

**POSITION STATEMENT
OF
ALTICE EUROPE N.V.**



24 NOVEMBER 2020

Regarding the recommended cash offer by Next Private B.V. for all the issued and outstanding common shares A and common shares B in the share capital of Altice Europe N.V.

This position statement is published in accordance with article 18, paragraph 2 and Annex G of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*).

The extraordinary general meeting of Altice Europe N.V. will be held at 11:00 hours CET on 7 January 2021.

IMPORTANT INFORMATION

This position statement (the "**Position Statement**") does not constitute or form part of an offer to sell, or a solicitation of an offer to purchase or subscribe for, any securities to any person in any jurisdiction.

This Position Statement is published by Altice Europe N.V. ("**Altice Europe**") for the sole purpose of providing information to its shareholders on the public offer (*openbaar bod*) by Next Private B.V. (the "**Offeror**") to all holders of issued and outstanding common shares A with a nominal value of EUR 0.01 (one eurocent) each (each a "**Share A**") and all holders of issued and outstanding common shares B with a nominal value of EUR 0.25 (twenty-five eurocents) each (each a "**Share B**") in the share capital of Altice Europe (the Shares A and Shares B as they may form part of Altice Europe's issued and outstanding share capital from time to time, the "**Listed Shares**", and the holders of such Listed Shares other than the Offeror Group (as defined below), the "**Shareholders**") to purchase for cash the Listed Shares on the terms and subject to the conditions and restrictions set forth in the offer memorandum dated 24 November 2020 (the "**Offer Memorandum**") (the "**Offer**"), as required pursuant to section 18, paragraph 2 and Annex G of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*) (the "**Decree**").

Information for U.S. Shareholders

The Offer is being made for the Listed Shares of Altice Europe, a public limited liability company incorporated under Dutch Law and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information included in this document has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted in the European Union, and Part 9 of Book 2 of the Dutch Civil Code (the "**DCC**"), and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and Law.

The receipt of cash pursuant to the Offer by a U.S. Shareholder will generally be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax Laws. Each Shareholder is urged to consult his or her independent professional advisor immediately regarding the tax consequences of acceptance or non-acceptance of the Offer.

It may be difficult for U.S. Shareholders to enforce their rights and claims arising out of the U.S. federal securities Laws, since the Offeror and Altice Europe are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities Laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Position Statement or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

Restrictions

The release, publication or distribution of this Position Statement and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by Law and therefore persons into

whose possession this Position Statement comes should inform themselves of and observe those restrictions. A failure to comply with any of those restrictions may constitute a violation of the Law of any such jurisdiction.

Copies of this Position Statement are available on, and can be obtained free of charge from, the website of Altice Europe (www.altice.net).

Forward-looking statements

Certain statements in this Position Statement may be considered "forward-looking statements", such as statements about the impact of the Transaction on Altice Europe and the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. These forward-looking statements speak only as of the date of this Position Statement. Although Altice Europe believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements.

The forward-looking statements are subject to unknown risks, uncertainties and other factors, many of which are outside the control of Altice Europe, difficult to predict and which could cause actual results or outcomes to differ materially from historical experience or those expressed or implied in these forward-looking statements.

These forward-looking statements are not guarantees of future performance. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which Altice Europe operates, competitive developments or risks inherent to the business plans of Altice Europe and uncertainties, risk and volatility in financial markets and other factors affecting Altice Europe.

Altice Europe assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the Law or by any competent regulatory authority.

Governing law and jurisdiction

This Position Statement is governed by and shall be construed in accordance with the Laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*), and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement must be brought exclusively in such courts.

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1. INTRODUCTION

Dear Shareholder,

On 11 September 2020, the Offeror and Altice Europe jointly announced that conditional agreement was reached in connection with a recommended public cash offer for all Listed Shares for a price in cash of EUR 4.11 per Listed Share (cum dividend) (the "**Offer Price**").

Today, the Board is publishing this Position Statement, on the same day on which the Offer Memorandum is also published by the Offeror and the Offer is formally launched. In this document, the Board explains why in its opinion the Transaction promotes the sustainable success of Altice Europe's business and is in the interest of Altice Europe and its stakeholders, including its Shareholders, employees, customers, debt providers and suppliers.

Before reaching conditional agreement on the Transaction, the Board made a comprehensive assessment of the Transaction taking into account the interests of Altice Europe and its stakeholders, including the Shareholders. In this assessment the independence of the deliberations and decision-making process has been carefully safeguarded. A description of the decision-making process is included in section 3.1 (*Sequence of events*) of this Position Statement. Consistent with its fiduciary duties, the Board has followed a thorough process and has given careful consideration to determine the best strategic option for Altice Europe. During this process, which is outlined in this Position Statement, the Board and the Non-Executive Directors received extensive advice from their respective financial and legal advisors. The Board finds it important to share with you its considerations, views and recommendations with respect to the Transaction in this Position Statement. The Board's considerations in respect of the financial terms and conditions of the Transaction are described in section 4 (*Financial assessment of the Transaction*). More information about the Board's non-financial assessment of the Transaction can be found in section 5 (*Non-financial assessment of the Transaction*).

The Board has decided, unanimously, to support the Transaction, recommend to the Shareholders to accept the Offer and to tender their Listed Shares pursuant to the Offer, and recommend that Altice Europe's shareholders vote in favour of all resolutions proposed in relation thereto at the extraordinary general meeting of shareholders to be held at 11:00 hours CET on 7 January 2021 (the "**EGM**"). Separate convocation materials will be made available on Altice Europe's website (www.altice.net).

The EGM is an important event for Altice Europe and its shareholders. The EGM serves to inform you about the Offer and to vote on the resolutions proposed by the Board in connection with the Offer (the "**Resolutions**"). We look forward to hosting you on 7 January 2021.

Yours sincerely,

Jurgen van Breukelen
(Chairman of the Board)

2. DEFINITIONS

In this Position Statement, except for Schedule 1 (*Full Text of the Lazard Fairness Opinion*), Schedule 2 (*Full Text of the LionTree Fairness Opinion*) and Schedule 3 (*Agenda of the EGM and explanatory notes*), capitalised terms have the meaning as set out in this section 2 (*Definitions*). Any reference in this Position Statement to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

"2016 FPPS"	means the FPPS grant document dated 7 July 2016, as amended on 29 May 2018 and 5 October 2020, subject to a resolution of Altice Europe's general meeting to that effect;
"A&O"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Adjusted EBITDA"	means operating income before depreciation and amortisation, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease expenses (i.e. straight-line recognition of the rent expense over the lease term as performed under IAS 17 <i>Leases for operating lease</i>), all on a consolidated basis;
"Adjusted EBITDA – Capex"	means Adjusted EBITDA minus Capex;
"Adverse Recommendation Change"	means the Board or any of its members withholding, revoking, altering or qualifying the Recommendation or making any contradictory statements or passing any contradictory resolutions as to their positive position with respect to the Transaction or failing to announce the Recommendation in any press releases in connection with the Offer or the explanatory notes to the agenda for the EGM or failing to reaffirm the Recommendation within two (2) Business Days of a reasonable request of the Offeror to do so after a statement or action by the Board or any of its members that can reasonably be perceived by the market as inconsistent with the Recommendation;
"Affiliate(s)"	means, with respect to a Party, from time to time, any person that is controlled by that Party, controls that Party, is controlled by a person that also controls that Party or otherwise qualifies as a "subsidiary" or part of a "group" as referred to in Articles 2:24a and 2:24b DCC, <u>provided that</u> no member of the Group shall be deemed to be an Affiliate of the Offeror. " Control " for purposes of this definition means the possession, directly or indirectly, solely or jointly (whether through ownership of securities or partnership interest or other ownership interest, by contract, or otherwise) of (a) more than 50% of the voting power at general meetings of that person or (b) the power to appoint and to dismiss a majority of the managing directors or supervisory directors of that person or otherwise to direct the management and policies of that person;
"Alternative Proposal"	has the meaning set out in section 5.3(c) (<i>Alternative Proposal</i>);
"Altice Europe"	has the meaning set out in the Important Information section;

"Altice Europe Dissolution"	has the meaning set out in section 7.5(ii) (<i>Description of the Post-Offer Asset Sale</i>);
"Articles of Association"	means the current articles of association of Altice Europe (as amended from time to time);
"Asset Sale"	has the meaning set out in section 7.5(i) (<i>Description of the Post-Offer Asset Sale</i>);
"Asset Sale Agreement"	has the meaning set out in section 7.5(i) (<i>Description of the Post-Offer Asset Sale</i>);
"Back-End Resolution (Asset Sale)"	means a Resolution relating to a Post-Offer Asset Sale;
"Back-End Resolution (Merger)"	means a Resolution relating to a Post-Offer Merger;
"Board"	means the non-conflicted members of the Full Board, being Mr. Van Breukelen, Ms. Marty, Mr. Sauvaire, Mr. Besnier and Mr. Paulmier;
"Board Members"	means the members of the Full Board;
"Business Day"	means a day other than a Saturday or Sunday on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business;
"Capex"	means capital expenditure (on an accrued and consolidated basis);
"CET"	means Central European Time;
"Closing Date"	means the day on which the Offer Period expires, whether or not extended;
"Closing Time"	means 17:40 hours CET on the Closing Date;
"Company Holdco"	means Altice Europe's direct wholly-owned subsidiary Altice Europe Holdco B.V.;
"Company Sub"	means Company Holdco's direct wholly-owned subsidiary New Altice Europe B.V.;
"Completion Date"	has the meaning set out in section 8 (<i>Corporate governance Post-Settlement</i>);
"Compulsory Acquisition Procedure"	has the meaning set out in section 7.1 (<i>Compulsory Acquisition Procedure</i>);
"Conflicted Executive Directors"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"DCC"	has the meaning set out in the Important Information section;
"De Brauw"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);

"Decree"	has the meaning set out in the Important Information section;
"Delisting"	means the delisting of the Listed Shares from Euronext Amsterdam (including the Listed Shares not tendered under the Offer) and the termination of the listing agreement between Altice Europe and Euronext Amsterdam in relation to the listing of the Listed Shares;
"EGM"	has the meaning set out in section 1 (<i>Introduction</i>);
"EUR" or "euro"	means the lawful currency of the Netherlands;
"Euronext Amsterdam"	means the stock exchange of Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V.;
"Executive Directors"	means the executive board members of the Full Board;
"Fairness Opinion(s)"	means the fairness opinions issued by Lazard and LionTree to Altice Europe and the Non-Executive Directors, respectively;
"Fiduciary Out"	has the meaning set out in section 5.3(a) (<i>Adverse Recommendation Change</i>);
"Full Board"	means the board of directors of Altice Europe;
"First Proposal"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Further Revised Offer"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Governmental Authority"	means any European Union, national, provincial, local or foreign judicial, legislative, executive, regulatory or competition authority or entity, any arbitral tribunal or any other governmental authority, agency, commission, court or entity;
"Group"	means Altice Europe and its Group Companies collectively;
"Group Companies"	means Altice Europe's controlled Affiliates (including Altice Europe's subsidiaries and other group companies but excluding, for the avoidance of doubt, any direct or indirect shareholders of Altice Europe) and " Group Company " means any one of them or the relevant one of them, as the context requires;
"Holdco Dissolution"	has the meaning set out in section 7.4(iv) (<i>Description of the Post-Offer Merger</i>);
"Independent Non-Executive Directors"	means independent Non-Executive Directors, where 'independent' shall have the meaning as described in the Dutch Corporate Governance Code 2016;
"Law"	means any applicable statute, law, treaty, ordinance, order, rule, directive, regulation, code, executive order, injunction, judgment, decree or other requirement of any Governmental Authority;
"Lazard"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);

