

# **Altice International S.à r.l.**



## **Condensed Interim Consolidated Financial Statements**

**As of and for the three and nine-month periods ended  
September 30, 2022**

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<b>Interim Consolidated Statement of Income</b>	<b>Notes</b>	<b>Three months ended September 30, 2022</b>	<b>Three months ended September 30, 2021</b>	<b>Nine months ended September 30, 2022</b>	<b>Nine months ended September 30, 2021</b>
<b>(€m)</b>					
<b>Revenues</b>	4	<b>1,296.2</b>	<b>1,088.6</b>	<b>3,665.2</b>	<b>3,153.0</b>
Purchasing and subcontracting costs	4	(351.4)	(270.3)	(963.2)	(821.1)
Other operating expenses	4	(266.0)	(224.1)	(766.7)	(638.3)
Staff costs and employee benefits	4	(178.5)	(146.1)	(512.1)	(410.2)
Depreciation, amortization and impairment	4	(299.1)	(296.9)	(904.6)	(890.7)
Other (expenses) and income <sup>1</sup>	4	11.6	(10.2)	(48.4)	(375.1)
<b>Operating profit/(loss)</b>	4	<b>212.8</b>	<b>141.0</b>	<b>470.2</b>	<b>17.6</b>
Interest relative to gross financial debt	11	(113.4)	(97.4)	(319.7)	(297.2)
Realized and unrealized (losses)/gains on derivative instruments linked to financial debt	11	372.2	15.1	864.1	153.2
Other financial expenses	11	(226.9)	(155.4)	(587.4)	(211.6)
Finance income	11	57.7	114.0	165.1	187.0
Net result on extinguishment and remeasurement of financial liabilities	11	-	(89.5)	-	(89.5)
<b>Finance income/(costs), net</b>	11	<b>89.6</b>	<b>(213.2)</b>	<b>122.1</b>	<b>(258.1)</b>
Share of earnings/(loss) of associates and joint ventures		(1.9)	-	(8.9)	(4.4)
<b>Profit/(loss) before income tax</b>		<b>300.5</b>	<b>(72.2)</b>	<b>583.4</b>	<b>(244.9)</b>
Income tax benefit/(expense)	10	(49.6)	(16.1)	66.7	14.2
<b>Profit/(loss) for the period</b>		<b>250.9</b>	<b>(88.3)</b>	<b>650.1</b>	<b>(230.7)</b>
<i>Attributable to equity holders of the parent</i>		<i>237.0</i>	<i>(94.6)</i>	<i>611.0</i>	<i>(254.2)</i>
<i>Attributable to non-controlling interests</i>		<i>13.9</i>	<i>6.3</i>	<i>39.1</i>	<i>23.5</i>

<sup>1</sup> Other (expenses) and income for the nine-month period ended September 30, 2021 include mainly the provision for a voluntary employee reduction program for €348.2 million and a provision related to termination payments payable to employees of €23.3 million in Portugal. Other (expenses) and income for the three-month period ended September 30, 2021 include mainly the provision for a voluntary employee reduction program for €12.4 million and a provision related to termination payments payable to employees of €2.8 million in Portugal.

<b>Interim Consolidated Statement of Comprehensive Income</b>	<b>Three months ended September 30, 2022</b>	<b>Three months ended September 30, 2021</b>	<b>Nine months ended September 30, 2022</b>	<b>Nine months ended September 30, 2021</b>
<b>(€m)</b>				
<b>Profit/(loss) for the period</b>	<b>250.9</b>	<b>(88.3)</b>	<b>650.1</b>	<b>(230.7)</b>
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations	40.2	(31.2)	80.6	(45.5)
Cash flow hedges - effective portion of changes in fair value	-	15.4	-	14.8
Cash flow hedges - reclassified to profit or loss	-	5.5	-	7.8
Related taxes	-	(5.2)	-	(5.6)
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Change of fair value of equity instruments at fair value through OCI	0.4	-	0.2	(0.7)
Actuarial gain/(loss)	(104.8)	(18.6)	8.0	18.6
Related taxes	22.0	3.9	(1.8)	(3.9)
<b>Total other comprehensive income / (loss)</b>	<b>(42.2)</b>	<b>(30.2)</b>	<b>87.0</b>	<b>(14.5)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>208.7</b>	<b>(118.5)</b>	<b>737.1</b>	<b>(245.2)</b>
<i>Attributable to equity holders of the parent</i>	<i>193.7</i>	<i>(125.3)</i>	<i>696.8</i>	<i>(269.8)</i>
<i>Attributable to non-controlling interests</i>	<i>15.0</i>	<i>6.8</i>	<i>40.3</i>	<i>24.6</i>

*The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.*

**Altice International S.à r.l.**  
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<b>Interim Consolidated Statement of Financial Position (€m)</b>	<b>Notes</b>	<b>As of September 30, 2022</b>	<b>As of December 31, 2021</b>
<b>Non-current assets</b>			
Goodwill	5	3,502.9	3,345.8
Intangible assets		1,111.5	1,182.0
Property, plant & equipment		3,698.6	3,576.4
Right-of-use assets		865.4	850.4
Contract costs		134.8	118.9
Investment in associates and joint ventures		43.6	53.3
Financial assets	6	3,881.2	3,127.1
Deferred tax assets		315.5	285.2
Other non-current assets		186.5	190.9
<b>Total non-current assets</b>		<b>13,740.0</b>	<b>12,730.0</b>
<b>Current assets</b>			
Inventories		255.3	164.7
Contract assets		50.8	43.4
Trade and other receivables		1,229.9	1,168.2
Current tax assets		24.1	6.0
Financial assets	6	490.3	342.0
Cash and cash equivalents		274.0	285.2
Restricted cash		42.5	41.7
Assets classified as held for sale		10.1	12.2
<b>Total current assets</b>		<b>2,377.0</b>	<b>2,063.4</b>
<b>Total assets</b>		<b>16,117.0</b>	<b>14,793.4</b>
<b>Equity</b>			
Issued capital	7.1	309.3	309.3
Other reserves	7.2	(150.6)	(236.4)
Retained earnings	7	1,165.7	555.0
<b>Equity attributable to equity holders of the parent</b>		<b>1,324.4</b>	<b>627.9</b>
Non-controlling interests	7.3	(4.0)	(35.8)
<b>Total equity</b>		<b>1,320.4</b>	<b>592.1</b>
<b>Non-current liabilities</b>			
Long-term borrowings, financial liabilities and related hedging instruments	8	8,687.7	7,969.2
Other financial liabilities	8.7	983.4	971.2
Non-current lease liabilities	8.7	1,002.3	949.2
Provisions <sup>1</sup>		805.1	938.8
Deferred tax liabilities		59.1	95.3
Non-current contract liabilities		44.7	48.9
Other non-current liabilities		197.9	139.2
<b>Total non-current liabilities</b>		<b>11,780.2</b>	<b>11,111.8</b>
<b>Current liabilities</b>			
Short-term borrowings, financial liabilities and related hedging instruments	8	182.8	292.6
Other financial liabilities	8.7	549.0	552.8
Current lease liabilities	8.7	100.0	94.3
Trade and other payables		1,640.4	1,567.6
Contract liabilities		176.7	125.7
Current tax liabilities		89.8	250.1
Provisions		241.8	180.3
Other current liabilities		30.4	21.8
Liabilities directly associated with assets classified as held for sale		5.5	4.3
<b>Total current liabilities</b>		<b>3,016.4</b>	<b>3,089.5</b>
<b>Total liabilities</b>		<b>14,796.6</b>	<b>14,201.3</b>
<b>Total equity and liabilities</b>		<b>16,117.0</b>	<b>14,793.4</b>

1 The decrease in the non-current provisions is mainly due to the decrease in pension obligations and termination benefits for which the discount rate has increased during the nine-month period ended September 30, 2022, which is partly offset by the increase in the healthcare plan benefits (please refer to note 3.3.2).

*The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.*

**Altice International S.à r.l.**  
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Interim Consolidated Statement of Changes in Equity	Number of shares on issue	Share capital	Retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Employee benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
(€m)	Common Shares									
<b>Equity at January 1, 2022</b>	<b>30,925,700,000</b>	<b>309.3</b>	<b>555.0</b>	<b>(132.8)</b>	<b>-</b>	<b>5.5</b>	<b>(109.1)</b>	<b>627.9</b>	<b>(35.8)</b>	<b>592.1</b>
Profit/(loss) for the period		-	611.0	-	-	-	-	611.0	39.1	<b>650.1</b>
Other comprehensive income/(loss)		-	-	79.5	-	0.1	6.2	85.8	1.2	<b>87.0</b>
<b>Comprehensive income/(loss)</b>		<b>-</b>	<b>611.0</b>	<b>79.5</b>	<b>-</b>	<b>0.1</b>	<b>6.2</b>	<b>696.8</b>	<b>40.3</b>	<b>737.1</b>
Dividends		-	-	-	-	-	-	-	(8.3)	<b>(8.3)</b>
Other		-	(0.3)	-	-	-	-	(0.3)	(0.2)	<b>(0.5)</b>
<b>Equity at September 30, 2022</b>	<b>30,925,700,000</b>	<b>309.3</b>	<b>1,165.7</b>	<b>(53.3)</b>	<b>-</b>	<b>5.6</b>	<b>(102.9)</b>	<b>1,324.4</b>	<b>(4.0)</b>	<b>1,320.4</b>

Interim Consolidated Statement of Changes in Equity	Number of shares on issue	Share capital	Retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Employee benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
(€m)	Common Shares									
<b>Equity at January 1, 2021</b>	<b>30,925,700,000</b>	<b>309.3</b>	<b>605.9</b>	<b>(33.1)</b>	<b>(16.8)</b>	<b>3.5</b>	<b>(112.7)</b>	<b>756.1</b>	<b>(20.1)</b>	<b>736.0</b>
Profit/(loss) for the period		-	(254.2)	-	-	-	-	(254.2)	23.5	<b>(230.7)</b>
Other comprehensive income/(loss)		-	-	(46.4)	16.8	(0.7)	14.7	(15.6)	1.1	<b>(14.5)</b>
<b>Comprehensive income/(loss)</b>		<b>-</b>	<b>(254.2)</b>	<b>(46.4)</b>	<b>16.8</b>	<b>(0.7)</b>	<b>14.7</b>	<b>(269.8)</b>	<b>24.6</b>	<b>(245.2)</b>
Transactions with non-controlling interests <sup>1</sup>		-	(19.5)	-	-	-	-	(19.5)	0.3	<b>(19.2)</b>
Dividends		-	-	-	-	-	-	-	(28.7)	<b>(28.7)</b>
Other		-	21.7	-	-	-	-	21.7	0.3	<b>22.0</b>
<b>Equity at September 30, 2021</b>	<b>30,925,700,000</b>	<b>309.3</b>	<b>353.9</b>	<b>(79.5)</b>	<b>-</b>	<b>2.8</b>	<b>(98.0)</b>	<b>488.5</b>	<b>(23.6)</b>	<b>464.9</b>

1. Transactions with non-controlling interests mainly related to the change in the fair value of minority put options of Teads and Intelcia Portugal Inshore S.A. ("Intelcia Portugal Inshore").

