



# LIBERTY PUERTO RICO

## CREDIT OVERVIEW

FY 2023



# “SAFE HARBOR”

## IMPORTANT NOTICE | FORWARD-LOOKING STATEMENTS | DEFINED TERMS

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The continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings, our ability to meet challenges from competition, to manage rapid technological

change or to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers, the effects of changes in laws or regulation, general economic factors, our ability to obtain regulatory approval and satisfy conditions associated with acquisitions and dispositions, our ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from acquired businesses, the availability of attractive programming for our video services and the costs associated with such programming, our ability to achieve forecasted financial and operating targets, the outcome of any pending or threatened litigation, the ability of our operating companies to access cash of their respective subsidiaries, the impact of our operating companies' future financial performance, or market conditions generally, on the availability, terms and deployment of capital, fluctuations in currency exchange and interest rates, the loss of key employees and the availability of qualified personnel, the ability of suppliers and vendors to timely deliver quality products, equipment, software, services and access, our ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions, and other factors detailed or incorporated by reference in the offering documents.

These forward-looking statements speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

### INFORMATION RELATING TO DEFINED TERMS

Please refer to the Appendix at the end of this presentation, for certain defined terms that may be used herein.

# AGENDA

01 | KEY CREDIT HIGHLIGHTS

02 | HISTORICAL PERFORMANCE

03 | APPENDIX



# KEY CREDIT HIGHLIGHTS

## STRONG MARKET POSITION; MIGRATION COMPLETE

1

### POSITIVE MACROECONOMIC DYNAMICS

- **High GDP** per capita
- **Low inflation**
- **US territory**
- Decreasing unemployment & **stable population**
- **Federal investment** in telecom

2

### DIVERSIFIED FIXED-MOBILE ASSET

- **Mostly recurring** revenue
- **Strong fixed** performance
- **Majority postpaid** subscriber base
- **DISH transaction** to bring additional prepaid subscribers

3

### LEADING PLAYER IN THE MARKET

- Market share:**
- **#1** player in **broadband & video**
  - **Attacker** position in **mobile**
- Commercial strategy:**
- Focus on **FMC**
  - **Mobile turnaround**

4

### COMPETITIVE EDGE THROUGH SUPERIOR INFRASTRUCTURE

- **Continuing fiber** upgrades & new build
- **Fastest fixed network** on island
- **Strengthening spectrum** position through DISH transaction

5

### ROBUST BALANCE SHEET METRICS

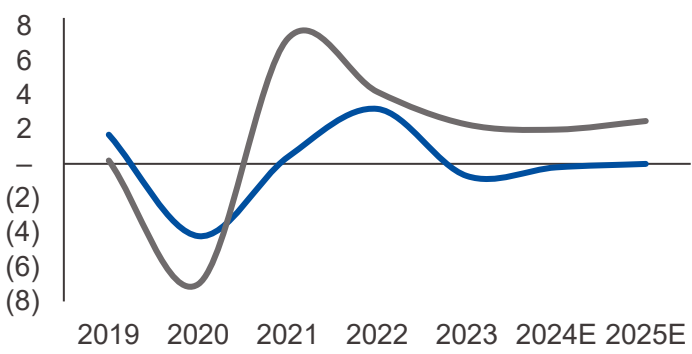
- Flexibility given **long-dated maturity** profile
- **No currency or rate exposure**
- **Anticipate de-levering** from H2 2024