"LionTree"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Liquidator"	has the meaning set out in section 7.4(iii) (<i>Description of the Post-Offer Merger</i>);
"Listed Shares"	has the meaning set out in the Important Information section;
"Material Adverse Effect"	<p>means any event, occurrence, fact, condition, effect, change or circumstance (each an "Effect") that becomes (or has become) known to the Offeror after 11 September 2020 (provided, for the avoidance of doubt, that in the determination of whether a Material Adverse Effect has occurred, any Effect that became known to the Offeror prior to the date of the Offer Memorandum may only be taken into account in combination with any Effect that becomes known to the Offeror on or after the date of the Offer Memorandum) that, individually or in the aggregate, has or is reasonably likely to have a materially adverse effect on the business, cash flow, assets, operations, results of operations or condition (financial or otherwise) of the Group taken as a whole; provided, however, that the following shall not be deemed to have or contribute to, or be taken into account in determining whether there has been or would reasonably be expected to be, a Material Adverse Effect: any Effect arising as a result of:</p> <ol style="list-style-type: none"> a. changes, after 11 September 2020, in prevailing interest rates, currency exchange rates or other economic, monetary or political conditions in the European Union, including any adverse development regarding the European Union, its member states (including Brexit or one or more other member states leaving such union) or euro zone (including one or more members leaving such zone); b. general changes, after 11 September 2020, in the European Union securities markets; c. (prospective) changes in mandatory Law of general applicability or interpretations thereof after 11 September 2020; d. changes in economies in general or the industry in which the Group operates after 11 September 2020 unless those changes have a disproportionate effect on the Group, taken as a whole, in comparison to other companies in the industry in which the Group operates; e. a decline in the market price, or change in trading volume or rating, of the Listed Shares on Euronext Amsterdam, or any debt securities of Altice Europe or any change or prospective change in the credit rating of Altice Europe or any of its Group Companies by any applicable rating agency (it being understood that the underlying cause(s) for any such change, to the extent such cause is not excluded by the other paragraphs of this definition, may be deemed to have, may contribute to and may be taken into account in determining whether there has been or would reasonably be expected to be a Material Adverse Effect);

- f. any natural disaster, pandemic, the outbreak or escalation of war, sabotage, military action, act of god, armed hostilities, acts of terrorism, or any escalation or worsening thereof, unless those events have a disproportionate effect on the Group, taken as a whole, in comparison to other companies in the industry in which the Group operates;
- g. the announcement, making or implementation of the Transaction; or
- h. a violation of the Merger Agreement or applicable Law by the Offeror.

"Merger Agreement"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Merger Proposal"	has the meaning set out in section 7.4 (<i>Description of the Post-Offer Merger</i>);
"Netherlands"	means the part of the Kingdom of the Netherlands located in Europe;
"Next Alt"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Non-Executive Directors"	means the non-executive board members of the Full Board;
"Non-Financial Covenants"	has the meaning set out in section 5.1 (<i>Non-Financial Covenants</i>);
"Offer"	has the meaning set out in the Important Information section;
"Offer Conditions"	has the meaning set out in section 6 (<i>Deal certainty</i>);
"Offer Memorandum"	has the meaning set out in the Important Information section;
"Offer Price"	has the meaning set out section 1 (<i>Introduction</i>);
"Offeror"	has the meaning set out in the Important Information section;
"Offeror Group"	means the Offeror, its subsidiaries, its controlling direct or indirect shareholders and BidFair Luxembourg S.à r.l., provided that Altice Europe and its subsidiaries will not be deemed subsidiaries of the Offeror;
"Parties"	means the Offeror and Altice Europe and "Party" means any one of them;
"Position Statement"	has the meaning set out in the Important Information section;
"Post-Acceptance Period"	means a post-Offer acceptance period (<i>na-aanmeldingstermijn</i>) of two (2) weeks;
"Post-Offer Asset Sale"	has the meaning set out in section 7.5(ii) (<i>Description of the Post-Offer Asset Sale</i>);
"Post-Offer Merger"	has the meaning set out in section 7.4(iv) (<i>Description of the Post-Offer Merger</i>);

"Post-Offer Restructuring"	has the meaning set out in section 7.2 (<i>Post-Offer Restructuring</i>);
"Post-Settlement Restructuring"	has the meaning set out in section 7.6 (<i>Other Post-Settlement Restructurings</i>);
"Pref A"	means a preference share A with a nominal value of EUR 0.04 (four eurocents) in the capital of Altice Europe;
"Pref B"	means a preference share B with a nominal value of EUR 0.01 (one eurocent) in the capital of Altice Europe;
"Recommendation"	has the meaning set out in section 12 (<i>Recommendation</i>);
"Reference Date"	means 10 September 2020;
"Relevant Persons"	has the meaning given to it in section 5.3(c) (<i>Alternative Proposal</i>);
"Resolutions"	has the meaning given to it in section 1 (<i>Introduction</i>);
"Revised Offer"	has the meaning set out in section 3.1 (<i>Sequence of events</i>);
"Sale Price"	has the meaning set out in section 7.5(ii) (<i>Description of the Post-Offer Asset Sale</i>);
"Settlement"	means the event that, if the Offeror declares the Offer unconditional (<i>gestand doen</i>), Shareholders will receive the Offer Price in respect of each Tendered Share that has been transferred (<i>geleverd</i>), and the Offeror shall acquire each Tendered Share, within five (5) Business Days following the Closing Date;
"Settlement Date"	means the day on which Settlement occurs;
"Share A"	has the meaning set out in the Important Information section;
"Share B"	has the meaning set out in the Important Information section;
"Share Purchase Agreement"	has the meaning set out in section 7.4(ii) (<i>Description of the Post-Offer Merger</i>);
"Share Sale"	has the meaning set out in section 7.4(ii) (<i>Description of the Post-Offer Merger</i>);
"Share Sale Price"	has the meaning set out in section 7.4(iv) (<i>Description of the Post-Offer Merger</i>);
"Share Transfer Deed"	has the meaning set out in section 7.4(ii) (<i>Description of the Post-Offer Merger</i>);
"Shareholders"	has the meaning set out in the Important Information section;
"Statutory Squeeze-Out"	has the meaning set out in section 7.1(a) (<i>Compulsory Acquisition Procedure</i>);
"Takeover Squeeze-Out"	has the meaning set out in section 7.1(b) (<i>Compulsory Acquisition Procedure</i>);

"Tendered Share"	means each Listed Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) for acceptance pursuant to the Offer prior to or on the Closing Time;
"Transaction"	means the Offer, the Delisting and, to the extent relevant, the relevant Post-Offer Restructuring; and
"Triangular Merger"	has the meaning set out in section 7.4 (<i>Description of the Post-Offer Merger</i>).

3. DECISION-MAKING PROCESS BY THE BOARD

3.1 Sequence of events

This section contains a non-exhaustive description of material contacts between representatives of Altice Europe and the Offeror and certain other circumstances that resulted in reaching and signing the conditional agreement regarding the Transaction on 11 September 2020 (the "**Merger Agreement**").

Since early August 2020, some preliminary and exploratory discussions were held between members of the Board and Next Alt S.à r.l. ("**Next Alt**") regarding a delisting and take-private of Altice Europe through an all-cash public offer.

At the outset, it was considered whether any of the members of the Full Board had a direct or indirect conflict of interest or was related to Next Alt or any of its affiliates. Mr. Drahi, A4 S.A. and Mr. Weill (the "**Conflicted Executive Directors**"), each an Executive Director, were determined to have a conflict of interest within the meaning of article 2:129(6) DCC in respect of the Transaction. Consequently, the Conflicted Executive Directors (and for the avoidance of doubt, A4 S.A.'s permanent representative, Mr. Okhuijsen) have not participated in the deliberations or decision-making process in respect of the Transaction.

Altice Europe engaged external professional advisors, Lazard Frères SAS ("**Lazard**") as financial advisor and De Brauw Blackstone Westbroek N.V. ("**De Brauw**") as legal advisor. In addition, the Non-Executive Directors engaged external professional advisors, LionTree Advisors UK LLP ("**LionTree**") as financial advisor and Allen & Overy LLP ("**A&O**") as legal advisor, who will be, together with Lazard and De Brauw, further referred to as the Board's legal or financial advisors.

Following the exploratory discussions, on 26 August 2020, Altice Europe received an offer letter (the "**First Proposal**") from Next Alt regarding a take-private of Altice Europe by a recommended public offer followed by a delisting and/or corporate restructuring. The terms of the First Proposal included, amongst others, an offer price of EUR 3.93 per Listed Share (cum dividend), to be fully paid in cash. Next Alt shared a draft merger agreement with Altice Europe on 29 August 2020 setting out the proposed terms and conditions of the First Proposal. The Board discussed and carefully considered the First Proposal. Together with its financial and legal advisors, the Board explored the First Proposal on its rationale, merits and consequences and risks for Altice Europe, its business and its stakeholders, including its employees, customers, debt providers, suppliers and Shareholders. In addition, the Board considered various other scenarios for Altice Europe, including the (absence of) strategic alternatives. In the meantime, a confidentiality agreement was entered into between Altice Europe and Next Alt to confirm the agreed confidentiality undertakings. After due consideration, the Board concluded that, although the Board was supportive to the concept of a delisting and take-private of Altice Europe, the First Proposal did not represent a sufficiently compelling proposition for Altice Europe for reasons relating to a combination of (i) price, (ii) acceptance condition, (iii) (more discussion needed on) strategy, and (iv) certain non-financial aspects. The Board therefore rejected the First Proposal by letter of 2 September 2020.

On 4 September 2020, Next Alt improved its First Proposal by a revised offer (the "**Revised Offer**") to Altice Europe, which provided, among other things, for an increase in the proposed offer price to EUR 4.07 per Listed Share (cum dividend) and confirmed Next Alt's progress with respect to the required financing. The Board, together with its advisors, discussed and carefully considered the Revised Offer. The Board concluded that the Revised Offer was an improvement compared to the First Proposal, but that certain elements of the Revised Offer (including price, non-financial aspects and commitments, the lack of a minimum acceptance threshold and the strategic rationale) had to be further clarified and/or negotiated. Consequently, a meeting was held between Next Alt, the Board and its legal and financial advisors on 5 September 2020. On 7 and 8 September 2020, meetings took place between the legal advisors of Next Alt and the legal advisors of the Board.