*The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.*

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Interim Consolidated Statement of Cash Flows	Note	Nine months ended September 30, 2022	Nine months ended September 30, 2021
(€m)			
<b>Profit/(loss) for the period</b>		<b>650.1</b>	<b>(230.7)</b>
<i>adjustments for:</i>			
Share of (earnings)/loss of associates and joint ventures		8.9	4.4
Depreciation, amortization and impairment		904.6	890.7
Other non-cash operating expenses/(income), net <sup>1</sup>		9.9	261.5
Finance costs/(income), net recognised in the statement of income	11	(122.1)	258.1
Income tax expense/(benefit) recognised in the statement of income	10	(66.7)	(14.2)
Pension plan liability payments		(80.8)	(97.9)
Income tax paid		(168.6)	(91.5)
Changes in working capital <sup>2</sup>		(65.1)	12.7
<b>Net cash provided by operating activities</b>		<b>1,070.2</b>	<b>993.1</b>
Payments to acquire tangible and intangible assets and contract costs	4.3.5	(700.2)	(605.9)
Proceeds from sale of tangible and intangible assets <sup>3</sup>	3.1	73.9	220.9
Payments related to acquisition of interests in associates	3.2	-	(45.4)
Proceeds from sale of interests in associates		-	8.5
Payments for acquisition of consolidated entities, net of cash		-	(123.9)
Advances paid to group companies		(49.9)	(21.3)
Transfers from/(to) restricted cash		0.7	(0.9)
Interest received <sup>4</sup>		25.0	1.9
Other cash used in investing activities		(3.0)	(8.1)
<b>Net cash used in investing activities</b>		<b>(653.5)</b>	<b>(574.2)</b>
Proceeds from issuance of debt instruments	8.2	367.4	2,760.0
Payments to redeem debt instruments	8.2	(486.2)	(2,529.4)
Payments to non-controlling interests		-	(0.8)
Proceeds related to payments made to suppliers through factoring arrangements		259.6	337.3
Payments made to factoring companies		(235.4)	(340.1)
Lease payment (principal) related to ROU		(71.8)	(64.9)
Lease payment (interest) related to ROU		(57.2)	(50.8)
Interest paid <sup>5</sup>		(287.9)	(305.0)
Proceeds /(payments) related to the monetization of swaps		0.8	34.6
Proceeds /(payments) related to the restructuring of swaps <sup>6</sup>		101.9	-
Dividends paid to non-controlling interests		(7.3)	(26.5)
Other cash used by financing activities <sup>7</sup>		(34.0)	(108.6)
<b>Net cash from financing activities</b>		<b>(450.1)</b>	<b>(294.2)</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies		22.2	9.1
<b>Net change in cash and cash equivalents</b>		<b>(11.2)</b>	<b>133.8</b>
Cash and cash equivalents at beginning of the period		285.2	354.0
<b>Cash and cash equivalents at end of the period</b>		<b>274.0</b>	<b>487.8</b>

- 1 Other non-cash items include allowances and writebacks for provisions and gains and losses recorded on the disposal of tangible and intangible assets. For the nine-month period ended September 30, 2021, other non-cash items include mainly the provision for a voluntary employee reduction program for €348.2 million and a provision related to termination payments payable to employees of €23.3 million in Portugal.
- 2 Changes in working capital relate to payments and receipts related to inventories, trade and other receivables and trade and other payables.
- 3 Proceeds from sale of tangible and intangible assets mainly include the proceeds from the 2022 Portuguese tower transaction, closed on March 31, 2022 (please refer to note 3.1).
- 4 Interest received includes €25.0 million related to the loan granted by the Company to Altice UK S.à r.l. (please refer to note 6.2).
- 5 Interest paid on debt includes interest received from / paid on interest rate derivatives.
- 6 Cash proceeds related to the restructuring of swaps for €101.9 million (please refer to note 8.2.1.2).
- 7 For the nine months ended September 30, 2022, other cash used in financing activities mainly includes €16.8 million interest on factoring arrangements. For the nine months ended September 30, 2021, other cash used in financing activities mainly includes €78.9 million of call premium related to the redemption of the Altice Financing 2026 notes (please refer to 8.2.2.2.) and €13.2 million interest on factoring arrangements.

*The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.*

## **1. About Altice International S.à r.l. and the Group**

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 September 30, 2022, Next Alt S.à r.l. indirectly held 90.2% 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. Accounting policies**

### **2.1. Basis of preparation**

These condensed interim consolidated financial statements of the Group as of September 30, 2022 and for the three and nine-month periods then ended (the “condensed interim consolidated financial statements”) were approved by the Board of Managers and authorized for issue on November 24, 2022.

These condensed interim consolidated financial statements are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2021 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union (“IFRS-EU”) (the “annual consolidated financial statements”).

The accounting policies applied for these condensed interim consolidated financial statements do not differ from those applied in the annual consolidated financial statements, except for the adoption of new standards effective as of January 1, 2022.

These condensed interim consolidated financial statements have been prepared on a going concern basis.

### **2.2. Application of new and revised International Financial Reporting Standards (IFRSs)**

#### *2.2.1. Standards applicable for the reporting period*

The following standards have mandatory application for periods beginning on or after January 1, 2022 as described in note 1.3.2 to the annual consolidated financial statements:

- Annual Improvements to IFRS Standards 2018-2020, effective on or after January 1, 2022; and
- Reference to the Conceptual Framework (Amendments to IFRS 3), effective on or after January 1, 2022.

The application of the Annual Improvements to IFRS Standards 2018-2020 and the Reference to the Conceptual Framework (Amendments to IFRS 3) had no material impact on the amounts recognised and on the disclosures in these condensed interim consolidated financial statements.

#### *2.2.2. Standards and interpretations not applicable as of reporting date*

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for periods starting from January 1, 2022 and that may impact the amounts reported:

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, effective date of the amendments has not yet been determined by the IASB;
- Amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective on or after January 1, 2023;
- Amendments to IAS 1 and IFRS Practice Statement 2 titled *Disclosure of Accounting Policies*, effective on or after 1 January 2023;
- Amendments to IAS 8 *Definition of Accounting Estimates*, effective on or after January 1, 2023; and

- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, effective for annual periods beginning on or after 1 January 2023.

The Board of Managers anticipates that the application of those amendments will not have a material impact on the amounts recognised in the consolidated financial statements.

### **2.3. Significant accounting judgments and estimates**

In the application of the Group's accounting policies, the Board of Managers is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These key areas of judgments and estimates, as disclosed in the annual consolidated financial statements, are:

- Revenue recognition;
- Estimations of provisions for litigations;
- Measurement of post-employment benefits;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Estimation of useful lives of intangible assets and property, plant and equipment;
- Impairment of goodwill and intangible assets;
- Estimation of impairment losses for contract assets and trade receivables;
- Determination of the right-of-use and lease liabilities; and
- Assessment of control.

As of September 30, 2022, there were no changes in the key areas of judgments and estimates.

### **3. Significant events**

The following events occurred during the nine-month period ended September 30, 2022, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

#### **3.1. Acquisitions and disposals in the current period**

##### *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 nine-month period ended September 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 4.3.2.3). Following the transaction, PT Portugal and Cellnex Telecom have entered into a Master Service Agreement ("MSA") related to the newly carved-out sites. As a consequence of the MSA, the lease liabilities increased for a total amount of €33.8 million.

#### **3.2. Acquisitions and disposals in the prior period**

##### *3.2.1. IBC Acquisition Israel*

On September 15, 2020, HOT Telecommunications Systems Ltd (HOT) announced that it has taken a minority stake in IBC Israel Broadband (IBC). Post-closing, HOT became an equal partner in the IBC Partnership (that holds 70% of IBC's share capital), together with Cellcom and Israel Infrastructure Fund (IIF) and HOT holds indirectly 23.3% of IBC's share capital, through an investment in the company of €44.6 million, substantially equal to the investment made by each of Cellcom and IIF. There is an agreement between IBC and HOT, under which HOT undertakes to purchase an indefeasible right, or IRU, to use IBC's fibre-optic network. There is also a service



agreement between IBC and HOT, under which IBC undertakes to purchase certain services from HOT. The transaction was closed on February 11, 2021 following the regulatory and third-party approvals. Following the closing of the transaction, HOT exercises a significant influence over IBC, that is accounted for under the equity method based on the provisions of IAS 28 *Investments in Associates and Joint Ventures*.

### 3.2.2. The 2021 Portuguese tower transaction

On May 26, 2021, PT Portugal entered into an exclusivity agreement with Cellnex Telecom S.A. for the demerger and sale of a business unit consisting of a set of mobile towers, other passive mobile infrastructure and related rights and obligations for an implied enterprise value of approximately €215.2 million. The transaction was closed on September 30, 2021, following customary regulatory approvals. Total cash proceeds amounted to €209.8 million (which include the enterprise value adjusted for positive working capital as of the closing date of €5.4 million). The total capital gain recorded for the nine-month period ended September 30, 2021 amounted to €88.5 million (please refer to note 4.3.2.3).

Following the transaction, PT Portugal and Cellnex Telecom have entered into a Master Service Agreement ("MSA") related to the newly carved-out sites, the main terms of which are similar to the one of the 2018 towers transaction. As a consequence of the MSA, the lease liabilities increased for a total amount of €94.1 million. Based on the provisions of IFRS 16 *Leases*, with respect to sale and lease back transactions, no right of use assets related to the MSA was recorded in the statement of financial position as it was recorded in reduction of the capital gain of the transaction.

### 3.2.3. Unisono Group acquisition

On August 6, 2021, the Company through its subsidiary Altice Portugal, signed and closed the acquisition of Unisono Solution Group S.L ("Unisono Group"), which is engaged in the provision of outsourced customer experience management (contact centre and business process service), and consulting and digital transformation services in Spain, Colombia, Chile and the United Kingdom. The total purchase price for the sale and purchase of the shares was €133.2 million, which represents 100% of the voting shares. Unisono Group is directly owned by Intelcia Portugal Inshore S.A., which is 65%-owned by PT Portugal and thus the economic interest of the Group in Unisono Group is 65%.

The table below presents the major classes of assets and liabilities of Unisono Group as of the acquisition date.

Acquisition of business (€m)	Unisono Group
Consideration transferred	133.2
<b>Assets</b>	
Customer relations	45.9
Other non-current assets	7.3
Trade receivables and others	18.9
Cash and cash equivalents	10.1
<b>Total assets</b>	<b>82.2</b>
<b>Liabilities</b>	
Non-current liabilities	(11.5)
Current liabilities	(27.7)
<b>Total liabilities</b>	<b>(39.2)</b>
<b>Net assets</b>	<b>43.0</b>
Residual goodwill	<b>90.2</b>

The purchase price allocation has been finalized and the Group identified all the assets and liabilities at fair value. The following fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition:

- a fair value of €45.9 million was attributed to customer relations and measured using the excess earnings method with a useful life of 20 years; and,
- a related deferred tax liability of €11.5 million.

The revenues and the net profit for the period of Unisono Group from the acquisition date to the reporting date

(from August 6, 2021 to September 30, 2021), are €24.4 million and €0.3 million respectively.

Had the acquisition of Unisono Group been completed on January 1, 2021, the Group would have earned, on a pro-forma basis, revenues of €122.4 million and net profit for the period of €3.9 million for the nine-month period ended September 30, 2021.

### **3.3. Other significant events**

#### *3.3.1. Pledge of the Altice UK Loan*

On February 17, 2022, with effect as of October 4, 2021, the Company, as lender, entered into a Luxembourg law governed intercompany facility agreement with Altice UK S.à r.l. as borrower (the "Altice UK Loan"), whereby the Company granted to Altice UK S.à r.l. a loan in an amount of €581.4 million. On July 26, 2022, the Company pledged the receivable from Altice UK S.à r.l. to the senior secured creditors of Altice Financing on a first priority basis, and the creditors of Altice Finco on a second priority basis.

