

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended September 30, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-35961



**Liberty Global Ltd.**

(Exact name of Registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**98-1750381**  
(I.R.S. Employer  
Identification No.)

**Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda**  
(Address of Principal Executive Office)

**Registrant's telephone number, including area code: +1.303.220.6600**  
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common shares	LBTYA	Nasdaq Global Select Market
Class B common shares	LBTYB	Nasdaq Global Select Market
Class C common shares	LBTYK	Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

Smaller Reporting Company  Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes  No

The number of outstanding common shares of Liberty Global Ltd. as of October 24, 2025 was: 174,444,278 class A common shares, 12,968,658 class B common shares and 149,366,104 class C common shares.

**LIBERTY GLOBAL LTD.**  
**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>PART I — FINANCIAL INFORMATION</b>	
ITEM 1.	FINANCIAL STATEMENTS
	<a href="#">Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024 (unaudited)</a>
	<a href="#">Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2025 and 2024 (unaudited)</a>
	<a href="#">Condensed Consolidated Statements of Comprehensive Earnings (Loss) for the Three and Nine Months Ended September 30, 2025 and 2024 (unaudited)</a>
	<a href="#">Condensed Consolidated Statements of Equity for the Three and Nine Months Ended September 30, 2025 and 2024 (unaudited)</a>
	<a href="#">Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2025 and 2024 (unaudited)</a>
	<a href="#">Notes to Condensed Consolidated Financial Statements (unaudited)</a>
ITEM 2.	<a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>
ITEM 3.	<a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>
ITEM 4.	<a href="#">CONTROLS AND PROCEDURES</a>
<b>PART II — OTHER INFORMATION</b>	
ITEM 1.	<a href="#">LEGAL PROCEEDINGS</a>
ITEM 2.	<a href="#">UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</a>
ITEM 5.	<a href="#">OTHER INFORMATION</a>
ITEM 6.	<a href="#">EXHIBITS</a>

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**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
<i>in millions</i>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,674.2	\$ 1,816.3
Trade receivables, net (note 3)	518.3	449.8
Short-term investments (measured at fair value on a recurring basis) (note 5)	—	335.6
Derivative instruments (note 6)	151.5	287.0
Other current assets (notes 3 and 5)	434.2	411.6
<b>Total current assets</b>	<b>2,778.2</b>	<b>3,300.3</b>
Investments and related notes receivable (including \$1,910.2 million and \$2,907.7 million, respectively, measured at fair value on a recurring basis) (note 5)	11,045.4	11,688.0
Property and equipment, net (notes 8 and 10)	5,165.3	4,326.0
Goodwill (note 8)	3,615.1	3,152.6
Intangible assets subject to amortization, net (note 8)	1,402.0	1,290.4
Other assets, net (notes 3, 6 and 10)	1,388.7	1,682.4
<b>Total assets</b>	<b>\$ 25,394.7</b>	<b>\$ 25,439.7</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS — (Continued)**  
**(unaudited)**

	September 30, 2025	December 31, 2024
	in millions	
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 404.2	\$ 371.2
Deferred revenue (note 3)	285.4	285.3
Current portion of debt and finance lease obligations (notes 9 and 10)	678.5	898.5
Accrued capital expenditures	213.4	226.5
Accrued income taxes	192.2	272.5
Other accrued and current liabilities (notes 6 and 10)	1,133.3	1,079.9
Total current liabilities	2,907.0	3,133.9
Long-term debt and finance lease obligations (notes 9 and 10)	7,817.0	8,202.5
Long-term operating lease liabilities (note 10)	733.4	677.5
Other long-term liabilities (notes 3 and 6)	975.3	881.5
Total liabilities	12,432.7	12,895.4
Commitments and contingencies (notes 6, 9, 10, 11 and 15)		
Equity (note 12):		
Liberty Global shareholders:		
Class A common shares, \$0.01 nominal value. Issued and outstanding 174,442,630 and 173,046,371 shares, respectively	1.7	1.7
Class B common shares, \$0.01 nominal value. Issued and outstanding 12,968,658 and 12,968,658 shares, respectively	0.1	0.1
Class C common shares, \$0.01 nominal value. Issued and outstanding 150,256,862 and 162,710,787 shares, respectively	1.5	1.6
Additional paid-in capital	719.8	777.0
Accumulated earnings	8,021.7	12,242.6
Accumulated other comprehensive earnings (loss), net of taxes	3,999.0	(657.0)
Treasury shares, at cost	(0.1)	(0.1)
Total Liberty Global shareholders	12,743.7	12,365.9
Noncontrolling interests	218.3	178.4
Total equity	12,962.0	12,544.3
Total liabilities and equity	\$ 25,394.7	\$ 25,439.7

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions, except per share amounts			
Revenue (notes 3, 4, 5 and 16)	\$ 1,207.1	\$ 1,069.5	\$ 3,647.4	\$ 3,218.7
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):				
Programming and other direct costs of services (note 10)	392.9	320.4	1,261.6	1,051.3
Other operating (notes 10 and 13)	216.3	194.4	624.9	566.3
Selling, general and administrative (SG&A) (notes 10 and 13)	308.0	270.3	893.9	818.5
Depreciation and amortization	275.9	245.0	758.9	750.4
Impairment, restructuring and other operating items, net (note 10)	22.0	6.0	25.8	44.1
	<u>1,215.1</u>	<u>1,036.1</u>	<u>3,565.1</u>	<u>3,230.6</u>
Operating income (loss)	(8.0)	33.4	82.3	(11.9)
Non-operating income (expense):				
Interest expense	(123.3)	(144.3)	(380.3)	(434.2)
Realized and unrealized losses on derivative instruments, net (note 6)	(46.4)	(263.8)	(617.1)	(39.3)
Foreign currency transaction gains (losses), net	10.0	(934.9)	(3,160.9)	(202.1)
Realized and unrealized gains (losses) due to changes in fair values of certain investments, net (notes 5 and 7)	64.4	(45.6)	175.5	37.7
Losses on debt extinguishment, net (note 9)	(11.2)	—	(20.1)	—
Share of results of affiliates, net (note 5)	(43.3)	(132.8)	(455.9)	(164.4)
Gain on sale of All3Media	—	—	—	242.9
Other income, net	27.5	53.1	80.0	166.0
	<u>(122.3)</u>	<u>(1,468.3)</u>	<u>(4,378.8)</u>	<u>(393.4)</u>
Loss from continuing operations before income taxes	(130.3)	(1,434.9)	(4,296.5)	(405.3)
Income tax benefit (expense) (note 11)	46.9	11.2	116.0	(59.8)
Loss from continuing operations	(83.4)	(1,423.7)	(4,180.5)	(465.1)
Earnings (loss) from discontinued operations, net of taxes (note 4)	—	12.8	—	(143.6)
Net loss	(83.4)	(1,410.9)	(4,180.5)	(608.7)
Net earnings attributable to noncontrolling interests	(7.3)	(23.2)	(40.4)	(47.3)
Net loss attributable to Liberty Global shareholders	<u>\$ (90.7)</u>	<u>\$ (1,434.1)</u>	<u>\$ (4,220.9)</u>	<u>\$ (656.0)</u>
Basic and diluted loss attributable to Liberty Global shareholders per share (note 14):				
Continuing operations	\$ (0.27)	\$ (3.99)	\$ (12.26)	\$ (1.38)
Discontinued operations (note 4)	—	0.04	—	(0.39)
	<u>\$ (0.27)</u>	<u>\$ (3.95)</u>	<u>\$ (12.26)</u>	<u>\$ (1.77)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)**  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Net loss	\$ (83.4)	\$ (1,410.9)	\$ (4,180.5)	\$ (608.7)
Other comprehensive earnings (loss), net of taxes:				
Continuing operations:				
Foreign currency translation adjustments	(144.8)	1,804.6	4,656.6	348.9
Reclassification adjustment included in net loss	—	0.8	—	—
Pension-related adjustments and other	(0.1)	(11.2)	(0.6)	(9.5)
Other comprehensive earnings (loss) from continuing operations	(144.9)	1,794.2	4,656.0	339.4
Other comprehensive earnings from discontinued operations (note 4)	—	79.8	—	309.7
Other comprehensive earnings (loss)	(144.9)	1,874.0	4,656.0	649.1
Comprehensive earnings (loss)	(228.3)	463.1	475.5	40.4
Comprehensive earnings attributable to noncontrolling interests	(7.3)	(22.7)	(40.4)	(47.3)
Comprehensive earnings (loss) attributable to Liberty Global shareholders	\$ (235.6)	\$ 440.4	\$ 435.1	\$ (6.9)

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**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(unaudited)

	Liberty Global shareholders									
	Common shares			Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non- controlling interests	Total equity
	Class A	Class B	Class C							
in millions										
Balance at January 1, 2024	\$ 1.7	\$ 0.1	\$ 2.0	\$ 1,322.6	\$ 15,566.0	\$ 2,170.3	\$ (0.1)	\$ 19,062.6	\$ (55.2)	\$ 19,007.4
Net earnings	—	—	—	—	510.0	—	—	510.0	17.0	527.0
Other comprehensive loss, net of taxes	—	—	—	—	—	(1,027.0)	—	(1,027.0)	0.6	(1,026.4)
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	(0.1)	(170.4)	—	—	—	(170.5)	—	(170.5)
Share-based compensation (note 13)	—	—	—	35.4	—	—	—	35.4	—	35.4
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	18.6	—	—	—	18.6	(0.1)	18.5
Balance at March 31, 2024	1.7	0.1	1.9	1,206.2	16,076.0	1,143.3	(0.1)	18,429.1	(37.7)	18,391.4
Net earnings	—	—	—	—	268.1	—	—	268.1	7.1	275.2
Other comprehensive loss, net of taxes	—	—	—	—	—	(198.4)	—	(198.4)	(0.1)	(198.5)
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	—	(167.4)	—	—	—	(167.4)	—	(167.4)
Share-based compensation (note 13)	—	—	—	46.1	—	—	—	46.1	—	46.1
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(30.0)	—	—	—	(30.0)	—	(30.0)
Balance at June 30, 2024	1.7	0.1	1.9	1,054.9	16,344.1	944.9	(0.1)	18,347.5	(30.7)	18,316.8
Net loss	—	—	—	—	(1,434.1)	—	—	(1,434.1)	23.2	(1,410.9)
Other comprehensive earnings, net of taxes	—	—	—	—	—	1,874.5	—	1,874.5	(0.5)	1,874.0
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	(0.1)	(165.1)	—	—	—	(165.2)	—	(165.2)
Share-based compensation (note 13)	—	—	—	37.3	—	—	—	37.3	—	37.3
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(0.9)	—	—	—	(0.9)	0.5	(0.4)
Balance at September 30, 2024	\$ 1.7	\$ 0.1	\$ 1.8	\$ 926.2	\$ 14,910.0	\$ 2,819.4	\$ (0.1)	\$ 18,659.1	\$ (7.5)	\$ 18,651.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY — (Continued)**  
**(unaudited)**

	Liberty Global shareholders										
	Common shares			Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive earnings (loss), net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non- controlling interests	Total equity	
	Class A	Class B	Class C								
in millions											
Balance at January 1, 2025	\$ 1.7	\$ 0.1	\$ 1.6	\$ 777.0	\$ 12,242.6	\$ (657.0)	\$ (0.1)	\$ 12,365.9	\$ 178.4	\$ 12,544.3	
Net loss	—	—	—	—	(1,337.3)	—	—	(1,337.3)	14.0	(1,323.3)	
Other comprehensive earnings, net of taxes	—	—	—	—	—	1,621.9	—	1,621.9	—	1,621.9	
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	—	(38.8)	—	—	—	(38.8)	—	(38.8)	
Share-based compensation (note 13)	—	—	—	26.6	—	—	—	26.6	—	26.6	
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	10.5	—	—	—	10.5	0.1	10.6	
Balance at March 31, 2025	1.7	0.1	1.6	775.3	10,905.3	964.9	(0.1)	12,648.8	192.5	12,841.3	
Net loss	—	—	—	—	(2,792.9)	—	—	(2,792.9)	19.1	(2,773.8)	
Other comprehensive earnings, net of taxes	—	—	—	—	—	3,179.0	—	3,179.0	—	3,179.0	
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	(0.1)	(64.1)	—	—	—	(64.2)	—	(64.2)	
Share-based compensation (note 13)	—	—	—	34.3	—	—	—	34.3	—	34.3	
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(11.0)	—	—	—	(11.0)	(0.6)	(11.6)	
Balance at June 30, 2025	1.7	0.1	1.5	734.5	8,112.4	4,143.9	(0.1)	12,994.0	211.0	13,205.0	
Net loss	—	—	—	—	(90.7)	—	—	(90.7)	7.3	(83.4)	
Other comprehensive loss, net of taxes	—	—	—	—	—	(144.9)	—	(144.9)	—	(144.9)	
Repurchases and cancellations of Liberty Global common shares (note 12)	—	—	—	(55.8)	—	—	—	(55.8)	—	(55.8)	
Share-based compensation (note 13)	—	—	—	37.7	—	—	—	37.7	—	37.7	
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	3.4	—	—	—	3.4	—	3.4	
Balance at September 30, 2025	\$ 1.7	\$ 0.1	\$ 1.5	\$ 719.8	\$ 8,021.7	\$ 3,999.0	\$ (0.1)	\$ 12,743.7	\$ 218.3	\$ 12,962.0	

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>in millions</b>	
<b>Cash flows from operating activities:</b>		
Net loss	\$ (4,180.5)	\$ (608.7)
Loss from discontinued operations	—	(143.6)
Loss from continuing operations	(4,180.5)	(465.1)
<b>Adjustments to reconcile loss from continuing operations to net cash provided by operating activities of continuing operations:</b>		
Share-based compensation expense	129.4	129.4
Depreciation and amortization	758.9	750.4
Impairment, restructuring and other operating items, net	25.8	44.1
Amortization of deferred financing costs and non-cash interest	43.2	48.6
Realized and unrealized losses on derivative instruments, net	617.1	39.3
Foreign currency transaction losses, net	3,160.9	202.1
Realized and unrealized gains due to changes in fair values of certain investments, net	(175.5)	(37.7)
Losses on debt extinguishment, net	20.1	—
Share of results of affiliates, net	455.9	164.4
Deferred income tax benefit	(151.1)	(29.1)
Gain on sale of All3Media	—	(242.9)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions	(124.0)	60.6
Net cash provided by operating activities of continuing operations	580.2	664.1
Net cash provided by operating activities of discontinued operations	—	577.2
Net cash provided by operating activities	\$ 580.2	\$ 1,241.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)**  
**(unaudited)**

	Nine months ended September 30,	
	2025	2024
in millions		
<b>Cash flows from investing activities:</b>		
Capital expenditures, net	\$ (905.5)	\$ (611.9)
Cash received from the sale of investments	810.4	3,259.4
Cash paid for investments	(527.5)	(2,319.7)
Cash received in connection with the sale of All3Media	—	411.7
Other investing activities, net	14.8	(19.6)
Net cash provided (used) by investing activities of continuing operations	(607.8)	719.9
Net cash used by investing activities of discontinued operations	—	(385.0)
Net cash provided (used) by investing activities	(607.8)	334.9
<b>Cash flows from financing activities:</b>		
Borrowings of debt	604.5	4.0
Operating-related vendor financing additions	251.6	291.9
Repayments and repurchases of debt and finance lease obligations:		
Debt (excluding vendor financing)	(663.1)	(9.2)
Principal payments on operating-related vendor financing	(298.2)	(283.2)
Principal payments on capital-related vendor financing	(50.6)	(71.0)
Principal payments on finance leases	(4.4)	(2.4)
Repurchases of Liberty Global common shares	(158.2)	(511.9)
Net cash received (paid) related to derivative instruments	82.7	(1.4)
Other financing activities, net	(37.7)	(60.3)
Net cash used by financing activities of continuing operations	(273.4)	(643.5)
Net cash used by financing activities of discontinued operations	—	(6.7)
Net cash used by financing activities	\$ (273.4)	\$ (650.2)

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)**  
**(unaudited)**

	Nine months ended September 30,	
	2025	2024
in millions		
<b>Effect of exchange rate changes on cash and cash equivalents and restricted cash:</b>		
Continuing operations	\$ 158.8	\$ 16.1
Discontinued operations	—	(0.7)
Total	<u>158.8</u>	<u>15.4</u>
<b>Net increase (decrease) in cash and cash equivalents and restricted cash:</b>		
Continuing operations	(142.2)	756.6
Discontinued operations	—	184.8
Total	<u>(142.2)</u>	<u>941.4</u>
<b>Cash and cash equivalents and restricted cash:</b>		
Beginning of period	1,822.3	1,422.9
Net increase (decrease)	(142.2)	941.4
End of period	<u>\$ 1,680.1</u>	<u>\$ 2,364.3</u>
<b>Cash paid for interest:</b>		
Continuing operations	\$ 372.3	\$ 406.5
Discontinued operations	—	347.2
Total	<u>\$ 372.3</u>	<u>\$ 753.7</u>
<b>Net cash paid for taxes:</b>		
Continuing operations	\$ 197.3	\$ 192.9
Discontinued operations	—	1.3
Total	<u>\$ 197.3</u>	<u>\$ 194.2</u>
<b>Details of end of period cash and cash equivalents and restricted cash:</b>		
Cash and cash equivalents	\$ 1,674.2	\$ 2,345.4
Restricted cash included in other current assets and other assets, net	5.9	7.2
Cash and cash equivalents and restricted cash included in current and long-term assets of discontinued operations	—	11.7
Total cash and cash equivalents and restricted cash	<u>\$ 1,680.1</u>	<u>\$ 2,364.3</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements**  
**September 30, 2025**  
**(unaudited)**

**(1) Basis of Presentation**

Liberty Global Ltd. (**Liberty Global**) is a Bermuda exempted company limited by shares. In these notes, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Global or collectively to Liberty Global and its subsidiaries. We are an international provider of broadband internet, video, fixed-line telephony and mobile communications services to residential customers and businesses in Europe and are an active investor across the infrastructure, content and technology industries. We also provide innovative technology solutions and finance services.

Our continuing operations comprise businesses that provide residential and business-to-business (**B2B**) communications services in (i) Belgium and Luxembourg through certain wholly-owned subsidiaries that we collectively refer to as “**Telenet**” and (ii) Ireland through another wholly-owned subsidiary (**VM Ireland**). In addition, we own 50% noncontrolling interests in (a) a 50:50 joint venture (the **VMO2 JV**) with Telefónica SA (**Telefónica**), which provides residential and B2B communications services in the United Kingdom (**U.K.**), and (b) a 50:50 joint venture (the **VodafoneZiggo JV**) with Vodafone Group plc (**Vodafone**), which provides residential and B2B communications services in the Netherlands.

Prior to the completion of the Spin-off on November 8, 2024 (as defined and described in note 4), we also provided residential and B2B communications services in Switzerland through operations referred to as “**Sunrise**.” Sunrise, together with certain other Liberty Global subsidiaries connected to our Swiss business, are collectively referred to as the “**Sunrise Entities**” and are reflected as discontinued operations for all applicable periods.

On October 2, 2024, we completed the Formula E Acquisition (as defined and described in note 4), pursuant to which we acquired a controlling interest in Formula E Holdings Ltd. (**Formula E**) and began consolidating 100% of Formula E’s results from that date.

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (**GAAP**) and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these financial statements do not include all of the information required by GAAP or Securities and Exchange Commission rules and regulations for complete financial statements. In the opinion of management, these financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with our 2024 consolidated financial statements and notes thereto included in our 2024 Annual Report on Form 10-K, as amended (our **2024 10-K**).

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, certain components of revenue, programming and copyright costs, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, lease terms, useful lives of long-lived assets, share-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Unless otherwise indicated, ownership percentages and convenience translations into United States (**U.S.**) dollars are calculated as of September 30, 2025.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**(2) Accounting Changes and Recent Accounting Pronouncements**

*Accounting Changes*

*ASU 2023-09*

In December 2023, the Financial Accounting Standards Board (the **FASB**) issued Accounting Standards Update (**ASU**) No. 2023-09, *Improvements to Income Tax Disclosures (ASU 2023-09)*, which is intended to enhance the transparency of income tax matters within financial statements, providing stakeholders with a clearer understanding of tax positions and their associated risks and uncertainties. ASU 2023-09 requires public business entities to disclose, on an annual basis, specific categories in the rate reconciliation and provide additional information for reconciling items that meet a specific quantitative threshold. We adopted ASU 2023-09 on January 1, 2025 on a retrospective basis, and will provide revised disclosures for all periods presented in our 2025 Annual Report on Form 10-K. For additional information concerning our income taxes, see note 11.

*ASU 2023-07*

In November 2023, the FASB issued ASU No. 2023-07, *Improvements to Reportable Segment Disclosures (ASU 2023-07)*, which aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures regarding significant segment expenses. ASU 2023-07 requires public companies to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. ASU 2023-07 also requires a public entity to disclose, on an annual and interim basis for each reportable segment, an amount for other segment items and a description of its composition. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and is required to be applied on a retrospective basis. We adopted ASU 2023-07 on January 1, 2024, and the information presented in note 16 reflects the enhanced disclosures.

*ASU 2023-05*

In August 2023, the FASB issued ASU No. 2023-05, *Business Combinations — Joint Venture Formations: Recognition and Initial Measurement (ASU 2023-05)*, which outlines updates to the formation of entities that meet the definition of a joint venture as defined by the FASB. ASU 2023-05 requires a joint venture to measure its assets and liabilities at fair value upon formation. We adopted ASU 2023-05 on January 1, 2025.

*Recent Accounting Pronouncements*

*ASU 2025-06*

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (ASU 2025-06)*, which revises the guidance for capitalizing costs related to internal-use software. The amendments replace the prior stage-based model with a principles-based approach, removing all references to project stages and instead focusing on the two remaining criteria for capitalization, being (i) management has authorized and committed to the funding for the software project and (ii) it is probable a project will be completed and used as intended. Until both of these criteria are met, all software development costs should be expensed as incurred. ASU 2025-06 is effective for annual and interim periods beginning after December 15, 2027, with early adoption permitted. Entities may apply the amendments prospectively, retrospectively or using a modified retrospective approach. We are currently evaluating the impact of ASU 2025-06 on our consolidated financial statements, but we do not expect the impact to be significant.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*ASU 2025-05*

In July 2025, the FASB issued ASU No. 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets (ASU 2025-05)*, which provides a practical expedient for all entities to assume current conditions as of the balance sheet date will remain through the reasonable and supportable forecast period for eligible assets. Entities will continue to be required to adjust the historical data used in the estimation of credit losses to reflect current conditions. If elected, the practical expedient should be applied consistently to all eligible accounts receivable and contract assets. Additionally, entities that have elected the practical expedient must disclose their decision to do so. ASU 2025-05 is effective for annual and interim periods beginning after December 15, 2025 and should be applied prospectively. We are currently evaluating the impact of ASU 2025-05 on our consolidated financial statements.

*ASU 2025-03*

In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations and Consolidation: Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03)*, which clarifies the requirements for identifying the accounting acquirer when a variable interest entity (VIE) that qualifies as a business is acquired primarily through an exchange of equity interests. This amendment does not change the existing guidance for acquisitions of VIEs that are not considered businesses. ASU 2025-03 is effective for annual and interim periods beginning after December 15, 2026, with early adoption permitted. ASU 2025-03 should be applied prospectively to all business combinations with acquisition dates occurring on or after the date of initial application. We do not expect ASU 2025-03 to have a significant impact on our consolidated financial statements.

*ASU 2024-03*

In November 2024, the FASB issued ASU No. 2024-03, *Disaggregation of Income Statement Expenses (DISE) (ASU 2024-03)*, which requires disclosure of certain categories of expenses such as the purchase of inventory, employee compensation, depreciation and intangible asset amortization that are components of existing expense captions presented on the face of the income statement. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. ASU 2024-03 should be applied prospectively, however, retrospective application is permitted. We are currently evaluating the impact of ASU 2024-03 on our disclosures.

**(3) Revenue Recognition and Related Costs**

***Contract Balances***

The timing of our recognition of revenue may differ from the timing of invoicing our customers. We record a trade receivable when we have transferred goods or services to a customer but have not yet received payment. Our trade receivables are reported net of an allowance for doubtful accounts. Such allowance aggregated \$34.5 million and \$20.5 million at September 30, 2025 and December 31, 2024, respectively.

If we transfer goods or services to a customer but do not have an unconditional right to payment, we record a contract asset. Contract assets typically arise from the uniform recognition of introductory promotional discounts over the contract period and accrued revenue for handset sales. Our contract assets were \$11.1 million and \$9.4 million as of September 30, 2025 and December 31, 2024, respectively. The current and long-term portions of our contract asset balances are included within other current assets and other assets, net, respectively, on our condensed consolidated balance sheets.

We record deferred revenue when we receive payment prior to transferring goods or services to a customer. We primarily defer revenue for (i) installation and other upfront services and (ii) other services that are invoiced prior to when services are provided. Our deferred revenue balances were \$290.6 million and \$289.5 million as of September 30, 2025 and December 31, 2024, respectively. The increase in deferred revenue for the nine months ended September 30, 2025 is primarily due to the net effect of (a) the recognition of \$286.9 million of revenue that was included in our deferred revenue balance at December 31, 2024 and (b) the impact of additions during the period. The long-term portions of our deferred revenue balances are included within other long-term liabilities on our condensed consolidated balance sheets.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*Unsatisfied Performance Obligations*

A significant portion of our revenue is derived from subscription service contracts with an initial duration of less than 12 months. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of future revenue to be recognized from our existing customers. Revenue from customers who are subject to contracts is generally recognized over the term of such contracts, which is typically 12 months for our residential service contracts, one to three years for our mobile service contracts and one to five years for our B2B service contracts. The average remaining contractual term for B2B non-subscription services is approximately three years.

**(4) Acquisitions and Dispositions**

*Formula E Acquisition*

On October 2, 2024 (the **Formula E Acquisition Date**), we gained control of Formula E through the acquisition of the Formula E shares held by Warner Bros. Discovery, Inc. (**Warner Bros. Discovery**) and certain other minority shareholders, which increased our ownership interest in Formula E from 38.2% to 65.6% (the **Formula E Acquisition**). The purchase price for these additional shares totaled €150.0 million (\$165.7 million at the transaction date). We also acquired Warner Bros. Discovery's €50.0 million (\$55.6 million at the transaction date) shareholder loan to Formula E upon closing of the transaction. Liberty Global began consolidating 100% of Formula E's results from the Formula E Acquisition Date.

We have accounted for the Formula E Acquisition as a business combination using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Formula E based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill.

The following table summarizes the fair value of consideration transferred as part of the Formula E Acquisition (in millions):

Purchase consideration (a)	\$	221.3
Fair value of pre-existing investment in Formula E (b)	\$	316.6
Fair value of the noncontrolling interest in Formula E (c)	\$	209.0

- (a) Represents the total purchase consideration in connection with the Formula E Acquisition, which includes the shareholder loan acquired from Warner Bros. Discovery, as described above.
- (b) Represents the fair value of our pre-existing investment in Formula E immediately prior to the Formula E Acquisition, including our €80.5 million (\$88.9 million at the Formula E Acquisition Date) shareholder loan to Formula E.
- (c) Represents the fair value of the noncontrolling interest in Formula E as of the Formula E Acquisition Date.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

A summary of the identifiable assets acquired and liabilities assumed at the Formula E Acquisition Date is presented in the following table and reflects our final purchase price allocation (in millions):

Current assets (a)	\$	98.8
Property and equipment, net		32.1
Intangible assets subject to amortization, net (b)		663.9
Other assets, net		13.3
Other accrued and current liabilities		(167.5)
Deferred tax liabilities		(110.9)
Other long-term liabilities		(12.0)
Total identifiable net assets	\$	<u>517.7</u>
Goodwill (c)	\$	<u>229.2</u>

- (a) In connection with the Formula E Acquisition, we acquired \$22.2 million of cash and cash equivalents, including restricted cash.
- (b) Amount primarily includes an intangible asset related to a licensing agreement with the Federation Internationale l'Automobile (FIA) that provides Formula E with the exclusive rights to operate an electric motor racing championship. The weighted average remaining useful life of Formula E's intangible assets is approximately 22 years.
- (c) The goodwill recognized in connection with the Formula E Acquisition primarily represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, value associated with future sponsors, continued innovation and non-contractual relationships.

***Pro Forma Information***

The following unaudited pro forma consolidated operating results for the three and nine months ended September 30, 2024 give effect to the Formula E Acquisition as if it had been completed as of January 1, 2023. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if the Formula E Acquisition had occurred on such date, and are based on certain assumptions that we believe are reasonable.

	Three months ended September 30, 2024	Nine months ended September 30, 2024
	(unaudited)	
Revenue (in millions)	\$ 1,100.4	\$ 3,465.5
Net loss from continuing operations attributable to Liberty Global shareholders (in millions)	\$ (1,461.5)	\$ (524.3)
Basic and diluted loss from continuing operations attributable to Liberty Global shareholders per share	\$ (4.02)	\$ (1.41)

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Spin-off***

On November 8, 2024, we completed the Spin-off, following a series of transactions that resulted in the transfer of the Sunrise Entities to an independent, separate publicly-traded Swiss company, Sunrise Communications AG (the **Spin-off**). No gain or loss was recognized in connection with the Spin-off.

The Spin-off was accomplished through the distribution of Sunrise common shares, in the form of Sunrise American depository shares (**ADSs**), to Liberty Global shareholders. Liberty Global shareholders received one Sunrise Class A ADS for every five Liberty Global Class A or Class C common shares and two Sunrise Class B ADSs for each Liberty Global Class B common share.

In connection with the Spin-off, we agreed to provide certain services to Sunrise on a transitional or ongoing basis (collectively, the **Sunrise Services**). The agreements underlying the Sunrise Services expire between 2027 and 2029. During the nine months ended September 30, 2025, we recorded revenue of \$154.1 million associated with the Sunrise Services, including \$98.3 million related to fixed fees and \$55.8 million related to the sale of customer premises equipment (**CPE**) and other variable charges.

***Presentation of Discontinued Operations***

The operations of the Sunrise Entities are presented as discontinued operations in our condensed consolidated financial statements for the three and nine months ended September 30, 2024. The operating results of the Sunrise Entities for these periods are summarized in the following table. These amounts exclude intercompany revenue and expenses that are eliminated within our condensed consolidated statement of operations.

	<b>Three months ended September 30, 2024</b>	<b>Nine months ended September 30, 2024</b>
	<b>in millions</b>	
Revenue	\$ 865.7	\$ 2,535.3
Operating income	\$ 67.9	\$ 154.9
Earnings (loss) before income taxes	\$ 24.9	\$ (114.9)
Income tax expense	(12.1)	(28.7)
Net earnings (loss) attributable to Liberty Global shareholders	\$ 12.8	\$ (143.6)

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**(5) Investments**

The details of our investments are set forth below:

Accounting Method	September 30, 2025	December 31, 2024	Ownership (a)
	in millions		%
Equity (b):			
Long-term:			
VMO2 JV	\$ 6,709.7	\$ 6,501.4	50.0
VodafoneZiggo JV (c)	1,859.9	1,738.4	50.0
AE Group Sàrl (AtlasEdge JV) (d)	388.7	339.5	48.8
Nexfibre Networks Limited (nexfibre JV) (e)	88.0	93.4	24.9
Other	88.9	107.6	
Total — equity	<u>9,135.2</u>	<u>8,780.3</u>	
Fair value:			
Short-term:			
Separately-managed accounts (SMAs) (f)	—	335.6	
Long-term:			
EdgeConneX, Inc. (EdgeConneX) (g)	516.4	414.5	4.2
ITV plc (ITV) (h)	410.3	351.4	10.1
Televisa Univision, Inc. (Televisa Univision)	310.3	314.8	6.4
SMAs (f)	85.9	97.5	
CANAL+ Polska S.A (CANAL+ Polska).	83.2	72.5	17.0
Plume Design, Inc. (Plume) (i)	59.6	73.0	10.5
Lionsgate (j)	48.5	53.4	2.4
Aviatrix Systems, Inc. (Aviatrix)	25.5	31.0	4.3
Vodafone - subject to re-use rights (k)	—	1,141.5	
Other (j)	370.5	358.1	
Total — fair value	<u>1,910.2</u>	<u>3,243.3</u>	
Total investments (l)	<u>\$ 11,045.4</u>	<u>\$ 12,023.6</u>	
Short-term investments	<u>\$ —</u>	<u>\$ 335.6</u>	
Long-term investments	<u>\$ 11,045.4</u>	<u>\$ 11,688.0</u>	

(a) Represents our economic ownership based on total shares owned as a percentage of total shares outstanding as of the most recent balance sheet date or the most recent publicly-available information.

(b) Our equity method investments are originally recorded at cost and are adjusted to recognize our share of net earnings or losses of the affiliates as they occur rather than as dividend distributions are received, with our recognition of losses generally limited to the extent of our investment in, and loans and commitments to, the investee. Accordingly, the carrying values of our equity method investments may not equal their respective fair values. At September 30, 2025 and December 31, 2024, the aggregate carrying amounts of our equity method investments exceeded our proportionate share of the respective investee's net assets by \$1,028.1 million and \$901.2 million, respectively, related to amounts associated with the VodafoneZiggo JV Receivables, as defined below.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

- (c) Amounts include certain notes receivable due from a subsidiary of the VodafoneZiggo JV to a subsidiary of Liberty Global, comprising (i) a €700.0 million note receivable (\$823.0 million and \$724.4 million equivalent at September 30, 2025 and December 31, 2024, respectively) (the **VodafoneZiggo JV Receivable I**) and (ii) a €207.9 million note receivable (\$244.4 million and \$215.1 million equivalent at September 30, 2025 and December 31, 2024, respectively) (the **VodafoneZiggo JV Receivable II** and, together with the VodafoneZiggo JV Receivable I, the **VodafoneZiggo JV Receivables**). The VodafoneZiggo JV Receivables bear interest at a rate of 5.55% and have a final maturity date of December 31, 2030. During the nine months ended September 30, 2025, interest accrued on the VodafoneZiggo JV Receivables was €36.4 million (\$42.8 million), all of which has been cash settled.
- (d) Liberty Global owns a 50% noncontrolling voting interest in the AtlasEdge JV.
- (e) Liberty Global owns a 25% noncontrolling voting interest in the nexfibre JV.
- (f) Represents investments held under SMAs, which are maintained by investment managers acting as agents on our behalf. We classify, measure and report these investments, the composition of which may change from time to time, based on the underlying nature and characteristics of each security held under the SMAs. With the exception of our SMA in a leveraged structured note, all of our investments held under SMAs were sold as of the first quarter of 2025. Our SMA held in a leveraged structured note is accounted for at fair value and the associated gains or losses are included in realized and unrealized gains or losses due to changes in fair values of certain investments, net, in our condensed consolidated statements of operations. At December 31, 2024, interest accrued on our debt securities, which is included in other current assets on our condensed consolidated balance sheet, was \$7.2 million.
- (g) Our investment in EdgeConneX is held through two distinct limited partnerships (**LPs**), Herndon Topco and McNair Topco. The ownership percentages in EdgeConneX are 4.3% and 3.4% for Herndon TopCo and McNair TopCo, respectively. The combined investment in EdgeConneX through these LPs results in a weighted ownership percentage of 4.2%. This calculation considers the individual ownership percentages and the respective investment amounts in each LP.
- (h) Subsequent to September 30, 2025, we disposed of approximately one-half of our interest in ITV, reducing our economic ownership interest in ITV to 5.0%. We received aggregate cash proceeds of approximately £135.4 million (\$180.8 million) from the sale.
- (i) Our investment in Plume includes warrants with a fair value of \$18.9 million and \$24.5 million at September 30, 2025 and December 31, 2024, respectively.
- (j) On May 7, 2025, Lions Gate Entertainment Corp. (NYSE: LGE.A and LGE.B) completed the full separation (the **Lionsgate Separation**) of its studio and network business into two independent, publicly traded companies, Lionsgate Studios Corp. (**Lionsgate**) and Starz Entertainment Corp. (**Starz**). All previous Lions Gate Entertainment Corp. shares have been exchanged for shares in the new companies, Lionsgate (NASDAQ: LION) and Starz (NASDAQ: STRZ). For periods following the separation, our investment in Starz is reflected in 'Other' fair value investments in the above table.
- (k) In connection with our investment in Vodafone, we entered into a share collar (the **Vodafone Collar**) with respect to the Vodafone shares held by our company. The aggregate purchase price paid to acquire our investment in Vodafone was partially financed through borrowings under a secured borrowing agreement (the **Vodafone Collar Loan**) collateralized by the Vodafone shares. Under the terms of the Vodafone Collar, the counterparty had the right to re-use pledged Vodafone shares prior to the full settlement described below. During the second quarter of 2025, we executed a series of transactions that resulted in (i) the disposition of 90 million of our Vodafone shares and the associated unwind and settlement of the corresponding amounts of the Vodafone Collar and the Vodafone Collar Loan, respectively, and (ii) the restructure of the remainder of the Vodafone Collar, which effectively reduced the net fair value of our economic interest in our investment in Vodafone to nil (\$89.3 million at December 31, 2024). This series of transactions resulted in net cash received of €70.9 million (\$81.7 million at the applicable rate). In July 2025, we entered into an amendment agreement, which resulted in a non-cash transaction whereby our remaining Vodafone shares were delivered in full settlement of the Vodafone Collar and Vodafone Collar Loan. For additional information regarding the Vodafone Collar and the Vodafone Collar Loan, see notes 6 and 9, respectively.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

(l) The purchase and sale of investments are presented on a gross basis in our condensed consolidated statements of cash flows, including amounts associated with SMAs.

**Equity Method Investments**

The following table sets forth the details of our share of results of affiliates, net:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
VMO2 JV (a)	\$ (11.2)	\$ (36.1)	\$ (258.9)	\$ (32.4)
VodafoneZiggo JV (b)	2.7	(49.4)	(68.0)	(38.0)
AtlasEdge JV	(23.2)	(16.5)	(57.7)	(30.3)
nexfibre JV	(10.8)	(18.2)	(53.0)	(6.5)
Formula E (c)	—	(5.8)	—	(29.1)
All3Media Ltd. (All3Media) (d)	—	—	—	(15.5)
Other, net	(0.8)	(6.8)	(18.3)	(12.6)
Total	<u>\$ (43.3)</u>	<u>\$ (132.8)</u>	<u>\$ (455.9)</u>	<u>\$ (164.4)</u>

- (a) Represents (i) our 50% share of the results of operations of the VMO2 JV and (ii) for the nine months ended September 30, 2024, 100% of the share-based compensation expense associated with Liberty Global awards granted to VMO2 JV employees who were formerly employees of Liberty Global prior to the VMO2 JV formation, as these awards remain our responsibility.
- (b) Represents (i) our 50% share of the results of operations of the VodafoneZiggo JV and (ii) 100% of the interest income earned on the VodafoneZiggo JV Receivables.
- (c) Includes our share of results of Formula E prior to the Formula E Acquisition Date.
- (d) We completed the sale of our investment in All3Media during the second quarter of 2024.

*VMO2 JV*

Pursuant to an agreement (the **U.K. JV Framework Agreement**), Liberty Global provides certain services to the VMO2 JV on a transitional or ongoing basis (collectively, the **U.K. JV Services**). The agreements underlying the U.K. JV Services expire between 2027 and 2029. The U.K. JV Services provided by Liberty Global consist primarily of (i) technology and other services and (ii) capital-related expenditures for assets that will be used by, or will otherwise benefit, the VMO2 JV. Liberty Global charges both fixed and variable fees to the VMO2 JV for the U.K. JV Services provided pursuant to the U.K. JV Framework Agreement. At September 30, 2025 and December 31, 2024, \$72.2 million and \$37.5 million, respectively, was due from the VMO2 JV related to the aforementioned transactions. The amounts due from the VMO2 JV, which are periodically cash settled, are included in other current assets on our condensed consolidated balance sheets.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The following table sets forth a summary of revenue recorded from the VMO2 JV:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
in millions				
Fixed fee	\$ 57.9	\$ 49.9	\$ 168.7	\$ 147.5
Variable charges (a)	37.8	40.9	111.0	146.8
Total revenue	<u>\$ 95.7</u>	<u>\$ 90.8</u>	<u>\$ 279.7</u>	<u>\$ 294.3</u>

(a) Amounts primarily include the sale of CPE at a mark-up.

The summarized results of operations of the VMO2 JV are set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
in millions				
Revenue	\$ 3,436.0	\$ 3,512.7	\$ 9,935.8	\$ 10,170.9
Earnings (loss) before income taxes	\$ (3.8)	\$ (68.7)	\$ (619.9)	\$ 1.4
Net loss	<u>\$ (20.0)</u>	<u>\$ (55.3)</u>	<u>\$ (494.7)</u>	<u>\$ (20.0)</u>

*VodafoneZiggo JV*

Pursuant to an agreement (the **NL JV Framework Agreement**), Liberty Global provides certain services to the VodafoneZiggo JV (collectively, the **NL JV Services**). The NL JV Services provided by Liberty Global consist primarily of (i) technology and other services and (ii) capital-related expenditures for assets that will be used by, or will otherwise benefit, the VodafoneZiggo JV. Liberty Global charges both fixed and usage-based fees to the VodafoneZiggo JV for the NL JV Services provided pursuant to the NL JV Framework Agreement. We recorded revenue from the VodafoneZiggo JV of \$56.1 million and \$42.5 million during the three months ended September 30, 2025 and 2024, respectively, and \$150.4 million and \$164.2 million during the nine months ended September 30, 2025 and 2024, respectively, primarily related to (a) the NL JV Services and (b) the sale of CPE to the VodafoneZiggo JV at a mark-up. At September 30, 2025 and December 31, 2024, \$49.8 million and \$18.5 million, respectively, was due from the VodafoneZiggo JV related to the aforementioned transactions. The amounts due from the VodafoneZiggo JV, which are periodically cash settled, are included in other current assets on our condensed consolidated balance sheets.

The VodafoneZiggo JV is experiencing significant competition in both its fixed-line and mobile operations. If the adverse impacts of economic, competitive, regulatory or other factors were to cause significant deterioration of the results of operations or cash flows of the VodafoneZiggo JV, we could conclude in future periods that our investment in the VodafoneZiggo JV is impaired or management of the VodafoneZiggo JV could conclude that an impairment of the VodafoneZiggo JV goodwill and, to a lesser extent, long-lived assets, is required. Any such impairment of the VodafoneZiggo JV's goodwill or our investment in the VodafoneZiggo JV would be reflected as a component of share of results of affiliates, net, in our condensed consolidated statement of operations. Our share of any such impairment charges could be significant.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The summarized results of operations of the VodafoneZiggo JV are set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Revenue	\$ 1,156.8	\$ 1,131.1	\$ 3,332.1	\$ 3,336.7
Loss before income taxes	\$ (81.5)	\$ (166.0)	\$ (328.1)	\$ (201.5)
Net loss	\$ (37.0)	\$ (132.6)	\$ (227.4)	\$ (161.6)

**Fair Value Investments**

The following table sets forth the details of our realized and unrealized gains (losses) due to changes in fair values of certain investments, net:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Vodafone	\$ 86.1	\$ 117.3	\$ 207.7	\$ 163.8
ITV	(20.9)	21.6	58.9	104.7
Televisa Univision	(3.5)	(87.1)	(45.1)	(76.4)
Plume	(0.4)	(42.5)	(13.4)	(70.3)
SMA	3.7	9.1	7.1	30.0
Aviatrix	(1.7)	(3.1)	(5.5)	(30.6)
EdgeConneX	0.3	(10.8)	3.9	78.3
Lionsgate (a)	7.7	(10.5)	0.4	(20.6)
Pax8 (b)	—	(24.8)	—	(27.9)
Lacework (c)	—	(0.2)	—	(75.8)
Other, net	(6.9)	(14.6)	(38.5)	(37.5)
Total	\$ 64.4	\$ (45.6)	\$ 175.5	\$ 37.7

- (a) Amounts represent the change in fair value of our investment in Lionsgate, both before and after the Lionsgate Separation. Following the Lionsgate Separation, changes in fair value related to our investment in Starz are included in 'Other, net' in the above table.
- (b) We completed the sale of our investment in Pax8 during the fourth quarter of 2024.
- (c) We completed the sale of our investment in Lacework during the third quarter of 2024.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*Debt Securities*

The following table sets forth a summary of our debt securities recorded within SMAs at September 30, 2025 and December 31, 2024:

	September 30, 2025			December 31, 2024		
	Amortized cost basis	Accumulated unrealized gains (losses)	Fair value	Amortized cost basis	Accumulated unrealized gains	Fair value
	in millions					
Commercial paper	\$ —	\$ —	\$ —	\$ 72.0	\$ (0.1)	\$ 71.9
Government bonds	—	—	—	129.4	0.4	129.8
Certificates of deposit	—	—	—	70.5	—	70.5
Corporate debt securities	—	—	—	66.4	0.2	66.6
Structured note (a)	(a)	(a)	85.9	(a)	(a)	88.0
Other debt securities	—	—	—	6.3	—	6.3
<b>Total debt securities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 85.9</b>	<b>\$ 344.6</b>	<b>\$ 0.5</b>	<b>\$ 433.1</b>

- (a) Amounts represent an investment in a leveraged structured note issued by a third-party investment bank, which is accounted for at fair value and has a scheduled maturity date of October 1, 2026. The return on the leveraged structured note is based on changes in the fair value of a proportionate amount of debt issued by various Liberty Global consolidated subsidiaries and affiliates (including the VMO2 JV and the VodafoneZiggo JV). The proportionate amount of debt associated with the return on the leveraged structured note may change from time to time as a result of open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or prepayments, in each case, completed by Liberty Global consolidated subsidiaries and affiliates. While the structured note itself contains leverage, our at-risk investment is the estimated fair value as reported. The proportionate amount of debt issued by Liberty Global consolidated subsidiaries and affiliates associated with the return on the leveraged structured note is summarized in the following table:

	September 30, 2025	December 31, 2024
Subsidiary:		
Telenet	35.60 %	32.10 %
Affiliate:		
VodafoneZiggo JV	34.60 %	33.90 %
VMO2 JV	29.80 %	— %
Other (1)	— %	34.00 %
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

- (1) Other represents cash proceeds from redemptions that remain invested in the leveraged structured note.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

We received proceeds from the sale and maturities of debt securities of nil and \$0.9 billion during the three months ended September 30, 2025 and 2024, respectively, and \$0.7 billion and \$3.2 billion during the nine months ended September 30, 2025 and 2024, respectively. The sale of debt securities resulted in realized net gains (losses) of nil and (\$4.5 million) during the three months ended September 30, 2025 and 2024, respectively, and \$0.5 million and (\$14.6 million) during the nine months ended September 30, 2025 and 2024, respectively.

Our investment portfolio is subject to various macroeconomic pressures and has experienced significant volatility, which affects both our non-public and publicly-traded investments. Changes in the fair values of these investments, including changes with respect to interest rates within our local jurisdictions, are likely to continue and could be significant.

**(6) Derivative Instruments**

In general, we enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt, (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity, and (iii) decreases in the market prices of certain publicly-traded securities that we own. In this regard, through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure primarily with respect to the U.S. dollar (\$), the euro (€) and the British pound sterling (£). Generally, we only apply hedge accounting to our derivative instruments in limited circumstances. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments, net, in our condensed consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	September 30, 2025			December 31, 2024		
	Current	Long-term	Total	Current	Long-term	Total
in millions						
<b>Assets (a):</b>						
Cross-currency and interest rate derivative contracts (b)	\$ 143.5	\$ 96.0	\$ 239.5	\$ 253.8	\$ 369.4	\$ 623.2
Equity-related derivative instruments (c)	—	—	—	26.1	187.3	213.4
Foreign currency forward and option contracts	0.8	—	0.8	6.5	—	6.5
Other	7.2	0.2	7.4	0.6	0.2	0.8
Total	<u>\$ 151.5</u>	<u>\$ 96.2</u>	<u>\$ 247.7</u>	<u>\$ 287.0</u>	<u>\$ 556.9</u>	<u>\$ 843.9</u>
<b>Liabilities (a):</b>						
Cross-currency and interest rate derivative contracts (b)	\$ 79.3	\$ 153.5	\$ 232.8	\$ 144.6	\$ 38.5	\$ 183.1
Foreign currency forward and option contracts	4.7	—	4.7	3.3	—	3.3
Other	7.2	0.3	7.5	—	—	—
Total	<u>\$ 91.2</u>	<u>\$ 153.8</u>	<u>\$ 245.0</u>	<u>\$ 147.9</u>	<u>\$ 38.5</u>	<u>\$ 186.4</u>

- (a) Our long-term derivative assets and current and long-term derivative liabilities are included in other assets, net, other accrued and current liabilities and other long-term liabilities, respectively, on our condensed consolidated balance sheets.
- (b) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions within each of our subsidiary borrowing groups (as defined and described in note 9). The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of (\$6.1 million) and \$3.5 million during the three months ended September 30, 2025 and 2024, respectively, and \$3.3 million and (\$2.0 million) during the nine months ended September 30, 2025 and 2024, respectively. These amounts are included

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

in realized and unrealized losses on derivative instruments, net, in our condensed consolidated statements of operations. For further information regarding our fair value measurements, see note 7.

- (c) Our equity-related derivative instruments at December 31, 2024 include the Vodafone Collar. As further described in note 5, the Vodafone Collar was fully settled in 2025.

The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>in millions</b>			
Cross-currency and interest rate derivative contracts	\$ 36.6	\$ (239.7)	\$ (397.3)	\$ 40.6
Equity-related derivative instruments	(84.5)	(62.6)	(207.6)	(110.7)
Foreign currency forward and option contracts	1.5	40.6	(12.2)	32.9
Other	—	(2.1)	—	(2.1)
Total	<u>\$ (46.4)</u>	<u>\$ (263.8)</u>	<u>\$ (617.1)</u>	<u>\$ (39.3)</u>

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our condensed consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. The following table sets forth the classification of the net cash inflows of our derivative instruments:

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>in millions</b>	
Operating activities	\$ 69.4	\$ 137.9
Investing activities	(1.8)	—
Financing activities	82.7	(1.4)
Total	<u>\$ 150.3</u>	<u>\$ 136.5</u>

***Counterparty Credit Risk***

We are exposed to the risk that the counterparties to the derivative instruments of our subsidiary borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions, however notwithstanding, given the size of our derivative portfolio, the default of certain counterparties could have a significant impact on our consolidated statements of operations. Collateral is generally not posted by either party under our derivative instruments. At September 30, 2025, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of \$81.5 million.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**Details of our Derivative Instruments**

***Cross-currency Swap Contracts***

We generally match the denomination of our subsidiaries' borrowings with the functional currency of the supporting operations or, when it is more cost effective, we provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At September 30, 2025, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations. The following table sets forth the total notional amounts and the related weighted average remaining contractual lives of our cross-currency swap contracts at September 30, 2025:

	Notional amount due from counterparty		Notional amount due to counterparty		Weighted average remaining life
	in millions				in years
Telenet	\$	3,890.0	€	3,444.4 (a)	2.2

(a) Includes certain derivative instruments that are "forward-starting," such that the initial exchange occurs at a date subsequent to September 30, 2025. These instruments are typically entered into in order to extend existing hedges without the need to amend existing contracts.

***Interest Rate Swap Contracts***

The following table sets forth the total U.S. dollar equivalents of the notional amounts and the related weighted average remaining contractual lives of our interest rate swap contracts at September 30, 2025:

	Pays fixed rate		Receives fixed rate	
	Notional amount	Weighted average remaining life	Notional amount	Weighted average remaining life
	in millions	in years	in millions	in years
Telenet	\$ 4,244.1 (a)	3.6	\$ —	—

(a) Includes forward-starting derivative instruments.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Interest Rate Swap Options***

We have entered into various interest rate swap options (**swaptions**), which give either us or the bank the right, but not the obligation, to enter into certain interest rate swap contracts at set dates in the future, with each such contract having a life of no more than five years. At the transaction date, where we have bought the swaption, the strike rate of the contract was above the corresponding market rate. Where the bank has bought the swaption, the strike rate was below the corresponding market rate. The following table sets forth certain information regarding our swaptions at September 30, 2025:

	<u>Notional amount</u> in millions	<u>Underlying swap</u> <u>currency</u>	<u>Weighted average</u> <u>option expiration</u> <u>period (a)</u> in years	<u>Weighted average</u> <u>strike rate (b)</u>
<b>Telenet:</b>				
Buy position	\$ 1,645.9	€	0.4	3.0%
Sell position	\$ 1,645.9	€	0.4	1.4%

(a) Represents the weighted average period until the date on which we have the option to enter into the interest rate swap contracts.

(b) Represents the weighted average interest rate that we would pay if either we or our counterparties exercised our respective options to enter into the interest rate swap contracts.

***Basis Swaps***

Our basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency and/or (iii) the borrowing period. We typically enter into these swaps to optimize our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. The following table sets forth the total U.S. dollar equivalents of the notional amounts and related weighted average remaining contractual lives of our basis swap contracts at September 30, 2025:

	<u>Notional amount due from</u> <u>counterparty</u> in millions	<u>Weighted average remaining</u> <u>life</u> in years
Telenet	\$ 3,600.0	0.3
VM Ireland	\$ 1,058.1	0.3

***Interest Rate Caps, Floors and Collars***

From time to time, we enter into interest rate cap, floor and collar agreements. Purchased interest rate caps and collars lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates. Purchased interest rate floors protect us from interest rates falling below a certain level, generally to match a floating rate floor on a debt instrument. At September 30, 2025, we had no interest rate collar agreements, and the total U.S. dollar equivalents of the notional amounts of our purchased interest rate caps and floors were \$1.1 billion and \$1.3 billion, respectively.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Impact of Derivative Instruments on Borrowing Costs***

The impact of the derivative instruments that mitigate our foreign currency and interest rate risk, as described above, on our borrowing costs is as follows:

	<b>Decrease to borrowing costs at September 30, 2025 (a)</b>
Telenet	(1.62)%
VM Ireland	(1.59)%
Total decrease to borrowing costs	(1.61)%

(a) Represents the effect of derivative instruments in effect at September 30, 2025 and does not include forward-starting derivative instruments or swaptions.

***Foreign Currency Forwards and Options***

Certain of our subsidiaries enter into foreign currency forward and option contracts with respect to non-functional currency exposure. As of September 30, 2025, the total U.S. dollar equivalent of the notional amounts of our foreign currency forward and option contracts was \$213.4 million.

**(7) Fair Value Measurements**

We use the fair value method to account for (i) certain of our investments and (ii) our derivative instruments. The reported fair values of these investments and derivative instruments as of September 30, 2025 are unlikely to represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities.

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During the second quarter of 2025, the Vodafone Collar transferred from Level 3 to Level 2 and, as further described in note 5, was fully settled during the third quarter of 2025.

We use a Monte Carlo based approach to incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swap contracts are quantified and further explained in note 6.

Fair value measurements are also used for nonrecurring valuations performed in connection with acquisition accounting and impairment assessments. These nonrecurring valuations include the valuation of reporting units, customer relationships and other intangible assets, property and equipment and the implied value of goodwill. The valuation of reporting units is based on an income-based approach (discounted cash flows) using assumptions in our long-range business plans or a market-based approach (current multiples of comparable public companies and guideline transactions) and, in some cases, a combination of an income-based approach and a market-based approach. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, including inputs with respect to revenue growth and Adjusted EBITDA margin (as defined in note 16), and terminal growth rates, are based on our assumptions. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer relationship, contributory asset

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

charges and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. The implied value of goodwill is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination, with the residual amount allocated to goodwill. Most of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During the nine months ended September 30, 2025 and 2024, we did not perform any significant nonrecurring fair value measurements.

For additional information concerning our fair value measurements, see note 9 to the consolidated financial statements included in our 2024 10-K.

A summary of our assets and liabilities that are measured at fair value on a recurring basis is as follows:

<u>Description</u>	Fair value measurements at September 30, 2025 using:			
	September 30, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
in millions				
<b>Assets:</b>				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	\$ 239.5	\$ —	\$ 239.5	\$ —
Foreign currency forward and option contracts	0.8	—	0.8	—
Other	7.4	—	7.4	—
Total derivative instruments	247.7	—	247.7	—
Investments:				
SMA	85.9	—	85.9	—
Other investments	1,824.3	465.7	0.1	1,358.5
Total investments	1,910.2	465.7	86.0	1,358.5
Total assets	\$ 2,157.9	\$ 465.7	\$ 333.7	\$ 1,358.5
<b>Liabilities:</b>				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	\$ 232.8	\$ —	\$ 232.8	\$ —
Foreign currency forward and option contracts	4.7	—	4.7	—
Other	7.5	—	7.5	—
Total liabilities	\$ 245.0	\$ —	\$ 245.0	\$ —

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

Description	Fair value measurements at December 31, 2024 using:			
	December 31, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
in millions				
<b>Assets:</b>				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	\$ 623.2	\$ —	\$ 623.2	\$ —
Equity-related derivative instruments	213.4	—	—	213.4
Foreign currency forward and option contracts	6.5	—	6.5	—
Other	0.8	—	0.8	—
Total derivative instruments	<u>843.9</u>	<u>—</u>	<u>630.5</u>	<u>213.4</u>
Investments:				
SMA	433.1	127.0	306.1	—
Other investments	2,810.2	1,546.3	0.1	1,263.8
Total investments	<u>3,243.3</u>	<u>1,673.3</u>	<u>306.2</u>	<u>1,263.8</u>
Total assets	<u>\$ 4,087.2</u>	<u>\$ 1,673.3</u>	<u>\$ 936.7</u>	<u>\$ 1,477.2</u>
<b>Liabilities:</b>				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	\$ 183.1	\$ —	\$ 183.1	\$ —
Foreign currency forward and option contracts	3.3	—	3.3	—
Total liabilities	<u>\$ 186.4</u>	<u>\$ —</u>	<u>\$ 186.4</u>	<u>\$ —</u>

A reconciliation of the beginning and ending balances of our assets and liabilities measured at fair value on a recurring basis using significant unobservable, or Level 3, inputs is as follows:

	Investments	Equity-related derivative instruments	Total
in millions			
Balance of net assets at January 1, 2025	\$ 1,263.8	\$ 213.4	\$ 1,477.2
Losses included in loss from continuing operations (a):			
Realized and unrealized losses on derivative instruments, net	—	(49.2)	(49.2)
Realized and unrealized losses due to changes in fair values of certain investments, net	(100.2)	—	(100.2)
Additions	63.4	—	63.4
Transfers out of Level 3	—	(173.8)	(173.8)
Foreign currency translation adjustments and other, net	131.5	9.6	141.1
Balance of net assets at September 30, 2025 (b)	<u>\$ 1,358.5</u>	<u>\$ —</u>	<u>\$ 1,358.5</u>

(a) Amounts primarily relate to assets and liabilities that we continue to carry on our condensed consolidated balance sheet as of September 30, 2025.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

- (b) As of September 30, 2025, \$363.5 million of our Level 3 investments were accounted for under the measurement alternative at cost less impairment, adjusted for observable price changes.

**(8) Long-lived Assets**

***Property and Equipment, Net***

The details of our property and equipment and the related accumulated depreciation are set forth below:

	September 30, 2025	December 31, 2024
in millions		
Distribution systems	\$ 7,086.1	\$ 5,702.7
Support equipment, buildings and land	3,005.5	2,518.0
CPE	1,125.7	843.1
Total property and equipment, gross	11,217.3	9,063.8
Accumulated depreciation	(6,052.0)	(4,737.8)
Total property and equipment, net	\$ 5,165.3	\$ 4,326.0

During the nine months ended September 30, 2025 and 2024, we recorded non-cash increases to our property and equipment related to vendor financing arrangements of \$72.7 million and \$59.3 million, respectively, which exclude related value-added taxes (VAT) of \$12.0 million and \$7.7 million, respectively, that were also financed under these arrangements.

***Goodwill***

Changes in the carrying amount of our goodwill during the nine months ended September 30, 2025 are set forth below:

	January 1, 2025	Acquisitions and related adjustments	Foreign currency translation adjustments and other	September 30, 2025
in millions				
Telenet	\$ 2,656.4	\$ 0.6	\$ 361.5	\$ 3,018.5
VM Ireland	250.8	—	34.1	284.9
Other	245.4	30.4	35.9	311.7
Total	\$ 3,152.6	\$ 31.0	\$ 431.5	\$ 3,615.1

If, among other factors, the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*Intangible Assets Subject to Amortization, Net*

The details of our intangible assets subject to amortization are set forth below:

	September 30, 2025			December 31, 2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	in millions					
Licenses (a)	\$ 1,584.4	\$ (422.3)	\$ 1,162.1	\$ 1,393.9	\$ (332.7)	\$ 1,061.2
Customer relationships	293.9	(195.0)	98.9	255.4	(161.0)	94.4
Other	301.9	(160.9)	141.0	265.5	(130.7)	134.8
Total	\$ 2,180.2	\$ (778.2)	\$ 1,402.0	\$ 1,914.8	\$ (624.4)	\$ 1,290.4

- (a) Primarily includes amounts related to (i) certain mobile spectrum licenses and (ii) a licensing agreement with the FIA that provides Formula E with the exclusive rights to operate an electric motor racing championship.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**(9) Debt**

The U.S. dollar equivalents of the components of our debt are as follows:

	September 30, 2025				
	Weighted average interest rate (a)	Unused borrowing capacity (b)		Principal amount	
		Borrowing currency	U.S. \$ equivalent	September 30, 2025	December 31, 2024
in millions					
Telenet Credit Facility (c)	5.36 %	€ 625.0	\$ 734.8	\$ 4,646.3	\$ 4,364.8
Telenet Senior Secured Notes	4.72 %	—	—	1,634.9	1,558.8
VM Ireland Credit Facility (d)	5.43 %	€ 100.0	117.6	1,058.1	931.4
Vendor financing (e)	4.20 %	—	—	391.0	355.9
Vodafone Collar Loan (f)	—	—	—	—	1,301.9
Other (g)	4.74 %	—	—	750.9	632.2
Total debt before deferred financing costs, discounts and premiums (h)	<u>5.14 %</u>		<u>\$ 852.4</u>	<u>\$ 8,481.2</u>	<u>\$ 9,145.0</u>

The following table provides a reconciliation of total debt before deferred financing costs, discounts and premiums to total debt and finance lease obligations:

	September 30, 2025	December 31, 2024
	in millions	
Total debt before deferred financing costs, discounts and premiums	\$ 8,481.2	\$ 9,145.0
Deferred financing costs, discounts and premiums, net	(19.0)	(78.1)
Total carrying amount of debt	8,462.2	9,066.9
Finance lease obligations (note 10)	33.3	34.1
Total debt and finance lease obligations	8,495.5	9,101.0
Current portion of debt and finance lease obligations	(678.5)	(898.5)
Long-term debt and finance lease obligations	<u>\$ 7,817.0</u>	<u>\$ 8,202.5</u>

(a) Represents the weighted average interest rate in effect at September 30, 2025 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of deferred financing costs and certain other obligations that we assumed in connection with certain acquisitions, the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness was 3.83% at September 30, 2025. The weighted average interest rate calculation includes principal amounts outstanding associated with all of our secured and unsecured borrowings. For information regarding our derivative instruments, see note 6.