In the days following the Revised Offer, the Board reviewed the terms of the Revised Offer. The Board continued to be supportive of the concept of a delisting and take-private of Altice Europe. However, although the Board understood the strategic rationale – and saw the merits for Altice Europe and its associated business enterprise – of the Revised Offer, the Board had to further analyse the financial and non-financial elements of the Revised Offer, also in the context of the overall terms. The Board concluded that some elements of the Revised Offer, including the price, the absence of a minimum acceptance threshold to pursue a pre-wired Post-Offer Restructuring below the initial acceptance threshold of 95% and certain non-financial aspects were still not acceptable to the Board. The Board informed Next Alt accordingly on 8 September 2020.

On 9 September 2020, Next Alt further improved its Revised Offer with its final offer by increasing the proposed consideration per Listed Share to EUR 4.11 (cum dividend) and improved terms and non-financial aspects (the "**Further Revised Offer**"), subject to reaching agreement that a minimum acceptance threshold in relation to the Post-Offer Restructurings would not be part of the terms and conditions of the Offer. Following receipt thereof, the Board and Next Alt conducted another meeting on 10 September 2020 to discuss the Further Revised Offer. The Board, taking into account its fiduciary duties, considered that the Further Revised Offer was a further improvement compared to the earlier proposals but that it was yet not sufficient for the Board to change its position as previously communicated. The Board emphasised the importance for the Board to be able to fulfil, and continue to fulfil, its fiduciary duties also in relation to any Post-Offer Restructuring. Multiple discussions took place between the Board, the Offeror (replacing Next Alt as the entity making the Offer), and their respective advisors regarding this matter. These discussions resulted in a revised draft merger agreement that includes the Fiduciary Out (as described in section 5.3(a) (*Adverse Recommendation Change*)), which permits the Board to make an Adverse Recommendation Change and thereby terminate Altice Europe's obligations under the Merger Agreement in respect of any Post-Offer Restructuring if material events or material circumstances after announcement of the Offer result in it being inconsistent with the Board Members' fiduciary duties under Dutch law not to make an Adverse Recommendation Change.

On 10 and 11 September 2020, the Board held Board meetings during which it carefully reviewed and discussed the final terms and conditions of the merger agreement and gave careful consideration to all aspects of the proposed transaction, including the effects on Altice Europe's operations and strategy, and Altice Europe's employees, customers, debt providers, suppliers, Shareholders and other stakeholders, taking into account the advice of its financial and legal advisors. More specifically, Lazard rendered corporate finance advice and a Fairness Opinion to Altice Europe, LionTree rendered corporate finance advice and a Fairness Opinion to the Non-Executive Directors (as discussed in more detail in section 4.3 (*Fairness Opinions*)), De Brauw rendered legal advice to Altice Europe in respect of the terms of the Transaction and the duties of the Board and A&O rendered legal advice to the Non-Executive Directors in respect of the terms of the Transaction and the duties of the Non-Executive Directors. At the end of such meetings, the Board unanimously concluded that the proposed transaction promotes the sustainable success of Altice Europe's business and is in the best interest of Altice Europe and its stakeholders, including its employees, customers, debt providers, suppliers and Shareholders.

Subsequently, the Merger Agreement was signed by representatives of Altice Europe and the Offeror. Immediately thereafter, Altice Europe and the Offeror jointly published a press release stating that they had reached conditional agreement on the intended Offer by the Offeror.

3.2 Rationale

The Board believes that having Altice Europe operate without minority shareholders and without a listing on Euronext Amsterdam (or any other stock exchange) is better for the sustainable success of its business and long-term value creation. In view of, amongst others, its high debt capital structure and related high volatility of the share price and the lack of use of the Listed Shares as acquisition currency, the disadvantages of Altice Europe's listing materially outweigh the benefits. The Board believes that the

business can more successfully focus on the long-term following delisting in a wholly-owned set-up, including pursuant to the following advantages:

- increasing the Group's ability to achieve the goals set out in, and implement the actions of, its strategy (of which the core focus is on customers, revenue, profitability and cash flow growth and, as a result, deleveraging);
- the ability to implement and focus on achieving long-term strategic goals and operational achievements of the Group, as opposed to short-term performance driven by quarterly reporting, for example by increasing the Group's ability to accelerate and implement investment decisions when it is most efficient, rather than having to perform in line with what the public market is expecting;
- avoid the current volatility of the share price of the Listed Shares (e.g. resulting from Altice Europe's high debt to equity ratio)¹ which will (i) unlock the opportunity to improve the effectiveness of employee incentive plans, and thus better align senior management with the business strategy of the Group and improve the retention of the employees of the Group and (ii) improve Altice Europe's reputation vis-à-vis and relationship with its stakeholders such as bond holders and other finance providers, clients, suppliers, employees and local governments;
- a better access to the bond and bank markets independent of the daily and volatile share price fluctuations of the Listed Shares and thus decrease borrowing costs, as finance providers will focus more on fundamental valuation and credit analysis;
- the ability to achieve an efficient capital structure (notably from a financing perspective), which would, amongst others, facilitate intercompany transactions, dividend distributions and elimination of inefficient intercompany flows; and
- reducing the Group's costs (e.g. listing, financial reporting, staff/management and board costs will decrease, there will no longer be a requirement for physical general meetings of Altice Europe and the current legal holding structure can be simplified).

With reference to the Non-Financial Covenants, the Offeror fully supports the long-term strategy of the Group. The Board believes that Altice Europe operating in a private setting will enhance the ability to execute on the Group's long-term strategy.

4. FINANCIAL ASSESSMENT OF THE TRANSACTION

In the decision-making process, the Board has considered a number of key financial aspects associated with the Transaction including those described below.

4.1 Premia to market price

The Offer represents:

- a premium of 23.8% to the closing price per Share A on Euronext Amsterdam on the Reference Date;²
- a premium of 16.5% to the volume-weighted average price per Share A on Euronext Amsterdam for the one hundred and eighty (180) days period prior to and including the Reference Date; and
- a discount of 6.2% to the volume-weighted average price per Share A on Euronext Amsterdam for the twelve (12) month period prior to and including the Reference Date.

¹ Although Altice Europe has made many efforts to decrease its leverage ratio (e.g. by making divestments), the leverage level and related Listed Shares' volatility remained.

² The closing price of the Shares A on the Reference Date was EUR 3.32.

4.2 Financial assessment

The Board has carefully reviewed, with the assistance of its two financial advisors, the Transaction in light of the immediate, medium and long-term prospects of Altice Europe and considered the developments in the telecom sector more generally. In doing so the Board, based on financial advice, has carefully considered and taken into account a range of valuation methodologies and financial analyses that are customarily used towards an assessment of the offer price in a public offer.

More specifically, the Board considered (i) a discounted cash flow analysis of Altice Europe and (ii) an analysis of trading multiples of selected listed companies, the most relevant valuation methodologies. The Board also reviewed premia paid in similar non-change of control transactions.³ The Board believes that the discounted cash flow analysis is the best suited methodology for assessing the medium and long-term prospects of Altice Europe, notably in light of the guidance and adjustments provided to the Board by Altice Europe's management. The trading multiples analysis is relevant as there is a statistically relevant number of comparable companies. In considering the outcome of the discounted cash flow and trading multiple analysis, investors are advised to take into account that Altice Europe's leverage ratio, which is significantly higher than that of other listed telecom companies and which affects the risk profile and therefore the value of Altice Europe, can technically not be fully factored into each of the aforementioned analyses. Other methodologies, such as target prices for the Listed Shares published by research analysts, were considered as less relevant in this case.

Summarised below are the key valuation metrics taken into consideration by the Board in its assessment, with the assistance of its two financial advisors:

- discounted cash flow analysis for Altice Europe based on publicly available analysts' estimates⁴ and extrapolations, adjusted and reviewed by Altice Europe's management, resulting in two ranges of respectively EUR 2.13 to EUR 4.65 and EUR 2.12 to EUR 5.19 for the Listed Shares;
- trading multiples analysis based on key financial metrics (2020E Adjusted EBITDA, 2021E Adjusted EBITDA, 2020E Adjusted EBITDA-Capex and 2021E Adjusted EBITDA-Capex; excluding Pay-TV impacts) of selected European telecom companies. The median enterprise value multiple for each of these financial metrics was, based on two computations, respectively 6.2x, 5.8x, 11.0x and 11.3x⁵ and 6.3x, 6.3x, 13.0x, and 12.6x⁶. This compares to 6.7x, 6.4x, 14.7x and 13.3x for Altice Europe based on the Offer Price.

The Board also took note of the fact that the largest telecom companies in the group of selected peer companies are more comparable to Altice Europe than other selected companies. These largest peer companies overall trade at lower multiples than the full group of selected peer companies, and focussing on this group would lead to lower multiples than abovementioned. More specifically, when considering only BT Group, Deutsche Telekom, Orange, Telefonica, Telecom Italia and Vodafone as large comparable telecom companies, the median enterprise value multiple for each of the abovementioned financial metrics was 5.3x, 5.2x, 11.3x and 11.1x; and when considering only BT Group, Orange, Liberty Global, Telefonica, and Vodafone as large comparable telecom companies, the median enterprise value multiple for each of the abovementioned financial metrics was 5.6x, 5.5x, 11.9x, and 11.6x; and

- analysis of premia paid for similar transactions where the acquirer was the majority shareholder and in a controlling position, resulting in a median premium on the closing price per share on the

³ Transactions in which a change of control occurred were considered not relevant in this case.

⁴ This analysis has been based on cash flow forecasts from the following broker reports: Arete (3 July 2020), BAML (3 August 2020), Barclays (10 August 2020), Citi (2 July 2020), Credit Suisse (1 July 2020), Deutsche Bank (18 June 2020), Exane BNP (3 July 2020), Goldman Sachs (14 August 2020), HSBC (22 May 2020), JP Morgan (22 July 2020), Kempen (25 June 2020), Kepler Cheuvreux (7 July 2020), New Street (27 May 2020) and Société Générale (20 July 2020).

⁵ Selected companies include: BT Group, Deutsche Telekom, Orange, Telecom Italia, Telefónica, Vodafone, Cyfrowi Polsat, Drillish, Elisa, Euskatel, Iliad, KPN, Liberty Global, NOS, Orange Polska, OTE, Play, Proximus, Swisscom, Telefónica Deutschland, Telekom Austria, Telenor, Tele2 and Telia.

⁶ Selected companies include: Telefonica, Liberty Global, Orange, BT Group, Vodafone, Telenor, Telia, Telekom Austria, Proximus, KPN, Telecom Italia, Elisa, Tele2, Swisscom, Sunrise, Telenet, NOS, and Euskaltel.

reference date of such transactions of 20.0%, compared to a premium of 23.8% to the closing price per Share A on Euronext Amsterdam on the Reference Date.

