



*This is a joint press release by Altice Europe N.V. ("**Altice Europe**") and Next Private B.V. (the "**Offeror**"), a direct subsidiary of Next Alt S.à r.l, the majority shareholder of Altice Europe, pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) (the "**Decree**") in connection with the intended public offer by the Offeror for all the issued and outstanding common shares A and common shares B in the capital of Altice Europe (the "**Offer**"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum (the "**Offer Memorandum**") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) (the "**AFM**"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

Agreement on recommended all-cash offer of EUR 4.11 per share for all common shares A and common shares B in the capital of Altice Europe by Next Private B.V.

Amsterdam, the Netherlands, 11 September 2020

Altice Europe, a leader in the cable, telecommunications and entertainment sector, and the Offeror are pleased to announce that a conditional agreement (the "**Merger Agreement**") has been reached on a recommended public offer (the "**Offer**") to be made by the Offeror for all common shares A and common shares B in the capital of Altice Europe (each a "**Share**") for EUR 4.11 in cash per Share (cum dividend) (the "**Offer Price**"). This represents a total consideration of approximately EUR 2.5bn. Following the Offer, the Offeror wishes to delist Altice Europe (the "**Delisting**", together with the Offer and, to the extent relevant, any Post-Offer Restructuring (as defined below) with a view of obtaining 100% of the Shares, the "**Transaction**"). The Transaction will enable Altice Europe to further enhance the sustainable and long-term success of its business under the private ownership of the Offeror. The board of Altice Europe (the "**Board**") believes the Transaction is in the best interest of Altice Europe, its employees, customers, shareholders, debt providers and other stakeholders.

Transaction highlights

- Conditional agreement reached on public offer for Altice Europe of EUR 4.11 in cash (cum dividend) for each common share A and each common share B
- The Offer Price represents a premium of 23.8% over the closing price on 10 September 2020 and a premium of approximately 16.5% over the 180 day VWAP
- The Offeror is controlled by the founder and majority shareholder of Altice Europe, who fully supports Altice Europe's long-term strategy and is committed to the long-term interests of Altice Europe and its stakeholders



- Thorough process conducted by the non-conflicted directors, including all independent, non-executive directors, safeguarding the independence of the deliberations and decision-making
- After having carefully reviewed the Transaction, the Board believes that the Transaction is in the best interests of Altice Europe, the sustainable success of its business and therefore its shareholders, customers, employees, finance providers and other stakeholders
- The Board fully supports and unanimously recommends the Offer
- The Offeror has committed financing in place providing certainty of funds
- The Offer is subject to certain customary conditions and is expected to complete in Q1 2021
- Following the Offer, the Offeror intends to delist Altice Europe

Patrick Drahi, the Offeror:

"The proposed transaction announced today will result in a new and exciting chapter for Altice Europe and our stakeholders. Following the Group reorganization in 2018, Altice Europe has successfully executed on the operational and financial turnaround strategy. Over the same period, Altice Europe has made outstanding progress in simplifying and strengthening its diversified capital structure. The proposed ownership structure will enable an increased focus on executing our long-term strategy, and underlines my confidence and conviction in Altice Europe's prospects. Altice Europe has a unique asset base, fully converged and fibre rich, with a leading position and nationwide fixed and mobile coverage across markets. With my ongoing personal involvement, Altice Europe will maintain the fundamental Altice Model at heart. I am excited to continue leading Altice Europe's loyal management and their excellent teams. Altice Europe continues to have tremendous opportunities ahead."

Jurgen van Breukelen, Chairman of Altice Europe:

"Right from the start of the process in early August, we have followed a careful, full and thorough process with all four independent non-executive directors and the non-conflicted executive director. Our focus has been on determining the best way forward for Altice Europe and its business, while safeguarding the interests of all stakeholders involved. This transaction will allow Altice Europe to more successfully and effectively achieve its goals in a private and fully owned environment, benefiting from the founder's ongoing long term commitment to the business."