(b) Unused borrowing capacity represents the maximum availability under the applicable facility at September 30, 2025 without regard to covenant compliance calculations or other conditions precedent to borrowing. The following table provides our borrowing availability and amounts available to loan or distribute in accordance with the terms of the respective subsidiary facilities (i) at September 30, 2025 and (ii) upon completion of the relevant September 30, 2025 compliance reporting requirements. These amounts do not consider any actual or potential changes to our borrowing

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

levels or any amounts loaned or distributed subsequent to September 30, 2025, or the full impact of additional amounts that may be available to borrow, loan or distribute under certain defined baskets within each respective facility.

	Availability			
	September 30, 2025		Upon completion of the relevant September 30, 2025 compliance reporting requirements	
	Borrowing currency	U.S. \$ equivalent	Borrowing currency	U.S. \$ equivalent
	in millions			
<b>Available to borrow:</b>				
Telenet Credit Facility	€ 625.0	\$ 734.8	€ 625.0	\$ 734.8
VM Ireland Credit Facility	€ 100.0	\$ 117.6	€ 100.0	\$ 117.6
<b>Available to loan or distribute:</b>				
Telenet Credit Facility	€ 625.0	\$ 734.8	€ 625.0	\$ 734.8
VM Ireland Credit Facility	€ 100.0	\$ 117.6	€ 100.0	\$ 117.6

- (c) Unused borrowing capacity under the Telenet Credit Facility comprises (i) €580.0 million (\$681.9 million) under Telenet Revolving Facility I (as defined below), (ii) €25.0 million (\$29.4 million) under the Telenet Overdraft Facility and (iii) €20.0 million (\$23.5 million) under the Telenet Revolving Facility, each of which were undrawn at September 30, 2025. In June 2025, the underlying credit agreement was amended to (a) combine Telenet Revolving Facility A and Telenet Revolving Facility B into a single revolving facility (**Telenet Revolving Facility I**) with a final maturity date of May 31, 2029 and (b) increase total commitments under Telenet Revolving Facility I by €30.0 million (\$35.3 million). In August 2025, commitments under Telenet Revolving Facility I were decreased by €20.0 million in conjunction with the execution of the Wyre Capex Facility (as defined and described under *Financing Transactions* below), reducing the maximum borrowing capacity of Telenet Revolving Facility I from €600.0 million (\$705.4 million) to €580.0 million.
- (d) Unused borrowing capacity under the VM Ireland Credit Facility relates to €100.0 million (\$117.6 million) under the VM Ireland Revolving Facility, which was undrawn at September 30, 2025. In March 2025, commitments under the VM Ireland Revolving Facility were increased by €11.1 million (\$13.0 million). The VM Ireland Revolving Facility now provides for maximum borrowing capacity of €100.0 million.
- (e) Represents amounts owed to various creditors pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our property and equipment additions and operating expenses. These arrangements extend our repayment terms beyond a vendor's original due dates (e.g., extension beyond a vendor's customary payment terms, which are generally 90 days or less) and as such are classified outside of accounts payable as debt on our condensed consolidated balance sheets. These obligations are generally due within one year and include VAT that was also financed under these arrangements. For purposes of our condensed consolidated statements of cash flows, operating-related expenses financed by an intermediary are treated as constructive operating cash outflows and constructive financing cash inflows when the intermediary settles the liability with the vendor as there is no actual cash outflow until we pay the financing intermediary. During the nine months ended September 30, 2025 and 2024, the constructive cash outflow included in cash flows from operating activities and the corresponding constructive cash inflow included in cash flows from financing activities related to these operating expenses were \$251.6 million and \$291.9 million, respectively. Repayments of vendor financing obligations at the time we pay the financing intermediary are included in repayments and repurchases of debt and finance lease obligations in our condensed consolidated statements of cash flows.
- (f) As further described in note 5, the Vodafone Collar Loan was fully settled in 2025, resulting in a loss on debt extinguishment of \$12.1 million (including \$11.2 million during the third quarter) related to the write-off of unamortized deferred financing costs and discounts.
- (g) As of September 30, 2025 and December 31, 2024, amounts include (i) \$226.4 million and \$195.8 million, respectively, of debt collateralized by certain trade receivables of Telenet and (ii) \$437.4 million and \$390.5 million, respectively, of

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

liabilities related to Telenet's acquisition of mobile spectrum licenses. Telenet will make annual payments for the license fees over the terms of the respective licenses.

- (h) As of September 30, 2025 and December 31, 2024, our debt had an estimated fair value of \$8.5 billion and \$9.0 billion, respectively. The estimated fair values of our debt instruments are generally determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy). For additional information regarding fair value hierarchies, see note 7.

***General Information***

At September 30, 2025, most of our outstanding debt had been incurred by one of our two subsidiary "borrowing groups." References to these borrowing groups, which comprise Telenet and VM Ireland, include their respective restricted parent and subsidiary entities. Below we provide summary descriptions of certain financing transactions completed during 2025. For information regarding the general terms and conditions of our debt and capitalized terms not defined herein, see note 11 to the consolidated financial statements included in our 2024 10-K.

***Financing Transactions***

In February 2025, Telenet entered into a €500.0 million (\$587.8 million) sustainability-linked term loan facility (**Telenet Facility AU**). Telenet Facility AU was issued at 99.75% of par, matures on March 31, 2033 and bears interest at a rate of EURIBOR + 3.0%, subject to a EURIBOR floor of 0.0%. The interest rate on Telenet Facility AU is subject to adjustment based on Telenet's achievement or otherwise of certain Environmental, Social and Governance metrics. The net proceeds from Telenet Facility AU were used to refinance €500.0 million of the €890.0 million (\$1,046.3 million) outstanding principal amount under Telenet Facility AT1. In connection with this transaction, Telenet recognized a loss on debt extinguishment of \$8.0 million related to the write-off of unamortized deferred financing costs and discounts.

In August 2025, a subsidiary of Telenet (**Wyre**) entered into a €500.0 million standalone capital expenditure term loan facility (the **Wyre Capex Facility**). The Wyre Capex Facility bears interest at a rate of EURIBOR + 2.75%, subject to a EURIBOR floor of 0.0%, and matures five years after the initial drawdown, which has yet to occur. The maturity date may be extended by Wyre two additional times, each extending the maturity date by one year. When drawn, the proceeds from the Wyre Capex Facility will be used to fund the roll-out of Wyre's fiber network and for general corporate purposes. Accordingly, unused borrowing capacity at September 30, 2025 excludes the availability under the Wyre Capex Facility.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Maturities of Debt***

Maturities of our debt as of September 30, 2025 are presented below for the named entity and its subsidiaries, unless otherwise noted, and represent U.S. dollar equivalents based on September 30, 2025 exchange rates.

	<u>Telenet</u>	<u>VM Ireland</u>	<u>Other (a)</u>	<u>Total</u>
	in millions			
<b>Year ending December 31:</b>				
2025 (remainder of year)	\$ 359.1	\$ —	\$ 0.5	\$ 359.6
2026	314.5	—	21.4	335.9
2027	24.6	—	13.9	38.5
2028	4,446.9	—	—	4,446.9
2029	1,329.9	1,058.1	—	2,388.0
2030	25.8	—	—	25.8
Thereafter	886.5	—	—	886.5
Total debt maturities (b)	<u>7,387.3</u>	<u>1,058.1</u>	<u>35.8</u>	<u>8,481.2</u>
Deferred financing costs, discounts and premiums, net	(15.1)	(3.9)	—	(19.0)
Total debt	<u>\$ 7,372.2</u>	<u>\$ 1,054.2</u>	<u>\$ 35.8</u>	<u>\$ 8,462.2</u>
Current portion	<u>\$ 649.6</u>	<u>\$ —</u>	<u>\$ 21.9</u>	<u>\$ 671.5</u>
Long-term portion	<u>\$ 6,722.6</u>	<u>\$ 1,054.2</u>	<u>\$ 13.9</u>	<u>\$ 7,790.7</u>

(a) Includes \$35.3 million of debt collateralized by certain trade receivables of Formula E.

(b) Amounts include vendor financing obligations of \$391.0 million, all of which are classified as current on our condensed consolidated balance sheet, as set forth below:

	<u>Telenet</u>	<u>Other</u>	<u>Total</u>
	in millions		
<b>Year ending December 31:</b>			
2025 (remainder of year)	\$ 100.6	\$ 0.5	\$ 101.1
2026	289.9	—	289.9
Total vendor financing maturities	<u>\$ 390.5</u>	<u>\$ 0.5</u>	<u>\$ 391.0</u>

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**Vendor Financing Obligations**

A reconciliation of the beginning and ending balances of our vendor financing obligations for the indicated periods is set forth below:

	2025	2024
	in millions	
Balance at January 1	\$ 355.9	\$ 399.1
Operating-related vendor financing additions	251.6	291.9
Capital-related vendor financing additions	84.7	67.0
Principal payments on operating-related vendor financing	(298.2)	(283.2)
Principal payments on capital-related vendor financing	(50.6)	(71.0)
Foreign currency and other	47.6	4.1
Balance at September 30	<u>\$ 391.0</u>	<u>\$ 407.9</u>

**(10) Leases**

**General**

We enter into operating and finance leases for network equipment, real estate, mobile site sharing and vehicles. We provide residual value guarantees on certain of our vehicle leases.

**Lease Balances**

A summary of our right-of-use (ROU) assets and lease liabilities is set forth below:

	September 30, 2025	December 31, 2024
	in millions	
ROU assets:		
Operating leases (a)	\$ 769.3	\$ 710.5
Finance leases (b)	37.4	38.2
Total ROU assets	<u>\$ 806.7</u>	<u>\$ 748.7</u>
Lease liabilities:		
Operating leases (c)	\$ 822.7	\$ 753.1
Finance leases (d)	33.3	34.1
Total lease liabilities	<u>\$ 856.0</u>	<u>\$ 787.2</u>

- (a) Our operating ROU assets are included in other assets, net, on our condensed consolidated balance sheets. At September 30, 2025, the weighted average remaining lease term for operating leases was 10.8 years and the weighted average discount rate was 5.4%. During the nine months ended September 30, 2025 and 2024, we recorded non-cash additions to our operating lease ROU assets of \$29.6 million and \$83.6 million, respectively.
- (b) Our finance lease ROU assets are included in property and equipment, net, on our condensed consolidated balance sheets. At September 30, 2025, the weighted average remaining lease term for finance leases was 7.6 years and the weighted average discount rate was 8.6%. During the nine months ended September 30, 2025 and 2024, we recorded non-cash additions to our finance lease ROU assets of nil and \$0.6 million, respectively.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

- (c) The current portions of our operating lease liabilities are included within other accrued and current liabilities on our condensed consolidated balance sheets.
- (d) The current and long-term portions of our finance lease liabilities are included within current portion of debt and finance lease obligations and long-term debt and finance lease obligations, respectively, on our condensed consolidated balance sheets.

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

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
in millions				
<b>Finance lease expense:</b>				
Depreciation and amortization	\$ 1.9	\$ 0.9	\$ 5.3	\$ 2.5
Interest expense	0.9	0.2	2.3	0.7
Total finance lease expense	2.8	1.1	7.6	3.2
Operating lease expense (a)	32.1	27.7	88.4	79.8
Short-term lease expense (a)	0.1	0.1	0.3	0.3
Variable lease expense (b)	0.3	0.3	1.1	1.0
Total lease expense	<u>\$ 35.3</u>	<u>\$ 29.2</u>	<u>\$ 97.4</u>	<u>\$ 84.3</u>

- (a) Our operating lease expense and short-term lease expense are included in programming and other direct costs of services, other operating expenses, SG&A expenses and impairment, restructuring and other operating items, net, in our condensed consolidated statements of operations.
- (b) Variable lease expense represents payments made to a lessor during the lease term that vary due to changes in circumstances that occur after the lease commencement date. Variable lease payments are expensed as incurred and are included in other operating expenses in our condensed consolidated statements of operations.

A summary of our cash outflows from operating and finance leases is set forth below:

	Nine months ended September 30,	
	2025	2024
in millions		
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash outflows from operating leases	\$ 68.1	\$ 60.3
Operating cash outflows from finance leases (interest component)	2.3	0.7
Financing cash outflows from finance leases (principal component)	4.4	2.4
Total cash outflows from operating and finance leases	<u>\$ 74.8</u>	<u>\$ 63.4</u>

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

Maturities of our operating and finance lease liabilities as of September 30, 2025 are presented below. Amounts represent U.S. dollar equivalents based on September 30, 2025 exchange rates.

	<u>Operating leases (a)</u>	<u>Finance leases</u>
	in millions	
Year ending December 31:		
2025 (remainder of year)	\$ 31.8	\$ 3.7
2026	114.5	9.3
2027	101.7	7.5
2028	94.5	4.1
2029	89.1	3.0
2030	86.3	1.7
Thereafter	573.1	12.8
Total payments	1,091.0	42.1
Less: present value discount	(268.3)	(8.8)
Present value of lease payments	\$ 822.7	\$ 33.3
Current portion	\$ 89.3	\$ 7.0
Long-term portion	\$ 733.4	\$ 26.3

(a) Operating lease payments exclude \$83.7 million of estimated future payments for lease commitments not yet commenced at Telenet, the majority of which are not anticipated to be due until after 2028. These payments relate to the lease back of build-to-suit sites on certain passive infrastructure and tower assets sold to DigitalBridge Investments LLC in 2022. Telenet will act as an agent over the construction of future towers on the build-to-suit sites.

**(11) Income Taxes**

Liberty Global is a Bermuda exempted company limited by shares and is not considered to be a tax resident in any other jurisdiction or country. On December 27, 2023, Bermuda enacted the Corporate Income Tax Act 2023 (the **CIT Act**) which provides for the taxation of the Bermuda constituent entities of certain large multinational groups beginning on or after January 1, 2025. Prior to 2025, we used the U.K. statutory rate to compute our “expected” income tax benefit or expense, as management considered this rate to be more meaningful given that Bermuda did not impose an income tax in those periods. As the CIT Act is now in effect, we will use the Bermuda statutory rate of 15.0% to compute our expected income tax benefit or expense for 2025 and all future periods.

The effective tax rate for the three months ended September 30, 2025 was 36.0% (income tax benefit of \$46.9 million), which differs from the Bermuda statutory rate of 15.0% (income tax benefit of \$19.6 million). This difference is primarily due to the positive impacts of (i) a net decrease in unrecognized tax benefits of \$46.4 million (35.6%) and (ii) statutory rates in certain jurisdictions in which we operate that are different than the Bermuda statutory rate, including \$14.5 million (11.1%) in the U.K. The positive impacts of these items were partially offset by the negative impacts of (a) a net increase in valuation allowances in the U.K. of \$23.0 million (17.7%) and (b) non-deductible net income from investments in certain subsidiaries and affiliates in the U.K. and Netherlands of \$9.2 million (7.1%).

The effective tax rate for the nine months ended September 30, 2025 was 2.7% (income tax benefit of \$116.0 million), which differs from the Bermuda statutory rate of 15.0% (income tax benefit of \$644.5 million). This difference is primarily due to the negative impacts of (i) non-deductible net foreign currency exchange losses in the U.K. of \$899.9 million (20.9%) and (ii) non-deductible net losses from investments in certain subsidiaries and affiliates in the U.K. and Netherlands of \$122.0 million (2.8%). The negative impacts of these items were partially offset by the positive impacts of (a) statutory rates in certain jurisdictions in which we operate that are different than the Bermuda statutory rate, including \$406.8 million (9.5%) in the U.K., and (b) the release of valuation allowances in Luxembourg of \$86.0 million (2.0%).

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The effective tax rate for the three months ended September 30, 2024 was 0.8% (income tax benefit of \$11.2 million), which differs from the U.K. statutory rate of 25.0% (income tax benefit of \$358.7 million). This difference is primarily due to the negative impacts of (i) non-deductible net foreign currency exchange losses in the U.K. of \$267.2 million (18.6%) and (ii) and non-deductible net losses from investments in the Netherlands of \$62.3 million (4.3%).

The effective tax rate for the nine months ended September 30, 2024 was (14.8%) (income tax expense of \$59.8 million), which differs from the U.K. statutory rate of 25.0% (income tax benefit of \$101.3 million). This difference is primarily due to the negative impacts of (i) certain non-taxable or non-deductible items in the Netherlands, the U.K. and Belgium of \$76.6 million (18.9%), (ii) non-deductible net losses from investments in the Netherlands of \$57.2 million (14.1%) and (iii) non-deductible net foreign currency exchange losses in the U.K. of \$54.3 million (13.4%). The negative impacts of these items were partially offset by the positive impact of a net decrease in valuation allowances in the U.K. and Netherlands of \$41.3 million (10.2%).

On July 4, 2025, the One Big Beautiful Bill Act (the **OBBBA**) was enacted in the U.S., introducing various changes to federal tax law. We have evaluated the provisions of the OBBBA and determined that they did not have a material impact on our consolidated financial statements through September 30, 2025, nor do we currently anticipate that the OBBBA will have a material impact on our consolidated financial statements in the future.

As of September 30, 2025, our unrecognized tax benefits were \$141.7 million, of which \$102.7 million would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances and other factors.

We and our subsidiaries file consolidated and standalone income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

In general, tax returns filed by our company or our subsidiaries for years prior to 2019 are no longer subject to examination by tax authorities. Certain of our subsidiaries are currently involved in income tax examinations in various jurisdictions in which we operate, including Belgium, Luxembourg, Slovakia and the U.S. While we do not expect adjustments from the foregoing examinations to have a material impact on our consolidated financial position, results of operations or cash flows, no assurance can be given that this will be the case given the amounts involved and the complex nature of the related issues.

On October 7, 2022, the U.S. Department of Justice filed a suit against Liberty Global, Inc. (**LGI**), a wholly-owned U.S. subsidiary of Liberty Global, in the U.S. District Court of Colorado for unpaid federal income taxes and penalties for the 2018 tax year of approximately \$284 million. This action by the U.S. Department of Justice is related to the November 2020 complaint filed by LGI in the U.S. District Court of Colorado seeking a refund of approximately \$110 million of taxes, penalties and interest associated with the application of certain temporary treasury regulations issued in June 2019. In October 2023, the U.S. District Court of Colorado entered judgment against LGI with respect to the refund claim and we appealed this decision to the U.S. Court of Appeals for the Tenth Circuit (the **Court of Appeals**) in December 2023. No amounts have been accrued by LGI with respect to this matter. We continue to vigorously defend this matter and actively pursue our claim for refund.

In January 2021, we petitioned the U.S. Tax Court to address unresolved matters related to our 2010 tax year for which we had already recorded a liability for an unrecognized tax benefit. In November 2023, the U.S. Tax Court issued an unfavorable decision, which we subsequently appealed to the Court of Appeals. In December 2023, we made a \$315 million payment for the disputed tax and estimated associated interest. While this payment reduced the liability for unrecognized tax benefits on our consolidated balance sheet, the position remained in our inventory of unrecognized tax benefits as the matter was not yet settled. In August 2025, the Court of Appeals upheld the U.S. Tax Court's decision and we will not appeal further. As a result, we have now removed the position from our inventory of unrecognized tax benefits.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**(12) Equity**

***Share Repurchases***

During the nine months ended September 30, 2025, we repurchased 14,458,853 of our Class C common shares at an average price per share of \$10.98, for an aggregate purchase price of \$158.8 million, including direct acquisition costs.

Under our current share repurchase program, we are authorized during 2025 to repurchase up to 10% of our total outstanding shares as of December 31, 2024. As of September 30, 2025, the remaining number of our Class A and/or Class C common shares that we are authorized to repurchase during 2025 was 20.4 million. Based on the average of the respective closing share prices as of September 30, 2025, this would equate to additional share repurchases during the remainder of 2025 of approximately \$236.7 million. However, the actual U.S. dollar amount of our share repurchases during the remainder of 2025 will be determined by the actual transaction date share prices during the year and could differ significantly from this amount.

**(13) Share-based Compensation**

Our share-based compensation expense primarily relates to the share-based incentive awards issued by Liberty Global to its employees and employees of its subsidiaries. A summary of our aggregate share-based compensation expense is set forth below:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>in millions</b>			
<b>Liberty Global (a):</b>				
Non-performance based incentive awards	\$ 25.0	\$ 37.0	\$ 68.1	\$ 93.1
Performance-based incentive awards	13.9	5.6	34.8	12.6
Other (b)	7.7	4.4	22.6	19.2
<b>Total Liberty Global</b>	<b>46.6</b>	<b>47.0</b>	<b>125.5</b>	<b>124.9</b>
<b>Other</b>				
Total	\$ 46.6	\$ 47.0	\$ 129.4	\$ 129.4
<b>Included in:</b>				
Other operating expense	\$ 3.5	\$ 5.2	\$ 9.9	\$ 14.6
SG&A expense	43.1	41.8	119.5	114.8
<b>Total</b>	<b>\$ 46.6</b>	<b>\$ 47.0</b>	<b>\$ 129.4</b>	<b>\$ 129.4</b>

(a) Amounts include share-based compensation expense related to certain Telenet Replacement Awards.

(b) Represents annual incentive compensation and defined contribution plan liabilities that have been or are expected to be settled with Liberty Global common shares. In the case of annual incentive compensation, shares have been or will be issued to senior management and key employees pursuant to a shareholding incentive program. The shareholding incentive program allows these employees to elect to receive up to 100% of their annual incentive compensation in common shares of Liberty Global in lieu of cash.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The following table provides the aggregate number of options, SARs and performance-based share appreciation rights (**PSARs**) with respect to awards issued by Liberty Global that were (i) outstanding and (ii) exercisable as of September 30, 2025:

	Class A		Class C	
	Gross number of shares underlying option, SAR and PSAR awards (a)	Weighted average exercise or base price	Gross number of shares underlying option, SAR and PSAR awards (a)	Weighted average exercise or base price
<b>Held by Liberty Global employees:</b>				
Outstanding	38,067,064	\$ 13.89	85,917,060	\$ 14.04
Exercisable	32,727,463	\$ 14.54	76,033,947	\$ 14.48
<b>Held by former Liberty Global employees (b):</b>				
Outstanding	2,769,331	\$ 15.60	5,410,590	\$ 15.63
Exercisable	2,597,480	\$ 15.93	5,080,285	\$ 15.91

(a) Amounts represent the gross number of shares associated with option, SAR and PSAR awards issued to our current and former employees and our directors. Our company settles SARs and PSARs on a net basis when exercised by the award holder, whereby the number of shares issued represents the excess value of the award based on the market price of the respective Liberty Global shares at the time of exercise relative to the award's exercise price. In addition, the number of shares issued is further reduced by the amount of the employee's required income tax withholding.

(b) Amounts represent certain share-based awards that continue to be held by former employees of Liberty Global subsequent to certain spin-off or disposal transactions, or as otherwise permitted under applicable Liberty Global equity plan documents. Although future exercises of these awards by former employees will not result in the recognition of share-based compensation expense, such exercises will increase the number of our outstanding common shares.

The following table provides the aggregate number of restricted share units (**RSUs**) and performance-based restricted share units (**PSUs**) that were outstanding as of September 30, 2025. The number of shares to be issued on the vesting date of these awards will be reduced by the amount of the employee's required income tax withholding.

	Class A	Class C
	<b>Held by Liberty Global employees:</b>	
RSUs	3,356,053	4,386,316
PSUs	4,911,592	6,722,183
<b>Held by former Liberty Global employees (a):</b>		
RSUs	61,183	110,911
PSUs	11,300	11,260

(a) Amounts represent certain share-based awards that continue to be held by former employees of Liberty Global subsequent to certain spin-off or disposal transactions, or as otherwise permitted under applicable Liberty Global equity plan documents. The future vesting of these RSUs and PSUs will increase the number of our outstanding common shares.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**2025 PSUs**

In March 2025, the compensation committee of our board of directors approved the grant of PSUs to executive officers and certain employees (the **2025 PSUs**). The performance metric for the 2025 PSUs is the appreciation of Liberty Global’s average share price during the performance period commencing March 21, 2025 and ending December 31, 2027. The payout is determined based on the achievement of certain share price levels, as adjusted by the committee for (i) corporate transactions, including acquisitions, dispositions, spin-offs and mergers, and (ii) force majeure type events such as natural disasters, acts of war or terrorism or other unanticipated events impacting the business that are outside of our control. Share price appreciation of 0% to 80% will generally result in award recipients earning 0% to 200% of their target 2025 PSUs. In addition, 50% of the 2025 PSUs award payout may be “banked” if Liberty Global’s average share price exceeds specific target levels ranging from 30% to 50% during the performance period, subject to a cap of 75% of the target 2025 PSUs. The earned 2025 PSUs will fully vest on February 15, 2028.

**(14) Loss per Share**

Basic earnings or loss per share (**EPS**) is computed by dividing net earnings or loss attributable to Liberty Global shareholders by the weighted average number of shares outstanding for the period. Diluted EPS, as calculated under the treasury stock method, presents the dilutive effect, if any, on a per share basis of potential shares from share-based incentive awards as if they had been exercised, vested or converted at the beginning of the periods presented. Certain of our share incentive plans include performance and/or other features that result in the associated shares being contingently issuable. For purposes of applying the treasury stock method, the dilutive effect of these awards is calculated based on the number of the shares that would be issuable as if the end of the reporting period was the end of the contingency period. For additional information regarding our share-based incentive awards, see note 13.

The details of our net loss from continuing operations attributable to Liberty Global shareholders are set forth below:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>in millions, except share amounts</b>			
Loss from continuing operations	\$ (83.4)	\$ (1,423.7)	\$ (4,180.5)	\$ (465.1)
Net earnings from continuing operations attributable to noncontrolling interests	(7.3)	(23.2)	(40.4)	(47.3)
Net loss from continuing operations attributable to Liberty Global shareholders	<u>\$ (90.7)</u>	<u>\$ (1,446.9)</u>	<u>\$ (4,220.9)</u>	<u>\$ (512.4)</u>
Weighted average common shares outstanding (basic and diluted EPS computation)	<u>339,726,508</u>	<u>363,156,702</u>	<u>344,354,828</u>	<u>370,673,984</u>
Excluded potentially dilutive employee share-based incentive awards (a)	<u>153,333,863</u>	<u>102,059,429</u>	<u>153,333,863</u>	<u>102,059,429</u>

(a) Amounts represent potentially dilutive shares that have been excluded from the computation of diluted loss from continuing operations attributable to Liberty Global shareholders because their effect would have been anti-dilutive under the treasury stock method. Additional shares may be issuable in future periods based on the actual performance of certain PSUs, because such awards had not yet met the applicable performance criteria during the reporting period.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**(15) Commitments and Contingencies**

***Commitments***

In the normal course of business, we enter into agreements that commit our company to make cash payments in future periods with respect to purchases of CPE and other equipment and services, programming contracts, network and connectivity commitments and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of September 30, 2025. The commitments included in this table do not reflect any liabilities that are included on our September 30, 2025 condensed consolidated balance sheet.

	<b>Payments due during:</b>							<b>Total</b>
	<b>Remainder of 2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Thereafter</b>	
<b>in millions</b>								
Purchase commitments	\$ 242.8	\$ 658.5	\$ 558.5	\$ 522.3	\$ 116.0	\$ 22.3	\$ 18.5	\$ 2,138.9
Programming commitments	35.7	53.9	34.9	3.1	1.2	0.2	—	129.0
Network and connectivity commitments	11.5	47.3	5.9	1.4	0.8	0.3	0.2	67.4
Other commitments	250.3	213.9	29.7	29.1	4.3	2.5	2.7	532.5
<b>Total</b>	<b>\$ 540.3</b>	<b>\$ 973.6</b>	<b>\$ 629.0</b>	<b>\$ 555.9</b>	<b>\$ 122.3</b>	<b>\$ 25.3</b>	<b>\$ 21.4</b>	<b>\$ 2,867.8</b>

Purchase commitments include unconditional and legally binding obligations related to (i) certain service-related commitments, including software development, information technology, maintenance and call center services and (ii) the purchase of CPE.

Programming commitments consist of obligations associated with certain of our programming, studio output and sports rights contracts that are enforceable and legally binding on us as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium sports services. Programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect this will continue to be the case in future periods. In this regard, our total programming and copyright costs aggregated \$415.6 million and \$406.7 million during the nine months ended September 30, 2025 and 2024, respectively.

Network and connectivity commitments include certain equipment and service-related commitments at Telenet.

Other commitments include (i) our share of the funding commitment associated with the nexfibre JV and (ii) race management commitments associated with Formula E.

In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments, see note 6.

We also have commitments pursuant to agreements with, and obligations imposed by, franchise authorities and municipalities, which may include obligations in certain markets to move aerial cable to underground ducts or to upgrade, rebuild or extend portions of our broadband communication systems. Such amounts are not included in the above table because they are not fixed or determinable.

Furthermore, in connection with a future sale of our interest in, or an initial public offering of, Formula E, we have agreed to pay a third party a portion of our economic gain. We estimate that this contingent obligation is not currently significant.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Guarantees and Other Credit Enhancements***

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments, and we do not believe that they will result in material payments in the future.

***Legal and Regulatory Proceedings and Other Contingencies***

***Interkabel Acquisition.*** On November 26, 2007, Telenet and four associations of municipalities in Belgium, which we refer to as the pure intercommunales or the “**PICs**,” announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers, to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the **2008 PICs Agreement**), which closed effective October 1, 2008. Beginning in December 2007, Proximus NV/SA (**Proximus**), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought an appeal judgment before the Belgian Supreme Court, which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus’ request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment to the Court of Appeal of Antwerp. In this appeal, Proximus also sought compensation for damages. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs’ board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion (\$1.6 billion). On December 18, 2017, the Court of Appeal of Antwerp rejected Proximus’ claim in its entirety. On June 28, 2019, Proximus brought this appeal judgment before the Belgian Supreme Court. On January 22, 2021, the Belgian Supreme Court partially annulled the judgment of the Court of Appeal of Antwerp. The case was referred to the Court of Appeal of Brussels and is currently pending with this Court which will need to make a new decision on the matter within the boundaries of the annulment by the Belgian Supreme Court. It is likely that it will take the Court of Appeal of Brussels several years to decide on the matter.

No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement. We do not expect the ultimate resolution of this matter to have a material impact on our results of operations, cash flows or financial position. No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

***Telekom Deutschland Litigation.*** On December 28, 2012, Unitymedia filed a lawsuit against Telekom Deutschland GmbH (**Telekom Deutschland**) in which Unitymedia asserted that it pays excessive prices for the co-use of Telekom Deutschland’s cable ducts in Unitymedia’s footprint. The Federal Network Agency approved rates for the co-use of certain ducts of Telekom Deutschland in March 2011. Based in part on these approved rates, Unitymedia sought a reduction of the annual lease fees by approximately five-sixths. In addition, Unitymedia sought the return of similarly calculated overpayments from 2009 through the ultimate settlement date, plus accrued interest. In October 2016, the first instance court dismissed this action, and in March 2018, the court of appeal dismissed Unitymedia’s appeal of the first instance court’s decision. Unitymedia has since successfully appealed the case to the Federal Court of Justice, and proceedings continue before the German courts. The resolution of this matter may take several years and no assurance can be given that Unitymedia’s claims will be successful. In connection with our sale of our former operations in Germany, Romania, Hungary and the Czech Republic to Vodafone (the **Vodafone Disposal Group**) in 2019, we will only share in 50% of any amounts recovered, plus 50% of the net present value of certain cost savings in future periods that are attributable to the favorable resolution of this matter, less 50% of associated legal or other third-party fees paid post-completion of the sale of the Vodafone Disposal Group. Any amount we may recover related to this matter will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*Other Contingency Matters.* In connection with the dispositions of certain of our operations, we provided tax indemnities to the counterparties for certain tax liabilities that could arise from the period we owned the respective operations, the amounts of which could be significant, subject to certain thresholds. No amounts have been accrued by our company related to unasserted claims for indemnification, as the likelihood of any loss is not considered to be probable. Further, Liberty Global may be entitled to certain amounts that our disposed operations may recover from taxing authorities. Any such amounts will not be reflected in our consolidated financial statements until such time as the final disposition of such matters has been reached.

*Other Regulatory Matters.* Broadband internet, video distribution, fixed-line telephony, mobile and content businesses are regulated in each of the countries in which we or our affiliates operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the European Union (E.U.), and largely similar rules apply in the U.K. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. Regulation may also restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving VAT and wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming, copyright and channel carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

**(16) Segment Reporting**

Our chief executive officer, whom we have determined to be our Chief Operating Decision Maker (CODM), views our business as three strategic platforms, “Liberty Telecom” (our converged broadband, video and mobile communications businesses), “Liberty Growth” (our global investment arm comprised of various technology, media/content, sports, digital infrastructure and other growth assets) and “Liberty Services” (our innovative technology and finance service platforms offered by our centralized functions), each as further discussed below. Performance of our business is assessed and resources are allocated by our CODM on a segment basis. We generally identify our reportable segments as (i) those consolidated subsidiaries that represent 10% or more of our total reportable segment revenue or proportionate Adjusted EBITDA (as defined below) or (ii) those equity method affiliates where revenue or our share of Adjusted EBITDA represents 10% or more of our total reportable segment revenue or proportionate Adjusted EBITDA, respectively. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet the above-described criteria for a reportable segment. Adjusted EBITDA is the primary measure used by our CODM to evaluate segment operating performance and make decisions about allocating resources to our operating segments. The CODM uses Adjusted EBITDA to evaluate income generated from our segment assets in deciding whether to reinvest profits into other areas of our business, such as for acquisitions or investments. Adjusted EBITDA is also used to monitor budget versus actual results, which is used in assessing the performance of segments in comparison with one another and in establishing management’s compensation. The significant accounting policies of our segments are the same as those described in note 3 to the consolidated financial statements included in our 2024 10-K. In addition, our CODM reviews non-financial measures such as customer growth, as appropriate, but does not review any measure of total assets.

As we use the term, “Adjusted EBITDA” is defined as earnings (loss) from continuing operations before net income tax benefit (expense), other non-operating income or expenses, net share of results of affiliates, net gains (losses) on debt extinguishment, net realized and unrealized gains (losses) due to changes in fair values of certain investments, net foreign currency transaction gains (losses), net gains (losses) on derivative instruments, net interest expense, depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment,

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe Adjusted EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between segments and (c) identify strategies to improve operating performance in the different countries in which we operate. A reconciliation of total reportable segment Adjusted EBITDA to loss from continuing operations before income taxes is presented below.

As of September 30, 2025, our reportable segments are as follows:

**Consolidated:**

- Telenet
- VM Ireland

**Nonconsolidated:**

- VMO2 JV
- VodafoneZiggo JV

Telenet, VM Ireland, the VMO2 JV and the VodafoneZiggo JV are included in our “Liberty Telecom” strategic platform and derive their revenue primarily from residential and B2B communications services, including broadband internet, video, fixed-line telephony and mobile services.

During the fourth quarter of 2024, our previously defined “*Central and Other*” reportable segment was reorganized into various other operating segments, which are not separately or in the aggregate identified as reportable segments. Prior periods have been revised in accordance with this reorganization.

The “Liberty Growth” strategic platform, included in the “all other category,” comprises certain investments in technology, media/content, sports and digital infrastructure companies that we view as scalable businesses, which derive their revenue from providing various goods, services and content to customers (**Liberty Growth**).

The “Liberty Services” strategic platform, included in the “all other category,” primarily includes our technology and services operating segments that generate revenue through (i) sales of CPE to our reportable segments and certain third parties and (ii) providing certain centralized back office functions, including network operations and technology solutions (**Liberty Services**).

We also have certain corporate activities that are included in the “all other category,” which include (i) revenue associated with certain finance and administrative services provided to various third parties and affiliates pursuant to service agreements and (ii) costs associated with certain centralized functions including billing systems, marketing, facilities, finance and other administrative functions.

Liberty Growth, Liberty Services and our corporate activities are all included in the “all other category” as they do not meet the reportable segment quantitative thresholds.

We present only the reportable segments of our continuing operations in the tables below.

Our centrally-managed technology and innovation function (our **T&I Function**) provides, and allocates charges for, certain products and services to our reportable segments (the **Tech Framework**). These products and services include CPE hardware and related essential software, maintenance, hosting and other services. Our reportable segments capitalize the combined cost of the CPE hardware and a portion of the essential software as property and equipment additions and the corresponding amounts charged by our T&I Function are reflected as revenue when earned.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

*Performance Measures of Our Reportable Segments*

The amounts presented in the tables below represent 100% of each of our consolidated and nonconsolidated reportable segment's revenue, expenses and Adjusted EBITDA, despite only holding a 50% noncontrolling interest in both the VMO2 JV and the VodafoneZiggo JV. We account for our 50% interests in both the VMO2 JV and the VodafoneZiggo JV under the equity method; accordingly, our share of their operating results is included in share of results of affiliates, net in our condensed consolidated statements of operations. The noncontrolling interests at Telenet and Formula E are reflected in net earnings or loss attributable to noncontrolling interests in our condensed consolidated statements of operations.

	Revenue					
	Three months ended September 30, 2025			Nine months ended September 30, 2025		
	Third-party and affiliate	Intersegment	Total	Third-party and affiliate	Intersegment	Total
	in millions					
Telenet	\$ 804.9	\$ —	\$ 804.9	\$ 2,365.5	\$ 0.1	\$ 2,365.6
VM Ireland	122.2	—	122.2	360.8	—	360.8
VMO2 JV (nonconsolidated)	3,436.0	—	3,436.0	9,935.8	—	9,935.8
VodafoneZiggo JV (nonconsolidated)	1,156.8	—	1,156.8	3,332.1	—	3,332.1
Total reportable segment revenue	<u>\$ 5,519.9</u>	<u>\$ —</u>	<u>5,519.9</u>	<u>\$ 15,994.2</u>	<u>\$ 0.1</u>	<u>15,994.3</u>
Plus: all other category (a)			323.6			1,038.1
Less: nonconsolidated JV revenue			(4,592.8)			(13,267.9)
Less: elimination of intercompany consolidated revenue (b)			(43.6)			(117.1)
Total consolidated revenue			<u>\$ 1,207.1</u>			<u>\$ 3,647.4</u>

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

	Revenue					
	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	Third-party and affiliate	Intersegment	Total	Third-party and affiliate	Intersegment	Total
	in millions					
Telenet	\$ 785.2	\$ —	\$ 785.2	\$ 2,302.9	\$ —	\$ 2,302.9
VM Ireland	118.9	0.9	119.8	360.0	2.8	362.8
VMO2 JV (nonconsolidated)	3,512.7	—	3,512.7	10,170.9	—	10,170.9
VodafoneZiggo JV (nonconsolidated)	1,131.1	—	1,131.1	3,336.7	—	3,336.7
Total reportable segment revenue	<u>\$ 5,547.9</u>	<u>\$ 0.9</u>	<u>5,548.8</u>	<u>\$ 16,170.5</u>	<u>\$ 2.8</u>	<u>16,173.3</u>
Plus: all other category (a)			229.6			755.0
Less: nonconsolidated JV revenue			(4,643.8)			(13,507.6)
Less: elimination of intercompany consolidated revenue (b)			(65.1)			(202.0)
Total consolidated revenue			<u>\$ 1,069.5</u>			<u>\$ 3,218.7</u>

(a) Amounts include revenue from:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Third parties and affiliates	\$ 128.2	\$ 32.1	\$ 491.0	\$ 97.2
Services agreements with our nonconsolidated JV reportable segments (as further described in note 5)	151.8	133.3	430.1	458.5
Consolidated reportable segments	43.6	64.2	117.0	199.3
Total	<u>\$ 323.6</u>	<u>\$ 229.6</u>	<u>\$ 1,038.1</u>	<u>\$ 755.0</u>

(b) Primarily reflects the elimination of (i) the revenue recognized related to the Tech Framework and (ii) for the 2024 periods, transactions between our continuing and discontinued operations.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The expense categories and amounts presented below align with the segment-level information that is regularly provided to the CODM. These amounts include intersegment expenses and are exclusive of share-based compensation expense.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<i>in millions</i>				
<i>Programming and other direct costs of services:</i>				
Consolidated reportable segments:				
Telenet	\$ 167.7	\$ 174.0	\$ 557.6	\$ 556.0
VM Ireland	\$ 30.6	\$ 30.9	\$ 97.2	\$ 96.1
Nonconsolidated reportable segments:				
VMO2 JV	\$ 1,052.0	\$ 1,229.4	\$ 3,064.8	\$ 3,484.0
VodafoneZiggo JV	\$ 237.7	\$ 238.3	\$ 683.4	\$ 661.7
<i>Operating expenses:</i>				
Consolidated reportable segments:				
Telenet	\$ 278.3	\$ 250.3	\$ 809.6	\$ 765.7
VM Ireland	\$ 49.8	\$ 47.5	\$ 143.2	\$ 139.6
Nonconsolidated reportable segments:				
VMO2 JV	\$ 1,133.7	\$ 1,112.4	\$ 3,375.0	\$ 3,310.0
VodafoneZiggo JV	\$ 396.9	\$ 365.0	\$ 1,166.7	\$ 1,109.5

	<b>Adjusted EBITDA</b>			
	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<i>in millions</i>				
Telenet	\$ 358.9	\$ 360.9	\$ 998.4	\$ 981.2
VM Ireland	41.8	41.4	120.4	127.1
VMO2 JV (nonconsolidated)	1,250.3	1,170.9	3,496.0	3,376.9
VodafoneZiggo JV (nonconsolidated)	522.2	527.8	1,482.0	1,565.5
Total reportable segment Adjusted EBITDA	\$ 2,173.2	\$ 2,101.0	\$ 6,096.8	\$ 6,050.7

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

The following table provides a reconciliation of total reportable segment Adjusted EBITDA to loss from continuing operations before income taxes:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Total reportable segment Adjusted EBITDA	\$ 2,173.2	\$ 2,101.0	\$ 6,096.8	\$ 6,050.7
Plus: all other category	(54.2)	(38.8)	(92.4)	(94.4)
Less: nonconsolidated JV Adjusted EBITDA	(1,772.5)	(1,698.7)	(4,978.0)	(4,942.4)
Less: intercompany consolidated eliminations (a)	(10.0)	(32.1)	(30.0)	(101.9)
Share-based compensation expense	(46.6)	(47.0)	(129.4)	(129.4)
Depreciation and amortization	(275.9)	(245.0)	(758.9)	(750.4)
Impairment, restructuring and other operating items, net	(22.0)	(6.0)	(25.8)	(44.1)
Operating income (loss)	(8.0)	33.4	82.3	(11.9)
Interest expense	(123.3)	(144.3)	(380.3)	(434.2)
Realized and unrealized losses on derivative instruments, net	(46.4)	(263.8)	(617.1)	(39.3)
Foreign currency transaction gains (losses), net	10.0	(934.9)	(3,160.9)	(202.1)
Realized and unrealized gains (losses) due to changes in fair values of certain investments, net	64.4	(45.6)	175.5	37.7
Losses on debt extinguishment, net	(11.2)	—	(20.1)	—
Share of results of affiliates, net	(43.3)	(132.8)	(455.9)	(164.4)
Gain on sale of All3Media	—	—	—	242.9
Other income, net	27.5	53.1	80.0	166.0
Loss from continuing operations before income taxes	<u>\$ (130.3)</u>	<u>\$ (1,434.9)</u>	<u>\$ (4,296.5)</u>	<u>\$ (405.3)</u>

(a) Amounts relate to (i) the Adjusted EBITDA impact related to the Tech Framework and (ii) for the 2024 periods, transactions between our continuing and discontinued operations.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

***Property and Equipment Additions of our Reportable Segments***

The property and equipment additions of our reportable segments (including capital additions financed under capital-related vendor financing or finance lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our condensed consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing and finance lease arrangements, see notes 8 and 10, respectively.

	Nine months ended September 30,	
	2025	2024
	in millions	
Telenet	\$ 765.6	\$ 611.5
VM Ireland	160.5	125.3
VMO2 JV (nonconsolidated)	1,914.8	1,959.6
VodafoneZiggo JV (nonconsolidated)	673.5	715.3
Total reportable segment property and equipment additions	3,514.4	3,411.7
Plus: all other category (a)	42.3	16.1
Less: nonconsolidated JV property and equipment additions	(2,588.3)	(2,674.9)
Less: elimination of intercompany consolidated property and equipment additions (b)	(30.0)	(28.6)
Total consolidated property and equipment additions	938.4	724.3
Assets acquired under capital-related vendor financing arrangements	(72.7)	(59.3)
Assets acquired under finance leases	—	(0.6)
Changes in current liabilities related to capital expenditures	39.8	(52.5)
Total capital expenditures, net	\$ 905.5	\$ 611.9

- (a) Includes (i) property and equipment additions representing centrally-owned assets that benefit other operating segments and (ii) the net impact of certain centrally-procured network equipment that is ultimately transferred to other operating segments.
- (b) Represents eliminations primarily related to the charges under the Tech Framework to each respective consolidated reportable segment related to the portion of the charges attributed to centrally-held internally developed technology that is embedded within our various CPE, as well as any applicable markup.

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

**Revenue by Major Category**

Our revenue by major category is set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
in millions				
<b>Residential revenue:</b>				
Residential fixed revenue (a):				
Subscription revenue (b):				
Broadband internet	\$ 247.2	\$ 229.0	\$ 703.9	\$ 667.5
Video	153.8	152.9	451.6	450.8
Fixed-line telephony	47.8	49.9	139.3	149.6
Total subscription revenue	448.8	431.8	1,294.8	1,267.9
Non-subscription revenue	8.3	4.7	18.0	11.4
Total residential fixed revenue	457.1	436.5	1,312.8	1,279.3
Residential mobile revenue (c):				
Subscription revenue (b)	131.0	124.7	371.7	367.4
Non-subscription revenue	36.3	35.6	110.1	124.6
Total residential mobile revenue	167.3	160.3	481.8	492.0
Total residential revenue	624.4	596.8	1,794.6	1,771.3
<b>B2B revenue (d):</b>				
Subscription revenue	116.7	111.1	333.0	325.3
Non-subscription revenue	116.6	101.9	333.2	306.6
Total B2B revenue	233.3	213.0	666.2	631.9
<b>Other revenue (e)</b>				
Total	\$ 1,207.1	\$ 1,069.5	\$ 3,647.4	\$ 3,218.7

- (a) Residential fixed subscription revenue includes amounts received from subscribers for ongoing services and the recognition of deferred installation revenue over the associated contract period. Residential fixed non-subscription revenue includes, among other items, channel carriage fees, late fees and revenue from the sale of equipment.
- (b) Residential subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our fixed and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.
- (c) Residential mobile subscription revenue includes amounts received from subscribers for ongoing services. Residential mobile non-subscription revenue includes, among other items, interconnect revenue and revenue from sales of mobile handsets and other devices.
- (d) B2B subscription revenue represents revenue from (i) services provided to small or home office (SOHO) subscribers and (ii) mobile services provided to medium and large enterprises. SOHO subscribers pay a premium price to receive expanded service levels along with broadband internet, video, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. B2B non-subscription revenue includes (a) revenue from business broadband internet, video, fixed-line telephony and data services offered to medium and large

**LIBERTY GLOBAL LTD.**  
**Notes to Condensed Consolidated Financial Statements — (Continued)**  
**September 30, 2025**  
**(unaudited)**

enterprises and, fixed-line and mobile services on a wholesale basis, to other operators and (b) revenue from long-term leases of portions of our network.

- (e) Other revenue includes, among other items, (i) revenue earned from the U.K. JV Services, the Sunrise Services and the NL JV Services, (ii) broadcasting revenue at Telenet and VM Ireland, (iii) revenue at Formula E and (iv) revenue earned from the sale of CPE to the VMO2 JV and the VodafoneZiggo JV.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis, which should be read in conjunction with our consolidated financial statements and the discussion and analysis included in our 2024 10-K, is intended to assist in providing an understanding of changes in our results of operations and financial condition and is organized as follows:

- *Forward-Looking Statements.* This section provides a description of certain factors that could cause actual results or events to differ materially from anticipated results or events.
- *Overview.* This section provides a general description of our business and recent events.
- *Material Changes in Results of Operations.* This section provides an analysis of our results of operations for the three and nine months ended September 30, 2025 and 2024.
- *Material Changes in Financial Condition.* This section provides an analysis of our corporate and subsidiary liquidity and our condensed consolidated statements of cash flows.

The capitalized terms used below have been defined in the notes to our condensed consolidated financial statements. In the following text, the terms "we," "our," "our company" and "us" may refer, as the context requires, to Liberty Global or collectively to Liberty Global and its subsidiaries.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated, and operational data is presented, as of September 30, 2025.

### Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that statements in this Quarterly Report are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*, Part I, Item 3. *Quantitative and Qualitative Disclosures About Market Risk* and Part II, Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds* may contain forward-looking statements, including statements regarding our business, product, foreign currency, hedging and finance strategies, our property and equipment additions, subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, the maturity of our markets, the potential impact of large-scale health crises on our company, the anticipated impacts of new legislation (or changes to existing rules and regulations), anticipated changes in our revenue, costs or growth rates, our liquidity, credit risks, foreign currency risks, interest rate risks, target leverage levels, debt covenants, our future projected contractual commitments and cash flows, our share repurchase programs and other information and statements that are not historical fact. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the risks and uncertainties discussed in Part I, Item 1A. *Risk Factors* of our 2024 10-K, as well as the following list of some, but not all, of the factors that could cause actual results or events (including with respect to our affiliates) to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the countries in which we or our affiliates operate;
- the competitive environment in the industries and in the countries in which we or our affiliates operate, including competitor responses to our products and services;
- our ability to manage and adapt to rapid technological changes, including our ability to adequately manage our legacy technologies and the rate at which our current technology becomes obsolete;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- our ability to adequately forecast and plan future network requirements;
- changes in laws, monetary policies and government regulations that may impact the availability or cost of capital and the derivative instruments that hedge certain of our financial risks;
- changes in consumer video, mobile and broadband usage, preferences and habits;

- consumer acceptance of our existing service offerings, including our broadband internet, video, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- the availability of attractive programming for our video services and the costs associated with such programming, including, but not limited to, production costs, retransmission and copyright fees;
- the activities of device manufacturers and our operating companies' ability to secure adequate and timely supply of handsets that experience high demand;
- uncertainties inherent in the development, and integration, of new business lines and business strategies;
- our ability to increase revenue from business services offered to our affiliates and other third parties;
- the availability, cost and regulation of spectrum used in our business and our ability to deploy such spectrum in a timely and efficient manner;
- the ability of suppliers and vendors (including our third-party wireless network provider, Three (Hutchison), under our mobile virtual network operator arrangement at VM Ireland) to timely deliver quality products, equipment, software, services and access;
- the leakage of sensitive customer or company data or the failure to comply with applicable data protection laws, regulations and rules;
- our ability to anticipate, protect against, mitigate and contain the loss of our and our customers' data as a result of cyber attacks or security breaches involving us or any of our affiliates;
- a failure in our network and information systems, whether caused by a natural failure or a security breach, and unauthorized access to our networks;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues, currency instability and related fiscal or monetary reforms;
- changes in, or failure or inability to comply with, government regulations and legislation in the countries in which we or our affiliates operate and any adverse outcomes from regulatory or legal proceedings;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in Bermuda, the U.K., the U.S. or in other countries in which we or our affiliates operate;
- the effect of perceived health risks associated with electromagnetic radiation from base stations and associated equipment;
- our ability to navigate the impacts on our business resulting from potential disparate regulatory rules between the U.K. and the E.U. following the U.K.'s departure from the E.U.;
- our ability to successfully acquire new businesses or form joint ventures and, if acquired or joined, to integrate, realize anticipated efficiencies from, and implement our business plans with respect to, the businesses we have acquired or joined or that we expect to acquire or join;
- successfully integrating businesses or operations that we acquire or partner with on the timelines, or within the budgets, estimated for such integrations;
- our ability to realize the expected synergies from our acquisitions and joint ventures in the amounts anticipated or on the anticipated timelines;
- our ability to obtain regulatory approval and shareholder approval and satisfy other conditions necessary to close acquisitions, dispositions, combinations or joint ventures and the impact of conditions imposed by competition and other regulatory authorities in connection with any of our acquisitions, dispositions, combinations or joint ventures;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting processes, of businesses we acquire or with whom we combine or create joint ventures;
- operating costs, customer loss and business disruption, including maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected in connection with our acquisitions, dispositions, combinations or joint ventures;
- changes in the nature of key strategic relationships with partners and joint venturers;

- our ability to profit from or undertake transactions that we believe will be accretive with investments, such as our joint ventures, that we do not solely control;
- our potential exposure to additional tax liabilities;
- the effect on our businesses of strikes or collective action by certain of our employees that are represented by trade unions or work councils;
- our capital structure and factors related to our debt arrangements;
- our ability to navigate the potential impacts on our business resulting from any international trade wars or tariffs imposed on the products or services that we purchase from vendors or sell to our customers;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers, including with respect to our significant property and equipment additions, as a result of, among other things, inflationary and cost of living pressures;
- the availability and cost of capital for the acquisition, maintenance and/or development of telecommunications networks, products and services;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt, as a result of, among other things, inflationary or cost of living pressures;
- our ability to freely access the cash of our operating companies;
- the risk of default by counterparties to our cash investments, derivative and other financial instruments and undrawn debt facilities;
- the loss of key employees and the inability to attract or hire qualified personnel due to labor market dynamics or due to legal or immigration rules and regulations;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- government intervention that requires opening our broadband distribution networks to competitors, such as certain regulatory obligations imposed in Belgium;
- our ability to maintain and further develop our direct and indirect distribution channels;
- the outcome of any pending or threatened litigation; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, armed conflicts, malicious human acts, natural disasters, epidemics, pandemics and other similar events, including the ongoing invasion of Ukraine by Russia and the continuing conflicts in the Middle East.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intents in this Quarterly Report are subject to a significant degree of risk. These forward-looking statements and the above-described risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

## **Overview**

### ***General***

We are an international provider of broadband internet, video, fixed-line telephony and mobile communications services to residential customers and businesses in Europe and are an active investor across the infrastructure, content and technology industries. We also provide innovative technology solutions and finance services. Our continuing operations comprise businesses that provide residential and B2B communications services in (i) Belgium and Luxembourg through Telenet and (ii) Ireland through VM Ireland. In addition, we own 50% noncontrolling interests in (a) the VMO2 JV, which provides residential and B2B communications services in the U.K., and (b) the VodafoneZiggo JV, which provides residential and B2B communications services in the Netherlands.

Prior to the completion of the Spin-off on November 8, 2024, we also provided residential and B2B communications services in Switzerland through Sunrise. Sunrise, together with certain other Liberty Global subsidiaries connected to our Swiss

business, are collectively referred to as the Sunrise Entities and are reflected as discontinued operations for all applicable periods. In the following discussion and analysis, the operating statistics, results of operations, cash flows and financial condition that we present and discuss are those of our continuing operations, unless otherwise indicated. For additional information regarding the Spin-off, see note 4 to our condensed consolidated financial statements.

On October 2, 2024, we completed the Formula E Acquisition, pursuant to which we acquired a controlling interest in Formula E and began consolidating 100% of Formula E's results from that date. For additional information, see note 4 to our condensed consolidated financial statements.

### **Operations**

At September 30, 2025, our reportable segments, including our nonconsolidated JVs, as defined in note 16 to our condensed consolidated financial statements, owned and operated networks that passed 29,073,400 homes and served 11,443,800 fixed-line customers and 44,970,800 mobile subscribers.

### **Competition and Other External Factors**

We are experiencing competition in all of the markets in which we or our affiliates operate. This competition, together with macroeconomic and regulatory factors, has adversely impacted our revenue, number of customers and/or average monthly subscription revenue per fixed-line customer or mobile subscriber, as applicable (**ARPU**). For additional information regarding the revenue impact of changes in the fixed-line customers and ARPU of our consolidated reportable segments, see *Discussion and Analysis of our Reportable Segments* below.

We are subject to inflationary pressures with respect to labor, programming and other costs. While we attempt to increase our revenue to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the respective countries in which we operate is a function of government, economic, fiscal and monetary policies and various other factors beyond our control that could lead to inflation. We are unable to predict the extent that price levels might be impacted in future periods by the current state of the economies in the countries in which we operate.

### **Material Changes in Results of Operations**

We have completed a number of transactions that impact the comparability of our 2025 and 2024 results of operations, the most notable of which is the Formula E Acquisition on October 2, 2024. For further information, see note 4 to our condensed consolidated financial statements.

In the following discussion, we quantify the estimated impact of material acquisitions (the **Acquisition Impact**) and dispositions on our operating results. The Acquisition Impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. In general, we base our estimate of the Acquisition Impact on an acquired entity's operating results during the first 3 to 12 months following the acquisition date, as adjusted to remove integration costs and any other material unusual or non-operational items, such that changes from those operating results in subsequent periods are considered to be organic changes. Accordingly, in the following discussion, (i) organic variances attributed to an acquired entity during the first 12 months following the acquisition date represent differences between the Acquisition Impact and the actual results and (ii) the calculation of our organic change percentages includes the organic activity of an acquired entity relative to the Acquisition Impact of such entity. With respect to material dispositions, the organic changes that are discussed below reflect adjustments to exclude the historical prior-year results of any disposed entities to the extent that such entities are not included in the corresponding results for the current-year period.

Changes in foreign currency exchange rates have a significant impact on our reported operating results, as all of our operating segments have functional currencies other than the U.S. dollar. Our primary exposure to foreign exchange (FX) risk during the three months ended September 30, 2025 was to the euro, as substantially all of our reported revenue during the period was derived from subsidiaries whose functional currencies are the euro. In addition, our reported operating results are impacted by changes in the exchange rates for certain other local currencies in Europe. The portions of the changes in the various components of our results of operations that are attributable to changes in FX are highlighted under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* below. For information regarding our foreign currency risks and the applicable foreign currency exchange rates in effect for the periods covered by this Quarterly Report, see Part I, Item 3. *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

The amounts presented and discussed below represent 100% of each of our consolidated and nonconsolidated reportable segment's results of operations, despite only holding a 50% noncontrolling interest in both the VMO2 JV and the VodafoneZiggo JV. We account for our 50% interests in both the VMO2 JV and the VodafoneZiggo JV under the equity method; accordingly, our share of their operating results is included in share of results of affiliates, net in our condensed consolidated statements of operations. The noncontrolling interests at Telenet and Formula E are reflected in net earnings or loss attributable to noncontrolling interests in our condensed consolidated statements of operations.

## Discussion and Analysis of our Reportable Segments

### General

Telenet, VM Ireland, the VMO2 JV and the VodafoneZiggo JV derive their revenue primarily from residential and B2B communications services. For detailed information regarding the composition of our reportable segments, our "all other category" and how we define and categorize our revenue components, see note 16 to our condensed consolidated financial statements. For information regarding the results of operations of the VMO2 JV and the VodafoneZiggo JV, refer to *Discussion and Analysis of our Consolidated Operating Results — Share of results of affiliates, net* below.

The tables presented below in this section provide the details of the revenue and Adjusted EBITDA of our reportable segments for the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024. These tables present (i) the amounts reported for the current and comparative periods, (ii) the reported U.S. dollar change and percentage change from period to period and (iii) with respect to our consolidated reportable segments, the organic U.S. dollar change and percentage change from period to period. For our organic comparisons, which exclude the impact of FX, we assume that exchange rates remained constant at the prior-period rate during all periods presented. We also provide a table showing the Adjusted EBITDA margins of our reportable segments for the three and nine months ended September 30, 2025 and 2024 at the end of this section.

Consolidated Adjusted EBITDA is a non-GAAP measure, which we believe is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to readily view operating trends from a consolidated view. Investors should view consolidated Adjusted EBITDA as a supplement to, and not a substitute for, GAAP measures of performance included in our condensed consolidated statements of operations.

The following table provides a reconciliation of loss from continuing operations to total consolidated Adjusted EBITDA:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Loss from continuing operations	\$ (83.4)	\$ (1,423.7)	\$ (4,180.5)	\$ (465.1)
Income tax expense (benefit)	(46.9)	(11.2)	(116.0)	59.8
Other income, net	(27.5)	(53.1)	(80.0)	(166.0)
Gain on sale of All3Media	—	—	—	(242.9)
Share of results of affiliates, net	43.3	132.8	455.9	164.4
Losses on debt extinguishment, net	11.2	—	20.1	—
Realized and unrealized losses (gains) due to changes in fair values of certain investments, net	(64.4)	45.6	(175.5)	(37.7)
Foreign currency transaction losses (gains), net	(10.0)	934.9	3,160.9	202.1
Realized and unrealized losses on derivative instruments, net	46.4	263.8	617.1	39.3
Interest expense	123.3	144.3	380.3	434.2
Operating income (loss)	(8.0)	33.4	82.3	(11.9)
Impairment, restructuring and other operating items, net	22.0	6.0	25.8	44.1
Depreciation and amortization	275.9	245.0	758.9	750.4
Share-based compensation expense	46.6	47.0	129.4	129.4
Total consolidated Adjusted EBITDA	\$ 336.5	\$ 331.4	\$ 996.4	\$ 912.0

### Revenue of our Reportable Segments

*General.* While not specifically discussed in the below explanations of the changes in the revenue of our reportable segments, we are experiencing competition in all of our markets. This competition has an adverse impact on our ability to increase or maintain our total number of customers and/or our ARPU.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of our fixed-line customers or mobile subscribers outstanding during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (a) changes in prices, (b) changes in bundling or promotional discounts, (c) changes in the tier of services selected, (d) variances in subscriber usage patterns and (e) the overall mix of fixed and mobile products within a segment during the period.

	Three months ended September 30,		Increase (decrease)		Organic decrease	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 804.9	\$ 785.2	\$ 19.7	2.5	\$ (28.1)	(3.6)
VM Ireland	122.2	119.8	2.4	2.0	\$ (4.7)	(3.9)
Total consolidated reportable segments	927.1	905.0	22.1	2.4		
Plus: all other category	323.6	229.6	94.0	40.9		
Less: elimination of intercompany consolidated revenue	(43.6)	(65.1)	21.5	N.M.		
Total consolidated	\$ 1,207.1	\$ 1,069.5	\$ 137.6	12.9	\$ (17.8)	(1.6)
VMO2 JV	\$ 3,436.0	\$ 3,512.7	\$ (76.7)	(2.2)		
VodafoneZiggo JV	\$ 1,156.8	\$ 1,131.1	\$ 25.7	2.3		

	Nine months ended September 30,		Increase (decrease)		Organic decrease	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 2,365.6	\$ 2,302.9	\$ 62.7	2.7	\$ (2.5)	(0.1)
VM Ireland	360.8	362.8	(2.0)	(0.6)	\$ (11.9)	(3.3)
Total consolidated reportable segments	2,726.4	2,665.7	60.7	2.3		
Plus: all other category	1,038.1	755.0	283.1	37.5		
Less: elimination of intercompany consolidated revenue	(117.1)	(202.0)	84.9	N.M.		
Total consolidated	\$ 3,647.4	\$ 3,218.7	\$ 428.7	13.3	\$ (47.0)	(1.4)
VMO2 JV	\$ 9,935.8	\$ 10,170.9	\$ (235.1)	(2.3)		
VodafoneZiggo JV	\$ 3,332.1	\$ 3,336.7	\$ (4.6)	(0.1)		

N.M. — Not Meaningful.