# POSITIVE MACROECONOMIC DYNAMICS

## US TERRITORY WITH STRONG ECONOMIC OUTLOOK

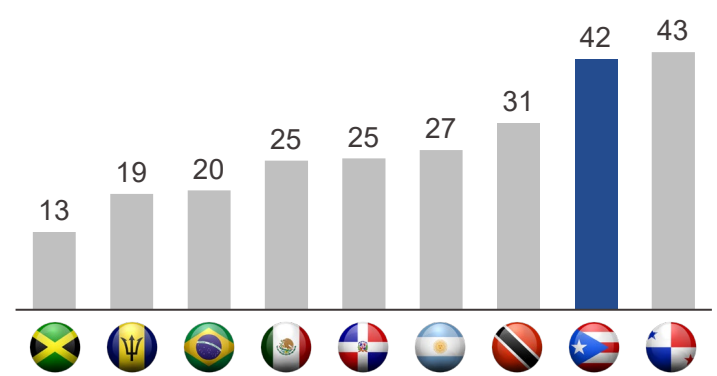
### GDP GROWTH<sup>(1)</sup>

PERCENTAGE — PUERTO RICO — LATAM & CARIBBEAN



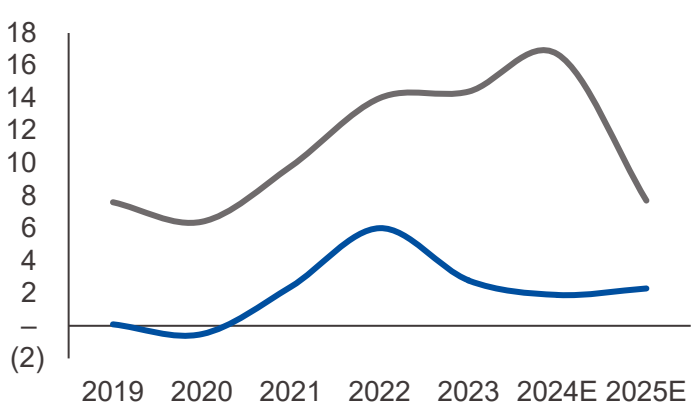
### GDP PER CAPITA<sup>(1)</sup>

PPP INTERNATIONAL USD THOUSAND | 2023



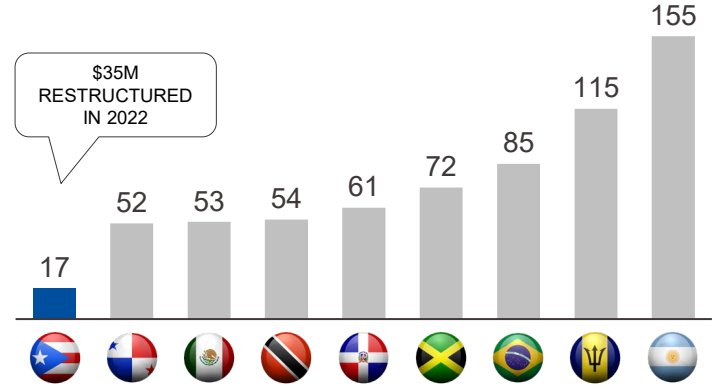
### INFLATION<sup>(1)</sup>

PERCENTAGE — PUERTO RICO — LATAM & CARIBBEAN



### DEBT TO GDP<sup>(1)</sup>

PERCENTAGE | 2023



### ECONOMIC OUTLOOK



70% OF >\$8BN ALLOCATED TO PR AFTER HURRICANE MARIA STILL TO BE DISBURSED



GDP GROWTH SUSTAINED BY REBUILDING EFFORTS & FEDERAL FUNDS



DEBT RESTRUCTURING STARTED IN 2022; REFORMS IMPLEMENTATION TO FOLLOW



LOW INFLATION & STABLE POPULATION



~\$900M FUNDING FOR TELECOM INITIATIVES

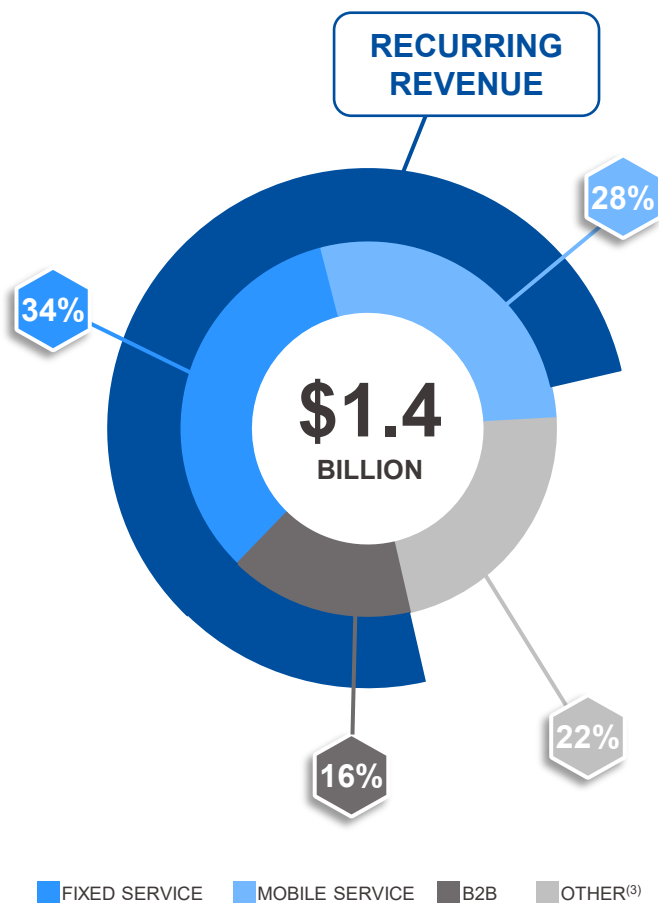
(1) Source: International Monetary Fund, World Economic Outlook (April 2024).