Moreover, the Board also took other considerations into account, including:

- the current share price as a reflection of the market's assessment of the value of Altice Europe, reflecting future growth prospects for the business, which have all been described or announced to the market, including expected revenues, EBITDA, free cash flow and leverage ratio⁷ of Altice Europe and remaining potential for infrastructure and tower transactions as well as Altice Europe's performance versus other selected companies on a firm value and aggregate basis;
- the 12-month target price for the Listed Shares published by 17 research analysts following Altice Europe's results for the second quarter of 2020. The target prices range from EUR 2.70 to EUR 9.00.⁸ The Board took into account the high volatility of Altice Europe's share price;
- analysis of Altice Europe's operating and equity market performance (e.g. EBITDA, EBITDA-Capex and share price), including pre-COVID-19 and at present compared to selected publicly listed companies active in the telecom sector;
- analysis based on share price developments of selected publicly listed companies active in the telecom sector (both in the Netherlands as well as in Europe) over various periods of time;
- analysis of Altice Europe's growth, margin and cash flow on a country-by-country basis in comparison with selected publicly listed companies in the same country;
- the competitive market conditions in the overall telecom sector and within the countries that Altice Europe operates in;
- Altice Europe's significantly higher leverage than the other selected listed companies and in particular, analysts' concern that net debt has not been significantly reduced since the 2018 spin-off of Altice USA, Inc. despite EUR 6.5 billion cash proceeds from disposals;
- Altice Europe's forecasted pro forma net debt at the end of year 2020;
- Altice Europe's other liabilities, notably the value of minority interests (e.g. Hivory, Fastfiber, Teads and Intelcia) based on transaction values, the value of the MEO pension liabilities based on Altice International financial accounts, the value of future spectrum and Pay-TV liabilities based on liabilities retained by analysts, the value of other financial liabilities disclosed in Altice Europe's financial accounts (notably reverse factoring and securitisation) and the value of a liability associated to a fine from the European Commission;
- Altice Europe's other assets, notably the value of its ownership in associated companies (e.g. SFR FTTH and Covage) and the value of its tax assets based on a benchmark of the value retained by analysts;
- the impact of dilutive instruments issued by Altice Europe, notably Prefs B and stock-options;
- the underlying volatility of the Listed Shares, driven by relatively low free float and high leverage;
- the form of consideration to be paid to the Shareholders in the Offer being cash, which will provide certainty of value and liquidity to Shareholders; and
- the confirmation from the Offeror of its ability to finance the Transaction; and the absence of realistic interest from alternative offerors for a strategic transaction.

⁷ Reference is made to Altice Europe's earlier announced guidance.

⁸ EUR 9.00 (Deutsche Bank), EUR 6.80 (Kempen), EUR 6.00 (New Street), EUR 5.40 (Goldman Sachs), EUR 5.30 (BNP), EUR 4.99 (Alpha Value), EUR 4.80 (CIC), EUR 4.70 (J.P. Morgan), EUR 4.60 (BofA), EUR 4.50 (HSBC), EUR 4.20 (Credit Suisse), EUR 4.20 (Kepler Chevreux), EUR 4.00 (Morgan Stanley), EUR 3.90 (Oddo BHF), EUR 3.80 (Bryan Garnier), EUR 3.30 (Barclays) and EUR 2.70 (Société Générale).

4.3 Fairness Opinions

On 10 September 2020, Lazard issued its Fairness Opinion to Altice Europe that, as of that date, and based upon and subject to the factors, assumptions, qualifications and other matters set forth in Lazard's Fairness Opinion, (i) the Offer Price is fair, from a financial point of view, to the Shareholders, (ii) the purchase price paid to Company Holdco in the Share Sale is fair, from a financial point of view, to Company Holdco, and (iii) the purchase price paid to Altice Europe in the Asset Sale is fair, from a financial point of view, to Altice Europe.

On 10 September 2020, LionTree issued its Fairness Opinion to the Non-Executive Directors that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken by LionTree in preparing its Fairness Opinion, (i) the aggregate cash consideration to be paid for the outstanding Listed Shares in the Offer pursuant to the Merger Agreement and (ii) the applicable aggregate advance liquidation distribution to be paid if a Post-Offer Restructuring is implemented pursuant to the Merger Agreement and the Share Purchase Agreement or Asset Sale Agreement, as applicable, in each case, to the Shareholders, is fair, from a financial point of view to such Shareholders.

Lazard's and LionTree's Fairness Opinions were provided solely for the benefit of Altice Europe and the Non-Executive Directors (in their capacity as such), respectively, in connection with, and for the sole purpose of, its and their, respectively, evaluation of the Offer. The summary of Lazard's and LionTree's Fairness Opinions in this Position Statement is qualified in its entirety by reference to the full text of the respective Fairness Opinion, which is included as Schedule 1 (*Full Text of the Lazard Fairness Opinion*) and Schedule 2 (*Full Text of the LionTree Fairness Opinion*), respectively, to this Position Statement and sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken by each of Lazard and LionTree in preparing its respective Fairness Opinion. However, neither Lazard's nor LionTree's Fairness Opinion, any summary of their Fairness Opinion, nor any analyses set forth in this Position Statement constitute a recommendation by Lazard or LionTree to any Shareholder as to how such Shareholder should vote or act on the Offer or any other matter.

4.4 Certainty of funds

The Offeror shall fund the Offer and, if applicable, the cash component of the purchase price in the Share Sale or Asset Sale, through third-party debt financing. The Offeror has entered into a binding term loan credit agreement with BNP Paribas Fortis S.A./N.V., which will provide for credit in the form of term loans in an aggregate principal amount that provides the Offeror sufficient funds for (i) the acquisition of Listed Shares tendered under the Offer, (ii) the cash component of the purchase price in the Share Sale or Asset Sale and (iii) the payment of fees, costs and expenses in relation to the Transaction, subject to the customary terms and conditions therein.

The Offeror has confirmed that it has no reason to believe that any such conditions will not be fulfilled on or prior to the Settlement Date. The debt financing, which may be syndicated, is fully committed on a "certain funds" basis.

The Board received advice from its financial and legal advisors to confirm the certainty of funds nature of the financing.

4.5 Assessment

Based on the above considerations, an evaluation of the Transaction with the assistance of its advisors, and taking into account all relevant circumstances, the Board determined that the Offer Price is fair to the Shareholders from a financial point of view.

5. NON-FINANCIAL ASSESSMENT OF THE TRANSACTION

The Board determined that the Transaction can materially enhance the success of Altice Europe's business with the support of the Offeror, as the disadvantages of Altice Europe's listing materially outweigh the benefits. In addition, full private ownership by the Offeror is expected to facilitate implementation of Altice Europe's long-term strategy and hence be beneficial to Altice Europe and its stakeholders. Reference is made to the explanation of the rationale in section 3.2 (*Rationale*).

In its decision-making process, the Board has also considered a number of material non-financial aspects associated with the Transaction. With regard thereto, Altice Europe and the Offeror agreed upon the Non-Financial Covenants described below.

5.1 Non-Financial Covenants

The Offeror shall, in accordance with the terms and subject to the conditions of the Merger Agreement, comply with the non-financial covenants set out in this section 5.1 (*Non-Financial Covenants*) (the "**Non-Financial Covenants**").

(a) *Strategy*

Following Settlement, the Offeror will continue to work with Altice Europe with a shared ambition to grow the business in a manner that reflects the current business strategy of the Group. The Offeror fully supports the strategy of the Group and does not intend to effect a change in the Group's strategy.

Altice Europe is seen as a highly successful and competitive business and as such the Offeror does not envisage any material changes to the operations and business activities of the Group.

The Offeror is supportive of the Group's ambitions and will seek to capitalise the increased business opportunities that Altice Europe will have in a non-listed setting, including increasing the investments in its infrastructure.

(b) *Employees*

As a consequence of the Transaction or completion thereof, there will not be (i) any reductions of the workforce of the Group's operating companies, and (ii) material reductions of Altice Europe's workforce. Any necessary reductions of Altice Europe's workforce will be implemented fairly and at least in line with local practices and existing redundancy practices applied by the Group, including with respect to severance packages.

The Offeror will respect the existing rights and benefits of the employees of the Group, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans, and including existing rights and benefits under existing covenants made to employee representation bodies and trade unions, as well as the existing redundancy practice applied by the Group. For the avoidance of doubt, it is understood that the Group's share based incentive plans will be amended in accordance with Section 7.11 (*Incentive Plans*) of the Offer Memorandum.

The Offeror will respect the existing pension rights of the Group's current and former employees.

The Offeror will respect the Group's current employee consultation structure.

(c) *Minority shareholders*

Without prejudice to Sections 6.11.3 (*Delisting*) up to and including 6.11.6 (*Post-Settlement Restructurings*) of the Offer Memorandum, the Offeror shall procure that as long as Altice Europe has minority shareholders, no member of the Group shall take any of the following actions:

- (i) agree to and enter into a related party transaction with any material shareholder (including the Offeror and its Affiliates) which is not at arm's length;
 - (ii) take any action which disproportionately prejudices the value of, or the rights relating to, any minority shareholder's Listed Shares; and
 - (iii) neither the Offeror nor any of its Affiliates shall charge the Group any management fees or holding costs that are not related to the Group, and the Group shall not pay the Offeror or its Affiliates any such fees or costs.
- (d) *Financing, group integrity and disposals*

The Offeror and Altice Europe will ensure that the Group will remain prudently financed to safeguard business continuity and to support the success of the business.

The Offeror supports the Group's deleveraging strategy, including but not limited to the Group's leverage target of 4.0x to 4.5x net debt to Adjusted EBITDA, it being understood that (i) the Offeror shall not be obliged to contribute additional equity to the Group, and (ii) any debt push-down to the Group will not be effected until the earlier of (A) the moment that the Offeror and its Affiliates, in the aggregate, directly or indirectly own one hundred percent (100%) of the outstanding Listed Shares and (B) the completion of the Share Sale or the Asset Sale.

The Offeror will use its commercially reasonable efforts to ensure that the Transaction does not have a negative impact on the Group's debt ratings.

The Offeror will not on-sell the Listed Shares or substantially all of the assets of the Group to a third party other than an Affiliate of the Offeror. The Offeror and Altice Europe will not transfer, sell, or otherwise dispose or cause the Group to transfer, sell or otherwise dispose any material strategic asset of or any material business operated by the Group. The proceeds of the divestment of any non-strategic asset or business may be used for the possible repayment of debt of the Offeror without materially increasing the leverage of the Group.