*Telenet.* The details of the increases in Telenet's revenue during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are set forth below:

	Three-month period			Nine-month period		
	Subscription revenue	Non-subscription revenue	Total	Subscription revenue	Non-subscription revenue	Total
	in millions					
Increase (decrease) in residential fixed subscription revenue due to change in:						
Average number of customers	\$ (5.7)	\$ —	\$ (5.7)	\$ (19.2)	\$ —	\$ (19.2)
ARPU	(1.0)	—	(1.0)	19.7	—	19.7
Increase in residential fixed non-subscription revenue	—	3.0	3.0	—	6.2	6.2
Total increase (decrease) in residential fixed revenue	(6.7)	3.0	(3.7)	0.5	6.2	6.7
Decrease in residential mobile revenue (a)	(0.8)	(1.1)	(1.9)	(4.6)	(16.7)	(21.3)
Increase (decrease) in B2B revenue (b)	(1.4)	5.0	3.6	(1.6)	10.1	8.5
Increase (decrease) in other revenue (c)	—	(26.1)	(26.1)	—	3.6	3.6
Total organic increase (decrease)	(8.9)	(19.2)	(28.1)	(5.7)	3.2	(2.5)
Impact of FX	35.4	12.4	47.8	48.1	17.1	65.2
Total	\$ 26.5	\$ (6.8)	\$ 19.7	\$ 42.4	\$ 20.3	\$ 62.7

- (a) The decreases in residential mobile non-subscription revenue are primarily attributable to (i) decreases in interconnect revenue and (ii) lower revenue from handset sales.
- (b) The increases in B2B non-subscription revenue are primarily due to (i) increases in revenue from wholesale services and (ii) higher revenue from equipment sales.
- (c) The changes in other revenue include a decrease associated with the one-off impact of the recognition of previously deferred revenue of approximately \$18 million during the third quarter of 2024.

VM Ireland. The details of the changes in VM Ireland's revenue during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are set forth below:

	Three-month period			Nine-month period		
	Subscription revenue	Non-subscription revenue	Total	Subscription revenue	Non-subscription revenue	Total
in millions						
Decrease in residential fixed subscription revenue due to change in:						
Average number of customers	\$ (2.3)	\$ —	\$ (2.3)	\$ (6.3)	\$ —	\$ (6.3)
ARPU	(1.0)	—	(1.0)	(3.6)	—	(3.6)
Decrease in residential fixed non-subscription revenue	—	(0.1)	(0.1)	—	(0.4)	(0.4)
Total decrease in residential fixed revenue	(3.3)	(0.1)	(3.4)	(9.9)	(0.4)	(10.3)
Decrease in residential mobile revenue	(0.6)	(0.4)	(1.0)	(1.6)	(0.8)	(2.4)
Increase in B2B revenue	—	1.8	1.8	—	3.6	3.6
Decrease in other revenue	—	(2.1)	(2.1)	—	(2.8)	(2.8)
Total organic decrease	(3.9)	(0.8)	(4.7)	(11.5)	(0.4)	(11.9)
Impact of FX	5.3	1.8	7.1	7.2	2.7	9.9
Total	\$ 1.4	\$ 1.0	\$ 2.4	\$ (4.3)	\$ 2.3	\$ (2.0)

#### Programming and Other Direct Costs of Services, Other Operating Expenses and SG&A Expenses of our Reportable Segments

For information regarding the changes in our (i) programming and other direct costs of services, (ii) other operating expenses and (iii) SG&A expenses, see *Discussion and Analysis of our Consolidated Operating Results* below.

#### Adjusted EBITDA of our Reportable Segments

Adjusted EBITDA is the primary measure used by our CODM to evaluate segment operating performance. As presented below, consolidated Adjusted EBITDA is a non-GAAP measure, which investors should view as a supplement to, and not a substitute for, GAAP measures of performance included in our condensed consolidated statements of operations. The following table sets forth the Adjusted EBITDA of our reportable segments:

	Three months ended September 30,		Increase (decrease)		Organic decrease	
	2025	2024	\$	%	\$	%
in millions, except percentages						
Telenet	\$ 358.9	\$ 360.9	\$ (2.0)	(0.6)	\$ (23.4)	(6.5)
VM Ireland	41.8	41.4	0.4	1.0	\$ (2.2)	(5.3)
Total consolidated reportable segments	400.7	402.3	(1.6)	(0.4)		
Plus: all other category	(54.2)	(38.8)	(15.4)	(39.7)		
Less: elimination of intercompany consolidated Adjusted EBITDA	(10.0)	(32.1)	22.1	N.M.		
Total consolidated	\$ 336.5	\$ 331.4	\$ 5.1	1.5	\$ (19.8)	(6.4)
VMO2 JV	\$ 1,250.3	\$ 1,170.9	\$ 79.4	6.8		
VodafoneZiggo JV	\$ 522.2	\$ 527.8	\$ (5.6)	(1.1)		

	Nine months ended September 30,		Increase (decrease)		Organic decrease	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 998.4	\$ 981.2	\$ 17.2	1.8	\$ (11.7)	(1.2)
VM Ireland	120.4	127.1	(6.7)	(5.3)	(10.3)	(8.1)
Total consolidated reportable segments	1,118.8	1,108.3	10.5	0.9		
Plus: all other category	(92.4)	(94.4)	2.0	2.1		
Less: elimination of intercompany consolidated Adjusted EBITDA	(30.0)	(101.9)	71.9	N.M.		
Total consolidated	\$ 996.4	\$ 912.0	\$ 84.4	9.3	\$ (6.2)	(0.7)
VMO2 JV	\$ 3,496.0	\$ 3,376.9	\$ 119.1	3.5		
VodafoneZiggo JV	\$ 1,482.0	\$ 1,565.5	\$ (83.5)	(5.3)		

N.M. — Not Meaningful.

#### Adjusted EBITDA Margin

The following table sets forth the Adjusted EBITDA margins (Adjusted EBITDA divided by revenue) of each of our reportable segments:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Telenet	44.6 %	46.0 %	42.2 %	42.6 %
VM Ireland	34.2 %	34.6 %	33.4 %	35.1 %
VMO2 JV	36.4 %	33.3 %	35.2 %	33.2 %
VodafoneZiggo JV	45.1 %	46.7 %	44.5 %	46.9 %

In addition to organic changes in the revenue, operating and SG&A expenses of our reportable segments, the Adjusted EBITDA margins presented above include the impact of acquisitions, as applicable. For discussion of the factors contributing to the changes in the Adjusted EBITDA margins of our consolidated reportable segments, see the analysis of our revenue included in *Discussion and Analysis of our Reportable Segments* above and the analysis of our expenses included in *Discussion and Analysis of our Consolidated Operating Results* below. For discussion of the factors contributing to the changes in the Adjusted EBITDA margins of the VMO2 JV and the VodafoneZiggo JV, see *Discussion and Analysis of our Consolidated Operating Results — Share of results of affiliates, net* below.

## Discussion and Analysis of our Consolidated Operating Results

### General

For more detailed explanations of the changes in our revenue, see *Discussion and Analysis of our Reportable Segments* above.

#### Revenue

Our revenue by major category is set forth below:

	Three months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
<b>in millions, except percentages</b>						
<b>Residential revenue:</b>						
Residential fixed revenue (a):						
Subscription revenue (b):						
Broadband internet	\$ 247.2	\$ 229.0	\$ 18.2	7.9	\$ 3.4	1.5
Video	153.8	152.9	0.9	0.6	(8.2)	(5.4)
Fixed-line telephony	47.8	49.9	(2.1)	(4.2)	(5.1)	(10.2)
Total subscription revenue	448.8	431.8	17.0	3.9	(9.9)	(2.3)
Non-subscription revenue	8.3	4.7	3.6	76.6	2.9	61.7
Total residential fixed revenue	457.1	436.5	20.6	4.7	(7.0)	(1.6)
Residential mobile revenue (c):						
Subscription revenue (b)	131.0	124.7	6.3	5.1	(1.4)	(1.1)
Non-subscription revenue	36.3	35.6	0.7	2.0	(1.5)	(4.2)
Total residential mobile revenue	167.3	160.3	7.0	4.4	(2.9)	(1.8)
Total residential revenue	624.4	596.8	27.6	4.6	(9.9)	(1.7)
<b>B2B revenue (d):</b>						
Subscription revenue	116.7	111.1	5.6	5.0	(1.4)	(1.3)
Non-subscription revenue	116.6	101.9	14.7	14.4	7.9	7.7
Total B2B revenue	233.3	213.0	20.3	9.5	6.5	3.0
<b>Other revenue (e)</b>						
Total	\$ 1,207.1	\$ 1,069.5	\$ 137.6	12.9	\$ (17.8)	(1.6)

	Nine months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
<b>in millions, except percentages</b>						
<b>Residential revenue:</b>						
Residential fixed revenue (a):						
Subscription revenue (b):						
Broadband internet	\$ 703.9	\$ 667.5	\$ 36.4	5.5	\$ 16.1	2.4
Video	451.6	450.8	0.8	0.2	(11.6)	(2.6)
Fixed-line telephony	139.3	149.6	(10.3)	(6.9)	(14.1)	(9.4)
Total subscription revenue	1,294.8	1,267.9	26.9	2.1	(9.6)	(0.8)
Non-subscription revenue	18.0	11.4	6.6	57.9	6.0	52.6
Total residential fixed revenue	1,312.8	1,279.3	33.5	2.6	(3.6)	(0.3)
Residential mobile revenue (c):						
Subscription revenue (b)	371.7	367.4	4.3	1.2	(6.2)	(1.7)
Non-subscription revenue	110.1	124.6	(14.5)	(11.6)	(17.5)	(14.0)
Total residential mobile revenue	481.8	492.0	(10.2)	(2.1)	(23.7)	(4.8)
Total residential revenue	1,794.6	1,771.3	23.3	1.3	(27.3)	(1.5)
<b>B2B revenue (d):</b>						
Subscription revenue	333.0	325.3	7.7	2.4	(1.7)	(0.5)
Non-subscription revenue	333.2	306.6	26.6	8.7	16.5	5.4
Total B2B revenue	666.2	631.9	34.3	5.4	14.8	2.3
<b>Other revenue (e)</b>						
Total	\$ 3,647.4	\$ 3,218.7	\$ 428.7	13.3	\$ (47.0)	(1.4)

- (a) Residential fixed subscription revenue includes amounts received from subscribers for ongoing services and the recognition of deferred installation revenue over the associated contract period. Residential fixed non-subscription revenue includes, among other items, channel carriage fees, late fees and revenue from the sale of equipment.
- (b) Residential subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our fixed and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.
- (c) Residential mobile subscription revenue includes amounts received from subscribers for ongoing services. Residential mobile non-subscription revenue includes, among other items, interconnect revenue and revenue from sales of mobile handsets and other devices. Residential mobile interconnect revenue was \$8.0 million and \$11.0 million during the three months ended September 30, 2025 and 2024, respectively, and \$24.8 million and \$34.2 million during the nine months ended September 30, 2025 and 2024, respectively.
- (d) B2B subscription revenue represents revenue from (i) services provided to SOHO subscribers and (ii) mobile services provided to medium and large enterprises. SOHO subscribers pay a premium price to receive expanded service levels along with broadband internet, video, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. B2B non-subscription revenue includes (a) revenue from business broadband internet, video, fixed-line telephony and data services offered to medium and large enterprises and, fixed-line and mobile services on a wholesale basis, to other operators and (b) revenue from long-term leases of portions of our network.
- (e) Other revenue includes, among other items, (i) revenue earned from the U.K. JV Services, the Sunrise Services and the NL JV Services, (ii) broadcasting revenue at Telenet and VM Ireland, (iii) revenue at Formula E and (iv) revenue earned from the sale of CPE to the VMO2 JV and the VodafoneZiggo JV.

*Total revenue.* Our consolidated revenue increased \$137.6 million or 12.9% and \$428.7 million or 13.3% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, including increases of \$41.1 million and \$240.8 million, respectively, attributable to the impact of the Formula E Acquisition and \$52.8 million and \$154.1 million, respectively, attributable to the Sunrise Services provided in connection with the Spin-off. On an organic basis, our consolidated revenue decreased \$17.8 million or 1.6% and \$47.0 million or 1.4%, respectively.

*Residential revenue.* The details of the increases in our consolidated residential revenue during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are as follows:

	<u>Three-month period</u>	<u>Nine-month period</u>
	<u>in millions</u>	
Increase (decrease) in residential fixed subscription revenue due to change in:		
Average number of customers	\$ (9.1)	\$ (28.2)
ARPU	(0.8)	18.6
Increase in residential fixed non-subscription revenue	2.9	6.0
Total decrease in residential fixed revenue	(7.0)	(3.6)
Decrease in residential mobile subscription revenue	(1.4)	(6.2)
Decrease in residential mobile non-subscription revenue	(1.5)	(17.5)
Total organic decrease in residential revenue	(9.9)	(27.3)
Impact of FX	37.5	50.6
Total increase in residential revenue	<u>\$ 27.6</u>	<u>\$ 23.3</u>

On an organic basis, our consolidated residential mobile non-subscription revenue decreased \$1.5 million or 4.2% and \$17.5 million or 14.0% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, primarily due to decreases at Telenet.

*B2B revenue.* On an organic basis, our consolidated B2B non-subscription revenue increased \$7.9 million or 7.7% and \$16.5 million or 5.4% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, primarily due to increases at Telenet.

*Other revenue.* On an organic basis, our consolidated other revenue decreased \$14.4 million or 4.8% and \$34.5 million or 3.3% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, primarily due to the net effect of (i) lower revenue earned from the sale of CPE to the VMO2 JV and, for the nine-month comparison, the VodafoneZiggo JV, (ii) increases in revenue earned from the U.K. JV Services and (iii) a decrease associated with the one-off impact of the recognition of previously deferred revenue at Telenet during the third quarter of 2024.

For additional information regarding the changes in our residential, B2B and other revenue, see *Discussion and Analysis of our Reportable Segments* above.

#### *Programming and other direct costs of services*

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, costs of mobile handsets and other devices and other direct costs related to our operations, including costs associated with our transitional service agreements and certain costs related to the development of externally marketed software. Programming and copyright costs represent a significant portion of our operating costs and are subject to rise in future periods due to various factors, including (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and (ii) rate increases.

The details of our programming and other direct costs of services are as follows:

	Three months ended September 30,		Increase (decrease)		Organic decrease	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 167.7	\$ 174.0	\$ (6.3)	(3.6)	\$ (16.2)	(9.3)
VM Ireland	30.6	30.9	(0.3)	(1.0)	(2.2)	(7.1)
Total consolidated reportable segments	198.3	204.9	(6.6)	(3.2)		
Plus: all other category	215.4	136.7	78.7	57.6		
Less: elimination of intercompany consolidated programming and other direct costs of services	(20.8)	(21.2)	0.4	N.M.		
Total consolidated	\$ 392.9	\$ 320.4	\$ 72.5	22.6	\$ (11.4)	(3.1)

	Nine months ended September 30,		Increase		Organic decrease	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 557.6	\$ 556.0	\$ 1.6	0.3	\$ (11.7)	(2.1)
VM Ireland	97.2	96.1	1.1	1.1	(1.3)	(1.4)
Total consolidated reportable segments	654.8	652.1	2.7	0.4		
Plus: all other category	656.8	469.6	187.2	39.9		
Less: elimination of intercompany consolidated programming and other direct costs of services	(50.0)	(70.4)	20.4	N.M.		
Total consolidated	\$ 1,261.6	\$ 1,051.3	\$ 210.3	20.0	\$ (58.2)	(4.7)

N.M. — Not Meaningful.

Our programming and other direct costs of services increased \$72.5 million or 22.6% and \$210.3 million or 20.0% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, including increases of \$46.0 million and \$193.7 million, respectively, attributable to the impact of the Formula E Acquisition. On an organic basis, our programming and other direct costs of services decreased \$11.4 million or 3.1% and \$58.2 million or 4.7%, respectively. These decreases include the following factors:

- Decreases in costs of \$0.4 million and \$26.3 million, respectively, related to the sale of CPE to the VMO2 JV;
- An increase (decrease) in costs of \$12.5 million and (\$19.3 million), respectively, related to the sale of CPE to the VodafoneZiggo JV;
- Decreases in interconnect and access costs of \$2.3 million or 7.3% and \$12.0 million or 14.3%, respectively, primarily due to lower interconnect and mobile roaming costs at Telenet;
- For the nine-month comparison, a decrease in mobile handset and other device costs of \$5.6 million or 6.5%, primarily due to lower sales volumes at Telenet; and
- For the three-month comparison, a decrease in programming and copyright costs of \$17.6 million or 14.0%, primarily attributable to lower costs for certain content at Telenet.

Other operating expenses

Other operating expenses include network operations, customer operations, customer care, share-based compensation and other costs related to our operations. We do not include share-based compensation in the following discussion and analysis of the other operating expenses of our consolidated reportable segments as share-based compensation expense is not included in the performance measures of our consolidated reportable segments. Share-based compensation expense is separately discussed further below.

The details of our other operating expenses are as follows:

	Three months ended September 30,		Increase (decrease)		Organic increase	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 146.5	\$ 127.1	\$ 19.4	15.3	\$ 10.7	8.4
VM Ireland	34.7	32.7	2.0	6.1	0.3	0.9
Total consolidated reportable segments	181.2	159.8	21.4	13.4		
Plus: all other category	42.4	38.5	3.9	10.1		
Less: elimination of intercompany consolidated other operating expenses	(10.8)	(9.1)	(1.7)	N.M.		
Total consolidated (excluding share-based compensation expense)	212.8	189.2	23.6	12.5	\$ 8.0	4.3
Share-based compensation expense	3.5	5.2	(1.7)	(32.7)		
Total	\$ 216.3	\$ 194.4	\$ 21.9	11.3		

	Nine months ended September 30,		Increase (decrease)		Organic increase	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 417.8	\$ 388.5	\$ 29.3	7.5	\$ 17.3	4.5
VM Ireland	101.3	95.2	6.1	6.4	3.6	3.8
Total consolidated reportable segments	519.1	483.7	35.4	7.3		
Plus: all other category	126.7	92.9	33.8	36.4		
Less: elimination of intercompany consolidated other operating expenses	(30.8)	(24.9)	(5.9)	N.M.		
Total consolidated (excluding share-based compensation expense)	615.0	551.7	63.3	11.5	\$ 23.9	4.3
Share-based compensation expense	9.9	14.6	(4.7)	(32.2)		
Total	\$ 624.9	\$ 566.3	\$ 58.6	10.3		

N.M. — Not Meaningful.

Our other operating expenses (exclusive of share-based compensation expense) increased \$23.6 million or 12.5% and \$63.3 million or 11.5% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024. The increase for the nine months ended September 30, 2025 includes an increase of \$11.1 million attributable to the impact of the Formula E Acquisition. On an organic basis, our other operating expenses increased \$8.0 million or 4.3% and \$23.9 million or 4.3%, respectively. These increases include the following factors:

- Increases in core network and information technology-related costs of \$10.7 million or 19.4% and \$19.1 million or 15.9%, respectively, primarily due to (i) higher information technology-related costs, including increases at Telenet and VM Ireland, and (ii) for the three-month comparison, higher leased bandwidth costs at Telenet;

- Increases in personnel costs of \$3.1 million or 5.9% and \$10.7 million or 6.5%, respectively, primarily due to the net effect of (i) higher average costs per employee, including increases at Telenet, (ii) lower staffing levels, including decreases at Telenet, and (iii) increases in incentive compensation costs; and
- For the three-month comparison, a decrease in business service costs of \$3.5 million or 17.8%, primarily due to (i) lower energy costs, primarily due to a decrease at Telenet, and (ii) lower consulting costs.

#### SG&A expenses

SG&A expenses include human resources, information technology, general services, management, finance, legal, external sales and marketing costs, share-based compensation and other general expenses. We do not include share-based compensation in the following discussion and analysis of the SG&A expenses of our consolidated reportable segments as share-based compensation expense is not included in the performance measures of our consolidated reportable segments. Share-based compensation expense is separately discussed further below.

The details of our SG&A expenses are as follows:

	Three months ended September 30,		Increase		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 131.8	\$ 123.2	\$ 8.6	7.0	\$ 0.8	0.6
VM Ireland	15.1	14.8	0.3	2.0	(0.7)	(4.7)
Total consolidated reportable segments	146.9	138.0	8.9	6.4		
Plus: all other category	120.0	93.2	26.8	28.8		
Less: elimination of intercompany consolidated SG&A expenses	(2.0)	(2.7)	0.7	N.M.		
Total consolidated (excluding share-based compensation expense)	264.9	228.5	36.4	15.9	\$ 3.9	1.6
Share-based compensation expense	43.1	41.8	1.3	3.1		
Total	\$ 308.0	\$ 270.3	\$ 37.7	13.9		

	Nine months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
Telenet	\$ 391.8	\$ 377.2	\$ 14.6	3.9	\$ 3.7	1.0
VM Ireland	41.9	44.4	(2.5)	(5.6)	(3.8)	(8.6)
Total consolidated reportable segments	433.7	421.6	12.1	2.9		
Plus: all other category	347.0	286.9	60.1	20.9		
Less: elimination of intercompany consolidated SG&A expenses	(6.3)	(4.8)	(1.5)	N.M.		
Total consolidated (excluding share-based compensation expense)	774.4	703.7	70.7	10.0	\$ (7.7)	(1.0)
Share-based compensation expense	119.5	114.8	4.7	4.1		
Total	\$ 893.9	\$ 818.5	\$ 75.4	9.2		

N.M. — Not Meaningful.

Supplemental SG&A expense information

	Three months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
General and administrative (a)	\$ 191.9	\$ 154.0	\$ 37.9	24.6	\$ 8.9	5.1
External sales and marketing	73.0	74.5	(1.5)	(2.0)	(5.0)	(6.8)
Total	\$ 264.9	\$ 228.5	\$ 36.4	15.9	\$ 3.9	1.6

  

	Nine months ended September 30,		Increase		Organic increase (decrease)	
	2025	2024	\$	%	\$	%
	in millions, except percentages					
General and administrative (a)	\$ 531.2	\$ 481.0	\$ 50.2	10.4	\$ 2.5	0.5
External sales and marketing	243.2	222.7	20.5	9.2	(10.2)	(4.1)
Total	\$ 774.4	\$ 703.7	\$ 70.7	10.0	\$ (7.7)	(1.0)

(a) General and administrative expenses include all personnel-related costs within our SG&A expenses, including personnel-related costs associated with our sales and marketing function.

Our SG&A expenses (exclusive of share-based compensation expense) increased \$36.4 million or 15.9% and \$70.7 million or 10.0% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024, including increases of \$18.5 million and \$58.1 million, respectively, attributable to the impact of the Formula E Acquisition. On an organic basis, our SG&A expenses increased (decreased) \$3.9 million or 1.6% and (\$7.7 million) or (1.0%), respectively. These changes include the following factors:

- Decreases in external sales and marketing costs of \$5.0 million or 6.8% and \$10.2 million or 4.1%, respectively, primarily due to the net effect of (i) lower costs associated with advertising campaigns, primarily due to decreases at Telenet and VM Ireland, and (ii) higher third-party sales commissions, as increases at Telenet were only partially offset by decreases at VM Ireland;
- Increases in personnel costs of \$5.2 million or 4.3% and \$1.9 million or 0.5%, respectively, primarily due to the net effect of (i) higher average costs per employee, (ii) lower staffing levels, including decreases at Telenet, and (iii) for the nine-month comparison, lower incentive compensation costs; and
- For the three-month comparison, an increase in business service costs of \$3.0 million or 9.6%, primarily due to higher consulting costs at Telenet.

*Share-based compensation expense*

Our share-based compensation expense primarily relates to the share-based incentive awards issued by Liberty Global to its employees and employees of its subsidiaries. A summary of our aggregate share-based compensation expense is set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Liberty Global (a):				
Non-performance based incentive awards	\$ 25.0	\$ 37.0	\$ 68.1	\$ 93.1
Performance based incentive awards	13.9	5.6	34.8	12.6
Other (b)	7.7	4.4	22.6	19.2
Total Liberty Global	46.6	47.0	125.5	124.9
Other	—	—	3.9	4.5
Total	\$ 46.6	\$ 47.0	\$ 129.4	\$ 129.4
Included in:				
Other operating expense	\$ 3.5	\$ 5.2	\$ 9.9	\$ 14.6
SG&A expense	43.1	41.8	119.5	114.8
Total	\$ 46.6	\$ 47.0	\$ 129.4	\$ 129.4

- (a) Amounts include share-based compensation expense related to certain Telenet Replacement Awards.
- (b) Represents annual incentive compensation and defined contribution plan liabilities that have been or are expected to be settled with Liberty Global common shares. In the case of annual incentive compensation, shares have been or will be issued to senior management and key employees pursuant to a shareholding incentive program. The shareholding incentive program allows these employees to elect to receive up to 100% of their annual incentive compensation in common shares of Liberty Global in lieu of cash.

For additional information regarding our share-based compensation expense, see note 13 to our condensed consolidated financial statements.

*Depreciation and amortization expense*

Our depreciation and amortization expense was \$275.9 million and \$758.9 million for the three and nine months ended September 30, 2025, respectively, and \$245.0 million and \$750.4 million for the three and nine months ended September 30, 2024, respectively. Excluding the effects of FX, depreciation and amortization expense increased (decreased) \$14.2 million or 5.8% and (\$14.2 million) or (1.9%) during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024. These changes are primarily due to the net effect of (i) decreases associated with certain assets becoming fully depreciated, primarily at Telenet, and (ii) increases associated with property and equipment additions related to the installation of CPE, the expansion and upgrade of our networks and other capital initiatives, primarily at Telenet.

*Impairment, restructuring and other operating items, net*

We recognized impairment, restructuring and other operating items, net, of \$22.0 million and \$25.8 million during the three and nine months ended September 30, 2025, respectively, and \$6.0 million and \$44.1 million during the three and nine months ended September 30, 2024, respectively.

The amounts for the 2025 periods primarily include restructuring costs of \$20.6 million and \$24.0 million, respectively. During the third quarter of 2025, we commenced a restructuring program that includes employee terminations within certain of our centralized functions and recorded \$17.3 million of restructuring costs in the third quarter of 2025 related to this program. We expect to incur further restructuring charges during the remainder of 2025 and 2026 as certain elements of the restructuring plan did not meet the criteria for recognition in the third quarter.

The amounts for the 2024 periods include (i) restructuring costs of \$5.4 million and \$24.6 million, including amounts at Telenet, respectively, and (ii) a provision for legal contingencies of \$17.5 million during the first quarter of 2024.

If, among other factors, (i) our equity values were to decline or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

*Interest expense*

We recognized interest expense of \$123.3 million and \$380.3 million during the three and nine months ended September 30, 2025, respectively, and \$144.3 million and \$434.2 million during the three and nine months ended September 30, 2024, respectively. Excluding the effects of FX, interest expense decreased \$28.3 million or 19.6% and \$63.9 million or 14.7% during the three and nine months ended September 30, 2025, respectively, as compared to the corresponding periods in 2024. These decreases are primarily attributable to lower weighted average interest rates. For additional information regarding our outstanding indebtedness, see note 9 to our condensed consolidated financial statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) our variable-rate indebtedness could increase in future periods. As further discussed in note 6 to our condensed consolidated financial statements and under Part I, Item 3. *Quantitative and Qualitative Disclosures about Market Risk* below, we use derivative instruments to manage our interest rate risks.

*Realized and unrealized losses on derivative instruments, net*

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>in millions</b>			
Cross-currency and interest rate derivative contracts (a)	\$ 36.6	\$ (239.7)	\$ (397.3)	\$ 40.6
Equity-related derivative instruments (b)	(84.5)	(62.6)	(207.6)	(110.7)
Foreign currency forward and option contracts	1.5	40.6	(12.2)	32.9
Other	—	(2.1)	—	(2.1)
Total	<u>\$ (46.4)</u>	<u>\$ (263.8)</u>	<u>\$ (617.1)</u>	<u>\$ (39.3)</u>

- (a) The results for the 2025 periods are primarily attributable to the net effect of (i) a net gain for the three-month period and a net loss for the nine-month period associated with changes in the relative value of certain currencies and (ii) net gains associated with changes in certain market interest rates. In addition, the results for the 2025 periods include a net gain (loss) of (\$6.1 million) and \$3.3 million, respectively, resulting from changes in our credit risk valuation adjustments. The results for the 2024 periods are attributable to net losses associated with changes in (a) certain market interest rates

and (b) the relative value of certain currencies. In addition, the results for the 2024 periods include a net gain (loss) of \$3.5 million and (\$2.0 million), respectively, resulting from changes in our credit risk valuation adjustments.

- (b) The recurring fair value measurements of our equity-related derivative instruments are based on Black-Scholes pricing models. For additional information regarding the Vodafone Collar, which was fully settled in 2025, see note 5 to our condensed consolidated financial statements.

For additional information concerning our derivative instruments, see notes 6 and 7 to our condensed consolidated financial statements and Part I, Item 3. *Quantitative and Qualitative Disclosures about Market Risk* below.

*Foreign currency transaction gains (losses), net*

Our foreign currency transaction gains or losses primarily result from the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. The details of our foreign currency transaction gains (losses), net, are as follows:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>in millions</b>			
Intercompany balances denominated in a currency other than the entity's functional currency (a)	\$ 13.6	\$ (1,065.4)	\$ (3,580.1)	\$ (233.2)
U.S. dollar-denominated debt issued by euro functional currency entities	(1.6)	131.1	423.3	25.3
Cash and restricted cash denominated in a currency other than the entity's functional currency	(0.2)	(1.5)	(3.0)	4.4
Other	(1.8)	0.9	(1.1)	1.4
<b>Total</b>	<b>\$ 10.0</b>	<b>\$ (934.9)</b>	<b>\$ (3,160.9)</b>	<b>\$ (202.1)</b>

- (a) Amounts primarily relate to loans between certain of our non-operating subsidiaries in Europe.

*Realized and unrealized gains (losses) due to changes in fair values of certain investments, net*

Our realized and unrealized gains or losses due to changes in fair values of certain investments include unrealized gains or losses associated with changes in fair values that are non-cash in nature until such time as these gains or losses are realized through cash transactions. For additional information regarding our investments and fair value measurements, see notes 5 and 7, respectively, to our condensed consolidated financial statements. The details of our realized and unrealized gains (losses) due to changes in fair values of certain investments, net, are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Vodafone	\$ 86.1	\$ 117.3	\$ 207.7	\$ 163.8
ITV	(20.9)	21.6	58.9	104.7
Televisa Univision	(3.5)	(87.1)	(45.1)	(76.4)
Plume	(0.4)	(42.5)	(13.4)	(70.3)
SMA	3.7	9.1	7.1	30.0
Aviatrix	(1.7)	(3.1)	(5.5)	(30.6)
EdgeConneX	0.3	(10.8)	3.9	78.3
Lionsgate (a)	7.7	(10.5)	0.4	(20.6)
Pax8 (b)	—	(24.8)	—	(27.9)
Lacework (c)	—	(0.2)	—	(75.8)
Other, net	(6.9)	(14.6)	(38.5)	(37.5)
Total	\$ 64.4	\$ (45.6)	\$ 175.5	\$ 37.7

(a) Amounts represent the change in fair value of our investment in Lionsgate, both before and after the Lionsgate Separation. Following the Lionsgate Separation, changes in fair value related to our investment in Starz are included in 'Other, net' in the above table.

(b) We completed the sale of our investment in Pax8 during the fourth quarter of 2024.

(c) We completed the sale of our investment in Lacework during the third quarter of 2024.

*Losses on debt extinguishment, net*

We recognized net losses on debt extinguishment of \$11.2 million and \$20.1 million during the three and nine months ended September 30, 2025, respectively, related to the write-off of unamortized deferred financing costs and discounts. For additional information concerning our losses on debt extinguishment, net, see note 9 to our condensed consolidated financial statements.

Share of results of affiliates, net

The following table sets forth the details of our share of results of affiliates, net:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
VMO2 JV (a)	\$ (11.2)	\$ (36.1)	\$ (258.9)	\$ (32.4)
VodafoneZiggo JV (b)	2.7	(49.4)	(68.0)	(38.0)
AtlasEdge JV	(23.2)	(16.5)	(57.7)	(30.3)
nexfibre JV	(10.8)	(18.2)	(53.0)	(6.5)
Formula E (c)	—	(5.8)	—	(29.1)
All3Media (d)	—	—	—	(15.5)
Other, net	(0.8)	(6.8)	(18.3)	(12.6)
Total	<u>\$ (43.3)</u>	<u>\$ (132.8)</u>	<u>\$ (455.9)</u>	<u>\$ (164.4)</u>

- (a) Represents (i) our 50% share of the results of operations of the VMO2 JV and (ii) for the nine months ended September 30, 2024, 100% of the share-based compensation expense associated with Liberty Global awards granted to VMO2 JV employees who were formerly employees of Liberty Global prior to the VMO2 JV formation, as these awards remain our responsibility. The summarized results of operations of the VMO2 JV are set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Revenue	\$ 3,436.0	\$ 3,512.7	\$ 9,935.8	\$ 10,170.9
Adjusted EBITDA	\$ 1,250.3	\$ 1,170.9	\$ 3,496.0	\$ 3,376.9
Operating income	\$ 305.0	\$ 276.1	\$ 609.7	\$ 791.0
Non-operating expense (1)	\$ (308.8)	\$ (344.8)	\$ (1,229.6)	\$ (789.6)
Net loss	<u>\$ (20.0)</u>	<u>\$ (55.3)</u>	<u>\$ (494.7)</u>	<u>\$ (20.0)</u>

- (1) Includes interest expense of \$413.2 million, \$406.4 million, \$1,201.8 million and \$1,239.5 million in the respective periods shown.

The changes in the VMO2 JV's revenue during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are primarily due to the net effect of (i) decreases in other revenue related to low-margin construction revenue from the nexfibre JV, (ii) decreases in mobile revenue due to lower handset revenue and (iii) increases in B2B fixed revenue due the VMO2 JV's consolidation of the Daisy Group following the merger of the B2B operations of O2 and Daisy, with each revenue category as defined and reported by the VMO2 JV. The changes in the VMO2 JV's Adjusted EBITDA during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are primarily due to the net effect of (a) the aforementioned changes in revenue, (b) a provision for legal matters in 2025, (c) a handset inventory-related insurance recovery during the third quarter of 2025 of approximately \$27 million related to a loss recognized during the fourth quarter of 2024, (d) cost efficiencies and (e) decreases in the nexfibre JV construction impact to Adjusted EBITDA. In addition, the reported revenue and Adjusted EBITDA amounts are impacted by FX.

- (b) Represents (i) our 50% share of the results of operations of the VodafoneZiggo JV and (ii) interest income of \$15.1 million, \$14.2 million, \$42.8 million and \$41.7 million in the respective periods shown, representing 100% of the interest earned on the VodafoneZiggo JV Receivables. The summarized results of operations of the VodafoneZiggo JV are set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	in millions			
Revenue	\$ 1,156.8	\$ 1,131.1	\$ 3,332.1	\$ 3,336.7
Adjusted EBITDA	\$ 522.2	\$ 527.8	\$ 1,482.0	\$ 1,565.5
Operating income	\$ 63.9	\$ 93.8	\$ 111.3	\$ 292.4
Non-operating expense (1)	\$ (145.4)	\$ (259.8)	\$ (439.4)	\$ (493.9)
Net loss	\$ (37.0)	\$ (132.6)	\$ (227.4)	\$ (161.6)

- (1) Includes interest expense of \$194.5 million, \$208.3 million, \$574.7 million and \$619.5 million in the respective periods shown.

The changes in the VodafoneZiggo JV's revenue during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are primarily due to the net effect of (i) decreases in residential fixed revenue, partially offset by the repricing impact, (ii) decreases in mobile revenue and (iii) higher B2B fixed revenue. The changes in the VodafoneZiggo JV's Adjusted EBITDA during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, are primarily due to the net effect of (a) the aforementioned changes in revenue, (b) increases in consulting costs, (c) higher programming costs and (d) cost control measures in customer service, IT and procurement. In addition, the reported revenue and Adjusted EBITDA amounts are impacted by FX.

The VodafoneZiggo JV is experiencing significant competition in both its fixed-line and mobile operations. If the adverse impacts of economic, competitive, regulatory or other factors were to cause significant deterioration of the results of operations or cash flows of the VodafoneZiggo JV, we could conclude in future periods that our investment in the VodafoneZiggo JV is impaired or management of the VodafoneZiggo JV could conclude that an impairment of the VodafoneZiggo JV goodwill and, to a lesser extent, long-lived assets, is required. Any such impairment of the VodafoneZiggo JV's goodwill or our investment in the VodafoneZiggo JV would be reflected as a component of share of results of affiliates, net, in our condensed consolidated statement of operations. Our share of any such impairment charges could be significant.

- (c) Includes our share of results of Formula E prior to the Formula E Acquisition Date.
- (d) We completed the sale of our investment in All3Media during the second quarter of 2024.

#### *Gain on sale of All3Media*

In connection with the sale of All3Media, we recognized a gain of \$242.9 million during the nine months ended September 30, 2024.

#### *Other income, net*

We recognized other income, net, of \$27.5 million and \$53.1 million during the three months ended September 30, 2025 and 2024, respectively, and \$80.0 million and \$166.0 million during the nine months ended September 30, 2025 and 2024, respectively. These amounts include interest and dividend income of \$20.5 million and \$53.4 million during the three-month periods, respectively, and \$78.1 million and \$165.2 million during the nine-month periods, respectively.

#### *Income tax benefit (expense)*

We recognized income tax benefit (expense) of \$46.9 million and \$116.0 million during the three and nine months ended September 30, 2025, respectively, and \$11.2 million and (\$59.8 million) during the three and nine months ended September 30, 2024.

The income tax benefit during the three months ended September 30, 2025 differs from the expected income tax benefit of \$19.6 million (based on the Bermuda statutory income tax rate of 15.0%), primarily due to the net positive impact of (i) a net decrease in unrecognized tax benefits and (ii) statutory rates in certain jurisdictions in which we operate that are different than the Bermuda statutory income tax rate. The net positive impact of these items was partially offset by the net negative impact of (a) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and affiliates and (b) a net increase in valuation allowances.

The income tax benefit during the nine months ended September 30, 2025 differs from the expected income tax benefit of \$644.5 million (based on the Bermuda statutory income tax rate of 15.0%), primarily due to the net negative impact of (i) non-deductible or non-taxable foreign currency exchange results and (ii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and affiliates. The net negative impact of these items was partially offset by the net positive impact of (a) statutory rates in certain jurisdictions in which we operate that are different than the Bermuda statutory income tax rate and (b) a net decrease in valuation allowances.

The income tax benefit during the three months ended September 30, 2024 differs from the expected income tax benefit of \$358.7 million (based on the U.K. statutory income tax rate of 25.0%), primarily due to the net negative impact of (i) non-deductible or non-taxable foreign currency exchange results and (ii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and affiliates.

The income tax expense during the nine months ended September 30, 2024 differs from the expected income tax benefit of \$101.3 million (based on the U.K. statutory income tax rate of 25.0%), primarily due to the net negative impact of (i) certain permanent differences between the financial and tax accounting treatment of interest and other items, (ii) non-deductible or non-taxable foreign currency exchange results and (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and affiliates. The net negative impact of these items was partially offset by the positive impact of a net decrease in valuation allowances.

For additional information concerning our income taxes, see note 11 to our condensed consolidated financial statements.

#### *Loss from continuing operations*

During the three months ended September 30, 2025 and 2024, we reported loss from continuing operations of \$83.4 million and \$1,423.7 million, respectively, consisting of (i) operating income (loss) of (\$8.0 million) and \$33.4 million, respectively, (ii) net non-operating expense of \$122.3 million and \$1,468.3 million, respectively, and (iii) income tax benefit of \$46.9 million and \$11.2 million, respectively.

During the nine months ended September 30, 2025 and 2024, we reported loss from continuing operations of \$4,180.5 million and \$465.1 million, respectively, consisting of (i) operating income (loss) of \$82.3 million and (\$11.9 million), respectively, (ii) net non-operating expense of \$4,378.8 million and \$393.4 million, respectively, and (iii) income tax benefit (expense) of \$116.0 million and (\$59.8 million), respectively.

Gains or losses associated with (i) changes in the fair values of derivative instruments, (ii) movements in foreign currency exchange rates and (iii) the disposition of assets and changes in ownership are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings is largely dependent on our ability to increase our aggregate operating income to a level that more than offsets the aggregate amount of our (a) interest expense, (b) other non-operating expenses and (c) income tax expense.

Due largely to the fact that we seek to maintain our debt at levels that provide for attractive equity returns, as discussed under *Material Changes in Financial Condition — Capitalization* below, we expect we will continue to report significant levels of interest expense for the foreseeable future. For information concerning our expectations with respect to trends that may affect certain aspects of our operating results in future periods, see the discussion under *Overview* above. For information concerning the reasons for changes in specific line items in our condensed consolidated statements of operations, see *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* above.

*Earnings (loss) from discontinued operations, net of taxes*

We reported earnings (loss) from discontinued operations, net of taxes, of \$12.8 million and (\$143.6 million) during the three and nine months ended September 30, 2024, respectively, related to the operations of the Sunrise Entities. For additional information, see note 4 to our condensed consolidated financial statements.

*Net earnings attributable to noncontrolling interests*

Net earnings attributable to noncontrolling interests was \$7.3 million and \$23.2 million during the three months ended September 30, 2025 and 2024, respectively, and \$40.4 million and \$47.3 million during the nine months ended September 30, 2025 and 2024, respectively, attributable to certain noncontrolling interests at Telenet and Formula E.

## Material Changes in Financial Condition

### Sources and Uses of Cash

We are a holding company that is dependent on the capital resources of our subsidiaries to satisfy our liquidity requirements at the corporate level. Each of our significant operating subsidiaries is separately financed within one of our two subsidiary “borrowing groups.” These borrowing groups include the respective restricted parent and subsidiary entities within Telenet and VM Ireland. Although our borrowing groups typically generate cash from operating activities, the terms of the instruments governing the indebtedness of these borrowing groups may restrict our ability to access the liquidity of these subsidiaries. In addition, our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal considerations, the presence of noncontrolling interests and other factors.

### Cash, cash equivalents and SMAs

The details of the U.S. dollar equivalent balances of our consolidated cash and cash equivalents and investments held under SMAs at September 30, 2025 are set forth in the following table (in millions):

Cash and cash equivalents held by:	
Liberty Global and unrestricted subsidiaries:	
Liberty Global (a)	\$ 0.1
Unrestricted subsidiaries (b)	513.3
Total Liberty Global and unrestricted subsidiaries	513.4
Borrowing groups (c):	
Telenet	1,146.5
VM Ireland	14.3
Total borrowing groups	1,160.8
Total cash and cash equivalents (d)	1,674.2
Investments held under SMAs (e)	85.9
Total cash and cash equivalents and investments held under SMAs	\$ 1,760.1

(a) Represents the amount held by Liberty Global on a standalone basis.

(b) Represents the aggregate amount held by subsidiaries that are outside of our borrowing groups.

(c) Represents the aggregate amounts held by the parent entity and restricted subsidiaries of our borrowing groups.

(d) The total cash and cash equivalents balance includes \$1,307.4 million or 78.1% and \$327.5 million or 19.6% denominated in euros and U.S. dollars, respectively.

(e) The balance of our investments held under SMAs is held by unrestricted subsidiaries of Liberty Global and includes \$76.0 million or 88.5% denominated in U.S. dollars.

For additional information regarding our cash and cash equivalents and investments held under SMAs, see the discussion under Part I, Item 3. *Quantitative and Qualitative Disclosures about Market Risk — Cash and Investments* below.

### Liquidity of Liberty Global and its unrestricted subsidiaries

The \$0.1 million of cash held by Liberty Global and, subject to certain tax and legal considerations, the \$513.3 million of aggregate cash and cash equivalents held by unrestricted subsidiaries, together with the \$85.9 million of investments held under SMAs, represented available liquidity at the corporate level at September 30, 2025. Our remaining cash and cash equivalents of \$1,160.8 million at September 30, 2025 were held by our borrowing groups, as set forth in the table above. As noted above, various factors may limit our ability to access the cash of our borrowing groups. For information regarding certain limitations imposed by our subsidiaries’ debt instruments at September 30, 2025, see note 11 to the consolidated financial statements included in our 2024 10-K.

Our short-term sources of corporate liquidity include (i) readily available assets, such as (a) cash and cash equivalents held by Liberty Global and, subject to certain tax and legal considerations, Liberty Global's unrestricted subsidiaries, and (b) investments held under SMAs, and (ii) funds derived from other items, such as (a) interest and dividend income received on our and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments, including dividend distributions received from the VMO2 JV or the VodafoneZiggo JV, (b) cash received with respect to transitional and other services provided to various third parties and affiliates and (c) interest received with respect to the VodafoneZiggo JV Receivables.

From time to time, Liberty Global and its unrestricted subsidiaries may also receive (i) proceeds in the form of dividend distributions or loan repayments from Liberty Global's borrowing groups or affiliates (including amounts from the VMO2 JV or the VodafoneZiggo JV) upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means, (ii) proceeds upon the disposition of investments and other assets of Liberty Global and its unrestricted subsidiaries and (iii) proceeds in connection with the incurrence of debt by Liberty Global or its unrestricted subsidiaries or the issuance of equity securities by Liberty Global, including equity securities issued to satisfy subsidiary obligations. No assurance can be given that any external funding would be available to Liberty Global or its unrestricted subsidiaries on favorable terms, or at all.

At September 30, 2025, our consolidated cash and cash equivalents included \$1,674.1 million held by entities that are domiciled outside of Bermuda. Based on our assessment of our ability to access the liquidity of our subsidiaries on a tax efficient basis and our expectations with respect to our corporate liquidity requirements, we do not anticipate that tax considerations will adversely impact our corporate liquidity over the next 12 months. Our ability to access the liquidity of our subsidiaries on a tax efficient basis is a consideration in assessing the extent of our share repurchase program.

In addition, the amount of cash we receive from our subsidiaries and affiliates to satisfy U.S. dollar-denominated liquidity requirements is impacted by fluctuations in exchange rates, particularly with regard to the translation of euros and British pound sterling into U.S. dollars. In this regard, the strengthening (weakening) of the U.S. dollar against these currencies will result in decreases (increases) in the U.S. dollars received from the applicable subsidiaries and affiliates to fund the repurchase of our equity securities and other U.S. dollar-denominated liquidity requirements.

Our short- and long-term liquidity requirements include corporate general and administrative expenses and, from time to time, cash requirements in connection with (i) the repayment of third-party and intercompany debt, (ii) the satisfaction of contingent liabilities, (iii) acquisitions, (iv) the repurchase of equity and debt securities, (v) other investment opportunities, (vi) any funding requirements of our subsidiaries and affiliates or (vii) income tax payments.

During the nine months ended September 30, 2025, the aggregate amount of our share repurchases, including direct acquisition costs, was \$158.8 million. Under our current share repurchase program, we are authorized during 2025 to repurchase up to 10% of our total outstanding shares as of December 31, 2024. For additional information regarding our share repurchase programs, see note 12 to our condensed consolidated financial statements.

#### *Liquidity of borrowing groups*

The cash and cash equivalents of our borrowing groups are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of our borrowing groups are cash provided by operations and borrowing availability under their respective debt instruments. For the details of the borrowing availability of our borrowing groups at September 30, 2025, see note 9 to our condensed consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Global and its unrestricted subsidiaries.

The liquidity of our borrowing groups generally is used to fund (i) property and equipment additions, (ii) debt service requirements and (iii) income tax payments, as well as to settle certain obligations that are not included on our September 30, 2025 condensed consolidated balance sheet. In this regard, we have significant commitments related to (a) purchase obligations associated with CPE and certain service-related commitments, (b) programming, studio output and sports rights contracts and (c) certain operating costs associated with our networks. These obligations are expected to represent a significant liquidity requirement of our borrowing groups, a significant portion of which is due over the next 12 to 24 months. For additional information regarding our commitments, see note 15 to our condensed consolidated financial statements.

From time to time, our borrowing groups may also require liquidity in connection with (i) acquisitions and other investment opportunities, (ii) loans to Liberty Global or its unrestricted subsidiaries, (iii) capital distributions to Liberty Global and other equity owners or (iv) the satisfaction of contingent liabilities. No assurance can be given that any external funding would be available to our borrowing groups on favorable terms, or at all.

For additional information regarding our consolidated cash flows, see the discussion under *Condensed Consolidated Statements of Cash Flows* below.

### **Capitalization**

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a consolidated debt balance (measured using subsidiary debt figures at swapped foreign currency exchange rates, consistent with the covenant calculation requirements of our subsidiary debt agreements) that is between four and five times our consolidated Adjusted EBITDA, although the timing of our acquisitions and financing transactions and the interplay of average and spot foreign currency rates may impact this ratio. Consolidated Adjusted EBITDA is a non-GAAP measure, which investors should view as a supplement to, and not a substitute for, GAAP measures of performance included in our condensed consolidated statements of operations.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of our borrowing groups is dependent primarily on our ability to maintain or increase the Adjusted EBITDA of our operating subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by the incurrence-based leverage covenants contained in the various debt instruments of our borrowing groups. For example, if the Adjusted EBITDA of one of our borrowing groups were to decline, our ability to obtain additional debt could be limited. Under our credit facilities and senior secured notes there is no cross-default risk between subsidiary borrowing groups in the event that one or more of our borrowing groups were to experience significant declines in their Adjusted EBITDA to the extent they were no longer able to service their debt obligations. Any mandatory prepayment events or events of default that may occur would only impact the relevant borrowing group in which these events occur and do not allow for any recourse to other borrowing groups or Liberty Global Ltd. Our credit facilities and senior secured notes require that certain members of the relevant borrowing group guarantee the payment of all sums payable thereunder and such group members are required to grant first-ranking security over their shares or, in certain borrowing groups, over substantially all of their assets to secure the payment of all sums payable thereunder. At September 30, 2025, each of our borrowing groups was in compliance with its debt covenants. In addition, we do not anticipate any instances of non-compliance with respect to the debt covenants of our borrowing groups that would have a material adverse impact on our liquidity during the next 12 months.

At September 30, 2025, the outstanding principal amount of our consolidated debt, together with our finance lease obligations, aggregated \$8.5 billion, including \$0.7 billion that is classified as current on our condensed consolidated balance sheet and \$3.3 billion that is not due until 2029 or thereafter. All of our consolidated debt and finance lease obligations have been borrowed or incurred by our subsidiaries at September 30, 2025.

Notwithstanding our negative working capital position at September 30, 2025, we believe we have sufficient resources to repay or refinance the current portion of our debt and finance lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. However, as our maturing debt grows in later years, we anticipate we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete these refinancing transactions or otherwise extend our debt maturities. In this regard, it is not possible to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments could impact the credit and equity markets we access and, accordingly, our future liquidity and financial position. Our ability to access debt financing on favorable terms, or at all, could be adversely impacted by (i) the financial failure of any of our counterparties, which could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution, and (ii) tightening of the credit markets. In addition, any weakness in the equity markets could make it less attractive to use our shares to satisfy contingent or other obligations, and sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

For additional information concerning our debt and finance lease obligations, see notes 9 and 10, respectively, to our condensed consolidated financial statements.

## Condensed Consolidated Statements of Cash Flows

*General.* Our cash flows are subject to significant variations due to FX.

*Summary.* The condensed consolidated statements of cash flows of our continuing operations for the nine months ended September 30, 2025 and 2024 are summarized as follows:

	Nine months ended September 30,		Change
	2025	2024	
	in millions		
Net cash provided by operating activities	\$ 580.2	\$ 664.1	\$ (83.9)
Net cash provided (used) by investing activities	(607.8)	719.9	(1,327.7)
Net cash used by financing activities	(273.4)	(643.5)	370.1
Effect of exchange rate changes on cash and cash equivalents and restricted cash	158.8	16.1	142.7
Net increase (decrease) in cash and cash equivalents and restricted cash	<u>\$ (142.2)</u>	<u>\$ 756.6</u>	<u>\$ (898.8)</u>

*Operating Activities.* The decrease in net cash provided by operating activities is primarily attributable to the net effect of (i) a decrease in cash provided due to lower receipts of interest, (ii) a decrease in cash provided due to lower net cash receipts related to derivative instruments, (iii) an increase in cash provided due to lower payments of interest, net of €5.4 million (\$6.2 million at the applicable rate) cash paid related to the partial settlement of the Vodafone Collar Loan during the second quarter of 2025, (iv) an increase due to FX, (v) an increase in cash provided by our Adjusted EBITDA and related working capital items and (vi) a decrease in cash provided due to lower dividend distributions. As further described in note 5, the Vodafone Collar and Vodafone Collar Loan were settled in full through a non-cash transaction during the third quarter of 2025. For additional information regarding the Vodafone Collar and Vodafone Collar Loan, see notes 5 and 9, respectively, to our condensed consolidated financial statements. Consolidated Adjusted EBITDA is a non-GAAP measure, which investors should view as a supplement to, and not a substitute for, GAAP measures of performance included in our consolidated statements of operations.

*Investing Activities.* The change in net cash provided (used) by investing activities is primarily attributable to (i) a decrease in cash of \$656.8 million associated with lower net cash received from the sale of our investments primarily related to the net effect of (a) lower net cash received from the sale of our investments held under SMAs and (b) €82.8 million (\$95.5 million at the applicable rate) of net proceeds from the partial sale of our investment in Vodafone during the second quarter of 2025, (ii) a decrease in cash of \$411.7 million in connection with the sale of our investment in All3Media during the second quarter of 2024 and (iii) a decrease in cash of \$293.6 million due to higher capital expenditures. Capital expenditures increased from \$611.9 million during the nine months ended September 30, 2024 to \$905.5 million during the nine months ended September 30, 2025, primarily due to (a) an increase in our net local currency capital expenditures and related working capital movements, including the impact of higher capital-related vendor financing, and (b) an increase due to FX.

The capital expenditures we report in our condensed consolidated statements of cash flows do not include amounts that are financed under capital-related vendor financing or finance lease arrangements. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures as reported in our condensed consolidated statements of cash flows, which exclude amounts financed under capital-related vendor financing or finance lease arrangements, and (ii) our total consolidated property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing or finance lease arrangements. For further details regarding our property and equipment additions, see note 16 to our condensed consolidated financial statements. A reconciliation of our consolidated property and equipment additions to our consolidated capital expenditures, as reported in our condensed consolidated statements of cash flows, is set forth below:

	Nine months ended September 30,	
	2025	2024
	in millions	
Property and equipment additions	\$ 938.4	\$ 724.3
Assets acquired under capital-related vendor financing arrangements	(72.7)	(59.3)
Assets acquired under finance leases	—	(0.6)
Changes in current liabilities related to capital expenditures	39.8	(52.5)
Capital expenditures, net	<u>\$ 905.5</u>	<u>\$ 611.9</u>

The increase in our property and equipment additions during the nine months ended September 30, 2025, as compared to the corresponding period in 2024, is primarily due to (i) an increase in local currency expenditures of our subsidiaries primarily due to the net effect of (a) an increase in expenditures for new build and upgrade projects, (b) a decrease in expenditures to support new customer products and operational efficiency initiatives and (c) an increase in expenditures for the purchase and installation of CPE, and (ii) an increase due to FX.

*Financing Activities.* The decrease in net cash used by financing activities is primarily attributable to the net effect of (i) a decrease in cash used of \$353.7 million due to lower repurchases of Liberty Global common shares, (ii) a decrease in cash used of \$84.1 million due to higher net cash receipts related to derivatives, including €71.7 million (\$82.7 million at the applicable rate) associated with the partial unwind and restructure of the Vodafone Collar during the second quarter of 2025 and (iii) an increase in cash used of \$53.4 million due to higher net repayments of debt, including €78.2 million (\$90.2 million at the applicable rate) associated with the partial settlement of the Vodafone Collar Loan during the second quarter of 2025.

### Adjusted Free Cash Flow

We define adjusted free cash flow as net cash provided by operating activities of our continuing operations, plus operating-related vendor financed expenses (which represents an increase in the period to our actual cash available as a result of extending vendor payment terms beyond normal payment terms, which are typically 90 days or less, through non-cash financing activities), less (i) cash payments in the period for capital expenditures, (ii) principal payments on operating- and capital-related amounts financed by vendors and intermediaries (which represents a decrease in the period to our actual cash available as a result of paying amounts to vendors and intermediaries where we previously had extended vendor payments beyond the normal payment terms) and (iii) principal payments on finance leases (which represents a decrease in the period to our actual cash available), each as reported in our condensed consolidated statements of cash flows, with each item excluding any cash provided or used by our discontinued operations. Net cash provided by operating activities of our continuing operations includes cash paid for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions of \$2.2 million and \$7.6 million during the nine months ended September 30, 2025 and 2024, respectively.

We believe our presentation of adjusted free cash flow, which is a non-GAAP measure, provides useful information to our investors because this measure can be used to gauge our ability to (i) service debt and (ii) fund new investment opportunities after consideration of all actual cash payments related to our working capital activities and expenses that are capital in nature whether paid inside normal vendor payment terms or paid later outside normal vendor payment terms (in which case we typically pay in less than 365 days). Adjusted free cash flow should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, that are not deducted to arrive at these amounts. Investors should view adjusted free cash flow as a supplement to, and not a substitute for, GAAP measures of liquidity included in our condensed consolidated statements of cash flows. Further, our adjusted free cash flow may differ from how other companies define and apply their definition of adjusted free cash flow.

The following table provides the details of our adjusted free cash flow:

	Nine months ended September 30,	
	2025	2024
	in millions	
Net cash provided by operating activities of our continuing operations	\$ 580.2	\$ 664.1
Operating-related vendor financing additions (a)	251.6	291.9
Cash capital expenditures, net	(905.5)	(611.9)
Principal payments on operating-related vendor financing	(298.2)	(283.2)
Principal payments on capital-related vendor financing	(50.6)	(71.0)
Principal payments on finance leases	(4.4)	(2.4)
Adjusted free cash flow	<u>\$ (426.9)</u>	<u>\$ (12.5)</u>

- (a) For purposes of our condensed consolidated statements of cash flows, operating-related vendor financing additions represent operating-related expenses financed by an intermediary that are treated as constructive operating cash outflows and constructive financing cash inflows when the intermediary settles the liability with the vendor. When we pay the financing intermediary, we record financing cash outflows in our consolidated statements of cash flows. For purposes of our adjusted free cash flow definition, we (i) add in the constructive financing cash inflow when the intermediary settles the liability with the vendor as our actual net cash available at that time is not affected and (ii) subsequently deduct the related financing cash outflow when we actually pay the financing intermediary, reflecting the actual reduction to our cash available to service debt or fund new investment opportunities.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### General

The capitalized terms used below have been defined in the notes to our condensed consolidated financial statements. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Global or collectively to Liberty Global and its subsidiaries.

We are exposed to market risk in the normal course of our business operations due to our investments in various foreign countries and ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates, interest rates and stock prices. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

The information in this section should be read in conjunction with the more complete discussion that appears under Part II, Item 7A. *Quantitative and Qualitative Disclosures About Market Risk* in our 2024 10-K. The following discussion updates selected numerical information to September 30, 2025.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of September 30, 2025.

#### Cash

We invest our cash in highly liquid instruments that meet high credit quality standards. We are exposed to exchange rate risk to the extent that the denominations of our cash and cash equivalent balances, revolving lines of credit and other short-term sources of liquidity do not correspond to the denominations of our and our subsidiaries' short-term liquidity requirements. In order to mitigate this risk, we actively manage the denominations of our cash balances in light of our and our subsidiaries' forecasted liquidity requirements. At September 30, 2025, \$1,307.4 million or 78.1% and \$327.5 million or 19.6% of our consolidated cash balance was denominated in euros and U.S. dollars, respectively, and \$76.0 million or 88.5% of our consolidated balance of investments held under SMAs was denominated in U.S. dollars.

#### Foreign Currency Risk

We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. For information regarding our use of derivative instruments to manage our foreign currency exchange rate risk, see note 6 to our condensed consolidated financial statements.

The relationships between the primary currencies of the countries in which we operate and the U.S. dollar, which is our reporting currency, are shown below, per one U.S. dollar:

	September 30, 2025		December 31, 2024	
<b>Spot rates:</b>				
Euro	0.8506		0.9663	
British pound sterling	0.7430		0.7988	
	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Average rates:</b>				
Euro	0.8558	0.9101	0.8958	0.9200
British pound sterling	0.7416	0.7689	0.7613	0.7832

### ***Inflation and Foreign Investment Risk***

We are subject to inflationary pressures with respect to labor, programming and other costs. While we attempt to increase our revenue to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the respective countries in which we operate is a function of government, economic, fiscal and monetary policies and various other factors beyond our control that could lead to inflation. We are unable to predict the extent that price levels might be impacted in future periods by the current state of the economies in the countries in which we operate.

### ***Interest Rate Risks***

We are exposed to changes in interest rates primarily as a result of our borrowing activities, which include fixed-rate and variable-rate borrowings by our borrowing groups. Our primary exposure to variable-rate debt is through the EURIBOR-indexed and Term SOFR-indexed debt of our borrowing groups and the variable-rate debt of certain of our other subsidiaries.

In general, we enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to manage exposure to increases in interest rates. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed upon notional principal amount. From time to time, we also use interest rate cap, floor and collar agreements and swaptions that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates. Under our current guidelines, we use various interest rate derivative instruments to mitigate interest rate risk. The final maturity dates of our various portfolios of interest rate derivative instruments might, in some instances, fall short of, or extend further than, the respective maturities of the underlying variable-rate debt. In this regard, we use judgment to determine the appropriate composition and maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the impacts of these interest rate derivative instruments, see note 6 to our condensed consolidated financial statements.

We use benchmark interest rates to set floating rates on our debt and derivative instruments. For USD, these reference the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York or Term SOFR administered by CME Group Benchmark Administration Limited. For EUR, these reference EURIBOR administered by the European Money Markets Institute. For GBP, these reference the Sterling Overnight Index Average administered by the Bank of England.

*Weighted Average Variable Interest Rate.* At September 30, 2025, the outstanding principal amount of our variable-rate indebtedness aggregated \$6.8 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 5.3%, excluding the effects of interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by \$34.0 million. As discussed above and in note 6 to our condensed consolidated financial statements, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

### ***Sensitivity Information***

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency, or the impact of market moves on our credit and debit valuation adjustments. For additional information, see notes 6 and 7 to our condensed consolidated financial statements.

*Telenet Cross-currency and Interest Rate Derivative Contracts*

Holding all other factors constant, at September 30, 2025:

- (i) an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the Telenet cross-currency and interest rate derivative contracts by approximately €303 million (\$357 million); and
- (ii) an instantaneous increase in the relevant base rate of 50 basis points (0.50%) would have increased the aggregate fair value of the Telenet cross-currency and interest rate derivative contracts by approximately €66 million (\$77 million) and, conversely, a decrease of 50 basis points would have decreased the aggregate fair value by approximately €68 million (\$79 million).

**Projected Cash Flows Associated with Derivative Instruments**

The following table provides information regarding the projected cash flows associated with our derivative instruments. The U.S. dollar equivalents presented below are based on interest rate projections and exchange rates as of September 30, 2025. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments or receipts required in future periods. For additional information regarding our derivative instruments, see note 6 to our condensed consolidated financial statements.