# DIVERSIFIED FIXED-MOBILE ASSET<sup>(1)</sup>

## 4-PLAY PROVIDER WITH PREDOMINANTLY RECURRING REVENUE

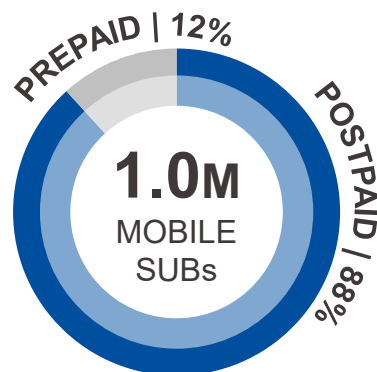
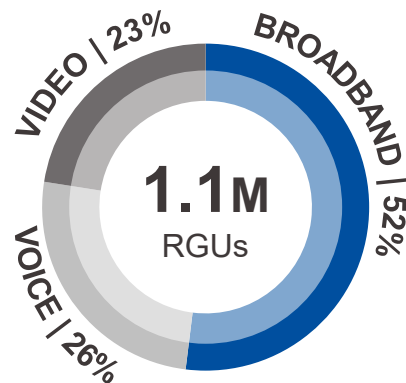
### REVENUE BY PRODUCT<sup>(2)</sup>

FY 2023



### FIXED RGUs & MOBILE SUBSCRIBERS<sup>(2)</sup>

FY 2023



### 2023 KEY MESSAGES & 2024 PRIORITIES

- **Broadband** subscriber growth
- **Prepaid mobile sales** in December driven by new promotions
- Focus on **completing integration & launching new commercial propositions**
- **DISH transaction:** prepaid subscribers & spectrum to be added upon acquisition close
- Mobile subscriber migration completed in early April

SIN CONTRATO SIN VERIFICACIÓN DE CRÉDITO

Llamadas de larga distancia **ILIMITADAS** a República Dominicana

Por solo **\$30** al mes

Liberty Prepaid

SEGURO DE FIDUCIARIA: LIBERTY PREPAID es miembro de la Ley de 2014 del seguro de prepagos. Para más información sobre el seguro de prepagos, visite el sitio web de Liberty Prepaid. Este seguro no es un producto de Liberty Prepaid. Para más información sobre el seguro de prepagos, visite el sitio web de Liberty Prepaid.