- (e) *Tax residency of Altice Europe*

The Offeror acknowledges the importance for Altice Europe or, if the Post-Offer Merger is implemented, Company Holdco, to stay exclusively tax resident in the Netherlands until there are no longer minority shareholders. As such, the Offeror does not intend to take any actions that affect the current Dutch tax residency of Altice Europe, and, if the Post-Offer Merger is implemented, the intended Dutch tax residency of Company Holdco, until the moment that there are no longer any minority shareholders. For as long as there are minority shareholders, Altice Europe shall monitor that Altice Europe or Company Holdco stays exclusively tax resident in the Netherlands. In order to avoid a loss of exclusive Dutch tax residency of Altice Europe or Company Holdco for as long as there are minority shareholders, the Independent Non-Executive Directors can issue a reasoned objection to a (proposed) act by the Offeror or its Affiliates substantiating on reasonable grounds that such act would lead to a loss of exclusive Dutch tax residency of Altice Europe or Company Holdco, as the case may be. If a reasoned objection is issued, the Offeror shall, and shall cause its Affiliates to, refrain from such act unless it determines, acting reasonably and after consultation with its outside legal counsel, that such act is not expected to cause such loss of exclusive Dutch tax residency. The contents of this Non-Financial Covenant shall not apply if the Offeror commits to indemnify the minority shareholders for adverse tax consequences as a result of a loss of exclusive Dutch tax residency of Altice Europe or Company Holdco, as the case may be.

5.2 Duration, benefit and enforcement of the Non-Financial Covenants

In the Merger Agreement, Altice Europe and the Offeror have agreed the following in respect of the duration, benefit and enforcement of the Non-Financial Covenants.

The Non-Financial Covenants will expire twelve (12) months after the Settlement Date.

Any deviation from the Non-Financial Covenants shall require the prior approval of the Full Board, including the affirmative vote of a majority of the Independent Non-Executive Directors (or, if there are only two Independent Non-Executive Directors, the affirmative vote of at least one of them).

The Non-Financial Covenants have been made to Altice Europe as well as, by way of an irrevocable third party stipulation for no consideration (*onherroepelijk derdenbeding om niet*), to each of the Independent Non-Executive Directors and regardless of whether he or she is in office or dismissed, provided that after dismissal, the dismissed Independent Non-Executive Director must assign the benefit of such stipulation to any new Independent Non-Executive Director in function, unless such dismissal is successfully challenged by such Independent Non-Executive Director. Any enforcement of the Non-Financial Covenants shall require the approval of a majority of the Independent Non-Executive Directors (or, if there are only two Independent Non-Executive Directors, the affirmative vote of at least one of them). The Offeror has agreed in advance to the assignment of the benefit of this undertaking by any Independent Non-Executive Director to its successor.

Altice Europe will bear all reasonable costs and expenses relating to the enforcement of the Non-Financial Covenants by the Independent Non-Executive Directors.

5.3 Certain other considerations and arrangements

During the discussions and negotiations leading up to the execution of the Merger Agreement, Altice Europe considered certain matters and negotiated certain terms, conditions and other aspects of the Transaction. Such considerations, terms, conditions and other aspects include the following:

(a) Adverse Recommendation Change

The Board may not make any Adverse Recommendation Change, except that the Board may effect an Adverse Recommendation Change if any material event, material development, material circumstance or material change in circumstances or facts occurs or arises after the date of the Merger Agreement up until the implementation of the Post-Offer Restructuring, that causes the Board to determine in good faith (after consultation with its outside legal counsel and financial advisors and after consultation with the Offeror) that the failure to make an Adverse Recommendation Change would be inconsistent with the fiduciary duties of the Board Members under Dutch law.

In case of such a permitted Adverse Recommendation Change, the Offeror may decide, after consultation with Altice Europe, to proceed with the Offer, subject to waiver of the Offer Condition set out in Section 6.6.1(g) of the Offer Memorandum. In such case, however, any obligations for Altice Europe set out in the Merger Agreement in relation to any Post-Offer Restructuring, any Post-Settlement Restructuring or any amendment to the Articles of Association will no longer apply and no longer be enforceable by the Offeror (the "**Fiduciary Out**").

This Fiduciary Out is tailor-made and negotiated by the Board in light of the particularities of this Transaction and is not limited to a superior strategic transaction as is customary in these cases in the Netherlands. Pursuant to the Fiduciary Out negotiated by the Board, it has a right to change its recommendation if material events or material circumstances after the date of the announcement of the Transaction would result in it being inconsistent with the fiduciary duties of the Board Members under Dutch law not to make an Adverse Recommendation Change. In its determination of whether or not it must effect a (permitted) Adverse Recommendation Change, the Board can take all relevant circumstances and developments into account at the time of making such decision, which may include (but is not necessarily limited to) the proceedings and outcome of the EGM, the acceptance of the Offer, the nature and behaviour of the tendering and non-tendering Shareholders and their relevant shareholding period, (potential) material adverse or material positive effects on Altice Europe and strategic alternatives (such as an Alternative Proposal) for Altice Europe, deal certainty, and the

consequences of the successful completion of the Transaction for Altice Europe, its business and its stakeholders versus the consequences of not completing the Transaction, and all other circumstances relating to and interests of Altice Europe, its business and the stakeholders. With this tailor-made Fiduciary Out, the Board has the ability to take due account of the interests of Altice Europe, its business and all stakeholders, including the Shareholders, in accordance with its fiduciary duties. If the Board determines to effect a permitted Adverse Recommendation Change, any obligations for Altice Europe set out in the Merger Agreement in relation to any Post-Offer Restructuring will no longer apply and no longer be enforceable by the Offeror. As set out in section 3.1 (*Sequence of events*), the Fiduciary Out, given its importance to the Board, was the subject of multiple discussions between the Board, the Offeror and their respective advisors.

In addition, no termination fee, no break-fee or other penalty is due by Altice Europe in the event of such a permitted Adverse Recommendation Change.

(b) *Acceptance level*

The number of Tendered Shares, together with (i) any Listed Shares directly or indirectly held by the Offeror Group, (ii) any Listed Shares committed to the Offeror Group, in writing, and (iii) any Listed Shares to which the Offeror Group are unconditionally entitled but which have not yet been delivered (*gekocht maar nog niet geleverd*) must represent at least 95% of Altice Europe's issued share capital (*geplaatst kapitaal*) as at the Closing Date.

The Offeror may waive this acceptance level condition, but the Board has negotiated that the Offeror can only do so after consultation with Altice Europe. In such consultation, the Offeror and Altice Europe, represented by the Board, can exchange and discuss their views on such waiver and the consequences thereof.

In agreeing to this Offer Condition, the Board took into account that the Offeror already has control over Altice Europe (which has been known to the Shareholders since the date of Altice Europe's IPO) and the benefits for Altice Europe, its business and its stakeholders in pursuing the Transaction in light also of the Non-Financial Covenants.

A minimum acceptance level – in addition to the 95% acceptance threshold described above – for the implementation of a Post-Offer Restructuring was a key subject in the negotiations. After multiple discussions on this matter, the Offeror and Altice Europe could not agree on a specific minimum acceptance level for the implementation of a Post-Offer Restructuring.

The Board extensively considered the implications of agreeing to the absence of a minimum acceptance threshold for implementing a Post-Offer Restructuring. While having an acceptance level for implementation of a back-end structure has been a common feature for Dutch public M&A transactions to date, there are no hard and fast statutory or other rules that such a minimum acceptance level should be set and if so, at what level. Accordingly, the Board evaluated the pros, cons and risks related to the absence of a minimum threshold for implementing a Post-Offer Restructuring in the context of the Transaction as a whole. It took, among others, into account on the one hand the clarity for Shareholders that a specific threshold would create, and on the other hand the undesirability of an acceptance threshold, and the challenges in choosing the right threshold in an atypical and non-customary scenario where the Offeror already owns approximately 78% of the outstanding capital and voting rights and approximately 50% of the number of outstanding Listed Shares. The Board took furthermore into account the concern, as voiced by the Offeror, that a pre-set, rigid minimum acceptance level for pursuing a Post-Offer Restructuring may make the Transaction subject to tactics by opportunistic investors. In addition, the Board considered the benefit of maintaining flexibility for the Board to balance the implications of the actual acceptance level together with all other relevant circumstances at the relevant time as required by its fiduciary duties in deciding whether or not to effect an Adverse Recommendation Change. Furthermore, the Board considered that an acceptance threshold for implementing a Post-Offer Restructuring would negatively impact the proposed Offer Price by the Offeror or even lead to no

Transaction materialising. Finally, the Board also took into account the fairness of the Offer Price and the customary nature of the Post-Offer Restructurings which gives the Shareholders a fair cash exit (the fairness of the cash exit price in the Post Offer Restructuring is also set out in the Fairness Opinions), the deal certainty and the opportunity costs if the Transaction would not materialise.

In the end, the Board opted for and successfully negotiated with the Offeror the tailor-made Fiduciary Out. As a result, in the event the Offeror waives the acceptance level condition and if the then prevailing circumstances cause the Board to effect a permitted Adverse Recommendation Change, any obligations for Altice Europe set out in the Merger Agreement in relation to any Post-Offer Restructuring, any Post-Settlement Restructuring or any amendment to the Articles of Association will no longer apply and no longer be enforceable by the Offeror if the Offeror decides to proceed with the Offer.

(c) *Alternative Proposal*

Altice Europe and the Offeror have agreed to certain arrangements with respect to a potential alternative offer as described below. Non-solicitation arrangements are customary for recommended public offers in the Netherlands and do not prohibit a third party from making an Alternative Proposal (as defined below) nor do they prohibit the Board from carefully considering and discussing an unsolicited *bona fide* proposal in line with its fiduciary duties. In this respect, the Board considered the position of the Offeror as the controlling shareholder and that it would not be willing to entertain alternative transactions with respect to Altice Europe other than the Transaction and hence the unlikelihood of a successful alternative transaction given the fact that any other potential bidder would need the co-operation of the Offeror to acquire Altice Europe.

The arrangements agreed between Altice Europe and the Offeror are as follows.

During the period commencing on the date of execution of the Merger Agreement and ending on the earlier of the Settlement Date and the date of termination of the Merger Agreement in accordance with its terms, Altice Europe shall not, and shall procure that no member of the Group and its and their respective directors, officers and advisors acting on its behalf (together the "**Relevant Persons**") shall, directly or indirectly, initiate discussions or negotiations with, or otherwise approach or solicit any third party to make any enquiry, offer or proposal relating to a potential offer for Listed Shares, a potential acquisition of the whole or a part of the business or assets of the Group, the potential acquisition of a substantial interest in the Group, a legal merger or demerger involving any member of the Group, a reverse takeover of any member of the Group, or a reorganisation or re-capitalisation of any member of the Group (an "**Alternative Proposal**").

Altice Europe shall notify the Offeror promptly (and in any event within twenty-four (24) hours) if any approach or enquiry, or any request for information, is received by it or any of its Relevant Persons from any third party in relation to an Alternative Proposal, it being understood that in any case Altice Europe shall notify the Offeror of its knowledge of the identity of such third party, the proposed consideration, the conditions to (the making and declaring unconditional of) the Alternative Proposal and other proposed material terms of such Alternative Proposal.

Following receipt of an Alternative Proposal and subject to the Fiduciary Out as described in section 5.3(a) (*Adverse Recommendation Change*), Altice Europe shall continue to cooperate with and support the Transaction in accordance with the terms and conditions of the Merger Agreement.