	<b>Payments (receipts) due during:</b>							<b>Total</b>
	<b>Remainder of 2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Thereafter</b>	
<b>in millions</b>								
Projected derivative cash payments (receipts), net:								
Interest-related (a)	\$ (62.7)	\$ (1.4)	\$ (107.3)	\$ (74.9)	\$ (17.8)	\$ 1.6	\$ 0.6	\$ (261.9)
Principal-related (b)	—	—	—	143.0	—	—	—	143.0
Other (c)	1.7	1.7	0.1	(0.2)	0.1	—	—	3.4
Total	<u>\$ (61.0)</u>	<u>\$ 0.3</u>	<u>\$ (107.2)</u>	<u>\$ 67.9</u>	<u>\$ (17.7)</u>	<u>\$ 1.6</u>	<u>\$ 0.6</u>	<u>\$ (115.5)</u>

- (a) Includes (i) the cash flows of our interest rate cap, swaption, floor and swap contracts and (ii) the interest-related cash flows of our cross-currency and interest rate swap contracts.
- (b) Includes the principal-related cash flows of our cross-currency swap contracts.
- (c) Includes amounts related to our foreign currency forward contracts.

**Item 4. CONTROLS AND PROCEDURES**

***Evaluation of Disclosure Controls and Procedures***

In accordance with Rule 13a-15 of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and chief financial officer (the **Executives**), of the effectiveness of our disclosure controls and procedures as of September 30, 2025. In designing and evaluating the disclosure controls and procedures, the Executives recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is necessarily required to apply judgment in evaluating the cost-benefit relationship of possible controls and objectives. Based on that evaluation, the Executives concluded that our disclosure controls and procedures as of September 30, 2025 effectively provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

***Changes in Internal Controls over Financial Reporting***

There have been no changes in our internal controls over financial reporting identified in connection with the evaluation described above that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

From time to time, our subsidiaries and affiliates have become involved in litigation relating to claims arising out of their operations in the normal course of business. For additional information, see note 15 to our condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### (c) Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share (a)	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
July 1, 2025 through July 31, 2025:				
Class A	—	\$ —	—	(b)
Class C	2,139,046	\$ 10.32	2,139,046	(b)
August 1, 2025 through August 31, 2025:				
Class A	—	\$ —	—	(b)
Class C	1,746,582	\$ 11.45	1,746,582	(b)
September 1, 2025 through September 30, 2025:				
Class A	—	\$ —	—	(b)
Class C	1,151,453	\$ 11.90	1,151,453	(b)
Total — July 1, 2025 through September 30, 2025:				
Class A	—	\$ —	—	(b)
Class C	5,037,081	\$ 11.07	5,037,081	(b)

(a) Average price paid per share includes direct acquisition costs.

(b) Under our current share repurchase program, we are authorized during 2025 to repurchase up to 10% of our total outstanding shares as of December 31, 2024. As of September 30, 2025, the remaining number of our Class A and/or Class C common shares that we are authorized to repurchase during 2025 was 20.4 million. Based on the average of the respective closing share prices as of September 30, 2025, this would equate to additional share repurchases during the remainder of 2025 of approximately \$236.7 million. However, the actual U.S. dollar amount of our share repurchases during the remainder of 2025 will be determined by the actual transaction date share prices during the year and could differ significantly from this amount. For additional information, see note 12 to our condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

### Item 5. OTHER INFORMATION

During the quarter ended September 30, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

**Item 6. EXHIBITS**

Listed below are the exhibits filed as part of this Quarterly Report (according to the number assigned to them in Item 601 of Regulation S-K):

10 — Material Contracts:

10.1 [Amended and Restated Shareholders' Agreement, dated August 1, 2025, by and among Liberty Global Holdings Limited, Liberty Global Europe 2 Limited, Liberty Global Holdco Limited, Telefonica, S.A. and Telefonica O2 Holdings Limited \(File No. 001-35961\)](#)\*

31 — Rule 13a-14(a)/15d-14(a) Certification:

31.1 [Certification of President and Chief Executive Officer\\*](#)

31.2 [Certification of Executive Vice President and Chief Financial Officer\\*](#)

[32 — Section 1350 Certification\\*\\*](#)

101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

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\* Filed herewith

\*\* Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY GLOBAL LTD.

Dated: October 30, 2025

/s/ MICHAEL T. FRIES

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Michael T. Fries  
*President and Chief Executive Officer*

Dated: October 30, 2025

/s/ CHARLES H.R. BRACKEN

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Charles H.R. Bracken  
*Executive Vice President and Chief  
Financial Officer*

DATED 1 JUNE 2021

As amended on 15 November 2023 and on 1 August 2025

**LIBERTY GLOBAL EUROPE 2 LIMITED**

**and**

**LIBERTY GLOBAL HOLDINGS LIMITED (FORMERLY LIBERTY GLOBAL PLC)**

**and**

**TELEFÓNICA O2 HOLDINGS LIMITED**

**and**

**TELEFÓNICA, S.A.**

**and**

**VMED O2 UK LIMITED**

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**SHAREHOLDERS' AGREEMENT**

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## Contents

	<b>Page</b>
1. DEFINITIONS AND INTERPRETATION	2
2. ESTABLISHMENT OF THE COMPANY	44
3. BUSINESS OF THE COMPANY	47
4. RESERVED MATTERS	47
5. DEADLOCK RESOLUTION	56
6. SHAREHOLDER APPOINTMENTS	57
7. EXECUTIVE MANAGEMENT	62
8. PROCEEDINGS OF THE BOARD	65
9. ACCESS TO INFORMATION AND ACCOUNTS	69
10. BUSINESS PLANS	75
11. DIVIDEND POLICY	75
12. FUNDING AND CASH MANAGEMENT	77
13. TARGET LEVERAGE RATIO	79
14. RESTRICTIONS ON DEALING WITH SHARES	83
15. PERMITTED TRANSFERS	85
16. TRANSFER OF SHARES FOR CONVENIENCE	88
17. DEFAULT	99
18. COMPLETION OF TRANSFERS	105
19. IPO	106
20. EFFECT OF DEED OF ADHERENCE AND DEED OF NOVATION	118
21. PRESCRIBED VALUE	118
22. SHAREHOLDER UNDERTAKINGS	120

23.	UNDERTAKINGS BY THE COMPANY	121
24.	PROTECTIVE COVENANTS	122
25.	TAX MATTERS	128
26.	CONFIDENTIALITY	145
27.	ANNOUNCEMENTS	148
28.	PARENT COMPANY GUARANTEES	150
29.	TERMINATION	152
30.	LANGUAGE	152
31.	ASSIGNMENT	153
32.	ENTIRE AGREEMENT	153
33.	NOTICES	154
34.	REMEDIES AND WAIVERS	156
35.	NO PARTNERSHIP OR FIDUCIARY RELATIONSHIP	157
36.	COSTS AND EXPENSES	157
37.	COUNTERPARTS	157
38.	CHOICE OF GOVERNING LAW	158
40.	ARBITRATION	158
41.	AGENT FOR SERVICE OF PROCESS	159
	Schedule 1 The Company	161
	Schedule 2 Form of Deed of Adherence	162
	Schedule 3 Treasury Principles	164
	Schedule 4 Form of Deed of Novation	166
	Schedule 5 Framework Services Agreements Governance	169

Articles of Association

Initial Business Plan

Terms of Reference (if applicable)

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THIS AGREEMENT is made on 1 June 2021 (as amended on 15 November 2023 and as amended and restated on 1 August 2025)

BETWEEN:

1. **LIBERTY GLOBAL EUROPE 2 LIMITED**, a company incorporated under the laws of England and Wales under registered number 08380130 whose registered office is at 120 King's Road, London, United Kingdom, SW3 4TR (the "**Liberty Global Shareholder**");
2. **TELEFÓNICA O2 HOLDINGS LIMITED**, a company incorporated under the laws of England and Wales under registered number 05310128 whose registered office is at Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH (the "**Telefónica Shareholder**");
3. **LIBERTY GLOBAL HOLDINGS LIMITED (FORMERLY LIBERTY GLOBAL PLC)**, a company incorporated under the laws of England and Wales under registered number 08379990 whose registered office is at 120 King's Road, London, United Kingdom, SW3 4TR (the "**Liberty Global Guarantor**");
4. **TELEFÓNICA, S.A.**, a company incorporated under the laws of Spain, with registered office at Gran Vía 28, 28013 - Madrid, registered with the Commercial Registry of Madrid under Book 208, Page 1, Sheet M-6164, 946th registration, and holder of Spanish Tax Identification Number ("**CIF**") A-28015865 (the "**Telefónica Guarantor**", with each of the Telefónica Guarantor and the Liberty Global Guarantor being a "**Guarantor**" and, together, the "**Guarantors**"); and
5. **VMED O2 UK LIMITED**, a company incorporated under the laws of England and Wales under registered number 12580944 whose registered office is at 500 Brook Drive, Reading, United Kingdom, RG2 6UU (the "**Company**").

WHEREAS:

- (A) On 7 May 2020, pursuant to the Contribution Agreement, the Liberty Global Shareholder and the Telefónica Shareholder agreed to combine their respective businesses in the UK within the Company on the terms and subject to the conditions set out in the Contribution Agreement. Further details of the Company (as at 1 August 2025) are set out in Schedule 1 (The Company).
- (B) The parties have agreed that on and with effect from Completion (as defined below) the Company and the Group is to be owned, controlled, managed and financed on the terms set out in this agreement.
- (C) The Liberty Global Guarantor is the Ultimate Parent of the Liberty Global Shareholder and is willing to guarantee the obligations of the Liberty Global Shareholder under this agreement.
- (D) The Telefónica Guarantor is the Ultimate Parent of the Telefónica Shareholder and is willing to guarantee the obligations of the Telefónica Shareholder under this agreement.

- (E) In consideration of the mutual promises of each of the parties set out herein, the parties agree to enter into this agreement to govern their relationships.

IT IS AGREED as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this agreement:

<b>“Accession Agreements”</b>	means each accession agreement entered into in accordance with the Telefónica Services Agreement and the Liberty Global Services Agreement, as the case may be;
<b>“Accounting Period”</b>	means the period commencing on 1 January in any year and ending on 31 December in the same year or such other accounting period as may be adopted by the Company in accordance with clause 4 (Reserved Matters);
<b>“Accounting Policies”</b>	means EU IFRS as at the date of this agreement, as may be adopted, amended or varied by the Company from time to time in accordance with applicable regulations and the provisions of this agreement, including clause 4 (Reserved Matters);
<b>“Acquired Business”</b>	has the meaning set out in clause 24.4(A)(ii) (Protective Covenants);
<b>“Affiliate”</b>	in relation to a body corporate, means: <ul style="list-style-type: none"> <li>(i) any other body corporate over which that body corporate has Control;</li> <li>(ii) any other body corporate which has Control over that body corporate; or</li> <li>(iii) any other body corporate which is under the Control of a third entity that also Controls that body corporate;</li> </ul>
<b>“Agreed Form”</b>	in relation to any document, means that document in a form agreed by the Liberty Global Shareholder and the Telefónica

Shareholder and initialled for the purposes of identification by or on behalf of the Liberty Global Shareholder and the Telefónica Shareholder (or such other identification process as agreed between the Shareholders);

**“Alternate”**

means, in respect of a Director, any other Director or Observer designated as an alternate in accordance with clause 6.4 (Alternates);

**“Ancillary Agreement”**

means the Telefónica Services Agreement, the Telefónica RTSA, the Liberty Global Services Agreement, the Liberty Global RTSA, the Accession Agreements, the Reverse Accession Agreements, the Data Processing Agreements, the Liberty Global Surviving Agreements Agreement, the Telefónica Surviving Agreements Agreement, the Liberty Global Surviving Agreements and the Telefónica Surviving Agreements or, if any of those agreements is amended or renewed, such agreement as so amended or renewed;

**“Articles of Association”**

means the articles of association of the Company in the Agreed Form and adopted in accordance with clause 2(A)(i) (Establishment of the Company) or, if the articles of association of the Company are amended or replaced in accordance with clause 4 (Reserved Matters), the articles of association of the Company as so amended or replaced;

**“Associated Person”**

means, in relation to a body corporate, the members of its Group and the officers, employees and agents of that body corporate and any member of its Group and any subcontractor or other person who performs services for or on behalf of that body corporate or any of member of its Group;

**“Audit Committee”**

means the committee established in accordance with clause 8.11 (Standing Committees);

**“Auditors”**

means the auditors of the Company from time

	to time;
<b>“Bankers”</b>	has the meaning set out in clause 21(C)(i) (Prescribed Value);
<b>“Beauty Parade”</b>	has the meaning set out in clause 19.1(B) (IPO Notice);
<b>“Board”</b>	means the board of directors of the Company from time to time;
<b>“Breaching Shareholder”</b>	has the meaning set out in clause 28(B) (Parent Company Guarantees);
<b>“Business”</b>	means the business activities described in clause 3 (Business of the Company) or, if the business of the Company is altered in accordance with clause 4 (Reserved Matters), the business of the Company as so altered;
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Madrid;
<b>“Business Plan”</b>	means the Initial Business Plan and any subsequent or amended business plan adopted by the Company in accordance with clause 4 (Reserved Matters);
<b>“Call Option Notice”</b>	has the meaning set out in clause 17.2(E)(i) (Default Notice);
<b>“CEO”</b>	means the chief executive officer of the Company;
<b>“Cessation of Rights Notice”</b>	has the meaning set out in clause 17.2(E)(ii) (Default Notice);
<b>“CFO”</b>	means the chief financial officer of the Company;
<b>“Chairman”</b>	means the chairman of the Board;
<b>“Chief Commercial Officer”</b>	means the chief commercial officer (mobile) of the Company;

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<b>“Chief Communications and Corporate Affairs Officer”</b>	means the chief communications and corporate affairs officer of the Company;
<b>“Chief Digital Officer”</b>	means the chief digital officer of the Company;
<b>“Chief People and Transformation Officer”</b>	means the chief people and transformation officer of the Company;
<b>“Chief Regulatory Officer”</b>	means the chief regulatory officer of the Company;
<b>“CIO”</b>	means the chief information officer of the Company;
<b>“Company Advisers”</b>	has the meaning set out in clause 19.1(G) (IPO Notice);
<b>“Competing Business”</b>	means a business which carries on a Restricted Business;
<b>“Completion”</b>	has the meaning given to the same term in the Contribution Agreement;
<b>“Confidential Information”</b>	has the meaning set out in clause 26.1 (Confidential Information);
<b>“Contribution Agreement”</b>	means the contribution agreement between, among others, the Liberty Global Shareholder, the Telefónica Shareholder and the Company dated 7 May 2020;
<b>“Control”</b>	<p>in relation to a body corporate (being the <b>“Controlled Person”</b>) means being:</p> <p>(i) entitled to exercise, or control the exercise (directly or indirectly) of, more than 50 per cent. of the voting power at any general meeting of the shareholders, members or partners or other equity holders of the Controlled Person (and including, in the case of a limited partnership, at a meeting of members or partners or other equity holders of its general partner) in respect of all or substantially all matters falling to be decided by resolution or meeting of such</p>

persons; or

- (ii) entitled to appoint or remove (directly or indirectly):
  - (a) directors on the Controlled Person's board of directors or other governing body (or, in the case of a limited partnership, on the board or other governing body of its general partner) who are able (in the aggregate) to exercise more than 50 per cent. of the voting power at meetings of that board or governing body in respect of all or substantially all matters;
  - (b) any managing member of such Controlled Person; and/or
  - (c) in the case of a limited partnership, its general partner;

and "**Controls**" and "**Controlled**" shall have a corresponding meaning;

**"COO"**

means the chief operating officer (TV, Broadband and FMC) of the Company;

**"CTIL"**

means Cornerstone Telecommunications Infrastructure Limited, a company incorporated under the laws of England and Wales under registered number 08087551;

**"CTIL Director"**

means a director of CTIL nominated for appointment by the CTIL Shareholder in accordance with clause 6.1(C) of the CTIL Shareholders' Agreement;

**"CTIL Observer"**

means a representative of the CTIL Shareholder who is entitled to attend meetings of the board of directors of CTIL and is appointed by the CTIL Shareholder in accordance with clause 6.8(A) of the CTIL Shareholders' Agreement;

<b>“CTIL Reserved Matter”</b>	means any reserved matter as set out in Schedule 1 (Reserved Matters) of the CTIL Shareholders’ Agreement or any other matter requiring the consent of the CTIL Shareholder pursuant to the terms of the CTIL Shareholders’ Agreement;
<b>“CTIL Shareholder”</b>	means each of O2 Cedar Limited and O2 Networks Limited or any other member of the Company’s Group who holds shares in the capital of CTIL from time to time (or where the context requires the relevant such shareholder designated or nominated as the “Principal Shareholder” in accordance with the CTIL Shareholders’ Agreement);
<b>“CTIL Shareholders’ Agreement”</b>	means the shareholders’ agreement between O2 Cedar Limited, O2 Networks Limited, Vodafone Limited and CTIL dated 7 January 2021;
<b>“CTO”</b>	means the chief technical officer of the Company;
<b>“Data Processing Agreements”</b>	means (i) the data processing agreement pursuant to the Liberty Global Services Agreement entered into by Liberty Global B.V., Virgin Media Limited and the Company on or around the date of this agreement; (ii) the data processing agreement pursuant to the Telefónica Services Agreement entered into by the Telefónica Guarantor, Telefónica UK Limited and the Company on or around the date of this agreement; (iii) the data sharing agreement entered into by the Liberty Global Shareholder, the Telefónica Shareholder, Virgin Media Limited, Telefónica UK Limited and the Company on or around the date of this agreement; (iv) the data processing agreement pursuant to the Telefónica RTSA; and (v) the data processing agreement pursuant to the Liberty Global RTSA;
<b>“Deadlock”</b>	has the meaning set out in clause 5(A) (Deadlock Resolution);

<b>“Deadlock Notice”</b>	has the meaning set out in clause 5(B)
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	(Deadlock Resolution);
<b>“Deed of Adherence”</b>	means a deed of adherence to this agreement to be executed by any transferee of a Share or Shareholder Loan substantially in the form set out in Schedule 2 (Form of Deed of Adherence);
<b>“Deed of Novation”</b>	means a deed of novation in respect of the novation of any Shareholder Loan substantially in the form set out in Schedule 4 (Form of Deed of Novation);
<b>“Default Dispute Notice”</b>	has the meaning set out in clause 17.2(C) (Default Notice);
<b>“Default Notice”</b>	has the meaning set out in clause 17.2(B) (Default Notice);
<b>“Default Period”</b>	has the meaning set out in clause 17.4(B)(i) (Cessation of rights);
<b>“Defaulting Shareholder”</b>	has the meaning set out in clause 17.2(A) (Default Notice);
<b>“Deferral Notice”</b>	has the meaning set out in clause 16.1(C)(i) (Transfer of Shares for convenience);
<b>“Director”</b>	means a director of the Company and unless otherwise stated includes the duly appointed Alternate of such a director;
<b>“Disposal”</b>	in relation to a Share or (where applicable) the creditor position under a Shareholder Loan means: <ul style="list-style-type: none"> <li>(i) any sale, assignment or transfer;</li> <li>(ii) creating or permitting to subsist any pledge, charge, mortgage, lien or other security interest or encumbrance;</li> <li>(iii) creating any trust or usufruct conferring any interest;</li> <li>(iv) creating or permitting to subsist any</li> </ul>

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agreement, arrangement or understanding in respect of votes attaching to any Share or the right to receive dividends or interest (as applicable) directly from the Company;

- (v) granting an option to acquire that Share or creditor position under a Shareholder Loan (as applicable);
- (vi) the assignment of any right to subscribe for or receive a Share or any legal or beneficial interest in a Share;
- (vii) any agreement to do any of the above, except an agreement to transfer in compliance with the terms of this agreement; and
- (viii) transmission by operation of law;

**“Dispute”**

has the meaning set out in clause 39 (Dispute Resolution);

**“Distributable Amount”**

means the maximum amount of cash (if any) on the balance sheet of the Company’s Group determined by reference to the latest consolidated accounts for the Company’s Group for each Quarterly Accounting Period, that if it were distributed by the Company would cause the Leverage Ratio pro forma for that distribution (after deducting an amount of £10 million and all Restricted Cash from the Net Indebtedness component of such calculation) to be less than 5.0:1 (or any greater Leverage Ratio if agreed by both Shareholders) provided that the Distributable Amount shall be deemed to be zero if there is less than £10 million of cash excluding all Restricted Cash on the balance sheet of the Company’s Group in such accounts;

**“Draft Revised Business Plan”**

has the meaning set out in clause 10.1 (Business Plans);

**“Draft Rollover O2 Daisy Business**

has the meaning given to the term “Draft Rollover Business Plan” in the O2 Daisy

<b>Plan”</b>	Shareholders’ Agreement;
<b>“Drag Completion Deadline”</b>	means the date falling 18 months after the date of the Drag Notice or, if any regulatory related Drag Sale Conditions have not been satisfied or waived and the Exiting Shareholder reasonably expects, and is able to provide a reasonable basis for such expectation, satisfaction of any such outstanding regulatory related Drag Sale Conditions such that completion of the Drag Sale Offer is likely to occur within three months after such 18 month date and notifies the Non-Exiting Shareholder of such reasonable expectation before the date falling 17 months and 15 calendar days after the date of the Drag Notice, the date falling 21 months after the date of the Drag Notice;
<b>“Drag Notice”</b>	has the meaning set out in clause 16.2(F) (Drag Sale);
<b>“Drag Sale Conditions”</b>	has the meaning set out in clause 16.2(B)(iii) (Drag Sale);
<b>“Drag Sale Offer”</b>	has the meaning set out in clause 16.2(B) (Drag Sale);
<b>“Drag Sale Offeror”</b>	has the meaning set out in clause 16.2(B)(i) (Drag Sale);
<b>“Drag Sale Terms”</b>	has the meaning set out in clause 16.2(B) (Drag Sale);
<b>“EBITDA”</b>	means in relation to any 12 month period ending on the last day of a Quarterly Accounting Period, operating income (expense) of the Company’s Group as adjusted below (without double counting): <ul style="list-style-type: none"> <li>(i) plus depreciation;</li> <li>(ii) plus amortisation;</li> <li>(iii) plus non-cash stock compensation expenses;</li> </ul>

- (iv) plus other non-cash impairment charges;
- (v) plus one-off reorganisation or restructuring charges;
- (vi) plus direct acquisition costs, losses on the sale of operating assets;
- (vii) plus any non-cash charges;
- (viii) plus any stock based or other equity based compensation expenses;
- (ix) plus direct or related acquisition, disposal, recapitalisation, debt incurrence or equity offering costs;
- (x) plus any non-recurring, exceptional, extraordinary, one-off or unusual items (including one-off reorganisation and restructuring charges);
- (xi) plus all attorneys' and experts' fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative);
- (xii) plus the amount of loss on sale of assets or transfer of any assets in connection with an asset securitisation programme, receivables factoring transaction or other receivables transaction and excluding any cost related to these programmes or transactions to the extent included in operating income;
- (xiii) plus any losses attributable to non-controlling interests (being those interests of minority shareholders);

- (xv) plus any EBITDA (determined *mutatis mutandis* and excluding the effect of this paragraph (xv)) generated by equity consolidated investments;
  - (xvi) plus any deferred financing costs written off and premiums paid to extinguish debt early to the extent included in operating income;
  - (xvii) plus any losses in respect of any derivatives (except opex hedging) to the extent included in operating income;
  - (xviii) plus tangible or intangible asset impairment charges;
  - (xix) plus capitalised interest on any Shareholder Loan;
  - (xx) plus accruals and reserves established or adjusted within twelve months after the closing date of any acquisition required to be established or adjusted in accordance with the Relevant Accounting Principles to the extent included in operating income;
  - (xxi) plus any expense to the extent covered by insurance or indemnity and actually reimbursed;
  - (xxii) plus any realised and unrealised losses due to changes in the fair value of equity investments;
  - (xxiii) plus realised losses (to the extent included in operating income) arising at maturity or on termination of forward foreign exchange and other currency hedging contracts entered into with respect to operational cash flows;
  - (xxiv) plus any up-front installation fees associated with commercial contract
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installations completed during such period (less any portion of such fees included in earnings);

(xxv) plus earn out payments to the extent such payments are treated as capital payments under the Relevant Accounting Principles;

(xxvi) plus the amount received from business interruption insurance and reimbursements of any expenses covered by indemnification or other reimbursement in connection with any acquisition, investment or disposal;

(xxvii) plus any charges or costs in relation to any long-term incentive plan or pension or post-retirement benefits schemes;

(xxviii) plus any adjustments required in order to eliminate the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of the adoption or modification of accounting principles or policies to the extent included in operating income; and

(xxix) plus all costs and expenses recognised in connection with Leases,

as reflected in the quarterly financial reporting package prepared in accordance with clause 9.5 (Management accounts) and all as determined in accordance with the Relevant Accounting Principles, subject to the adjustments above;

**“Events of Default”**

has the meaning set out in clause 17.1(A) (Events of Default);

**“Exchange Rate”**

means, with respect to a particular currency for a particular day, the spot rate of exchange (the closing mid-point) for that currency into pounds sterling or any other relevant currency (as the case may be) on such date as published in the London edition of the

	Financial Times first published thereafter;
<b>“Executive Management”</b>	means the CEO, the CFO, the CTO, the CIO and the General Counsel and such other individuals determined by the Board to be members of the executive management from time to time or appointed by the Board as members of the executive management pursuant to clause 6.8 (Executive Management);
<b>“Existing Financial Indebtedness”</b>	means the financial indebtedness of the Company’s Group existing at the date of this agreement;
<b>“Existing Liberty Global Target Group SFA”</b>	has the meaning given to it in the Contribution Agreement;
<b>“Exit Election Notice”</b>	has the meaning set out in clause 16.1(H) (ROFO);
<b>“Exit Notice”</b>	has the meaning set out in clause 16.1(A) (ROFO);
<b>“Exiting Shareholder”</b>	has the meaning set out in clause 16.1(A) (ROFO);
<b>“EU IFRS”</b>	means international accounting standards (as defined in Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards), as adopted by the European Union;
<b>“EU Merger Regulation”</b>	means Council Regulation (EC) No. 139/2004;
<b>“Financial Adviser”</b>	has the meaning set out in clause 19.1(D) (IPO Notice);
<b>“Financial Indebtedness”</b>	means, without double counting, indebtedness in respect of: <ul style="list-style-type: none"> <li>(i) money borrowed or raised and debit balances at banks or other financial institutions;</li> <li>(ii) any bond, note, loan stock, debenture or</li> </ul>

similar debt instrument;

- (iii) Vendor Financing and Related Arrangements;
- (iv) obligations under Leases;
- (v) acceptance or documentary credit facilities; and
- (vi) guarantees in respect of indebtedness of any person falling within any of paragraphs (i) to (v) above,

provided that the following shall not be regarded as Financial Indebtedness:

- (a) indebtedness which has been cash-collateralised to the extent so cash-collateralised;
- (b) any obligations to make payments in relation to earn outs;
- (c) any pension obligations or any obligations under employee plans or employment agreements;
- (d) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any indebtedness in respect of an asset securitisation programme or receivables factoring or discounting transaction, or its equivalent in each case, and any related credit support;
- (e) any liabilities or payments for assets acquired or services supplied which are deferred other than Vendor Financing and Related Arrangements;
- (f) any deposits or prepayments received by any member of the Company's Group from a customer or subscriber for its service and any other deferred or prepaid

- (g) indebtedness which is in the nature of equity (other than shares which are redeemable by the holder of such shares) or equity derivatives;
- (h) any parallel debt obligations to the extent such obligations mirror other Financial Indebtedness;
- (i) obligations owed by one member of the Company's Group to another member of the Company's Group;
- (j) any Shareholder Loan;
- (k) mark to market fluctuations in respect of interest rate and foreign exchange hedging arrangements since the original date on which such hedging arrangements were consummated;
- (l) indebtedness attributable to minority interests on a proportionate basis; and
- (m) indebtedness attributable to equity investments.

<b>"First Acceptance Notice"</b>	has the meaning given to it in the O2 Daisy Shareholders' Agreement;
<b>"First Deferral Notice"</b>	has the meaning given to it in the O2 Daisy Shareholders' Agreement;
<b>"Formation Facility"</b>	has the meaning given to the term "Formation Facility" in the O2 Daisy Shareholders' Agreement;
<b>"Framework Services Agreements"</b>	has the meaning given to it in Schedule 5 (Framework Services Agreements Governance);
<b>"General Counsel"</b>	means the general counsel of the Company;
<b>"Granada Bidco"</b>	means Granada Bidco Limited, a company incorporated in England and Wales with

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	registered number 15107171;
<b>“Group”</b>	in relation to any body corporate, means that body corporate and its Affiliates from time to time, provided that, in relation to a Shareholder, “Group” shall be interpreted to mean the Ultimate Parent of that Shareholder and the Affiliates of that Ultimate Parent (excluding, for the avoidance of doubt, the Company and its Group);
<b>“Group Sale Notice”</b>	has the meaning set out in clause 15.4(C) (Intermediate Holding Company transfers);
<b>“Group Sale Shareholder”</b>	has the meaning set out in clause 15.4(C) (Intermediate Holding Company transfers);
<b>“Hedging Agreement”</b>	means any agreement in respect of an interest rate swap, currency swap, forward foreign exchange transaction, cap, floor or collar (collectively, <b>“Derivative Transactions”</b> ), options on Derivative Transactions, any other treasury transaction or any combination of such transactions, entered into with the aim of managing interest rate and currency risk exposure of the Company and its Group;
<b>“Higher Number”</b>	has the meaning set out in clause 21(C)(iii) (Prescribed Value);
<b>“HoldCo”</b>	means Granstone HoldCo Limited, a company incorporated in England and Wales with registered number 14907010, being a subsidiary of O2 Holdings;
<b>“HoldCo Director”</b>	means a director of HoldCo nominated for appointment by the HoldCo A Shareholder in accordance with Clause 3.3.2 of the HoldCo Shareholders’ Agreement;
<b>“HoldCo Reserved Matter”</b>	means any reserved matter as set out in Schedule 3 (Reserved Matters) to the HoldCo Shareholders’ Agreement or any other matter requiring the consent of the HoldCo Shareholders pursuant to the HoldCo Shareholders’ Agreement;

<b>“HoldCo A Shareholder”</b>	has the meaning given to the term “A Shareholder” in the HoldCo Shareholders’ Agreement and, as at the date of the HoldCo Shareholders’ Agreement, is O2 Holdings;
<b>“HoldCo Shareholders”</b>	means each of HoldCo A Shareholder and Granada Bidco and any other party who holds shares in the capital of HoldCo from time to time;
<b>“HoldCo Shareholders’ Agreement”</b>	means the shareholders’ agreement between O2 Holdings, Granada Bidco and HoldCo dated 15 November 2023;
<b>“Initial Business Plan”</b>	means the financial plan for the 12 month period ending on 31 December 2021 in the Agreed Form and adopted in accordance with clause 2(A)(ix) (Establishment of the Company);
<b>“Initiating Shareholder”</b>	has the meaning set out in clause 19.1(A) (IPO Notice);
<b>“Intermediate Holding Company”</b>	means, in respect of a Shareholder, any holding company of that Shareholder within the chain(s) of holding companies between its Ultimate Parent and the Shareholder (including the Shareholder, but not its Ultimate Parent);
<b>“IPO”</b>	has the meaning set out in clause 19.1(A) (IPO Notice);
<b>“IPO Notice”</b>	has the meaning set out in clause 19.1(A) (IPO Notice);
<b>“IPO Option”</b>	has the meaning set out in clause 19.1(L) (IPO Notice);
<b>“IPO Principles”</b>	has the meaning set out in clause 19.1(I) (IPO Notice);
<b>“IPO Tag Notice”</b>	has the meaning set out in clause 19.1(L) (IPO Notice);
<b>“IPO Venue”</b>	means the Preferred IPO Venue and each of

	the Secondary IPO Venues;
<b>“JGC Recommendations”</b>	has the meaning set out in clause 19.1(H) (IPO Notice);
<b>“Joint Exit”</b>	has the meaning set out in clause 16.1(A) (ROFO);
<b>“Joint Global Coordinators”</b>	has the meaning set out in clause 19.1(C) (IPO Notice);
<b>“Leases”</b>	means any finance, capital or operating lease;
<b>“Leverage Ratio”</b>	means the ratio of Net Indebtedness to EBITDA;
<b>“Liberty Global Banker”</b>	has the meaning set out in clause 21(C)(i) (Prescribed Value);
<b>“Liberty Global Competitor”</b>	means Vodafone, BT, Three, Sky, Swisscom, Proximus, NJJ Capital, KPN, eir or any of their respective affiliates or successors;
<b>“Liberty Global Director”</b>	means a Director nominated for appointment by the Liberty Global Shareholder in accordance with clause 6.1(A) (Appointment and removal of Directors) for so long as such person is appointed as a Director;
<b>“Liberty Global GAAP”</b>	means United States generally accepted accounting principles, as applied by the Liberty Global Shareholder’s Group from time to time;
<b>“Liberty Global IFRS”</b>	means EU IFRS as applied by the Liberty Global Shareholder’s Group from time to time;
<b>“Liberty Global Pre-Completion Reorganisation”</b>	has the meaning given to it in the Contribution Agreement;
<b>“Liberty Global Pre-Completion Reorganisation Tax Clearances”</b>	means: <ul style="list-style-type: none"> <li>(i) in relation to Step 4B of the Reorganisation Steps Plan, any clearance under section 138 of the Taxation of Chargeable Gains Act 1992 (“TCGA”) that the provisions of section</li> </ul>

TCGA from applying in respect of Liberty Global's contribution of the entire issued share capital of Virgin Media Inc. and certain intercompany receivables to the Company in exchange for an issue of shares and the assumption of certain liabilities by the Company;

- (ii) in relation to Step 8H of the Reorganisation Steps Plan, any clearance under section 138 TCGA that the provisions of section 137 TCGA will not prevent section 127 TCGA (as applied by section 136 TCGA) from applying in respect of the cancellation of certain shares in the capital of the Company and the repayment of the capital on those shares in full by way of a tripartite transaction whereby (a) the share capital of certain companies are transferred to a new holding company; and (b) the new holding company issues shares to Liberty Global; and any clearance confirming that the conditions of section 80 of the (Irish) Stamp Duty Consolidation Act 1999 have been satisfied in respect of these steps;
  - (iii) in relation to Step 9 of the Reorganisation Steps Plan, any non-statutory clearance on the application of the substantial shareholding exemption in Schedule 7AC to the TCGA (SSE) obtained in respect of Liberty Global's contribution of the entire issued share capital of Lynx Networks Ltd to the Company in exchange for an issue of shares and, if SSE is not expected to be available in respect of this step, any clearance under section 138 TCGA that the provisions of section 137 TCGA will not prevent section 135 TCGA from applying to this step; and
  - (iv) any other clearances obtained in connection with the Liberty Global Pre-Completion Reorganisation and which
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	the Telefónica Shareholder agrees (acting reasonably following request from the Liberty Global Shareholder in writing) constitutes such a clearance;
<b>“Liberty Global RTSA”</b>	means the Liberty Global Reverse Framework Services Agreement between the Company and Liberty Global Technology Services B.V. entered into on or around the date of this agreement;
<b>“Liberty Global Services Agreement”</b>	means the framework services agreement between Liberty Global Technology Services B.V. and the Company entered into on or around the date of this agreement;
<b>“Liberty Global Surviving Agreements Agreement”</b>	means the surviving agreements agreement dated on the date of this agreement between Liberty Global Technology Services B.V., the Company and certain members of the Liberty Global Shareholder's Group and the Company's Group;
<b>“Liberty Global Surviving Agreements”</b>	has the meaning given to it in the Liberty Global Surviving Agreements Agreement;
<b>“Liberty Global Tax Covenant”</b>	has the meaning given to it in the Contribution Agreement;
<b>“Liberty Global Transferred Group”</b>	means the Liberty Global Target Group (as defined in the Contribution Agreement);
<b>“Listing Document”</b>	means any registration document, prospectus, listing particulars, offering circular or similar document, including any supplement or amendment to any such document;
<b>“Lower Number”</b>	has the meaning set out in clause 21(C)(iii) (Prescribed Value);
<b>“Major Defined Benefit Pension Schemes”</b>	means: <ul style="list-style-type: none"> <li>(i) with respect to the Telefónica Transferred Group, the Telefónica UK Pension Plan, and where the context requires, the trustees of that scheme; or</li> </ul>

	(ii) with respect to the Liberty Global Transferred Group, The National Transcommunications Limited Pension Plan and the ntl 1999 Pension Scheme, and where the context requires, the trustees of those schemes;
<b>“Managing Director (Fixed Network Expansion)”</b>	means the managing director (fixed network expansion) of the Company;
<b>“Managing Director (Business and Wholesale)”</b>	means the managing director (business and wholesale) of the Company;
<b>“Marketable Securities”</b>	means equity securities traded on a recognised stock exchange in Canada, China, Hong Kong, Japan, the UK, the United States or the European Union (or equity securities that will be so traded when issued);
<b>“Marketable Security VWAP”</b>	means, in respect of a Marketable Security, the volume weighted average price of a security of the same class as the Marketable Security calculated over the 20 trading days prior to the relevant date, translated into pounds sterling at the mean average of the daily Exchange Rates over the same period;
<b>“Market Conditions Reason”</b>	means where the Cboe's Volatility Index has been above 40 on any five Business Days in the two month period before the date of the Deferral Notice;
<b>“Marketing Document”</b>	means any announcement, information memoranda, offering memoranda, presentation to investors and/or analysts and any other marketing document;
<b>“MXC Joint Venture”</b>	means MXLG Acquisitions Limited;
<b>“Net Indebtedness”</b>	means Financial Indebtedness (other than Financial Indebtedness which is a contingent obligation) of the Company's Group minus any cash and cash equivalents on balance sheet of the Company's Group on the last day of a relevant Quarterly Accounting Period as reflected in the quarterly financial reporting package prepared in accordance with clause

	9.5 (Management accounts) and all as determined in accordance with the Relevant Accounting Principles;
<b>“Newco Holdco 5”</b>	means Newco Holdco 5 Limited, a company incorporated under the laws of England and Wales under registered number 13047827 whose registered office is at 500 Brook Drive, Reading, United Kingdom, RG2 6UU;
<b>“Nominated Successor”</b>	means, in respect of the CFO, CTO, CIO or the General Counsel, the individual nominated by both Shareholders from time to time to assume the relevant Executive Management position on an interim basis if such position becomes vacant;
<b>“Non-Breaching Shareholder”</b>	has the meaning set out in clause 28(B) (Parent Company Guarantees);
<b>“Non-Defaulting Shareholder”</b>	has the meaning set out in clause 17.2(A) (Default Notice);
<b>“Non-Exiting Shareholder”</b>	has the meaning set out in clause 16.1(A) (ROFO);
<b>“Non-Group Sale Shareholder”</b>	has the meaning set out in clause 15.4(C) (Intermediate Holding Company transfers);
<b>“Non-Hedged Debt”</b>	means: <ul style="list-style-type: none"> <li>(i) the Financial Indebtedness of the Company’s Group originally denominated in any currency other than pounds sterling in which any member of the Company’s Group earns EBITDA (a <b>“Functional Currency”</b>) and that has not been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into pounds sterling; and</li> <li>(ii) the Financial Indebtedness of the Company’s Group that has been swapped, directly or indirectly through one or more foreign exchange hedging</li> </ul>

<b>“O2 Daisy”</b>	means Daisy Communications Holdco Limited (in the process of being renamed O2 Daisy Limited), a company incorporated under the laws of England and Wales under registered number 16335794;
<b>“O2 Daisy Acquisition Notice”</b>	has the meaning given to the term “Acquisition Notice” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Board Reserved Matter”</b>	has the meaning given to the term “Board Reserved Matter” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Business Plan”</b>	has the meaning given to the term “Business Plan” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Catch-up Shareholder Loan”</b>	has the meaning given to the term “Catch-up Shareholder Loan” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy CEO”</b>	has the meaning given to the term “CEO” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Cessation of Rights Notice”</b>	has the meaning given to the term “Cessation of Rights Notice” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Conflicting Interest Matter”</b>	has the meaning given to the term “Conflicting Interest Matter” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Default”</b>	has the meaning given to the term “Default” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Default Notice”</b>	has the meaning given to the term “Default Notice” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Default Dispute Notice”</b>	has the meaning given to the term “Default Dispute Notice” in the O2 Daisy Shareholders’ Agreement;

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<b>“O2 Daisy Director”</b>	means a director of O2 Daisy nominated for appointment by the O2 Daisy Shareholder in accordance with clause 6.1 (Appointment and removal of Directors) of the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy EBITDA”</b>	has the meaning given to the term “EBITDA” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Executive Management”</b>	has the meaning given to the term “Executive Management” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy External Refinancing”</b>	has the meaning given to the term “External Refinancing” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Group”</b>	means O2 Daisy and any other body corporate over which O2 Daisy has Control;
<b>“O2 Daisy IPO”</b>	has the meaning given to the term “IPO” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Observer”</b>	means a representative of the O2 Daisy Shareholder who is entitled to attend meetings of the board of directors of O2 Daisy and is appointed by the O2 Daisy Shareholder in accordance with clause 8.11 (Observers) of the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Permitted Indebtedness”</b>	has the meaning given to the term “Permitted Indebtedness” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Permitted Security”</b>	has the meaning given to the term “Permitted Security” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Prescribed Value”</b>	has the meaning given to the term “Prescribed Value” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Qualifying Competing Business”</b>	has the meaning given to the term “Qualifying Competing Business” in the O2 Daisy Shareholders’ Agreement;

<b>“O2 Daisy Recapitalisation”</b>	has the meaning given to the term “Recapitalisation” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Related Party Arrangement”</b>	means any transaction, agreement or arrangement of O2 Daisy or any member of the O2 Daisy Group with: (i) a Shareholder; or (ii) any member of such Shareholder’s Group; or (iii) any director or officer of such Shareholder or of any member of such Shareholder’s Group; or (iv) any entity in respect of which any member of such Shareholder’s Group is a director or (v) the Company or any member of its Group (excluding any member of the O2 Daisy Group);
<b>“O2 Daisy Restricted Transferee”</b>	has the meaning given to the term “Restricted Transferee” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Shareholder”</b>	means each of O2 Holdings or any other member of the Company’s Group who holds shares in the capital of O2 Daisy from time to time (or where the context requires the relevant shareholder within the Company’s Group designated or nominated as the “Principal Shareholder” in accordance with the O2 Daisy Shareholders’ Agreement);
<b>“O2 Daisy Shareholder Dispute Matter”</b>	has the meaning given to the term “Shareholder Dispute Matter” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Shareholder Loan”</b>	has the meaning given to the term “Shareholder Loan” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Shares”</b>	has the meaning given to the term “Shares” in the O2 Daisy Shareholders’ Agreement;
<b>“O2 Daisy Shareholders’ Agreement”</b>	means the shareholders’ agreement between O2 Holdings, Daisy Pikco Limited, O2 Daisy and Daisy Topco Limited dated 1 August 2025;

<b>“O2 Holdings”</b>	means O2 Holdings Limited, a company incorporated in England and Wales with registered number 02604354;
<b>“Observers”</b>	has the meaning set out in clause 8.10 (Observers);
<b>“Original Holder”</b>	in relation to any Permitted Transferee means the Shareholder who made the transfer of the relevant Shares to the Permitted Transferee or, in the case of a series of transfers between Permitted Transferees, the Shareholder who made the initial transfer of the relevant Shares to a Permitted Transferee, and the relevant Shares means the Shares held by the Permitted Transferee or any Shares from which those Shares are derived or by virtue of which those Shares were acquired;
<b>“Other O2 Daisy Shareholder”</b>	means the holder of shares in the capital of O2 Daisy from time to time that is not a member of the Company’s Group (or where the context requires the relevant person designated or nominated as the “Principal Shareholder” in accordance with the O2 Daisy Shareholders’ Agreement who is not a member of the Company’s Group);
<b>“Pay Television Services”</b>	means services providing television programming by means of a signal to paying subscribers who are provided with consumer premises equipment, and such signal being transmitted over a platform designed and operated for the specific purpose of transmitting such programming signal, including any associated video on demand services to the extent delivered over such platform, but excluding the activities described in clauses 24.1(B)(vii) to 24.1(B)(x) (Non-compete restriction) and excluding, for the avoidance of doubt, any form of over-the-top (OTT) services;
<b>“Percentage Interest”</b>	in respect of any Shareholder, means $X/Y$ expressed as a percentage, where X equals the number of Shares held by such Shareholder and Y equals the total number of

<b>“Period A”</b>	has the meaning set out in clause 24.4(A)(ii)(b) (Non-compete carve outs for both Shareholders);
<b>“Period B”</b>	has the meaning set out in clause 24.4(A)(ii)(b) (Non-compete carve outs for both Shareholders);
<b>“Permitted Group Sale Disposal”</b>	means a transfer of 50 per cent. or more of the shares in any Intermediate Holding Company where the Relevant JV Revenue represents less than 25 per cent. of the Relevant Holdco Revenue;
<b>“Permitted Indebtedness”</b>	means financial indebtedness of a member of the Company’s Group: <ul style="list-style-type: none"> <li>(i) arising as a result of the issue by it or a financial institution of a surety or performance bond in relation to the performance by a member of the Company’s Group of its obligations under contracts entered into in the ordinary course of its business (other than for the purpose of raising finance);</li> <li>(ii) arising as a result of any cash pooling arrangements in the ordinary course of the Company’s Group’s banking business to which any member of the Company’s Group is a party;</li> <li>(iii) comprising any deposits or prepayments received by a member of the Company’s Group from a customer or subscriber for its services;</li> <li>(iv) arising under Vendor Financing and Related Arrangements that have been approved in the 12 month operating budget that forms part of the then current Business Plan;</li> <li>(v) which is Existing Financial</li> </ul>

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Indebtedness; or

- (vi) in addition to financial indebtedness permitted by (i) to (v) above, financial indebtedness in an aggregate amount of £500,000 or less;

**“Permitted Security”**

means any security interest:

- (i) arising by operation of law or by a contract having a similar effect or under an escrow arrangement required by a trading counterparty of any member of the Company’s Group and in each case arising or entered into in the ordinary course of business of the relevant member of the Company’s Group;
- (ii) which is a lien arising in the ordinary course of business by operation of law or by way of contract which secures indebtedness under any agreement for the supply of goods or services in respect of which payment is not deferred for more than 180 calendar days (or 360 calendar days if such deferral is in accordance with the terms pursuant to which the relevant goods were acquired or services were provided) after the relevant goods were or are to be acquired or the relevant services were or are to be supplied, or after the relevant invoice date;
- (iii) arising in respect of any right of set-off, netting arrangement, title transfer or title retention arrangement which: (A) arises in the ordinary course of business and/or by operation of law; (B) is entered into by any member of the Company’s Group in the normal course of its banking arrangements for the purpose of netting debit and credit balances on bank accounts of members of the Company’s Group

operated on a net balance basis (and any security interests over bank accounts granted in connection therewith); (C) arises in respect of netting or set-off arrangements contained in any Hedging Agreement; (D) is entered into by any member of the Company's Group on terms which are generally no worse than the counterparty's standard or usual terms and entered into in the ordinary course of business of the relevant member of the Company's Group; or (E) which is a retention of title arrangement with respect to customer premises equipment in favour of a supplier (or its affiliate), provided that the title is only retained to individual items of customer premises equipment in respect of which the purchase price has not been paid in full;

- (iv) arising from any Vendor Financing and Related Arrangements constituting Permitted Indebtedness;
- (v) constituted by a rent deposit deed entered into on arm's length commercial terms and in the ordinary course of business securing the obligations of a member of the Company's Group in relation to property leased to a member of the Company's Group;
- (vi) over cash deposited as security for the obligations of a member of the Company's Group in respect of a performance bond, guarantee, standby letter of credit or similar facility entered into in the ordinary course of business of the Company's Group;
- (vii) arising under or in connection with agreements entered into in the ordinary course of business relating to (i) network leases or (ii) the leasing of

	(A) building; (B) cars; and (C) other operational or other equipment;
	(viii) imposed by any taxation or governmental authority in respect of amounts which are being contested in good faith and not yet payable and for which adequate reserves have been set aside in the accounts of the member of the Company's Group in respect of the same in accordance with the Accounting Policies; or
	(ix) in addition to security interests permitted by (i) to (viii) above, any security in respect of assets with an aggregate value of £500,000 or less;
<b>"Permitted Transfer"</b>	means a transfer of Shares or Shareholder Loans in accordance with clause 15.1 (Transfers to Wholly-owned Affiliates);
<b>"Permitted Transferee"</b>	means a body corporate to whom Shares and/or Shareholder Loans are to be or have been transferred in accordance with clause 15.1 (Transfers to Wholly-owned Affiliates);
<b>"Post-Completion Period"</b>	has the meaning set out in clause 25.1 (Tax Matters);
<b>"Pre-Agreed Parameters"</b>	has the meaning set out in clause 19.2(D) (Pre-Agreed Parameters);
<b>"Pre-contractual Statement"</b>	has the meaning set out in clause 32.4 (Meaning of Pre-contractual Statement);
<b>"Preferred IPO Venue"</b>	means the admission of the Shares to the premium listing segment of the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities;
<b>"Prescribed Value"</b>	in relation to any Shares, means the value of those Shares determined in accordance with clause 21 (Prescribed Value);

<b>"Principal Shareholder"</b>	has the meaning set out in clause 15.8(A)
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	(Shareholders within the same Group);
<b>“Published Price Range”</b>	has the meaning set out in clause 19.1(M)(iii) (IPO Notice);
<b>“Qualifying Competing Business”</b>	means a Competing Business where the consolidated revenue of such Competing Business for the last completed financial year (for which audited accounts are available) represents less than 33 per cent. of the consolidated revenue of the Acquired Business for the last completed financial year, in each case, as derived from the relevant audited accounts;
<b>“Quarterly Accounting Period”</b>	means (i) the period commencing on 1 January in any year and ending on 31 March in the same year, (ii) the period commencing on 1 April in any year and ending on 30 June in the same year, (iii) the period commencing on 1 July in any year and ending on 30 September in the same year and (iv) the period commencing on 1 October in any year and ending on 31 December in the same year or such other quarterly accounting period as may be adopted by the Company in accordance with clause 4 (Reserved Matters);
<b>“Ratings Agency”</b>	means an internationally recognised ratings agency which provides a solicited rating of the financial indebtedness of the Company's Group owed to any third party;
<b>“RCF Banks”</b>	means any bank providing a revolving commitment to the Company's Group pursuant to its revolving credit facility from time to time and any bank providing greater than £75 million of vendor financing funding lines to the Company's Group;
<b>“Recapitalisation”</b>	means a Type 1 Recapitalisation or a Type 2 Recapitalisation;
<b>“Receiving Shareholder”</b>	has the meaning set out in clause 19.1(A) (IPO Notice);

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<b>“Refinancing”</b>	has the meaning set out in clause 13.8 (Target Leverage Ratio);
<b>“Relevant Accounting Principles”</b>	means the applicable accounting principles from time to time pursuant to which the relevant financial information for the Company's Group was prepared;
<b>“Relevant Holdco Revenue”</b>	means, in relation to a Permitted Group Sale Disposal, the aggregate revenue of the Intermediate Holding Company and any members of its Group proposed to be included within such transaction (and including the Relevant JV Revenue, provided such Relevant JV Revenue is not counted more than once), as derived from the accounts for the last completed financial year;
<b>“Relevant JV Revenue”</b>	means 50 per cent. of the consolidated revenue of the Company and its Group for the last completed financial year as derived from the latest available audited accounts;
<b>“Relevant Securityholder”</b>	has the meaning set out in clause 14.4(A) (Security over Shares);
<b>“Relevant Security Interest”</b>	has the meaning set out in clause 14.4(A) (Security over Shares);
<b>“Relief”</b>	has the meaning set out in clause 25.40(L) (Tax Matters);
<b>“Remuneration Committee”</b>	means the committee established in accordance with clause 8.11 (Standing Committees);
<b>“Reorganisation Steps Plan”</b>	has the meaning given to it in the Contribution Agreement;
<b>“Requisite Approval”</b>	means the approval of: (x) at least three Liberty Global Directors; and (y) at least three Telefónica Directors on a specific and separate resolution in relation to the relevant Reserved Matter either: (a) at a meeting of the Board duly convened in accordance with clause 8 (Proceedings of the Board); or (b) by means of a resolution in writing in accordance

	with clause 8 (Proceedings of the Board), or, where the provisions of clause 4.5 (Shareholder right to step in) apply, the approval of both Shareholders given in general meeting or by way of written resolution signed by both Shareholders (and, in all cases, an approval complying with the above requirements that ratifies an earlier action may also constitute a <b>"Requisite Approval"</b> );
<b>"Reserved Matters"</b>	has the meaning set out in clause 4.2(A) (Reserved Matters);
<b>"Restricted Business"</b>	has the meaning set out in clause 24.1(B) (Protective Covenants);
<b>"Restricted Cash"</b>	means restricted cash as determined in accordance with the Accounting Policies;
<b>"Reverse Accession Agreement"</b>	means each accession agreement entered into in accordance with the Telefónica RTSA;
<b>"ROFO Completion Deadline"</b>	means the date falling 18 months after the date on which the Exiting Shareholder and the Non-Exiting Shareholder executed definitive documents to effect the ROFO Transaction in accordance with clause 16.1(F) (ROFO) or, if any regulatory related conditions to the sale and purchase of the ROFO Shares have not been satisfied or waived and the Non-Exiting Shareholder reasonably expects, and is able to provide a reasonable basis for such expectation, completion of the sale and purchase of the ROFO Shares is likely to occur within three months after such 18 month date and notifies the Exiting Shareholder of such reasonable expectation before the date falling 17 months and 15 calendar days after the date on which the Exiting Shareholder accepted the ROFO Offer, the date falling 21 months after the date on which the Exiting Shareholder and the Non-Exiting Shareholder executed definitive documents to effect the ROFO Transaction in accordance with clause 16.1(F) (ROFO);

<b>“ROFO Conditions”</b>	has the meaning set out in clause 16.1(C)(ii)(c) (ROFO);
<b>“ROFO Notice”</b>	has the meaning set out in clause 16.1(C)(ii) (ROFO);
<b>“ROFO Offer”</b>	has the meaning set out in clause 16.1(C)(ii)(c) (ROFO);
<b>“ROFO Shares”</b>	has the meaning set out in clause 16.1(C)(ii) (ROFO);
<b>“ROFO Terms”</b>	has the meaning set out in clause 16.1(C)(ii)(b) (ROFO);
<b>“ROFO Transaction”</b>	has the meaning set out in clause 16.1(F) (ROFO);
<b>“Rules”</b>	has the meaning set out in clause 40.3 (Arbitration);
<b>“SEC”</b>	means the US Securities and Exchange Commission;
<b>“Second Acceptance Notice”</b>	has the meaning given to it in the O2 Daisy Shareholders’ Agreement;
<b>“Second Deferral Notice”</b>	has the meaning given to it in the O2 Daisy Shareholders’ Agreement;
<b>“Secondary IPO Venues”</b>	means NASDAQ in the United States and the Euronext Amsterdam in The Netherlands;
<b>“Secondary Shareholder”</b>	has the meaning set out in clause 15.8(A) (Shareholders within the same Group);
<b>“Secondary Liability Claim”</b>	has the meaning set out in clause 25.40(M) (Tax Matters);
<b>“Share VWAP”</b>	means, in respect of a share in either Ultimate Parent, the volume weighted average share price of a share of the same class of the Ultimate Parent of a Shareholder calculated over the 20 trading days prior to the relevant date, translated into pounds sterling at the mean average of the daily Exchange Rates

<b>“Shareholder Dispute Matter”</b>	means: <ul style="list-style-type: none"> <li>(i) any proposed or actual legal proceedings by any Shareholder Dispute Party against the Company (or any member of its Group) or vice versa; or</li> <li>(ii) any matter relating to the resolution, or proposed resolution, of a dispute under, or exercising rights in respect of a breach or alleged breach of, any agreement or other arrangement between the Company (or a member of its Group) and a Shareholder Dispute Party;</li> </ul>
<b>“Shareholder Dispute Matter Notice”</b>	means a notice in writing issued in connection with a Shareholder Dispute Matter by the Shareholder that is not involved in the Shareholder Dispute Matter;
<b>“Shareholder Dispute Party”</b>	has the meaning set out in clause 8.6(A) (Director's interests);
<b>“Shareholder Loan”</b>	means any loan (not including credit in the ordinary course of trading) from any Shareholder (or any member of that Shareholder's Group) to the Company (or any member of the Company's Group);
<b>“Shareholder”</b>	means a holder of Shares from time to time;
<b>“Shares”</b>	means ordinary shares in the capital of the Company;
<b>“Specified Percentage”</b>	means, for the purposes of clause 16.2 (Drag Sale): <ul style="list-style-type: none"> <li>(i) 10 per cent. where the relevant Exit Notice was issued by the Exiting Shareholder on or after the fifth anniversary of the date of this agreement but before the sixth anniversary of this agreement;</li> <li>(ii) 7.5 per cent. where the relevant Exit</li> </ul>

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Notice was issued by the Exiting Shareholder on or after the sixth anniversary of the date of this agreement but before the seventh anniversary of this agreement; or

- (iii) 5 per cent. where the relevant Exit Notice was issued by the Exiting Shareholder on or after the seventh anniversary of the date of this agreement;

**“Specified Shares”**

has the meaning set out in clause 17.2(E)(i) (Default Notice);

**“Spin-off Disposal”**

means a demerger or spin-off of any Intermediate Holding Company which is Controlled by a Shareholder’s Ultimate Parent, howsoever implemented, pursuant to which such Intermediate Holding Company is transferred to the holders of shares or other equity securities of the relevant Shareholder’s Ultimate Parent on a pro rata basis by reference to their respective holdings of the relevant class of share or equity security in the Ultimate Parent before such demerger or spin-off, provided that any such transfer shall be deemed to be pro rata notwithstanding any exclusions, limits or other arrangements made in relation to treasury shares, fractional entitlements, record dates, or otherwise to address any bona fide legal, regulatory or practical considerations;

**“Standing Committee”**

means any committee established in accordance with clause 8.11 (Standing Committees);

**“Target Leverage Ratio”**

has the meaning set out in clause 13.2 (Target Leverage Ratio);

**“Tax”**

means all taxes, levies, duties, contributions, imposts and any charges, deductions or withholdings in the nature of tax, whether direct or indirect, including without limitation taxes on gross or net income, profits or gains, (real estate) transfers, transactions, and taxes on receipts, sales, use, occupation,

development, exports, customs, environment, premium, franchise, wage, employment (including social security contributions and any other payroll taxes), asset values, turnover, value added, real estate and personal property and any payment that the relevant person may be or become bound to make to any person as a result of the discharge by that person of any tax that the relevant person has failed to discharge, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them or to any incorrect return for any of them, regardless of whether any such taxes, levies, duties, contributions, imposts, charges, deductions, withholdings, penalties and interest are chargeable directly or primarily against or attributable directly or primarily to the relevant person or any other person and of whether any amount in respect of any of them is recoverable from any other person;

**“Tax Authority”**

means any taxing or other authority (in any jurisdiction) competent to impose, administer or collect any Tax;

**“Tax Covenant”**

has the meaning given to it in the Contribution Agreement;

**“Tax Return”**

means all returns, notices, claims, consents, elections and computations relevant to the Tax position of a Group Company (as that term is defined in clause 25 (Tax Matters)), Shareholder or member of a Shareholder's Group (as the context requires);

**“Tax Return Period”**

means, in relation to any Tax, a period in respect of which a Tax Return or a payment to a Tax Authority is required to be made in relation to a Group Company (as that term is defined in clause 25 (Tax Matters)), Shareholder or member of a Shareholder's Group (as the context requires);

**“Telefónica Banker”**

has the meaning set out in clause 21(C)(i)

	(Prescribed Value);
<b>“Telefónica Competitor”</b>	means Vodafone, BT, Sky, CK Hutchison Group Telecom, Deutsche Telekom, Orange, Telecom Italia, América Móvil or any of their respective affiliates or successors;
<b>“Telefónica Director”</b>	means a Director nominated for appointment by the Telefónica Shareholder in accordance with clause 6.1(B) (Appointment and removal of Directors) for so long as such person is appointed as a Director;
<b>“Telefónica IFRS”</b>	means EU IFRS as applied by the Telefónica Shareholder's Group from time to time;
<b>“Telefónica Pre-Completion Reorganisation”</b>	has the meaning given to it in the Contribution Agreement;
<b>“Telefónica Pre-Completion Reorganisation Tax Clearances”</b>	any clearances obtained in connection with the Telefónica Pre-Completion Reorganisation and which the Liberty Global Shareholder agrees (acting reasonably following written request from the Telefónica Shareholder in writing) constitutes such a clearance;
<b>“Telefónica RTSA”</b>	means the Telefónica Reverse Framework Services Agreement between the Company and the Telefónica Guarantor entered into on or around the date of this agreement;
<b>“Telefónica Services Agreement”</b>	means the framework services agreement between the Telefónica Guarantor and the Company entered into on or around the date of this agreement;
<b>“Telefónica Surviving Agreements Agreement”</b>	means the surviving agreements agreement dated on the date of this agreement between the Telefónica Guarantor, the Company and certain members of the Telefónica Shareholder's Group and the Company's Group;
<b>“Telefónica Surviving Agreements”</b>	has the meaning given in the Telefónica Surviving Agreements Agreement;

	defined in the Contribution Agreement);
<b>“Terms of Reference”</b>	means the terms of reference of each of the Audit Committee and the Remuneration Committee in the Agreed Form (or otherwise in a form agreed between the Liberty Global Shareholder and the Telefónica Shareholder as soon as reasonably practicable after the date of this agreement);
<b>“Third Acceptance Notice”</b>	has the meaning given to it in the O2 Daisy Shareholders’ Agreement;
<b>“Third Banker”</b>	has the meaning set out in clause 21(C)(i) (Prescribed Value);
<b>“Third Number”</b>	has the meaning set out in clause 21(C)(v)(a) (Prescribed Value);
<b>“Treasury Principles”</b>	means the principles set out in Schedule 3 (Treasury Principles), or, if those principles are amended in accordance with clause 13.15 (Target Leverage Ratio), those principles as so amended;
<b>“Trustees”</b>	means the trustees of the Major Defined Benefit Pension Schemes;
<b>“Type 1 Recapitalisation”</b>	has the meaning set out in clause 13.5(A) (Target Leverage Ratio);
<b>“Type 2 Recapitalisation”</b>	has the meaning set out in clause 13.5(B) (Target Leverage Ratio);
<b>“UK”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Competitor”</b>	means Vodafone, BT, Three, Sky or any of their respective affiliates or successors;
<b>“Ultimate Parent”</b>	in relation to a Shareholder means the person (if any) which is not itself subject to Control but which has Control of that Shareholder, either directly or through one or more Intermediate Holding Companies each of which has Control over the next such entity in

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the chain, being, as at the date of this agreement, the Liberty Global Guarantor (in the case of the Liberty Global Shareholder) and the Telefónica Guarantor (in the case of the Telefónica Shareholder);

**“US GAAP”**

means United States generally accepted accounting principles;

**“Vendor Financing and Related Arrangements”**

means any arrangement, contractual or otherwise, pursuant to which credit or other financing is provided, arranged or facilitated by a supplier (or any of its Affiliates) of assets (including equipment) and/or related services to a member of the Company’s Group in connection with such supply of assets and/or services, together with any other financing arrangements in connection with amounts payable to suppliers including pursuant to vendor financing platforms, supply chain financing arrangements or facilities arranged with banks, financial institutions or any other person (including any special purpose vehicle);

**“Virgin Media Finance”**

means Virgin Media Finance plc;

**“VMO2 Banker”**

has the meaning given to the term “VMO2 Banker” in the O2 Daisy Shareholders’ Agreement;

**“Whole Group Disposal”**

means, in relation to a Shareholder, the sale by that Shareholder’s Ultimate Parent of the business and of all or substantially all of the assets of that Shareholder’s Ultimate Parent’s Group;

**“Wholly-owned Affiliate”**

in relation to any body corporate, means any wholly-owned subsidiary of that body corporate at the relevant time and any other body corporate (“**Parent**”) of which that body corporate is a wholly-owned subsidiary or which is another wholly-owned subsidiary of that Parent, and a body corporate is a wholly-owned subsidiary of another body corporate if no person has any interest in its shares except that other body corporate and each of

that other body corporate's wholly-owned subsidiaries; and

**“Working Hours”**

means 9.00 a.m. to 5.00 p.m. on a Business Day.