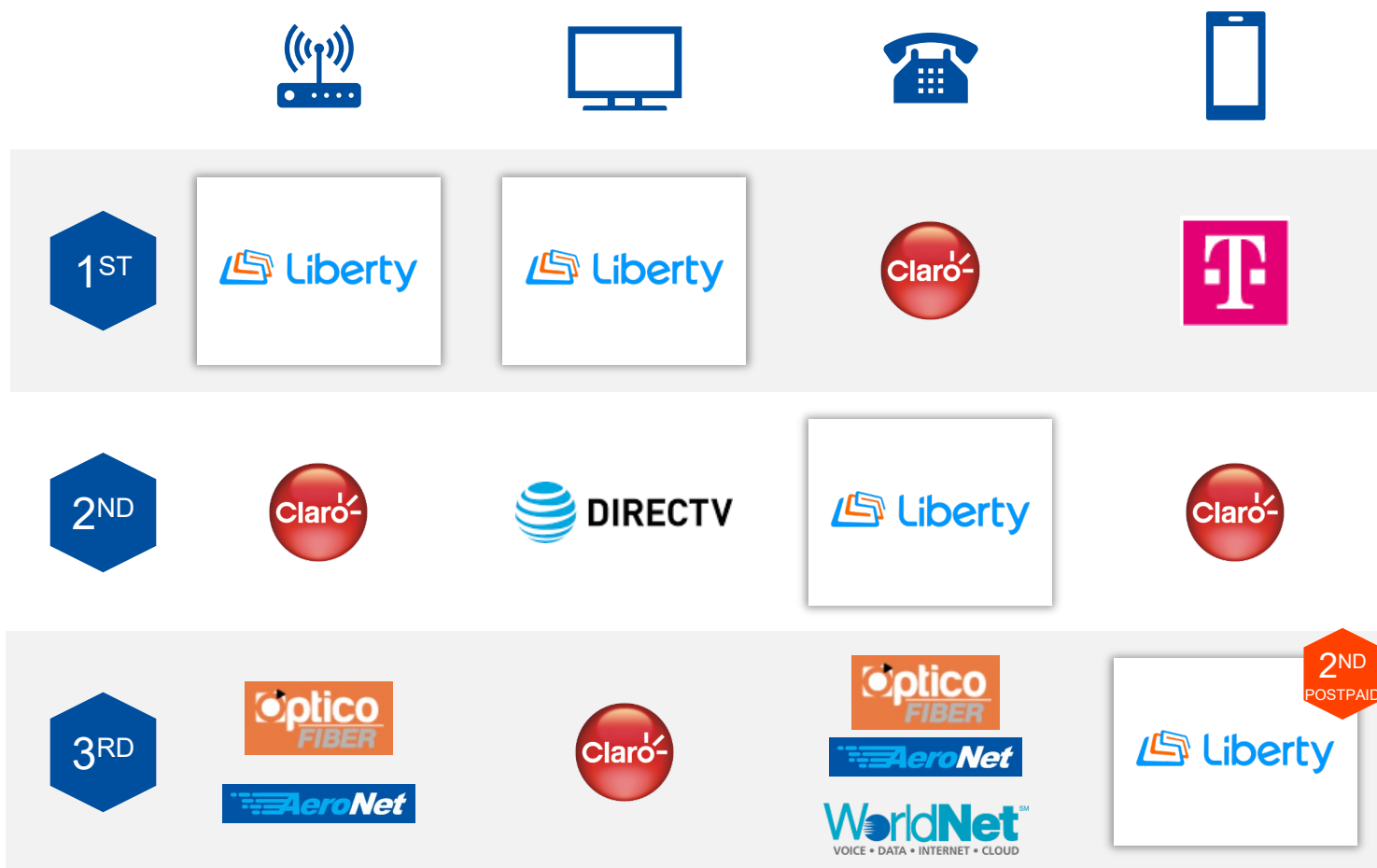
(1) See Appendix for definitions and additional information. Due to rounding, certain percentages, growth rates and totals may not recalculate.  
 (2) Revenue splits and total for the year ended December 31, 2023. Fixed RGU and Mobile subscriber data is reported as of December 31, 2023.  
 (3) Other revenue includes residential fixed non-subscription revenue, interconnect, equipment sales and other revenue.

# LEADING PLAYER IN THE MARKET

## MARKET LEADER IN BROADBAND & VIDEO; ATTACKER IN MOBILE

### PUERTO RICO TELECOMMUNICATIONS MARKET<sup>(1)</sup>

NATIONWIDE MARKET POSITION



### COMMERCIAL STRATEGY

#### FIXED

- Focus on broadband & FMC
- >20% FMC penetration<sup>(2)</sup>
- Retention of ACP subscribers

#### MOBILE

- Focus on increasing market share
- Acquisition of Boost prepaid subscribers



(1) Source: ranking based on a combination of information published by the Public Service Regulatory Board (PSRB) as of November 30, 2023, LPR and Claro Puerto Rico reported numbers and internal estimates.

(2) As of December 31, 2023.

# COMPETITIVE EDGE THROUGH SUPERIOR INFRASTRUCTURE<sup>(1)</sup>

## INVESTING IN HIGH-SPEED NETWORKS TO DRIVE SUSTAINABLE GROWTH

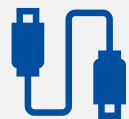
### FIXED NETWORK



**1.2**  
MILLION  
HOMES  
PASSED



**~20k**  
KILOMETERS  
OF FIBER &  
COAXIAL CABLE



**87** **13**  
PERCENT PERCENT  
HFC FTTH

**+4pp**  
YoY



**>50k**  
FTTH NEW BUILD &  
UPGRADES  
IN 2023



**1000**  
MBPS  
TOP BB SPEED  
OFFERED

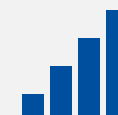


**46**  
PERCENT  
PENETRATION<sup>(2)</sup>

### MOBILE NETWORK



**>800**  
CELL SITES



**~325**  
MHz  
OF USABLE  
SPECTRUM<sup>(3)</sup>



**99**  
PERCENT  
SITES WITH FIBER  
BACKHAUL



**70**  
PERCENT  
CORE FIBER  
UNDERGROUND

**LTE**

**~100**  
PERCENT  
COVERAGE<sup>(4)</sup>

**5G**

**>90**  
PERCENT  
COVERAGE<sup>(4)</sup>

(1) See Appendix for definitions and additional information. Network statistics as of December 31, 2023.

(2) Penetration calculated as customer relationships over total homes passed.

(3) Usable spectrum is not uniform across all municipalities. This represents usable spectrum in San Juan area and may differ from other municipalities across Puerto Rico. Pro forma for the DISH spectrum acquisition.

