers who demand higher download speeds. Across Portugal, the Group is upgrading its networks for next-generation FTTH technology which will deliver

more download speeds in the mid-term as well as reducing operating costs of running and maintaining its networks and services. As of June 30, 2023, the Group provides broadband Internet to 3.1 million residential fixed customers across its geographies.

The Group's fixed-line telephony services are based on either PacketCable or Voice-over-Internet-Protocol ("VoIP") technologies. The Group offers a wide range of telephony packages and its triple-play offers tend to include flat-rate telephony packages with a significant number of minutes of use included in the price. The Group provides national and international connectivity to its customers either through its own interconnection capabilities or through its partners. The Group continues to phase out stand-alone telephony packages as its strategy is to offer fixed-line telephony as an add-on product in its multi-play packages.

In its fixed residential business, the Group believes advanced customer premise equipment is playing an increasingly crucial role as it enhances customer experience by facilitating access to a wide range of user-friendly features, offers a reliable channel for selling add-on and on-demand services, allows for multi-screen television viewing and broadband Internet usage by multiple parties. Furthermore, when set-top boxes, modems and other customer premise equipment are combined in one box, it allows cable operators to significantly reduce customer service expenses.

The Group is focused on strategically developing content to complement its fixed and mobile services with exclusive or high-quality content offerings. The Group produces and broadcasts a diverse range of content including live broadcasts of sports events and other sports- and lifestyle-related programs as well as the sports programming for which the Group has acquired broadcasting rights, including the Portuguese Liga in Portugal.

Across its geographies, the Group offers digital television services which include basic and premium programming, and, in most markets, incremental product and service offerings such as Video on Demand ("VoD"), and, in some cases, exclusive content. The Group's pay-TV offerings include content and channels purchased from a variety of local and foreign producers and the Group continues to focus on broadcasting high-quality content over all of its networks as well as producing its own original content.

2.3.1.2. Mobile residential services

The Group owns and operates mobile infrastructure in all of its geographies. Depending on geography and network technology deployed, the Group offers 2G, 3G, 4G, 4G-LTE or 5G services in each market in which it operates, on a variety of plans, from 'no frills' offers with no commitment or handset, to premium mobile telephony offers with varying voice and data limits, if any, at attractive prices. In Portugal, the 5G spectrum auction concluded on October 27, 2021. Altice Portugal obtained 104MHz as part of the allocation of 5G frequencies, spread throughout the 700 MHz, 900 MHz and 3.6 GHz bands and started offering 5G services to the customers in 2022. In Israel, the 5G spectrum auction concluded during the third quarter of 2020 and HOT was awarded a license to operate the new network. HOT launched 5G services in Israel in the first quarter of 2021. In the Dominican Republic, Altice Dominicana obtained spectrum within the 3.4-3.5 GHz band. The formal resolution of assignment was issued and made public on October 28, 2021, resulting in the allocation of rights of use for 70MHz in the 3.5 GHz band in favor of Altice Dominicana, together with the 30Mhz previously owned. Altice Dominicana now has the right of use of 100MHz in the 3.5 GHz band for the launch of 5G services in the Dominican Republic.

As of June 30, 2023, the Group offered mobile services to 10.4 million residential customers on a blended basis, across the geographies where it is active. In Israel, due to local regulation, earlier the Group offered its mobile services either on a stand-alone basis or in a bundle with an internet service provider ("ISP") or international call services. According to a regulatory amendment as of February 2021, the Group is entitled to include its mobile services in its other multi-services packages, subject to the approval of the Ministry of Communications for such packages.

2.3.2. Business services

2.3.2.1. Fixed business services

The Group offers focused fixed business services to large, medium, small and very small business customers in Portugal and the Dominican Republic. In Israel, the Group's business services primarily consist of enhanced versions of the Group's residential products, which are adapted to meet the needs of its business customers.

2.3.2.2. Mobile business services

The Group offers focused mobile business services to large, medium, small and very small business customers in all its geographies. The Group's mobile business services products often include professional telephony services (such as

business directory services, fleet management customer areas, usage alerts and financial management solutions) with devices chosen to respond to the needs of professionals and 24-hour on-site exchange service.

2.3.2.3. Wholesale services

The Group offers wholesale services across its geographies, including interconnection services to other operators, and sells wholesale fibre, cable and xDSL services as well as wholesale mobile services to other telecommunications operators who resell such services under their own brands.

2.3.2.4. R&D services

The Group has implemented, in Portugal, the ‘Altice Labs’ initiative, which is the Group’s state-of-the-art research and development centre that aims to centralize and streamline innovative technological solutions development for the entire Group (“Altice Labs”).

2.3.2.5. Other services

The Group offers several other services, depending on geography, such as bulk services to housing associations and multiple-dwelling unit managers, cloud storage such as on-demand IaaS services, computer security services and storage and backup solutions, technical services related to the network and other activities that are not related to the core fixed or mobile businesses. In various jurisdictions in which the Group operates, it also generates revenue from selling advertising time to national, regional and local customers.

2.3.3. Media - Targeted advertising (Teads)

Teads operates a leading, cloud-based, end-to-end technology platform that enables programmatic digital advertising for a global, curated ecosystem of quality advertisers and their agencies and leading publishers. As an end-to-end solution, Teads’ platform consists of buy-side, sell-side, creative, data and AI optimization modules. Teads has built deep partnerships with both the demand and supply sides of digital advertising. For advertisers and their agencies, Teads’ omnichannel platform offers a single access point to buy premium inventory of many of the world’s leading publishers across the online, CTV and in-app environments. As of June 30, 2023, Teads is a trusted monetization partner for approximately 2,500 publishers encompassing over 17,500 websites, providing a comprehensive technology platform to monetize a variety of ad placements and formats programmatically. By connecting both sides of the advertising ecosystem, Teads solves the digital programmatic advertising industry’s most significant problems related to value chain fragmentation, inefficient digital advertising pricing and quality and scale of inventory.

Teads offers advertisers and their agencies access to high-quality inventory at scale, solving a major problem for Teads customers. Advertisers and their agencies can work directly with Teads through their self-serve buying interface, Teads Ad Manager, or through third-party demand side platforms (“DSPs”). Teads offers customers a leading, omnichannel buying platform focused on delivering business outcomes for advertisers up and down the marketing funnel. Teads Ad Manager has the advantage of leveraging Teads’ machine learning prediction models, which are focused specifically on Teads publisher partners’ inventory. Teads’ predictive machine learning algorithms process large volumes of data based on thousands of campaigns to deliver superior outcomes for customers. As a result, Teads believes they can offer significant cost efficiencies and greater return on investment (“ROI”) to agencies and advertisers who access Teads publisher partners’ inventory directly through Teads Ad Manager. As of June 30, 2023, Teads had approximately 2,700 customers, defined as customers who spent at least €1,000 in the trailing 12-month period. Teads enables publishers to monetize their digital advertising inventory through Teads for Publishers platform, which provides them with direct sale capabilities and is directly connected to Teads proprietary buy-side interface, Teads Ad Manager.