**1.2 Interpretation**

In construing this agreement, unless otherwise specified:

- (A) references to clauses, sub-clauses and schedules are to clauses and sub-clauses of, and schedules to, this agreement;
- (B) use of any gender includes the other genders;
- (C) references to a **“company”** shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (D) references to a **“person”** shall be construed so as to include any individual, firm, company, body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality and including a limited liability partnership);
- (E) **“body corporate”** shall have the meaning given in section 1173 Companies Act 2006 and **“subsidiary”** and **“wholly-owned subsidiary”** shall have the meanings given in section 1159 Companies Act 2006;
- (F) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision;
- (G) any reference to a **“day”** (including within the phrase “Business Day”) shall mean a period of 24 hours running from midnight to midnight;
- (H) references to pounds sterling or **“£”** are to Great British pounds sterling;
- (I) references to times are to London times;
- (J) references to **“indemnifying”** any person against any circumstance shall mean indemnifying and keeping him harmless, on an after-Tax basis, from all actions, claims and proceedings from time to time made against such person and all loss, damage, payments, costs or reasonable expenses suffered made or incurred by such person as a consequence of that circumstance;

- (K) any indemnity or covenant to pay (the "**Payment Obligation**") given on an "**after-Tax basis**" or expressed to be "**calculated on an after-Tax basis**" means that the amount payable pursuant to such Payment Obligation (the "**Payment**") shall be calculated in such a manner as will ensure that, after taking into account:
- (i) any Tax required to be deducted or withheld from the Payment;
  - (ii) the amount and timing of any additional Tax which becomes payable by the recipient of the Payment as a result of the Payment's being subject to Tax in the hands of the recipient of the Payment; and
  - (iii) the amount and timing of any Tax benefit which is obtained by the recipient of the Payment to the extent that such Tax benefit is attributable to the matter giving rise to the Payment Obligation or to the receipt of the Payment;
- (which amount and timing is to be determined by an independent firm of chartered accountants of international standing as the parties may agree or, failing agreement within five calendar days, as appointed by the President of the Institute of Chartered Accountants in England and Wales at the shared expense of both parties), the recipient of the Payment is in the same financial position as that in which it would have been if the matter giving rise to the Payment Obligation had not occurred;
- (L) headings and titles are for convenience only and do not affect the interpretation of this agreement;
- (M) unless otherwise indicated, where the day on which any act matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on the next Business Day;
- (N) a reference to any other document referred to in this agreement is a reference to that other document as amended, varied, novated or supplemented (other than in breach of the provisions of this agreement) at any time;
- (O) a reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be treated as a reference to any analogous term in that jurisdiction;
- (P) the phrases "to the extent" and "to the extent that" are used to indicate an element of degree and are not synonymous with the word "if";
- (Q) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive

particular class of acts, matters or things;

- (R) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (S) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (T) use of the singular shall include the plural and vice versa; and
- (U) for the purposes of applying a reference to a monetary sum expressed in pounds sterling, an amount in a different currency shall be deemed to be an amount in pounds sterling translated at the Exchange Rate at the relevant date.

### 1.3 Schedules

The schedules form part of this agreement and shall have the same force and effect as if expressly set out in the body of this agreement, and any reference to this agreement shall include the schedules.

## 2. ESTABLISHMENT OF THE COMPANY

- (A) On 1 June 2021 the parties took all such actions as were necessary to cause the following matters:
    - (i) the Articles of Association were adopted by the Company;
    - (ii) the following were appointed as the Liberty Global Directors:
      - (a) Mike Fries;
      - (b) Charlie Bracken;
      - (c) Enrique Rodriguez; and
      - (d) Andrea Salvato;
    - (iii) the following were appointed as the Telefónica Directors:
      - (a) José María Álvarez-Pallete López;
      - (b) Laura Abasolo García de Baquedano;
      - (c) Ángel Vilá Boix; and
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- (d) Peter Erskine;
- (iv) Enrique Medina Malo was appointed as the company secretary;
- (v) the following appointments were made in respect of the Company:
  - (a) Lutz Schüler was appointed as the CEO;
  - (b) Patricia Cobian was appointed as the CFO;
  - (c) Jeanie York was appointed as the CTO;
  - (d) Adrian Di Meo was appointed as the CIO;
  - (e) Enrique Medina Malo was appointed as the General Counsel and Chief Regulatory Officer;
  - (f) Jeff Dodds was appointed as COO;
  - (g) Kay Schwabedal was appointed as Chief Digital Officer;
  - (h) Gareth Turpin was appointed as Chief Commercial Officer;
  - (i) Philipp Wohland was appointed as Chief People and Transformation Officer;
  - (j) Jo Bertram was appointed as Managing Director (Business and Wholesale);
  - (k) Rob Evans was appointed as Managing Director (Fixed Network Expansion); and
  - (l) Nicola Green was appointed as Chief Communications and Corporate Affairs Officer;
- (vi) Mike Fries was appointed as the first Chairman;
- (vii) the accounting reference date of the Company was 31 December in each year;
- (viii) KPMG was appointed as the Auditors;
- (ix) the Initial Business Plan was adopted by the Company; and
- (x) the Accounting Policies were adopted for the purposes of statutory reporting by the Company.

- (B) As at 1 August 2025:
- (i) the following are the Liberty Global Directors:
    - (a) Mike Fries;
    - (b) Charlie Bracken;
    - (c) Enrique Rodriguez; and
    - (d) Andrea Salvato;
  - (ii) the following are the Telefónica Directors:
    - (a) Marc Murtra Millar;
    - (b) Laura Abasolo García de Baquedano;
    - (c) Ángel Vilá Boix; and
    - (d) Emilio Gayo Rodriguez;
  - (iii) Lutz Schüler is the CEO;
  - (iv) Mark Hardman and Nicholas Taylor are acting as joint interim CFOs;
  - (v) Jeanie York is the CTO;
  - (vi) Adrian Di Meo is the CIO;
  - (vii) Enrique Medina Malo is the General Counsel and Chief Regulatory Officer;
  - (viii) Rob Orr is the COO;
  - (ix) Christian Hindennach is the Chief Commercial Officer;
  - (x) Philipp Wohland is the Chief People and Transformation Officer;
  - (xi) Julie Agnew is the Managing Director (Fixed Network Expansion); and
  - (xii) Nicola Green is the Chief Communications and Corporate Affairs Officer.

### 3. BUSINESS OF THE COMPANY

The business of the Company shall be to establish and conduct the Restricted Business.

### 4. RESERVED MATTERS

#### 4.1 Requirement for approval

(A) None of the Reserved Matters listed below shall be taken by the Company or any member of its Group, and the Shareholders shall not vote in favour of any resolution in respect of any such actions, without Requisite Approval.

(B) The Company and its Group shall not enter into, vary, terminate or renew any transaction, agreement or arrangement of the Company or any member of its Group with (i) a Shareholder or (ii) any member of such Shareholder's Group or (iii) any director or officer of such Shareholder or of any member of such Shareholder's Group, and such Shareholder shall not vote in favour of any resolution in respect of any matter concerning such transaction, agreement or arrangement without the prior written approval of the other Shareholder, other than:

(i) any contract or agreement with an annual contract value not exceeding £1 million, provided that in any Accounting Period the aggregate value of all such contracts or agreements does not exceed £5 million and provided that in each case such contracts or agreements are on arm's length terms and in the ordinary course of trading;

(ii) any such transaction or series of transactions involving the making or disposal of any investments, the acquisition or disposal of any assets or any similar or analogous transactions, with an aggregate value (including assumed liabilities) of less than £5 million and provided that in each case such transaction or series of transactions is on arm's length terms; or

(iii) pursuant to or in accordance with the terms of an Ancillary Agreement.

#### 4.2 Reserved Matters

(A) The "Reserved Matters" are:

(i) any amendment to the Articles of Association;

(ii) any change to the rights attaching to any class of shares in the Company which are not set out in the Articles of Association;

(iii) the consolidation, sub-division, conversion or cancellation of any share

- capital (or share premium or other reserve) of the Company (except in accordance with clause 11 (Dividend Policy) or clause 13 (Target Leverage Ratio));
- (iv) the issue or allotment of any share capital of the Company or the creation of any option or right to subscribe or acquire, or convert any security into, any share capital of the Company;
  - (v) any reduction of the share capital of the Company (except in accordance with clause 11 (Dividend Policy) or clause 13 (Target Leverage Ratio));
  - (vi) the purchase or redemption of any share capital of the Company;
  - (vii) any application for the listing of any shares or other securities of the Company on any regulated market or for permission for dealings in any shares or other securities of the Company on any securities market other than an application made in accordance with clause 19 (IPO) or in connection with any indebtedness incurred in accordance with clause 13 (Target Leverage Ratio);
  - (viii) any change to the name or key brands or branding strategy of the Business (including any decision to cease using the O2, Telefónica or Virgin Media brands), or any step to implement any such change;
  - (ix) any redomiciliation or migration of the Company to a jurisdiction outside of the UK;
  - (x) the appointment of any administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer by the Company or the taking of any step to dissolve or wind up the Company;
  - (xi) any merger, amalgamation, division, sale or transfer of all of the Shares, other than in accordance with clause 15 (Permitted Transfers), clause 16 (Transfer of Shares for convenience) or clause 17.3 (Call option);
  - (xii) the repayment of capital or assets of the Company to any Shareholder;
  - (xiii) any transaction which results in Newco Holdco 5 ceasing to be a member of the Company's Group, the appointment of any administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer by Newco Holdco 5 or the taking of any step to dissolve or wind up Newco Holdco 5, in each case before the second anniversary of the date of this agreement;
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- (xiv) the commencement or settlement in any jurisdiction of material legal or arbitration proceedings other than routine debt collection which involve or might involve an amount (including related costs) in excess of £10 million, other than in connection with any Shareholder Dispute Matter;
- (xv) the acquisition or disposal of, or the acquisition or grant of any option or right of pre-emption in respect of, all or part of the issued share capital of a body corporate (including any member of the Company's Group) or of a business as a going concern where the aggregate value of the share capital or business is more than £1 million;
- (xvi) provided the relevant matter does not fall within clause 4.2(A)(xv) above, making any investment, or the liquidation of any investment made by the Company, in both cases where the aggregate value of the investment is in excess of £1 million, in any other person or business;
- (xvii) provided the relevant matter does not fall within clause 4.2(A)(xv) above, any acquisition, or the acquisition of any option or right of pre-emption in respect of, any asset or a collection of assets, or any liability or collection of liabilities, with an aggregate transaction value in excess of £1 million, whether by a single transaction or a series of related transactions, other than on arm's length commercial terms and in the ordinary course of trading;
- (xviii) provided the relevant matter does not fall within clause 4.2(A)(xv) above, the disposal of, or the grant of any option or right of pre-emption in respect of, any asset or collection of assets valued in the Company's books at more than £1 million, other than on arm's length commercial terms and in the ordinary course of trading;
- (xix) any acquisition or disposal (including any grant of any licence) of or relating to any intellectual property rights that are material to the conduct of the Company's business;
- (xx) the declaration or payment of any dividend or the declaration or making of any other distribution or the passing of any resolution to retain or allocate profits below the level specified in, or not otherwise in accordance with, the provisions of clause 11 (Dividend Policy), other than, in respect of the O2 Daisy Group only, (a) in accordance with clause 11 (Dividend Policy) of the O2 Daisy Shareholders' Agreement or (b) following an O2 Daisy Recapitalisation, in accordance with clause 13.8 (Target Leverage Ratio) of the O2 Daisy Shareholders' Agreement;
- (xxi) any material change to the Accounting Policies or Tax policies of the Company other than, in the case of any change to the Accounting Policies, a change which is required as a result of any changes to

applicable accounting standards made by the International Accounting Standards Board or any other competent body;

- (xxii) the adoption of or any material change to the Company's code of conduct, anti-bribery policy, privacy policies, treasury policy or any other material policy of the Company;
- (xxiii) any change of the Auditors, the Accounting Period or the Quarterly Accounting Period of the Company;
- (xxiv) the approval of the consolidated audited accounts of the Company's Group for each 12 month period ending on 31 December;
- (xxv) the raising of any financial indebtedness or the variation or termination of any agreement for the raising of any such indebtedness (including, without limitation, early repayment) other than (a) by way of trade credit on normal commercial terms and in the ordinary course of the Business or as otherwise permitted under this agreement, (b) any Permitted Indebtedness, (c) in connection with any indebtedness incurred in accordance with clause 13 (Target Leverage Ratio) (including associated derivative transactions and parallel debt obligations) or (d) in respect of the O2 Daisy Group only, in accordance with clause 13.4 (Target Leverage Ratio) the O2 Daisy Shareholders' Agreement;
- (xxvi) the creation or redemption of any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest over any of the assets, property, undertaking or uncalled share capital of the Company other than any Permitted Security, Permitted Indebtedness or in connection with any indebtedness incurred in accordance with clause 13 (Target Leverage Ratio);
- (xxvii) the implementation of any recapitalisation of the Company's Group other than in accordance with clause 13 (Target Leverage Ratio) or (b) in respect of the O2 Daisy Group only, any O2 Daisy Recapitalisation;
- (xxviii) the adoption of any new Business Plan or any amendment to any current Business Plan (including, for the avoidance of doubt, any amendment to the operating budget that forms part of the Business Plan), or the approval or ratification of any departure from the current Business Plan (including, for the avoidance of doubt, in respect of any item set out in the operating budget that forms part of the Business Plan) involving additional expenditure, a reduction in expenditure or the re-allocation of expenditure in any Accounting Period exceeding, in each case, £25 million or any change to the strategy set out in the current Business Plan, other than in respect of the O2 Daisy Group, any O2 Daisy Business Plan and/or any Draft Rollover O2 Daisy Business Plan;

- (xxix) without prejudice to clause 4.2(A)(xxviii) above, the incurrence of a capital expenditure commitment of £25 million or more to the extent not contemplated in the 12 month operating budget that forms part of the current Business Plan;
- (xxx) the entry by the Company into (or the material amendment, material variation or termination of) any agreement, transaction or arrangement involving:
  - (a) the payments or expected payments, or the assumption or expected assumption of obligations or liabilities (including contingent liabilities), by the Company in excess of £25 million in aggregate;
  - (b) the assumption of unlimited liability, other than pursuant to any agreement deriving from a public tender in the ordinary course of business, to the extent that such public tender has mandated unlimited liability, and subject to the prior approval of such agreement (and specifically the assumption of unlimited liability) by both the CFO and the General Counsel; or
  - (c) the assumption of unlimited liability, other than where such assumption of unlimited liability is customary in agreements, transactions or arrangements of a similar nature to the relevant agreement, transaction or arrangement and such agreement (and specifically the assumption of unlimited liability) has been approved by both the CFO and the General Counsel;
- (xxxi) the entry into any new (or the material amendment, material variation or termination of any existing) partnership, joint venture or profit-sharing agreement other than any new arrangements entered into in the ordinary course of trading;
- (xxxii) adopting or varying the material terms and conditions of employment of any employee appointed to the position of CEO, CFO, CTO, CIO or General Counsel;
- (xxxiii) subject to clause 6.8 (Executive Management), adopting or varying in any material respect the policies or current arrangements of the Company's Group in respect of employees' remuneration, employment terms or pension schemes (excluding, in relation to defined contribution pension arrangements, changes to the vehicle through which benefits are provided and changes to the contribution structure in respect of those benefits, provided that such changes are (i) only in accordance with the "Pensions Review HRLT update April 2020" slides as provided by Clifford Chance LLP on 6 May 2020; and (ii) do not make increases to the maximum employer contribution rates which are accessible by

arrangement in the ordinary course or that are required by law);

- (xxxiv) any action by the Company (including agreement with, or consent to, actions by the Trustees) which would cause:
- (a) in respect of actuarial valuations with a 2020 effective date, a change to the approach agreed by the Shareholders in the Contribution Agreement to fund the Major Defined Benefit Pension Schemes;
  - (b) a change to the valuation basis used for actuarial valuations with an effective date after 2020, when compared to the previous actuarial valuation, where such change goes beyond updating for financial conditions only;
  - (c) in respect of actuarial valuations with an effective date after 2020 any agreement in relation to the approach adopted to fund the Major Defined Benefit Pension Schemes;
  - (d) a wind up, buy out or amendment of the benefits payable under a Major Defined Benefit Pension Scheme or any action which could result in a change of the balance of powers in relation to these matters;
  - (e) an employer to cease participation, or start participating in, a Major Defined Benefit Pension Scheme, other than a cessation of participation in connection with the Telefónica Shareholder's plans to end all defined contribution accrual in its Major Defined Benefit Pension Scheme and instead to provide employees with defined contribution pension provision through a master trust as proposed in the "Pensions Review HRLT update April 2020" slides as provided by Clifford Chance LLP on 6 May 2020 provided that no employer debt is triggered as a result;
  - (f) a significant change to the investment strategy of the assets of a Major Defined Benefit Pension Scheme; or
  - (g) any change to the governance of a Major Defined Benefit Pension Scheme, including the composition of the Trustee board or the appointment of any company-nominated trustee,

unless such action is required as a result of changes to member-nominated trustees, legislative amendment or regulatory involvement;

- (xxxv) the establishment of any committee of the Board, the appointment or removal of any Director or person to or from such committee (including
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any Standing Committee) or the establishment, amendment or variation of any terms of reference for any such committee (including any Standing Committee);

- (xxxvi) materially changing the nature or scope of the Business;
- (xxxvii) the repayment of any principal and/or interest in respect of any Shareholder Loan other than (i) in accordance with its terms or (ii) *pro rata* in respect of all outstanding Shareholder Loans;
- (xxxviii) any change to the Tax residence of the Company;
- (xxxix) the entry into, material amendment, material variation or termination of any agreement involving or relating to the provision of access to the mobile network of the Company's Group to a mobile virtual network operator by the Company with an annual contract value exceeding £5 million;
- (xl) the entry into, material amendment, material variation or termination of any agreement involving or relating to mobile or fixed infrastructure sharing;
- (xli) the entry into, material amendment, material variation or termination of any offering by the Company allowing a third party to resell any fixed telecoms retail service of the Company and/or to offer its own fixed telecoms services directly via the Company's hybrid fibre/co-axial cable or fibre access network;
- (xlii) any acquisition or disposal of any licence to use a spectrum band by the Company;
- (xliii) any decision to procure products or services from a vendor which is subject to economic sanctions in any jurisdiction;
- (xliv) the adoption of any material public policy and regulatory position and/or any material change to any material public policy and regulatory position adopted by the Company;
- (xlv) the approval of any CTIL Reserved Matter;
- (xlvi) any amendment, variation or termination of the CTIL Shareholders' Agreement;
- (xlvii) the appointment, removal or replacement of any CTIL Director under the CTIL Shareholders' Agreement other than pursuant to clause 6.6 (Appointment and removal of CTIL Directors);

- (xlviii) the appointment, removal or replacement of any CTIL Observer under the CTIL Shareholders' Agreement other than pursuant to clause 6.7 (Appointment and removal of a CTIL Observer);
- (xlix) any amendment, variation or termination of the HoldCo Shareholders' Agreement;
- (l) the approval of any HoldCo Reserved Matter;
- (li) any amendment, variation or termination of the O2 Daisy Shareholders' Agreement;
- (lii) the appointment, removal or replacement of any O2 Daisy Director under the O2 Daisy Shareholders' Agreement other than pursuant to clause 6.9 (Appointment and removal of O2 Daisy Directors);
- (liii) the appointment, removal or replacement of any O2 Daisy Observer under the O2 Daisy Shareholders' Agreement other than pursuant to clause 6.10 (Appointment and removal of an O2 Daisy Observer);
- (liv) the approval of any transfer of any shares or other (debt or equity) securities in the capital of any member of the O2 Daisy Group to an O2 Daisy Restricted Transferee;
- (lv) the adoption of any new O2 Daisy Business Plan or any Draft Rollover O2 Daisy Business Plan or any amendment to any current O2 Daisy Business Plan (including, for the avoidance of doubt, any amendment to the operating budget that forms part of the O2 Daisy Business Plan), or the approval or ratification of any departure from the current O2 Daisy Business Plan (including, for the avoidance of doubt, in respect of any item set out in the operating budget that forms part of the O2 Daisy Business Plan) involving (a) additional expenditure, a reduction in expenditure or the re-allocation of expenditure in any Accounting Period exceeding, in each case, £5 million, (b) any change to the strategy in relation to the nature and scope of the O2 Daisy Business as set out in the current O2 Daisy Business Plan or (c) an adjustment in excess of 25% to the O2 Daisy EBITDA in any Accounting Period as compared to the O2 Daisy EBITDA for the corresponding Accounting Period contained in the current O2 Daisy Business Plan;
- (lvi) the effecting of any of the above matters by any member of the Company's Group (as if references to the Company were to such member); and
- (lvii) the authorisation or agreement to do, or entry into negotiations with any person concerning, including the agreement of any terms in respect of, any of the matters listed in (i) to (lvi) above.

- (B) The Shareholders and the Company agree to use all reasonable endeavours to procure that any body corporate in which the Company has an investment but does not have Control does not effect any of the Reserved Matters listed above (as if references to the Company were to such companies or entities) without the Requisite Approval.
- (C) Each Shareholder agrees that it shall procure that the Requisite Approval is obtained in relation to any Reserved Matter where a failure to obtain the Requisite Approval would result in the Company or any member of the Company's Group being in breach of applicable law.

#### **4.3 Effect of approval of a Reserved Matter**

If the Requisite Approval has been obtained in relation to any Reserved Matter in accordance with this clause 4, each Shareholder and the Company shall, so far as it is legally able, exercise all voting rights and any other applicable shareholder rights to effect the carrying out of any such action or decision, including as provided in clause 22.1(C) (Shareholder undertakings).

#### **4.4 Effect of approval of Business Plan**

The approval of any Business Plan shall imply and shall be deemed to be an approval of any matter expressly set out (including all material details) in that Business Plan which would require approval in accordance with clause 4.1 (Requirement for approval), but only in respect of matters referred to in clauses 4.2(A)(xvi), 4.2(A)(xvii) and 4.2(A)(xviii) and where the relevant transaction does not relate to the acquisition or disposal or any other type of M&A-related transaction of all or part of the issued share capital of a body corporate or of a business as a going concern.

#### **4.5 Shareholder right to step in**

Either Shareholder may, at any time prior to the date of a meeting of the Board at which it is proposed to discuss a Reserved Matter or circulation of a written resolution in relation to a Reserved Matter, by giving written notice to the Company (who shall give written notice of the same to each of the Directors), require that such Reserved Matter be effected only after the approval of both Shareholders given in general meeting or by way of a written resolution signed by both Shareholders (and not by the approval of the Board).

#### **4.6 Framework Services Agreements Governance**

Schedule 5 (Framework Services Agreements Governance) shall apply in respect of the Framework Services Agreements.

The Company shall procure that the O2 Daisy Shareholder shall give written notice to O2 Daisy that it wishes to exercise its shareholder step in right in accordance with clause 4.4(A) (Shareholder right to step in) of the O2 Daisy Shareholders' Agreement if:

- (A) either Shareholder, by giving written notice to the Company, requires that the O2 Daisy Shareholder exercises such shareholder step in right in respect of any O2 Daisy Shareholder Dispute Matter, O2 Daisy Conflicting Interest Matter or O2 Daisy Board Reserved Matter; or
- (B) if the O2 Daisy Shareholder Dispute Matter, O2 Daisy Conflicting Interest Matter or O2 Daisy Board Reserved Matter concerns an O2 Daisy Related Party Arrangement.

## 5. DEADLOCK RESOLUTION

- (A) For the purposes of this clause 5, a "**Deadlock**" shall be deemed to have occurred if:
    - (i) a proposal or a series of related proposals is made in respect of any matter contemplated by clause 4 (Reserved Matters) but is not approved in accordance with that clause at two consecutive duly convened meetings of the Board (or following the circulation of the relevant resolution in writing on two separate occasions);
    - (ii) a quorum is not present at two consecutive duly convened meetings of the Board by reason of the absence of the Directors nominated and appointed upon request of the same Shareholder;
    - (iii) a proposal or a series of related proposals is made in respect of any matter contemplated by clause 4 (Reserved Matters) and any Shareholder exercises its right to step in in accordance with clause 4.5, and such proposal is not approved at two consecutive duly convened general meetings (or following the circulation of the relevant resolution in writing to the Shareholders on two separate occasions); or
    - (iv) a quorum is not present at two consecutive duly convened general meetings by reason of the absence of the same Shareholder.
  - (B) In the event of a Deadlock either of the Liberty Global Shareholder or the Telefónica Shareholder may, at any time prior to the date falling 20 Business Days after the Deadlock occurs, give written notice to the other and to the Company that it regards a Deadlock as having occurred ("**Deadlock Notice**") and:
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- (i) upon receipt of a Deadlock Notice, the Shareholders shall meet and seek to resolve the Deadlock within a reasonable period of time;
- (ii) if there is no resolution within 20 Business Days of receipt of a Deadlock Notice, the matter shall be referred to the chief executive officer of each Shareholder's Ultimate Parent and those executives shall meet as soon as reasonably practicable (but in any event no later than 10 Business Days after the expiry of the 20 Business Day period) and use reasonable endeavours to resolve the Deadlock; and
- (iii) if a Deadlock relating to any proposal made in respect of one of the matters referred to in clause 4 (Reserved Matters) is not resolved after applying the above procedure, the proposal shall not proceed and may not be proposed again, in each case, until at least six months after the above procedure has expired unless both Shareholders agree otherwise.

## **6. SHAREHOLDER APPOINTMENTS**

### **6.1 Appointment and removal of Directors**

- (A) The Liberty Global Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Telefónica Shareholder), to request the Board to nominate for appointment a maximum of four Directors (who shall each be an employee of the Liberty Global Shareholder, the Liberty Global Shareholder's Ultimate Parent or of any Wholly-owned Affiliate of the Liberty Global Shareholder's Ultimate Parent or a director or officer of the Liberty Global Shareholder's Ultimate Parent, provided that no such Director is a member of the Executive Management) from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the Board shall prepare nominations for appointment as Directors in accordance with such request. The initial Liberty Global Directors are those appointed in accordance with clause 2(A)(ii) (Establishment of the Company).
- (B) The Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Liberty Global Shareholder), to request the Board to nominate for appointment a maximum of four Directors (who shall each be an employee of the Telefónica Shareholder, the Telefónica Shareholder's Ultimate Parent or of any Wholly-owned Affiliate of the Telefónica Shareholder's Ultimate Parent or a director or an officer of the Telefónica Shareholder's Ultimate Parent, provided that no such Director is a member of the Executive Management) from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the Board shall prepare nominations for appointment as Directors in accordance with such request. The initial Telefónica Directors are those appointed in accordance with clause 2(A)(iii) (Establishment of the Company).

- (C) Each of the Liberty Global Shareholder and the Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the other Shareholder and the Director concerned), to request any Director nominated by it to resign from such position and the Company shall procure the resignation of the Director concerned in accordance with such request.

## 6.2 Indemnity

Any Shareholder that has requested the resignation of a Director in accordance with clause 6.1(C) (Appointment and removal of Directors) shall indemnify the other Shareholder and the Company against any claim by any such Director whether for compensation for loss of office, wrongful or unfair dismissal, redundancy or otherwise, which arises out of that Director ceasing to hold office.

## 6.3 Chairman

- (A) Each Shareholder shall be entitled, on a rotating basis, by notice in writing to the Company and to the other Shareholder, to appoint one of the Directors nominated and appointed upon its request to act as the Chairman.
- (B) Each such appointment shall be for a period of two years, unless otherwise agreed by the Shareholders.
- (C) Each Shareholder acknowledges and agrees that the initial Chairman appointed pursuant to clause 2(A)(vi) (Establishment of the Company) is nominated by the Liberty Global Shareholder and each Shareholder agrees that the Telefónica Shareholder shall appoint the second Chairman and that the right to appoint the Chairman shall thereafter alternate between the Shareholders.
- (D) If any Chairman ceases to hold that office during his term, the Shareholder that appointed him shall be entitled to appoint another Director nominated and appointed upon its request to fill that office for the remainder of the two year term.
- (E) The Chairman shall preside at any meeting of the Board and general meeting at which he is present. The Chairman shall not have a casting vote.

## 6.4 Alternates

- (A) Any Director, the Shareholder that nominated for appointment that Director or another Director nominated for appointment by the same Shareholder may appoint any other Director or an Observer to be an Alternate and to attend all meetings of the Board and any committee of the Board and vote in the Director's place, and may at any time dismiss from office any Alternate so appointed, and appoint any other Director or an Observer in their place, in circumstances where the Director is unable to act. A Director shall be

considered to be unable to act within the meaning of the preceding sentence in the case of:

- (i) him having been ill, or the Company not having been able to contact him, in each case for a period of at least fourteen consecutive calendar days (or such other period as determined by the Board on the basis of the facts and circumstances at hand);
  - (ii) his suspension;
  - (iii) him having notified the Company in writing that he is unable to act; or
  - (iv) him having declared to have, or the Board having established that he has, a conflict of interest.
- (B) An Alternate will be entitled to receive notices of all meetings of the Board or a committee of the Board and all papers provided to the Directors (in his capacity as alternate to the relevant Director), and to attend all meetings of the Board or a committee of the Board. An Alternate shall be counted in the quorum for, and shall be entitled to vote as a Director at, any such meeting at which the Director appointing him is not present and generally to perform all functions of his appointor as a Director in the absence of such appointor, including the power to sign any written resolution.
- (C) A person acting as an Alternate shall have one vote at meetings of the Board (and its committees) for each Director for whom the person acts as Alternate and shall, for the purposes of determining whether a quorum is present, be counted as one person for each Director for whom the person acts as Alternate. For the avoidance of doubt, if a Director is also acting as an Alternate, then that Director shall have an additional vote for each Director that he is also acting as Alternate for.
- (D) Upon a Director ceasing to hold office any Alternates appointed by him or on his behalf shall cease to function in that role.

#### 6.5 **Exercise of Shareholder rights**

Each Shareholder shall, so far as it is legally able, exercise its rights in relation to the Company to vote in favour of the appointment, removal or replacement of a Director nominated or requested to resign in accordance with clause 6.1 (Appointment and removal of Directors), as soon as reasonably practicable after such nomination or request to resign has been made, and to procure that no person is appointed as a Director other than pursuant to the Liberty Global Shareholder's and the Telefónica Shareholder's rights under clause 6.1 (Appointment and removal of Directors).

- (A) The Liberty Global Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Telefónica Shareholder), to nominate two CTIL Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the CTIL Shareholder nominates such individuals for appointment as CTIL Directors in accordance with such request and the terms of the CTIL Shareholders' Agreement.
- (B) The Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Liberty Global Shareholder), to nominate two CTIL Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the CTIL Shareholder nominates such individuals for appointment as CTIL Directors in accordance with such request and the terms of the CTIL Shareholders' Agreement.
- (C) Each of the Liberty Global Shareholder and the Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the other Shareholder), to request any CTIL Director nominated by it to resign from such position and the Company shall procure the resignation of the CTIL Director concerned in accordance with such request and the terms of the CTIL Shareholders' Agreement.

#### **6.7 Appointment and removal of a CTIL Observer**

- (A) The Company shall be entitled, by giving written notice to the HoldCo A Shareholder (with a copy to the Telefónica Shareholder and the Liberty Global Shareholder), to nominate a CTIL Observer from time to time and the Company shall procure that the HoldCo A Shareholder, HoldCo and the CTIL Shareholder nominate such individual for appointment as a CTIL Observer in accordance with such request and the terms of the CTIL Shareholders' Agreement.
  - (B) The Company shall be entitled, by giving written notice to the HoldCo A Shareholder (with a copy to the Telefónica Shareholder and the Liberty Global Shareholder), to request that the CTIL Observer nominated by it resign from such position and the Company shall procure that the HoldCo A Shareholder, HoldCo and the CTIL Shareholder procure the resignation of the CTIL Observer concerned in accordance with such request and the terms of the CTIL Shareholders' Agreement.
  - (C) For the avoidance of doubt, any appointment or removal of a CTIL Observer in accordance with clause 6.7(A) or 6.7(B) shall not be subject to the approval of either or both of the Liberty Global Shareholder and the Telefónica Shareholder.
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**6.8 Appointment and removal of HoldCo Directors**

- (A) The Liberty Global Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Telefónica Shareholder), to nominate two HoldCo Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the HoldCo A Shareholder nominates such individuals for appointment as HoldCo Directors in accordance with such request and the terms of the HoldCo Shareholders' Agreement.
- (B) The Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Liberty Global Shareholder), to nominate two HoldCo Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the HoldCo A Shareholder nominates such individuals for appointment as HoldCo Directors in accordance with such request and the terms of the HoldCo Shareholders' Agreement.
- (C) Each of the Liberty Global Shareholder and the Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the other Shareholder), to request any HoldCo Director nominated by it to resign from such position and the Company shall procure the resignation of the HoldCo Director concerned in accordance with such request and the terms of the HoldCo Shareholders' Agreement.

**6.9 Appointment and removal of O2 Daisy Directors**

- (A) The Liberty Global Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Telefónica Shareholder), to nominate two O2 Daisy Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the O2 Daisy Shareholder nominates such individuals for appointment as O2 Daisy Directors in accordance with such request and the terms of the O2 Daisy Shareholders' Agreement.
- (B) The Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the Liberty Global Shareholder), to nominate two O2 Daisy Directors from time to time (including with the purpose to fill any vacancy) and the Company shall procure that the O2 Daisy Shareholder nominates such individuals for appointment as O2 Daisy Directors in accordance with such request and the terms of the O2 Daisy Shareholders' Agreement.
- (C) Each of the Liberty Global Shareholder and the Telefónica Shareholder shall be entitled, by giving written notice to the Company (with a copy to the other Shareholder), to request any O2 Daisy Director nominated by it to resign from such position and the Company shall procure the resignation of the O2 Daisy Director concerned in accordance with such request and the terms of the O2 Daisy Shareholders' Agreement.

- (D) The Company shall procure that the O2 Daisy Shareholder does not appoint any other O2 Daisy Director or O2 Daisy Observer as an alternate for:
- (i) an O2 Daisy Director nominated by the Liberty Global Shareholder in accordance with clause 6.9(A) without the prior written consent of the Liberty Global Shareholder; and
  - (ii) an O2 Daisy Director nominated by the Telefónica Shareholder in accordance with clause 6.9(B) without the prior written consent of the Telefónica Shareholder.

#### 6.10 **Appointment and removal of O2 Daisy Observers**

- (A) The Company shall be entitled, by giving written notice to the O2 Daisy Shareholder (with a copy to the Telefónica Shareholder and the Liberty Global Shareholder), to nominate the O2 Daisy Observers from time to time and the Company shall procure that the O2 Daisy Shareholder nominate such individuals for appointment as O2 Daisy Observers in accordance with such request and the terms of the O2 Daisy Shareholders' Agreement.
- (B) The Company shall be entitled, by giving written notice to the O2 Daisy Shareholder (with a copy to the Telefónica Shareholder and the Liberty Global Shareholder), to request that any O2 Daisy Observer nominated by it resign from such position and the Company shall procure that the O2 Daisy Shareholder procure the resignation of the O2 Daisy Observer concerned in accordance with such request and the terms of the O2 Daisy Shareholders' Agreement.
- (C) For the avoidance of doubt, any appointment or removal of an O2 Daisy Observer in accordance with clause 6.10(A) or 6.10(B) shall not be subject to the approval of either or both of the Liberty Global Shareholder and the Telefónica Shareholder.

### 7. **EXECUTIVE MANAGEMENT**

#### 7.1 **CEO, CFO, CTO, CIO and General Counsel**

- (A) The parties acknowledge and agree that the initial CEO, CFO, CTO, CIO and General Counsel have each been appointed by the Shareholders as referred to in clause 2(A)(v) (Establishment of the Company).
- (B) Either Shareholder may at any time by giving written notice to the other Shareholder and the Company require the dismissal from the Company of any of the CEO, CFO, CTO, CIO or General Counsel and upon receipt of such notice the Company shall effect the same as soon as reasonably practicable, provided that a Shareholder may not give notice in respect of each such position more frequently than once in any period of 12 months.

- (C) If for any reason the position of CEO, CFO, CTO, CIO or General Counsel becomes vacant, the appointment of any subsequent CEO, CFO, CTO, CIO or General Counsel (as applicable) shall require the approval of both Shareholders.
- (D) If the position of CEO is vacant, unless agreed otherwise by the Shareholders, the CFO will assume the role of interim CEO until another CEO is appointed in accordance with clause 7.1(C).
- (E) The Shareholders shall ensure that at any given time there is a separate Nominated Successor for each of the CFO, CTO, CIO and General Counsel, and, if at any time the position of the CFO, CTO, CIO or General Counsel is vacant, the relevant Nominated Successor shall assume the relevant position on an interim basis until another CFO, CTO, CIO or General Counsel (as applicable) is appointed in accordance with clause 7.1(C).
- (F) Each Shareholder agrees that it will not request the appointment as a Director of any person who is a member of the Executive Management team.

#### **7.2 Other members of the Executive Management**

- (A) Subject to clause 7.2(B) below, the appointment and dismissal of the members of the Executive Management (other than the CEO, CFO, CTO, CIO and General Counsel) shall be a matter for the Board. If the position of such other member of the Executive Management team becomes vacant, the Board shall be entitled to make any such appointment from any employees, officers or directors of any member of the Company's Group or from any other external sources, provided that the Board shall not appoint any Director as a member of the Executive Management team.
- (B) If any position of the Executive Management (other than the CEO, CFO, CTO, CIO and General Counsel) or the position of any other employee reporting directly to the CEO becomes vacant within the 12 months from the date of this agreement or if the Board wishes to remove or replace any member of the Executive Management (other than the CEO, CFO, CTO, CIO and General Counsel) or remove or replace any other employee reporting directly to the CEO within this 12 month period, the appointment of any person to fill such vacancy or the proposed removal or replacement shall only be made with the prior approval of the Shareholders.

#### **7.3 Terms of employment of Executive Management**

Subject to clause 4.2(A)(xxxii) (Reserved Matters), the salary and other terms of employment of the Executive Management team shall be determined by the Board.

#### **7.4 Operational control and supervisory authority**

- (A) Subject to clause 4 (Reserved Matters) and clause 8 (Proceedings of the Board) and the Board's and Shareholders' rights to review and provide direction to the Executive Management, the operational control of the Company's Group in accordance with the Business Plan shall be vested in the Executive Management.
- (B) The Board shall be responsible for the overall direction and supervision of the Company's Group and the Executive Management shall be responsible for the overall management of the Company's Group, in each case, in accordance with the provisions of this agreement and the Articles of Association and subject always to the fiduciary duties of the Directors and Executive Management, save that neither the Board nor the Executive Management (as applicable) shall pass any resolutions in respect of or implement any Reserved Matter unless the Requisite Approval has first been obtained in accordance with clause 4 (Reserved Matters).

#### 7.5 **Company policies**

To the extent not agreed by the Shareholders prior to the date of this agreement, the Company shall procure that appropriate corporate policies and procedures, including, without limitation an anti-bribery and corruption policy, a code of conduct policy (which shall incorporate a whistleblowing policy), privacy policies and a treasury policy, are promptly adopted by the Company's Group following the date of this agreement. The policies and procedures of the Company's Group shall be no less stringent than the most stringent of the equivalent policies adopted by the Shareholders in relation to their respective Groups (unless agreed otherwise by the Shareholders, provided always that the Shareholders have a reasonable basis for such agreement) and shall provide reasonable assurances that any infringement of applicable anti-bribery and anti-corruption laws, regulations or codes will be prevented, detected and deterred.

#### 7.6 **O2 Daisy Executive Management**

- (A) The Company shall procure that the O2 Daisy Shareholder consults with, and has regard to the comments and suggestions of, the Shareholders before:
    - (i) exercising its right to appoint the O2 Daisy CEO or O2 Daisy CFO in accordance with clause 7.1(B) (Appointment and removal of Executive Management) of the O2 Daisy Shareholders' Agreement;
    - (ii) exercising its right to dismiss any member of the O2 Daisy Executive Management in accordance with clause 7.1(B) (Appointment and removal of Executive Management) of the O2 Daisy Shareholders' Agreement;
    - (iii) agreeing with the Other O2 Daisy Shareholder:
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- (a) to dismiss any member of the O2 Daisy Executive Management in accordance with clause 7.1(C) or 7.1(D)(i) (Appointment and removal of Executive Management) of the O2 Daisy Shareholders' Agreement; or
- (b) on any replacement to be appointed as a member of the O2 Daisy Executive Management in accordance with clause 7.1(E) (Appointment and removal of Executive Management) of the O2 Daisy Shareholders' Agreement.

## **8. PROCEEDINGS OF THE BOARD**

### **8.1 Convening Board meetings**

Any Director may call a meeting of the Board. The Board shall hold meetings in the UK (unless at least one Liberty Global Director and one Telefónica Director agree otherwise) and, unless both Shareholders agree to a lesser number of meetings in an Accounting Period, meetings of the Board shall be held at least six times in each Accounting Period, with an update conference call on the Business and operations of the Company and its Group to be held once between each meeting of the Board (unless at least one Liberty Global Director and one Telefónica Director agree otherwise).

### **8.2 Notice of Board meetings**

At least five Business Days' notice of each meeting of the Board shall be given to each Director entitled to attend and the notice shall be accompanied by an agenda and a board paper setting out in such reasonable detail as may be practicable in the circumstances the subject matter of the meeting. A shorter period of notice may be given with the consent and presence of at least two Liberty Global Directors and two Telefónica Directors.

### **8.3 Quorum at Board meetings**

- (A) Subject to clause 8.6, a quorum shall exist at any Board meeting if at least three Liberty Global Directors and three Telefónica Directors are present or represented by an Alternate.
- (B) If a quorum is not present at a meeting of the Board, such meeting shall be adjourned. The requirements in relation to notice, quorum, consent to short notice and adjournment for an initial Board meeting shall apply to an adjourned meeting.
- (C) If a quorum is not present at a meeting which has been adjourned on one occasion, such meeting shall be further adjourned. At least two Business Days' notice shall be given to all Directors of the further adjourned meeting. At the further adjourned meeting, a quorum shall exist with respect to those matters on the agenda which were not disposed of at the original meeting or the first

adjourned meeting if any two or more Directors are present or represented by an Alternate.

- (D) Nothing in this clause 8.3 shall affect the rights and obligations of the Shareholders under clause 4 (Reserved Matters).

#### 8.4 **Voting at Board meetings**

- (A) Resolutions of the Board shall be decided by a simple majority vote of all votes cast by the Directors present or represented by an Alternate provided that, subject to clause 8.6, a vote in favour is made by at least one Liberty Global Director and at least one Telefónica Director, as long as at least one Liberty Global Director and at least one Telefónica Director is entitled to vote on the relevant matter during the Board meeting, and each Director present or represented by an Alternate shall have one vote.
- (B) For resolutions of the Board proposed in accordance with clause 8.4(A), in the event that a Director is not in attendance and has not appointed an Alternate to vote, subject to clause 8.6, one of the other Directors nominated and appointed upon request of the same Shareholder may cast another vote on behalf of the absent Director, provided that such Director has been granted a power of attorney by the absent Director.

#### 8.5 **Resolutions in writing**

Subject to clause 8.6, resolutions of the Board may be passed in writing by their circulation to each Director (which may be by means of several documents in the like form) and their signature by at least a simple majority of all of the Directors who would have been entitled to vote on the relevant matter and whose votes would have been counted had it been proposed as a resolution at a Board meeting, including at least one Liberty Global Director and one Telefónica Director, provided that at least one Liberty Global Director and at least one Telefónica Director would have been entitled to vote on the relevant matter and whose vote would have been counted had it been proposed as a resolution at a Board meeting.

#### 8.6 **Director's interests**

- (A) A Director shall be excluded from the receipt of information, the participation in discussion and/or making of decisions (whether at meetings of the Board or otherwise) and shall not be counted in the quorum (nor shall his presence be required in order to constitute a quorum if it would otherwise be required under this agreement), nor shall he be entitled to vote, exclusively, in respect of any Shareholder Dispute Matter involving the Shareholder upon whose request he is nominated and appointed or any member of its Group (each a "**Shareholder Dispute Party**" in relation to that Director).

- (B) Except in respect of a Shareholder Dispute Matter with regard to the Shareholder upon whose request the relevant Director is nominated and appointed and subject where applicable to disclosure in accordance with applicable law, the Articles of Association and/or any terms imposed by the Directors in relation to conflict situations, a Director shall be counted in the quorum and be entitled to vote at a meeting of the Board on any resolution in respect of any matter, contract or proposed contract in which he is interested directly or indirectly. For the avoidance of doubt, the fact that a Director has been nominated and appointed by a Shareholder shall not, of itself, constitute a conflict of interest.
- (C) Subject to clauses 8.6(D) and 40 (Arbitration), any decisions, actions or negotiations to be taken or conducted by the Company in relation to a Shareholder Dispute Matter shall be the responsibility of the Executive Management but subject to the supervision of those Directors that are entitled, in accordance with this agreement and, in particular, with clause 8.6(B), to count in the quorum and not those Directors who are not entitled, in accordance with clause 8.6(B), to count in the quorum.
- (D) No material decision, action or negotiation shall be taken or conducted by the Company in relation to a Shareholder Dispute Matter without the approval of a simple majority of those Directors who are authorised to supervise such decisions, actions and negotiations in accordance with clause 8.6(B) subject to their fiduciary duties to the Company.

#### **8.7 Director's conflicts**

If any Director believes that his fiduciary duties to the Company may conflict with his obligations to the Shareholder upon whose request he is nominated and appointed, such Director shall be entitled to withdraw from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the directors or otherwise), in which case such decision (including in relation to any Reserved Matter) shall, subject to applicable law or regulation and clause 8.6, be referred to the Shareholders for a decision either through written resolution or at a general meeting of the Shareholders.

#### **8.8 Participation arrangements**

Any one or more Directors or Alternates may participate in and vote at Board meetings by means of a conference telephone, video feed or any communication equipment which allows all persons participating in the meeting to communicate to the others any information or opinions they have on any particular item of business of the meeting. Any Director or Alternate so participating in a meeting shall be deemed to be present in person and shall count towards the quorum.

#### **8.9 Remuneration of the Directors**

The Shareholders shall, so far as they are legally able, exercise their rights in relation to the Company to procure that the Company shall reimburse each Director for all reasonable travelling, accommodation and other expenses reasonably incurred by any Director in attending meetings of the Board or otherwise in connection with his functions as a Director.

#### 8.10 **Observers**

- (A) Each Shareholder shall have the right to appoint and dismiss up to two representatives (who shall each be an employee of that Shareholder, that Shareholder's Ultimate Parent or of any Wholly-owned Affiliate of that Shareholder's Ultimate Parent or of any member of its Group or a director or an officer of that Shareholder's Ultimate Parent, provided that no such representative is a member of the Executive Management) to attend meetings of each of the Board and board meetings of each member of the Company's Group, and meetings of each of their respective committees (the "**Observers**").
  - (B) Each Observer is entitled to speak but not vote or count in the quorum for any such meeting (unless that Observer has been appointed a member of a committee of the Board, in which case that Observer may vote and count in the quorum for any such meeting of that committee). Each Observer shall have the right to receive notice of meetings, and to receive the same information, in the same form and at the same time as the relevant directors or members of the relevant committee.
  - (C) Before an Observer is appointed by a Shareholder, he or she must enter into a confidentiality undertaking in favour of the Company in the form approved by the Board from time to time and the appointing Shareholder shall procure that the Observer complies with the terms of that confidentiality undertaking.
  - (D) The appointment and dismissal of any Observer shall take effect upon delivery of written notice signed by the appointing Shareholder to the Company (with a copy to the other Shareholder).
  - (E) An Observer may appoint one other person (who shall also be an employee of a Shareholder or of any member of its Group) to be their alternate, provided that such alternate has entered into a confidentiality undertaking on the terms described above in clause 8.10(C) and the appointing Shareholder shall procure that the alternate complies with the terms of the confidentiality undertaking, and such appointment may be for a specific meeting or for a specific or indefinite duration. If an Observer is replaced or dismissed, any alternate appointed by such Observer shall automatically be dismissed as such.
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- (F) The rights of the Observer in clauses 8.10(A) and 8.10(B) shall not apply in respect of any Shareholder Dispute Matter involving the Shareholder who appointed him or any member of its Group.
- (G) If an Observer is, in any way, directly or indirectly, interested in an existing or a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the Directors and, in the case of a proposed transaction or arrangement, he must make such declaration before the transaction or arrangement is entered into and, provided he has done so, the Observer shall be entitled to attend meetings and receive information relating to that transaction or arrangement.

#### **8.11 Standing Committees**

- (A) The Company shall establish an Audit Committee and a Remuneration Committee and adopt the Terms of Reference at the first meeting of the Board after the date of this agreement.
- (B) If a member of a committee of the Board is not a Director or an Observer, that person:
  - (i) must enter into a confidentiality undertaking in favour of the Company in the form approved by the Board from time to time and the appointing Shareholder shall procure that that person complies with the terms of that confidentiality undertaking; and
  - (ii) may appoint one other person to be their alternate, provided that such alternate has entered into a confidentiality undertaking on the terms described above in clause 8.11(B)(i) and the appointing Shareholder shall procure that the alternate complies with the terms of the confidentiality undertaking, and such appointment may be for a specific meeting or for a specific or indefinite duration. If the member of the committee of the Board is replaced or dismissed, any alternate appointed by such member of the relevant committee shall automatically be dismissed as such.

### **9. ACCESS TO INFORMATION AND ACCOUNTS**

#### **9.1 Provision of information by the Company**

- (A) Subject to clause 9.1(B), the Company shall provide each Shareholder with access to and copies of such information and records (including financial data) of the Company and the members of its Group and their employees as that Shareholder may reasonably request from time to time, including, without limitation:

- (i) in relation to the compliance by that Shareholder or any other member of its Group with any reporting obligation if and to the extent required by any securities exchange or regulatory or governmental body to which that party is subject or submits (including NASDAQ, the SEC (including Regulation S-X), the Madrid Stock Exchange and the Comisión Nacional del Mercado de Valores), wherever situated and whether or not the requirement for information has force of the law;
- (ii) copies of all papers circulated to the Board or the board of directors of any member of the Company's Group or tabled at meetings of the Board or at meetings of the board of directors of any member of the Company's Group (including, for the avoidance of doubt, copies of all papers circulated to, or tabled at meetings of, the board of directors of O2 Daisy or any other member of the O2 Daisy Group);
- (iii) copies of any financial budgets or financial plans of the Company;
- (iv) information about any existing financial indebtedness of the Company;
- (v) information about and copies of any Hedging Agreements;
- (vi) information about guarantees provided by, and commitments for purchases and services made by, the Company's Group;
- (vii) a copy of any Draft Revised Business Plan;
- (viii) copies of all reports provided by the Company to its lenders or to lenders of any other member of its Group;
- (ix) details of any threatened or pending dispute in relation to the Company or any other member of its Group;
- (x) in connection with the preparation and filing of (i) the audited or statutory accounts (including, for the avoidance of doubt, information in respect of leases of the Company's Group), and (ii) the Tax returns (or other Tax filings or correspondence with a Tax Authority) in relation to any jurisdiction in which such returns or filings are required to be made, in either case, of that Shareholder, that Shareholder's Ultimate Parent and any entity within their respective Groups;
- (xi) information and documents necessary or desirable to enable that Shareholder to give proper consideration over a reasonable period to any proposed transaction or matter on which their approval or consent is sought or required under the terms of this agreement;
- (xii) information required in order for that Shareholder's Ultimate Parent to satisfy the due diligence and other information requests made in

- connection with (i) any merger or acquisition, (ii) its public debt and other financing documents, or (iii) to satisfy reasonable information requests from securityholders in respect of or lenders to the Shareholder's Ultimate Parent or any entity within its Group;
- (xiii) information about all material developments affecting the business of the Company or its Group;
  - (xiv) information about, and a detailed breakdown of, the products and/or services the Company and/or any member of its Group received from, and the payments made by the Company or any member of its Group to (i) a Shareholder or (ii) any member of such Shareholder's Group or (iii) any director or officer of such Shareholder or of any member of such Shareholder's Group, as permitted by clause 4.1(B); and
  - (xv) all information provided by O2 Daisy or the Other O2 Daisy Shareholder to the O2 Daisy Shareholder.
- (B) The Company shall not provide a Shareholder with access to or copies of information and records of the Company or of the members of its Group to the extent that such information and records:
- (i) include Confidential Information relating to the other Shareholder or any member of its Group dating from any time prior to or after the date of this agreement without the written consent of such other Shareholder; or
  - (ii) relate to a Shareholder Dispute Matter where the Shareholder Dispute Party is that Shareholder.
- (C) The Company shall procure that the O2 Daisy Shareholder requests, in accordance with the O2 Daisy Shareholders' Agreement, all information from O2 Daisy that is reasonably requested by a Shareholder.
- (D) The Company shall, at its own cost, use all reasonable endeavours to procure that any entity in which the Company or a member of its Group has an investment but does not have Control shall:
- (i) provide each Shareholder with access to and copies of such information and records (including financial data) as the Shareholder may reasonably request from time to time, including, without limitation, the information and records listed in clause 9.1(A) (as if references to the Company were references to such entities); and
  - (ii) if required by a Shareholder as a result of that Shareholder's obligations under the rules and/or regulations of any securities exchange or regulatory or governmental body to which that Shareholder is subject or

statements prepared in accordance with the accounting and auditing policies determined by that Shareholder.

**9.2 Retention of Records**

All records of the Company's Group shall be retained for a period of at least seven years (or such longer period as may be required by applicable law or regulation) from the end of the year to which such records relate, subject to policies regarding the retention of email, mobile phone and other digital records as may be established from time to time by the Company.

**9.3 Access to Records**

Subject to clause 9.1(B), the Company agrees that it shall, to the extent reasonably practicable, upon being given reasonable notice by a Shareholder, allow such Shareholder, its auditors and professional advisers (each being under an obligation of confidentiality to such Shareholder) reasonable access to inspect, review and make copies of the books, accounting, tax and other records and information held by the Company or any entity within the Company's Group and to any of their employees, officers, advisers or premises during Working Hours.

**9.4 Provision of information by Directors**

Subject to clause 9.1(B), each Director is irrevocably authorised by the Company to disclose any information or records belonging to or concerning the Company, any member of its Group or its or their business and assets to the Shareholder upon whose request he is nominated and appointed or any member of such Shareholder's Group, provided that the recipient is under a duty of confidentiality in relation to such information or records.

**9.5 Management accounts**

The Company will submit:

- (A) a monthly report concurrently to each Shareholder within four Business Days of the end of the month (or any shorter period as agreed by the Shareholders) to which it relates showing, inter alia, the consolidated income statement including revenues, operating costs, financing costs, income taxes and other amounts, a consolidated cash flow statement and consolidated balance sheet information of the Company on a monthly, quarterly and year-to-date basis in the format and containing the information required by each Shareholder together with a comparison to the Business Plan and the corresponding prior year period, and key performance indicator statistics, to be provided:
    - (i) in the case of the Liberty Global Shareholder, in the format requested by the Liberty Global Shareholder after reflecting any adjustments or
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restatements requested by the Liberty Global Shareholder to report the relevant financial information under Liberty Global GAAP and/or Liberty Global IFRS; and

- (ii) in the case of the Telefónica Shareholder, in the format requested by the Telefónica Shareholder after reflecting any adjustments or restatements requested by the Telefónica Shareholder to report the relevant financial information under Telefónica IFRS;
- (B) a monthly report concurrently to each Shareholder within 10 Business Days of the end of the month to which it relates describing the status of the implementation of the Company's strategy and major projects as set out in the Business Plan and including updated details of projected capital requirements, forecasts and management information reports (including any quarterly forecasts and monthly trading updates);
  - (C) a comprehensive reforecast of the current Accounting Period or calendar year contained within the most recent approved Business Plan within 15 Business Days of being requested to do so, provided that a Shareholder shall not be entitled to make such a request more than twice in any period of 12 months; and
  - (D) within 10 Business Days following each quarter end of the calendar year and each Quarterly Accounting Period (as applicable), financial reporting packages to each Shareholder in the format requested by the relevant Shareholder after reflecting any adjustments or restatements requested by the relevant Shareholder to report the relevant financial information under Liberty Global GAAP and/or Liberty Global IFRS (in the case of the Liberty Global Shareholder) or Telefónica IFRS (in the case of the Telefónica Shareholder), in each case that include all information reasonably required by the relevant Shareholder to prepare any required external reports, including, without limitation, the quarterly and annual SEC reports of the Ultimate Parent of the Liberty Global Shareholder and the quarterly and annual reports and the quarterly trading updates and results announcements of the Ultimate Parent of the Telefónica Shareholder. The financial reporting package shall include, among other matters, an analysis of changes from prior year to current year periods in the detail specified by the relevant Shareholder.

#### 9.6 **Accounts**

- (A) The Company shall provide, at its own cost, to each Shareholder:
  - (i) consolidated statutory audited accounts of the Company's Group for each 12 month period ending on 31 December, prepared in accordance with the Accounting Policies;

- (ii) consolidated audited accounts of the Company's Group for each 12 month period ending on 31 December, prepared in accordance with Liberty Global GAAP and audited under U.S. Generally Accepted Auditing Standards or U.S. Public Company Accounting Oversight Board auditing standards (as determined by the Liberty Global Shareholder),

in each case promptly following their approval in accordance with clause 4.2(A)(xxiv) by the Board and no later than two months after the end of the relevant 12 month period unless required to be filed earlier by rules applicable to either Shareholder or a member of its Group, or, to the extent they can be accommodated without undue effort or disruption, by the transactional requirements of either Shareholder or a member of its Group.

- (B) The Shareholders and the Company each agree and acknowledge that the intention of the Shareholders is to hold their investment in the Company on the basis that it is not consolidated onto the balance sheets of their respective audited accounts (whether prepared under Liberty Global IFRS, Telefónica IFRS or Liberty Global GAAP). In the event of a change of accounting standards or practices that might require one or both Shareholders to consolidate their investment in the Company onto its balance sheet, the Shareholders agree to discuss what changes may be made to avoid such consolidation, provided always that no Shareholder shall be obliged to accept any amendment to any of its rights under this agreement (including in respect of the Reserved Matters or its right to have Directors nominated and appointed upon its request) without its consent.

#### 9.7 **Audit costs**

The Shareholders acknowledge that the auditors of the Liberty Global Shareholder's Group are the Auditors as at the date of this agreement. The Company shall, at its own cost, provide the auditors of the Telefónica Shareholder's Group and the Liberty Global Shareholder's Group (to the extent such auditors are not the Auditors at the relevant time) with reasonable and timely access to the Auditors and to the Company's accounting books and records and the working papers of Auditors in relation to their audit of the Company, as may be reasonably necessary for such auditors to complete their audit. The Company agrees to reimburse the relevant Shareholder for all reasonable costs, expenses and disbursements incurred by its auditors in each Accounting Period in receiving briefings from and reviewing relevant information provided by the Company and the Auditors.

#### 9.8 **Internal controls**

If the Liberty Global Shareholder or the Telefónica Shareholder determines, each at its own discretion (acting reasonably), that the Company and its Group should comply with the Sarbanes-Oxley Act of 2002 (as amended, and the rules and regulations promulgated thereunder) or any EU internal control requirements, the Company and its

Group shall adopt such additional internal control requirements. Any costs and expenses incurred in connection with this clause 9.8, including, but not limited to, the cost of assessment, implementation, on-going administration, compliance and necessary auditor attestation, shall be paid by the Company without reimbursement from the Shareholders.

## **10. BUSINESS PLANS**

- 10.1 The Company shall procure that the Executive Management shall prepare a draft Business Plan which is submitted to the Board to replace the existing Business Plan (a "**Draft Revised Business Plan**") by no later than 60 calendar days prior to the end of each Accounting Period following the date of this agreement, comprising (i) a detailed operating budget for the 12 months comprising the next Accounting Period; and (ii) a financial and strategic plan for the 36 months subsequent to the period covered by the detailed operating budget, or in such other format as has been approved in accordance with clause 4 (Reserved Matters).
- 10.2 Each Draft Revised Business Plan submitted to the Board in accordance with clause 10.1 shall address, but not be limited to, the items and subject matter of the Initial Business Plan.
- 10.3 Each Draft Revised Business Plan shall be reviewed by the Board in conjunction with the Executive Management and shall be finalised by the Executive Management (taking into account the direction and comments of the Board) prior to the start of the period to which it relates. Promptly following such finalisation, the Draft Revised Business Plan shall be proposed for approval by the Board and (subject to clause 4.2(A)(xxviii) (Reserved Matters)) adopted as the Business Plan by the Board in accordance with clause 8 (Proceedings of the Board). The Board shall use reasonable endeavours to approve the Business Plan under clause 10.1 prior to the start of the last month of the Accounting Period.
- 10.4 In the event that a Draft Revised Business Plan is not approved and adopted as the Business Plan by the Board, the Executive Management will continue to operate the business of the Company in accordance with the most recent approved Business Plan. In the event that the most recent approved Business Plan does not cover the next applicable period under clause 10.1, the business of the Company shall be operated in accordance with the most recently approved Business Plan, adjusted, where applicable, to reflect the percentage change in the Consumer Prices Index (as published by the UK Office for National Statistics) for the relevant period.

## **11. DIVIDEND POLICY**

- 11.1 Subject to (i) the availability of sufficient distributable reserves to support dividends (but without prejudice to the Company's obligations under clause 11.3), an ability to buyback Shares from each Shareholder, an ability to make upstream loans from the Company (or any member of the Company's Group) to each Shareholder (or any member of each Shareholder's Group) or an ability to make payments in respect of Shareholder Loans,

Group, (iii) adjustments for any one-off capital expenditure expressly approved in writing by the Shareholders or expressly set out in the relevant 12 month operating budget of the Business Plan and (iv) applicable law and regulation (including directors' fiduciary duties), the Company shall, as soon as reasonably practicable following the end of each Quarterly Accounting Period, distribute to each Shareholder, in proportion to their respective Percentage Interest, an amount equal to the Distributable Amount. The Company shall give notice in writing to the Shareholders of the Distributable Amount available for distribution as soon as it has been determined and the proposed distribution payment date. The means of distribution of the Distributable Amount shall be by way of dividend, by way of the proportionate buyback of Shares by the Company, by way of rateable repayment of principal and/or payment of any accrued interest on any outstanding Shareholder Loans and/or upstream loans from the Company (or any member of the Company's Group) to each Shareholder (or any member of each Shareholder's Group), as determined by the Shareholders (acting jointly and having considered the most efficient means of making the distribution from a tax perspective).