#### *3.3.2. Post employment obligations in Portugal*

As a result of the increase in the discount rates during the nine-month period ended September 30, 2022, PT Portugal recorded a reduction of the defined benefit obligations for an amount of €191.7 million, of which €47.5 million related to termination benefits and thus recorded in the Consolidated Statement of Income (please refer to note 4.3.2.1) and of which €144.2 million related to healthcare benefits and pension supplements and thus recorded in Other comprehensive income.

In addition, as a result of the increase in the usage of healthcare plan benefits, the increase in the inflation of healthcare costs and the changes in the plan announced by PT Portugal during the third quarter of 2022, PT Portugal recorded a net increase of the defined benefit obligations for an amount of €103.3. million. The impact was recorded in Other comprehensive income for an amount of €128.9 million (actuarial losses reflecting mainly the expected increase of the insurance premium per beneficiary for the healthcare plans due to an increase in the usage and the inflation) and in the Consolidated Statement of Income for an amount of €25.6 million (actuarial gain reflecting the reduction in healthcare plan benefits) (please refer to note 4.3.2.1).

## **4. Segment reporting**

### **4.1. Definition of segments**

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The Group's chief operating decision maker is the Board of Managers. The Board of Managers analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the Board of Managers to track the Group's operational and financial performance. The businesses that the Group owns and operates do not show significant seasonality, except for the mobile residential and business services, which can show significant changes in sales at year end and at the end of the summer season (the "back to school" period). The business services are also impacted by the timing of preparation of the annual budgets of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **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. This segment also includes the Altice Technical Services entities in Portugal.
- **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 advertising experiences on their website and in their Apps.
- **Others:** Corporate entities are reported under "Others".

## **4.2. Financial Key Performance Indicators ("KPIs")**

The Board of Managers has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Managers believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group's results.

The financial KPIs tracked by the Board of Managers are:

- Revenues: by segment and in terms of activity;
- Adjusted EBITDA: by segment;
- Capital expenditure ("Capex"): by segment;
- Operating free cash flow ("OpFCF"): by segment; and
- Net financial debt.

### *4.2.1. Revenues*

Additional information on the revenue split is presented as follows:

- Residential revenue
  - Fixed: revenues from fixed services to B2C customers;
  - Mobile: revenues from mobile services to B2C subscribers;
  - Equipment business to B2C subscribers;
- Business services: revenues from B2B customers, wholesale and other revenues; and
- Media: media and advertisement revenues in Teads.

Intersegment revenues mainly relate to sales of products between operational segments of the Group and services rendered by certain centralized Group functions to the operational segments of the Group.

### *4.2.2. Non-GAAP measures*

Adjusted EBITDA, Capex, OpFCF and Net Financial Debt are non-GAAP measures. These measures are useful to readers of the condensed interim consolidated financial statements as they provide a measure of operating results excluding certain items that the Group's management believe 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 non-GAAP measures are used by the Group 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 same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of Adjusted EBITDA used in the covenants has not changed with the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases* by the Group.

#### *4.2.2.1. Adjusted EBITDA*

Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and 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). This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the condensed interim consolidated financial statements are in accordance with IAS 1 *Presentation of Financial Statements*.

#### *4.2.2.2. Capex*

Capex is an important indicator to follow, as the profile varies greatly between activities:

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- 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 Premise Equipment (TV decoder, modem, etc.).
- 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.
- Other Capex is mainly related to costs incurred in acquiring content rights.

#### 4.2.2.3. Operating free cash flow

Operating free cash flow (“OpFCF”) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 7 *Statement of Cashflows*.

#### 4.2.2.4. Net financial debt

Net financial debt is a non-GAAP measure which is useful to the readers of the condensed interim consolidated financial statements as it provides meaningful information regarding the financial position of Group and its ability to pay its financial debt obligations compared to its liquid assets. Please refer to notes 8.4 and 8.5.

### 4.3. Segment results

#### 4.3.1. Operating profit by segment

For the three months ended September 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
<b>Revenues</b>	<b>680.4</b>	<b>312.1</b>	<b>160.2</b>	<b>149.2</b>	<b>0.2</b>	<b>(5.9)</b>	<b>1,296.2</b>
Purchasing and subcontracting costs	(212.2)	(110.4)	(32.1)	-	-	3.3	(351.4)
Other operating expenses	(106.2)	(60.2)	(27.3)	(72.3)	(0.5)	0.5	(266.0)
Staff costs and employee benefit expenses	(105.9)	(24.3)	(9.7)	(38.7)	-	0.1	(178.5)
<b>Total</b>	<b>256.1</b>	<b>117.2</b>	<b>91.1</b>	<b>38.2</b>	<b>(0.3)</b>	<b>(2.0)</b>	<b>500.3</b>
Share-based expense	-	-	-	-	-	-	-
Rental expense operating lease <sup>1</sup>	(22.5)	(9.0)	(9.1)	(1.5)	-	-	(42.1)
<b>Adjusted EBITDA</b>	<b>233.6</b>	<b>108.2</b>	<b>82.0</b>	<b>36.7</b>	<b>(0.3)</b>	<b>(2.0)</b>	<b>458.2</b>
Depreciation, amortisation and impairment	(162.8)	(90.3)	(39.9)	(6.1)	-	-	(299.1)
Share-based expense	-	-	-	-	-	-	-
Other expenses and income	28.4	(13.9)	(0.9)	(2.1)	0.1	-	11.6
Rental expense operating lease <sup>1</sup>	22.5	9.0	9.1	1.5	-	-	42.1
<b>Operating profit/(loss)</b>	<b>121.7</b>	<b>13.0</b>	<b>50.3</b>	<b>30.0</b>	<b>(0.2)</b>	<b>(2.0)</b>	<b>212.8</b>

For the three months ended September 30, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
<b>Revenues</b>	<b>589.4</b>	<b>248.0</b>	<b>123.2</b>	<b>129.9</b>	<b>0.2</b>	<b>(2.1)</b>	<b>1,088.6</b>
Purchasing and subcontracting costs	(162.8)	(79.7)	(25.3)	-	-	(2.5)	(270.3)
Other operating expenses	(96.0)	(50.6)	(20.9)	(59.1)	(0.7)	3.2	(224.1)
Staff costs and employee benefit expenses	(90.0)	(20.0)	(7.5)	(28.6)	-	-	(146.1)
<b>Total</b>	<b>240.6</b>	<b>97.7</b>	<b>69.5</b>	<b>42.2</b>	<b>(0.5)</b>	<b>(1.4)</b>	<b>448.1</b>
Share-based expense	-	-	-	-	-	-	-
Rental expense operating lease <sup>1</sup>	(18.8)	(9.7)	(5.8)	(1.0)	-	-	(35.3)
<b>Adjusted EBITDA</b>	<b>221.8</b>	<b>88.0</b>	<b>63.7</b>	<b>41.2</b>	<b>(0.5)</b>	<b>(1.4)</b>	<b>412.8</b>
Depreciation, amortisation and impairment	(176.0)	(83.5)	(31.4)	(6.0)	-	-	(296.9)
Share-based expense	-	-	-	-	-	-	-
Other expenses and income	76.0	(2.2)	2.6	(70.4)	(16.2)	-	(10.2)
Rental expense operating lease <sup>1</sup>	18.8	9.7	5.8	1.0	-	-	35.3
<b>Operating profit/(loss)</b>	<b>140.6</b>	<b>12.0</b>	<b>40.7</b>	<b>(34.2)</b>	<b>(16.7)</b>	<b>(1.4)</b>	<b>141.0</b>

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For the nine months ended September 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
<b>Revenues</b>	<b>1,934.6</b>	<b>891.3</b>	<b>445.1</b>	<b>408.7</b>	<b>0.6</b>	<b>(15.1)</b>	<b>3,665.2</b>
Purchasing and subcontracting costs	(570.0)	(313.1)	(89.6)	-	-	9.5	(963.2)
Other operating expenses	(307.0)	(179.8)	(73.5)	(205.7)	(2.2)	1.5	(766.7)
Staff costs and employee benefit expenses	(303.0)	(70.1)	(26.8)	(112.4)	-	0.2	(512.1)
<b>Total</b>	<b>754.6</b>	<b>328.3</b>	<b>255.2</b>	<b>90.6</b>	<b>(1.6)</b>	<b>(3.9)</b>	<b>1,423.2</b>
Share-based expense	-	-	-	-	-	-	-
Rental expense operating lease <sup>1</sup>	(66.7)	(27.4)	(24.9)	(4.3)	-	-	(123.3)
<b>Adjusted EBITDA</b>	<b>687.9</b>	<b>300.9</b>	<b>230.3</b>	<b>86.3</b>	<b>(1.6)</b>	<b>(3.9)</b>	<b>1,299.9</b>
Depreciation, amortisation and impairment	(511.5)	(265.9)	(108.0)	(19.2)	-	-	(904.6)
Share-based expense	-	-	-	-	-	-	-
Other expenses and income	0.4	(22.9)	(1.2)	(5.5)	(19.2)	-	(48.4)
Rental expense operating lease <sup>1</sup>	66.7	27.4	24.9	4.3	-	-	123.3
<b>Operating profit/(loss)</b>	<b>243.5</b>	<b>39.5</b>	<b>146.0</b>	<b>65.9</b>	<b>(20.8)</b>	<b>(3.9)</b>	<b>470.2</b>

For the nine months ended September 30, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Inter- segment elimination	Total
<b>Revenues</b>	<b>1,689.2</b>	<b>736.0</b>	<b>361.6</b>	<b>371.7</b>	<b>0.6</b>	<b>(6.1)</b>	<b>3,153.0</b>
Purchasing and subcontracting costs	(482.6)	(261.9)	(79.2)	-	(0.1)	2.7	(821.1)
Other operating expenses	(268.1)	(147.0)	(58.0)	(163.7)	(1.9)	0.4	(638.3)
Staff costs and employee benefit expenses	(243.8)	(59.5)	(22.1)	(84.7)	(0.2)	0.1	(410.2)
<b>Total</b>	<b>694.7</b>	<b>267.6</b>	<b>202.3</b>	<b>123.3</b>	<b>(1.6)</b>	<b>(2.9)</b>	<b>1,283.4</b>
Share-based expense	0.4	0.2	0.3	-	-	-	0.9
Rental expense operating lease <sup>1</sup>	(56.0)	(24.7)	(16.3)	(3.5)	-	-	(100.5)
<b>Adjusted EBITDA</b>	<b>639.1</b>	<b>243.1</b>	<b>186.3</b>	<b>119.8</b>	<b>(1.6)</b>	<b>(2.9)</b>	<b>1,183.8</b>
Depreciation, amortisation and impairment	(531.9)	(245.8)	(94.3)	(18.7)	-	-	(890.7)
Share-based expense	(0.4)	(0.2)	(0.3)	-	-	-	(0.9)
Other expenses and income	(279.4)	(6.5)	1.5	(73.0)	(17.8)	0.1	(375.1)
Rental expense operating lease <sup>1</sup>	56.0	24.7	16.3	3.5	-	-	100.5
<b>Operating profit/(loss)</b>	<b>(116.6)</b>	<b>15.3</b>	<b>109.5</b>	<b>31.6</b>	<b>(19.4)</b>	<b>(2.8)</b>	<b>17.6</b>

<sup>1</sup> 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.

#### 4.3.2. Other expenses and income

Other expenses and income mainly relate to provisions for ongoing and announced restructuring and other expenses (for example gains and losses on disposal of assets, deal fees on acquisitions of entities and provisions for litigations).