2.4. Marketing and sales

The Group’s marketing divisions use a combination of individual and segmented promotions and general brand marketing to attract and retain customers. It markets its business services to institutional customers and businesses such as large corporates, governmental and administrative agencies, small- and medium-sized businesses, nursing homes, hospitals and hotels. The Group’s primary marketing channels are media advertising including commercial television, telemarketing, e-marketing, door-to-door marketing, billboards, newspaper advertising and targeted mail solicitation. The Group’s marketing strategy is based on increasing the penetration of multi-play services within its subscriber base, increasing distribution of television-based value-added services and ensuring a high level of customer satisfaction in order to maintain a low churn rate. The Group’s marketing and sales efforts are always geared towards demonstrating the high-quality and speed of its networks.

The Group uses a broad range of distribution channels to sell its products and services throughout its operations, including retail outlets owned and run by the Group, retail outlets owned and run by third parties, dedicated sales booths, counters and other types of shops, door-to-door sales agents, inbound and outbound telesales and its websites.

2.5. Customers

2.5.1. Customer contracts and billing

The Group typically enters into standard form contracts with its residential customers. The Group reviews the standard rates of its services on an on-going basis. In certain geographies, in addition to the monthly fees the Group charges, customers generally pay an installation fee upon connection or re-connection to the Group's fibre/cable network. The terms and conditions of the Group's contracts, including duration, termination rights, the ability to charge early exit fees, and the ability to increase prices during the life of the contract, differ across the Group's operations primarily due to the different regulatory regimes it is subject to in each of the jurisdictions in which it operates.

The Group monitors payments and the debt collection process internally. The Group performs credit evaluation of its residential and business customers and undertakes a wide range of bad debt management activities to control its bad debt levels, including direct collections executed by its employees, direct collections executed in co-operation with third party collection agencies, and pursuit of legal remedies in certain cases.

2.5.2. Customer service

The Group's customer service strategy is to increase customer satisfaction and decrease churn with high product quality. Building on 2018 and 2019 achievements, further improved customer service resulted in the reduction of churn within the Group's key geographies, which continued in 2020, 2021 and 2022. The Group has continued to improve its customers' experience, including enhanced customer relationship management systems, which have allowed the Group to better manage new customers, identify customers at risk of churning, handle complex customer issues, offer special retention offers to potential churners and repayment plans to insolvent customers. The Group aimed to integrate operations and centralize functions in order to optimize processes and to correlate sales incentives to churn, net promoter score ("NPS") and average revenue per user ("ARPU") as opposed to more traditional criteria of new sales, in order to refocus the organization away from churn retention to churn prevention. The Group has remained disciplined and focused on further improving customer service in all markets. This has resulted in churn reduction across mobile and fixed products over the last years.

2.6. Competition

In each of the geographies and industries in which the Group operates, the Group faces significant competition and competitive pressures. Certain markets, such as Portugal, are mature markets, with a limited number of new customers entering the market. Moreover, the Group's products and services are subject to increasing competition from alternative new technologies or improvements in existing technologies.

With respect to its residential activities, the Group faces competition from telephone companies and other providers of DSL, VDSL2 and fibre network connections. With respect to pay TV services, the Group is faced with growing competition from alternative methods for broadcasting television services other than through traditional cable networks. For example, online content aggregators which broadcast over the top ("OTT") programs on a broadband network, such as internet competitors Amazon, Apple, Google, Disney+ and Netflix, are expected to grow stronger in the future. Connected or 'smart' TVs facilitate the use of these services. With respect to the fixed-line and mobile telephony markets, the Group has experienced a shift from fixed-line telephony to mobile telephony and faces intensive competition from established telephone companies, mobile virtual network operators ("MVNOs") and providers of new technologies such as VoIP.

In the competitive B2B data services market, price pressure has been strong. Conversely, the use of data transmission services has significantly increased. The Group is currently facing competition from software providers and other IT providers of data and network solutions, and the line between them and the suppliers of data infrastructure and solutions, like the Group, has become increasingly blurred. Partnerships between IT providers and infrastructure providers are becoming more and more common and are an additional source of competition but also an opportunity for growth. Being able to face the competition efficiently depends in part on the density of the network, and certain of the Group's competitors in the markets in which it operates have a broader and denser network. In recent years, the

B2B market has experienced a structural change marked by a move from traditional switched voice services to VoIP services.

The following is an overview of the competitive landscape in certain key geographies in which the Group operates:

Portugal: In the broadband and mobile market, the Group faces competition from Vodafone, NOS and Nowo, the latter operating through a MVNO agreement with MEO. In the fixed telephony market, the Group faces an erosion of market share of both access lines and outgoing domestic and international traffic due to the trend towards the use of mobile services instead of fixed telephone services. Competition in the fixed telephony market is intensified by mobile operators such as NOS and Vodafone who can bypass MEO's international wireline network by interconnecting directly with fixed-line and mobile networks either in its domestic network or abroad. Through FastFiber, the Portuguese operation continues expanding its proprietary fixed fibre infrastructure, competing with Vodafone and NOS. In the business services market, competitors such as Vodafone and NOS are taking market share from MEO in traditional connectivity services, offset by MEO introducing new ICT services to its business customers.

Israel: In the broadband market, the Group competes primarily with Bezeq, which provides high speed broadband Internet access over DSL and holds the highest market share in broadband Internet infrastructure access in Israel. In the pay-TV market, the Group's main competitor is D.B.S. Satellite Services (1998) Ltd, a subsidiary of Bezeq, which provides satellite technology-based television services under the brand "YES". Bezeq is also the Group's main competitor in the fixed-line telephony market as the largest provider of fixed-line telephony services. Cellcom and Partner also provide broadcasting offers to OTT subscribers. Keshet, the owner of the main broadcast channel, recently launched an OTT service through a joint-venture subsidiary.

HOT Mobile competes with several principal mobile network operators, including Cellcom (including Golan Telecom), Partner, Pelephone and MVNOs. In the recent past years, the deployment of 5G networks has been promoted and HOT Mobile also offers 5G plans to its customers. The telecom market in Israel is fragmented with a high level of promotional activity in the market. This includes competition with TV "sparse bundles" with aggressively priced residential offers. HOT remains a strong brand in the market, supported by its superior fixed network infrastructure, rich content packages, and superior customer service.

In the past few years, the deployment of fibre optics has been accelerated around the country and several companies provide fibre-based telecom services, including Bezeq and Partner as well as HOT and Cellcom which both use IBC's fibre network to provide FTTH services. Currently, HOT offers the fastest surfing speed in Israel for residential customers providing various rates up to 5,000Mbps (download).

Dominican Republic: The Group's key competitors in the fixed market are Claro (America Movil) and to a lesser extent, local players such as Viva and Aster. Altice Dominicana has approximately a 33% market share in mobile and a 27% market share in fixed Internet. In the mobile market, Altice Dominicana mainly competes with Claro (with which it shares a comparable spectrum range and 4G-LTE population coverage), and with Viva in the low-end segment. Altice Dominicana also competes with the niche actors Wind and Sky. In the pay-TV segment, the market is still deeply fragmented with several regional cable operators.