6. **DEAL CERTAINTY**

The Board considered deal certainty of great importance for Altice Europe, all its stakeholders and the Offeror. In light of this, the Board, with the assistance of its advisors, took among other things the following into consideration:

- the obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to satisfaction or waiver of customary offer conditions (the "**Offer Conditions**") (reference is made to Section 6.6.1 (*Offer conditions*) of the Offer Memorandum);
- the definition of Material Adverse Effect having customary carve-outs;
- the Offer is not subject to any antitrust or regulatory condition, other than the regulatory clearance as described in Section 6.6 (*Offer Conditions, satisfaction and waiver*) of the Offer Memorandum; and
- together with its advisors, the Board has concluded that the Offeror's funding of the Transaction is fully committed on a "certainty of funds" basis (reference is made to section 4.4 (*Certainty of funds*)),

all of which contributes to deal certainty, which promotes the sustainable success of Altice Europe's business and is in the interest of Altice Europe and its stakeholders, including its employees, customers, debt providers, suppliers and Shareholders.

7. POST-OFFER RESTRUCTURING MEASURES

The Merger Agreement provides several restructuring measures in order to allow the Offeror to take certain steps to acquire 100% of the Listed Shares or Altice Europe's assets and operations (including the Group's entire business). The different possibilities are described below in this section 7 (*Post-Offer Restructuring measures*).

7.1 Compulsory Acquisition Procedure

To acquire the remaining Listed Shares not tendered and not held by the Offeror or Altice Europe following the Settlement Date, the Offeror may initiate:

- a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a DCC (the "**Statutory Squeeze-Out**"), if the Offeror, alone or together with one or more of its group companies within the meaning of Article 2:24b DCC, holds for its own account (*voor eigen rekening*) at least 95% of Altice Europe's issued share capital (calculated in accordance with the DCC); or
- a takeover buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:359c DCC (a "**Takeover Squeeze-Out**"), (i) in respect of the Shares A, if the Offeror, alone or together with one or more of its group companies within the meaning of Article 2:24b DCC, holds for its own account at least 95% of the issued Shares A and represents at least 95% of the voting rights of all issued Shares A (calculated in accordance with the DCC), or (ii) in respect of the Shares B, if the Offeror, alone or together with one or more of its group companies within the meaning of Article 2:24b DCC, holds for its own account at least 95% of the issued Shares B and represents at least 95% of the voting rights of all issued Shares B (calculated in accordance with the DCC,

(the Statutory Squeeze-Out and the Takeover Squeeze-Out together the "**Compulsory Acquisition Procedure**").

Altice Europe shall provide the Offeror with any reasonable assistance as may be required, including, if so requested by the Offeror, by joining such proceedings as co-claimant or defendant.

7.2 Post-Offer Restructurings

The Merger Agreement envisages the possibility for the Offeror, after completion of the Offer, to acquire the entirety of Altice Europe's assets and operations (including the Group's entire business) by means of either a Post-Offer Merger or a Post-Offer Asset Sale (each a "**Post-Offer Restructuring**").

7.3 Board's assessment of the Post-Offer Restructurings

The terms of the Offer and the Offeror's willingness to pursue the Offer are predicated on Altice Europe's cooperation with and support for each of the Post-Offer Restructurings, which enable the Offeror to acquire the entirety of Altice Europe's assets and operations (including the Group's entire business).

The Board has, together with its financial and legal advisors, carefully considered the Offeror's position and the Post-Offer Restructurings proposed. Amongst others the Board has taken into account that the advance liquidation distribution that the Shareholders that have not tendered their Shares in the Offer will receive through any Post-Offer Restructuring is intended to take place on or about the date the Share Sale or the Asset Sale is completed and in an amount that is, to the fullest extent possible, equal to the Offer Price (without any interest and less any applicable withholding taxes and other taxes). Altice Europe has determined that such liquidation distributions up to an amount of the Offer Price will not be subject to Dutch dividend withholding tax (in case of the Post-Offer Merger: provided that, as Altice Europe expects, the fair market value of Altice Europe per Listed Share immediately prior to the Triangular Merger will not be less than the Offer Price).

Based on such assessment and subject to section 5.3 (*Certain other considerations and arrangements*), Altice Europe expresses an interest in and its support for each of the Post-Offer Restructurings. To protect the interests of Altice Europe and the sustainable success of its business, taking into account the interests of its stakeholders, including the Shareholders, the Board has negotiated the Fiduciary Out. This means that the Board has the right to revoke or amend its recommendation, and that upon such revocation or amendment, Altice Europe will no longer be bound to its obligations under the Merger Agreement to cooperate with the Post-Offer Restructuring.

Rationale of the Post-Offer Restructuring

The Board's reasons for agreeing to the Post-Offer Restructuring include ensuring that the Offeror will acquire 100% of Altice Europe or Altice Europe's assets and operations (including the Group's entire business). In a situation where a public minority remains in Altice Europe, it would not be possible to secure the same benefits for the Altice Europe stakeholders and deliver the same Offer Price to all Shareholders.

Therefore it is important that the Offeror can acquire 100% of the Listed Shares or Altice Europe's assets and operations and that Altice Europe can be delisted. This importance is key to realise the strategic rationale for the Transaction as set out in section 3.2 (*Rationale*) as soon as reasonably possible to start profiting from the benefits of the Transaction and as such promotes the sustainable success of the Altice Europe business.

Stakeholders' analysis

The Board has performed an analysis of the position of all Altice Europe's stakeholders in connection with the Post-Offer Restructuring. Part of that analysis has been the following:

Shareholders

- It is the fiduciary duty of the Board to facilitate the successful consummation of the Transaction if the Board has concluded that such transaction is in the interest of the sustainable success of Altice Europe's business and the stakeholders' interests have been carefully taken into account. The Post-Offer Restructurings provide a fair and realistic cash exit to the Shareholders (other than the Offeror) that did not tender their Listed Shares, at the fair Offer Price, to the fullest extent possible. The Post-Offer Restructurings are an integral part of the Transaction and are required in order to succeed with the Transaction and benefit from its rationale.
- In order to protect the interests of Altice Europe and the sustainable success of its business, taking into account the interests of the Shareholders and all other stakeholders, the Board has negotiated the Fiduciary Out. Reference is made to section 5.3(a) (*Adverse Recommendation Change*).
- It is intended that Shareholders will obtain a cash exit swiftly following the Offer being declared unconditional, giving them the ability to apply the cash at their discretion.
- The consideration paid to Shareholders under each of the Post-Offer Restructurings will, to the fullest extent possible, be equal to the Offer Price (without any interest and less any applicable withholding taxes and other taxes). Altice Europe has determined that such liquidation distributions up to an amount of the Offer Price will not be subject to Dutch dividend withholding tax (in case of the Post-Offer Merger: provided that, as Altice Europe expects, the fair market value of Altice Europe per Listed Share immediately prior to the Triangular Merger will not be less than the Offer Price).
- Altice Europe has received a Fairness Opinion from Lazard dated 10 September 2020 as to the fairness, as of that date, to the effect that (i) the Offer Price is fair, from a financial point of view, to the Shareholders, (ii) the purchase price paid to Company Holdco in the Share Sale is fair, from a financial point of view, to Company Holdco, and (iii) the purchase price paid to Altice Europe under the Post-Offer Asset Sale is fair, from a financial point of view, to Altice Europe, based upon and subject to the factors, assumptions, qualifications and other matters set forth in the Fairness Opinion (see also Schedule 1 for the full text of Lazard's Fairness Opinion, which you are encouraged to read in its entirety).
- The Non-Executive Directors received a Fairness Opinion from LionTree dated 10 September 2020 as to the fairness, from a financial point of view, as of such date, to the Shareholders (other than the Offeror and its Affiliates) of (i) the aggregate cash consideration to be paid for the outstanding Listed Shares in the Offer pursuant to the Merger Agreement and (ii) the applicable aggregate advance liquidation distribution to be paid if a Post-Offer Restructuring is implemented pursuant to the Merger Agreement and the Share Purchase Agreement or Asset Sale Agreement, as applicable, in each case, based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken by LionTree in preparing its opinion, as more fully described above in section 4.3 (*Fairness Opinions*) (see also Schedule 2 for the full text of LionTree's Fairness Opinion, which you are encouraged to read in its entirety).

Employees

The Board considered the position of Altice Europe's employees and concluded that no impact is foreseen for the employees in the Post-Offer Restructuring. Employees will benefit from the expedited implementation of the Transaction, including through improvement of the effectiveness of employee incentive plans (reference is made to section 3.2 (*Rationale*)). Specific arrangements have been agreed to ensure that, for the avoidance of doubt, all existing rights and benefits of employees will be respected. For the avoidance of doubt, the Group's share-based incentive plans will be amended as described in Section 7.11 (*Incentive plans*) of the Offer Memorandum.

Debt providers

The Board considered the position of Altice Europe's debt holders – who provide the majority of Altice Europe's capital – and concluded that no impact is foreseen for the debt holders in any Post-Offer Restructuring. Debt providers will benefit from the expedited implementation of the Transaction, because debt providers will no longer be confronted with the Listed Shares' current volatility and can start focusing on credit analysis and fundamental valuation.

Other stakeholders

The Post-Offer Restructuring will not negatively affect the position of other stakeholders and they will benefit from the expedited implementation of the Transaction.

After any Post-Offer Restructuring, the rights and obligations under the Non-Financial Covenants will apply *mutatis mutandis* to the new holding entity of the Group and will remain in full force and effect until twelve (12) months after the Settlement Date.

7.4 Description of the Post-Offer Merger

Prior to the date of this Position Statement, Altice Europe has incorporated Company Holdco as a wholly-owned subsidiary of Altice Europe and Company Holdco has incorporated Company Sub as a wholly-owned subsidiary of Company Holdco. Also, the Full Board and the management boards of Company Sub and Company Holdco have prepared and have unanimously adopted and signed a merger proposal⁹ in accordance with Dutch law (the "**Merger Proposal**") for a legal triangular merger (*juridische driehoeksfusie*) of Altice Europe (as disappearing company) with and into Company Sub (as acquiring company), with Company Holdco allotting shares to Altice Europe's shareholders in accordance with Articles 2:309 et seq. and 2:333a DCC (the "**Triangular Merger**") and in which Company Holdco cancels its share that formed its issued share capital immediately prior to the completion of the Triangular Merger. Furthermore, the Full Board and the management boards of Company Holdco and Company Sub have prepared and have unanimously adopted and signed the explanatory notes to the Merger Proposal.

Altice Europe, Company Sub and Company Holdco have filed the Merger Proposal and all ancillary documents required by Law with the trade register of the Dutch Chamber of Commerce. Copies of the Merger Proposal, the explanatory notes to the Merger Proposal and all ancillary documents required by Law are available at the offices of Altice Europe. Altice Europe will announce in a Dutch national newspaper that the filing is made and that such copies are made available.