Details of costs incurred during the three and nine-month periods ended September 30, 2022 and 2021 are provided in the following table:

Other expenses and income (€m)	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Restructuring costs (including termination employee benefit costs)	(36.0)	15.2	(71.1)	371.5
Disputes and litigation	18.9	(3.7)	131.4	(5.1)
Net gain on sale of interest in assets and associates	(2.2)	(89.2)	(41.8)	(95.2)
Deal fees	1.0	4.6	5.4	7.3
Management fees	0.9	(2.0)	3.2	4.2
Other, net	5.8	85.3	21.3	92.4
<b>Other expenses and (income)</b>	<b>(11.6)</b>	<b>10.2</b>	<b>48.4</b>	<b>375.1</b>

##### 4.3.2.1. Restructuring costs (including termination employee benefit costs)

For the nine-month period ended September 30, 2022, actuarial gains of €73.1 million were recorded in Portugal resulting from the remeasurement of the termination benefits liabilities (increase in the discount rate) for an amount of €47.5 and from the reduction in healthcare plan benefits for an amount of €25.6 (please refer to note 3.3.2).

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For the nine-month period ended September 30, 2021, termination employee benefit costs and a provision for termination for a total amount of €348.2 million were recognized as part of the pre-retirement program launched in March 2021, for which €12.4 million were recognized during the third quarter of 2021. In addition, during the nine-month period ended September 30, 2021, a provision related to termination payments payable to employees was recorded for an amount of €23.3 million.

**4.3.2.2. Disputes and litigation**

For the nine-month period ended September 30, 2022, this includes mainly the liability related to litigation with the Portuguese Competition Authority (please refer to note 13.1.3), the settlement agreement related to the Israel Consumer class action (please refer to note 13.2) and the settlement agreement between Cool Holding Ltd, H. Hadaros 2012 Ltd and the Israeli VAT authority in Israel (please refer to note 10.2).

**4.3.2.3. Net gain on sale of interest in assets and associates**

For the nine-month period ended September 30, 2022, this includes mainly the capital gain of €37.4 million related to the 2022 Portuguese tower transaction (please refer to note 3.1).

For the nine-month period ended September 30, 2021, this related mainly to the capital gain of €88.5 million from the 2021 Portuguese tower transaction (please refer to note 3.2.2) and the capital gain of €6.1 million from the sale of a 50% stake in Janela Digital in Portugal (the cash proceeds for the sale were €8.5 million).

**4.3.2.4. Other, net**

For the nine-month period ended September 30, 2021, this mainly includes an expense of €66.0 million related to a one-time fee for Pierre Chappaz and Bertrand Quesada (founders of Teads) granted in July 2021. A first payment was made by Teads in May 2022 and the remaining amount was paid in October 2022.

**4.3.3. Reconciliation of profit/(loss) to Adjusted EBITDA**

(€m)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
<b>Profit/(loss) for the period</b>	<b>250.9</b>	<b>(88.3)</b>	<b>650.1</b>	<b>(230.7)</b>
Income tax expense/(benefit)	49.6	16.1	(66.7)	(14.2)
Share of (earnings)/loss of associates and joint ventures	1.9	-	8.9	4.4
Finance costs/(income), net	(89.6)	213.2	(122.1)	258.1
<b>Operating profit/(loss)</b>	<b>212.8</b>	<b>141.0</b>	<b>470.2</b>	<b>17.6</b>
Depreciation, amortization and impairment	299.1	296.9	904.6	890.7
Other expense and (income)	(11.6)	10.2	48.4	375.1
Share-based expense	-	-	-	0.9
Rental expense operating lease	(42.1)	(35.3)	(123.3)	(100.5)
<b>Adjusted EBITDA</b>	<b>458.2</b>	<b>412.8</b>	<b>1,299.9</b>	<b>1,183.8</b>

**4.3.4. Revenues by activity**

The tables below provide the split of revenues by activity as defined in note 4.2.1.

For the three months ended September 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	173.0	149.8	30.7	-	-	<b>353.5</b>
Mobile	123.6	67.6	91.4	-	-	<b>282.6</b>
Residential service	296.6	217.4	122.1	-	-	<b>636.1</b>
Residential equipment	33.4	27.5	10.0	-	-	<b>70.9</b>
<b>Total Residential</b>	<b>330.0</b>	<b>244.9</b>	<b>132.1</b>	<b>-</b>	<b>-</b>	<b>707.0</b>
Business services	350.4	67.2	28.1	-	0.2	<b>445.9</b>
Media	-	-	-	149.2	-	<b>149.2</b>
<b>Total standalone revenues</b>	<b>680.4</b>	<b>312.1</b>	<b>160.2</b>	<b>149.2</b>	<b>0.2</b>	<b>1,302.1</b>
Intersegment elimination	(5.6)	-	-	(0.3)	-	<b>(5.9)</b>
<b>Total consolidated</b>	<b>674.8</b>	<b>312.1</b>	<b>160.2</b>	<b>148.9</b>	<b>0.2</b>	<b>1,296.2</b>

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For the three months ended September 30, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	165.4	141.2	24.4	-	-	331.0
Mobile	120.6	54.7	70.8	-	-	246.1
Residential service	286.0	195.9	95.2	-	-	577.1
Residential equipment	28.5	15.2	6.8	-	-	50.5
Total Residential	314.5	211.1	102.0	-	-	627.6
Business services	274.9	36.9	21.2	-	0.2	333.2
Media	-	-	-	129.9	-	129.9
<b>Total standalone revenues</b>	<b>589.4</b>	<b>248.0</b>	<b>123.2</b>	<b>129.9</b>	<b>0.2</b>	<b>1,090.7</b>
Intersegment elimination	(1.9)	-	-	(0.2)	-	(2.1)
<b>Total consolidated</b>	<b>587.5</b>	<b>248.0</b>	<b>123.2</b>	<b>129.7</b>	<b>0.2</b>	<b>1,088.6</b>

For the nine months ended September 30, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	518.1	439.4	85.8	-	-	1,043.3
Mobile	362.1	190.5	252.5	-	-	805.1
Residential service	880.2	629.9	338.3	-	-	1,848.4
Residential equipment	83.9	73.9	28.1	-	-	185.9
Total Residential	964.1	703.8	366.4	-	-	2,034.3
Business services	970.5	187.5	78.7	-	0.6	1,237.3
Media	-	-	-	408.7	-	408.7
<b>Total standalone revenues</b>	<b>1,934.6</b>	<b>891.3</b>	<b>445.1</b>	<b>408.7</b>	<b>0.6</b>	<b>3,680.3</b>
Intersegment elimination	(14.3)	-	-	(0.8)	-	(15.1)
<b>Total consolidated</b>	<b>1,920.3</b>	<b>891.3</b>	<b>445.1</b>	<b>407.9</b>	<b>0.6</b>	<b>3,665.2</b>

For the nine months ended September 30, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	493.7	412.8	70.3	-	-	976.8
Mobile	351.7	158.8	203.8	-	-	714.3
Residential service	845.4	571.6	274.1	-	-	1,691.1
Residential equipment	78.5	51.4	23.6	-	-	153.5
Total Residential	923.9	623.0	297.7	-	-	1,844.6
Business services	765.3	113.0	63.9	-	0.6	942.8
Media	-	-	-	371.7	-	371.7
<b>Total standalone revenues</b>	<b>1,689.2</b>	<b>736.0</b>	<b>361.6</b>	<b>371.7</b>	<b>0.6</b>	<b>3,159.1</b>
Intersegment elimination	(5.2)	-	-	(0.9)	-	(6.1)
<b>Total consolidated</b>	<b>1,684.0</b>	<b>736.0</b>	<b>361.6</b>	<b>370.8</b>	<b>0.6</b>	<b>3,153.0</b>

The table below provides the standalone and consolidated revenues in accordance with IFRS 15 *Revenue from Contracts with Customers* for the three and nine-month periods ended September 30, 2022 and 2021.

Revenues split IFRS 15 (€m)	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Fixed residential	353.5	331.0	1,043.3	976.8
Mobile residential	282.6	246.1	805.1	714.3
Business services	416.1	309.8	1,147.9	855.7
<b>Total telecom excluding equipment sales</b>	<b>1,052.2</b>	<b>886.9</b>	<b>2,996.3</b>	<b>2,546.8</b>
Equipment sales	100.7	73.9	275.3	240.6
Media	149.2	129.9	408.7	371.7
<b>Total standalone revenues</b>	<b>1,302.1</b>	<b>1,090.7</b>	<b>3,680.3</b>	<b>3,159.1</b>
Intersegment elimination	(5.9)	(2.1)	(15.1)	(6.1)
<b>Total consolidated</b>	<b>1,296.2</b>	<b>1,088.6</b>	<b>3,665.2</b>	<b>3,153.0</b>

#### 4.3.5. Capital expenditure

The table below details the capital expenditure by segment and reconciles it to the payments to acquire capital items (tangible and intangible assets) as presented in the consolidated statement of cash flows.

For the nine months ended September 30, 2022 (€m)	Portugal	Israel <sup>1</sup>	Dominican Republic	Teads	Others	Eliminations	Total
Capital expenditure - accrued	339.7	324.4	104.4	6.1	-	(7.6)	<b>767.0</b>
Capital expenditure - working capital items	10.2	(81.0)	4.7	-	-	(0.7)	<b>(66.8)</b>
<b>Payments to acquire tangible and intangible assets and contract costs</b>	<b>349.9</b>	<b>243.4</b>	<b>109.1</b>	<b>6.1</b>	<b>-</b>	<b>(8.3)</b>	<b>700.2</b>

1. The capital expenditure - accrued for Israel includes an amount of €82.0 million related to the indefeasible right of use ("IRU") signed with IBC (please refer to note 3.2) and the acquisition of a customer base for of €2.2 million.

For the nine months ended September 30, 2021 €m	Portugal	Israel <sup>1</sup>	Dominican Republic	Teads	Others	Eliminations	Total
Capital expenditure - accrued	338.1	249.6	80.6	5.6	-	(1.5)	<b>672.4</b>
Capital expenditure - working capital items	(9.2)	(52.5)	(4.2)	-	-	(0.6)	<b>(66.5)</b>
<b>Payments to acquire tangible and intangible assets and contract costs</b>	<b>328.9</b>	<b>197.1</b>	<b>76.4</b>	<b>5.6</b>	<b>-</b>	<b>(2.1)</b>	<b>605.9</b>

1. The capital expenditure - accrued for Israel includes an amount of €61.9 million related to the indefeasible right of use ("IRU") signed with IBC (please refer to note 3.2).

#### 4.3.6. Operating Free Cash Flow

For the nine months ended September 30, 2022 €m	Portugal	Israel	Dominican Republic	Teads	Others	Eliminations	Total
Adjusted EBITDA	687.9	300.9	230.3	86.3	(1.6)	(3.9)	<b>1,299.9</b>
Capital expenditure - accrued	(339.7)	(324.4)	(104.4)	(6.1)	-	7.6	<b>(767.0)</b>
<b>Operating free cash flow (OpFCF)</b>	<b>348.2</b>	<b>(23.5)</b>	<b>125.9</b>	<b>80.2</b>	<b>(1.6)</b>	<b>3.7</b>	<b>532.9</b>

For the nine months ended September 30, 2021 €m	Portugal	Israel	Dominican Republic	Teads	Others	Eliminations	Total
Adjusted EBITDA	639.1	243.1	186.3	119.8	(1.6)	(2.9)	<b>1,183.8</b>
Capital expenditure - accrued	(338.1)	(249.6)	(80.6)	(5.6)	-	1.5	<b>(672.4)</b>
<b>Operating free cash flow (OpFCF)</b>	<b>301.0</b>	<b>(6.5)</b>	<b>105.7</b>	<b>114.2</b>	<b>(1.6)</b>	<b>(1.4)</b>	<b>511.4</b>

## 5. Goodwill and impairment of goodwill

### 5.1. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different groups of cash generating units ("GCGU" or "CGU" for cash generating units) as defined by the Group.