3. STRATEGY AND PERFORMANCE

3.1. Objectives

The Group's key objective is to improve its operating and financial performance by increasing operational efficiencies of its existing businesses and driving growth through reinvestment in its proprietary infrastructure. Furthermore, the Group aims to deliver to its customers the best quality services and the best content on proprietary state-of-the-art mobile and fixed infrastructure, by investing in best-in-class technology, insourcing its historical suppliers in the area of technical services and call centres in order to better control quality, and developing a tailor-made approach, based on the analysis of data collected from its customers, in order to service them in an individualized manner, propose them targeted offers, dedicated content and custom-made advertising and provide them with a unique and sophisticated customer experience. The Group aims to create long-term shareholder value through exceptional operating and financial performance, mainly driven by its focus and investments to provide a superior customer experience at lower cost levels.

The Group has contributed to long-term value creation in the past financial years, through multiple factors, and has delivered sustained investment at an accelerated pace into upgrading its fixed and mobile networks for better quality services to improve the customer experience and drive future growth. In addition, the Group has successfully executed on the monetization of part of the Group companies' infrastructure at attractive valuations in prior years. The Group has deleveraged through a combination of organic and inorganic actions. The Group intends to maintain a strong balance sheet, with the stated leverage target range remaining a strategic focus.

3.2. Strategy of the Group

At the core of the Group's strategy is customer, revenue, profitability and cash flow growth by efficiently running telecom assets, creating underlying organic growth, and as a result, achieving a leverage profile consistent with the stated target leverage range. The Group benefits from a unique asset base which is fully convergent, fibre rich, active across residential consumers and businesses and holds number one or number two positions in each of its markets with nationwide coverage. The reinforced operational focus offers significant value creation potential. Key elements of the Group's growth strategy include:

- optimizing the operational and financial performance in each market with a particular focus on customer services;
- continuing to invest in best-in-class infrastructure commensurate with the Group's market position;
- growing advertising revenues; and
- the potential monetization of part of the Group companies' infrastructure and assets at attractive valuations.

4. GROUP FINANCIAL REVIEW

4.1. General

The following discussion and analysis is intended to assist in providing an understanding of the Group's financial condition, changes in financial condition and results of operations and should be read together with the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023, including the accompanying notes.

The below table sets forth the Group's consolidated statement of income for the six month periods ended June 30, 2023 and June 30, 2022.

Consolidated Statement of Income (€m)	Six months ended June 30, 2023	Six months ended June 30, 2022
Revenues	2,511.2	2,369.0
Purchasing and subcontracting costs	(674.6)	(611.8)
Other operating expenses	(500.1)	(500.7)
Staff costs and employee benefits	(366.7)	(333.6)
Depreciation, amortization and impairment	(569.4)	(605.5)
Other (expenses) and income	(236.1)	(60.0)
Operating profit	164.3	257.4
Interest relative to gross financial debt	(280.8)	(206.3)
Realized and unrealized (losses) / gains on derivative instruments linked to financial debt	(95.7)	491.9
Other financial expenses	(106.9)	(360.5)
Finance income	183.7	107.4
Net result on extinguishment and remeasurement of financial liabilities	-	-
Finance income/(costs), net	(299.7)	32.5
Share of gain/(loss) of associates and joint ventures	(8.3)	(7.0)
Profit/(loss) before income tax	(143.7)	282.9
Income tax benefit /(expense)	(18.9)	116.3
Profit/(loss) for the year from continuing operations	(162.6)	399.2
<i>Attributable to equity holders of the parent</i>	<i>(201.4)</i>	<i>374.0</i>
<i>Attributable to non-controlling interests</i>	<i>38.8</i>	<i>25.2</i>

The Group has 5 operating segments for which the results of operations of the business will be discussed:

- **Portugal:** The Group owns Portugal Telecom (“PT Portugal”), the largest telecom operator in Portugal. PT Portugal provides fixed residential, mobile residential and business services clients using the MEO brand, amongst others. This segment also includes the Altice Technical Services entities in Portugal and Unisono Group which is engaged in the provision of outsourced customer experience management, consulting and digital transformation services mainly in Spain.
- **Israel:** Fixed and mobile services are provided using the HOT telecom, HOT mobile and HOT net brands to residential and business services clients. HOT also produces award winning exclusive content that it distributes using its fixed network, as well as content application called Next and OTT services through Next Plus. This segment also includes the Altice Technical Services entity in Israel.
- **Dominican Republic:** The Group provides fixed residential, mobile residential and business services using the Altice brand. This segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads:** Provides digital advertising solutions. Publishers use Teads’ technology to create engaging video and display Teads advertising experiences on their website and in their Apps.
- **Others:** Corporate entities are reported under “Others”.

4.2. Significant events affecting historical results

A summary of the significant events that had a material impact on the unaudited condensed interim consolidated financial statements as of and for the six-month periods ended June 30, 2023 and June 30, 2022 is given below:

4.2.1. Acquisitions and disposals completed for six-month period ended June 30, 2023

There was no material change in the consolidation scope during the six-month period ended June 30, 2023.

4.2.2. Acquisitions and disposals completed for the six-month period ended June 30, 2022

The 2022 Portuguese tower transaction

On November 8, 2021, PT Portugal exercised its right to sell a tower business unit consisting of 102 remaining sites portfolio to Cellnex Telecom, S.A.. The transaction closed on March 31, 2022, following customary regulatory approvals. Total cash proceeds amounted to €71.4 million.

The total capital gain recorded for the six-month period ended June 30, 2022 amounted to €37.4 million, after taking into account the provisions of IFRS 16 *Leases*, with respect to sale and lease back transactions (please refer to note 4.3.2. to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023). Following the transaction, PT Portugal and Cellnex Telecom have entered into a Master Service Agreement (“MSA”) related to the newly carved-out sites.

4.2.3. Other significant events completed for six-month period ended June 30, 2023

4.2.3.1. Drawing and repayment of the Altice Financing Revolving Credit Facility

During the six-month period ended June 30, 2023, the Group drew €290.5 million of the Altice Financing Revolving Credit Facility (drawdown of €540.5 million and repayment of €250.0 million). A total of €287.7 million remained undrawn as of June 30, 2023.

4.2.3.2. Swaps renegotiation

Following the amended and extended term loan refinancing closed in December 2022, the Group has renegotiated some swaps to extend the maturity date to 2027 and to adjust the rate.

4.2.3.3. Additional term loan Altice Financing

Following the amended and extended term loan refinancing closed in December 2022, Altice Financing raised an additional amount of €50 million in April 2023.

4.2.3.4. Distribution and advances to the parent company

For the six months ended June 30, 2023, the Company made a distribution to its parent company Altice Luxembourg for an amount of €320.0 million by way of share premiums redemption and advances for a net amount of €178.0 million by way of additional loans.

4.2.3.5. Provision for onerous contracts in Portugal

The Group entered into contracts with certain football clubs for the acquisition of the exclusive broadcasting rights of Portuguese home football games, the term of which ends in 2028. In July 2016, certain Portuguese telecom operators entered into an agreement for the reciprocal sharing of football related broadcasting rights (“Sharing Agreement”), and following the signature of the Sharing Agreement, the Group sold to Sport TV its Portuguese exclusive broadcasting rights of the football games for a four seasons-period, between July 2016 and June 2020. Simultaneously, the Group entered into a distribution agreement with Sport TV. In July 2020, the Group sold to Sport TV the exclusive broadcasting rights for an additional three seasons-period, between July 2020 and June 2023, and signed a new distribution agreement with Sport TV for the period between July 2020 and June 2024. In June 2023, the Sharing Agreement of football broadcasting rights between Portuguese telecom operators was extended until June 2028. Furthermore, in July 2023, MEO has also agreed to an amendment to the existing distribution agreement ending in June 2024.