- 11.2 The Shareholders agree that the annual distribution guidance for the Company will be expressed as a range, unless both Shareholders agree to an absolute amount, and that the Company shall, on or about the time of the publication of the consolidated audited accounts of the Company's Group for each 12 month period ending on 31 December, make such guidance as to its annual target distribution range for the following Accounting Period publicly available. Each Shareholder agrees to use all reasonable endeavours and to co-operate to ensure that the distributions from the Company's Group to the Shareholders are stable, predictable and grow over time as operating performance improves, synergies are realised and organic free cash flow grows to provide cash and/or the necessary leverage capacity for such distributions. The Shareholders further agree that the common objective is dividend stability and commitment to annual group free cash flow guidance and therefore, once the Company gives such guidance for each year, the Shareholders agree to make distributions even if the Leverage Ratio will exceed 5.0:1, provided that if the Company ends the year with a Leverage Ratio above 5.0:1, the distribution policy for the following year will be set with the objective of bringing the Leverage Ratio back towards 5.0:1 by 31 December of that year, unless otherwise agreed by both Shareholders.
- 11.3 The Company shall use all reasonable endeavours to ensure that it is able to distribute the Distributable Amount pursuant to clause 11.1, including upstreaming cash from members of the Company's Group to the Company and maximising the available distributable reserves of the Company (including taking such actions as the Board considers appropriate to increase the amount of distributable reserves by carrying out a reduction of capital of the Company or of a subsidiary of the Company or otherwise), subject to, in respect of the O2 Daisy Group only, clause 11.1 (Dividend Policy) of the O2 Daisy Shareholders' Agreement. The Company shall, and shall procure that each other member of the Company's Group shall, consult with, and have regard to the comments and suggestions of, the Shareholders as to the means of any distribution by a member of the Company's Group (other than the Company).
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- 11.4 The Company shall instruct the Auditors to report on the distributable reserves position of the Company at the same time as they sign their report on the audited accounts.
- 11.5 The Company shall, so far as it is legally able, procure that (and the Shareholders shall, so far as they are legally able, exercise their rights in relation to the Company, including as provided in clause 22.1(C) (Shareholder undertakings), to procure that) all resolutions for the declaration or payment of dividends, distributions or other payments required by this clause 11 are duly passed by the relevant members of the Company's Group and the Board (as applicable).

## **12. FUNDING AND CASH MANAGEMENT**

- 12.1 It is the intention of the Shareholders and the Company that the Company is self-funding and all members of its Group should be capable of financing their activities on a standalone basis.
- 12.2 Subject to clause 4 (Reserved Matters), and clauses 12.3, 12.4 and 12.7 below, the parties acknowledge and agree that if the Board concludes that the Company's funding requirements exceed its available cash resources from time to time, it will consider whether or not to seek funding in the following order of priority:
- (A) external debt financing on arm's length terms without recourse to the Shareholders; and
  - (B) if such further finance cannot be raised on terms reasonably acceptable to the Board, to request from both Shareholders in proportion to each Shareholder's Percentage Interest either:
    - (i) Shareholder Loans on arm's length terms; and/or
    - (ii) subscriptions, in cash, for additional Shares.
- 12.3 No Shareholder shall be obliged or permitted to provide any funding, whether in the form of equity or debt, to the Company by way of subscription for further shares or by way of loans or subscription for loan notes unless both Shareholders agree to provide the funding in proportion to each Shareholder's Percentage Interest and the Shareholders agree in writing on the amount and method of providing the funding.
- 12.4 Notwithstanding clause 12.3, where the Board has made a request for further funding pursuant to clause 12.2, but either Shareholder has declined to provide further funding in accordance with clause 12.3, and, the Company's Group is, at that time, in a financial situation where, in the reasonable opinion of either Shareholder, the Company's Group is facing severe financial difficulties and requires emergency funding, either Shareholder may, by giving written notice, request a meeting between senior representatives of each Shareholder to discuss providing further shareholder funding to the Company. The Shareholders shall ensure that such meeting takes place within 10 Business Days of receipt of the notice and shall, at that meeting, discuss in good faith different options to

provide emergency funding to the Company, including in a manner other than on a pro rata basis in proportion to each Shareholder's Percentage Interest.

- 12.5 The Company's Group shall maintain an external committed revolving credit facility in an aggregate amount between £1 billion and £1.5 billion at all times. The Company's Group shall allow each of the RCF Banks to bid and be considered for ancillary banking business of the Company's Group.
- 12.6 Cash collected by members of the Company's Group (other than members of the O2 Daisy Group) shall be swept to a designated account of the Company or any member of its Group and deposited for periods not exceeding 90 calendar days or for the period until the estimated date of the next distribution in accordance with clause 11 (Dividend Policy) (whichever is shorter). Such deposits shall be made with money market funds with a credit rating of AAA with at least one international credit rating agency and a net asset value of at least £500 million provided that such deposits shall not represent more than five per cent. of the net asset value of any individual money market fund at any time, save that a cash balance of up to £10 million may be held with RCF Banks with a credit rating of Baa1/BBB+ or better with at least one international credit rating agency.

**12.7 Shareholder Loans**

- (A) Any Shareholder Loan shall be on terms such that it does not have an adverse impact on the credit rating of the Company, any member of the Company's Group or of any financial indebtedness of the Company's Group owed to any third party in accordance with the relevant criteria of each Ratings Agency as amended from time to time.
- (B) If the relevant criteria of any Ratings Agency changes such that the treatment of the Shareholder Loan changes adversely from a credit rating standpoint, the Liberty Global Shareholder and the Telefónica Shareholder shall cooperate with the Company in a commercially reasonable manner to amend the terms of each relevant Shareholder Loan to mitigate, to the greatest extent possible, such adverse credit rating impact.

**12.8 O2 Daisy**

- (A) The Company shall procure that the O2 Daisy Shareholder shall:
- (i) not agree to provide any additional financing (including any O2 Daisy Catch-up Shareholder Loan) and/or the form of such additional financing to O2 Daisy or any other member of the O2 Daisy Group, without the prior written consent of the Shareholders;
- (ii) consult with, and have regard to the comments and suggestions of, the Shareholders in respect of the terms of the O2 Daisy Shareholder Loans;

- (iii) not agree to refinance any Financial Indebtedness of the O2 Daisy Group (including, without limitation, any of the Formation Facilities) with third-party external debt financing without the prior written consent of the Shareholders; and
- (iv) consult with, and have regard to the comments and suggestions of, the Shareholders in respect of the timing, terms and implementation of any O2 Daisy External Refinancing.

### 13. TARGET LEVERAGE RATIO

- 13.1 It is the intention of the Shareholders that they manage the corporate finance structuring and execution, credit rating, debt investor relations, hedging and covenant monitoring activities of the Company's Group in accordance with this clause 13.
- 13.2 The Shareholders agree, and the Company acknowledges, that (i) the Company's Group shall be managed so as to maintain a Leverage Ratio of between 4.0:1 and 5.0:1 (inclusive) (the "**Target Leverage Ratio**") and (ii) the Shareholders intend to cooperate in relation to the matters set out in this clause 13.
- 13.3 For the purposes of this agreement, the calculation of the Leverage Ratio shall be done on the following basis:
  - (A) where the relevant financial information does not include one or more members of the Company's Group on a consolidated basis, the financial information available for such members of the Company's Group on an unconsolidated basis for that period (or part of that period) may be used to calculate the EBITDA for the Company's Group on a combined basis for that period (or any part of that period);
  - (B) Financial Indebtedness of the Company's Group originally denominated in any currency other than pounds sterling that has been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into pounds sterling, will be taken into account at its pounds sterling equivalent using the effective exchange rate in the relevant foreign exchange hedging transactions;
  - (C) all the terms used in the relevant definitions are to be calculated in accordance with the Relevant Accounting Principles;
  - (D) notwithstanding clauses 13.3(A) and 13.3(B) above, Non-Hedged Debt will be taken into account at its pounds sterling equivalent calculated using the same weighted average exchange rates for the relevant ratio period used in the profit and loss statements of the relevant accounts of the Company's Group for calculating the pounds sterling equivalent of EBITDA denominated in the same currency as the currency in which that Non-Hedged Debt is denominated or into which it has been swapped;

- (E) if there is any dispute on any interpretation or computation in respect of the

Leverage Ratio, the Company shall adopt the position agreed in respect of any equivalent interpretation or computation for reporting purposes under the Existing Liberty Global Target Group SFA;

- (F) no unrealised synergies or cost savings shall be taken into account;
- (G) subject to clause 13.3(F), EBITDA for the relevant period will be calculated after giving pro forma effect to any transaction, investment, acquisition, disposition, restructuring, corporate reorganisation or otherwise as if it occurred on the first day of such period; and
- (H) if any amendments are made by the Company to the equivalent components of the definitions and/or interpretation clauses in the Existing Liberty Global Target Group SFA as those set out in this agreement, this agreement shall be deemed to be amended *mutatis mutandis*.

13.4 The Shareholders will procure that as part of the quarterly financial reporting package prepared in accordance with clause 9.5 (Management accounts) in respect of a Quarterly Accounting Period, the CFO of the Company (with advice from, and in consultation with, the Shareholders) will calculate the Leverage Ratio as at the end of, and with respect to, that Quarterly Accounting Period and shall give written notice of the same, including the underlying calculations and reconciliations, to the Shareholders. No filing of a covenant certificate or public announcement (including any presentations of the Leverage Ratio in any public or private offering memorandum, information memorandum or prospectus, or in any documents or other materials provided to ratings agencies) of the Leverage Ratio shall be made without the prior written approval of both Shareholders.

13.5 Subject to clause 13.7 and clause 13.17, if the Leverage Ratio as at the end of a Quarterly Accounting Period is:

- (A) less than 4.0:1 and it is reasonably expected that immediately following a Type 1 Recapitalisation the Company will have sufficient distributable reserves or Shareholder Loans to facilitate any distribution required by clause 13.11 or the parties have agreed to distribute the proceeds of the Type 1 Recapitalisation by way of an upstream loan from the Company to the Shareholders or by way of a proportionate buyback of Shares by the Company, in each case, pursuant to clause 13.11 either Shareholder shall be entitled by giving written notice to the other and to the Company to procure the implementation by the Company of a recapitalisation of the Company's Group (a "**Type 1 Recapitalisation**") in order to increase the Leverage Ratio to within the Target Leverage Ratio as soon as reasonably practicable; or
  - (B) subject to clause 13.6, greater than or equal to 4.0:1 but less than 5.0:1 and it is reasonably expected that immediately following a Type 2 Recapitalisation the Company will have sufficient distributable reserves or Shareholder Loans to
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facilitate any distribution required by clause 13.11 or the parties have agreed to distribute the proceeds of the Type 2 Recapitalisation by way of an upstream loan from the Company to the Shareholders or by way of a proportionate buyback of Shares by the Company, in each case, pursuant to clause 13.11, either Shareholder shall be entitled by giving written notice to the other and to the Company to procure the implementation by the Company of a recapitalisation of the Company's Group (a "**Type 2 Recapitalisation**") in order to increase the Leverage Ratio but so that it remains within the Target Leverage Ratio as soon as reasonably practicable.

- 13.6 A Shareholder may only exercise its right to procure that the Company implements a Type 2 Recapitalisation:
- (A) once in any 12 month period; and
  - (B) in addition to 13.6(A) above, at any time where the purpose of the Type 2 Recapitalisation is to fund the acquisition by the Company or a member of its Group of a licence to use a spectrum band.
- 13.7 Neither Shareholder may exercise its right to require that the Company implement a Recapitalisation if the Company's free cash flow (excluding any amounts utilised to fund the acquisition by the Company or a member of its Group of a licence to use a spectrum band) for the previous 12 month period is negative according to the most recent management accounts provided in accordance with clause 9.5 (Management Accounts).
- 13.8 If at the end of any Quarterly Accounting Period there is any outstanding Financial Indebtedness with a remaining term of less than three years, or the weighted average remaining term of all outstanding Financial Indebtedness is less than six years, excluding, in each case, vendor financing and securitisation transactions, either Shareholder shall be entitled by giving written notice to the other and to the Company to procure the implementation by the Company of a refinancing by the Company's Group (a "**Refinancing**").
- 13.9 Recapitalisations and Refinancings shall be implemented in accordance with the Treasury Principles, to the extent reasonable in the circumstances having regard to the cost of such Recapitalisations and Refinancings. If either Shareholder exercises a right to procure that the Company implement a Recapitalisation or Refinancing pursuant to clauses 13.5 and 13.8 respectively, the other Shareholder will take all necessary steps to procure that the Company complies with any such Recapitalisation or Refinancing (as applicable) provided that the relevant Recapitalisation or Refinancing (as applicable) is organised, and raised on terms that are, in accordance with the Treasury Principles. For the avoidance of doubt, the Treasury Principles shall not apply to any financing arrangements that are in place as at the date of this agreement.
- 13.10 Notwithstanding the provisions of clause 13.5 and clause 13.8 and Treasury Principle (B), to the extent not implemented on or prior to the date of this agreement, the

Shareholders agree to implement a Recapitalisation as soon as practicable, taking into account the associated costs and prevailing market conditions, after the date of this agreement, provided that following such Recapitalisation the pro forma Net Indebtedness of the Company's Group does not exceed £18.0 billion. The Shareholders further agree that the base case assumption is that such Recapitalisation will be implemented through the issue by a member of the Company's Group of new high yield bonds and/or loans based on terms similar to the Liberty Global Shareholder's Group's existing senior secured financial indebtedness as at the date of this agreement. The Telefónica Shareholder acknowledges and agrees that the entities comprising the Telefónica Transferred Group will, if necessary for the purposes of the Recapitalisation, become borrowers or issuers and/or accede as guarantors and provide any required security under the relevant financing documents at or prior to closing of such Recapitalisation (only to the extent permitted by the terms of the financing agreements applicable to such entities as at the relevant time).

- 13.11 Upon completion of a Recapitalisation and, subject to the availability of sufficient distributable reserves or Shareholder Loans, if applicable (but without prejudice to the Company's obligations under clause 13.12), and applicable law and regulation (including directors' fiduciary duties), the Company shall distribute to each Shareholder, in proportion to its respective Percentage Interest, an amount equal to the net proceeds from such Recapitalisation. The Company shall give notice in writing to the Shareholders of the amount of the net proceeds available for distribution promptly following completion of the Recapitalisation and the proposed distribution payment date. Distributions made pursuant to this clause 13.11 shall be made by way of cash dividend or, if the Shareholders (acting jointly and having considered the most efficient means of making the distribution from a tax perspective) notify the Company in writing in advance, by way of rateable repayment of principal and/or payment of any accrued interest on any outstanding Shareholder Loans, by way of new upstream loans from the Company to the Shareholders or by way of a proportionate buyback of Shares by the Company.
- 13.12 In order to enable the Company to satisfy its obligations under clause 13.11, the Company shall use all reasonable endeavours to ensure that it is able to distribute to each Shareholder, in proportion to its Percentage Interest, an amount equal to the net proceeds from the Recapitalisation by upstreaming cash from members of its Group and ensuring that it has sufficient distributable reserves to make such distributions. In particular, it shall take such actions as the Board considers appropriate to increase the amount of distributable reserves for any Quarterly Accounting Period where there might otherwise be a shortfall in the amount of available distributable reserves, including by carrying out a reduction of capital of the Company or of a subsidiary of the Company.
- 13.13 The Company shall, so far as it is legally able, procure that (and the Shareholders shall, so far as they are legally able, exercise their rights in relation to the Company to procure that) all resolutions for the declaration or payment of dividends or other distributions consistent with this clause 13 are duly passed by the relevant members of the Company's Group and the Board (as applicable).

- 13.14 Each Shareholder shall procure that the Company, and shall use its reasonable endeavours to procure that the Directors nominated by it, provide assistance to each Shareholder in connection with a Recapitalisation or Refinancing, including by providing access to the books and records, documents and employees of the Company and members of its Group, and any information that a Shareholder may reasonably request (including, where applicable, for the purposes of any public or private offering memorandum, information memorandum or prospectus, or in any documents or other materials provided to ratings agencies). The parties agree that the Company shall assist in the marketing of any debt securities including by preparing for and attending investor and rating agency meetings.
- 13.15 No later than 60 Business Days prior to the end of each Accounting Period, the Shareholders shall meet to discuss in good faith possible amendments to the Treasury Principles that would take effect, unless the Shareholders agree otherwise, from the start of the next Accounting Period. For the avoidance of doubt, if the Shareholders do not agree any amendments to the Treasury Principles, the Treasury Principles shall continue to apply.
- 13.16 The Company shall procure that the O2 Daisy Shareholder shall not exercise its right to procure that O2 Daisy implement an O2 Daisy Recapitalisation pursuant to clause 13.5 (Target Leverage Ratio) of the O2 Daisy Shareholders' Agreement without the prior written consent of the Shareholders.
- 13.17 The provisions of this clause 13 shall not apply during any period where (i) an IPO Notice has been served in accordance with clause 19.1(A) and for so long as the process following such notice has not lapsed or terminated or (ii) a ROFO Offer is accepted by the Exiting Shareholder in accordance with clause 16.1(F) (ROFO) and for so long as such sale does not terminate in accordance with clause 16.1(F) (ROFO).

#### **14. RESTRICTIONS ON DEALING WITH SHARES**

##### **14.1 Restrictions on Disposals**

No Disposal of any Share or Shareholder Loan shall be permitted except a transfer of the entire legal and beneficial interest in the Share or Shareholder Loan which is permitted by and undertaken in accordance with the other terms of this agreement.

##### **14.2 Lock-in period**

No Disposal of any Share or Shareholder Loan shall be permitted prior to the third anniversary of the date of this agreement except in accordance with clause 14.4 (Security over Shares), clause 15.1 (Transfers to Wholly-owned Affiliates) or clause 17.3 (Call option).

##### **14.3 No partial transfers**

Notwithstanding any other provisions of this agreement, except in accordance with clause 15.1 (Transfers to Wholly-owned Affiliates) and clause 19 (IPO), no Disposal of any Share or Shareholder Loan shall be permitted unless all Shares or Shareholder Loans held by the relevant Shareholder and members of its Group are transferred concurrently to the same transferee.

#### 14.4 **Security over Shares**

- (A) Notwithstanding clause 14.1, each Shareholder shall, at any time, be permitted to create or permit to subsist any pledge, charge, mortgage, lien or other security interest or encumbrance (a "**Relevant Security Interest**") over all (but not some only) of the Shares held by that Shareholder or any member of its Group in favour of one or more financial institutions in connection with any arm's length financing provided by such financial institution(s) to the Shareholder's Group (each, a "**Relevant Securityholder**") provided that:
- (i) all of the voting rights attaching to the Shares subject to the Relevant Security Interest remain with the Shareholder that holds such Shares, unless and until the Relevant Security Interest is enforced by the Relevant Securityholder; and
  - (ii) each Relevant Securityholder has, at the time the Relevant Security Interest is created, an investment grade credit rating or better by at least one international credit rating agency.

#### 14.5 **Transfer of Shares and Shareholder Loans**

Except in connection with a transfer to a Wholly-owned Affiliate pursuant to clause 15.1 (Transfers to Wholly-owned Affiliates), no Disposal of:

- (A) Shares shall be permitted to any person unless all the outstanding Shareholder Loans held by the transferring Shareholder and each member of its Group are transferred, at par value together with an assignment of the rights to any accrued but unpaid interest, to such person; and
- (B) Shareholder Loans shall be permitted to any person unless all of the Shares held by the transferring holder of the Shareholder Loans and each member of its Group are transferred to such person,

and all provisions in this agreement relating to the transfer of Shares or Shareholder Loans shall be construed accordingly.

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#### 14.6 **Registration of transfers**

The Company shall procure that the Board refuses to register the transfer of any Share that is not permitted by and undertaken in accordance with the terms of this agreement.

#### 14.7 **O2 Daisy**

The Company shall procure that the O2 Daisy Shareholder:

- (A) does not agree the terms of any Disposal of any O2 Daisy Shares without the prior written consent of the Shareholders;
- (B) shall discuss in good faith and agree with the Shareholders in connection with any proposed O2 Daisy IPO:
  - (i) the timing, structure, pricing and other terms and conditions (including target leverage, listing venue, amount of primary and secondary issuance, syndicate participants, advisers, fees and governance structure) of such O2 Daisy IPO;
  - (ii) before (a) approving the appointment by O2 Daisy of professional and corporate finance advisers, (b) taking preparatory steps with respect to such O2 Daisy IPO; and/or (c) having an initial pre-IPO marketing discussion with the professional and corporate finance advisers appointed by O2 Daisy; and
- (C) shall not agree the terms of any listing of any shares or other securities of O2 Daisy on any regulated market without the prior written consent of the Shareholders.

### 15. **PERMITTED TRANSFERS**

#### 15.1 **Transfers to Wholly-owned Affiliates**

Subject to clause 15.2, a Shareholder may transfer any Share or Shareholder Loan to any Wholly-owned Affiliate.

#### 15.2 **Requirements for making a Permitted Transfer**

Prior to making any Permitted Transfer: (i) the transferring Shareholder shall give the other Shareholder at least five Business Days' notice of its intention to transfer Shares or Shareholder Loans, including details of the transferee and confirmation such person is a Permitted Transferee of the relevant Shareholder, and (ii) the transferee shall first have entered into (a) a Deed of Adherence in the form set out in Schedule 2 (Form of Deed of Adherence) and (b) a Deed of Novation in the form set out in Schedule 4 (Form of Deed of Novation) to the extent any Shareholder Loans are being transferred (as applicable).

### 15.3 Permitted Transferee leaving the Group

A Permitted Transferee shall transfer, in a manner and to a transferee permitted by this agreement, all the Shares and Shareholder Loans held by it before it ceases to be in the same Group as its Shareholder's Ultimate Parent.

### 15.4 Intermediate Holding Company transfers

(A) Subject to clause 15.4(B), each Shareholder agrees to procure that in respect of itself and any other Intermediate Holding Company no shares in any such entity shall be transferred or issued to any person unless:

(i) its Ultimate Parent continues following the completion of the transfer or issue to have direct or indirect (as the case may be) Control in respect of the relevant entity; and

(ii) the person to whom the shares in the Intermediate Holding Company have been transferred or issued:

(a) where the relevant Intermediate Holding Company being transferred is a member of the Telefónica Shareholder's Group, is not a Liberty Global Competitor; or

(b) where the relevant Intermediate Holding Company being transferred is a member of the Liberty Global Shareholder's Group, is not a Telefónica Competitor,

and, in each case, does not have the right to exercise (either directly or indirectly) or otherwise influence the exercise by the relevant Shareholder of its rights in relation to the Company.

(B) Notwithstanding clauses 14.1 (Restrictions on Disposals) and 14.2 (Lock-in period), each Shareholder agrees that a Shareholder may at any time effect a Permitted Group Sale Disposal, a Spin-off Disposal or a Whole Group Disposal provided that no Shareholder shall effect a Spin-off Disposal if a UK Competitor would Control the Intermediate Holding Company subject to the Spin-off Disposal on completion of or otherwise as a result of the transaction.

(C) If the Ultimate Parent of a Shareholder intends to sell any shares in that Shareholder or in any other Intermediate Holding Company of that Shareholder (such entity being for the purposes of this clause 15.4 the "**Group Sale Shareholder**"), and such sale constitutes a Permitted Group Sale Disposal, a Spin-off Disposal or a Whole Group Disposal, the Group Sale Shareholder shall as soon as reasonably practicable serve a written notice (a "**Group Sale Notice**") on the other Shareholder (the "**Non-Group Sale Shareholder**") notifying the Non-Group Sale Shareholder of its Ultimate Parent's intention. A Group Sale Notice must include details of the entity or entities that the Group

Sale Shareholder proposes to sell and whether the proposed transaction is a Permitted Group Sale Disposal, a Spin-off Disposal or a Whole Group Disposal. Neither Shareholder may serve a Group Sale Notice if an IPO Notice has already been served by the other Shareholder and the process derived from such notice has not lapsed or terminated, provided that the cooling off period under clause 19.5 (Cooling off period) shall not apply.

**15.5 Information and evidence**

The transferor and the transferee of any Share or Shareholder Loans transferred under this clause 15 and the Original Holder (if any) of the transferred Share or Shareholder Loans, and, in relation to clause 15.4, each Shareholder, shall each provide to the Board, at its own expense, any information and evidence reasonably requested in writing by the Directors (excluding those nominated by the Original Holder or Shareholder concerned) or the Non-Group Sale Shareholder (where applicable) for the purpose of determining whether the transfer to the proposed transferee complies with the terms of this clause 15.

**15.6 Compliance with agreement**

Each Shareholder shall procure that all Permitted Transferees in relation to which it is the Original Holder comply with the terms of this agreement.

**15.7 Share purchases by the Company**

A Shareholder may dispose of any Share to the Company by way of purchase provided that the purchase of Shares by the Company is pro rata to each Shareholder's Percentage Interest and the parties comply with the terms of clause 4 (Reserved Matters).

**15.8 Shareholders within the same Group**

Following a Permitted Transfer, where there are two or more Shareholders that are members of the same Group, the Shareholders agree that the following provisions shall apply:

- (A) the Shareholder which holds the most Shares (the "**Principal Shareholder**") shall exercise the rights arising under this agreement or otherwise in relation to the Company on behalf of all other Shareholders within the relevant Shareholder's Group (each, a "**Secondary Shareholder**") and where those Shareholders hold the same number of Shares, one Shareholder shall be designated the Principal Shareholder;
- (B) other than for the purposes of determining the economic rights attaching to each Share, this agreement shall apply as if the Principal Shareholder and all other Secondary Shareholders are one Shareholder and are either the Liberty Global Shareholder or the Telefónica Shareholder (as applicable);

- (C) all the rights of all other Secondary Shareholders under this agreement shall be

exercised exclusively by the Principal Shareholder;

- (D) any notice given by the Principal Shareholder under this agreement shall be deemed also to be given by all other Secondary Shareholders; and
- (E) any notice required to be given to any other Secondary Shareholder shall be given also to the Principal Shareholder and any purported exercise by any other Secondary Shareholder shall be disregarded.

Where this clause 15.8 applies, the Company shall be entitled to, and shall only, act in accordance with the terms of this clause 15.8.

#### 15.9 **Meaning of Shareholder**

References to a "Shareholder" in clauses 15.1, 15.2 and 15.6, shall be construed so as to include references to the lender of the relevant Shareholder Loan.

### 16. **TRANSFER OF SHARES FOR CONVENIENCE**

#### 16.1 **ROFO**

- (A) Either Shareholder (an "**Exiting Shareholder**") may at any time from the fifth anniversary of the date of this agreement serve a written notice (an "**Exit Notice**") on the other Shareholder (the "**Non-Exiting Shareholder**") notifying the Non-Exiting Shareholder of its intention to sell all of the Shares to a third party (a "**Joint Exit**"). An Exit Notice may not be served if an IPO Notice or Group Sale Notice has already been served by the other Shareholder and the process following such notice has not lapsed or terminated.
  - (B) The Exiting Shareholder may only serve an Exit Notice on the Non-Exiting Shareholder if the chief executive officer of the Exiting Shareholder's Ultimate Parent has notified the chief executive officer of the Non-Exiting Shareholder's Ultimate Parent of its intention to do so at least 30 calendar days before the date of the Exit Notice. If both Shareholders serve an Exit Notice, the valid Exit Notice for the purposes of this clause 16.1 shall be the Exit Notice sent by the Shareholder whose Ultimate Parent's chief executive officer notified the chief executive officer of the other Shareholder's Ultimate Parent first. If the chief executive officer of the Non-Exiting Shareholder's Ultimate Parent notifies the chief executive officer of the Exiting Shareholder's Ultimate Parent that the Non-Exiting Shareholder also wishes to pursue a sale of the Company, the Shareholders shall discuss in good faith for the remainder of the 30 calendar day period whether they wish to initiate jointly a sale process in respect of all of the Shares to a third party and the structure and terms of such sale process.
  - (C) Upon the receipt of an Exit Notice, the Non-Exiting Shareholder may either:
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- (i) subject to clause 16.1(D), at any time within four weeks from the date of the Exit Notice, serve a written notice on the Exiting Shareholder stating that it wishes to defer the Joint Exit (a "**Deferral Notice**"); or
  - (ii) at any time within twelve weeks from the date of the Exit Notice, serve a written notice on the Exiting Shareholder stating that it wishes to purchase all the Shares (the "**ROFO Shares**") held by the Exiting Shareholder (a "**ROFO Notice**"). The ROFO Notice shall:
    - (a) be irrevocable;
    - (b) state the consideration payable (which shall be cash and/or listed shares of the Ultimate Parent of the Non-Exiting Shareholder) for the ROFO Shares, expressed as a fixed pounds sterling amount, and all the other terms (the "**ROFO Terms**") on which the ROFO Shares are proposed to be purchased, which shall not impose any obligation on the Exiting Shareholder apart from the obligations (a) to sell the full and unencumbered ownership of the ROFO Shares to the Non-Exiting Shareholder together with all rights attaching thereto and (b) to provide standard title, capacity, authority and no insolvency warranties; and
    - (c) contain a bona fide offer (the "**ROFO Offer**") from the Non-Exiting Shareholder to purchase the ROFO Shares from the Exiting Shareholder on the ROFO Terms including to pay the entire fixed consideration on completion of the sale and purchase (whether payment of cash consideration or settlement of any share consideration, which for the avoidance of doubt shall be listed upon settlement), provided that completion of the ROFO Offer may, if so notified in the ROFO Notice, be solely conditional upon, (a) the obtaining of any anti-trust approvals or consents (b) the obtaining of any other regulatory approvals and consents and (c) the obtaining of any shareholder and/or third party consents, in each case, as are mandatorily required by law or regulation in connection with the proposed acquisition of the ROFO Shares by the Non-Exiting Shareholder and their sale by the Exiting Shareholder (the "**ROFO Conditions**").
- (D) If the Non-Exiting Shareholder serves a Deferral Notice on the Exiting Shareholder in accordance with clause 16.1(C)(i) above, the Exiting Shareholder shall terminate the Joint Exit process immediately and neither Shareholder may serve another Exit Notice for a period of six months from the date of the Exit Notice. Each Shareholder has the right to issue only one Deferral Notice for so long as it holds an interest in the Company and may only do so where a Market Conditions Reason has occurred.

- (E) For the purposes of this clause 16, the Liberty Global Shareholder and the Telefónica Shareholder agree that:
- (i) if the Liberty Global Shareholder offers listed shares in its Ultimate Parent as consideration for a ROFO Offer, it shall:
    - (a) offer Class C shares (which have the stock code LBTYK as at the date of this agreement);
    - (b) offer a combination of such Class C Shares and Class A Shares (which have the stock code LBTYA as at the date of this agreement), to be offered in proportions equal to the proportion that the value of each such share class (being the relevant total number of shares in issue (excluding shares held in treasury) multiplied by the relevant closing share price) represents of the total aggregate value of the Class C Shares and Class A Shares in issue (excluding shares held in treasury), in each case on the last trading day prior to the date of the ROFO Notice; or
    - (c) offer the class of share which provides the broadest exposure to the profits or losses of its Ultimate Parent's Group, if at the date of the ROFO Notice the Class C shares or Class A Shares no longer exist or the rights attaching to such shares have been varied or other classes of shares have been created and its Ultimate Parent has one or more other classes of listed common or ordinary share not in existence at the date of this agreement;
  - (ii) if the Telefónica Shareholder offers listed shares in its Ultimate Parent as consideration for a ROFO Offer and it has more than one class of listed common or ordinary share, it will offer the class of share which provides the broadest exposure to the profits or losses of its Ultimate Parent's Group; and
  - (iii) if all or part of the consideration for the ROFO Shares comprises shares in the Ultimate Parent of the Non-Exiting Shareholder, such shares shall be valued at the Share VWAP on the date the Exiting Shareholder accepts the ROFO Offer pursuant to clause 16.1(F).
- (F) The Exiting Shareholder may accept the ROFO Offer contained in the ROFO Notice by providing notice in writing to the Non-Exiting Shareholder within two weeks of the date of the ROFO Notice (failing which, the ROFO Offer will expire). If the Exiting Shareholder accepts the ROFO Offer, each of the Exiting Shareholder and the Non-Exiting Shareholder shall use all reasonable endeavours to execute definitive documents in relation to the sale and purchase of the ROFO Shares (the "**ROFO Transaction**") as soon as practicable and in

any event within four weeks of the date on which the Exiting Shareholder accepted the ROFO Offer and the Exiting Shareholder and the Non-Exiting Shareholder agree that the ROFO Transaction shall be completed in accordance with clause 18 (Completion of Transfers) on the date which is the later of:

- (i) 10 Business Days after the date on which all of the ROFO Conditions have been satisfied or waived (in whole or in part) by mutual agreement of the Shareholders; and
- (ii) 10 Business Days after the date on which the Exiting Shareholder and the Non-Exiting Shareholder executed definitive documents to effect the ROFO Transaction,

or on such other date as the Shareholders may agree, provided always that such date shall be no later than the ROFO Completion Deadline, failing which the ROFO Transaction shall terminate automatically. If all or any part of the consideration for the ROFO Shares comprises shares in the Ultimate Parent of the Non-Exiting Shareholder, the Non-Exiting Shareholder may elect to satisfy some or all of the non-cash consideration for the ROFO Shares in cash on completion of such transfer and, if it makes such election, the cash amount due shall be calculated based on the Share VWAP on the date the Exiting Shareholder accepted the ROFO Offer pursuant to this clause 16.1(F).

- (G) The Shareholders agree that the Non-Exiting Shareholder shall be entitled (subject to applicable law and regulation) to require the Company and its Group to incur additional financial debt for the purposes of financing or refinancing the purchase of the ROFO Shares by the Non-Exiting Shareholder, provided the incurring of such additional financial debt is conditional on completion of the ROFO Transaction.
- (H) If:
  - (i) the Non-Exiting Shareholder serves neither (i) a Deferral Notice within four weeks from the date of the Exit Notice in accordance with clause 16.1(C)(i), nor (ii) a ROFO Notice within twelve weeks from the date of the Exit Notice in accordance with clause 16.1(C)(ii), on the Exiting Shareholder;
  - (ii) the ROFO Transaction is terminated pursuant to clause 16.1(F); or
  - (iii) the Exiting Shareholder does not accept the ROFO Offer within two weeks of the date of the ROFO Notice in accordance with clause 16.1(F),

the Exiting Shareholder shall have the right to elect, by giving notice in writing (an "**Exit Election Notice**") to the Non-Exiting Shareholder and the Company

the termination of the ROFO Transaction in the case of (ii), or (z) the lapse of the ROFO Offer in the case of (iii) (as applicable), that it wishes to pursue:

- (a) a sale of all the Shares to a third party, in which case the provisions of clause 16.2 shall apply; or
  - (b) an IPO of the Company, in which case it shall be deemed to have served an IPO Notice and the Exiting Shareholder shall be deemed to be the Initiating Shareholder and the Non-Exiting Shareholder shall be deemed to be the Receiving Shareholder, in each case for the purposes of clause 19 (IPO); or
  - (c) a dual track process of a sale of all the Shares and an IPO of the Company, in which case both clauses 16.1(H)(a) and 16.1(H)(b) shall apply but the Exiting Shareholder shall be entitled to decide which of the two processes will be completed.
- (I) Each Shareholder shall act in good faith in compliance with its obligations under this clause 16.1.
- (J) Subject to clause 16.2(Q)(ii), each Shareholder shall bear its own costs incurred in connection with a Joint Exit, a ROFO Transaction and a Drag Sale Offer. The Company shall bear its own costs incurred and the costs incurred by any member of its Group in connection with a Joint Exit, a ROFO Transaction and a Drag Sale Offer.

#### 16.2 Drag Sale

- (A) The provisions of this clause 16.2 shall only apply in the circumstances set out in clauses 16.1(H)(a) and 16.1(H)(c).
- (B) For the purposes of this clause 16.2, a **"Drag Sale Offer"** is an offer to buy all (but not some only) of the Shares then in issue at the same price per Share (which, subject to clause 16.2(G) below, shall be satisfied either in cash or part in cash and part in Marketable Securities) and otherwise, subject to clause 16.2(G) below, on the same terms per Share (together, the **"Drag Sale Terms"**) which is:
- (i) made by a person (the **"Drag Sale Offeror"**) who:
    - (a) is not a Shareholder;
    - (b) is not an Affiliate of any Shareholder; and
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- (c) has no agreement or arrangement of any kind with any Shareholder relating to the offer other than as set out in the Drag Sale Terms;
  - (ii) conditional on acceptance in respect of all the Shares then in issue within a maximum of two weeks of the offer being made; and
  - (iii) subject to no conditions other than (a) the obtaining of any anti-trust approvals or consents, (b) the obtaining of any other regulatory approvals and consents, and (c) the obtaining of any shareholder and/or third party consents, as are, in each case, mandatorily required by law or regulation in connection with the proposed acquisition of the Shares by the Drag Sale Offeror and their sale by the Shareholders (the **"Drag Sale Conditions"**).
- (C) The Exiting Shareholder shall promptly commence the process of obtaining a Drag Sale Offer following service of an Exit Election Notice in the circumstances set out in clauses 16.1(H)(a) and 16.1(H)(c) and shall use all reasonable endeavours to solicit a bona fide Drag Sale Offer for all of the Shares and shall take all such steps as are reasonable in accordance with prevailing M&A market practice. To the extent that the Exiting Shareholder markets the Shares to more than one potential purchaser by way of an auction process, nothing in this clause 16 shall prohibit the Non-Exiting Shareholder from participating in such process.
- (D) The Exiting Shareholder undertakes to keep the Non-Exiting Shareholder informed about the progress and status of the process to obtain the Drag Sale Offer and to consult with and have regard to the reasonable representations of the Non-Exiting Shareholder in connection with any decision relating to the material terms of the Drag Sale Offer, subject to any appropriate and reasonable confidentiality obligations in circumstances where the Non-Exiting Shareholder participates in the Drag Sale Offer process.
- (E) If an Exit Election Notice has been served in the circumstances set out in clause 16.1(H)(iii) and the Exiting Shareholder has been unable to agree and execute legally binding documents to effect a Drag Sale Offer within six months of the date of the ROFO Offer, the Exiting Shareholder shall:
  - (i) immediately terminate the sale process initiated pursuant to this clause 16.2;
  - (ii) immediately notify the Non-Exiting Shareholder of the termination of the sale process initiated pursuant to this clause 16.2; and
  - (iii) not be permitted to issue another Exit Notice, Group Sale Notice or IPO Notice for a period of 12 months following the date on which the Exiting Shareholder notifies the Non-Exiting Shareholder of the termination of

the sale process initiated pursuant to this clause 16.2 in accordance with clause 16.2(E)(ii).

- (F) If the Exiting Shareholder agrees legally binding documents to effect a Drag Sale Offer, then, prior to executing such documents, it shall deliver a written notice (a "**Drag Notice**") to the Company and the Non-Exiting Shareholder stating:
- (i) the identity of, and the amount of the consideration offered by, the Drag Sale Offeror, expressed as a price per Share (which shall be satisfied, subject to clause 16.2(G) either (x) in cash or (y) part in cash and part in Marketable Securities, provided that the percentage of the aggregate consideration to be satisfied by the issue and/or transfer of Marketable Securities shall not exceed 50 per cent.) to be satisfied upon completion of the sale and purchase; and
  - (ii) the terms and conditions of payment of such consideration and all other material terms and conditions of the Drag Sale Offer (including any locked box or leakage mechanism but, for the avoidance of doubt, representations and warranties proposed to be provided to the Drag Sale Offeror need not be included in the Drag Notice, provided such representations and warranties are customary in the context of a sale process for the Shares, have been negotiated by the Exiting Shareholder in good faith and such representations and warranties do not represent a mechanism to transfer value to the Drag Sale Offeror).
- (G) Notwithstanding clause 16.2(F)(i), a Drag Notice may state that:
- (i) the percentage of the aggregate consideration to be satisfied by the issue and/or transfer of Marketable Securities shall exceed 50 per cent., provided that:
    - (a) unless clause 16.2(G)(i)(b) applies, the percentage of the aggregate consideration to be paid to the Non-Exiting Shareholder which is to be satisfied by the issue and/or transfer of Marketable Securities shall not exceed 50 per cent.; and
    - (b) the Non-Exiting Shareholder may notify the Exiting Shareholder within 20 Business Days of delivery to it of the Drag Notice that the Non-Exiting Shareholder elects to increase the proportion of the aggregate consideration to be paid to it which is to be satisfied by the issue and/or transfer of Marketable Securities up to a maximum number of Marketable Securities as is equal to the Non-Exiting Shareholder's Percentage Interest of the total number of Marketable Securities offered by the Drag Sale Offeror in consideration for all of the Shares; or

- (ii) the consideration offered by the Drag Sale Offeror is to be satisfied part in cash and part in securities that are not Marketable Securities (the "**Non-Marketable Securities**"), provided that the Non-Exiting Shareholder (unless the Non-Exiting Shareholder agrees otherwise) receives only cash consideration of an amount which, on a per Share basis, is equal to the value of the Non-Marketable Securities to be issued as consideration (on a per Share basis) as at the date on which the Exiting Shareholder executes legally binding documents to effect a Drag Sale Offer.
- (H) If all or part of the consideration for the Shares on a Drag Sale Offer comprises Marketable Securities:
- (i) the Marketable Securities shall be valued at the Marketable Security VWAP on the date the Exiting Shareholder executes legally binding documents to effect a Drag Sale Offer;
  - (ii) if the percentage of the aggregate consideration to be satisfied by the issue and/or transfer of Marketable Securities is 50 per cent., the Non-Exiting Shareholder may elect to decrease the number of Marketable Securities it is to be issued and/or transferred and increase the proportion of consideration it is to receive in cash and require the Exiting Shareholder to be issued and/or transferred such additional number of Marketable Securities and reduce the proportion of consideration the Exiting Shareholder is to receive in cash so that on completion of that Drag Sale Offer, the Non-Exiting Shareholder shall receive 40 per cent. of its consideration in Marketable Securities and the Exiting Shareholder shall receive 60 per cent. of its consideration in Marketable Securities;
  - (iii) subject to clause 16.2(I) below, the Marketable Securities shall not, when issued and allotted or transferred to the Exiting Shareholder and the Non-Exiting Shareholder, represent more than 25 per cent. of the free float of the issuer of the Marketable Securities;
  - (iv) the Exiting Shareholder and the Non-Exiting Shareholder shall enter into orderly marketing and lock-up arrangements on terms and conditions for each Shareholder that are within reasonable market parameters with the Drag Sale Offeror, each on the same terms and conditions as are negotiated in good faith and agreed between the Exiting Shareholder and the Drag Sale Offeror, in respect of any Marketable Securities that either of them holds on completion of the Drag Sale Offer; and
  - (v) if the Non-Exiting Shareholder would be required to obtain any mandatory antitrust or other regulatory approval as a result of its receipt of the Marketable Securities or if receipt of the Marketable Securities

takeover offer to any holders of securities in the issuer of such Marketable Securities (and such mandatory requirement cannot be avoided by the Non-Exiting Shareholder decreasing the proportion of the consideration to be satisfied by the issuance and allotment or transfer of Marketable Securities), the Non-Exiting Shareholder shall be dragged in accordance with clause 16.2(K) if the Drag Sale Offeror offers a cash alternative to the Non-Exiting Shareholder.

- (I) If the Marketable Securities shall, when issued and allotted or transferred, represent more than 25 per cent. of the free float of the issuer of the Marketable Securities, the Non-Exiting Shareholder shall be dragged in accordance with clause 16.2(K) only if:
  - (i) the Exiting Shareholder procures that the Non-Exiting Shareholder receives only cash consideration at the same price per Share as the Exiting Shareholder; or
  - (ii) the Non-Exiting Shareholder elects to receive any Marketable Securities as part of its consideration in connection with such Drag Sale Offer.
  
- (J) Where the Exit Election Notice has been served by the Exiting Shareholder in the circumstances set out in clause 16.1(H)(ii) or clause 16.1(H)(iii), in order for the Non-Exiting Shareholder to be dragged in accordance with clause 16.2(K):
  - (i) the Non-Exiting Shareholder shall not be obliged to give any warranties (other than in respect of title, capacity, authority and no insolvency) to the Drag Sale Offeror; and
  - (ii) the price per Share set out in the Drag Notice must be an amount at least the Specified Percentage greater than the fixed amount set out in the ROFO Notice.

For the avoidance of doubt, the provisions of this clause 16.2(J) shall not apply where the Exit Election Notice has been served in the circumstances set out in clause 16.1(H)(i).

- (K) If the Exiting Shareholder delivers a Drag Notice in accordance with the provisions of clause 16.2(F), the Non-Exiting Shareholder shall be deemed to have accepted such offer on the same terms and conditions as accepted by the Exiting Shareholder (save as set out in the Drag Sale Terms and subject to clauses 16.2(G), 16.2(H), 16.2(I) and 16.2(J)) and, following execution of the definitive sale documentation by the Exiting Shareholder and the Drag Sale Offeror (a copy of which shall be provided to the Non-Exiting Shareholder), shall be obliged to transfer all of the Shares held by it to the Drag Sale Offeror on the Drag Sale Terms subject to compliance with the remaining provisions of this clause 16.2.
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- (L) Subject to applicable law and regulation, the Non-Exiting Shareholder and the Company shall take such action necessary (and in a timely manner) to achieve the sale pursuant to a Drag Sale Offer as the Exiting Shareholder reasonably requests, including but not limited to:
- (i) providing reasonable assistance to the Exiting Shareholder, the Company, the Drag Sale Offeror and their respective advisers, including providing reasonable access to the books and records and employees of the Company and its Group;
  - (ii) approving any shareholder resolutions of the Company in connection with the sale and generally attending shareholder and Board meetings of the Company when convened;
  - (iii) appointing appropriate advisers to the Company in connection with the sale (the fees and out of pocket expenses of such advisers to be borne by the Company);
  - (iv) assisting in the production, negotiation and execution of such documentation as is required to effect the sale; and
  - (v) agreeing to and cooperating with any reorganisation or restructuring of the Company and its Group which is necessary to effect the sale (provided that such reorganisation or restructuring shall only be implemented following execution of definitive documents in relation to the sale).
- (M) The sale and purchase of the Shares held by the Non-Exiting Shareholder shall be completed in accordance with clause 18 (Completion of Transfers) on the same day and subject to the completion of the acquisition of the entire legal and beneficial interest in all (but not some) of the Shares held by the Exiting Shareholder, being the date 10 Business Days following the later of:
- (i) the day on which all of the conditions to the Drag Sale Offer have been satisfied or waived (in whole or in part) by mutual agreement of the Shareholders; and
  - (ii) the date on which the Non-Exiting Shareholder received the Drag Notice,

or on such other date as the Shareholders may agree, provided always, however, that such date shall be no later than the Drag Completion Deadline, failing which the Drag Sale Offer (and any definitive documents required to effect the sale) shall terminate automatically and the Exiting Shareholder shall give notice of the same to the Non-Exiting Shareholder.

- (N) The Exiting Shareholder may give notice of termination of the sale process to the Non-Exiting Shareholder at any time prior to serving a Drag Notice.
- (O) Each Shareholder shall act in good faith when complying with its obligations set out in this clause 16.2.
- (P) The Shareholders shall appoint external legal counsel, reporting accountants and such other advisers as may reasonably be required (in each case at their own cost).
- (Q) If, at any time prior to the Drag Completion Deadline, it becomes apparent to the Exiting Shareholder (acting reasonably) that the sale process initiated pursuant to this clause 16.2 is likely to fail to complete, or if the Exiting Shareholder ceases to pursue the process for any reason, then:
- (i) the Exiting Shareholder shall give notice to the Non-Exiting Shareholder and the Company as soon as practicable and shall procure that such process is terminated in accordance with the definitive documents entered into to effect the sale pursuant to the Drag Sale Offer; and
  - (ii) all costs reasonably and actually incurred by the Non-Exiting Shareholder in connection with the Drag Sale Offer process (including through compliance with its obligations under this clause 16.2) shall be borne by the Exiting Shareholder.
- (R) At any time after the date of the Drag Notice the Non-Exiting Shareholder may, acting reasonably, request periodic updates from the Exiting Shareholder on the status of the sale process and the Exiting Shareholder shall, within five Business Days of such request, provide sufficient details of the current status of activities and the overall intended timeline to confirm that the Exiting Shareholder is continuing to pursue the process diligently and in good faith. In the event that the Exiting Shareholder fails to provide such information to the reasonable satisfaction of the Non-Exiting Shareholder then the Non-Exiting Shareholder shall have the right to give notice to the Exiting Shareholder requiring termination of the process with immediate effect and the Exiting Shareholder shall procure the same.
- (S) Notwithstanding the above provisions of this clause 16.2, the Exiting Shareholder shall be entitled to structure a sale of all of the assets and liabilities of the Company and its Group through a structure other than a sale of the Shares (such as an asset sale, merger or distribution) provided, where the Exit Election Notice has been served in the circumstances set out in 16.1(H)(iii) that it can demonstrate to the reasonable satisfaction of the Non-Exiting Shareholder that such process will deliver to the Non-Exiting Shareholder a net financial value equal to a price per Share of at least the Specified Percentage higher than the fixed amount set out in the ROFO Notice.

### 16.3 Cooling off period

Save where clause 16.1(D) or clause 16.2(E)(iii) applies, following service of a valid Exit Notice, no other Exit Notice or IPO Notice may be served by either Shareholder for a period of 12 months after the earlier of the following events: (a) the process provided for in this clause 16 having concluded without there being a sale of Shares; or (b) the Exiting Shareholder having given notice to the Non-Exiting Shareholder (or vice-versa) of termination of the relevant process in accordance with this clause 16.

## 17. DEFAULT

### 17.1 Events of Default

- (A) The following are “**Events of Default**” in relation to a Shareholder:
- (i) the Shareholder makes any Disposal of any Shares which is in breach of this agreement;
  - (ii) save as a consequence of any transfers or issues permitted by clause 15.4 (Intermediate Holding Company transfers), any Intermediate Holding Company ceases to be a direct or indirect wholly-owned subsidiary of the Ultimate Parent and, as a consequence, the Shareholder ceases to be a direct or indirect wholly-owned subsidiary of the Ultimate Parent;
  - (iii) any procedure is commenced for the winding-up, dissolution or re-organisation of any Intermediate Holding Company or its Ultimate Parent (other than for the purpose of a solvent amalgamation or reconstruction) and that procedure (unless commenced by the relevant Intermediate Holding Company or its Ultimate Parent, as the case may be) is not terminated or discharged within 60 Business Days;
  - (iv) any procedure is commenced for the appointment of an administrator, liquidator, receiver, administrative receiver or trustee in bankruptcy in relation to any Intermediate Holding Company or its Ultimate Parent or all or substantially all of its assets and that procedure (unless commenced by the relevant Intermediate Holding Company or its Ultimate Parent, as the case may be) is not terminated or discharged within 60 Business Days;
  - (v) any procedure is commenced by a Relevant Securityholder to enforce a Relevant Security Interest and that procedure is not discontinued within 60 Business Days or a Relevant Securityholder enforces a Relevant Security Interest;
  - (vi) any procedure is commenced by a holder of any security over all or substantially all of the assets of any Intermediate Holding Company or

discontinued within 60 Business Days or a holder of any security over all or substantially all of the assets of any Intermediate Holding Company or its Ultimate Parent to enforces that security;

- (vii) all or substantially all of the assets of any Intermediate Holding Company or its Ultimate Parent is subject to attachment, sequestration, execution or any similar process and that process is not terminated or discharged within 60 Business Days.
- (B) Each Shareholder shall provide to the other Shareholder any information and/or evidence reasonably requested by the other Shareholder to enable it to determine whether an Event of Default has occurred in respect of that Shareholder within ten Business Days after the request is received (and for the avoidance of doubt a Shareholder may make such request at any time that it reasonably believes any of the matters listed in clause 17.1(A) may have occurred in respect of the other Shareholder, irrespective of whether an applicable cure period has elapsed).

## 17.2 Default Notice

- (A) This clause 17.2 shall apply if, in the reasonable opinion of a Shareholder (the “**Non-Defaulting Shareholder**”), an Event of Default has occurred in relation to any Shareholder (the “**Defaulting Shareholder**”).
  - (B) The Non-Defaulting Shareholder may give notice (a “**Default Notice**”) to the Defaulting Shareholder and the Company that an Event of Default has occurred. The Default Notice must identify the particular Event of Default that the Non-Defaulting Shareholder claims has occurred and to the extent available must include evidence giving a reasonable basis to substantiate this claim.
  - (C) Within 10 Business Days of receipt of the Default Notice, the Defaulting Shareholder may, acting reasonably, serve a notice in writing on the Non-Defaulting Shareholder (with a copy to the Company) (a “**Default Dispute Notice**”) stating that it disputes that the Event of Default identified in the Default Notice has occurred. The Default Dispute Notice must include reasons and evidence giving a reasonable basis in support of the Defaulting Shareholder’s position.
  - (D) As soon as reasonably practicable following receipt of the Default Dispute Notice, and, in any event within five Business Days, the Shareholders shall jointly appoint and instruct a King’s Counsel to determine whether or not the Event of Default described in the Default Notice has occurred, such determination to be provided within 10 Business Days of the date of instruction. If the Shareholders fail to agree the appointment of a King’s Counsel within the five Business Day time period, the Non-Defaulting Shareholder may request that the Chairman of the General Council of the Bar appoint a King’s Counsel
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from Erskine Chambers, One Essex Court Chambers or Brick Court Chambers, within five Business Days of the date of such request, to provide the determination described in this clause 17.2(D).

(E) If no Default Dispute Notice is served or if the Shareholders subsequently agree or if the King's Counsel's determination referred to in clause 17.2(D) is that the Event of Default identified in the Default Notice occurred, the Non-Defaulting Shareholder may:

(i) if the Event of Default identified in the relevant Default Notice is an Event of Default set out in any one of clauses 17.1(A)(iii) to 17.1(A)(vii), give notice to the Defaulting Shareholder and the Company within 30 Business Days of:

(a) if no Default Dispute Notice is served by the Defaulting Shareholder, the date falling 10 Business Days after the Default Notice is served; or

(b) if a Default Dispute Notice is served by the Defaulting Shareholder, the date on which the Shareholders subsequently agree or the King's Counsel's opinion referred to in clause 17.2(D) determines that the Event of Default identified in the Default Notice has occurred at the time such agreement or determination is made,

that it requires the Defaulting Shareholder to sell or procure the sale of all of the Shares held by the Defaulting Shareholder (the "**Specified Shares**") to the Non-Defaulting Shareholder at their Prescribed Value and free from all encumbrances and together with all rights attaching to them (a "**Call Option Notice**"); and/or

(ii) give notice to the Defaulting Shareholder and the Company that clause 17.4 applies in respect of the Shares held by the Defaulting Shareholder (a "**Cessation of Rights Notice**"), provided that if the Event of Default identified in the relevant Default Notice is an Event of Default set out in clause 17.1(A)(i) or 17.1(A)(ii), the Defaulting Shareholder has not remedied the Event of Default to the reasonable satisfaction of the Non-Defaulting Shareholder (acting reasonably) within a period of three months from the date of the Default Notice.

### 17.3 Call option

(A) This clause 17.3 shall apply if the Non-Defaulting Shareholder has issued a Call Option Notice in accordance with clause 17.2(E)(i) above. Any rights granted under this clause 17.3 to the Non-Defaulting Shareholder are additional to any rights the Non-Defaulting Shareholder has under clause 17.4.

- (B) Following the issuance of the Call Option Notice, the parties shall use all reasonable endeavours to determine or procure the determination of the Prescribed Value of the Specified Shares as soon as reasonably practicable after the giving of a Call Option Notice.
- (C) The Non-Defaulting Shareholder may revoke the Call Option Notice within 10 Business Days after the Prescribed Value of the Specified Shares has been determined. If the Call Option Notice is revoked, no further Call Option Notice may be served in respect of the same fact, matter or circumstances giving rise to the Event of Default.
- (D) If the Call Option Notice is not revoked, the transfer of the Specified Shares shall be:
  - (i) solely conditional upon (a) the obtaining of any anti-trust approvals or consents, (b) the obtaining of any other regulatory approvals and consents, and (c) the obtaining of any shareholder and/or third party consents, in any case, as are mandatorily required by law or regulation in connection with the proposed acquisition of the Specified Shares by the Non-Defaulting Shareholder and their sale by the Defaulting Shareholder; and
  - (ii) completed in accordance with clause 18 (Completion of Transfers), after the determination of the Prescribed Value of the Specified Shares on the date being the later of:
    - (a) 10 Business Days after the date on which all of the conditions described in clause 17.3(D)(i) have been satisfied by the Non-Defaulting Shareholder); and
    - (b) 10 Business Days after the date of determination of the Prescribed Value of the relevant Shares,

and, in any event, must have completed in accordance with clause 18 (Completion of Transfers) within 12 months from the date of the Call Option Notice.
- (E) If, at any time prior to completion of the transfer of the Specified Shares, the relevant Event of Default is remedied to the reasonable satisfaction of the Non-Defaulting Shareholder (acting reasonably) then completion shall not occur and the rights of the Non-Defaulting Shareholder to call the Specified Shares shall be terminated in respect of such Event of Default.

#### 17.4 Cessation of rights

- (A) This clause 17.4 shall apply if the Non-Defaulting Shareholder has issued a Cessation of Rights Notice in accordance with clause 17.2(E)(ii) above. Any

rights granted under this clause 17.4 to the Non-Defaulting Shareholder are additional to any rights the Non-Defaulting Shareholder has under clause 17.3 (Call option).

(B) Following the issuance of the Cessation of Rights Notice, the Shareholders and Company agree that:

- (i) the Defaulting Shareholder will not have any rights to dividends or distributions under clauses 11 (Dividend Policy) or 13 (Target Leverage Ratio), any reserved matter rights under clause 4 (Reserved Matters) or Director nomination and appointment rights under clause 6 (Shareholder Appointments) until the Event of Default identified in the Default Notice is remedied to the satisfaction of the Non-Defaulting Shareholder (acting reasonably) or a transfer of the Specified Shares is completed pursuant to clause 17.3 (Call Option) (such period being the "**Default Period**");
- (ii) during the Default Period, the Directors nominated and appointed upon request of the Defaulting Shareholder shall cease to count in the quorum for and to have voting rights in meetings of the Board, and resolutions of the Board shall be decided by a simple majority vote of all votes cast by the Directors present or represented by an Alternate (and entitled to count in the quorum of such meeting) including the vote of at least two of the Directors nominated and appointed upon request of the Non-Defaulting Shareholder (but excluding the votes of the Directors nominated and appointed upon request of the Defaulting Shareholder);
- (iii) the Defaulting Shareholder must pay to the Non-Defaulting Shareholder an amount equal to any dividends or distributions it received during the period from the date of the Default Notice to the end of the Default Period (less any Tax payable thereon (or Tax which would have been so payable but for the availability of any Relief) by the Defaulting Shareholder); and
- (iv) for the avoidance of doubt, during the Default Period, the Defaulting Shareholder must comply with its obligations under this agreement.

(C) The rights of the Defaulting Shareholder shall be reinstated on the day immediately following the end of the Default Period.

#### 17.5 **Protection of legitimate interests**

Each of the parties agrees and acknowledges that:

- (A) the Shareholders have a common commercial objective and interest, being the successful promotion and development of the Company's Group and the Business, and that this is dependent on, inter alia, the mutual trust, confidence

between the Directors;

- (B) this clause 17 is a common provision in agreements of this nature and is reasonable and proportionate to protect the Shareholders' legitimate interests described above; and
- (C) each of the Shareholders is a sophisticated commercial enterprise which has engaged legal and financial advisers to advise it in relation to this agreement.

#### 17.6 Indemnity in respect of certain Events of Default

The Defaulting Shareholder shall indemnify each of the Non-Defaulting Shareholder and the Company on demand against each loss, liability and cost which the Non-Defaulting Shareholder or the Company incurs as a result of an Event of Default set out in clause 17.1(A)(i) or clause 17.1(A)(ii).

#### 17.7 O2 Daisy Events of Default

- (A) The Company shall procure that the O2 Daisy Shareholder shall:
    - (i) notify the Company and the Shareholders of an O2 Daisy Default as soon as reasonably practicable after the O2 Daisy Shareholder becomes aware of such O2 Daisy Default;
    - (ii) only issue an O2 Daisy Default Notice with the prior written consent of, or if directed to in writing to by, the Shareholders;
    - (iii) issue an O2 Daisy Default Dispute Notice if directed to in writing by the Shareholders (or the Non-Defaulting Shareholder if the relevant O2 Daisy Event of Default has been caused by an Event of Default); and
    - (iv) issue an O2 Daisy Cessation of Rights Notice if directed to in writing by a Shareholder (or the Non-Defaulting Shareholder if the relevant O2 Daisy Event of Default has been caused by an Event of Default).
  - (B) In respect of the determination of the O2 Daisy Prescribed Value of any O2 Daisy Shares in accordance with clause 21.1 (Prescribed Value of Shares) of the O2 Daisy Shareholders' Agreement, the Company shall procure that the O2 Daisy Shareholder shall:
    - (i) not appoint the VMO2 Banker without the prior written consent of the Shareholders;
    - (ii) consult with, and have regard to the comments and suggestions of, the Shareholders in respect of determining the O2 Daisy Prescribed Value of any O2 Daisy Shares; and
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- (iii) not agree the O2 Daisy Prescribed Value of any O2 Daisy Shares with the Other O2 Daisy Shareholder without the prior written consent of the Shareholders.

## **18. COMPLETION OF TRANSFERS**

### **18.1 Encumbrances and rights**

- (A) Where the transfer of any Share takes place in accordance with this agreement, the Share shall be transferred free of encumbrances and with all rights attaching thereto.
- (B) Where the transfer of any Shareholder Loans takes place in accordance with this agreement, the Shareholder Loans shall be transferred at par together with all accrued but unpaid interest, free of encumbrances and with all rights attaching thereto.

### **18.2 Satisfaction of conditions**

Where any Share or Shareholder Loan is to be transferred in accordance with this agreement, the Shareholders shall (and shall procure that the relevant members of their Group shall) cooperate with one another (acting reasonably) with a view to satisfying any conditions that the transfer of such Shares are subject to and otherwise use reasonable endeavours to fulfil or procure the fulfilment of any such conditions as soon as reasonably practicable.

### **18.3 Obligations at completion**

In order to transfer Shares and/or Shareholder Loans under this agreement:

- (A) the purchaser shall:
  - (i) pay the aggregate transfer price in cash in respect of the relevant Shares and/or Shareholder Loans to (i) the seller's nominated account on the date of completion, or (ii) in such other manner as may be agreed by the seller and the purchaser before completion of the transfer of the Shares and/or Shareholder Loans; and/or
  - (ii) settle the non-cash consideration on the date of completion or in such other manner as may be agreed by the seller and the purchaser before completion of the transfer of the Shares and/or Shareholder Loans;
- (B) the seller and the purchaser shall execute a sale and purchase agreement in respect of the Shares and/or Shareholder Loans (if required); and
- (C) the seller, the purchaser and the Company shall take all such other steps or decisions as are reasonably necessary to implement the transfer.