Goodwill (€m)	January 1, 2022	Recognised on business combination	Changes in foreign currency translation	Held for sale	Other	September 30, 2022
Portugal	1,822.1	-	-	-	-	1,822.1
Israel	873.3	-	10.0	-	-	883.3
Dominican Republic	618.3	-	149.2	-	-	767.5
Others	204.9	-	-	-	-	204.9
<b>Gross value</b>	<b>3,518.6</b>	-	<b>159.2</b>	-	-	<b>3,677.8</b>
Portugal	-	-	-	-	-	-
Israel	(172.8)	-	(2.1)	-	-	(174.9)
Dominican Republic	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Cumulative impairment</b>	<b>(172.8)</b>	-	<b>(2.1)</b>	-	-	<b>(174.9)</b>
Portugal	1,822.1	-	-	-	-	1,822.1
Israel	700.5	-	7.9	-	-	708.4
Dominican Republic	618.3	-	149.2	-	-	767.5
Others	204.9	-	-	-	-	204.9
<b>Net book value</b>	<b>3,345.8</b>	-	<b>157.1</b>	-	-	<b>3,502.9</b>



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<b>Goodwill</b>	<b>January 1, 2021</b>	<b>Recognised on business combination</b>	<b>Changes in foreign currency translation</b>	<b>Held for sale</b>	<b>Other</b>	<b>December 31, 2021</b>
<b>(€m)</b>						
Portugal	1,732.1	90.2	-	-	(0.2)	1,822.1
Israel	789.9	-	83.4	-	-	873.3
Dominican Republic	567.8	-	50.5	-	-	618.3
Others	204.9	-	-	-	-	204.9
<b>Gross value</b>	<b>3,294.7</b>	<b>90.2</b>	<b>133.9</b>	<b>-</b>	<b>(0.2)</b>	<b>3,518.6</b>
Portugal	-	-	-	-	-	-
Israel	(155.6)	-	(17.2)	-	-	(172.8)
Dominican Republic	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Cumulative impairment</b>	<b>(155.6)</b>	<b>-</b>	<b>(17.2)</b>	<b>-</b>	<b>-</b>	<b>(172.8)</b>
Portugal	1,732.1	90.2	-	-	(0.2)	1,822.1
Israel	634.3	-	66.2	-	-	700.5
Dominican Republic	567.8	-	50.5	-	-	618.3
Others	204.9	-	-	-	-	204.9
<b>Net book value</b>	<b>3,139.1</b>	<b>90.2</b>	<b>116.7</b>	<b>-</b>	<b>(0.2)</b>	<b>3,345.8</b>

## 5.2. Impairment of goodwill

Goodwill is tested at the level of each GCGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the GCGU level for impairment as of December 31, 2021. In 2022, the Company decided to change the measurement date of the impairment test and to perform the impairment test as of September 30, 2022.

The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The Group determined value in use for purposes of its impairment testing and, accordingly, did not determine the fair value less cost of disposal of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate, revenue, Adjusted EBITDA and capital expenditures. Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment, other expenses and incomes (capital gains, non-recurring litigation, restructuring costs) and 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 lease).

The Board of Managers and the Group's senior executives have determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any GCGU, while the recoverable amounts continue to significantly exceed the carrying amounts. Therefore, based on the annual impairment test performed as at September 30, 2022, no impairment of goodwill was recorded.

### 5.2.1. Key assumptions used in impairment testing

The Group has made use of various external indicators and internal reporting tools to assess and estimate the key assumptions used in the Group's impairment testing as of September 30, 2022.

### 5.2.2. Cash flows

The value in use of each GCGU was determined by estimating cash flows for a period of five years for the operating activities. Cash flow forecasts are derived from the most recent business plans approved by the Board of Managers. Beyond the specifically forecasted period of five years, the Company extrapolates cash flows for the remaining years based on an estimated constant growth rate between 1.4% and 3.8%. The growth rate is estimated at an individual GCGU level and does not exceed the average long-term growth rate for the relevant markets.

### 5.2.3. Discount rates

Discount rates have been estimated using pre-tax rates, which reflect current market rates for investments of similar risk. The discount rate for the GCGUs was estimated using the weighted average cost of capital ("WACC") of companies that operate a portfolio of assets similar to the Group's. The pre-tax discount rates used across the Group for the calculation of the value in use at September 30, 2022 range from 8.4% to 16.5%.

#### 5.2.4. Other internal assumptions

The Groups makes assumptions of customer churn rates and operating income, or Adjusted EBITDA (and the Adjusted EBITDA margin). These assumptions were based on historical experience and expectations of future changes in the market. The Group also assumes that recurring Capex is expected to be proportional to sales, related to the acquisition of new clients, and thus is indexed to the growth in revenues.

#### 5.2.5. Assumptions about external factors

In addition to using internal indicators to assess the carrying amount in use, the Board of Managers also relies on external factors which can influence the cash generating capacity of the GCGUs and indicate that certain factors beyond the control of the Board of Managers might influence the carrying amounts in use:

- indicators of market slowdown in a country of operation;
- indicators of degradation in financial markets, that can impact the financing ability of the Group.

Key assumptions used in estimating value in use	Portugal	Israel	Dominican Republic	Teads
<b>At September 30, 2022</b>				
Average terminal growth rate (%)	1.4%	1.5%	3.8%	1.5%
5-year average Adjusted EBITDA margin (%)	37.3%	36.5%	48.7%	27.1%
5-year average Capex ratio (%)	14.0%	27.6%	20.2%	2.0%
Pre-tax discount rate (%)	8.4%	9.0%	16.5%	15.1%
Post-tax discount rate (WACC) (%)	6.0%	7.5%	13.0%	11.0%
<b>At December 31, 2021</b>				
Average terminal growth rate (%)	1.5%	1.5%	3.8%	1.5%
5-year average Adjusted EBITDA margin (%)	37.1%	38.1%	47.1%	31.7%
5-year average Capex ratio (%)	18.2%	25.9%	20.6%	1.8%
Pre-tax discount rate (%)	8.0%	7.9%	13.7%	14.0%
Post-tax discount rate (WACC) (%)	6.0%	6.5%	11.0%	10.5%

#### 5.2.6. Sensitivity analysis

In validating the value in use determined for the GCGU, key assumptions used in the discounted cash-flow model were subject to a sensitivity analysis to test the resilience of the value in use. The sensitivity analysis of the GCGUs is presented below, given changes to the material inputs to the respective valuations:

Sensitivity to changes in key inputs in the value in use calculation	Portugal	Israel	Dominican Republic	Teads
Amount by which the GCGU exceeds the book value (€m)	4,455.3	297.2	494.0	2,083.9
Terminal growth rate for which recoverable amount is equal to carrying amount (%)	(6.2)%	0.5%	(2.2)%	Nm
Post-tax discount rate for which recoverable amount is equal to carrying amount (%)	11.0%	8.4%	17.1%	69.0%
Adjusted EBITDA margin for which recoverable amount is equal to carrying amount (%)	27.4%	34.5%	40.0%	8.4%
0.5% increase in the discount rate (€m)	(828.7)	(168.8)	(82.9)	(126.1)
1.0% decrease in the terminal growth rate (€m)	(1,277.3)	(308.7)	(123.1)	(178.3))

The analysis did not result in any scenarios whereby a reasonable possible change in the key assumptions would result in a recoverable amount for the GCGU which is significantly inferior to the carrying value, if applied to any other GCGU.

## 6. Financial assets

Financial assets (€m)	As of September 30, 2022	As of December 31, 2021
Derivative financial assets	824.3	98.7
Loans and receivables	3,363.3	3,315.8
Call options with non-controlling interests	15.4	15.4
Equity instruments at fair value through OCI	9.5	9.2
Other financial assets	159.0	30.0
<b>Total</b>	<b>4,371.5</b>	<b>3,469.1</b>
Current	490.3	342.0
Non-current	3,881.2	3,127.1

## 6.1 Derivative financial assets

The Group has significant borrowings and executes derivative contracts to hedge its position in compliance with its treasury policy. All derivatives are measured at their fair value at September 30, 2022. The total asset position as of September 30, 2022 was €824.3 million (December 31, 2021: €98.7 million). The increase in the derivative financial assets is mainly related to the change in the USD foreign exchange rate.

Please also refer to note 8.3 for details on each of these derivatives held by the Group and to note 9 for information on the fair value of the derivatives, including the fair value hierarchy.

## 6.2 Loans and receivables

As of September 30, 2022, loans and receivables of the Group were €3,363.3 million. The loans and receivables of the Group as of September 30, 2022 mainly relates to loans, advances and facility agreements with Altice Luxembourg of €1,570.4 million, Altice Group Lux S.à r.l. ("Altice Group Lux") of €788.8 million, Altice UK S.à r.l. of €581.4 million and Altice Corporate Financing S.à r.l. of €340.6 million.

## 6.3 Call options with non-controlling interests

Through the various acquisitions that the Group has completed in recent years, the Company signed agreements whereby it has a call option to acquire certain residual non-controlling interests in entities in which it has not acquired 100%. The call options are derivative financial instruments and are re-measured to their fair value at September 30, 2022. Please also refer to note 9.1.

## 6.4 Other financial assets

The increase in other financial assets is mainly related to an increase in accrued interest on loans receivable from €3.7 million as at December 31, 2021 to €130.8 million as at September 30, 2022 as the accrued interest is paid or capitalised mainly annually at the end of the financial year.

## 7. Shareholders' equity and non-controlling interests

Equity attributable to owners of the Company (€m)	Notes	As of September 30, 2022	As of December 31, 2021
Issued capital	7.1	309.3	309.3
Other reserves	7.2	(150.6)	(236.4)
Retained earnings		1,165.7	555.0
<b>Total</b>		<b>1,324.4</b>	<b>627.9</b>

### 7.1. Issued capital

For the nine-month period ended September 30, 2022, there were no changes in the issued capital of the Company. Total issued capital of the Company as at September 30, 2022 was €309.3 million, comprising 30,925,700,000 outstanding ordinary shares, with a nominal value of €0.01 each.

### 7.2. Other reserves

The tax effects of the Group's currency, fair value through OCI and employee benefits reserves are provided below.