In June 2023, the Sharing Agreement of football broadcasting rights between Portuguese telecom operators was extended until June 2028. Furthermore, in July 2023, MEO has also agreed to an amendment to the existing distribution agreement ending in June 2024.

Following the extension and renegotiation of the agreements, the Group has recorded a provision for onerous contracts for an amount of €237.1 million relating to both the Sharing Agreement and the related distribution agreement with Sport TV (please refer to note 4.3.2.2 to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023). The provision corresponds basically to the net present value of the direct costs related to both the Sharing Agreement and the related distribution agreement net of the incremental revenues coming from these agreements that correspond to the subscription fees obtained from both Sport TV and BTV premium sports channels, all of which covering the period between July 2023 and June 2028.

4.2.4. Other significant events completed for six-month period ended June 30, 2022

4.2.4.1. Drawing and repayment of the Altice Financing Revolving Credit Facility

During the six-month period ended June 30, 2022, the Group repaid €135.0 million of the Altice Financing Revolving Credit Facility (drawdown of €85.0 million and repayment of €220.0 million). A total of €110.0 million remained drawn as of June 30, 2022.

5. REVENUE

5.1. Group

For the six-month period ended June 30, 2023, the Group generated total revenue of €2,511.2 million, a 6.0% increase compared to €2,369.0 million for the six-month period ended June 30, 2022.

The tables below elaborate on the Group's revenue by lines of activity in the various reportable segments in which the Group operates for the six-month periods ended June 30, 2023 and June 30, 2022, respectively:

For the six months ended June 30, 2023 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	360.2	260.4	56.8	-	-	677.4
Mobile	247.6	121.1	168.6	-	-	537.3
Residential service	607.8	381.5	225.4	-	-	1,214.7
Residential equipment	63.7	41.6	15.5	-	-	120.8
Total Residential	671.5	423.1	240.9	-	-	1,335.5
Business services	745.7	125.4	53.6	-	0.2	924.9
Media	-	-	-	261.2	-	261.2
Total standalone revenues	1,417.2	548.5	294.5	261.2	0.2	2,521.6
Intersegment elimination	(9.9)	-	-	(0.5)	-	(10.4)
Total consolidated	1,407.3	548.5	294.5	260.7	0.2	2,511.2

For the six months ended June 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	345.1	289.6	55.1	-	-	689.8
Mobile	238.5	122.9	161.1	-	-	522.5
Residential service	583.6	412.5	216.2	-	-	1,212.3
Residential equipment	50.5	46.4	18.1	-	-	115.0
Total Residential	634.1	458.9	234.3	-	-	1,327.3
Business services	620.1	120.3	50.6	-	0.4	791.4
Media	-	-	-	259.5	-	259.5
Total standalone revenues	1,254.2	579.2	284.9	259.5	0.4	2,378.2
Intersegment elimination	(8.7)	-	-	(0.5)	-	(9.2)
Total consolidated	1,245.5	579.2	284.9	259.0	0.4	2,369.0

This increase in revenue was the result of a positive performance across segments, including residential mobile services, residential equipment, business services and media. The contribution of higher equipment sale from Altice Labs and the contribution of Geodesia generated an increase in business services revenue in Portugal. In addition, there was a favourable development of the foreign currency rate for the Dominican Peso which was offset by a negative impact of the foreign currency rate for the Israeli Shekel. On a year to date basis, the Dominican Peso average exchange rate increased by 1.9% compared to the Euro and the Israeli Shekel average exchange rate decreased by 8.6% compared to the Euro.

5.2. Operating segments

Portugal: For the six-month period ended June 30, 2023, Portugal generated revenue of €1,417.2 million, a 13.0% increase compared to €1,254.2 million for the six-month period ended June 30, 2022.

Revenue from Portugal's fixed residential service increased by 4.4% from €345.1 million for the six-month period ended June 30, 2022, to €360.2 million for the six-month period ended June 30, 2023. The increase in revenues is explained by subscriber base and ARPU growth, a higher contribution from high-value convergent package fees and a continuing migration from customers being served by the DSL network to the fibre network.

Portugal's mobile residential service business reported a net revenue increase of 3.8% from €238.5 million for the six-month period ended June 30, 2022, to €247.6 million for the six-month period ended June 30, 2023. This increase is mainly the consequence of the increase in postpaid revenues driven by subscriber base growth and ARPU expansion.

Portugal reported a residential equipment revenue increase of 26.1% from €50.5 million for the six-month period ended June 30, 2022, to €63.7 million for the six-month period ended June 30, 2023.

Revenue from Portugal's business services increased by 20.3% from €620.1 million for the six-month period ended June 30, 2022, to €745.7 million for the six-month period ended June 30, 2023. This increase is explained mainly by higher equipment sales from Altice Labs and contribution of Geodesia.

Israel: For the six-month period ended June 30, 2023, Israel generated revenue of €548.5 million, a 5.3% decrease compared to €579.2 million for the six-month period ended June 30, 2022. On a local currency basis, revenue increased by 2.9%.

Fixed residential service revenue decreased by 2.3% on a local currency basis, which was mainly driven by ongoing competition in the fixed market. Mobile residential service revenue increased by 7.0% on a local currency basis, supported by subscriber base growth. Israel's business services revenue increased by 13.2%, mainly due to the increase in B2B equipment sales and construction activity for IBC.

Dominican Republic: For the six-month period ended June 30, 2023, the Dominican Republic generated total revenue of €294.5 million, a 3.4% increase compared to €284.9 million for the six-month period ended June 30, 2022. On a local currency basis, revenue increased by 1.4%.

On a local currency basis, fixed residential service revenue increased by 1.1% due to subscriber base growth and higher ARPU. Mobile residential service revenue grew by 2.6% mainly due to an increase in prepaid driven by subscriber base. Residential equipment revenue decreased by 16.0% and business services revenue grew by 3.9%, largely due to an increase in revenues from fixed B2B equipment.

Teads: For the six-month period ended June 30, 2023, Teads generated revenue of €261.2 million, compared to €259.5 million for the six-month period ended June 30, 2022.