In the Merger Agreement, the Offeror and Altice Europe have agreed that, subject to the adoption of the Back-End Resolution (Merger) and the Offer being declared unconditional, the Offeror may, after consultation with Altice Europe, decide to pursue the Post-Offer Merger after the expiry of the Post-Acceptance Period (if any), in which case Altice Europe shall (subject to Section 6.7.3 (*Revocation or withdrawal of Recommendation*) of the Offer Memorandum):

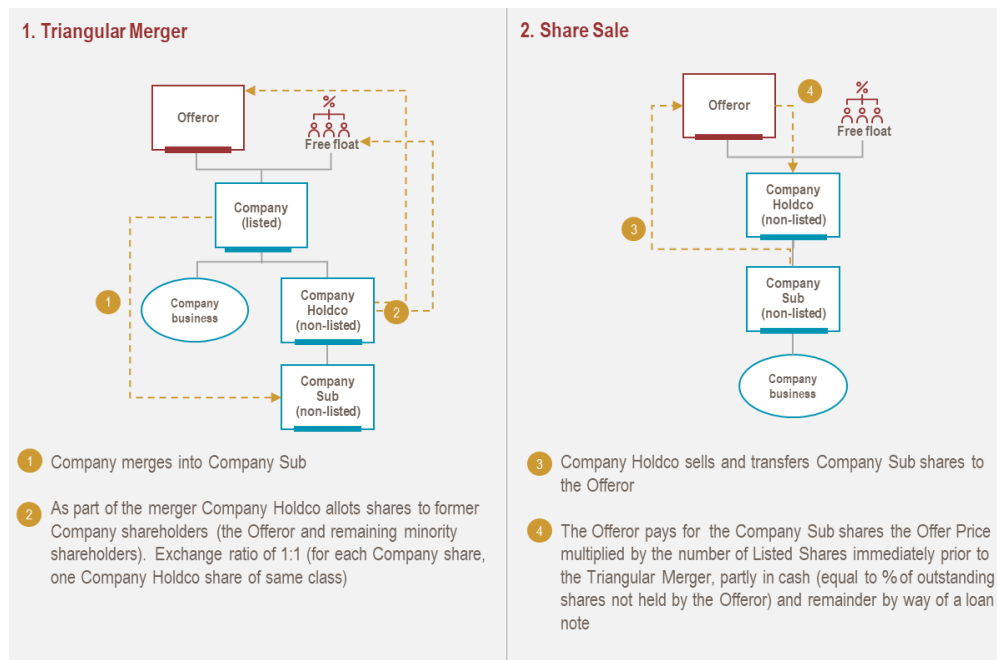
- (i) effect, and shall procure that Company Holdco and Company Sub shall effect, the Triangular Merger in accordance with the provisions set forth in the Merger Proposal and the explanatory notes pursuant to the execution of a notarial deed of merger as soon as possible after the Offeror's decision to pursue the Post-Offer Merger;
- (ii) procure that Company Holdco enters into a share purchase agreement with the Offeror (the "**Share Purchase Agreement**"), pursuant to which all issued shares in the capital of Company Sub will be sold and, by means of the execution of a notarial deed of transfer (the "**Share Transfer Deed**"), be transferred to the Offeror (or its nominee nominated in accordance with the

⁹ For the avoidance of doubt: the Conflicted Executive Directors have not participated in the decision-making progress in respect of the Post-Offer Merger.

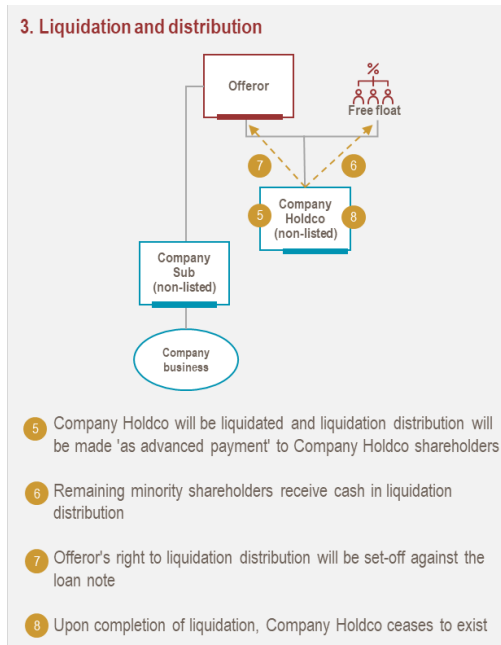
Share Purchase Agreement) immediately after the Triangular Merger becoming effective (the "**Share Sale**");

- (iii) adopt prior to the Settlement Date, in its capacity as sole shareholder of Company Holdco, a resolution to, subject to and immediately following completion of the Share Sale, (i) dissolve Company Holdco in accordance with Article 2:19 DCC, (ii) appoint Stichting Liquidator Altice Europe as the liquidator of Company Holdco (the "**Liquidator**"), (iii) approve reimbursement of the Liquidator's reasonable salary and costs and (iv) appoint Company Sub as the custodian of the books and records of Company Holdco in accordance with Article 2:24 DCC; and
- (iv) following the execution of the Share Transfer Deed, cause the effectuation of the dissolution and liquidation of Company Holdco (the "**Holdco Dissolution**" and, together with the Triangular Merger and the Share Sale, the "**Post-Offer Merger**") and the making of an advance liquidation distribution in accordance with the articles of association of Company Holdco per ordinary share in the capital of Company Holdco that is intended to take place on or about the date the Share Sale is completed and in an amount that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable withholding taxes and other taxes (the "**Share Sale Price**"). Altice Europe has determined that liquidation distributions by Company Holdco up to an amount of the Offer Price will not be subject to Dutch dividend withholding tax (provided that, as Altice Europe expects, the fair market value of Altice Europe per Listed Share immediately prior to the Triangular Merger will not be less than the Offer Price).

Below is a schematic overview of the intended key steps relating to the Post-Offer Merger:



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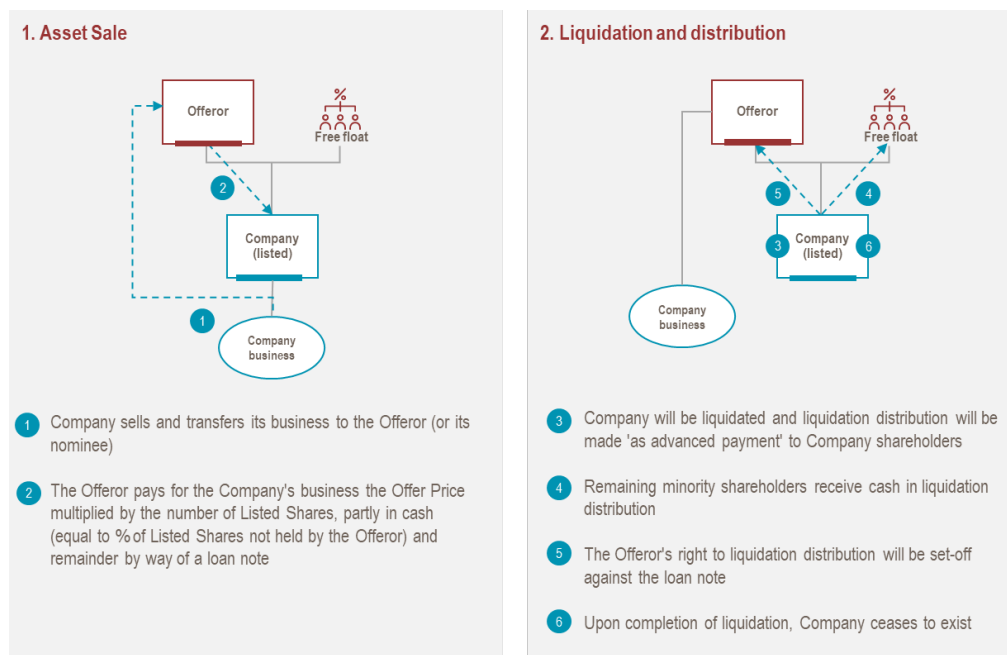


7.5 Description of the Post-Offer Asset Sale

In the Merger Agreement, the Offeror and Altice Europe have agreed that, subject to adoption of the Back-End Resolution (Asset Sale) and the Offer being declared unconditional, the Offeror may decide (as an alternative to the Post-Offer Merger and after consultation with Altice Europe) to pursue the Post-Offer Asset Sale after the expiry of the Post-Acceptance Period (if any), in which case Altice Europe shall (subject to Section 6.7.3 (*Revocation or withdrawal of Recommendation*) of the Offer Memorandum):

- (i) as soon as possible after the Offeror's decision to pursue the Post-Offer Asset Sale, enter into an asset sale agreement with the Offeror (the "**Asset Sale Agreement**"), and the Parties shall promptly implement the asset sale as contemplated by the Asset Sale Agreement (the "**Asset Sale**") and take (or cause to be taken) the steps to complete the actions and transactions set forth in the Asset Sale Agreement; and
- (ii) following the completion of the Asset Sale, effect the dissolution and liquidation of Altice Europe (the "**Altice Europe Dissolution**" and, together with the Asset Sale, the "**Post-Offer Asset Sale**") and make an advance liquidation distribution in accordance with the Articles of Association per Listed Share that is intended to take place on or about the date the Asset Sale is completed and in an amount that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable withholding taxes and other taxes (the "**Sale Price**"). The average paid-up capital of Altice Europe recognised for Dutch dividend withholding tax purposes has been estimated by Altice Europe. Based on these estimations, Altice Europe has determined that liquidation distributions as part of the Post-Offer Asset Sale will not be subject to Dutch dividend withholding tax.

Below is a schematic overview of the intended key steps relating to the Post-Offer Asset Sale:



7.6 Other Post-Settlement Restructurings

Without prejudice to Section 6.11.4 (*Compulsory Acquisition Procedure*) and Section 6.11.5 (*Post-Offer Restructuring*) of the Offer Memorandum, if the Offeror declares the Offer unconditional, the Offeror may, at any time following the expiry of the Post-Acceptance Period (if any), effect or cause to effect any restructuring of the Group (other than a Compulsory Acquisition Procedure or Post-Offer Restructuring) for the purpose of achieving an optimal operational, legal, financial and/or tax structure in accordance with applicable Law (each a "**Post-Settlement Restructuring**"), some of which may have the (side) effect of diluting the shareholding of any remaining minority shareholders of Altice Europe, including:

- a subsequent public offer for the Listed Shares held by minority shareholders;
- a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische driehoeks-fusie*) or legal demerger (*juridische splitsing*) in accordance with Title 7 of Book 2 DCC involving one or more members of the Group and/or the Offeror and/or any Affiliate of the Offeror;
- a contribution of cash and/or assets by the Offeror or any of its Affiliates in exchange for new shares in the share capital of a member of the Group, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of Altice Europe's minority shareholders may be excluded;
- a sale of all, substantially all, or a substantial part of the assets of any member of the Group to the Offeror or any of its Affiliates;
- a distribution of proceeds, cash and/or assets to the shareholders of Altice Europe or share buybacks;
- a sale and transfer of assets and liabilities by the Offeror or any of its Affiliates to any member of the Group, or a sale and transfer of assets and liabilities by any member of the Group to the Offeror or any of its Affiliates;

- (g) any transaction between any member of the Group and the Offeror or any of its Affiliates;
- (h) any transaction, including a sale and/or transfer of any material asset, between members of the Group or between any member of the Group and the Offeror or any of its Affiliates with the objective of using any carry forward tax losses available to the Group, the Offeror or any of its Affiliates;
- (i) conversion of Altice Europe into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*);
- (j) any transactions, restructurings, share issues, procedures and/or proceedings in relation to any member of the Group required to effect the aforementioned objectives; or
- (k) any combination of the foregoing.