Strategic rationale

Altice Europe and the Offeror believe that having Altice Europe operate without a public listing under 100% control by the founder is better for the sustainable success of its business and long-term value creation, as the disadvantages of the listing materially outweigh the benefits and the business can more successfully focus on the long-term following delisting in a wholly privately owned set-up, including pursuant to the following advantages:

- (a) increasing the ability of Altice Europe and its subsidiaries (the "**Group**") to achieve the goals and implement the actions of its strategy;



- (b) increasing the ability to implement and focus on achieving long-term strategic goals and operational achievements of Altice Europe, as opposed to short-term performance driven by quarterly reporting;
- (c) increasing the ability to achieve an efficient capital structure (notably from a financing perspective), and a simplification of the legal holding structure;
- (d) reducing the Group's costs (e.g. listing, financial reporting and board costs will decrease and there will no longer be a requirement for physical general meetings of Altice Europe);
- (e) as debt providers will focus more on fundamental valuation and credit analysis, having better access to the bond and bank markets independent of the daily and volatile share price fluctuations and thus decrease borrowing costs; and
- (f) avoiding the current volatility of the prices of the Shares, which will (i) enable the opportunity to improve the effectiveness of employee incentive plans, and thus better align the 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 and relationship with clients, employees, finance providers, suppliers and local governments.

The Offeror fully supports the long-term strategy of the Group and the Offeror and Altice Europe believe that a delisting will enhance the ability to execute on the long-term strategy.

Transaction structure

The minority shareholders of Altice Europe will receive a cash consideration of EUR 4.11 for each Share (cum dividend). The Offer Price values 100% of the outstanding Shares at approximately EUR 4.9bn.

The Offer Price represents the following premiums:

- a premium of 23.8% to Altice Europe's closing price on 10 September 2020 of EUR 3.32;
- a premium of 16.5% to Altice Europe's volume-weighted average price for the 180 days up to and including 10 September 2020 of EUR 3.53.

Support and recommendation by the Board

Since the initial expression of interest of the Offeror, the Board has followed a thorough process where the independence of the deliberations and decision-making has been carefully safeguarded. The President, the Vice-President and the CEO, executive members of the Board, have been determined to have a conflict of interest within the meaning of article 2:129(6) Dutch Civil Code, and hence have not participated in the deliberations and decision-making of the Board with respect to the Transaction.



Consistent with its fiduciary responsibilities, the Board (which, unless specifically stated otherwise, excludes the President, the Vice-President and the CEO for the purpose of this announcement), with the support of its financial and legal advisors, has carefully reviewed the Transaction and has given careful consideration to all aspects of the Transaction, including strategic, financial, operational and social points of view. The Board has taken the interests of all stakeholders, including the minority shareholders, into careful consideration. The Board has unanimously determined that the Offer Price represents a fair price and attractive premium to Altice Europe's shareholders, as well as favourable non-financial terms to the other stakeholders who will also benefit through their continued involvement with Altice Europe in the private set-up. The Board concludes that the Transaction (including the Offer) 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 and shareholders.

The Board unanimously supports the Transaction, recommends the Offer for acceptance by the holders of Shares and recommends to Altice Europe's shareholders to vote in favour of the resolutions relating to the Offer (the "**Resolutions**") at the upcoming extraordinary general meeting of Altice Europe (the "**EGM**") to be held during the offer period. In reaching its recommendation, the Board has taken into account the interests of all stakeholders. The non-conflicted members of the Board have committed to tender their Shares in the Offer and to vote in favour of the Resolutions at the EGM.

Lazard Frères SAS ("**Lazard**") has issued a fairness opinion to the Board and LionTree Advisors LLC ("**LionTree**") has issued a fairness opinion to the Non-Executive Directors, in each case as to the fairness, as of such date, and based upon and subject to the factors, assumptions, qualifications and other matters set forth in each fairness opinion, to the effect that, each of the Offer Price, the Share Sale Price (as defined below) and the Sale Price (as defined below) is fair to the holders of Shares from a financial point of view and that the consideration or proceeds payable to shareholders in a possible Post-Offer Restructuring (as defined below) is fair from a financial point of view. The full text of such fairness opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, will be included in the Board's position statement. The opinions of Lazard and LionTree are given to the Board and the Non-Executive Directors, respectively, and not to the holders of Shares. As such, the fairness opinions do not contain a recommendation to the holders of Shares as to whether they should tender their Shares under the Offer (if and when made) or how they should vote or act with respect to the Resolutions or any other matter.

The Board may amend or revoke its recommendation in relation to the Offer and Post-Offer Restructuring if any material event, material development, material circumstance or material change in circumstances or facts occurs or arises that causes the Board to determine, after consultation with its legal and financial advisors and the Offeror, that the failure to amend or revoke the recommendation is inconsistent with the fulfilment of its fiduciary duties.