6. ADJUSTED EBITDA

6.1. Group

For the six months ended June 30, 2023 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
Revenues	1,417.2	548.5	294.5	261.2	0.2	(10.4)	2,511.2
Purchasing and subcontracting costs	(442.0)	(189.1)	(50.0)	-	-	6.5	(674.6)
Other operating expenses	(199.6)	(115.2)	(50.5)	(134.7)	(1.3)	1.2	(500.1)
Staff costs and employee benefit expenses	(230.2)	(44.2)	(19.0)	(73.4)	-	0.1	(366.7)
Total	545.4	200.0	175.0	53.1	(1.1)	(2.6)	969.8
Rental expense operating lease ¹	(45.8)	(17.7)	(17.2)	(2.7)	-	-	(83.4)
Adjusted EBITDA	499.6	182.3	157.8	50.4	(1.1)	(2.6)	886.4
Depreciation, amortisation and impairment	(328.5)	(160.1)	(73.1)	(7.7)	-	-	(569.4)
Other expenses and income	(223.0)	(8.1)	0.2	(3.2)	(2.0)	-	(236.1)
Rental expense operating lease ¹	45.8	17.7	17.2	2.7	-	-	83.4
Operating profit/(loss)	(6.1)	31.8	102.1	42.2	(3.1)	(2.6)	164.3

For the six months ended June 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
Revenues	1,254.2	579.2	284.9	259.5	0.4	(9.2)	2,369.0
Purchasing and subcontracting costs	(357.8)	(202.7)	(57.5)	-	-	6.2	(611.8)
Other operating expenses	(200.8)	(119.6)	(46.2)	(133.4)	(1.7)	1.0	(500.7)
Staff costs and employee benefit expenses	(197.1)	(45.8)	(17.1)	(73.7)	-	0.1	(333.6)
Total	498.5	211.1	164.1	52.4	(1.3)	(1.9)	922.9
Rental expense operating lease ¹	(44.2)	(18.4)	(15.8)	(2.8)	-	-	(81.2)
Adjusted EBITDA	454.3	192.7	148.3	49.6	(1.3)	(1.9)	841.7
Depreciation, amortisation and impairment	(348.7)	(175.6)	(68.1)	(13.1)	-	-	(605.5)
Other expenses and income	(28.0)	(9.0)	(0.3)	(3.4)	(19.3)	-	(60.0)
Rental expense operating lease ¹	44.2	18.4	15.8	2.8	-	-	81.2
Operating profit/(loss)	121.8	26.5	95.7	35.9	(20.6)	(1.9)	257.4

¹ This line corresponds to the operating lease expenses whose impacts are included in Adjusted EBITDA following the definition stated in note 4.2.2.1 to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023.

For the six-month period ended June 30, 2023, the Group's Adjusted EBITDA amounted to €886.4 million, an increase of 5.3% compared to €841.7 million for the six-month period ended June 30, 2022. This increase is mainly attributed to the top-line growth of 6.0%, which is partially offset by a higher percentage increase in purchasing and subcontracting costs and staff costs and employee benefit expenses compared to total revenue.

6.2. Operating segments

Portugal: For the six-month period ended June 30, 2023, the Adjusted EBITDA in Portugal was €499.6 million, an increase of 10.0% from €454.3 million for the six-month period ended June 30, 2022. This increase can mainly be attributed to a higher percentage increase in revenue (please see section 5.2). The increase in revenue is partially offset

by an increase in purchasing and subcontracting costs and staff costs and employee benefit expenses compared to total revenue. The increase in purchasing and contracting costs is mainly driven by higher cost of goods sold and higher raw materials consumption as a consequence of the increase in residential equipment and B2B equipment sales from Altice Labs, in addition to an increase in direct costs related to the Geodesia business.

Israel: For the six-month period ended June 30, 2023, the Adjusted EBITDA in Israel was €182.3 million, a decrease of 5.4% compared to €192.7 million for the six-month period ended June 30, 2022. Adjusted EBITDA on a local currency basis increased by 2.8% compared to the six-month period ended June 30, 2022. The increase in Adjusted EBITDA is mainly a consequence of the revenue increase (please see section 5.2).

Dominican Republic: For the six-month period ended June 30, 2023, the Adjusted EBITDA in the Dominican Republic increased by 6.4% from €148.3 million for the six-month period ended June 30, 2022, to €157.8 million for the six-month period ended June 30, 2023 (an increase of 4.4% on a local currency basis). On a local currency basis, the increase in Adjusted EBITDA is largely attributable to the residential service revenue increase for fixed and mobile and the reduction in purchasing and subcontracting costs.

Teads: For the six-month period ended June 30, 2023, the Adjusted EBITDA for Teads amounted to €50.4 million, compared to €49.6 million for the six-month period ended June 30, 2022, an increase of 1.6%.

7. OPERATING PROFIT OF THE GROUP

7.1. Depreciation, amortization and impairment

For the six-month period ended June 30, 2023, depreciation, amortization and impairment totalled €569.4 million, a decrease of 6.0% compared to €605.5 million for the six-month period ended June 30, 2022.

7.2. Other expenses and income

For the six-month period ended June 30, 2023, the Group's other expenses totalled €236.1 million compared to €60.0 million other expenses for the six-month period ended June 30, 2022. A detailed breakdown of other expenses and income is provided below:

Other (expenses) and income (€m)	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Restructuring costs (including termination employee benefit expenses/(income))	(1.0)	35.1
Onerous contracts	(237.1)	-
Disputes and litigation	9.2	(112.5)
Net gain on sale of interest in assets and associates	16.8	39.6
Deal fees	(1.6)	(4.4)
Management fees	(0.6)	(2.3)
Other, net	(21.8)	(15.5)
Other (expenses) and income	(236.1)	(60.0)

7.2.1 Restructuring costs (including termination employee benefit expenses/(income))

For the six-month period ended June 30, 2022, the line mainly includes actuarial gains of €37.1 million that were recorded resulting from the remeasurement of the termination benefits liabilities in Portugal (increase in the discount rate).

7.2.2 Onerous contracts

For the six-month period ended June 30, 2023, the Group recognized a provision for onerous contracts for an amount of €237.1 million relating to both the Sharing Agreement and the related distribution agreement with Sport TV in Portugal (please refer to note 3.3.2 to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023).

7.2.3 Disputes and litigation

For the six-month period ended June 30, 2023, the line mainly includes the reversal of a portion of the provision for the Portuguese Competition Authority (PCA) investigation in Portugal (please refer to note 14.1.2 to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023).

For the six-month period ended June 30, 2022, this includes mainly the liability related to litigation with the Portuguese Competition Authority (please refer to note 14.1.2 to the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2023) and the settlement agreement between Cool Holding Ltd, H. Hadaros 2012 Ltd and the Israeli VAT authority in Israel.

7.2.4 Net gain on sale of interests in assets and associates

For the six-month period ended June 30, 2022, this includes mainly the capital gain related to the 2022 Portuguese tower transaction (please refer to note 3.2 to the unaudited condensed interim consolidated financial statements for the three and six-month period ended June 30, 2023).

8. RESULT FOR THE GROUP – ITEMS BELOW OPERATING EXPENSES

8.1. Finance income/(costs), net

Net finance cost amounted to €299.7 million for the six-month period ended June 30, 2023, compared to finance income of €32.5 million for the six-month period ended June 30, 2022. A detailed breakdown of net finance income / (costs) is provided below:

Finance income/(costs), net (€m)	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Interest relative to gross financial debt	(280.8)	(206.3)
Realized and unrealized (losses) / gains on derivative instruments linked to financial debt	(95.7)	491.9
Interest on lease liabilities	(40.4)	(38.0)
Net foreign exchange losses	-	(281.1)
Impairment of financial assets	(17.3)	(7.4)
Other	(49.2)	(34.0)
Other financial expenses	(106.9)	(360.5)
Interest income	151.7	103.8
Net foreign exchange gains	25.8	-
Other financial income	6.2	3.6
Finance income	183.7	107.4
Net result on extinguishment and remeasurement of financial liabilities	-	-
Net finance income / (costs)	(299.7)	32.5

8.1.1. Interest relative to gross financial debt

For the six-month period ended June 30, 2023, the Group's interest on debt amounted to €280.8 million compared to €206.3 million for the six-month period ended June 30, 2022. The increase is due to a combination of an increase in gross financial debt and higher interest rates following the amended and extended term loan closed in December 2022 and drawing of the Altice Financing Revolving Credit Facility during the six-month period ended June 30, 2023.