(4) Coverage calculated as a percentage of population, includes both Puerto Rico and USVI.

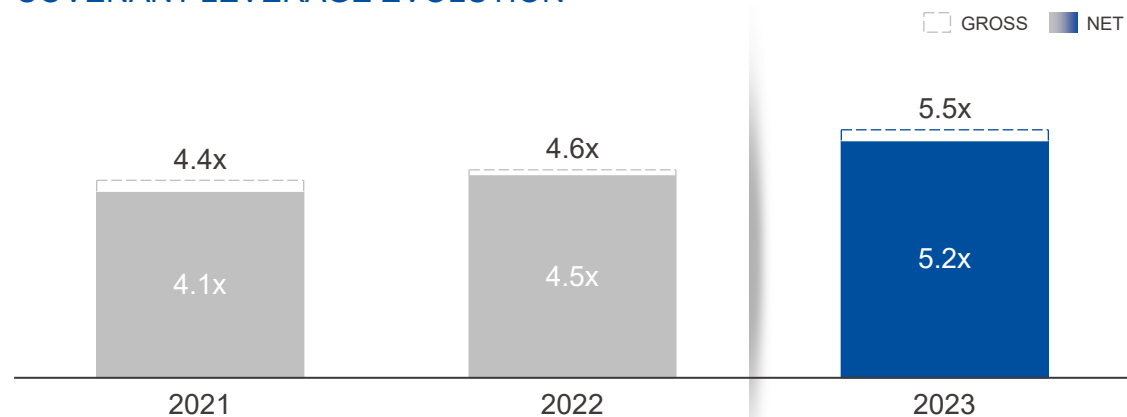
# ROBUST BALANCE SHEET METRICS

## LONG-DATED MATURITY PROFILE; DE-LEVERING FROM H2 2024

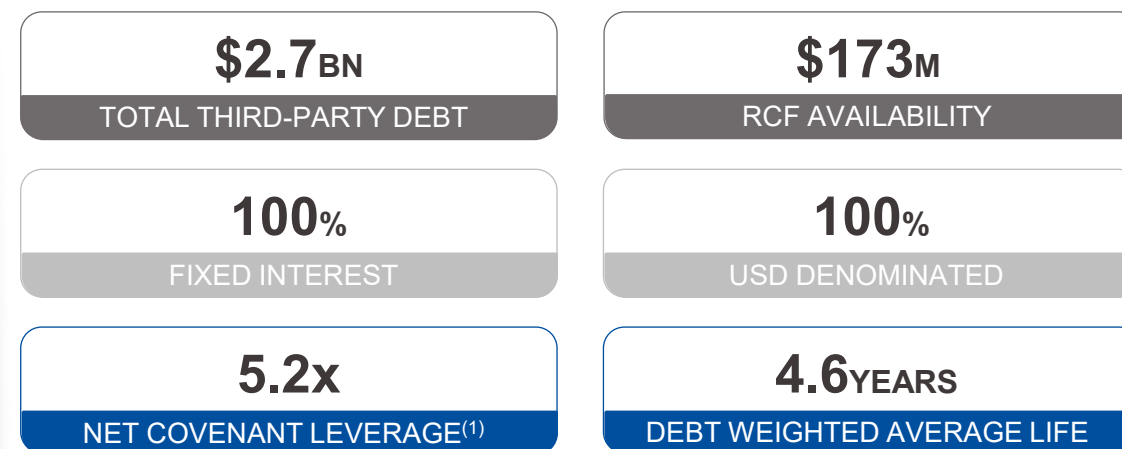
### FINANCING PRINCIPLES

- SEPARATE CREDIT POOLS**  
 Independent, ring-fenced structures with no cross-guarantees or cross-defaults
- SUSTAINABLE LEVERAGE LEVELS**  
 Moderate leverage, reflecting risk profile of investments
- LONG-DATED DEBT**  
 Term-out & extend debt maturities where possible
- HEDGED BALANCE SHEET**  
 Pro-actively hedge currency & floating interest rate exposure where feasible
- ROBUST LIQUIDITY POSITION**  
 Maintain high levels of liquidity through cash on and/or committed credit lines