**19. IPO****19.1 IPO Notice**

- (A) Either Shareholder (the "**Initiating Shareholder**") may at any time following the third anniversary of the date of this agreement serve a written notice on the other Shareholder (the "**Receiving Shareholder**") and the Company that it wishes to pursue an initial public offering (an "**IPO**") of the Company (an "**IPO Notice**"). Following service of an IPO Notice, each Shareholder shall use all reasonable endeavours to implement, and to procure that the Company shall implement, an IPO in accordance with this clause 19. Unless otherwise permitted by this agreement, an IPO Notice may not be served if an Exit Notice or a Group Sale Notice has been served and the process following from such notice has not lapsed or terminated, unless the Shareholders agree to undertake a dual track exit process, in which case the terms of this clause 19 shall apply.
- (B) Within 20 Business Days of receipt of the IPO Notice by the Receiving Shareholder and the Company, the Company, together with the Shareholders, shall interview investment banks of international repute to act as joint global coordinators and joint bookrunners for the IPO (the "**Beauty Parade**").
- (C) Within 30 Business Days of receipt of the IPO Notice by the Receiving Shareholder and the Company (or, if later, five Business Days after the final bank participating in the Beauty Parade has been interviewed), each Shareholder shall be entitled to nominate one investment bank from the Beauty Parade to act as a joint global coordinator and joint bookrunner for the IPO and, following such nominations, the Company and the Shareholders shall, acting jointly, appoint the nominated investment banks to act as joint global coordinators and joint bookrunners for the IPO (the "**Joint Global Coordinators**").
- (D) The Company may appoint an independent investment bank to act as financial adviser to the Company in connection with the IPO (the "**Financial Adviser**"), subject to the identity of such investment bank being approved by both Shareholders. If the Shareholders are unable to agree, the appointment of the Financial Adviser shall be referred to the chief executive officer of each Shareholder's Ultimate Parent and those executives shall meet as soon as reasonably practicable (but in any event no later than 10 Business Days after the matter is referred to them) and use reasonable endeavours to resolve the appointment of the Financial Adviser. If there is no resolution between the chief executive officers, the Company shall not appoint a Financial Adviser.
- (E) In addition to the Joint Global Coordinators and the Financial Adviser, the Shareholders may, by mutual agreement, nominate any additional investment banks of international repute to act as bookrunners and lead managers and the Company and each Shareholder shall, acting jointly, appoint any such additional

investment bank to act in that capacity as soon as reasonably practicable after such nomination.

- (F) The terms of appointment of the Joint Global Coordinators, the Financial Adviser and any other bookrunners and lead managers shall provide that, save as may otherwise be agreed by the Shareholders, the Company shall pay the fees, commissions and expenses of the Joint Global Coordinators, the Financial Adviser, any bookrunners and lead managers and any Company Advisers (as applicable) in connection with the IPO, other than any underwriting commission on the sale of any Shares in the IPO which shall be paid by the Shareholder(s) in proportion to the number of Shares sold pursuant to the IPO.
- (G) The Company shall, following consultation with the Initiating Shareholder and the Receiving Shareholder, appoint, at its own cost, external legal counsel, reporting accountants and other advisers as and when may reasonably be required in order to facilitate a successful IPO (including, but not limited to, advising on the appropriate existing entity in the Company's Group or a newly incorporated entity to be listed pursuant to the proposed IPO and the jurisdiction of incorporation and tax domicile of such entity) (together, the "**Company Advisers**").
- (H) Following the appointment of the Joint Global Coordinators, the Shareholders and the Company undertake to each other to work together in good faith with the Joint Global Coordinators in connection with the proposed IPO for the duration of the IPO process, including, but not limited to, working together with the Joint Global Coordinators in good faith so that the Joint Global Coordinators can make recommendations, subject always to the Pre-Agreed Parameters, as to (i) the Secondary IPO Venue (if required in accordance with clause 19.2(A)), (ii) the offer structure of the IPO, (iii) the equity story, (iv) optimal execution market windows, (v) capital structure and distribution policies, (vi) the governance structure of the IPO entity, and (vii) the price range and the offer size for an IPO (the "**JGC Recommendations**").
- (I) The Shareholders agree that any IPO shall be implemented in accordance with the priorities set out below (the "**IPO Principles**"), and the Joint Global Coordinators shall be instructed that, when making the JGC Recommendations, they must take into account the Pre-Agreed Parameters (as defined below) and the intention of the Shareholders to achieve a successful IPO in accordance with the IPO Principles as follows:
  - (i) maximising the valuation per Share of the Shares to be sold in the IPO (as the first priority);
  - (ii) ensuring a good after-market performance of the listed Shares post-IPO with good liquidity levels consistent with IPOs of a similar nature (as the second priority); and

- (iii) achieving a sale of the greatest possible number of Shares in the IPO

(as the third priority), subject to any maximum number offered for sale by the Shareholders.

- (J) If the Joint Global Coordinators cannot agree on any JGC Recommendation in connection with the IPO, the Initiating Shareholder shall decide which of the Joint Global Coordinator's recommendations shall take precedence.
  - (K) Without prejudice to the Initiating Shareholder's obligation to serve an IPO Tag Notice in accordance with clause 19.1(L), the Receiving Shareholder may at any time following service of an IPO Notice up until the receipt of the IPO Tag Notice give written notice to the Initiating Shareholder and to the Company that it wishes to participate in the IPO on a joint basis with the Initiating Shareholder.
  - (L) No later than 30 Business Days ahead of any "expected intention to float announcement" in the case of an IPO on the Preferred IPO Venue or equivalent stage of the process for an IPO on a Secondary IPO Venue, the Initiating Shareholder shall serve an "**IPO Tag Notice**" on the Receiving Shareholder, such notice to include details of the number of Shares proposed to be offered for sale by the Initiating Shareholder pursuant to the IPO, an indicative price range for the IPO, the number of Shares that the Joint Global Coordinators recommend can be sold in the IPO, the indicative price range for the IPO recommended by the Joint Global Coordinators and details of the offer structure of the IPO, the equity story, the optimal execution market window(s), capital structure and capital allocation policies and confirmation that the terms of the IPO will be in accordance with the Pre-Agreed Parameters. Following receipt of the IPO Tag Notice, the Receiving Shareholder shall have the option, exercisable until 10 Business Days before the proposed date of any "intention to float" announcement (or its equivalent in any jurisdiction) in connection with a possible IPO, by giving written notice to the Initiating Shareholder, to participate in the sale of its Shares pursuant to the IPO (the "**IPO Option**").
  - (M) If the Receiving Shareholder exercises the IPO Option or gives notice under clause 19.1(K):
    - (i) the number of shares that the Initiating Shareholder may offer for sale shall be reduced to such extent required to allow the Receiving Shareholder to be able to sell up to the number of Shares held by it equivalent to its Percentage Interest multiplied by the number of Shares to be offered for sale pursuant to the IPO as determined in accordance with clause 19.1(M)(iv);
    - (ii) without prejudice to clause 19.2, the Shareholders and the Company shall proceed with the IPO and the Shareholders shall agree, taking into account the JGC Recommendations, the terms of the IPO, save that if the Shareholders are unable to agree on the terms of the IPO, the Initiating Shareholder shall decide the terms of the IPO;
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- (iii) the Shareholders shall agree the price range per Share (or, if the Shareholders cannot agree, following an escalation to the chief executive officer of each Shareholder's Ultimate Parent, the final price range per Share shall be the price range decided by the Initiating Shareholder) and at the time of the publication of such price range per Share for the IPO (the "**Published Price Range**"), the Receiving Shareholder must confirm in writing to the Initiating Shareholder whether:
    - (a) it accepts the Published Price Range, in which case the Receiving Shareholder shall be required to sell its agreed allocation of the Shares for sale pursuant to the IPO if the final price per Share for the IPO is equal to or greater than the lowest price within the Published Price Range; or
    - (b) it rejects the Published Price Range, in which case the Receiving Shareholder shall not be permitted to offer any of the Shares held by it for sale pursuant to the IPO, but the Initiating Shareholder and the Company may still proceed with the IPO, as if the Receiving Shareholder had not elected to exercise the IPO Option or give notice under clause 19.1(K); and
  - (iv) provided that the Receiving Shareholder has not rejected the Published Price Range in accordance with clause 19.1(M)(iii)(b), the Shareholders shall agree the final amount of Shares to be offered for sale and the final price per Share for the IPO with the Joint Global Coordinators (or failing agreement, the final amount of Shares to be offered and the final price per Share shall be those amounts and price decided by the Initiating Shareholder, provided that the final price per Share is within the Published Price Range. If the final amount of Shares to be offered for sale is lower than the number of Shares proposed to be offered for sale by the Initiating Shareholder pursuant to the IPO as set out in the IPO Tag Notice, the number of Shares that the Initiating Shareholder and Receiving Shareholder can offer for sale pursuant to the IPO shall be scaled down, pro-rata. If the final price per Share is below the Published Price Range, the Receiving Shareholder may withdraw from offering any of the Shares held by it for sale pursuant to the IPO, but the Initiating Shareholder and the Company may still proceed with the IPO on the terms decided by the Initiating Shareholder.
- (N) If the Receiving Shareholder does not elect to exercise the IPO Option or give notice under clause 19.1(K):
- (i) without prejudice to clause 19.2, the Initiating Shareholder and the Company may proceed with the IPO on the terms decided by the Initiating Shareholder; and

- (ii) the Initiating Shareholder shall agree the final amount of Shares to be offered for sale by the Initiating Shareholder, as well as the price range per Share and the final price per Share for the IPO with the Joint Global Coordinators.
- (O) An IPO must be completed within 15 months of the date of the IPO Notice, failing which (unless the Shareholders otherwise agree) the Shareholders and the Company shall procure that such process is terminated.

## 19.2 Pre-Agreed Parameters

- (A) Subject to clause 19.2(B), in respect of any IPO proposed pursuant to this clause 19, the Shareholders and the Company shall pursue such IPO on the Preferred IPO Venue, unless all of the Pre-Agreed Parameters cannot be satisfied if the IPO is on the Preferred IPO Venue and both Shareholders do not agree to amend the Pre-Agreed Parameters in order to achieve such IPO on the Preferred IPO Venue, in which case the Shareholders and the Company, shall pursue an IPO on:
  - (i) if the Pre-Agreed Parameters can only be satisfied on one of the Secondary IPO Venues, that Secondary IPO Venue on which the Pre-Agreed Parameters can be satisfied on; or
  - (ii) if the Pre-Agreed Parameters can be satisfied on both Secondary IPO Venues, the Secondary IPO Venue that is agreed by both Shareholders.
- (B) If the IPO Venue is not determined or agreed by the Shareholders in accordance with clause 19.2(A), the Initiating Shareholder shall decide on which of the Secondary IPO Venues the IPO should occur.
- (C) If the Pre-Agreed Parameters cannot be satisfied on the Preferred IPO Venue or on the Secondary IPO Venues, the Shareholders shall discuss in good faith any necessary amendments to the Pre-Agreed Parameters.
- (D) In respect of any IPO proposed pursuant to this clause 19, unless both Shareholders agree otherwise in writing:
  - (i) the post-IPO distribution policy shall require the distribution of not less than 50 per cent. of the Company's Group's annual free cash flow;
  - (ii) the post-IPO long-term leverage target ratio of net debt to EBITDA shall be between 3.5:1 and 4.5:1;
  - (iii) such IPO shall not include any issue of new Shares to investors in the IPO;

- (iv) if the Liberty Global Shareholder and the Telefónica Shareholder continue to hold in aggregate shares representing more than 50 per cent. of the voting rights in the Company and each of the Liberty Global Shareholder and the Telefónica Shareholder continues to hold at least 20 per cent. of the Shares after the IPO, the Liberty Global Shareholder and the Telefónica Shareholder shall have the right to nominate, in aggregate, non-executive directors constituting the majority of the directors for appointment, with the number of such directors that each Shareholder may nominate to be proportionate to the number of shares held in the Company after the IPO (provided that the number of non-executive directors that may be appointed by the Shareholder with the smaller holding of Shares after the IPO is always rounded up to the next whole number);
- (v) if each of the Liberty Global Shareholder and the Telefónica Shareholder continues to hold at least 20 per cent. of the Shares after the IPO, the Shareholders shall agree to a mutual voting undertaking pursuant to which the Liberty Global Shareholder and the Telefónica Shareholder each agree to vote their respective Shares in favour of the appointment of the directors nominated by the other Shareholder in accordance with clause 19.2(D)(iv); and
- (vi) if the difference in the number of Shares held by each of the Liberty Global Shareholder and the Telefónica Shareholder from time to time after the IPO:
  - (a) is less than or equal to five per cent. of the total voting rights in the Company at the relevant time, the Chairman shall continue to be appointed by one of the Shareholders for a two year term on a rotating basis (provided that if a Shareholder ceases to hold at least 20 per cent. of the voting rights in the Company, it shall no longer have the right to elect the Chairman and the Shareholder holding 20 per cent. or more of the voting rights in the Company shall have the sole right to appoint the Chairman); or
  - (b) is more than five per cent. of the total voting rights in the Company at the relevant time, the Shareholder with the greater voting rights in the Company shall have the right to appoint the Chairman (provided that such Shareholder holds at least 20 per cent. of the voting rights in the Company at any given time),

(together, the "**Pre-Agreed Parameters**").

- (E) The Shareholders acknowledge and agree that the obligations of the parties under this clause 19 (other than this clause 19.2) shall not be in any way affected if the post-IPO governance structure of the Company is inconsistent

such inconsistency.

- (F) If a Shareholder will be required to consolidate the Company on its balance sheet for accounting purposes after the IPO (a "**Consolidation Issue**"), the Shareholders shall discuss in good faith any potential solutions which either Shareholder (acting reasonably) considers may avoid such Consolidation Issue (for the avoidance of doubt, the Shareholder that does not have the Consolidation Issue shall not be required to take any action or agree to any matter that has or would reasonably be expected to have an adverse effect on its economic or accounting position or its governance rights with respect to the Company), but the Shareholders agree that a Consolidation Issue shall not prevent an IPO from occurring or release the Shareholder with the Consolidation Issue from its obligations under this clause 19.
- (G) If and to the extent that the application of the governance principles set out in the Pre-Agreed Parameters on the relevant IPO Venue cause the Liberty Global Shareholder and the Telefónica Shareholder to be or to be deemed to be concert parties (or equivalent) with respect to the Company upon and following IPO, the Shareholders shall agree appropriate arrangements to comply with and mitigate the consequences of any regulations relating to that status.

### 19.3 **Company obligations**

- (A) Following the receipt of an IPO Notice, the Company undertakes to each of the Shareholders to use all reasonable efforts, take all such reasonable steps and do all such things as may be reasonably necessary or desirable to effect the IPO, as promptly as reasonably practicable, including the following:
    - (i) take all steps required to facilitate and effect any pre-IPO reorganisation;
    - (ii) provide all reasonable assistance and cooperation to its advisers appointed in connection with the IPO, the Shareholders (or either of them), the Joint Global Coordinators and their respective advisers;
    - (iii) hire additional resources at its own cost to the extent required to effect the IPO;
    - (iv) prepare any Listing Document on customary terms required in connection with the IPO and, subject to clause 19.3(A)(xi) below, have the same approved by a relevant national competent authority, securities regulator or exchange in accordance with applicable law or regulation;
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- (v) prepare any Marketing Documents reasonably required in connection with the IPO to the standard required by the Joint Global Coordinators and as advised by the Company's other advisers;
- (vi) participate in, and make documents, information and its books, records and employees available to its advisers, the Joint Global Coordinators and their respective advisers for due diligence generally in relation to the IPO;
- (vii) make available appropriate members of management of the Company (including the Executive Management) to its advisers, the Joint Global Coordinators and their respective advisers for due diligence generally in relation to the IPO and for assistance reasonably required in the selling and marketing effort including, but not limited to, participation in "road shows" to the extent customary;
- (viii) carry out customary due diligence in relation to the IPO and verification in relation to the Listing Documents and the Marketing Documents;
- (ix) use all reasonable endeavours to procure that its Directors, subject to each acting in accordance with their fiduciary duties and having received customary advice, accept responsibility for the contents of the Listing Documents and the Marketing Documents relating to the IPO in accordance with customary market practice and applicable law or regulation;
- (x) allow the Shareholders to review and comment on all Listing Documents and Marketing Documents relating to the IPO and accept any changes reasonably required thereto by either Shareholder;
- (xi) withhold from filing, posting or otherwise making public any Listing Documents or Marketing Documents relating to the IPO without the prior approval of the Initiating Shareholder, and the Receiving Shareholder if the Receiving Shareholder exercises the IPO Option or gives notice under clause 19.1(K), (in each case, such approval not to unreasonably withheld or delayed) unless otherwise required by applicable law or regulation;
- (xii) prepare such amendments and supplements to any Listing Documents or Marketing Documents relating to the IPO as may be necessary to comply with applicable law or regulation and with customary market practices and, subject to clause 19.3(A)(xi) above, have the same approved by a relevant national competent authority, securities regulator or exchange in accordance with applicable law or regulation;

- (xiii) where permitted to do so by applicable law or regulation, 'passport' any Listing Documents prepared in connection with the IPO to such jurisdictions as the Initiating Shareholder may reasonably request;
- (xiv) notify each Shareholder:
  - (a) when any Listing Document prepared in connection with the IPO has been approved by a relevant national competent authority, securities regulator or exchange in accordance with applicable law or regulation; and
  - (b) of any material correspondence relating to any Listing Document in respect of the IPO between the Company and any authority, regulator, stock exchange or similar body;
- (xv) execute any documents reasonably necessary to give effect to the IPO, including where required to do so a relationship agreement in accordance with applicable law or regulation and otherwise on customary market terms with each Shareholder affording the Company such degree of independence as is consistent with market practice in relation to the exchange in question;
- (xvi) enter into such agreements with the Joint Global Coordinators and such other bookrunners and lead managers as may be appointed, including (without limitation) a sponsor's agreement, and, if the IPO is to be underwritten, an underwriting agreement (and procure that the Directors enter into such underwriting agreement), in each case in form and substance reasonably satisfactory to the Initiating Shareholder, such agreements to include customary protections given to sponsors, underwriters, bookrunners and/or lead managers (as the case may be) by issuers and, where applicable, its directors in transactions of a similar nature to the IPO (including customary representations, warranties and covenants given in favour of, and indemnification of, such sponsors, underwriters, bookrunners and/or lead managers by the Company and, where applicable, its directors); and
- (xvii) adopt an appropriate remuneration and incentivisation scheme for the Executive Management that is in line with other listed companies, taking into account the applicable stock exchange and sector and any external third party advice.

#### 19.4 Shareholder co-operation and fees

- (A) Following the delivery of an IPO Notice, each of the Shareholders undertakes to each other to do the following in a timely manner following a request from either Shareholder or the Company to do so:

- (i) vote all of its Shares in favour of all resolutions (or sign appropriate written resolutions or consents to short notice) necessary to implement the IPO (including, without limitation, to facilitate any pre-IPO reorganisation), provided that neither Shareholder shall be required to vote in favour of a resolution in respect of any pre-IPO corporate reorganisation step that is disproportionately detrimental to that Shareholder, but shall not vote against a resolution to pursue its own commercial interests over those of the Company and to comply with its obligations set out in this clause 19 in relation to such IPO;
- (ii) take all such other steps and actions and give any consents (including giving consent in respect of any Reserved Matters) reasonably desirable or necessary to implement the IPO (including, without limitation, to facilitate any pre-IPO reorganisation);
- (iii) do everything within its power to procure, to the maximum extent permitted by law, that any Directors nominated and appointed upon its request do everything within their power to achieve the listing of the Company pursuant to the IPO, including, but not limited to:
  - (a) assisting with the preparation of and, subject to each acting in accordance with their fiduciary duties and having received customary advice, accepting responsibility for the contents of the Listing Documents and the Marketing Documents relating to the IPO in accordance with customary market practice and applicable law or regulation;
  - (b) the giving of customary presentations to investors, financiers and their advisers; and
  - (c) entering into any sponsor's and/or underwriting agreement on customary terms in their capacity as directors of the Company, in accordance with the provisions of this clause 19;
- (iv) use all reasonable efforts and take such action as is reasonably necessary to achieve a successful IPO in accordance with the IPO Principles, including but not limited to:
  - (a) assisting and cooperating with the appointment of the Joint Global Coordinators, bookrunners, lead managers and any other advisers in accordance with clause 19.1;
  - (b) providing reasonable assistance and cooperation to the other Shareholder, the Company, the Joint Global Coordinators and their respective advisers;

Listing Documents, Marketing Documents and such other documentation or agreement as is required to effect the IPO;

- (d) issuing appropriate supporting marketing statements necessary or appropriate with a view to a successful IPO, subject to the advice of the Company's advisers, including the Joint Global Coordinators;
  - (e) agreeing to and cooperating with any process to repay or capitalise the Shareholder Loans;
  - (f) agreeing to and cooperating with any reorganisation or restructuring of the Company's Group which the Initiating Shareholder or the Company may consider reasonably necessary or desirable to effect the IPO;
  - (g) giving customary representations, warranties and indemnities to the Joint Global Coordinators and any other bookrunners and/or lead managers that may be appointed in connection with the IPO in respect of itself and the Company's Group, including, but not limited to, (i) capacity and authority to sell Shares in the IPO, (ii) legal and beneficial title to the Shares to be sold in the IPO, (iii) compliance with standard US securities law requirements, (iv) no stabilisation activity, (v) no market abuse, and (vi) sanctions, anti-corruption, anti-money laundering and anti-tax evasion;
  - (h) entering into a relationship agreement in accordance with applicable law or regulation and otherwise on customary market terms with the Company affording the Company such degree of independence as is consistent with market practice in relation to the exchange in question;
  - (i) entering into such lock-up, standstill and/or orderly marketing agreements on customary market terms in respect of any Shares they continue to hold following the IPO as may be advised by the Joint Global Coordinators, provided that, in each case, such lock-up, standstill and/or orderly marketing agreement shall be in accordance with prevailing market practice in terms of scope and time period (provided that, in the case of any lock-up agreement, the lock-up period shall be at least 180 days); and
  - (j) assisting the Company with the adoption of an appropriate remuneration and incentivisation scheme for the Executive Management that is in line with other listed companies, taking
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into account the applicable stock exchange and sector and any external third party advice.

- (B) The Liberty Global Shareholder and the Telefónica Shareholder shall use reasonable endeavours to agree that as part of the governance of the Company after the IPO, each Shareholder shall have the right to nominate non-executive directors for appointment, with the number of such directors that each of the Liberty Global Shareholder and the Telefónica Shareholder may nominate to be proportionate to the number of Shares held after the IPO from time to time (provided that the number of non-executive directors that may be appointed by the Shareholder with the smaller holding of Shares after the IPO is always rounded up to the next whole number).
- (C) Save as set out in this clause 19, the Company and the Shareholders agree that they will each bear their own respective costs incurred in connection with the IPO.
- (D) Each Shareholder shall act in good faith in complying with its obligations under this clause 19.
- (E) If, at any time prior to expiry of the 15 month period set out in clause 19.1(O), it becomes apparent to the Initiating Shareholder (acting reasonably) that the IPO process initiated pursuant to this clause 19 is likely to fail to complete, or if the Initiating Shareholder ceases to pursue the IPO for any reason, then the Initiating Shareholder shall give notice to the Receiving Shareholder. The Receiving Shareholder shall have ten Business Days to elect to continue with the IPO process in respect of its Shares. If the Receiving Shareholder does not make such election, the Shareholders shall as soon as practicable following the expiry of the ten Business Day period referred to above procure that such process is terminated. If the Receiving Shareholder elects to continue to pursue the IPO process pursuant to this clause 19.4(E), the Receiving Shareholder:
- (i) must complete the IPO within the 15 month period set out in clause 19.1(O), as it applied to the initial IPO process; and
  - (ii) shall be considered the Initiating Shareholder for the purposes of this clause 19 and the other Shareholder shall be deemed the Receiving Shareholder,

and both Shareholders must comply with the procedures set out in this clause 19 in respect of any IPO process pursued.

- (F) At any time after the date of the IPO Tag Notice the Receiving Shareholder may, acting reasonably, request periodic updates from the Initiating Shareholder and the Company on the status of the IPO process and the Initiating Shareholder and the Company shall, within five Business Days of such request, provide

sufficient details of the current status of activities and the overall intended timeline to enable the Receiving Shareholder to confirm that the Initiating Shareholder and the Company are continuing to pursue the process diligently and in good faith.

#### 19.5 **Cooling off period**

Following service of a valid IPO Tag Notice, no other IPO Notice, Exit Notice or Group Sale Notice may be served by either Shareholder, unless waived by both Shareholders in writing, for a period of nine months after the earlier of the following events: (a) all time periods referred to in this clause 19 have expired; or (b) the termination of the IPO in accordance with this clause 19.

#### 19.6 **General**

If in connection with any IPO a pre-IPO reorganisation is proposed to be implemented in accordance with this clause 19 then, to the extent the context requires, references to:

- (A) "the Company" shall be construed as references to the company the shares of which will be offered to investors pursuant to the IPO; and
- (B) "the Shares" shall be construed as reference to the shares to be offered to investors pursuant to the IPO.

### 20. **EFFECT OF DEED OF ADHERENCE AND DEED OF NOVATION**

- (A) The parties agree to extend the benefit of this agreement to any person who acquires Shares in accordance with this agreement and enters into a Deed of Adherence in the form set out in Schedule 2 (Form of Deed of Adherence), but without prejudice to the continuation inter se of the rights and obligations of the original parties to this agreement and any other persons who have entered into such a Deed of Adherence.
- (B) The parties agree to extend the benefit of this agreement to any person who acquires Shareholder Loans in accordance with this agreement and enters into a Deed of Adherence in the form set out in Schedule 2 (Form of Deed of Adherence) and a Deed of Novation in the form set out in Schedule 4 (Form of Deed of Novation), but without prejudice to the continuation inter se of the rights and obligations of the original parties to this agreement and any other persons who have entered into such a Deed of Adherence and a Deed of Novation.

### 21. **PRESCRIBED VALUE**

The "**Prescribed Value**" of any Shares shall be determined as follows:

- (A) the Prescribed Value of any Shares shall be a percentage of the market value of the total issued share capital of the Company, such percentage being equal to the percentage of such total issued share capital represented by those Shares;
- (B) the market value of the total issued share capital of the Company shall be an amount determined on the basis of the fully distributed market value at which the Company's Shares would trade on a regulated market (excluding any IPO discount);
- (C) the Prescribed Value shall be as agreed between the Liberty Global Shareholder and the Telefónica Shareholder or in the absence of agreement within 15 Business Days from the date of the Call Option Notice, as determined in accordance with the following procedure:
  - (i) each Shareholder shall appoint an investment bank of international repute within 20 Business Days of the date of the Call Option Notice to act as appraiser under this procedure (the banks designated by the Liberty Global Shareholder and the Telefónica Shareholder being referred to herein as the "**Liberty Global Banker**" and the "**Telefónica Banker**", respectively). Within five Business Days after the designation of the Liberty Global Banker or the Telefónica Banker, whichever is later, the Liberty Global Banker and the Telefónica Banker shall agree upon and jointly designate a third investment bank of international repute to be appointed by the Company and serve as an appraiser pursuant to this procedure and in the event that the Liberty Global Banker and the Telefónica Banker fail to agree on a third investment bank (the "**Third Banker**" and collectively with the Liberty Global Banker and the Telefónica Banker, the "**Bankers**") within the five Business Day period, the Third Banker shall be an investment bank of international repute appointed by the Chairman of the British Bankers Association;
  - (ii) on the date 30 Business Days from the date of designation of the Third Banker, the Liberty Global Banker, the Telefónica Banker and the Third Banker shall each deliver to the Company their determination of the Prescribed Value of the relevant Shares;
  - (iii) the higher of the Prescribed Value determined by the Liberty Global Banker and the Telefónica Banker is the "**Higher Number**" and the lower Prescribed Value determined by the Liberty Global Banker and the Telefónica Banker is the "**Lower Number**";
  - (iv) if the Higher Number is not more than 110 per cent. of the Lower Number, the Prescribed Value will be the arithmetic average of such two numbers;
  - (v) if the Higher Number is more than 110 per cent. of the Lower Number, the Prescribed Value will be:

- Third Banker ("**Third Number**") is greater than the Higher Number;
- (b) the Lower Number, if the Third Number is less than the Lower Number;
  - (c) the arithmetic average of the Third Number and the other number (Higher Number or Lower Number) that is closer to the Third Number, if the Third Number falls within the range between (and including) the Lower Number and the Higher Number; or
  - (d) the Third Number, if the Lower Number and the Higher Number are equally close to the Third Number;
- (D) the Shareholders agree to procure that the Company provide each Banker with such information within the Company's possession that may be reasonably requested in writing by such Banker for purposes of its evaluation hereunder;
- (E) the Bankers are permitted to freely consult with the Company and the Shareholders in the course of conducting their evaluations;
- (F) the Bankers shall act as experts and not as arbitrators whose decision shall, save for manifest error, be final and binding; and
- (G) all Bankers' fees shall be borne by the Shareholders, pro rata to their Percentage Interest.

## **22. SHAREHOLDER UNDERTAKINGS**

### **22.1 General**

Each Shareholder undertakes with each other Shareholder that it will:

- (A) comply with each of the provisions of this agreement;
  - (B) exercise its voting rights and other rights as a shareholder of the Company in order (insofar as it is able to do so through the exercise of such rights) to give full effect to the terms of this agreement and the rights and obligations of the parties as set out in this agreement; and
  - (C) procure that any Director nominated and appointed upon its request from time to time shall (subject to their fiduciary duties to the Company) exercise their voting rights and other powers and authorities in order (insofar as they are able to do so through the exercise of such rights, powers and authorities) to give full effect to the terms of this agreement and the rights and obligations of the parties
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as set out in this agreement. If a Director nominated and appointed by a Shareholder is not exercising their voting rights and other powers and authorities in order to give full effect to the terms of this agreement and the rights and obligations of the parties as set out in this agreement, the Shareholder that nominated and appointed such Director will, at the request of the other Shareholder, procure the resignation of the Director concerned.

## 22.2 Anti-corruption

- (A) Each Shareholder undertakes to the other Shareholder and the Company that it will not, and will (to the extent within its powers) procure that its Associated Persons will not, engage in any activity, practice or conduct in connection with its interest in the Company or the operation of the Business which would give rise to an offence under or non-compliance with any anti-bribery and anti-corruption laws, regulations or codes that may apply to the Company, its Associated Persons or a Shareholder or its Associated Persons from time to time, including without limitation, the Bribery Act 2010 and the US Foreign and Corrupt Practices Act 1977.
- (B) Each Shareholder undertakes to the other Shareholder and the Company that it will (to the extent within its powers) procure that the Company and its Associated Persons will not engage in any activity, practice or conduct which would give rise to an offence under or non-compliance with any anti-bribery and anti-corruption laws, regulations or codes that may apply to the Company or its Associated Persons from time to time, including without limitation, the Bribery Act 2010 and the US Foreign and Corrupt Practices Act 1977.
- (C) If a Shareholder becomes aware that it has breached any of its undertakings in clause 22.2(A) or 22.2(B) it will, to the extent permitted by applicable law, immediately notify the other Shareholder and the Company and, at the request of the other Shareholder or the Company, will use reasonable endeavours to immediately remedy such breach. In addition, at the reasonable request of the other Shareholder or the Company, each Shareholder will confirm in writing that it has complied with its undertakings under clauses 22.2(A) and 22.2(B) and will provide any information reasonably requested by that other party in support of such compliance.
- (D) To the extent permitted by law, each Shareholder will indemnify and hold harmless the other Shareholder and the Company and members of their respective Groups from and against any and all claims, damages, losses, penalties, costs (including but not limited to legal fees) and expenses arising from or related to, any breach by that Shareholder of its undertakings in clauses 22.2(A) and 22.2(B).

## 23. UNDERTAKINGS BY THE COMPANY

### 23.1 General

To the extent to which it is able to do so by law, the Company undertakes with each of the Shareholders that it will comply with each of the provisions of this agreement. Each undertaking by the Company in respect of each provision of this agreement shall be construed as a separate undertaking and if any of the undertakings is unlawful or unenforceable the remaining undertakings shall continue to bind the Company.

## 23.2 Anti-corruption

- (A) The Company undertakes to the Shareholders that it will not, and will procure that its Associated Persons will not, engage in any activity, practice or conduct which would give rise to an offence under or non-compliance with any anti-bribery and anti-corruption laws, regulations or codes that may apply to the Company or its Associated Persons from time to time, including without limitation, the Bribery Act 2010 and the US Foreign and Corrupt Practices Act 1977.
- (B) The Company undertakes to the Shareholders that it will ensure compliance by its Group with the anti-bribery and corruption policy adopted by the Company in accordance with clause 7.5 (Company policies) subject to clause 4 (Reserved Matters).
- (C) Any Shareholder who reasonably believes that the Company has not complied with its obligations in this clause 23.2 shall have the right to appoint an independent expert (at the cost of the Company) to investigate the matter and advise the Company on the actions required to remedy any non-compliance. The Company shall be required at its own cost to provide the independent expert with all necessary assistance to conduct the investigation and to implement any such actions.

## 24. PROTECTIVE COVENANTS

### 24.1 Non-compete restriction

- (A) Subject to clauses 24.2, 24.3 and 24.4, each Shareholder undertakes with the other Shareholder and with the Company that it will not and that it will procure that no member of its Group will, either alone or in conjunction with or on behalf of any other person, be engaged or be directly or indirectly interested in carrying on, for itself or by means of investments in other entities, any Restricted Business.
- (B) For the purposes of this agreement, "**Restricted Business**" means the business of providing any one or more of the following in the UK or to end users in the UK (in each case, whether as a network operator, mobile virtual network operator, reseller or other provider, and whether to retail, enterprise or wholesale customers):
  - (i) fixed line telecommunications services;

- (ii) mobile or satellite telecommunications services;
- (iii) fixed line or mobile broadband telecommunications services;
- (iv) 'Internet of Things' services provided directly or indirectly to end customers;
- (v) smart home services (such as home security, voice assistant services, and including Wi-Fi services);
- (vi) Pay Television Services,

but shall not include:

- (vii) free to air broadcasting;
- (viii) live or non-live content creation, ownership, production and distribution whether in the form of television, film, digital or other content, and including, but not limited to, sports, music, gaming or educational content;
- (ix) channel production, ownership and licensing to distributors;
- (x) over the top (OTT) services (whether distributed to the consumer directly or indirectly) or direct to consumer services, in each case whether on a subscription or advertising business model or otherwise (including, but not limited to, advertising video on demand (AVOD) and subscription video on demand (SVOD));
- (xi) cloud or cybersecurity services distributed directly or indirectly to end customers;
- (xii) data centre services, including, but not limited to, colocation services, managed colocation services, hosting, cloud services and ancillary connectivity services;
- (xiii) leasing, acquiring, owning, commercialising or operating telecommunication towers in the UK;
- (xiv) satellite telecommunications services that are not offered in connection with Pay Television Services; or
- (xv) the supply of energy-related and other utility services (but excluding any smart metering services).

clause 24.1(A) shall apply for the period while it remains a Shareholder and for a period of nine months thereafter.

- (D) Following completion of an IPO in accordance with clause 19 (IPO), the undertakings given by each Shareholder in clause 24.1(A) shall apply in respect of a Shareholder for so long as:
- (i) that Shareholder retains a direct or indirect interest in 20 per cent. or more of the issued share capital of the Company and maintains sole or joint control in respect of the Company for the purposes of the EU Merger Regulation; and
  - (ii) the Liberty Global Shareholder and the Telefónica Shareholder, hold in aggregate a direct or indirect interest in more than 50 per cent. of the issued share capital of the Company.
- (E) If a Shareholder or any member of its Group proposes to engage in, or be interested in carrying on, one of the businesses listed in 24.1(B)(x) or 24.1(B)(xi) (the "**Requesting Shareholder**"), it may notify the Company of such proposal, following which the Shareholders and the Company shall discuss in good faith the details of such proposal to determine whether the Company wishes to engage in the relevant business on behalf of the relevant Shareholder or member of its Group, and if so, the terms and conditions of any such arrangement without any obligation for the Requesting Shareholder to accept the Company's offer.

#### 24.2 **Liberty Global non-compete carve-outs**

The undertakings in clause 24.1(A) shall not prohibit the Liberty Global Shareholder or any member of its Group from engaging in, carrying on or holding, directly or indirectly, any interest in the MXC Joint Venture until the date falling six months from the date on which the relevant member of the Liberty Global Shareholder's Group is permitted to pursue a sale of its interest in the MXC Joint Venture in accordance with the joint venture agreement in respect of the MXC Joint Venture and, up until the date on which the relevant member of the Liberty Global Shareholder's Group is permitted to pursue a sale of its interest in the MXC Joint Venture in accordance with the joint venture agreement, the Liberty Global Shareholder shall use reasonable endeavours to negotiate with its partner in the MXC Joint Venture to sell its interest in the MXC Joint Venture to the Company or a third party.

#### 24.3 **Telefónica non-compete carve-outs**

The undertakings in clause 24.1(A) shall not prohibit the Telefónica Shareholder or any member of its Group from engaging in, carrying on or holding, directly or indirectly, any interest in the Internet of Things connectivity platform service provided by the Telefónica Kite Platform, provided that the Telefónica Shareholder first offers the UK aspect of any

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connectivity related business opportunities to the Company (or a member of the Company's Group) to pursue on its behalf in accordance with this clause 24.3. Where the business opportunity is so offered, the Telefónica Shareholder and the Company shall act in good faith to discuss and negotiate such opportunity (in accordance with the terms of this agreement). If no agreement on such business opportunity is reached then, provided that the Telefónica Shareholder has complied with its obligations in that respect under this clause 24.3, the Telefónica Shareholder shall be entitled, through the Telefónica Kite Platform, to pursue such opportunity and any such activities shall not be prohibited by the undertakings in clause 24.1(A).

#### 24.4 **Non-compete carve outs for both Shareholders**

The undertakings in clause 24.1(A) shall not:

- (A) prohibit either Shareholder or any member of its Group from:
  - (i) owning equity securities, shares or similar interests in any company that represent less than 15 per cent. of the voting rights of the securities, shares or similar interests of that body corporate or owning any debt securities in any company, provided that the relevant Shareholder shall not be granted or receive any rights to nominate or appoint a director or other representative to the board of that body corporate;
  - (ii) acquiring any interest in and subsequently carrying on or being engaged in any body corporate or business (an "**Acquired Business**") where at the time of the acquisition the activities of the Acquired Business include a Competing Business that is a Qualifying Competing Business and:
    - (a) the Shareholders agree, within six months of completion of the acquisition of the Qualifying Competing Business, on the terms on which the Qualifying Competing Business shall be purchased by the Company or its Group and such purchase is completed within 12 months of the date on which documentation implementing such sale and purchase is entered into; or
    - (b) failing agreement between the Shareholders within the six month period referred to in clause 24.4(A)(ii)(a) ("**Period A**") or failing completion of the sale and purchase within the 12 month period referred to in clause 24.4(A)(ii)(a) ("**Period B**"), the relevant Shareholder procures the sale of the Qualifying Competing Business to an unaffiliated third party or the orderly cessation of the Qualifying Competing Business, in either case within 12 months of the expiry of Period A or Period B (as applicable),

and, for the avoidance of doubt, a Shareholder shall not be in breach of the undertakings in clause 24.1(A) in respect of the acquisition and subsequent carrying on or engagement in the Qualifying Competing Business:

- (1) for so long as that Shareholder seeks to agree the terms on which the Qualifying Competing Business shall be purchased by the Company or its Group in accordance with clause 24.4(A)(ii)(a);
  - (2) during the period commencing on the date on which documentation implementing sale and purchase of the Qualifying Competing Business to the Company or its Group is entered into until completion of such sale and purchase; and
  - (3) where the relevant Shareholder procures the sale of the Qualifying Competing Business to an unaffiliated third party or the orderly cessation of the Qualifying Competing Business, from the date of the expiry of Period A or Period B (as applicable) until the earlier of: (x) the date falling 12 months from the expiry of Period A or Period B; or (y) the date of the sale of the Qualifying Competing Business to an unaffiliated third party or the orderly cessation of the Qualifying Competing Business; or
- (B) apply to any corporate, operational, technical, network infrastructure, warehousing, inventory management, back office support and related ancillary services provided to any member of a Shareholder's Group from locations in the UK.

#### 24.5 Non-solicit

- (A) Subject to clauses 24.5(B), 24.5(C) and 24.5(D), each Shareholder undertakes with each other Shareholder and with the Company that it will not and that it will procure that no member of its Group will, either alone or in conjunction with or on behalf of any other person, directly or indirectly solicit or entice away from the employment of the Company or any member of its Group, any member of the Executive Management or any employee reporting directly to a member of the Executive Management.
- (B) Subject to clause 24.5(C), the undertakings given by each Shareholder in clause 24.5(A) shall apply for the period while it remains a Shareholder and for a period of nine months thereafter, after which period such undertakings shall cease.

- (C) Following completion of an IPO in accordance with clause 19 (IPO), the undertakings given by each of the Liberty Global Shareholder and the Telefónica Shareholder in clause 24.5(A) shall apply for so long as:
- (i) that Shareholder retains a direct or indirect interest of 20 per cent. or more of the issued share capital of the Company and maintains sole or joint control in respect of the Company for the purposes of the EU Merger Regulation; and
  - (ii) the Liberty Global Shareholder and the Telefónica Shareholder, hold in aggregate a direct or indirect interest of more than 50 per cent. of the issued share capital of the Company,

after which period such undertakings shall cease.

- (D) The undertakings in clause 24.5(A) shall not prevent a Shareholder from considering and accepting an application made by an employee of the Company or any member of its Group:
- (i) in response to a recruitment advertisement published generally and not specifically directed at employees of the Company or any member of its Group; or
  - (ii) who contacts that Shareholder on their own initiative and without any direct or indirect solicitation from that Shareholder or any member of its Group.

#### 24.6 **Separate undertakings**

Each undertaking contained in this clause 24 shall be construed as a separate undertaking and if one or more of the undertakings is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining undertakings shall continue to bind each Shareholder.

#### 24.7 **O2 Daisy Qualifying Competing Business**

- (A) The Company shall procure that the O2 Daisy Shareholder shall notify the Shareholders upon receipt of an O2 Daisy Acquisition Notice pursuant to clause 24.5(A)(iii)(a) (Non-compete carve-outs for both Shareholders) of the O2 Daisy Shareholders' Agreement.
- (B) The Company shall procure that the O2 Daisy Shareholder shall not:
- (i) serve a First Acceptance Notice, First Deferral Notice, Second Acceptance Notice, Second Deferral Notice or Third Acceptance Notice; or

- (ii) agree the terms pursuant to which the O2 Daisy Qualifying Competing

Business shall be purchased by a member of the O2 Daisy Group,

in each case, without the prior written consent of the Shareholders.

- (C) Notwithstanding clause 4.2(A), the Shareholders approve:
- (i) any acquisition of an O2 Daisy Qualifying Competing Business in accordance with clause 24.5(A)(iii)(g) (Non-compete carve-outs for both Shareholders) of the O2 Daisy Shareholders' Agreement;
  - (ii) the raising of any financial indebtedness in order to fund the acquisition of an O2 Daisy Qualifying Competing Business in accordance with clause 24.5(A)(iii)(h) (Non-compete carve-outs for both Shareholders) of the O2 Daisy Shareholders' Agreement; and
  - (iii) any issue or allotment of any share capital in order to fund, or as consideration for, the acquisition of an O2 Daisy Qualifying Competing Business in accordance with clause 24.5(A)(iii)(h)(3) (Non-compete carve-outs for both Shareholders) of the O2 Daisy Shareholders' Agreement.
- (D) In respect of the determination of the Independent Valuation of an O2 Daisy Qualifying Competing Business in accordance with clause 24.7 (Independent Valuation) of the O2 Daisy Shareholders' Agreement, the Company shall procure that the O2 Daisy Shareholder shall consult with, and have regard to the comments and suggestions of, the Shareholders and shall not agree the Independent Valuation of an O2 Daisy Qualifying Competing Business with the Other O2 Daisy Shareholder without the prior written consent of the Shareholders.

## **25. TAX MATTERS**

### *Tax Returns*

- 25.1 The Company shall prepare the Tax Returns of each Group Company for all Tax Return Periods beginning after the date of this agreement (the "**Post-Completion Period**").
- 25.2 The Company shall submit each such Tax Return referred to in clause 25.1 in draft form to the Shareholders at least 30 Business Days before the last date on which the Tax Return may be filed with the applicable Tax Authority without incurring interest and penalties (taking into consideration any formal extension granted by the appropriate Tax Authority) and the Shareholders shall be given an opportunity to make comments thereon. The Company shall properly reflect in the relevant Tax Return all reasonable comments of Shareholders that are received a reasonable time prior to the submission of the Tax Return.
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- 25.3 The Company shall procure that the Group Companies shall cause the completed Tax Returns mentioned in clause 25.2 to be signed and submitted to the appropriate Tax Authority on a timely basis and without amendment, PROVIDED THAT the Company shall not be obliged to procure that a Group Company takes any such action as is mentioned in this clause 25.3 in relation to any Tax Return that is not to the best of that Group Company's knowledge correct and complete.
- 25.4 The Company shall prepare all documentation and deal with all matters (including correspondence) relating to the Tax Returns of Group Companies for all Post-Completion Periods, PROVIDED THAT where there is or is to be any correspondence with any Tax Authority in relation to such Tax Returns, the Company shall promptly send copies of all such correspondence received and copies of all draft replies to the Shareholders and shall give the Shareholders an opportunity to make comments thereon a reasonable time in advance of the submission of those replies to the relevant Tax Authority. The Company shall properly reflect in those replies all reasonable comments received a reasonable time prior to their submission.
- 25.5 The Shareholders shall co-operate in good faith to resolve any disagreements with respect to any comments provided on any Tax Return or draft correspondence referred to in clause 25.3 or 25.4.
- 25.6 The Company shall, and shall procure that the Group Companies post-Completion shall, with respect to the Group Companies:
- (A) not make any material change to the basis, accounting method, accounting period, policy, or practice relating to Tax or any change to any election relating to Tax made prior to Completion;
  - (B) not make any change to the structure of the Company or its Group or take any other action that would adversely impact any Liberty Global Pre-Completion Reorganisation Tax Clearances or Telefónica Pre-Completion Reorganisation Tax Clearances (each as defined in the Contribution Agreement) in each case to the extent that the contents or requirements of such tax clearance have been disclosed to the Company and the Shareholders; and
  - (C) not make any change to the structure of the Company and/or any member of the Company's Group or take any other action or decision not to take action (including the entering into a merger, demerger, liquidation or reorganisation, the disposal of shares, the granting of option rights or pledges or other similar rights, or any other transfer of a beneficial interest in or voting rights with respect to shares) that could result in (a) the Company and/or any member of the Company's Group incurring a Tax de-grouping charge and/or (b) the withdrawal or claw-back of any Tax relief or exemptions claimed or relied on by any Group Company before Completion (including any such relief or exemption claimed or relied on in respect of any of the steps in the Liberty Global Pre-Completion Reorganisation or the Telefónica Pre-Completion Reorganisation),

in each case unless (i) required by applicable law or regulation, (ii) provided for in the Tax Covenant or the Contribution Agreement, (iii) (and to the extent that) it would not materially impact the Tax (or financial) position of the Group Companies and the relevant Shareholder's Group, or (iv) in any other case, with the prior written consent of the Shareholders (which consent shall not be unreasonably withheld or delayed).

- 25.7 The Company shall not, and shall procure that each member of the Company's Group shall not, make any change before Completion to the structure or status (for Tax purposes) of the Company or any member of its Group without the prior written consent of the Shareholders (which consent shall not be unreasonably withheld or delayed).

*Tax Co-Operation*

- 25.8 The Shareholders and the Company shall co-operate with, and offer reasonable assistance to, each other in connection with any Tax audit, enquiry or investigation carried out by any Tax Authority into the Tax affairs of the Company or any Group Company for all Post-Completion Periods.

- 25.9 The Company shall, and shall procure that each Group Company shall:

- (A) provide, in a timely fashion and at the expense of the person requesting it, all information and assistance reasonably requested by any Shareholder that is necessary to enable it, or any member of the requesting party's Group, to complete any Tax Returns and to comply with any Tax reporting requirements or Tax audits, enquiries or investigations; and
- (B) provide, in a timely fashion and at the expense of the person requesting it, all information and assistance reasonably requested by any Shareholder to determine the Tax consequences of any transaction it (or a member of its Group) undertakes or proposes to undertake and to manage as appropriate the Tax consequences of any such transaction; and
- (C) in a timely fashion, consult with, and have regard to the comments and suggestions of, the Shareholders before the O2 Daisy Shareholder consents to any matter under clause 26 (Tax Matters) of the O2 Daisy Shareholders' Agreement or any matter or action to be undertaken by a member of the O2 Daisy Group that may have material tax implications for a Group Company.

- 25.10 The provisions of clauses 25.8 and 25.9 above are subject to the provisions of the Tax Covenant and, in the case of any conflict, the provisions of the Tax Covenant shall prevail.

- 25.11 Unless the Shareholders agree otherwise or a Requisite Approval is obtained, the Shareholders and the Company shall use their reasonable endeavours to ensure that the Company and each Group Company (other than Telefónica Europe People Services Limited, Virgin Media Inc., Virgin Media Finance Holdings, Inc., Virgin Media Bristol LLC and Virgin Media Group LLC) are resident for Tax purposes solely in the UK.

25.12 Each Shareholder agrees that it shall promptly provide to the other Shareholder any information about the companies or other entities in its Group (from time to time) that is (a) reasonably requested by the other Shareholder and (b) reasonably required by the other Shareholder or by any member of the other Shareholder's Group in order for it to comply with its Tax compliance obligations provided that a Shareholder shall not be required to provide information which the Shareholder (acting reasonably) determines is confidential in nature or which is commercially sensitive.

*Post-Completion TP provisions*

25.13 Clauses 25.14 to 25.15 (inclusive) apply to all such provisions to which transfer pricing rules apply or may apply in relation to transactions between any of the Group Companies, on the one hand, and any member of the Liberty Global Shareholder's Group or the Telefónica Shareholder's Group (as the case may be), on the other hand, for all accounting periods commencing on or after Completion and any post-Completion parts of any accounting periods which are current at Completion (the "**Post-Completion TP Provisions**").

25.14 In any case in which, for the purposes of applicable transfer pricing rules, a member of the Liberty Global Shareholder's Group or the Telefónica Shareholder's Group is the person on whom a potential advantage in relation to Tax is conferred by a Post-Completion TP Provision such that its profits and losses in respect of the Post-Completion TP Provision fall to be adjusted for Tax purposes in an accounting period commencing on or after the date of this agreement, or in the post-Completion portion of an accounting period which is current at Completion, so as to result in an increase in its liability to Tax (ignoring any available Reliefs) (the "**advantaged person**" and such increase in its liability to Tax being the "increased Tax of the advantaged person") and that provision is made or imposed as between that person and a Group Company (being, in its capacity as the other party to the provision, the "**disadvantaged person**"):

- (A) the Company shall, where required by notice from the Liberty Global Shareholder (in the case of any provision involving a member of the Liberty Global Transferred Group) or the Telefónica Shareholder (in the case of any provision involving a member of the Telefónica Transferred Group) and provided such claim can legally and validly be made, procure that the disadvantaged person shall make a claim to the relevant Tax Authority in such form as the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) may reasonably require to have its profits and losses calculated for applicable Tax purposes as if, instead of the actual provision, the arm's-length provision had been made or imposed and to account for Tax accordingly; and
- (B) the Company shall procure that the disadvantaged person shall pay to the advantaged person a sum equal to the lower of (i) the amount of any Tax of the disadvantaged person which is actually saved or reduced as a result of the claim referred to in clause 25.14(A) and (ii) the amount of the increased Tax of the advantaged person and to be made in cleared funds on the date on which the Tax which is saved or reduced would otherwise have been payable (and for

determines that the treatment of the relevant Tax affairs by the relevant Tax Authority is final).

25.15 In any case involving a Post-Completion TP Provision in which a member of the Liberty Global Shareholder's Group or the Telefónica Shareholder's Group is the disadvantaged person and a Group Company is the advantaged person in an accounting period commencing on or after Completion or in the post-Completion portion of an accounting period which is current at Completion:

- (A) the Liberty Global Shareholder (in the case of any provision involving a member of the Liberty Global Shareholder's Group) or the Telefónica Shareholder (in the case of any provision involving a member of the Telefónica Shareholder's Group) shall, where required by notice from the Company and provided such claim can legally and validly be made, procure that the disadvantaged person shall make a claim to the relevant Tax Authority in such form as the Company may reasonably require to have its profits and losses calculated for applicable Tax purposes as if, instead of the actual provisions, the arm's-length provision had been made or imposed and to account for Tax accordingly; and
- (B) the Liberty Global Shareholder (in the case of any provision involving a member of the Liberty Global Shareholder's Group) or the Telefónica Shareholder (in the case of any provision involving a member of the Telefónica Shareholder's Group) shall procure that the disadvantaged person shall pay to the advantaged person a sum equal to the lower of (i) the amount of any Tax of the disadvantaged person which is actually saved or reduced as a result of the claim referred to in clause 25.15(A) and (ii) the amount of the increased Tax of the advantaged person and to be made in cleared funds on the date on which the Tax which is saved or reduced would otherwise have been payable (and for this purpose no earlier than the date on which the Liberty Global Shareholder or the Telefónica Shareholder, as applicable, reasonably determines that the treatment of the relevant Tax affairs by the relevant Tax Authority is final).

*Secondary tax liabilities*

25.16 Subject to the provisions of clause 25.20, the Liberty Global Shareholder covenants with the Company to pay to the Company an amount equal (on an after-Tax basis) to:

- (A) any payment of Tax for which the Company or any Group Company is liable that would not have arisen but for the failure of any member of the Liberty Global Shareholder's Group (for the avoidance of doubt, excluding any Group Company) to discharge that Tax; and
  - (B) any out-of-pocket costs or expenses reasonably and properly incurred by the Company or any Group Company solely and directly in connection with any payment of Tax as is referred to in clause 25.16(A) or in connection with any action reasonably and properly taken in avoiding, resisting or settling any such
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payment of Tax or in connection with successfully taking or defending any action under this clause 25.16.

25.17 Subject to the provisions of clause 25.20, the Telefónica Shareholder covenants with the Company to pay to the Company an amount equal (on an after-Tax basis) to:

- (A) any payment of Tax for which the Company or any Group Company is liable that would not have arisen but for the failure of any member of the Telefónica Shareholder's Group (for the avoidance of doubt, excluding any Group Company) to discharge that Tax; and
- (B) any out-of-pocket costs or expenses reasonably and properly incurred by the Company or any Group Company solely and directly in connection with any payment of Tax as is referred to in clause 25.17(A) or in connection with any action reasonably and properly taken in avoiding, resisting or settling any such payment of Tax or in connection with successfully taking or defending any action under this clause 25.17.

25.18 Subject to the provisions of clause 25.20, the Company covenants with the Liberty Global Shareholder to pay to the Liberty Global Shareholder an amount equal (on an after-Tax basis) to:

- (A) any payment of Tax for which the Liberty Global Shareholder or any member of its Group is liable that would not have arisen but for the failure of the Company or any Group Company to discharge that Tax; and
- (B) any out-of-pocket costs or expenses reasonably and properly incurred by the Liberty Global Shareholder or any member of its Group solely and directly in connection with any payment of Tax as is referred to in clause 25.18(A) or in connection with any action reasonably and properly taken in avoiding, resisting or settling any such payment of Tax or in connection with successfully taking or defending any action under this clause 25.18.

25.19 Subject to the provisions of clause 25.20, the Company covenants with the Telefónica Shareholder to pay to the Telefónica Shareholder an amount equal (on an after-Tax basis) to:

- (A) any payment of Tax for which the Telefónica Shareholder or any member of its Group is liable that would not have arisen but for the failure of the Company or any Group Company to discharge that Tax; and
- (B) any out-of-pocket costs or expenses reasonably and properly incurred by the Telefónica Shareholder or any member of its Group solely and directly in connection with any payment of Tax as is referred to in clause 25.19(A) or in connection with any action reasonably and properly taken in avoiding, resisting or settling any such payment of Tax or in connection with successfully taking or defending any action under this clause 25.19.

25.20 The covenants contained in clauses 25.16 and 25.17 shall not extend to any liability otherwise falling therein to the extent that:

- (A) the liability is interest, a penalty or a fine arising from a failure to pay Tax to a Tax Authority within a reasonable time after the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) has made a payment of an amount in respect of that liability to Tax under clauses 25.16 and 25.17 (as the case may be);
- (B) the liability is paid or discharged by a person other than the Company or any Group Company (except where the Company or any Group Company is required to reimburse such person for such payment or discharge) or is otherwise compensated for without cost to the Company or any Group Company; or
- (C) a claim in respect of the liability can be made against the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) under clause 1.1 of the Tax Covenant or could have been made but for the application of any of the exclusions in clauses 2.1(a) or 2.1(b) of the Tax Covenant, and

the covenants contains in clauses 25.18 and 25.19 shall not extend to any liability otherwise falling therein to the extent that:

- (D) the liability is interest, a penalty or a fine arising from a failure to pay Tax to a Tax Authority within a reasonable time after the Company (as the case may be) has made a payment of an amount in respect of that liability to Tax under clauses 25.18 and 25.19 (as the case may be);
- (E) a claim in respect of the liability for Tax which has failed to be discharged can be made against the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) under clause 1.1 of the Tax Covenant;
- (F) in the case of 25.18, the liability is paid or discharged by a person other than the Liberty Global Shareholder or any member of its Group (except where the Liberty Global Shareholder or any member of its Group is required to reimburse such person for such payment or discharge) or is otherwise compensated for without cost to the Liberty Global Shareholder or any member of its Group; or
- (G) in the case of 25.19, the liability is paid or discharged by a person other than the Telefónica Shareholder or any member of its Group (except where the Telefónica Shareholder or any member of its Group is required to reimburse such person for such payment or discharge) or is otherwise compensated for without cost to the Telefónica Shareholder or any member of its Group.

25.21 If the Company or any Group Company receives any Secondary Liability Claim, the Company shall give notice in writing, or procure that notice in writing is given, to the Liberty Global Shareholder and the Telefónica Shareholder as soon as is reasonably

practicable. If the Liberty Global Shareholder (in the case of a Secondary Liability Claim for which it may be liable) or the Telefónica Shareholder (in the case of a Secondary Liability Claim for which it may be liable) indemnifies the Company and any Group Company to the Company's reasonable satisfaction against any liabilities, costs, damages, Tax, losses or expenses which may be incurred thereby, the Company shall, and shall procure that any relevant Group Company shall, take such reasonable action as the Liberty Global Shareholder (in the case of a Secondary Liability Claim for which it may be liable) or the Telefónica Shareholder (in the case of a Secondary Liability Claim for which it may be liable) may by written notice request to dispute, resist or compromise such Secondary Liability Claim.

- 25.22 If the Liberty Global Shareholder or the Telefónica Shareholder (or any member of their respective Groups) (as the case may be) receives any Secondary Liability Claim, the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) shall give notice in writing, or procure that notice in writing is given, to the Company as soon as is reasonably practicable.
- 25.23 For the purposes of clauses 25.16 to 25.22, any person shall be deemed to be liable for a payment of Tax, and to make that payment of Tax, if it would be liable for a payment of Tax but for the use or setting off against profits or against a liability to pay Tax of any Relief, and such deemed payment of Tax shall be deemed to be due on the earliest possible date on which that Tax could have been due (ignoring for this purpose any application to postpone payment of, appeal against or amendment of any assessment or other notification of that Tax) but for the use or setting off of the Relief concerned.

*Structure and timing of indemnity payments*

- 25.24 A payment to be made by the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) under clause 25.16 or 25.17 shall be made (i) within ten Business Days from the date on which notice setting out the amount due is received by the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) from the Company or any Group Company or, if later, (ii) on the date which is two Business Days prior to the last date on which that payment of Tax may be made in order to avoid incurring a liability to interest or penalties, and a payment to be made by the Company under clause 25.18 or 25.19 shall be made (i) within ten Business Days from the date on which notice setting out the amount due is received by the Company from the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) or, if later, (ii) on the date which is two Business Days prior to the last date on which that payment of Tax may be made in order to avoid incurring a liability to interest or penalties, and in each case the Liberty Global Shareholder, the Telefónica Shareholder and the Company shall co-operate with each other in good faith to ensure that such payment is made in a Tax efficient manner.

*US tax elections*

- 25.25 The Company shall, and shall procure that the Group Companies shall:

Company and/or any Group Company as the Liberty Global Shareholder may request in writing from time to time, provided (i) that the Liberty Global Shareholder has notified the Telefónica Shareholder and the Company in writing of such request no fewer than twenty (20) Business Days prior to the date on which the Liberty Global Shareholder requests such US Tax Election to be executed; (ii) that the Liberty Global Shareholder has provided the Telefónica Shareholder with advice reasonably satisfactory to the Telefónica Shareholder that such US Tax Elections will not have any materially adverse financial or Tax consequences for any Group Company; (iii) that if the Telefónica Shareholder considers (acting reasonably and in good faith) that such US Tax Election will give rise to material adverse financial or Tax consequences for the Telefónica Shareholder or any of its Affiliates or for any Group Company, and notifies the Liberty Global Shareholder that this is the case (such notification to contain reasonable details of the nature and, if practicable, quantum of the identified adverse financial or Tax consequences), the US Tax Election shall not be made or entered into without the prior consent of the Telefónica Shareholder (not to be unreasonably withheld or delayed); and (iv) the Company shall promptly notify the Liberty Global Shareholder whenever a new entity (which is or becomes a Group Company) is incorporated, established, formed or acquired by the Company or a Group Company; and

- (B) otherwise than pursuant to clause 25.25(A) above, not make or enter into, change, amend or withdraw any US Tax Election relating to the Company and/or any Group Company nor take any position for US tax purposes that is contrary to the position adopted by the Liberty Global Shareholder or its Affiliates without the prior written consent of the Liberty Global Shareholder (acting in its sole discretion),

and for the purpose of this clause 25.25 "**US Tax Election**" means any tax election, accounting method, filing, claim or notice for US Tax purposes (whether federal, state or local), including without limitation classification of entities for US tax purposes. For the avoidance of doubt, the provisions of clause 25.25(A) above shall not apply to any US Tax Elections which the Company or any other Group Company decides to make or procure in the absence of a request in writing from the Liberty Global Shareholder under that clause.

#### *Consortium Relief*

#### 25.26 Consortium Relief: Surrenders by the Company or a Group Company

- (A) In respect of each accounting period of the Company or any Group Company, each Shareholder shall, in relation to that accounting period, be entitled to require (subject to clause 25.26(C)(i)) that, to the extent permitted by law, the Company surrenders (or procures that a Group Company surrenders) Eligible Losses and allows (or procures that the relevant Group Company allows) that
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Shareholder and/or any members of its Group to make a claim for group relief in relation to those Eligible Losses.