8.1.2. Realized and unrealized (losses) gains on derivative instruments

For the six-month period ended June 30, 2023, the Group's realized and unrealized losses on derivative instruments amounted to €95.7 million compared to gains of €491.9 million for the same period in 2022. This variation was mainly due to a negative variation in the mark to market driven by unfavourable variation of the interest rate portion of the swaps of Altice Financing.

8.1.3. Other financial expenses

For the six-month period ended June 30, 2023, the Group's other financial expenses totalled €106.9 million compared to €360.5 million for the six-month period ended June 30, 2022. This variation is mainly related to the foreign exchange effect, a net foreign exchange gain of €25.8 million for the six-month period ended June 30, 2023, compared to losses of €281.1 million for the same period in 2022, mainly due to the foreign exchange effect on long term debt of Altice Financing.

8.2. Share of earnings/(losses) of associates

For the six-month period ended June 30, 2023, the Group's share of losses of associates totalled €8.3 million compared to a loss of €7.0 million for the six-month period ended June 30, 2022.

8.3. Income tax benefit/(expense)

The Group recorded an income tax expense of €18.9 million for the six-month period ended June 30, 2023, compared to an income tax benefit of €116.3 million for the six-month period ended June 30, 2022.

8.4. Profit/(Loss) for the period

For the six-month period ended June 30, 2023, the loss after tax totalled €162.6 million compared to €399.2 million profit after tax for the six-month period ended June 30, 2022.

9. CAPITAL EXPENDITURES

9.1. General

The Group has made substantial investments and will continue to make capital expenditures in the geographies in which it operates to expand its footprint and enhance its product and service offerings. The Group expects to finance principal investments described below, to the extent they have not been completed, with cash flow from its operations.

The table below elaborates on the Group's capital expenditures for the six-month periods ended June 30, 2023 and 2022, respectively, for each of the Group's operating segments:

For the six months ended June 30, 2023 (€m)	Portugal	Israel ¹	Dominican Republic	Teads	Others	Eliminations	Total
Capital expenditure – accrued	230.8	207.3	69.9	6.3	1.8	(2.8)	513.3
Capital expenditure - working capital items	14.5	(52.8)	(8.5)	-	-	1.0	(45.8)
Payments to acquire tangible and intangible assets and contract costs	245.3	154.5	61.4	6.3	1.8	(1.8)	467.5

1. The capital expenditure - accrued for Israel includes an amount of €68.4 million related to the indefeasible right of use ("IRU") signed with IBC.

For the six months ended June 30, 2022 (€m)	Portugal	Israel ¹	Dominican Republic	Teads	Others	Eliminations	Total
Capital expenditure – accrued	225.2	222.2	67.1	4.8	-	(5.3)	514.0
Capital expenditure - working capital items	(3.9)	(58.5)	(6.2)	-	-	0.4	(68.2)
Payments to acquire tangible and intangible assets and contract costs	221.3	163.7	60.9	4.8	-	(4.9)	445.8

1. The capital expenditure - accrued for Israel includes an amount of €64.2 million related to the indefeasible right of use ("IRU") signed with IBC.

9.2. Operating segments

Portugal: For the six-month period ended June 30, 2023, Portugal's total capital expenditures were €230.8 million, a 2.5% increase compared to €225.2 million for the six-month period ended June 30, 2022. Working capital related items have increased by €18.4 million for the six-month period ended June 30, 2023, compared to the six-month period ended June 30, 2022, due to payment phasing of capital expenditures.

Israel: For the six-month period ended June 30, 2023, the total capital expenditures were €207.3 million, compared to €222.2 million for the six-month period ended June 30, 2022. On a local currency basis, capital expenditures

increased by 1.3%, which was mainly driven by fixed customer and installation capital expenditure, in relation to the launch of the fibre commercial offers. Accrued capital expenditure includes an amount of €68.4 million related to the indefeasible right of use ("IRU") signed with IBC, with the cash impact spread over a multi-year period.

Dominican Republic: For the six-month period ended June 30, 2023, the total capital expenditures were €69.9 million compared to €67.1 million for the six-month period ended June 30, 2022. On a local currency basis, capital expenditures increased by 2.2%.

Teads: In general, Teads has limited capital expenditures due to the nature of its business.

10. LIQUIDITY, CAPITAL RESOURCES AND CASH FLOW

10.1. Liquidity and capital resources

The Group's principal sources of liquidity are (i) operating cash flow generated by the Group's subsidiaries and (ii) various revolving credit facilities and guarantee facilities that are available to the Group, for any requirements not covered by the operating cash flow generated.

As of June 30, 2023, the Company's restricted group had an aggregate of €578.2 million (equivalent) available borrowings under the Guarantee Facility Agreements, the 2014 Altice Financing Revolving Credit Facility Agreement and the 2015 Altice Financing Revolving Credit Facility Agreement, of which €290.5 were drawn as of June 30, 2023.

The Group expects to use these sources of liquidity to fund operating expenses, working capital requirements, capital expenditures, debt service requirements and other liquidity requirements that may arise from time to time. The Group's ability to generate cash from the Group's operations will depend on the Group's future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control. As the Group's debt matures in later years, the Group anticipates that it will seek to refinance or otherwise extend the Group's debt maturities from time to time. See below an overview of the Group's borrowings and loans from lenders:

	Amount in millions (local currency)	Actual	Coupon / Margin	Maturity
Senior Secured Notes	EUR 600	600	2.250%	2025
Senior Secured Notes	EUR 1,100	1,100	3.000%	2028
Senior Secured Notes	USD 1,200	1,099	5.000%	2028
Senior Secured Notes	EUR 805	805	4.250%	2029
Senior Secured Notes	USD 2,050	1,878	5.750%	2029
Term Loan	USD 188	172	L+2.75%	2025
Term Loan	USD 133	121	L+2.75%	2026
Term Loan	EUR 50	50	E+2.75%	2026
Term Loan	EUR 449	449	E+5.00%	2027
Term Loan	USD 1,596	1,462	S+5.00%	2027
Drawn RCF	-	291	E+3.00%	2027
Finance lease liabilities and other debt	-	34	-	-
Swap Adjustment	-	90	-	-
Secured Debt		8,150		
Senior Notes	EUR 675	675	4.75%	2028
Gross Debt		8,825		
Total cash and restricted cash		(273)		
Net Debt		8,552		
Undrawn RCF		288		
WACD		5.1%		

The following tables present the maturity profile of the Group's debentures and loans from financial institutions as of June 30, 2023.