Other reserves (€m)	September 30, 2022			December 31, 2021		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(129.8)	26.9	(102.9)	(137.7)	28.8	(108.9)
<b>Items not reclassified to profit or loss</b>	<b>(129.8)</b>	<b>26.9</b>	<b>(102.9)</b>	<b>(137.7)</b>	<b>28.8</b>	<b>(108.9)</b>
Fair value through OCI	5.6	-	5.6	5.5	-	5.5
Currency translation reserve	(53.3)	-	(53.3)	(133.0)	-	(133.0)
<b>Items potentially reclassified to profit or loss</b>	<b>(47.7)</b>	<b>-</b>	<b>(47.7)</b>	<b>(127.5)</b>	<b>-</b>	<b>(127.5)</b>
<b>Total</b>	<b>(177.5)</b>	<b>26.9</b>	<b>(150.6)</b>	<b>(265.2)</b>	<b>28.8</b>	<b>(236.4)</b>

### 7.3. Variation in non-controlling interests

Variations in non-controlling interests (€m)	Altice Technical Services	FastFiber	Other	Total
<b>Opening balance at January 1, 2021</b>	<b>(34.8)</b>	<b>26.7</b>	<b>(12.0)</b>	<b>(20.1)</b>
Profit / (loss) for the period	(2.2)	36.1	0.9	34.8
Other comprehensive income	1.6	(0.1)	-	1.5
Dividends	(2.5)	(45.9)	(4.1)	(52.5)
Other	0.1	-	0.4	0.5
<b>Closing at December 31, 2021</b>	<b>(37.8)</b>	<b>16.8</b>	<b>(14.8)</b>	<b>(35.8)</b>
Profit / (loss) for the period	(1.8)	40.2	0.7	39.1
Other comprehensive income	1.2	(0.1)	0.1	1.2
Dividends	-	(4.8)	(3.5)	(8.3)
Other	0.1	-	(0.3)	(0.2)
<b>Closing at September 30, 2022</b>	<b>(38.3)</b>	<b>52.1</b>	<b>(17.8)</b>	<b>(4.0)</b>

The main change in non-controlling interests (“NCI”) as of September 30, 2022 was the net income attributable to the non-controlling interests for the nine-month period ended September 30, 2022 of €39.1 million and the dividends paid to non-controlling interests of €8.3 million, mainly related to FastFiber.

### 8. Borrowings, other financial liabilities and lease liabilities

Borrowings, other financial liabilities and lease liabilities (€m)	Notes	September 30, 2022	December 31, 2021
<b>Long term borrowings, financial liabilities and related hedging instruments</b>		<b>8,687.7</b>	<b>7,969.2</b>
- <i>Debentures</i>	8.1	6,474.0	6,005.3
- <i>Loans from lenders</i>	8.1	2,015.1	1,784.9
- <i>Derivative financial instruments</i>	8.3	198.6	179.0
<b>Other non-current financial liabilities</b>	8.7	<b>983.4</b>	<b>971.2</b>
<b>Lease liabilities non-current</b>		<b>1,002.3</b>	<b>949.2</b>
<b>Non-current liabilities</b>		<b>10,673.4</b>	<b>9,889.6</b>
<b>Short term borrowing, financial liabilities and related hedging instruments</b>		<b>182.8</b>	<b>292.6</b>
- <i>Debentures</i>	8.1	-	-
- <i>Loans from lenders</i>	8.1	161.5	263.9
- <i>Derivative financial instruments</i>	8.3	21.3	28.7
<b>Other financial liabilities</b>	8.7	<b>549.0</b>	<b>552.8</b>
- <i>Other financial liabilities</i>		449.4	404.3
- <i>Bank overdraft</i>		3.7	10.9
- <i>Accrued interest</i>		95.9	137.6
<b>Lease liabilities current</b>		<b>100.0</b>	<b>94.3</b>
<b>Current liabilities</b>		<b>831.8</b>	<b>939.7</b>
<b>Total</b>		<b>11,505.2</b>	<b>10,829.3</b>

#### 8.1. Debentures and loans from lenders

Debentures and loans from lenders (€m)	Notes	September 30, 2022	December 31, 2021
Debentures	8.1.1	6,474.0	6,005.3
Loans from lenders	8.1.2	2,176.6	2,048.8
<b>Total</b>		<b>8,650.6</b>	<b>8,054.1</b>

##### 8.1.1. Debentures

Maturity of debentures (€m)	Less than one year	One year or more	September 30, 2022	December 31, 2021
Altice Financing	-	5,800.1	5,800.1	5,331.6
Altice Finco	-	673.9	673.9	673.7
<b>Total</b>	<b>-</b>	<b>6,474.0</b>	<b>6,474.0</b>	<b>6,005.3</b>

The table below provides details of all debentures.

Instrument (€m, unless stated otherwise)	Issuer	Face value in million	Coupon	Year of maturity	September 30, 2022		December 31, 2021	
					Fair value <sup>1</sup>	Carrying amount	Fair value <sup>1</sup>	Carrying amount
Senior secured notes	Altice Financing	€600	2.25%	2025	526.8	600.0	585.4	600.0
Senior secured notes	Altice Financing	\$1,200	5.00%	2028	947.1	1,225.7	1,025.0	1,054.0
Senior secured notes	Altice Financing	€1,100	3.00%	2028	828.0	1,100.0	1,041.2	1,100.0
Senior secured notes	Altice Financing	\$2,050	5.75%	2029	1,602.3	2,094.0	1,781.2	1,800.4
Senior secured notes	Altice Financing	€805	4.25%	2029	624.2	805.0	787.2	805.0
Senior unsecured notes	Altice Finco	€675	4.75%	2028	492.4	675.0	641.3	675.0
<i>Transaction costs</i>						(25.7)		(29.0)
<b>Total value of bonds</b>					<b>5,020.8</b>	<b>6,474.0</b>	<b>5,861.3</b>	<b>6,005.3</b>
<i>Of which due within one year</i>					-	-	-	-
<i>Of which due after one year</i>					5,020.8	6,474.0	5,861.3	6,005.3

1. Fair value is based on quoted prices (Level 1).

### 8.1.2. Loans from lenders

Maturity of loans from lenders (€m)	Less than one year	One year or more	September 30, 2022	December 31, 2021
Altice Financing (including RCF)	161.5	2,015.1	2,176.6	2,048.8
<b>Total</b>	<b>161.5</b>	<b>2,015.1</b>	<b>2,176.6</b>	<b>2,048.8</b>

The table below provides details of all term loans and revolving credit facilities.

Instrument (million, unless stated otherwise)	Borrower	Currency	Margin	Year of maturity	September 30, 2022		December 31, 2021	
					Face value (EUR) / (USD)	Carrying amount (EUR)	Face value (EUR) / (USD)	Carrying amount (EUR)
Term loan	Altice Financing	USD	LIBOR+2.75%	2026	857.3	875.6	864.0	758.9
Term loan	Altice Financing	USD	LIBOR+2.75%	2025	862.2	880.7	869.1	763.2
Term loan	Altice Financing	EUR	EURIBOR+2.75%	2026	285.8	285.8	288.0	288.0
RCF	Altice Financing	EUR	EURIBOR+3.00%	2025	140.0	140.0	245.0	245.0
<i>Transaction costs</i>						(5.5)		(6.3)
<b>Total value of loans</b>						<b>2,176.6</b>		<b>2,048.8</b>
<i>Of which due within one year</i>						161.5		263.9
<i>Of which due after one year</i>						2,015.1		1,784.9

## 8.2. Financing activities

### 8.2.1. Financing activities during the nine-month period ended September 30, 2022

#### 8.2.1.1. Drawing and repayment of the Altice Financing Revolving Credit Facility

During the nine-month period ended September 30, 2022, the Group repaid €105.0 million of the Altice Financing Revolving Credit Facility (drawdown of €325.0 million and repayment of €430.0 million). A total of €140.0 million remained drawn as of September 30, 2022 (please refer to note 8.6).

#### 8.2.1.2. Restructuring of swaps

The Group restructured certain cross currency swaps over the course of the third quarter of 2022. As part of the restructuring, the Group received €101.9 million in cash. The impact for the nine-month period ended September 30, 2022 was recorded in Finance income in the line Realised and unrealized (losses)/gains on derivative instruments linked to financial debt (please refer to note 11).

### 8.2.2. Financing activities during the nine-month period ended September 30, 2021

#### 8.2.2.1. Drawing and repayment of the Altice Financing Revolving Credit Facility

During the nine-month period ended September 30, 2021, the Altice Financing Revolving Credit Facility remained unchanged (drawdown of €320.0 million and repayment of €320.0 million).

### 8.2.2.2. Altice Financing refinancing

On August 12, 2021, Altice Financing issued \$1,925 million aggregate principal amount of 5.75% Senior Secured Notes due August 15, 2029 and €700 million aggregate principal amount of 4.25% Senior Secured Notes due August 15, 2029. The proceeds were mainly used to refinance in full the outstanding Altice Financing 2026 7.500% Senior Secured Notes.

## 8.3. Derivatives and hedge accounting

As part of its financial risk management strategy, the Group uses derivative contracts to manage its risks. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps ("CCIRS") that cover against foreign currency and interest rate risk related to the Group's debt obligations.

The derivatives are all measured at fair value. The change in fair value is recognised immediately in profit or loss ("FVTPL"); as from 2019, the Group does not apply hedge accounting to the new CCIRS.

### 8.3.1. CCIRS

The following table provides a summary of the Group's CCIRS.

Entity Maturity	Notional amount due from counterparty (millions)	Notional amount due to counterparty (millions)	Interest rate due from counterparty	Interest rate due to counterparty
<b>Altice Financing S.A.</b>				
May 2026	USD 1,012	EUR 884	10.5%	6.72%
July 2025	USD 485	EUR 474	3m LIBOR+2.75%	3m EURIBOR+2.68%
May 2026	USD 350	EUR 306	6m LIBOR+0.00%	6m EURIBOR-0.02%
May 2026	EUR 884	USD 1,012	6.72%	10.50%
January 2028	USD 1,200	EUR 1,134	5.00%	3.10%
August 2029	USD 1,925	EUR 1,752	5.75%	4.77%
August 2029	USD 125	EUR 107	5.75%	4.34%
May 2026	EUR 306	USD 350	6m EURIBOR-0.02%	6m LIBOR+0.00%

### 8.3.2. Interest rate swaps

The Group enters into interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group's debt portfolio and do not necessarily relate to specific debt issued by the Group.

The details of the instruments are provided in the following table.

Entity Maturity	Notional amount due from counterparty (millions)	Notional amount due to counterparty (millions)	Interest rate due from counterparty	Interest rate due to counterparty	Accounting treatment
<b>Altice Financing S.A.</b>					
January 2030	EUR 750	EUR 750	3m EURIBOR	(0.4%)	FVTPL

#### 8.4. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the amount due of the debt, considering the effect of the hedge operations (i.e., the “swap adjusted debt”), and a reconciliation to net debt is provided below.

<b>Net debt reconciliation (€m)</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Debentures and loans from lenders</b>	<b>8,650.6</b>	<b>8,054.1</b>
Transaction costs	31.2	35.3
<b>Total (including transaction costs)</b>	<b>8,681.8</b>	<b>8,089.4</b>
Conversion of debentures and loans in foreign currency (at closing spot rate)	(7,145.9)	(6,416.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	6,797.4	6,500.5
<b>Total swap adjusted debt</b>	<b>8,333.3</b>	<b>8,173.8</b>
Finance lease liabilities and other debt	4.3	14.4
<b>Gross debt</b>	<b>8,337.6</b>	<b>8,188.2</b>
Cash and cash equivalents	(274.0)	(285.2)
Restricted cash	(42.5)	(41.7)
<b>Net financial debt</b>	<b>8,021.1</b>	<b>7,861.3</b>

Net financial debt is a non-GAAP measure as defined in note 4.2.2.4.

#### 8.5. Reconciliation between net financial liabilities and net financial debt

The following table shows the reconciliation between net financial liabilities in the consolidated statement of financial position and the net financial debt.