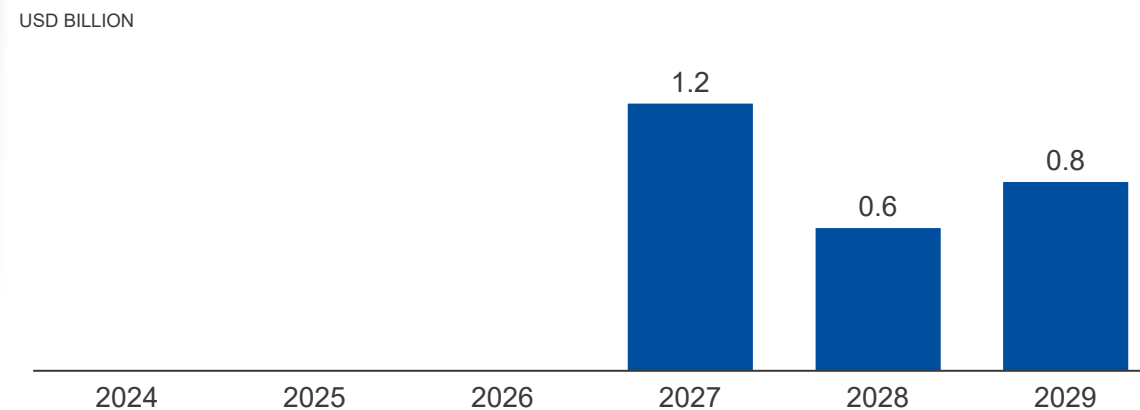
### COVENANT LEVERAGE EVOLUTION<sup>(1)</sup>



### KEY METRICS<sup>(2)</sup>



### MATURITY PROFILE<sup>(2,3)</sup>



(1) Represents leverage covenant ratio calculated in accordance with accordance with Liberty Puerto Rico's Credit Agreement.

(2) Data as of December 31, 2023.

(3) Excludes vendor financing and finance leases.

# AGENDA

01 | KEY CREDIT HIGHLIGHTS

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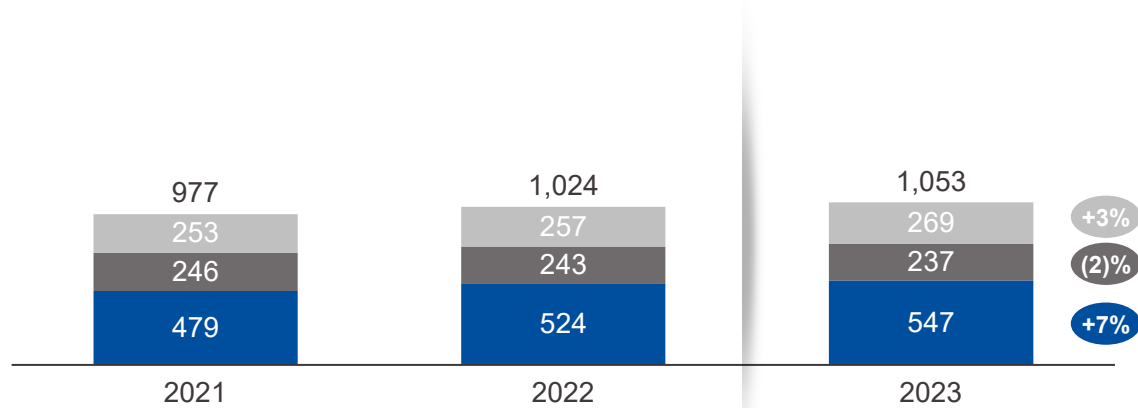