Maturity of loans and debentures (€m)	Less than one year	One year or more	June 30, 2023	December 31, 2022
Altice Financing Debentures	-	5,460.4	5,460.4	5,515.7
Altice Finco Debentures	-	674.0	674.0	673.9
Altice Financing Loans from Financial Institutions	313.3	2,179.9	2,493.2	2,193.1
Total	313.3	8,314.3	8,627.6	8,382.7

10.2. Cash flow

The following table presents primary components of the Group's cash flows (net) for the six-month periods ended June 30, 2023, and June 30, 2022 respectively. Please refer to the consolidated statement of cash flows in the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023, for additional details.

Consolidated Statement of Cash Flows	Six months ended June 30, 2023	Six months ended June 30, 2022
(€m)		
Profit/(loss) for the period	(162.6)	399.2
<i>Net cash provided by operating activities</i>	<i>770.0</i>	<i>701.2</i>
<i>Net cash used in investing activities</i>	<i>(664.8)</i>	<i>(375.9)</i>
<i>Net cash from/(used in) financing activities</i>	<i>(303.8)</i>	<i>(381.7)</i>
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.5	11.0
Net change in cash and cash equivalents	(198.1)	(45.4)
Cash and cash equivalents at beginning of the period	428.2	285.2
Cash and cash equivalents at end of the period	230.1	239.8

The Group recorded a net decrease of €198.1 million in cash and cash equivalents for the six-month period ended June 30, 2023, compared to a net decrease of €45.4 million for the six-month period ended June 30, 2022.

10.2.1. Net cash provided by operating activities

Net cash provided by operating activities was €770.0 million for the six-month period ended June 30, 2023, compared to €701.2 million for the six-month period ended June 30, 2022. This trend was mainly the result of an increase in operating performance and positive changes in working capital during the six-month period ended June 31, 2023, compared to the six-month period ended June 30, 2022.

10.2.2. Net cash used in investing activities

Net cash used in investing activities was €664.8 million for the six-month period ended June 30, 2023, compared to net cash used by investing activities of €375.9 million for the six-month period ended June 30, 2022.

For the six-month period ended June 30, 2023, the cash used for investing activities consisted mainly of €467.5 million of payments to acquire tangible, intangible assets and contract costs and advances paid to Group companies for an amount of €178.0 million (please see section 4.2.3.4).

For the six-month period ended June 30, 2022, the cash used for investing activities consisted mainly of €445.8 million of payments to acquire tangible, intangible assets and contract costs and proceeds related to the 2022 Portuguese tower transaction for an amount of €71.4 million.

10.2.3. Net cash used in financing activities

Net cash used in financing activities was €303.8 million for the six-month period ended June 30, 2023, compared to net cash used in financing activities of €381.7 million for the six-month period ended June 30, 2022.

For the six-month period ended June 30, 2023, the cash used in financing activities consisted mainly of €320.0 million of dividend paid to the shareholder (please see section 4.2.3.4). The issuance and redemptions of debt resulted in a net proceeds of cash of €340.8 million mainly as a result of the drawing of the Altice Financing Revolving Credit Facility (please see section 4.2.3.1), an additional term loan of €50.0 in Altice Financing (please see section 4.2.3.3) and the interest paid on long term gross debt of €182.3 for the six-month period ended June 30, 2023.

For the six-month period ended June 30, 2022, the cash used in financing activities consisted mainly of €151.9 million of interest paid on long term gross debt. The issuance and redemptions of debt resulted in a net outflow of cash of €143.3 million for the six-month period ended June 30, 2022.

11. KEY OPERATING MEASURES

The Group uses several key operating measures, such as number of fibre homes passed, fibre unique B2C customers, total fixed B2C unique customers, mobile postpaid B2C subscribers, mobile prepaid B2C subscribers, and total mobile B2C subscribers, to track the financial and operating performance of its business. None of these terms are measures of financial performance under IFRS, nor have these measures been audited or reviewed by an auditor, consultant or expert. These measures are derived from the Group's internal operating and financial systems. As defined by the Company's management, these terms may not be directly comparable to similar terms used by competitors or other companies.

Six-month period ended June 30, 2023				
<i>000's unless stated otherwise</i>	Portugal	Israel	Dom. Rep.	Altice International
Fibre homes passed	6,286	2,260	986	9,532
Fibre unique B2C customers	1,400	1,035	224	2,659
Total fixed B2C unique customers	1,672	1,035	363	3,070
Postpaid B2C subscribers	2,948	1,276	676	4,900
Prepaid B2C subscribers	2,740	241	2,477	5,458
Total mobile B2C subscribers	5,688	1,517	3,153	10,358

Notes to the Key Operating Measures:

- Portugal fibre homes passed figures include homes where MEO has access through wholesale fibre operators (0.6 million in Q2 2023)
- Fibre unique customers represent the number of individual end users who have subscribed for one or more of the Group's fibre / cable-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premise basis. For Israel, it refers to the total number of unique customer relationships, including both B2C and B2B. For the Dominican Republic, it includes B2C HFC and FTTH customers
- Mobile subscribers are equal to the net number of lines or SIM cards that have been activated on the Group's mobile networks and exclude M2M

12. OTHER DISCLOSURES

12.1 Critical accounting policies, judgments and estimates

For details regarding the Group's critical accounting policies, judgments and estimates, please refer to note 2 to the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023.

12.2 Contractual obligations and commercial commitments

For details regarding the Group's contractual obligations and commercial commitments, please refer to note 13 to the unaudited condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2023.

12.3 Post-balance sheet date events

12.3.1. Altice Portugal investigation

On July 13, 2023, as part of an ongoing investigation by the Public Prosecutor's Office in Portugal, Altice Portugal has confirmed that it was one of the companies searched by the Portuguese authorities. The Portuguese prosecution

authority clarified that its investigation related to harmful practices for which Altice Portugal and its subsidiaries are impacted and therefore victims of fraud by individuals as well as entities outside the Group.

While this investigation is being conducted, the Group has taken pre-emptive measures including:

- the launch of an internal investigation in Portugal and across other jurisdictions, to assess whether there are material impacts at the Group level;
- reinforcing the approval process on all procurement, payments, purchase orders and related processes of all its operating companies;
- placing several key legal representatives, managers and employees in Portugal and abroad on leave while this investigation is conducted.

In addition, the Group is currently reviewing the appropriate next steps with its legal advisors and will consider all legal options, in all its jurisdictions.

The Group continues to operate its activities in normal course and will continue to conduct business with the highest integrity in the best interest of all stakeholders, with customers and employees at the forefront.

13. GLOSSARY

Revenue

Revenue consists of income generated from the delivery of fixed-based services to B2C customers, mobile services to B2C customers, equipment sales to residential customers, fixed, mobile and wholesale service and other revenues to B2B customers and media service revenues. Revenue is recognized at the fair value of the consideration received or receivable net of value added tax, returns, rebates and discounts and after eliminating intercompany sales within the Group.

Residential-Fixed services: Revenue from residential fixed-based services consists of revenue from B2C customers for pay TV services, including related services such as VoD, broadband internet, fixed-line telephony and ISP services. This primarily includes (i) recurring subscription revenue for pay TV services, broadband internet and fixed-line telephony (which are recognized in revenue on a straight-line basis over the subscription period), (ii) variable usage fees from VoD and fixed-line telephony calls (which are recognized in revenue when the service is rendered), (iii) installation fees (which are recognized in revenue when the service is rendered if consideration received is lower than the direct costs to acquire the contractual relationship) and (iv) interconnection revenue received for calls that terminate on the Group's cable network.