<b>Reconciliation between net financial liabilities and net financial debt (€m)</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Financial liabilities	11,505.2	10,829.3
Derivative assets	(824.3)	(98.7)
Cash and cash equivalents	(274.0)	(285.2)
Restricted cash	(42.5)	(41.7)
<b>Net financial liabilities - consolidated statement of financial position</b>	<b>10,364.4</b>	<b>10,403.7</b>
<i>Reconciliation:</i>		
Transaction costs	31.2	35.3
Rate impact derivative instruments	255.9	(24.6)
Lease liabilities excluding finance lease liabilities	(1,101.7)	(1,040.5)
Reverse factoring and securitization	(339.3)	(302.0)
Accrued interest	(95.9)	(137.6)
Mandatory Convertible Notes Portugal	(883.9)	(877.8)
Mandatory Convertible Notes Altice Luxembourg	(188.6)	(182.1)
Put options with non-controlling interests	(2.6)	(2.6)
Deposits received	(0.4)	(0.4)
Other debt and liabilities	(18.0)	(10.1)
<b>Net financial debt</b>	<b>8,021.1</b>	<b>7,861.3</b>

#### 8.6. Available credit facilities

<b>Available credit facilities (€m)</b>	<b>Total facility</b>	<b>Drawn</b>
Altice Financing S.A.	528.2	140.0
<b>Revolving credit facilities</b>	<b>528.2</b>	<b>140.0</b>

In the third quarter of 2022, the Altice Financing Revolving Credit Facility was increased by €135 million. The total facility amounted to €528.2 million as of September 30, 2022.

## 8.7. Other financial liabilities and lease liabilities

Other financial liabilities (€m)	September 30, 2022			December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Lease liabilities	100.0	1,002.3	1,102.3	94.3	949.2	1,043.5
Reverse factoring	339.3	-	339.3	302.0	-	302.0
Accrued interest	95.9	-	95.9	137.6	-	137.6
Put options with non-controlling interests	2.6	-	2.6	2.6	-	2.6
Deposits received	-	0.4	0.4	-	0.4	0.4
Bank overdraft	3.7	-	3.7	10.9	-	10.9
Mandatory Convertible Notes Altice Portugal	-	883.9	883.9	-	877.8	877.8
Mandatory Convertible Notes Altice Luxembourg	96.5	92.1	188.6	93.1	89.0	182.1
Other debt and liabilities	11.0	7.0	18.0	6.6	4.0	10.6
<b>Total</b>	<b>649.0</b>	<b>1,985.7</b>	<b>2,634.7</b>	<b>647.1</b>	<b>1,920.4</b>	<b>2,567.5</b>

The current portion of other financial liabilities amounts to €649.0 million as at September 30, 2022, an increase of €1.9 million compared to December 31, 2021. The non-current portion of other financial liabilities amounts to €1,985.7 million as at September 30, 2022, an increase of €65.3 million compared to December 31, 2021. Details of the main items within the caption, and the movements from the prior period, are detailed below.

### 8.7.1. Lease liabilities

Leases relate to the current and non-current lease liabilities recorded in accordance with IFRS 16 *Leases*. The increase in lease liabilities during the nine-month period ended September 30, 2022 reflects mainly the Master Service Agreement (MSA) entered into as part of the sale of towers in Portugal (please refer to note 3.1).

### 8.7.2. Reverse factoring

Through the use of reverse factoring structures, the Group extends its payment terms up to 360 days, reducing its requirements for working capital. The contractual arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment terms with the amounts paid by the banks that participate in the reverse factoring structure. The Group will repay the banks the full invoice amount, with interest, on the scheduled payment date as required by the reverse factoring agreement. Based on the scheduled payment dates, the amounts payable under this arrangement are accounted for as current liabilities. As the amounts are payable to the participating banks, the amounts have been presented under Other financial liabilities. In the consolidated statement of cash flows, the operational cash flows related to reverse factoring are presented under Changes in working capital or Payments to acquire tangible and intangible assets and contract costs depending on the nature of the expenditure. In addition, the financing cash flows are presented under Proceeds related to payments made to suppliers through factoring arrangements and Payments made to factoring companies.

The increase in reverse factoring liability as of September 30, 2022 compared to December 31, 2021 is mainly due to the timing of payments.

### 8.7.3. Accrued interest

Accrued interest is the amount of interest due at the reporting date regarding the Company's outstanding debentures and loans from financial institutions. The decrease in accrued interest as of September 30, 2022 is the consequence of coupon timing, as for Altice Financing and Altice Finco, the main interest payments are due in the first and third quarters of the year.

### 8.7.4. Put options with non-controlling interests

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the reporting date.

### 8.7.5. Mandatory Convertible Notes Portugal

On April 17, 2020, PT Portugal and Morgan Stanley Infrastructure Partners entered into a subscription agreement regarding the issuance and subscription to €1,600.0 million of mandatory convertible notes in which the parties subscribed considering the percentage of interest in equity of FastFiber. The amount of €883.9 million relates to the financial liability of the Group towards Morgan Stanley Infrastructure Partners, consisting of the notional amount of €799.8 million, an additional subscription of €6.1 million in the nine-month period ended September



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30, 2022, €29.0 million in 2021 and €49.0 million in 2020. The notes bear interest on their aggregate principal amount at the fixed rate of 6.00% per annum. Interest is due in April and October of each year. At any time on or after the date that is twenty years after the date of issue, all or part of the notes issued can be converted into shares with mutual consent. The principal of the convertible notes does not have a stated maturity and will never become payable in cash.

**8.7.6. Mandatory Convertible Notes Altice Luxembourg**

The Mandatory Convertible Notes (“MCN”) were issued for an aggregate amount of €2,055 million, which were entirely subscribed by the Company’s sole shareholder, Altice Luxembourg. These instruments are compound financial instruments that contain both a liability and an equity component. On December 30, 2020, the existing agreement was amended with a revised maturity date of December 31, 2023 and an interest rate which is based on the annual interest rate accrued on the Company’s Senior Debt. The non-current portion of the MCN liability recorded at December 31, 2021 and September 30, 2022 are €89.0 million and €92.1 million respectively. The current portion of the MCN liability recorded at December 31, 2021 and September 30, 2022 are €93.1 million and €96.5 million respectively.

**9. Fair value of financial assets and liabilities**

The table below shows the carrying value compared to fair value of financial assets and liabilities:

<b>Fair values of financial assets and liabilities (€m)</b>	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
Cash and cash equivalents	274.0	274.0	285.2	285.2
Restricted cash	42.5	42.5	41.7	41.7
Derivatives	34.3	34.3	19.7	19.7
Call options on non-controlling interests	15.4	15.4	15.4	15.4
Loans and receivables with group companies	307.9	307.9	302.7	302.7
Other financial assets	132.7	132.7	4.2	4.2
<b>Current financial assets</b>	<b>806.8</b>	<b>806.8</b>	<b>668.9</b>	<b>668.9</b>
Derivatives	790.0	790.0	79.0	79.0
Equity instruments at fair value through OCI	9.5	9.5	9.2	9.2
Loans and receivables with group companies	3,055.4	3,248.5	3,013.1	3,272.5
Other financial assets	26.3	26.3	25.8	25.8
<b>Non-current financial assets</b>	<b>3,881.2</b>	<b>4,074.3</b>	<b>3,127.1</b>	<b>3,386.5</b>
Short term borrowings and financial liabilities	161.5	161.5	263.9	263.9
Derivatives	21.3	21.3	28.7	28.7
Lease liabilities	100.0	100.0	94.3	94.3
Reverse factoring	339.3	339.3	302.0	302.0
Accrued interest	95.9	95.9	137.6	137.6
Put options with non-controlling interests	2.6	2.6	2.6	2.6
Mandatory Convertible Notes Altice Luxembourg	96.5	96.5	93.1	93.1
Other financial liabilities	14.7	14.7	17.4	17.4
<b>Current financial liabilities</b>	<b>831.8</b>	<b>831.8</b>	<b>939.7</b>	<b>939.7</b>
Long term borrowings and financial liabilities	8,489.1	7,032.6	7,790.2	7,856.0
Derivatives	198.6	198.6	179.0	179.0
Lease liabilities	1,002.3	1,002.3	949.2	949.2
Mandatory Convertible Notes Portugal	883.9	883.9	877.8	877.8
Mandatory Convertible Notes Altice Luxembourg	92.1	92.1	89.0	89.0
Other financial liabilities	7.4	7.4	4.4	4.4
<b>Non-current financial liabilities</b>	<b>10,673.4</b>	<b>9,216.9</b>	<b>9,889.6</b>	<b>9,955.4</b>

During the nine-month period ended September 30, 2022, there were no transfers of financial assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**9.1. Fair value hierarchy**

The following table provides information about the fair values of the Group’s financial assets and liabilities and which level in the fair value hierarchy they are classified.

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Fair value measurement (€m)	Fair value hierarchy	Valuation technique	September 30, 2022	December 31, 2021
<b>Financial Liabilities</b>				
Derivative financial instruments	Level 2	Discounted cash flows	219.9	207.7
Minority Put Option - Intelcia Portugal Inshore	Level 3	Discounted cash flows	2.6	2.6
<b>Financial Assets</b>				
Derivative financial instruments	Level 2	Discounted cash flows	824.3	98.7
Minority Call option - Intelcia Portugal Inshore	Level 3	Black and Scholes model	15.4	15.4
Equity instruments at FVOCI - Partner Co. Ltd.	Level 1	Quoted share price	9.5	9.2

## 9.2. Information on valuation techniques

### 9.2.1. Investments in listed entities

Quoted prices directly available from an active market are used to source the fair value, i.e. the quoted share price of the listed investments in Partner Co. These valuations are directly observable in an open market and therefore the Group has concluded that these instruments should be classified within Level 1 of the fair value hierarchy.

### 9.2.2. Derivative financial instruments

Future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk. Since model inputs can generally be verified and do not involve significant management judgment, the Company has concluded that these instruments should be classified within Level 2 of the fair value hierarchy.

### 9.2.3. Put options

Each contract has specific terms and conditions, and the valuation is performed using the contracted terms and assessment against market comparable information where appropriate. For example, the exercise price in the option may be determined based on an EBITDA multiple minus the net financial debt. In all instances, the probabilities of the option being exercised is determined using management's best estimate and judgment. The resulting fair value is discounted using appropriate discount rates of the related funding pool. These models use a variety of inputs that use judgments not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

### 9.2.4. Call options

The valuation is derived by calculating the intrinsic value, being the difference in the value of the underlying asset and the options exercise price, and time value of the option, which accounts for the passage of time until the option expires. Various inputs are used, including the price of the underlying asset and its volatility, the strike price and maturity in the contract, and the risk-free rate and dividend yield. The model calculates the possible prices of the underlying asset and their respective probability of occurrence, given these inputs. These models use a variety of inputs that use judgments not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

## 10. Taxation

### 10.1. Effective tax rate

Tax expense (€m)	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Profit / (loss) before income tax and share of earnings of associates and joint ventures	592.3	(240.5)
Income tax benefit / (expense)	66.7	14.2
<b>Effective tax rate</b>	<b>(11%)</b>	<b>6%</b>

The Group is required to use an estimated annual effective tax rate to measure the income tax benefit or expense recognised in an interim period.

The statutory tax rate in Luxembourg is 25%. The Group recorded an income tax benefit of €66.7 million for the nine-month period ended September 30, 2022, reflecting a negative effective tax rate of 11% compared to an income tax benefit of €14.2 million for the nine-month period ended September 30, 2021, reflecting an effective tax rate of 6%.