# KEY OPERATIONAL METRICS | FIXED & MOBILE<sup>(1)</sup>

## STRONG FIXED PERFORMANCE; MOBILE TREND EXPECTED TO IMPROVE

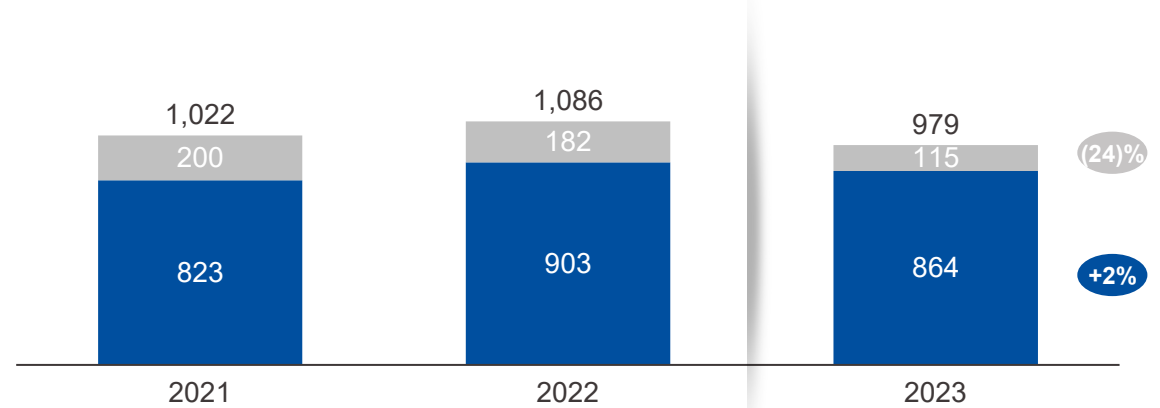
**FIXED RGUS**  
THOUSANDS

■ VOICE ■ VIDEO ■ BROADBAND ○ '21-23 CAGR

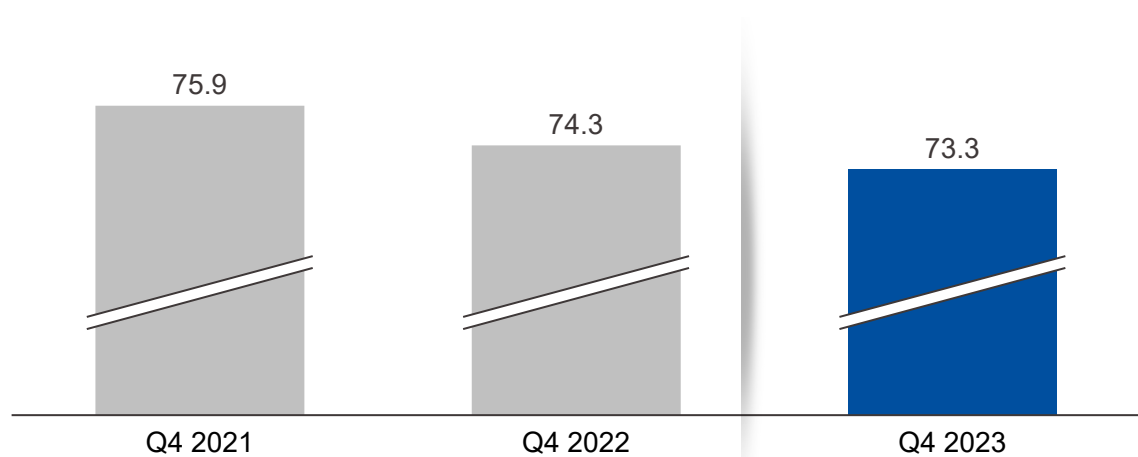


**MOBILE SUBSCRIBERS**  
THOUSANDS

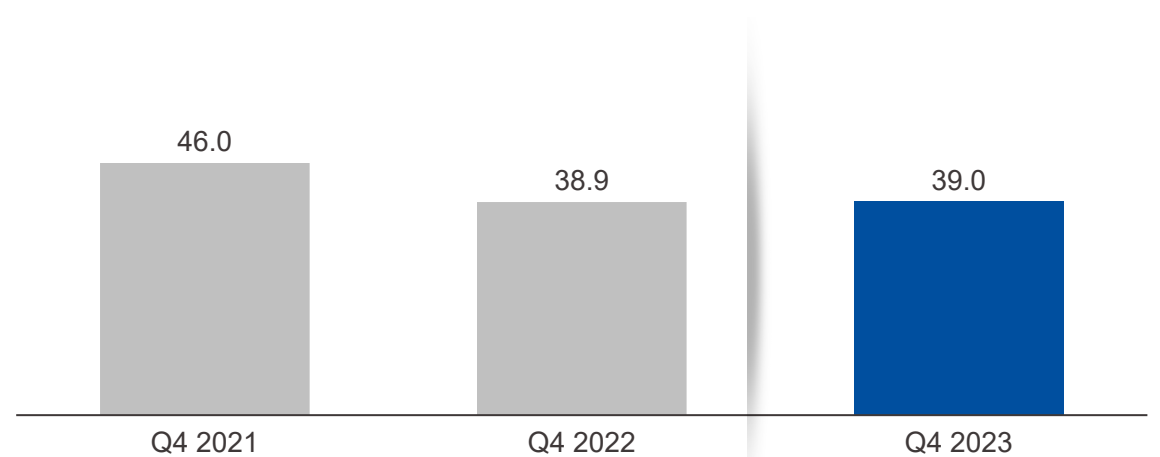
■ PREPAID ■ POSTPAID ○ '21-23 CAGR



**FIXED CUSTOMER RELATIONSHIP ARPU**  
USD



**MOBILE ARPU**  
USD