Residential-Mobile services: Revenue from residential mobile services from B2C customers primarily consists of (i) recurring subscription revenue for postpaid mobile services (which are recognized in revenue on a straight-line basis over the subscription period), (ii) revenue from purchases of prepaid mobile services (which are recognized in revenue when the service is rendered), (iii) variable usage fees for mobile telephony calls (which are recognized in revenue when the service is rendered) and (iv) interconnection revenue received for calls that terminate on the Group's mobile network.

Residential equipment: Revenue from the sale of handsets and fixed equipment (which are recognized on the date of transfer of ownership).

Business services: Revenue from business services primarily consists of (i) revenue from the same services as the above fixed and mobile services and residential equipment, but for the business sector, (ii) revenue from wholesale services derived from renting the Group's network infrastructure, including IRUs and bandwidth capacity on the Group's network, to other telecommunications operators, including MVNOS as well as related maintenance services and (iii) revenue from other services consisting of: (a) data center activities, (b) content production and distribution, (c) advertising, (d) customer services, (e) technical services, (f) construction and (g) other activities that are not related to the Group's core fixed or mobile businesses.

Media services: Revenue from media services consists of advertisement revenue in Teads.

Intersegment Eliminations: Intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such content production and customer service) to the reportable segments of the Group, are eliminated in consolidation.

Purchasing and subcontracting costs

Purchasing and subcontracting costs consist of direct costs associated with the delivery of fixed-based services to the Group's B2C and B2B customers, mobile services to its B2C and B2B customers, wholesale and other services. Purchasing and subcontracting costs consist of the following subcategories:

Fixed-based services: Purchasing and subcontracting costs associated with fixed-based services consist of all direct costs related to the (i) procurement of non-exclusive television content, royalties and licenses to broadcast, (ii) transmission of data services and (iii) interconnection costs related to fixed-line telephony. In addition, it includes costs incurred in providing VoD or other interactive services to subscribers and cost of goods sold of customer premises equipment (such as modems, set-top boxes and decoders).

Mobile services: Purchasing and subcontracting costs associated with mobile services consist primarily of mobile interconnection fees, including roaming charges and cost of goods sold of mobile handsets.

Wholesale: Purchasing and subcontracting costs associated with wholesale primarily consist of costs associated with delivering wholesale services to other operators.

Others: Other purchasing and subcontracting costs consist of (i) cost of renting space for data centers (subject to certain exceptions), (ii) utility costs related to the operation of data centers (such as power and water supply costs), (iii) in relation to the content activity of the Group, technical costs associated with the delivery of content, such as satellite rental costs, (iv) in the Group's technical services business, the cost of raw materials used in the technical activities related to the construction and maintenance of the network, cables for customer connections, etc., and sub-contractor fees associated with the performance of basic field work and the supervision of such sub-contractors and (v) direct costs related to the Group's call center operations, such as service expenses, telecom consumption subscriptions and energy costs, in the Group's customer services functions.

Intersegment Eliminations: Intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such content production and customer service) to the reportable segments of the Group, are eliminated in consolidation.

Other operating expenses

Other operating expenses mainly consist of the following subcategories:

Customer service costs: Customer service costs include all costs related to billing systems, bank commissions, external costs associated with operating call centers, allowances for bad customer debt and recovery costs associated therewith.

Technical and maintenance: Technical and maintenance costs include all costs related to infrastructure rental not under the scope of IFRS 16 *Leases*, equipment, equipment repair, costs of external subcontractors, maintenance of backbone equipment and data center equipment, maintenance and upkeep of the fixed-based and mobile networks, costs of utilities to run network equipment and those costs related to customer installations that are not capitalized (such as service visits, disconnection and reconnection costs).

Business taxes: Business taxes include all costs related to payroll and professional taxes or fees.

General and administrative expenses: General and administrative expenses consist of office maintenance, professional and legal advice, recruitment and placement, welfare and other administrative expenses.

Other sales and marketing expenses: Other sales and marketing expenses consist of advertising and sales promotion expenses, office rent and maintenance not in the scope of IFRS 16 *Leases*, commissions for marketers, external sales and storage and other expenses related to sales and marketing efforts.

Staff costs and employee benefits

Staff costs and employee benefits are comprised of all costs related to wages and salaries, bonuses, social security, pension contributions and other outlays paid to Group employees.

Depreciation, amortization and impairment

Depreciation, amortization and impairment includes depreciation of tangible assets related to production, sales and administrative functions, the amortization of intangible assets and contract costs. Impairment losses include the write-off of any goodwill or tangible and intangible assets that have been recognized on the acquisition of assets based upon a re-evaluation of the cash generating capacity of such assets compared to the initial valuation thereof.

Other expenses and income

Other expenses and income include any one-off or non-recurring income or expenses incurred during the on-going financial year. This includes deal fees paid to external consultants for merger and acquisition activities, restructuring and other non-recurring costs related to those acquisitions or the business in general, any non-cash operating gains or losses realized on the disposal of tangible and intangible assets and management fees paid to related parties.

Interest relative to gross financial debt

Interest relative to gross financial debt includes interest expenses recognized on third party debt (excluding other long-term liabilities, short term liabilities and other finance leases) incurred by the Group.

Realized and unrealized gains on derivative instruments

Realized and unrealized gains on derivative instruments include variations in the fair value of financial derivative instruments.

Other financial expenses

Other financial expenses include other financial expenses not related to the third-party debt (excluding other long-term liabilities and short-term liabilities, other than lease liabilities under IFRS 16 *Leases*) incurred by the Group, net exchange rate losses and other financial expenses.

Financial income

Financial income consists of gains from the disposal of financial assets, net exchange rate gains, and other financial income.

Share of earnings of associates

Share of earnings of associates consists of the net result arising from activities that are accounted for using the equity method in the consolidation perimeter of the Group.

Income tax expenses

Income tax expenses are comprised of current tax and deferred tax. Taxes on income are recognized in the statement of income except when the underlying transaction is recognized in other comprehensive income, at which point the associated tax effect is also recognized under other comprehensive income or in equity.

Adjusted EBITDA

Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating profit before depreciation, amortization and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs), share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases for operating leases*) allowing comparability for each of the periods presented.

Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. The Group believes that this measure is useful to readers of the historical consolidated financial information as it provides them with a measure of the operating results which excludes certain items the Group considers outside of its recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding its operating results that allows investors to better identify trends in the Group's financial performance. Adjusted EBITDA should not be considered as a substitute measure for net income or loss, operating profit, cash flow or other combined income or cash flow data prepared in accordance with IFRS and may not be comparable to similarly titled measures used by other companies. Further, this measure should not be considered as an alternative for operating profit as the effects of depreciation, amortization and impairment excluded from this measure do ultimately affect the operating results, which is also presented within the consolidated financial statements as of and for the three and six-month periods ended June 30, 2023, in accordance with IAS 1 *Presentation of Financial Statements*.

Capital expenditures

The Group classifies its capital expenditures in the following categories.

Fixed-based services: the fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premises Equipment (TV decoder, modem, etc.).

Mobile services: mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.

Others: other Capex is mainly related to costs incurred in acquiring content rights.