- (B) Notice of any requirement (setting out the total amount of Eligible Losses required to be surrendered, which company or companies will make the surrenders of Eligible Losses, which company or companies will make claims for group relief and in what amounts those claims will be) pursuant to clause 25.26(A) shall be given to all other Shareholders and the Company in writing at least twenty (20) Business Days before the first anniversary of the filing date for the corporation tax return of the Company or the relevant Group Company for the accounting period for which the surrender is required.
- (C) The following provisions shall apply in respect of any such surrender of Eligible Losses and claim for group relief required pursuant to clause 25.26(A):
- (i) without prejudice to clause 25.32, nothing in this clause 25.26 shall require the Company to arrange its Tax affairs (or the Tax affairs of any Group Company) in such a manner that would give rise to more or fewer Eligible Losses (ignoring any claim for group relief pursuant to this clause 25.26) than it otherwise would have;
  - (ii) the Shareholders and the Company shall (and shall procure that each relevant Group Company shall), and each Shareholder shall procure that each relevant member of its Group shall, give their consent and take such other action as may reasonably be required to ensure that such surrender (and the associated claims) are effectively made within any relevant time limits;
  - (iii) save to the extent that clause 25.26(C)(iv) applies, the relevant Shareholder shall, or shall procure that the relevant member of its Group shall, make a payment to the Company (or to the surrendering Group Company) on the later of:
    - (a) the date on which corporation tax would otherwise have been payable by the relevant Shareholder or member of its Group but for the surrender; and
    - (b) the fifth Business Day after the receipt of a valid notice under clause 25.26(B);
  - (iv) to the extent that any of the Tax saved by the relevant Shareholder or member of its Group by virtue of the surrender has already been paid as at the date on which the Shareholder or member of its Group would, but for this clause 25.26(C)(iv), have been required to make a payment under clause 25.26(C)(iii), and the surrender gives rise to a credit in respect of, or a repayment of, such Tax, the relevant Shareholder shall, or shall procure that the relevant member of its Group shall, make a

payment to the Company (or to the surrendering Group Company) on the fifth Business Day after the Shareholder or member of its Group reduces an actual payment of Tax or receives an actual repayment of Tax which, in either case, is attributable to that credit or repayment; and

- (v) the aggregate amount of the payment referred to in clause 25.26(C)(iii) and clause 25.26(C)(iv) to the Company (or to the surrendering Group Company) shall be an amount equal to the total amount of Eligible Losses surrendered multiplied by the corporation tax rate in force for the Claim Period in respect of which the surrender is made (expressed as a decimal).
- (D) If and to the extent that it is determined that Eligible Losses purported to be surrendered pursuant to clause 25.26(A) are not permitted by law to be surrendered or group relief in relation thereto is not permitted by law to be claimed, then the amount of the payments referred to in clause 25.26(C)(iii) and clause 25.26(C)(iv) to the Company (or to the surrendering Group Company) shall be adjusted so that the aggregate amount of those payments is the amount which would have been paid had it been known that such Eligible Losses were not permitted by law to be surrendered or group relief in relation thereto was not permitted by law to be claimed, and the Shareholders and the Company shall make (or, where the claimant company is a member of a Shareholder's Group and not a Shareholder, that Shareholder shall procure that such member of its Group makes) (or, where the surrendering company is a Group Company and not the Company, the Company shall procure that such Group Company makes) any appropriate payments required to achieve that position.

#### 25.27 Consortium Relief: Surrenders to a Group Company

- (A) In respect of each accounting period of a Shareholder or any member of its Group, each Shareholder shall be entitled to surrender (or procure that a member of its Group surrenders) Eligible Losses and require (subject to clause 25.27(C)(i)) that the Company makes (or procures that a Group Company makes) a claim for group relief in relation thereto to the extent permitted by law.
- (B) Notice of any claim for group relief which is required by a Shareholder (setting out the total amount of Eligible Losses to be surrendered, which company or companies will surrender such Eligible Losses, which company or companies will make claims for group relief and in what amounts the Company or relevant Group Company is required to make the claim) pursuant to clause 25.27(A) shall be given to all other Shareholders and the Company in writing at least twenty (20) Business Days before the first anniversary of the filing date for the corporation tax return of the Company or the relevant Group Company for the accounting period for which the claim for group relief is required.

- (C) The following provisions shall apply in respect of any such surrender of Eligible Losses and claim for group relief required pursuant to clause 25.27(A):
- (i) without prejudice to clause 25.32, nothing in this clause 25.27 shall require the Company to arrange its Tax affairs (or the Tax affairs of any Group Company) in such a manner that would give rise to more or less total profits for it (ignoring any claim for group relief pursuant to this clause 25.27) than it otherwise would have;
  - (ii) the Shareholders and the Company shall (and shall procure that each relevant Group Company shall), and each Shareholder shall procure that each relevant member of its Group shall, give their consent and take such other action as may reasonably be required to ensure that such surrender (and the associated claims) are effectively made within any relevant time limits;
  - (iii) save to the extent that clause 25.27(C)(iv) applies, the Company shall, or shall procure that the relevant Group Company shall, make a payment to the Shareholder or the member of its Group making the surrender on the later of:
    - (a) the date on which corporation tax would otherwise have been payable by the Company or the relevant Group Company but for the surrender; and
    - (b) the fifth Business Day after the receipt of a valid notice under clause 25.27(B);
  - (iv) to the extent that any of the Tax saved by the Company or the relevant Group Company by virtue of the surrender has already been paid as at the date on which the Company or the relevant Group Company would, but for this clause 25.27(C)(iv), have been required to make a payment under clause 25.27(C)(iii), and the surrender gives rise to a credit in respect of, or a repayment of, such Tax, the Company shall, or shall procure that the relevant Group Company shall, make a payment on the fifth Business Day after the Company or the relevant Group Company reduces an actual payment of Tax or receives an actual repayment of Tax which, in either case, is attributable to that credit or repayment; and
  - (v) the aggregate amount of the payments referred to in clause 25.27(C)(iii) and clause 25.27(C)(iv) to the Shareholder (or the member of its Group) making the surrender shall be an amount equal to the total amount of Eligible Losses surrendered by the Shareholder (or the member of its Group) making the surrender in relation to which the Company or relevant Group Company makes the group relief claim multiplied by the corporation tax rate in force for the Claim Period in respect of which the surrender is made (expressed as a decimal).

- (D) If HMRC does not accept, whether in whole or in part, any surrenders to a

Group Company to which this clause 25.27 applies, then the relevant Shareholder may (after giving the other Shareholder reasonable advance notice) take, and direct the Group Company to take, such action as may be reasonable with a view to establishing to the satisfaction of HMRC that such surrender of Eligible Losses has been validly surrendered and claimed. The relevant Group Company shall keep the relevant Shareholder informed as to the content of all relevant correspondence and discussions with HMRC.

- (E) If and to the extent that it is determined that Eligible Losses purported to be surrendered pursuant to clause 25.27(A) are not permitted by law to be surrendered or group relief in relation thereto is not permitted by law to be claimed, then the aggregate amount of the payments referred to in clause 25.27(C)(iii) and clause 25.27(C)(iv) to the Shareholder (or the member of its Group) making the surrender shall be adjusted so that the aggregate amount of those payments is the amount which would have been paid had it been known that such Eligible Losses were not permitted by law to be surrendered or group relief in relation thereto was not permitted by law to be claimed, and the Shareholders and the Company shall make (or, where the surrendering company is a member of a Shareholder's Group and not a Shareholder, that Shareholder shall procure that such member of its Group makes) (or, where the claimant company is a Group Company other than the Company, the Company shall procure that such Group Company makes) any appropriate payments required to achieve that position.

25.28 In clauses 25.26 to 25.28 (Consortium Relief):

- (A) where an accounting period of a company falls partly within one financial year and partly within another financial year, the corporation tax rate in force for that accounting period shall be taken to be the average of the corporation tax rates in force in such financial years applied on a time basis according to the respective lengths of the parts of the accounting period which fall in such financial years; and
- (B) references to the "corporation tax rate" are references to the rate of corporation tax on profits of companies (other than "ring fence profits" within the meaning of Part 8 of CTA 2010).

25.29 *Corporate Interest Restriction*

- (A) Each Shareholder agrees that they share the intention that the Group Companies will form a "worldwide group" of which the Company is the "ultimate parent" (such terms defined for the purposes of this clause as they are for the purposes of section 473 TIOPA).
- (B) If at any time after Completion the Group Companies are treated as being part of the "worldwide group" with any Shareholder, then each such Shareholder will
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procure to the maximum extent possible that no allocation of any disallowance of a deduction for interest expense is made to any Group Company for the purposes of Part 10 and Schedule 7A TIOPA in an amount in excess of the amount of the disallowance that would have arisen to the Group Companies were they a "worldwide group" of which the Company is the "ultimate parent".

#### 25.30 *Anti-Hybrid Rules*

If at any time after Completion an additional amount of Tax arises to a Group Company as a result of the application of Part 6A TIOPA that would not have arisen but for (i) such Group Company being "related" (as defined in section 259NC TIOPA) with a Shareholder or a member of the Shareholder's Group or (ii) such Group Company being in the same "control group" (as defined in section 259NB TIOPA) as a Shareholder or a member of the Shareholder's Group, then the relevant Shareholder will indemnify the Group Company for such additional amount of Tax suffered (and the Shareholders and the Company shall co-operate with each other in good faith to ensure that any such indemnifying payment is made in a Tax efficient manner).

#### *General*

25.31 Each Shareholder shall procure that, other than with the other Shareholder's consent and other than as contemplated in this agreement:

- (A) no step shall be taken to include any Group company in any Tax group or consolidation group or any group payment arrangements (other than with any other Group Company); and
- (B) no claim or election shall be submitted or made which has the effect or could have the effect of any Group Company being subject to Tax on any income, profits or gains made by any member of a Shareholder's Group.

25.32 The Shareholders and the Company acknowledge and agree that they shall cooperate reasonably and in good faith with a view to procuring that the holding and financing structure of the Group Companies is, to the extent practicable and having regard to all relevant legal, financial, regulatory and accounting considerations, including the need for future commercial flexibility, configured in a manner which optimises its overall Tax efficiency for the Group Companies and each of the Shareholders (and their respective Groups), and does not result in a material disadvantage for either Shareholder.

#### *Contingent subscription obligation in respect of potential reorganisation tax liabilities*

25.33 If the Company or Newco Holdco 5 incurs a liability to Tax in respect of which the Liberty Global Shareholder would have been liable to make a payment to the Company under (i) clause 1.1(c) of the Liberty Global Tax Covenant or (ii) clause 1.1(b) of the Liberty Global Tax Covenant in respect of a Deemed Tax Liability falling within paragraph (b) of the definition of Deemed Tax Liability contained therein in circumstances where the Actual Tax Liability referred to in that paragraph (b) is one that

would otherwise have given rise to a liability under clause 1.1(c) or clause 1.1(e) where the relevant cost or expense relates to a matter giving rise to a liability under clause 1.1(c) (in each case taking into account all the provisions of the Liberty Global Tax Covenant and not only clauses 1.1(b) and 1.1(c)) if the definition of "Liberty Global Target Group Company" in the Contribution Agreement had read:

*"means any member of the Liberty Global Target Group, Newco Holdco 5 or the Purchaser;"*

(any such liability to Tax being a **"Reorganisation Tax Liability"**), then clause 25.36 shall apply (subject to clause 25.37).

25.34 For the avoidance of doubt:

- (A) the Liberty Global Shareholder shall have in respect of a Reorganisation Tax Liability all the rights afforded to it under the Liberty Global Tax Covenant in respect of a Tax Liability of a Liberty Global Target Group Company; and
- (B) a reference in the Liberty Global Tax Covenant to an amount payable under the Liberty Global Tax Covenant shall include an amount payable by the Liberty Global Shareholder under clause 25.36 below.

25.35 In clauses 25.36 to 25.37 below:

**"Deferred Shares"** means deferred shares of £1.00 each in the capital of the Company which:

- (A) carry no voting rights; and
- (B) carry no further rights to participate in the profits or assets of the Company, save that each Deferred Share shall (i) carry the right to a cumulative dividend of 0.01% of its nominal value of £1.00 which is payable on 31 March in each year; and (ii) upon winding-up or liquidation of the Company, carry a right to repayment of its paid up nominal value of £1.00.

**"Liberty Global DS Subscription Amount"** means the amount which the Liberty Global Shareholder would have been liable to pay to the Company under clause 1.1(b) or clause 1.1(c) of the Liberty Global Tax Covenant (disregarding clauses 14.2 and 14.3, of the Liberty Global Tax Covenant) in respect of a Reorganisation Tax Liability (as defined in clause 25.33 above) if the definition of "Liberty Global Target Group Company" in the Contribution Agreement were drafted as set out in clause 25.33 above.

If either (a) the payment of the subscription price equal to the Liberty Global DS Subscription Amount referred to in clause 25.36(A) or (b) the payment of the amount equal to the Liberty Global DS Subscription Amount payable pursuant to clause 25.37(B) is subject to any deduction or withholding for or on account of Tax that is required by law, then the amount so payable shall be increased by such amount as will

ensure that the net sum received by the Company is equal to the full sum that it would have received in the absence of the requirement to make any deduction or withholding.

If either (a) the subscription price equal to the Liberty Global DS Subscription Amount referred to in clause 25.36(A); or (b) the amount equal to the Liberty Global DS Subscription Amount payable pursuant to clause 25.37(B) is subject to Tax in the hands of the Company, then the amount of the Liberty Global DS Subscription Amount shall be increased by such amount as will ensure that the net sum received by the Company pursuant to clause 25.36(A) or clause 25.37(B) (as applicable) will equal the full sum that the Company would have received had the sum so payable not been subject to Tax in its hands

25.36 Subject to clause 25.37, where this clause applies:

- (A) the Liberty Global Shareholder shall subscribe for, and the Company shall issue to it, one Deferred Share for a subscription price equal to the Liberty Global DS Subscription Amount;
- (B) the Telefónica Shareholder shall subscribe for, and the Company shall issue to it, one Deferred Share for a subscription price of £1.00; and
- (C) in order to facilitate the subscriptions described in sub-clauses 25.36(A) and 25.36(B) above, the Shareholders shall procure that the Company will (if necessary) amend its articles of association to provide for the class of Deferred Shares (having the rights and characteristics described in the definition of that term in clause 25.35 above) and take any other action as is necessary to effect the valid issue of Deferred Shares under this clause.

25.37 The Shareholders hereby agree, and the Liberty Global Shareholder hereby acknowledges and undertakes to the Telefónica Shareholder, that if clause 25.36 would (but for this clause 25.37) apply, but either Shareholder considers (acting reasonably and in good faith) that the subscriptions described in sub-clauses 25.36(A) and 25.36(B) above (or either of them) would give rise to material adverse financial, legal, regulatory or Tax consequences for that Shareholder or any of its Affiliates or for any Group Company, and notifies the other Shareholder that this is the case (such notification to contain reasonable details of the nature and, if relevant and practicable, quantum of the identified adverse financial, legal, regulatory or Tax consequences), then:

- (A) clause 25.36 shall not apply;
- (B) the Liberty Global Shareholder shall be under an obligation to pay to the Company an amount equal to the Liberty Global DS Subscription Amount; and
- (C) the Shareholders and the Company shall co-operate with each other in good faith to identify and agree a method by which the Liberty Global Shareholder can make the payment to the Company described in sub-clause 25.37(B) above in a Tax efficient manner.

alternative method determined in accordance with clause 25.37 above) would, if it were a payment made under the Liberty Global Tax Covenant, give rise to a payment to be made to the Liberty Global Shareholder under the provisions of the Liberty Global Tax Covenant, the Company shall pay such amount to the Liberty Global Shareholder, and the Shareholders and the Company shall co-operate with each other in good faith to identify and agree a method by which the Company can make the payment to the Liberty Global Shareholder in a Tax efficient manner.

25.39 The provisions of clause 11 of the Liberty Global Tax Covenant shall apply to the preparation and submission of all notices, claims, consents, elections, returns and computations, the preparation and submission of all correspondence relating to such notices, claims, consents, elections, returns and computations and the negotiation and agreement of all matters relevant to the tax position of the Company and Newco Holdco 5 in respect of the Liberty Global Pre-Completion Reorganisation as they apply to Pre-Completion Conduct Matters (as defined in the Liberty Global Tax Covenant).

#### *Definitions*

25.40 In this clause 25:

- (A) any term used in this clause 25 but not otherwise defined in this agreement shall take its meaning from the equivalent definition in the Tax Covenant;
  - (B) "**accounting period**" is, in the case of a company within the charge to corporation tax, to be read in accordance with Chapter 2 of Part 2 CTA 2009 and, in the case of a company not within the charge to corporation tax, to be read as a reference to the financial year of the relevant company for accounting purposes;
  - (C) "**Claim Period**" means an accounting period (or the portion of an accounting period) of the Company or the relevant Group Company (as the context requires) for which a surrender or claim is to be made pursuant to this clause 25;
  - (D) "**corporation tax**" means the Tax charged by virtue of section 2 CTA 2009;
  - (E) "**CTA 2009**" means the Corporation Tax Act 2009;
  - (F) "**CTA 2010**" means the Corporation Tax Act 2010;
  - (G) "**Eligible Losses**" means any losses and other amounts available for surrender under Part 5 or Part 5A of CTA 2010;
  - (H) "**filing date**" has the meaning ascribed to it in paragraph 14 of Schedule 18 to the Finance Act 1998;
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- (I) **"Group Company"** means any member of the Company's Group;
- (J) **"group relief"** has the meaning ascribed to it in Part 5 and Part 5A of CTA 2010;
- (K) **"HMRC"** means His Majesty's Revenue & Customs;
- (L) **"Relief"** means any loss, relief, allowance or credit in respect of any Tax and any deduction in computing income, profits or gains for the purposes of any Tax or any right to repayment of Tax; and
- (M) **"Secondary Liability Claim"** means any notice, enquiry, demand, assessment, determination, letter or other document issued by a Tax Authority or any self-assessment made by a Group Company or any other person from which it appears that (A) the Company or any Group Company may be required to make an actual payment of Tax or may suffer the non-availability, loss, reduction or cancellation of a Relief, in each case, which may give rise to a claim against the Liberty Global Shareholder or the Telefónica Shareholder (as the case may be) under clause 25.16 or 25.17 or (B) the Liberty Global Shareholder or the Telefónica Shareholder or any member of their respective Groups (as the case may be) may be required to make an actual payment of Tax or may suffer the non-availability, loss, reduction or cancellation of a Relief, in each case, which may give rise to a claim against the Company under clause 25.18 or 25.19.

## 26. CONFIDENTIALITY

### 26.1 Confidential information

Each party shall treat as confidential any and all information (whether available orally, in writing or in electronic format) received or obtained as a result of negotiating and entering into this agreement (including by executing a Deed of Adherence or Deed of Novation) or, in the case of a Shareholder, through its interest in the Company (including through any Directors nominated and appointed upon the request of such Shareholder or pursuant to clause 9 (Access to Information and Accounts)) and which relates to:

- (A) the provisions of this agreement (except clause 14 (Restrictions on dealing with Shares), clause 15 (Permitted Transfers), clause 16 (Transfer of Shares for Convenience), clause 18 (Completion of Transfers), and clause 19 (IPO));
- (B) the negotiations relating to this agreement;
- (C) any potential claim under this agreement or any document referred to in this agreement;
- (D) any member of the Company's Group or its business, assets, customers or affairs;

- (E) in the case of the Company, any Shareholder or their respective Groups, or the business, assets, customers or affairs of any such person;
- (F) in the case of the Telefónica Shareholder and the Telefónica Guarantor, the Liberty Global Shareholder and its Group, or the business, assets, customers or affairs of any such person; or
- (G) in the case of the Liberty Global Shareholder and the Liberty Global Guarantor, the Telefónica Shareholder and its Group, or the business, assets, customers or affairs of any such person,

(all such information being "**Confidential Information**").

## 26.2 Use of Confidential Information

Each party shall, and each Shareholder shall procure that the Directors nominated and appointed upon its request and any Observers appointed by it shall:

- (A) maintain such Confidential Information in strict confidence and not disclose any such Confidential Information to any person other than:
  - (i) in the case of a Shareholder, a Director nominated and appointed upon its request, or any of such Shareholder's directors or employees (or any of the directors or employees of any member of its Group) whose duties include the management, monitoring or reporting of the business of the Company and who needs to know such information in order to discharge his duties;
  - (ii) in the case of the Liberty Global Shareholder, the Liberty Global Guarantor;
  - (iii) in the case of the Telefónica Shareholder, the Telefónica Guarantor;
  - (iv) a *bona fide* potential transferee of Shares in accordance with this agreement under clause 16 (Transfer of Shares for Convenience) or in connection with a Permitted Group Sale Disposal, provided that such person has a duty to keep such information confidential on terms that are customary for a transaction of the type in contemplation;
  - (v) the Joint Global Coordinators where clause 19 (IPO) applies provided they have a duty to keep such information confidential;
  - (vi) to its professional advisers, auditors, financial advisers, ratings agencies, insurers and bankers provided they have a duty to keep such information confidential;

- (vii) to the extent the disclosure of such Confidential Information is expressly consented to in writing by each of the Shareholders prior to such disclosure being made (or, if the information only relates to one Shareholder or its Group, which is expressly consented to in writing by such Shareholder); or
  - (viii) in the case of a Shareholder, to an investor in the Ultimate Parent of that Shareholder to the extent that such disclosure relates to information relating to the Company which is not (in the reasonable opinion of that Shareholder) commercially sensitive and is made in the ordinary course of investor relation activities only (and that Shareholder shall use reasonable endeavours to consult with the other Shareholder on the nature and extent of the disclosure in advance).
- (B) save where disclosure is expressly permitted under clause 26.2(A), not use any such Confidential Information other than for the purpose of conducting the Business or managing, monitoring or reporting its investment in the Company; and
  - (C) procure that any person to whom such Confidential Information is disclosed by it (except where such disclosure was permitted under clause 26.3) complies with the restrictions set out in this clause 26 as if such person were a party to this agreement.

### 26.3 Permitted disclosure

Notwithstanding the previous provisions of this clause 26 (but without prejudice to the provisions of clause 27 (Announcements)), any party may disclose any Confidential Information:

- (A) to the extent required by law, or for the purpose of any judicial proceedings arising out of this agreement;
- (B) to a Tax Authority in connection with the Tax affairs of the Company or either Shareholder, any member of the respective Shareholder's Group or any Group Company;
- (C) to the extent required by any securities exchange or regulatory or governmental body to which that party is subject or submits, wherever situated, including (amongst other bodies) the Prudential Regulation Authority, the Madrid Stock Exchange, the Comisión Nacional del Mercado de Valores the SEC or NASDAQ, whether or not the requirement for information has the force of law;
- (D) to the extent required for the purpose of any arbitration pursuant to clause 40 (Arbitration);

- (E) if required to enable the disclosing party to enforce its rights under this

agreement (or any document referred to in this agreement) or for the purpose of any judicial proceedings in connection with this agreement (or any document referred to in this agreement);

- (F) to the extent the information disclosed was lawfully in the possession of the disclosing party or any of its representatives (in either case as evidenced by written records) without any obligation of secrecy before its being received or held; and
- (G) to the extent the information has come into the public domain through no fault of that party or any person to whom it has disclosed Confidential Information in accordance with clause 26.2(A).

#### 26.4 **O2 Daisy**

The Company shall procure that the O2 Daisy Shareholder does not consent to the disclosure of any information by any member of the O2 Daisy Group relating to:

- (A) the Liberty Global Shareholder and its Group, or the business, assets, customers or affairs of any such person, without the prior written consent of the Liberty Global Shareholder; or
- (B) the Telefónica Shareholder and its Group, or the business, assets, customers or affairs of any such person, without the prior written consent of the Telefónica Shareholder.

#### 26.5 **Duration of obligations**

The restrictions contained in this clause 26 shall continue to apply to each party (including any Shareholder who has ceased to hold Shares) for a period of three years from termination of this agreement with respect to that party in accordance with clause 29 (Termination).

### 27. **ANNOUNCEMENTS**

#### 27.1 **Restriction on announcements**

Subject to clause 27.2, a party may not make general or public announcement, press release or communication with news media and/or investors (together, a "**public announcement**") containing Confidential Information unless it has provided the other parties with a copy of the public announcement prior to making such public announcement or other communication.

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## 27.2 Permitted announcements

Notwithstanding clause 27.1, any party may make a public announcement or other communication:

- (A) to investors, analysts and other market participants in the ordinary course of its business or any other ordinary course investor relations activity concerning the Company's Group or its business, assets or affairs;
- (B) if required by:
  - (i) law; or
  - (ii) any securities exchange or regulatory or governmental body to which that party is subject, wherever situated, including (amongst other bodies) the Madrid Stock Exchange, the Comisión Nacional del Mercado de Valores, the SEC and NASDAQ whether or not the requirement has the force of law,

in which case the disclosing party shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other parties before making such announcement (and if the disclosing party is unable to consult with the other parties before making such an announcement it shall inform the other parties of the circumstances, timing, content and manner of making the announcement immediately after the announcement is made);

- (C) if required to enable the disclosing party to enforce its rights under this agreement (or any document referred to in this agreement) or for the purpose of any judicial proceedings in connection with this agreement (or any document referred to in this agreement); or
- (D) containing Confidential Information if the disclosing party is permitted to disclose such Confidential Information in accordance with clause 26.3(F) (Permitted disclosure) or 26.3(G) (Permitted disclosure).

## 27.3 Disclosure of financial reporting statements by the Company

Notwithstanding clause 27.2, if the Company or any other member of the Company's Group is to make any public disclosure of financial information relating to the Company or any other member of the Company's Group including, but not limited to, any "earnings release" or pursuant to the terms of its then existing financing arrangements, the Company shall procure that:

- (A) a draft of any such public disclosure is provided to each Shareholder at least seven Business Days before the disclosure is proposed to be made to enable

each Shareholder reasonable opportunity to review and approve the draft disclosure; and

- (B) the draft disclosure is amended to incorporate all amendments as are reasonably required by each Shareholder to enable that Shareholder's Ultimate Parent to comply with its regulatory reporting obligations.

#### 27.4 **O2 Daisy**

The Company shall procure that the O2 Daisy Shareholder:

- (A) does not consent to any member of the O2 Daisy Group making a public announcement or other communication that contains any information relating to:
  - (i) the Liberty Global Shareholder and its Group, or the business, assets, customers or affairs of any such person, without the prior written consent of the Liberty Global Shareholder; or
  - (ii) the Telefónica Shareholder and its Group, or the business, assets, customers or affairs of any such person, without the prior written consent of the Telefónica Shareholder; and
- (B) consults with, and has regard to the comments and suggestions of, the Shareholders in respect of any announcement requiring the consent of the O2 Daisy Shareholder under the O2 Daisy Shareholders' Agreement and does not approve any announcement by a member of the O2 Daisy Group in accordance with clause 28.3 (Disclosure of financial reporting statements by the Company) of the O2 Daisy Shareholders' Agreement without the prior written approval of the Shareholders.

#### 27.5 **Duration of restrictions**

The restrictions contained in this clause 27 shall continue to apply to each party (including any Shareholder who has ceased to hold Shares) for a period of three years from termination of this agreement with respect to that Shareholder in accordance with clause 29 (Termination).

### 28. **PARENT COMPANY GUARANTEES**

- (A) In consideration for the mutual rights and obligations of the parties under this agreement:
  - (i) the Liberty Global Guarantor hereby unconditionally and irrevocably guarantees to the Telefónica Shareholder the due and punctual performance by the Liberty Global Shareholder of all obligations of the Liberty Global Shareholder under or pursuant to this agreement, including (without limitation) the due and punctual payment of all

monies payable by the Liberty Global Shareholder, and agrees to indemnify the Telefónica Shareholder against all liabilities, losses, proceedings, claims, damages, costs or expenses that it may suffer as a result of any failure or delay by the Liberty Global Shareholder to punctually discharge and/or perform any of the obligations of the Liberty Global Shareholder. The liability of the Liberty Global Guarantor under this agreement or any other document referred to in it shall not be released or diminished by any variation of the terms of this agreement (whether or not agreed by the Liberty Global Guarantor), any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance; and

- (ii) the Telefónica Guarantor hereby unconditionally and irrevocably guarantees to the Liberty Global Shareholder the due and punctual performance by the Telefónica Shareholder of all obligations of the Telefónica Shareholder under or pursuant to this agreement, including (without limitation) the due and punctual payment of all monies payable by the Telefónica Shareholder, and agrees to indemnify the Liberty Global Shareholder against all liabilities, losses, proceedings, claims, damages, costs or expenses that it may suffer as a result of any failure or delay by the Telefónica Shareholder to punctually discharge and/or perform any of the obligations of the Telefónica Shareholder. The liability of the Telefónica Guarantor under this agreement or any other document referred to in it shall not be released or diminished by any variation of the terms of this agreement (whether or not agreed by the Telefónica Guarantor), any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.
- (B) If and whenever a Shareholder (a "**Breaching Shareholder**") defaults for any reason whatsoever in the performance of any of its obligations under or pursuant to this agreement, the relevant Guarantor shall forthwith upon demand unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) the Breaching Shareholder's obligation in regard to which such default has been made in the manner prescribed by this agreement and so that the same benefits shall be conferred on the other Shareholder (the "**Non-Breaching Shareholder**") as would have been received if such obligation had been duly performed and satisfied by the Breaching Shareholder.
  - (C) With respect to each Guarantor, this guarantee is to be a continuing guarantee and accordingly is to remain in force until all the obligations of the relevant Breaching Shareholder shall have been performed or satisfied. This guarantee is in addition to, without limiting and not in substitution for, any rights or security which the relevant Non-Breaching Shareholder may now or after the date of this agreement have or hold for the performance and observance of the obligations, commitments and undertakings of the relevant Breaching Shareholder under or in connection with this agreement.

- (D) As a separate and independent stipulation, each Guarantor agrees that any

obligation of the relevant Breaching Shareholder which may not be enforceable against or recoverable from the relevant Breaching Shareholder by reason of any legal limitation, disability or incapacity on or of the relevant Breaching Shareholder or any fact or circumstance (other than any limitation imposed by this agreement) shall nevertheless be enforceable against and recoverable from the Guarantor as though the same had been incurred by the Guarantor and the Guarantor were the sole or principal obligor in respect thereof and shall be performed or paid by the Guarantor on demand.

## **29. TERMINATION**

29.1 This agreement shall terminate immediately (except for those provisions in clause 24 (Protective Covenants), clause 26 (Confidentiality) and clause 27 (Announcements) (in each case subject to the provisions of those clauses) and without prejudice to any rights, liabilities or remedies arising under this agreement prior to such termination to which clause 40 (Arbitration) will continue to apply):

- (A) if any Shares are listed on, or dealings in any Shares commence on, a regulated market following an IPO in accordance with clause 19 (IPO);
- (B) if only one Shareholder (together with members of its Group) remains holding Shares; or
- (C) in respect of the rights and obligations of any Shareholder if it and all members of its Group cease to hold any Shares and Shareholder Loans and each person to whom Shares and Shareholder Loans have been transferred by that Shareholder and members of its Group has entered into a Deed of Adherence in the form set out in Schedule 2 (Form of Deed of Adherence) and Deed of Novation in the form set out in Schedule 4 (Deed of Novation).

## **30. LANGUAGE**

### **30.1 Proceedings**

Meetings of the Shareholders, the Board and any committee of the Board shall be conducted in English. Notices (including accompanying papers) and minutes of such meetings shall be prepared in English.

### **30.2 Documents**

Each other document in connection with this agreement shall be in English or accompanied by an English translation. The receiving party shall be entitled to assume the accuracy of and rely upon any English translation of any document, notice or other communication given or delivered to it pursuant to this clause 30.2.

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### 31. **ASSIGNMENT**

This agreement shall be binding on and enure for the benefit of each party's successors in title. No party shall assign (or declare any trust in favour of a third party over) all or any part of the benefit of, or its rights or benefits under, this agreement.

### 32. **ENTIRE AGREEMENT**

#### 32.1 **Whole and only agreement**

This agreement constitutes the whole and only agreement between the parties relating to the subject matter of this agreement.

#### 32.2 **No reliance on pre-contractual statements**

Except in the case of fraud, wilful misrepresentation or wilful concealment, each party acknowledges that in entering into this agreement it is not relying upon any Pre-contractual Statement which is not repeated in this agreement.

#### 32.3 **Exclusion of other rights of action**

Except in the case of fraud, wilful misrepresentation or wilful concealment, no party shall have any right of action against any other party to this agreement arising out of or in connection with any Pre-contractual Statement except to the extent that it is repeated in this agreement.

#### 32.4 **Meaning of Pre-contractual Statement**

For the purposes of this clause, "**Pre-contractual Statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this agreement made or given by any person at any time prior to this agreement becoming legally binding.

#### 32.5 **Variation**

- (A) This agreement may only be varied in writing signed by each of the parties.
- (B) Each Shareholder acknowledges that if the Shareholders' respective Percentage Interests are no longer equal, amendments to this agreement may be required to reflect such imbalance between the Shareholders' interests in the Company.

#### 32.6 **Conflict with Articles of Association**

In the event of any ambiguity or discrepancy between the provisions of this agreement and the Articles of Association, the provisions of this agreement shall prevail as between

the Shareholders, but not so as to amend the Articles of Association, for so long as this agreement remains in force. Each of the Shareholders shall exercise all voting and other rights and powers available to it so as to give effect to the provisions of this agreement and, if necessary, to procure (so far as it is able to do so) any required amendment to the Articles of Association.

### 33. NOTICES

#### 33.1 Notices to be in writing

A notice under this agreement shall only be effective if it is in writing and in English. For a notice sent by e-mail to be effective, it must also be confirmed by delivering a physical hard copy of the notice by registered mail or courier whereby notice shall be deemed to be duly given by the relevant e-mail and not the physical hard copy.

#### 33.2 Addresses

Notices under this agreement shall be sent to a party at its address and for the attention of the individual set out below:

Party and title of individual	Address	E-mail address
Liberty Global Shareholder and the Liberty Global Guarantor	Bryan Hall (General Counsel) Liberty Global Holdings Limited, 1550 Wewatta Street, Denver, CO 80202, United States	bhall@libertyglobal.com
CC: Jeremy Evans (Deputy General Counsel)	Liberty Global Holdings Limited, 120 King's Road, London, United Kingdom, SW3 4TR	jevans@libertyglobal.com and legaluk@libertyglobal.com

Telefónica Shareholder and the Telefónica Guarantor	Telefónica, S.A. For the attention of: General Counsel Distrito Telefónica - Ed. Central – 1ª planta C/Ronda de la Comunicación s/n 28050, Madrid, Spain	secretaria.general@telefonica.com
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CC: Antonio García-Mon (Group Vice General Counsel & Chief Legal Officer)	Group Vice General Counsel & Chief Legal Officer Distrito Telefónica - Ed. Central – 3ª planta c/ Ronda de la Comunicación s/n 28050, Madrid, Spain	secretaria.garciamon@telefonica.com
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The Company	Its registered office from time to time  For the attention of: General Counsel	SRMlegal@virginmediao2.co.uk
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provided that a party may change its notice details on giving notice to the other parties of the change in accordance with this clause 33.

### 33.3 Receipt of Notices

- (A) Any notice given under this agreement shall, in the absence of earlier receipt and subject to clause 33.3(B), be deemed to have been duly given as follows:
- (i) if delivered personally, on delivery;
  - (ii) if sent by first class inland post, two clear Business Days after the date of posting;
  - (iii) if sent by airmail, six clear Business Days after the date of posting; and
  - (iv) if sent by e-mail, when sent.
- (B) Any notice given under this agreement outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.

The provisions of this clause 33 shall not apply in relation to the service of any arbitration proceedings pursuant to clause 40 (Arbitration).

#### **34. REMEDIES AND WAIVERS**

##### **34.1 Delay or omission**

No delay or omission by any party to this agreement in exercising any right, power or remedy provided by law or under this agreement shall:

- (A) affect that right, power or remedy;
- (B) operate as a waiver of it; or
- (C) operate as an affirmation of this agreement.

##### **34.2 Single or partial exercise**

The single or partial exercise of any right, power or remedy provided by law or under this agreement shall not, unless otherwise expressly stated, preclude any other or further exercise of it or the exercise of any other right, power or remedy.

##### **34.3 Cumulative rights**

The rights, powers and remedies provided in this agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

##### **34.4 Damages not an adequate remedy**

Notwithstanding any express remedies provided under this agreement and without prejudice to any other right or remedy which any party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach by it of the provisions of this agreement, so that in the event of a breach or anticipated breach of such provisions, the remedies of injunction, an order for specific performance and/or other equitable relief may in appropriate circumstances be available.

##### **34.5 No third party rights**

- (A) Except as set out in clause 34.5(B), the parties to this agreement do not intend that any term of this agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this agreement.
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- (B) Subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999 each member of the Company's Group and each member of each Shareholder's Group may enforce and rely on: (i) clause 22.2(D) (Anti-corruption); and (ii) clause 25.30 (Tax Matters).

#### 34.6 **Invalidity**

If at any time any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this agreement.

#### 35. **NO PARTNERSHIP OR FIDUCIARY RELATIONSHIP**

The parties acknowledge and agree that:

- (A) nothing in this agreement and no action taken by the parties under this agreement shall constitute a partnership, association or other co-operative entity between any of the parties or constitute any party as being the agent of any other party for any purpose; and
- (B) no fiduciary relationship or fiduciary duties shall exist between the parties arising out of or in connection with this agreement.

#### 36. **COSTS AND EXPENSES**

Except as otherwise stated in this agreement, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this agreement.

#### 37. **COUNTERPARTS**

This agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this agreement, but all the counterparts shall together constitute but one and the same instrument. Delivery of a counterpart of this agreement by e-mail attachment shall be an effective mode of delivery.

### 38. CHOICE OF GOVERNING LAW

This agreement and any Dispute are to be governed by, construed and determined in accordance with English law.

### 39. DISPUTE RESOLUTION

Any Shareholder Dispute Matter or any dispute, claim, difference or controversy arising out of, relating to or having any connection with this agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") shall be resolved in accordance with clause 40 (Arbitration).

### 40. ARBITRATION

#### 40.1 If:

(A) any Dispute (other than a Shareholder Dispute Matter) arises, the chief executive officer of each Shareholder's Ultimate Parent will, within 20 Business Days of receipt of a written request from one party to the other, meet in a good faith effort to resolve the Dispute; or

(B) any Shareholder Dispute Matter arises:

(i) the Shareholder that is not involved in the Shareholder Dispute Matter shall give a Shareholder Dispute Matter Notice to the other Shareholder and the Company before any proceedings in respect of the Shareholder Dispute Matter are initiated by either (i) the Company or the relevant member of its Group, or (ii) the Shareholder Dispute Party; and

(ii) the chief executive officer of each Shareholder's Ultimate Parent will, within 20 Business Days of receipt of the Shareholder Dispute Matter Notice, meet in a good faith effort to resolve the Shareholder Dispute Matter.

40.2 If (a) the meeting referred to in clause 40.1 does not take place within the prescribed time period or (b) there is no resolution of the Dispute agreed in writing at the meeting referred to in clause 40.1, either party to the Dispute (a "**Party**" and together the "**Parties**") may require that the Dispute be resolved in accordance with the provisions of clauses 40.3 to 40.8, provided that the right to issue proceedings is not prejudiced by a delay

40.3 All Disputes shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "**Rules**") by three arbitrators appointed in accordance with the Rules. The Rules are incorporated by reference into this clause 40 and capitalised

terms used in this clause 40 which are not otherwise defined in this agreement have the meaning given to them in the Rules.

- 40.4 Nothing in this clause 40 shall prevent any party, before an arbitration has commenced under this clause 40 or any time thereafter, from applying for conservatory and interim relief measures, including, but not limited to, temporary restraining orders or preliminary injunctions, or their equivalent, from any court of competent jurisdiction. The parties hereby agree to opt-out of the Emergency Arbitrator Provisions under Article 29 of the Rules; such Emergency Arbitrator Provisions shall not apply to any disputes arising out of, in connection with or relating to this agreement.
- 40.5 The seat or legal place of arbitration shall be London.
- 40.6 The language of the arbitration shall be English.
- 40.7 The parties agree that in so far as any provision contained in the Rules is incompatible with applicable English law, that provision or relevant part of that provision is to be excluded.
- 40.8 The Parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by the other Party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a Party (i) by law, legal duty or any requirement of a securities exchange or regulatory or governmental body to which that Party is subject, (ii) to protect or pursue a legal right or (iii) to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

#### **41. AGENT FOR SERVICE OF PROCESS**

- 41.1 The Telefónica Guarantor irrevocably appoints and shall maintain Telefónica Digital Limited of 20 Air Street, London W1B 5AN United Kingdom (or such other address as notified by the Telefónica Guarantor to the parties from time to time) as its agent in England for service of process and any other documents in proceedings in connection with this agreement.
- 41.2 Any claim form, judgment or other notice of legal process shall be sufficiently served on the relevant party if delivered to its appointed agent at its address for the time being (as specified in clause 41.1 or, if applicable, the Deed of Adherence or Deed of Novation relating to such party).
- 41.3 Each party required to maintain an agent in accordance with clause 41.1 agrees not to revoke the authority of its agent and if for any reason it does so or its agent ceases to act in such capacity, it shall promptly appoint another agent with an address in England and notify each other party of the agent's details. If a relevant party fails to appoint another agent within 14 calendar days of it being required to do so under this clause

the defaulting party.

IN WITNESS of which this agreement has been executed and delivered as a deed on the date which first appears on page 1 of this agreement.

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**Schedule 1  
The Company**

<b>Company name:</b>	VMED O2 UK Limited
<b>Registered number:</b>	12580944
<b>Registered office:</b>	500 Brook Drive, Reading, United Kingdom, RG2 6UU
<b>Date and place of incorporation:</b>	30 April 2020, England
<b>Directors:</b>	<ul style="list-style-type: none"> <li>(i) Mike Fries;</li> <li>(ii) Charlie Bracken;</li> <li>(iii) Enrique Rodriguez;</li> <li>(iv) Andrea Salvato;</li> <li>(v) Marc Murtra Millar;</li> <li>(vi) Laura Abasolo García de Baquedano;</li> <li>(vii) Ángel Vilá Boix; and</li> <li>(viii) Emilio Gayo Rodriguez.</li> </ul>
<b>Secretary:</b>	Enrique Medina Malo
<b>Financial year end:</b>	31 December
<b>Auditors:</b>	KPMG



- 4 [The New Party's agent for service of process for the purposes of clause 41.1 (Agent for service of process) of the Shareholders' Agreement shall be [●], whose address is [●].]
- 5 Any matter, claim or dispute arising out of or in connection with this Deed, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.
- 6 The courts of England are to have jurisdiction to settle any dispute, whether contractual or non-contractual, arising out of or in connection with this Deed. Any proceeding, suit or action arising out of or in connection with this Deed ("**Proceedings**") or the negotiation, existence, validity or enforceability of this Deed may be brought in the courts of England. Each party agrees that this jurisdiction agreement is for the benefit of each other party and that each party is therefore to retain the right to bring Proceedings in the courts of any other competent jurisdiction. This clause shall not limit the right of any party to bring Proceedings, to the extent permitted by law, in the courts of more than one jurisdiction at the same time. Each party irrevocably submits and agrees to submit to the jurisdiction of the English courts and any other court in which Proceedings may be brought in accordance with this clause.

IN WITNESS of which this Deed has been executed and delivered by the New Party on the date which first appears above.

[Appropriate execution clauses to be inserted]

## Treasury Principles

- (A) A beauty parade of at least three of the RCF Banks shall be arranged which may be attended by the Shareholders and the Company. Advice shall be sought from the relevant banks on the all-in cost of debt (including pricing, fees and original issue discounts) and the recommended strategy for the Recapitalisation or Refinancing. Banks will be chosen based on relevant criteria including current risk profile, remuneration received from the Company's Group in the preceding 24 month period, level of exposure to the Company, the information presented at the beauty parade and on the basis of their market status for the particular debt services and products sought (and in making the decision to choose the banks the Shareholder(s) shall act reasonably).
- (B) In the case of Recapitalisations, the Leverage Ratio shall be increased as close as possible to 5.0:1, provided that the Leverage Ratio shall not exceed 4.99:1 immediately following completion of the Recapitalisation and shall not (as determined by reference to the Business Plan in place at the time of implementing the Recapitalisation) exceed 4.99:1 at the end of each quarter of the 12 month period following completion of the Recapitalisation.
- (C) The Recapitalisation or Refinancing shall not be implemented in respect of an amount less than the prevailing market standard minimum tranche size unless such new debt is being added to an existing debt tranche.
- (D) All financial debt shall be at a fixed rate of interest or, where not at a fixed rate, shall be hedged to an effective fixed rate (meaning, in the case of loans, to their maturity and, in case of bonds, to the first date at which they may be first called by the holders or the Company's Group at par), such that, at each point in time, the total effective fixed rate debt shall be:
- (i) for the remainder of the calendar year from the date of this agreement and for the first full calendar year following Completion, a target of 100 per cent., but in any case not less than 95 per cent. and no greater than 105 per cent.; and
  - (ii) thereafter, a target of 100 per cent., but in any case not less than 80 per cent. and no greater than 105 per cent.
- (E) All financial debt shall be denominated in pounds sterling or shall be hedged to the pounds sterling (meaning, in the case of loans, to their maturity and, in case of bonds, to the first date at which they may be first called by the holders or the Company's Group at par) such that, at each point in time, the total effective pounds sterling debt shall be:
- (i) for the remainder of the calendar year from the date of this agreement and for the first and second full calendar years following Completion, a target of 100 per cent., but in any case not less than 95 per cent. and no greater than 105 per cent.; and
-

- (ii) thereafter, a target of 100 per cent., but in any case not less than 80 per cent. and no greater than 105 per cent.
- (F) Aggregate forecast operational spend not denominated in pounds sterling shall be hedged such that, at each point in time, hedges shall be in place for:
  - (i) 100 per cent. of the forecast spend for the remainder of the calendar year from the date of this agreement; and
  - (ii) 75 per cent. of the forecast spend for the first full calendar year following Completion.
- (G) All counterparties to hedging transactions must be RCF Banks (or Affiliates of RCF Banks) and must, on the relevant transaction date, have a credit rating of Baa1/BBB+ or better by at least one international credit rating agency.
- (H) The covenant terms of the financial debt shall be as flexible as possible taking into account the conditions in the then prevailing credit market, and to the extent possible shall not include any maintenance covenants but in any event shall not include additional maintenance covenants compared with the terms of the external Liberty Global Transferred Group debt in place at the relevant time.
- (I) As a general principle, the Company's Group should not at any time have a weighted average remaining term of all financial indebtedness of less than six years, and should not have any financial debt with a remaining term of less than three years (except, in each case, for vendor financing and securitisation transactions) provided that the costs and market conditions are reasonably consistent with the Business Plan.
- (J) The external legal counsel of Virgin Media Finance plc and its subsidiaries as at the date of this agreement will be engaged to act for the Company's Group on any Recapitalisation or Refinancing that is implemented following the date of this agreement pursuant to clause 13.10 (Target Leverage Ratio) for a minimum period of three years (unless the Shareholders mutually agree otherwise). Following the third anniversary of the date of this agreement, either Shareholder may propose (with the agreement of the other Shareholder) alternative external legal counsel for the Board to consider and approve if necessary to change counsel. If the Shareholders do not reach an agreement on the appointment of new external counsel, then the existing counsel shall remain instructed until the Shareholders reach a mutual agreement on such new appointment.
- (K) The Tax consequences of a Recapitalisation and Refinancing for the Company and its Group shall be taken into account and any Recapitalisation or Refinancing shall be structured in the most Tax efficient manner.

**Schedule 4**  
**Form of Deed of Novation**

**THIS DEED** is made on [●]

**BETWEEN**

- (1) [ORIGINAL PARTY], whose registered office is at [●] (the “**Original Party**”);
- (2) [NEW PARTY], whose registered office is at [●] (the “**New Party**”); and
- (3) **VMED O2 UK LIMITED**, whose registered office is at [●] (the “**Company**”).

**WHEREAS:**

- (A) This Deed is entered into in compliance with the terms of clause 15.2 (Requirements for making a Permitted Transfer) of an agreement dated 1 June 2021 as amended on 15 November 2023 and on [●] 2025 made between (1) Liberty Global Europe 2 Limited, (2) Liberty Global Holdings Limited (formerly Liberty Global plc), (3) Telefónica O2 Holdings Limited, (4) Telefónica, S.A. and (5) the Company as such agreement shall have been or may be amended, supplemented or novated from time to time (the “**Shareholders' Agreement**”).
- (B) The Original Party and the Company are party to an intercompany loan agreement dated [●] (the “**Loan Agreement**”) which is a Shareholder Loan as defined in the Shareholders' Agreement.
- (C) The Original Party has agreed to transfer by way of novation the whole of its rights and obligations under the Loan Agreement and the New Party has agreed to accept the transfer of the same, pursuant to the terms of this Deed.

**IT IS AGREED** as follows:

**1. Definitions and Interpretation**

- 1.1 Defined terms used in this Deed have the meaning given to such terms in the Loan Agreement unless otherwise defined.
- 1.2 In this Deed, unless otherwise specified:
  - (A) references to Clauses are to clauses, sub-clauses and paragraphs of this Deed;
  - (B) words importing the singular shall include the plural, and vice versa;
  - (C) headings to clauses are for convenience only and do not affect the interpretation of this Deed.

**2. Novation**

**2.1 Assumption of obligations by the New Party**

On the date of this Deed, the Original Party hereby transfers by novation all of its rights, obligations and liabilities under the Loan Agreement to the New Party. The New Party undertakes to the Company that it will, on and with effect from the date of this Deed, assume and discharge all the obligations of the Original Party under the Loan Agreement arising on or after the date of this Deed and otherwise to be bound by, observe and perform all the terms and conditions of the Loan Agreement as if it had been a party to the Loan Agreement in lieu of the Original Party. From the date of this Deed, references to the Original Party in the Loan Agreement will be deemed to be references to the New Party.

**2.2 Release of the Original Party**

With effect from the date of this Deed, the Company releases and discharges the Original Party from performance of its obligations under the Loan Agreement on or after the date of this Deed and from all liabilities, claims and demands of any kind arising under or in connection with the Loan Agreement on or after the date of this Deed.

**2.3 Acceptance of obligations of the New Party**

As from the date of this Deed, the Company hereby confirms its consent to the novation made by this deed and accepts the undertaking by the New Party set out in Clause 2.1 to perform the obligations under the Loan Agreement as if it were a party to the Loan Agreement in lieu of the Original Party as of the date of this Deed.

**2.4 Rights granted to the New Party by the Company**

The Company undertakes to the New Party that it will on and with effect from the date of this Deed:

- (A) observe and perform all the terms and conditions of the Loan Agreement as if the New Party had been a party to the Loan Agreement in place of the Original Party and the obligations of the Company had been owed to the New Party in lieu of the Original Party; and
- (B) be liable to the New Party for any breaches of the Loan Agreement on its part.

**3. Costs and Expenses**

Each party to this Deed shall pay all costs and expenses (including legal costs and expenses) incurred by it in connection with the negotiation, preparation and execution of this Deed.

**4. Representations**

deliver and perform its obligations under this Deed.

**5. Contracts (Rights of Third Parties) Act 1999**

The parties to this Deed do not intend that any term of this Deed should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed.

**6. Further Assurance**

Each party shall at its own cost, from time to time on request, do or procure the doing of all acts and/or execute or procure the execution of all documents in a form satisfactory to the other parties which the other parties may reasonably consider necessary for giving full effect to this Deed and securing to each of the parties the full benefit of the rights, powers and remedies conferred upon each of the parties in this Deed.

**7. Counterparts**

7.1 This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

7.2 Each counterpart shall constitute an original of this Deed, but all the counterparts shall together constitute but one and the same instrument.

**8. Governing Law**

This Deed shall be governed by and construed in accordance with the laws of England and Wales and each of the parties irrevocably submits for all purposes of or in connection with this Deed to the exclusive jurisdiction of the Courts of England.

**IN WITNESS** whereof this Deed has been duly executed and delivered as a deed on the date first stated at the beginning of this Deed.

[Appropriate execution clauses to be inserted]

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**Schedule 5**  
**Framework Services Agreements Governance**

**1. Definitions**

In this Schedule:

**Bilateral FSA Committee** has the meaning given in the relevant Framework Services Agreement;

**Framework Services Agreement** means each of the Liberty Global Services Agreement, Liberty Global RTSA, Telefónica Services Agreement and Telefónica RTSA, as the context requires;

**FSA Dispute** means, in relation to each Framework Services Agreement, a Dispute (as defined in that Framework Services Agreement) escalated to the Tri-Party FSA Committee (as defined below) pursuant to that Framework Services Agreement by the relevant Bilateral FSA Committee;

**FSA Reserved Matters** has the meaning given in the relevant Framework Services Agreement;

**Non-Service Provider Shareholder** means, in relation to each of the Liberty Global Services Agreement and the Telefónica Services Agreement, the Shareholder that is not the Service Provider Shareholder; and

**Service Provider Shareholder** means: (a) in the case of the Liberty Global Services Agreement, the Liberty Global Shareholder; and (b) in the case of the Telefónica Services Agreement, the Telefónica Shareholder.

**2. Dispute and FSA Reserved Matter resolution**

2.1 The Liberty Global Shareholder, the Telefónica Shareholder and the Company shall establish a joint governance committee to (i) consider the matters identified in paragraph 2.5 as may arise under any of the Framework Services Agreements, and (ii) resolve certain disputes where these have been escalated pursuant to any of the Framework Services Agreements (the **Tri-Party FSA Committee**).

2.2 On or around the date of this agreement, the Liberty Global Shareholder, the Telefónica Shareholder and the Company shall each be entitled to appoint three representatives to the Tri-Party FSA Committee (constituting a total of nine representatives).

2.3 Each of the Liberty Global Shareholder, the Telefónica Shareholder and the Company may:

(A) on reasonable prior written notice to each of the others, replace any of their respective representatives on the Tri-Party FSA Committee with a suitable replacement as they see fit; and

- (B) on agreement between the Liberty Global Shareholder and the Telefónica Shareholder, invite other functional representatives to attend Tri-Party FSA Committee meetings as required.
  
- 2.4 The Tri-Party FSA Committee shall meet at least every two months during the first six (6) months of the Term (with frequency thereafter being agreed in writing by the Tri-Party FSA Committee) and at such other times as the Bilateral FSA Committee under any Framework Services Agreement may reasonably request in order to address the matters described in paragraph 2.5.
  
- 2.5 In relation to each Framework Services Agreement, for so long as a member of (i) in the case of the Liberty Global Services Agreement and Telefónica Services Agreement, the relevant Service Provider Group (as defined in that Framework Services Agreement), or (ii) in the case of the Liberty Global RTSA and Telefónica RTSA, the relevant Service Recipient Group (as defined in that Framework Services Agreement), remains a party to this agreement, the Tri-Party FSA Committee will have the following responsibilities in respect of that Framework Services Agreement:
  - (A) managing and attempting to resolve FSA Disputes escalated from the relevant Bilateral FSA Committee under that Framework Services Agreement; and
  - (B) reviewing and deciding upon whether or not to approve any FSA Reserved Matter referred to it from the relevant Bilateral FSA Committee under that Framework Services Agreement.
  
- 2.6 Decisions and resolutions of the Tri-Party FSA Committee may only be made by the unanimous approval of the Liberty Global Shareholder's and the Telefónica Shareholder's representatives. The Company's representatives shall attend and contribute to meetings of the Tri-Party FSA Committee, but shall not be entitled to vote on its decisions or resolutions.
  
- 2.7 If the Liberty Global Shareholder's and the Telefónica Shareholder's representatives do not reach consensus in relation to any FSA Reserved Matter or in respect of any FSA Dispute escalated to the Tri-Party FSA Committee pursuant to a Framework Services Agreement, the representatives of the Liberty Global Shareholder and the Telefónica Shareholder may, by their mutual agreement, determine the most appropriate course of action in order to resolve the FSA Dispute or agree whether or not to approve the relevant FSA Reserved Matter.
  
- 2.8 If the Tri-Party FSA Committee does not resolve any FSA Dispute or reach agreement on whether or not to approve any FSA Reserved Matter, as the case may be, within 10 Business Days (or such longer period as the Tri-Party FSA Committee may agree in writing) of the FSA Dispute or FSA Reserved Matter being considered at a meeting of the Tri-Party FSA Committee (and the representatives of the Liberty Global Shareholder and the Telefónica Shareholder have not agreed an alternative course of action in respect of the particular FSA Dispute or FSA Reserved Matter, as the case may be):

- (A) in respect of a FSA Dispute, such FSA Dispute shall be deemed to be a Shareholder Dispute Matter for the purposes of this agreement; or
  - (B) in respect of a FSA Reserved Matter, such FSA Reserved Matter may be referred by any member of the Tri-Party FSA Committee to the chief executive officer of each Shareholder's Ultimate Parent, in which case paragraph 2.9 shall apply.
- 2.9 If a FSA Reserved Matter is escalated by any member of the Tri-Party FSA Committee to the chief executive officer of each Shareholder's Ultimate Parent in accordance with paragraph 2.8(B), then:
- (A) the chief executive officer of each Shareholder's Ultimate Parent will discuss and attempt in good faith to agree whether or not to approve the relevant FSA Reserved Matter (or to take an alternative course of action in respect of the relevant Reserved Matter); and
  - (B) subject to paragraph 3, if the chief executive officers of the Shareholders' Ultimate Parents do not agree whether or not to approve the relevant FSA Reserved Matter (or to take an alternative course of action in respect of the relevant Reserved Matter) within 10 Business Days of it being escalated to them, that FSA Reserved Matter shall not be approved and may not be proposed again until at least six months after the above procedure has expired unless both Shareholders agree otherwise.
- 2.10 In relation to a FSA Reserved Matter that constitutes deciding upon whether or not to approve a Requested Integration Change (as defined in the Change Management Procedure of the Liberty Global Services Agreement or Telefónica Services Agreement, as the case may be), each Shareholder's representatives on the Tri-Party FSA Committee (and the chief executive officer of each Shareholder's Ultimate Parent, if applicable) may, at their sole discretion, have regard to maintaining the balance of the relative economic benefits for each of the Company and the Shareholders in relation to the Liberty Global Services Agreement and Telefónica Services Agreement.
- 3. Expert determination for specific matters**
- 3.1 In this paragraph 3, in relation to each of the Liberty Global Services Agreement and Telefónica Services Agreement, each of the terms **Exclusive Service, Exclusive Service Change, Expansion Charges, Expansion Charges Test, New Charges, New, New Charges Test** and **Proposed Exclusive Service Expansion** shall have the meaning given to it in that Framework Services Agreement.
- 3.2 In relation to any FSA Reserved Matter that is escalated to the chief executive officer of each Shareholder's Ultimate Parent in accordance with paragraph 2.8(B), where that FSA Reserved Matter arises under the Liberty Global Services Agreement or Telefónica Services Agreement and comprises considering whether or not to approve:

- (A) the Expansion Charges payable in relation to a Proposed Exclusive Service

Expansion; or

- (B) the New Charges payable in relation to a New Exclusive Service or Exclusive Service Change,

if the chief executive officers of the Shareholders' Ultimate Parents do not reach agreement within 10 Business Days of the matter being escalated to them, either Shareholder may, on written notice to the Company and the other Shareholder, instruct the Company to refer the matter to an independent third party (the **Expert**) to determine whether:

- (i) in the case of a Proposed Exclusive Service Expansion, the Expansion Charges for that Proposed Exclusive Service Expansion comply with the Expansion Charges Test under the relevant Framework Services Agreement; or
- (ii) in the case of a New Exclusive Service or Exclusive Service Change, if the New Charges comply with the New Charges Test under the relevant Framework Services Agreement,

and in each case, if the Expert determines that they do not, to make a determination of the Expansion Charges or New Charges, as the case may be, that the Expert determines would meet the Expansion Charges Test or New Charges Test, as applicable (the **Expert Determined Charges**).

3.3 If the Company refers any matter to an Expert pursuant to paragraph 3.2:

- (A) the Expert shall act on the following basis:
- (i) on their appointment, the Expert shall confirm their neutrality, independence and the absence of conflicts in determining the matter;
  - (ii) the Expert may be an individual, partnership, association or body corporate and shall be generally recognised as an expert in finance and accounting;
  - (iii) the Expert shall act as an expert and not as an arbitrator;
  - (iv) the Expert's determination shall (in the absence of manifest error) be final and binding on the parties and not subject to appeal; and
  - (v) the Expert shall decide the procedure to be followed in the determination in accordance with this Agreement; and
- (B) the costs of the determination, including the fees and expenses of the Expert (but excluding the parties' own costs which shall be borne by the party incurring
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those costs), shall be borne by the relevant Non-Service Provider Shareholder, unless the Expert Determined Charges are 10% lower than the Expansion Charges or New Charges, as applicable, in which case the costs of the determination shall be borne by the Service Provider Shareholder.

**SIGNATORIES**

EXECUTED as a deed by )  
**LIBERTY GLOBAL EUROPE 2 LIMITED** )  
acting by Jeremy Evans and Nicholas Marchant ) /s/ Jeremy Evans  
 ) Director  
  
 ) /s/ Nicholas Marchant  
 ) Director

EXECUTED as a deed by )  
**TELEFÓNICA O2 HOLDINGS LIMITED** )  
acting by its director ) /s/ Thomas Peter de Albuquerque  
Thomas Peter de Albuquerque, ) Director

in the presence of:

Witness's Signature /s/ Mark de Albuquerque

Name: Mark de Albuquerque

Address: 14 Marlborough Buildings

Bath BA1 2LX

UK

EXECUTED as a deed by )

**VMED O2 UK LIMITED** )

acting by its attorney ) /s/ Julia Boyle

Julia Boyle )

in the presence of:

Witness's Signature /s/ Charlotte Hill

Name: CHARLOTTE HILL

Address: 500 BROOK DRIVE, READING, BERKS. RG2 6UU

EXECUTED as a deed by )  
**LIBERTY GLOBAL HOLDINGS LIMITED** )  
acting by Jeremy Evans and Nicholas Marchant ) /s/ Jeremy Evans  
 ) Director  
  
 ) /s/ Nicholas Marchant  
 ) Director

EXECUTED as a deed by )  
**TELEFÓNICA, S.A.** )  
acting by David Garcia-Lorenzana , ) /s/ David Garcia-Lorenzana  
an authorised signatory ) Authorised Signatory  
in the presence of:

Witness's Signature /s/ Elimena Junquera

Name: Elimena Junquera

Address: Ronda de la Comunicación s/n

Madrid (Spain)





## CERTIFICATION

I, Charles H.R. Bracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Global Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2025

\_\_\_\_\_  
/s/ Charles H.R. Bracken  
Charles H.R. Bracken  
Executive Vice President and Chief Financial Officer

**Certification**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Global Ltd. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024.

Dated: October 30, 2025

/s/ Michael T. Fries

\_\_\_\_\_  
Michael T. Fries  
President and Chief Executive Officer

Dated: October 30, 2025

/s/ Charles H.R. Bracken

\_\_\_\_\_  
Charles H.R. Bracken  
Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.