Conditions



The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- no material breach of the Merger Agreement having occurred
- the AFM having approved the offer memorandum
- no material adverse effect having occurred
- no amendment or withdrawal of the recommendation of the Board
- no order, stay judgment or decree having been issued prohibiting or materially delaying the making of the Offer and/or related transactions
- no notification having been received from the AFM stating that one or more investment firms will not be allowed to cooperate with the Offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of offer conditions customary for a transaction of this kind, including:

- minimum acceptance level of at least 95% of Altice Europe's issued share capital (*geplaatst kapitaal*), which may be waived down after consultation with Altice Europe
- no material breach of the Merger Agreement having occurred
- to the extent required in connection with the Transaction, clearance from the relevant regulatory authorities having been obtained
- the general meeting of shareholders of Altice Europe having adopted the Resolutions at the EGM
- no material adverse effect having occurred
- no amendment or withdrawal of the recommendation of the Board
- no order, stay judgment or decree having been issued prohibiting the making of the Offer and/or related transactions
- no notification having been received from the AFM stating that one or more investment firms will not be allowed to cooperate with the offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam

Certain funds

The Offeror has entered into a term loan credit agreement which will provide credit in the form of term loans in an aggregate principal amount providing the Offeror sufficient funds for payment of the Offer Price and payment of fees, costs and expenses in relation to the Transaction. The term loan credit agreement is fully committed on a "certain funds" basis by BNP Paribas.

Non-financial covenants

Altice Europe and the Offeror have agreed to certain non-financial covenants in respect of, amongst others, corporate governance, strategy, employees, financing and disposals for a



duration of 12 months after settlement of the Offer (the "**Non-Financial Covenants**"), including the covenants summarized below.

Corporate governance

At least two independent Non-Executive Directors will continue to serve on the Board for at least the duration of the Non-Financial Covenants and shall be tasked in particular with monitoring compliance with the Non-Financial Covenants.

Strategy

The Offeror fully supports the strategy of the Group and 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 does not envisage any material changes to the operations and business activities of the Group and will seek to capitalise the increased business opportunities that Altice Europe will have in a non-listed setting, including increasing investments in infrastructure.

Employees

Existing employee rights and benefits will be respected, as will the Group's current employee consultation structure. No reductions of the Group's operating companies' workforce and no material reduction of Altice Europe's workforce is expected as a consequence of the Transaction or completion thereof.

Financing

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

Disposals

The Offeror will not dispose any material strategic asset or any material business operated by the Group.

Acquisition of 100%

Altice Europe acknowledges the importance for the Offeror to acquire 100% of Altice Europe in order to realise the benefits as set out above under the strategic rationale for the Transaction.

It is intended that Altice Europe's listing on Euronext Amsterdam will be terminated as soon as possible.



Following completion of the Offer, the Offeror may acquire the remaining Shares through statutory squeeze-out proceedings or acquire the entire business of Altice Europe at the same price as the Offer Price pursuant to either a Post-Offer Merger or an Asset Sale (each as defined below) (each a "**Post-Offer Restructuring**"). Each Post-Offer Restructuring is subject to Altice Europe's shareholders' approval of the EGM to be held prior to closing of the offer period.

The Offeror may determine to have Altice Europe implement a legal triangular merger with two of its newly to be incorporated subsidiaries (Company Holdco as wholly owned subsidiary of Altice Europe and Company Sub as wholly owned subsidiary of Company Holdco) (the "**Triangular Merger**"). Upon the Triangular Merger becoming effective, Altice Europe shareholders will be allotted a number and class of shares in the capital of Company Holdco equal to the number and class of Shares held by such holder of Shares immediately prior to the completion of the Triangular Merger. Once the Triangular Merger is implemented, Altice Europe will have ceased to exist and its listing will terminate. If the Offeror pursues the Triangular Merger, it will enter into a share purchase agreement with Company Holdco pursuant to which the shares in Company Sub will be sold and transferred to (an affiliate of) the Offeror immediately after the Triangular Merger becomes effective (the "**Share Sale**") against payment of a purchase price equal to the offer consideration (the "**Share Sale Price**"). Upon completion of the Share Sale, Company Holdco will be dissolved and liquidated (the "**Liquidation**", and together with the Triangular Merger and the Share Sale, the "**Post-Offer Merger**"). It is intended that on or about the date of the Share Sale, an advance liquidation distribution will be made to the shareholders of Company Holdco consisting of a payment per share in the capital of Company Holdco to the fullest extent possible equal to the Offer Price, without any interest. The Company has determined that, at the Offer Price, no withholding taxes will be due in respect of such liquidation distribution.