During the nine-month period ended September 30, 2022, Cool Holding Ltd and H. Hadaros 2012 Ltd have entered into a settlement agreement with the Israeli VAT authority to settle a dispute for the tax years 2013-2021. As a result of the settlement, a tax liability was reversed generating an income tax gain of €153.1 million. Excluding such reversal, the effective tax rate for the nine-month period ended September 30, 2022 would have been 15%. The use of tax losses not recognized as deferred tax assets, which are only partially offset by the permanent differences (mainly non-deductible financial expenses and the non-deductible provisions) had the effect of lowering the Group's effective tax rate for the nine-month period ended September 30, 2022.

For the nine-month period ended September 30, 2021, the permanent differences (mainly non-deductible financial expenses) and other current tax adjustments, which are only partially offset by the use of tax losses not recognized as deferred tax assets, had the effect of lowering the Group's effective tax rate in the context of a loss before tax.

## 10.2. Tax litigation

There was no significant development in existing tax litigations since the publication of the annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group, except the following:

### *Israel*

In the context of the VAT audit conducted by the Israeli VAT authorities for the tax years 2013-2019, Cool Holding Ltd and H. Hadaros 2012 Ltd received on April 29, 2021, a VAT assessment notice related to accrued interest on intercompany bonds issued by Cool Holding Ltd and H. Hadaros 2012 Ltd to Altice Financing S.A., for which the VAT authorities claimed VAT tax liability on such accrued interest. On May 8, 2022, Cool Holding Ltd and H. Hadaros 2012 Ltd have entered into a settlement agreement with the Israeli VAT authority to settle such dispute for the tax years 2013-2021. The VAT settlement was paid in May 2022 and as a result, an expense was recorded for the amount of the settlement in the consolidated statement of income for the nine-month period ended September 30, 2022 (please refer to note 4.3.2.2). In addition, and as a consequence of the settlement, a tax liability was reversed generating an income tax gain of €153.1 million.

## 11. Finance income/(costs), net

(€m)	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
<b>Interest relative to gross financial debt</b>	<b>(113.4)</b>	<b>(97.4)</b>	<b>(319.7)</b>	<b>(297.2)</b>
<b>Realized and unrealized (losses) / gains on derivative instruments linked to financial debt</b>	<b>372.2</b>	<b>15.1</b>	<b>864.1</b>	<b>153.2</b>
Interest on lease liabilities	(19.7)	(16.7)	(57.7)	(51.3)
Net foreign exchange losses	(193.0)	-	(474.1)	-
Impairment of financial assets	(3.4)	(16.5)	(10.8)	(16.5)
Other	(10.8)	(122.2)	(44.8)	(143.8)
<b>Other financial expenses</b>	<b>(226.9)</b>	<b>(155.4)</b>	<b>(587.4)</b>	<b>(211.6)</b>
Interest income	55.7	58.8	159.5	139.9
Net foreign exchange gains	-	50.7	-	18.5
Other financial income	2.0	4.5	5.6	28.6
<b>Finance income</b>	<b>57.7</b>	<b>114.0</b>	<b>165.1</b>	<b>187.0</b>
<b>Net result on extinguishment and remeasurement of financial liabilities</b>	<b>-</b>	<b>(89.5)</b>	<b>-</b>	<b>(89.5)</b>
<b>Finance income / (costs), net</b>	<b>89.6</b>	<b>(213.2)</b>	<b>122.1</b>	<b>(258.1)</b>

The net finance income for the nine-month period ended September 30, 2022 was €122.1 million compared to net cost of €258.1 million for the same period in 2021. The change was mainly attributed to:

- higher realized and unrealized gains on derivative instruments of €864.1 million compared to gains of €153.2 million for the same period in 2021, mainly due to higher positive variation in the mark to market of the swaps of Altice Financing and the gain on the restructuring of swaps (please refer to note 8.2.1.2);
- higher net foreign exchange losses of €474.1 million compared to foreign exchange gains of €18.5 million for the same period in 2021, mainly due to the foreign exchange effect on long term debt of Altice Financing;
- decrease in the line "Other" as part of "Other financial expenses" due to the reversal of the call option related to Teads for an amount of €121.7 million recognized in 2021;

- loss on extinguishment of financial liability of €89.5 million as a result of the redemption of the Altice Financing 2026 notes, recorded in the nine-month period ended September 30, 2021 (please refer to note 8.2.2.2).

## **12. Contractual obligations and commercial commitments**

During the nine-month period ended September 30, 2022, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2021.

## **13. Litigation**

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative lawsuits. Provisions are recognised by the Group when management believes that it is more likely than not that such lawsuits will result in an amount to be settled by the Group, and the magnitude of the amount can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of the expenditure required to settle the obligation, on a case-by-case basis, considering that the occurrence of events during the legal action involves constant re-estimation of the risk.

During the nine-month period ended September 30, 2022, there was no significant new proceedings or developments in existing litigations that have occurred since the publication of the annual consolidated financial statements as of December 31, 2021 and that have had or that may have a significant effect on the financial position of the Group, except the following:

### **13.1. Portugal**

#### *13.1.1. European Commission Investigation*

Please refer to note 30.1.1 of the annual consolidated financial statements for a description of the litigation.

On September 22, 2021, the General Court issued its judgment. The General Court dismissed most of the grounds for annulment of the Commission's decision but reduced the amount of the fine in respect of the infringement of Article 4(1) of the EU Merger Regulation by €6.2 million. On December 2, 2021, New Altice Europe B.V. filed an appeal against the General Court's judgment before the Court of Justice of the European Union.

On April 6, 2022, the Court sent to Altice Group Lux (as legal successor of Next Private B.V., which in turn is the legal successor of New Altice Europe B.V.) the responses lodged by the Commission and the Council of the European Union. They both request the Court to dismiss the appeal.

Altice Group Lux submitted its reply on June 6, 2022, and has been notified of the Commission and the Council's rejoinders on July 18, 2022. The Registrar of the Court of Justice has informed Altice Group Lux that, with the lodging of the rejoinders, the written procedure is closed, although it may be reopened by a subsequent decision of the Court. On August 2, 2022, Altice Group Lux submitted a reasoned request for an oral hearing to take place in this case.

As of September 30, 2022, a liability of €125.7 million (including accrued interest) is recorded at Altice Portugal, as it is the acquiring entity of PT Portugal. On July 25, 2018, Altice Financing issued a bank guarantee to the European Commission of €124.5 million (excluding accrued interest). Following the judgment of the General Court on September 22, 2021, the bank guarantee was reduced by €6.2 million to an amount of €118.3 million.

#### *13.1.2. Vodafone – Network Sharing Agreement*

Vodafone and PT Comunicações (currently MEO) signed, on July 21, 2014, an agreement for the acquisition of exclusive rights of use of the PON Network, which consisted in the possibility of access to the installed infrastructure owned by each of the parties to offer new generation services and integrated offerings (voice, internet and television) autonomously in the retail market. On November 4, 2015, MEO informed Vodafone that it has decided to individually develop a new, ambitious plan for the expansion of its fibre optic network, both in geographical areas already covered by a new generation network and in other geographical areas, while continuing to comply with the abovementioned agreement. Notwithstanding, Vodafone states that this was a breach of the agreement and is claiming an amount of approximately €132 million from MEO for damages and losses allegedly caused by that non-compliance with the abovementioned agreement.

MEO submitted its defence to these claims in June 2018, stating that (i) Vodafone did not have a contractual right to prevent MEO from developing its network autonomously and independently from the agreement, (ii) all of Vodafone rights, resulting from the agreement, were respected by MEO, and Vodafone was in no way limited by MEO in the investment in the construction of its own network, which it developed freely and voluntarily, choosing to invest where it found greater profitability for its business, and (iii) Vodafone's claims for damages and losses were not factually sustainable.

A preliminary hearing took place in February 2019, following which the Court asked experts to review information provided by Vodafone supporting its alleged damages and losses. The experts' report has been submitted to the Court, which in summary concludes that there are not enough elements allowing, with a certain level of reliability, to validate the amounts requested by Vodafone. MEO and Vodafone responded to the experts' analysis, asking for clarification on some of the elements of the expertise, and the Court gave the experts a period of time until the end of November 2021 to respond. The Court hearings took place between November and December 2021 and the written arguments were presented to the Court in January 2022. The Court's decision was issued in May 2022 and MEO was condemned to pay €30 million to Vodafone. Notwithstanding the decision to appeal for the annulment of the Court's decision, MEO paid such amount to Vodafone in July 2022 as the Court's decision was enforceable. The appeal has been submitted on July 19, 2022.

#### *13.1.3. Portuguese Competition Authority investigation*

On December 20, 2019, MEO has received a Statement of Objections from the Portuguese Competition Authority (PCA) regarding its preliminary view that both MEO and NOWO – Communications, S.A. which operates as a MVNO using MEO's network, were part of a cartel for market sharing and price fixing of mobile services, sold either on a standalone basis or in bundles of fixed and mobile telecommunications services. The PCA concluded that this alleged illegal practice took place between 2017 and 2018. MEO firmly denies the existence of any cartel. On February 19, 2020, MEO has submitted its written defence to the Statement of Objections.

On December 3, 2020, the PCA notified MEO of its decision to impose upon it a fine of €84 million for market sharing and price fixing of mobile and fixed telecommunications services with NOWO. MEO fully disagrees with the PCA's unexpected decision. On January 19, 2021, MEO filed a judicial appeal against the decision before the Competition, Supervision and Regulation Court to request the decision to be annulled and to be acquitted of all charges. The appeal for the annulment of the fine was accepted on April 21, 2022 and the Court hearing took place in May, 2022. The sentence was issued on June 4, 2022 and the Court confirmed the decision of the PCA to impose a fine of €84 million to MEO. MEO submitted its appeal to a higher Court in September 2022. Given the Court's decision, a provision of €84 million was recognized as of September 30, 2022.

During the nine-month period ended September 30, 2022, in order to suspend the payment of the fine, MEO has given a real estate property as collateral, the fair value of which is estimated at €25 million, and presented a parent company guarantee from its sole shareholder PT Portugal amounting to €59 million.

### **13.2. Israel**

#### *Israel Consumer class action*

In June 2014, a claim and a motion to approve it as class action was filed at the Central District Court against HOT- Telecommunication Systems Ltd. and HOT Telecom (together "HOT"). The claim is based on the allegation that HOT violated its licenses terms by failing to meet the required standards for response times in its call centers and by failing to operate the call centers during the entire working hours as required. In addition, the claimants argue that HOT did not comply with the Consumer Protection Regulations regarding the operation of a call back service in its call centers. The amount of the claim was estimated by the claimants at €11.3 million. On August 26, 2017, the Court certified the motion to approve the claim as class action based on the causes described above. Following the Court's decision, the parties submitted their statements of claim and defense and preliminary proceedings were conducted. At the recommendation of the Court, the parties agreed to conduct mediation proceedings. On September 11, 2022, the parties filed the settlement agreement to the Court. On October 19, 2022, a Court hearing took place regarding the settlement agreement and following the Judge's comments, on November 3, 2022, an amended agreement was submitted to the Court. Based on management's estimation after consulting with the company's external legal attorneys, a provision was recorded as of September 30, 2022 (please refer to note 4.3.2.2).

#### **14. Events after the reporting period**

##### **14.1. Closing of Fibroglobal**

On October 10, 2022, FastFiber, a 50.01% owned subsidiary of the Company, completed the acquisition of a 100% stake in Fibroglobal - Comunicações Eletrónicas, S.A., a fibre wholesale vehicle comprising of fibre passive infrastructure assets and rights, related contracts and underlying agreements. The total purchase price of the shares was €76 million.

##### **14.2. Altice Financing Revolving Credit Facility**

In October 2022, the Altice Financing Revolving Credit Facility was increased to €553.2 million (additional facility of €25 million).