When deliberating and resolving on any possible Post-Settlement Restructuring, due consideration will be given to the requirements of the applicable Law, including the fiduciary duties of Board Members to promote the sustainable success of Altice Europe, its business and also to consider the interests of shareholders (including minority shareholders) and all other stakeholders, and relevant employee representative bodies' information and/or consultation requirements.

In the Merger Agreement, the Offeror and Altice Europe have agreed that if any proposed Post-Settlement Restructuring is reasonably expected to lead to a dilution of the shareholdings of the remaining minority shareholders or to any other form of unequal treatment that would prejudice or negatively affect the value of the Listed Shares held by the remaining minority shareholders, other than (i) pursuant to a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, (ii) any shares issued to a third party not being an Affiliate of the Offeror, (iii) the Delisting (including the execution of the draft amended Articles of Association included in Section 14 (*Amendments to the Company Articles of Association*) of the Offer Memorandum), (iv) any Compulsory Acquisition Procedure or (v) any Post-Offer Restructuring, then the affirmative vote of a majority of the Independent Non-Executive Directors (or, if there are only two Independent Non-Executive Directors, the affirmative vote of at least one of them) shall be required prior to the implementation of any such Post-Settlement Restructuring before the Completion Date. In this regard, the Independent Non-Executive Directors shall have the opportunity to engage for the account of Altice Europe their own financial and legal advisors if and to the extent they believe that the advice of such advisors is reasonably necessary to assist them in reviewing and assessing matters that come before them.

8. CORPORATE GOVERNANCE POST-SETTLEMENT

At the date of this Position Statement, the Offeror does not intend to change the composition of the Full Board prior to or at the Settlement Date. It is therefore envisaged that after the Settlement Date, the Full Board will be composed of the same persons as the current Board Members. The Full Board consists of the following members:

Name	Position
P. Drahi	President and Executive Director
A. Weill	Chief Executive Officer and Executive Director
A4 S.A.	Vice President and Executive Director
N. Marty	General Counsel and Executive Director
J. van Breukelen	Chairman and Non-Executive Director
T. Sauvaire	Non-Executive Director
P. Besnier	Non-Executive Director
N. Paulmier	Non-Executive Director

Altice Europe and the Offeror have agreed in the Merger Agreement that, subject to applicable Law, after the Settlement Date, the Offeror may, at its sole discretion, procure any appointments and dismissals of the Board Members, provided that the Offeror shall ensure that the Full Board or, if the Triangular Merger has taken effect, the board of Company Sub, or, if the Asset Sale has taken effect, the board of the Offeror or the board of the Offeror's nominee who will purchase Altice Europe's assets and operations, shall include at least two (2) Independent Non-Executive Directors, until the later to occur of (A) the earliest of (i) the moment that the Offeror and its Affiliates, in the aggregate, directly or indirectly own 100% of the outstanding Listed Shares, (ii) the Offeror or any of its Affiliates having initiated a Compulsory Acquisition Procedure and (iii) the completion of the Share Sale or the Asset Sale and (B) twelve (12) months after the Settlement Date (the latest such date, the "**Completion Date**").

Unless the Offeror requests otherwise, the Independent Non-Executive Directors shall resign upon the Completion Date.

All Board Members, including the Independent Non-Executive Directors, shall monitor and protect the interests of Altice Europe and all of its stakeholders and the sustainable success of Altice Europe's business, in accordance with their obligation under Dutch Law.

The Independent Non-Executive Directors shall be particularly tasked with monitoring the compliance with the Non-Financial Covenants and, particularly when material transactions between Altice Europe and the Offeror or an Affiliate of the Offeror are considered, the fair treatment of minority shareholders of Altice Europe (if any).

As long as the Listed Shares are listed on Euronext Amsterdam, Altice Europe shall continue to comply with the Dutch Corporate Governance Code (except for deviations that find their basis in the Merger Agreement, as disclosed in the Offer Memorandum, and other deviations in accordance with the "explain" requirement in respect of such deviations). Current deviations from the Dutch Corporate Governance Code by Altice Europe are described in section 3.6.2 of Altice Europe's annual report for the financial year 2019, which is available on the website of Altice Europe (www.altice.net). There are currently no intentions for post-Settlement deviations from the Dutch Corporate Governance Code by Altice Europe other than the current deviations and deviations that find their basis in the Merger Agreement (as disclosed in the Offer Memorandum).

9. FINANCIALS

Reference is made to Section 13 (*Selected consolidated financial statements of the Company*) of the Offer Memorandum, which includes the financial information as required by Annex G of the Decree.

10. CONSULTATION WITH EMPLOYEE REPRESENTATIVE BODIES

No employee consultation and/or information requirements are applicable to Altice Europe in connection with the Offer.

11. OVERVIEW OF LISTED SHARES HELD, SHARE TRANSACTIONS AND INCENTIVE PLANS

11.1 Information on Listed Shares, Prefs B and rights to Listed Shares or Prefs B and other instruments held by the Board Members

As at the date of this Position Statement, the Shares A, Shares B, Prefs B, awards of conditional Prefs B and stock options for Shares A, held by each Board Member, directly or indirectly via entities over which such Board Member has control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, sub-paragraphs 5 and 6 of the Decree, are shown in the table below:

Board Member	Number of Shares A	Number of Shares B	Number of Prefs B	Number of conditional Prefs B	Number of stock options for Shares A
P. Drahi	421,464,912	167,660,043	-	-	41,374,755
A. Weill	22,238,144	-	1,304,116	50,000,000	-
N. Marty	-	-	-	-	886,270
T. Sauvaire	56,554	-	-	-	-
N. Paulmier	6,000	2,000	-	-	-

Mr. Weill intends to tender his Listed Shares under the Offer.

In addition, Mr. Besnier has an arrangement with Mr. Drahi pursuant to which Mr. Besnier is entitled to the economic benefits relating to 301,200 Listed Shares (225,900 Shares A and 75,300 Shares B). This arrangement is limited to economic benefits on such number of Shares A and Shares B only and does not entitle Mr. Besnier to exercise voting rights on any Share A or Share B.

Mr. Paulmier and Mr. Sauvaire, both Non-Executive Directors holding Listed Shares (together representing less than 0.01% of Altice Europe's issued share capital), have undertaken to tender all their Listed Shares under the Offer, under the same terms and conditions as the other Shareholders, subject to (i) the Merger Agreement not having been terminated in accordance with its terms and (ii) no permitted Adverse Recommendation Change having occurred. Both Mr. Paulmier and Mr. Sauvaire will vote their Listed Shares, or cause such Listed Shares to be voted, in favour of the Resolutions, subject to the same conditions.

If and when the Offer is declared unconditional, it is expected that Mr. Paulmier will receive a cash amount of EUR 32,880 and Mr. Sauvaire a cash amount of EUR 232,436.94 in consideration for the tender under the Offer of their respective Tendered Shares (held as of the date of this Position Statement by each of them). Mr. Paulmier and Mr. Sauvaire did not receive any information from the Offeror or Altice Europe relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Listed Shares under the Offer under the same terms and conditions as the other Shareholders.

11.2 Transactions in the year prior to the date of this Position Statement

On 27 November 2019, Altice Europe cancelled 200,000,000 Shares A held in treasury. On 5 October 2020, Altice Europe issued 551,548 Shares A following the conversion by Mr. Weill of 551,548 Prefs B into Shares A. On 24 November 2020, Altice Europe and Mr. Weill have agreed that Mr. Weill will convert the remaining part of the 2016 FPPS Tranche 1 Prefs B (i.e. 551,548 Prefs B) into 551,548 Shares A before 12 January 2021.

The following table sets out transactions by the Board Members in securities and stock options of Altice Europe in the last twelve (12) months prior to the date of this Position Statement:

Board Member	Number and type of financial instrument	Type of transaction	Date	Volume weighted average price (EUR)
A. Weill	551,548 Prefs B / 551,548 Shares A	Agreement to convert Prefs B in Shares A	24 November 2020	-
A. Weill	551,548 Prefs B / 551,548 Shares A	Conversion of Prefs B in Shares A	5 October 2020	-
N. Marty	325,000 stock options for Shares A	Stock option grant	26 June 2020	-
T. Sauvaille	5,500 Shares A	Acquisition	3 April 2020	3.28
N. Marty	500,000 stock options for Shares A	Stock option grant	15 January 2020	-
A. Weill	463,916 Prefs B	Vesting of Prefs B	31 December 2019	-

11.3 Incentive Plans

Reference is made to Section 7.11 (*Incentive plans*) of the Offer Memorandum, which includes the relevant information on Altice Europe's incentive plans and the treatment thereof under the Offer.

12. RECOMMENDATION

The Board has met frequently throughout the process to discuss the Transaction and its developments.

In accordance with its fiduciary duties, the Board has carefully and extensively assessed the Transaction with the assistance of its legal and financial advisors. In addition, Altice Europe and the Non-Executive Directors have received the Fairness Opinions described in section 4.3 (*Fairness Opinions*).

After having reviewed the terms and conditions of the Offer and the Merger Agreement, including the Non-Financial Covenants, and having taken the interests of all Altice Europe's stakeholders into account, the Board unanimously determined that the Transaction promotes the sustainable success of Altice Europe's business and is in the interest of Altice Europe and its stakeholders, including its employees, customers, debt providers, suppliers and Shareholders.

With reference to the above, the Board unanimously (i) supports the Transaction, (ii) recommends to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer and (iii) recommends to Altice Europe's shareholders to vote in favour of the Resolutions at the EGM (the "**Recommendation**").

13. AGENDA OF THE EGM

In accordance with applicable Law, Altice Europe has convened an extraordinary general meeting to discuss the Offer with its shareholders and, subject to the terms of the Merger Agreement, recommend the Offer to the Shareholders for acceptance and recommend Altice Europe's shareholders to vote in favour of the Resolutions at the EGM.

The EGM shall be held at 11:00 hours CET on 7 January 2021. Separate convocation materials will be made available on Altice Europe's website (www.altice.net). The full agenda of the EGM and the explanatory notes thereto are included in Schedule 3 (*Agenda of the EGM and explanatory notes*).

SCHEDULE 1

FULL TEXT OF THE LAZARD FAIRNESS OPINION

SCHEDULE 2

FULL TEXT OF THE LIONTREE FAIRNESS OPINION

SCHEDULE 3

AGENDA OF THE EGM AND EXPLANATORY NOTES