Instead of the Post-Offer Merger, the Offeror may determine to have Altice Europe implement an asset sale and liquidation (the "**Asset Sale**") whereby Altice Europe will sell and transfer all of its assets and liabilities to the Offeror against payment of a purchase price equal to the offer consideration (the "**Sale Price**"). Upon completion of the asset sale, Altice Europe will be dissolved and liquidated ("**Company Liquidation**"). It is intended that on or about the date that the Asset Sale is completed, an advance liquidation distribution will be made to the shareholders of Altice Europe consisting of a payment per share in the capital of Altice Europe to the fullest extent possible equal to the Offer Price, without any interest. The Company has determined that, at the Offer Price, no withholding taxes will be due in respect of such liquidation distribution.

The Offeror may utilize all other available legal measures in order to acquire full ownership of Altice Europe's outstanding shares and/or its business in accordance with the terms of the Merger Agreement.

The Company's obligations under the Merger Agreement in respect of its cooperation with a Post-Offer Restructuring will terminate in case the Board has revoked or amended its recommendation in accordance with the terms of the Merger Agreement.



Timing and next steps

The Offeror expects to submit a request for review and approval of the Offer Memorandum with the AFM at short notice and to publish the Offer Memorandum after approval, in accordance with the applicable statutory timeline.

Altice Europe and the Offeror will seek to obtain any mandatory regulatory clearances as soon as practical. Both parties are confident that all clearances will be obtained within the timetable applicable to the Offer.

Altice Europe will hold the EGM at least six business days prior to the closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the shareholders about the Transaction and to adopt the Resolutions.

Based on the required steps and subject to the approval of the Offer Memorandum, Altice Europe and the Offeror anticipate that the Offer will close in Q1 2021.

Advisors

Lazard is acting as financial advisor and De Brauw Blackstone Westbroek N.V. is acting as legal advisor to Altice Europe. LionTree is acting as independent financial advisor and Allen & Overy LLP is acting as legal advisor to the non-executive members of the Board.

Luther S.A., NautaDutilh N.V. and Ropes & Gray International LLP are acting as legal advisors to the Offeror. BNP Paribas is acting as financial advisor to the Offeror.

For more information:

Head of Investor Relations Altice Europe

Sam Wood: +41 79 538 66 82 / sam.wood@altice.net

Head of Communications Altice Europe

Arthur Dreyfuss: +41 79 946 4931 / arthur.dreyfuss@altice.net

About Altice Europe

Altice Europe (ATC & ATCB), listed on Euronext Amsterdam, is a convergent leader in telecoms, content, media, entertainment and advertising. Altice Europe delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 30 million customers over fibre networks and mobile broadband. Altice Europe is also a provider of enterprise digital solutions to millions of business customers. Altice Europe innovates with technology, research and development and enables people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. Altice Europe delivers live broadcast premium sports events and enables its customers to enjoy the most well-known media and entertainment.



About the Offeror

The Offeror is owned and controlled by Mr. Patrick Drahi, the founder and majority shareholder of Altice. Mr. Drahi currently owns approximately 77.58% of Altice Europe's issued share capital.

Disclaimer

This is a joint public announcement by Altice Europe and the Offeror pursuant to section 4 paragraphs 1 and 3, section 5 paragraph 1 and Section 7 paragraph 4 of the Decree and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

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Certain statements in this public announcement may be considered forward-looking statements such as statements relating to the impact of this Transaction on the Offeror and Altice Europe. These forward-looking statements speak only as of the date of this announcement. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Altice Europe and the Offeror cannot guarantee the accuracy and completeness of forward- looking statements. A number of important factors, not all of which are known to Altice Europe or the Offeror or are within their control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing Altice Europe. Any forward-looking statements are made only as of the date of this press release, and Altice Europe and the Offeror assume no obligation to publicly update or revise any forward looking statements, whether as a result of new information or for any other reason. Neither the Offeror nor Altice Europe, nor any of their advisors, accepts any responsibility for any financial information contained in this announcement relating to the business, results of operations or financial condition of the other or their respective groups.