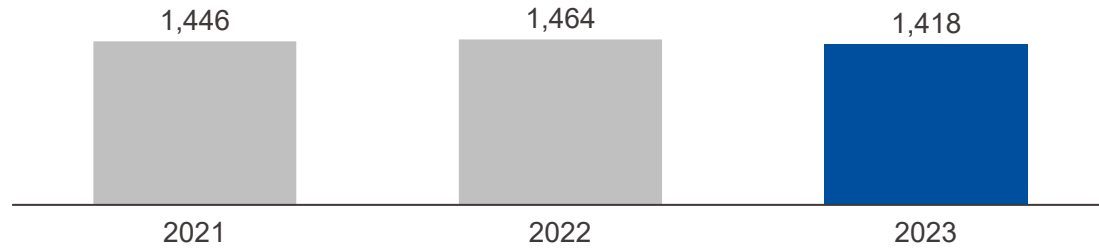
(1) See Appendix for definitions and additional information. Due to rounding, certain growth rates and totals may not recalculate. ARPUs are calculated on a 3-month basis.

# KEY FINANCIAL METRICS<sup>(1)</sup>

## STABLE REVENUES & P&E ADDITIONS; ADJUSTED OIBDA IMPACTED BY INTEGRATION

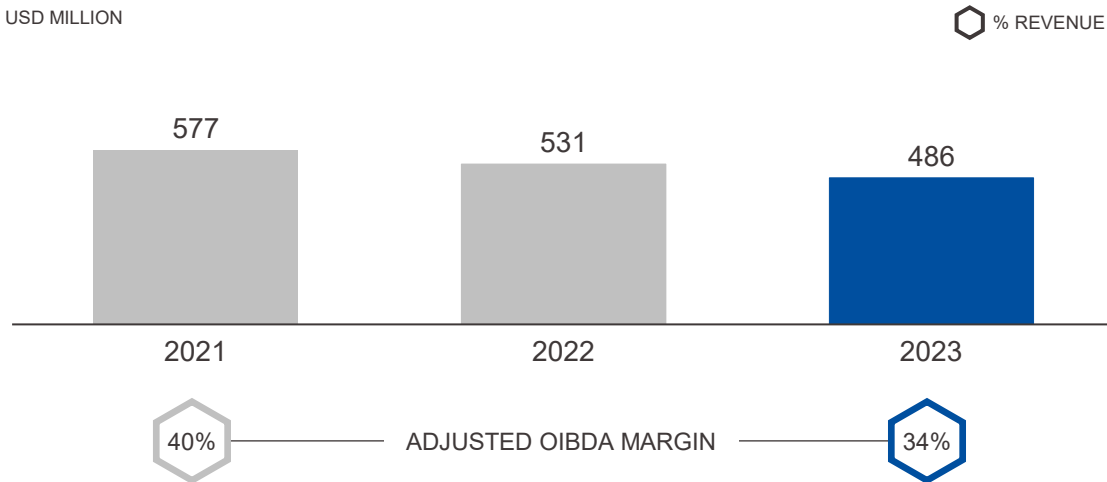
### REVENUE

USD MILLION



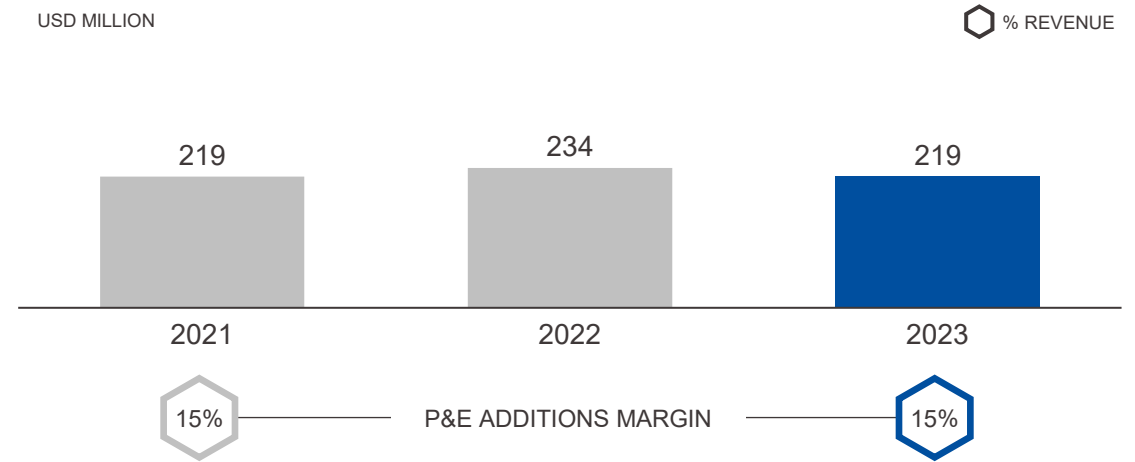
### ADJUSTED OIBDA

USD MILLION



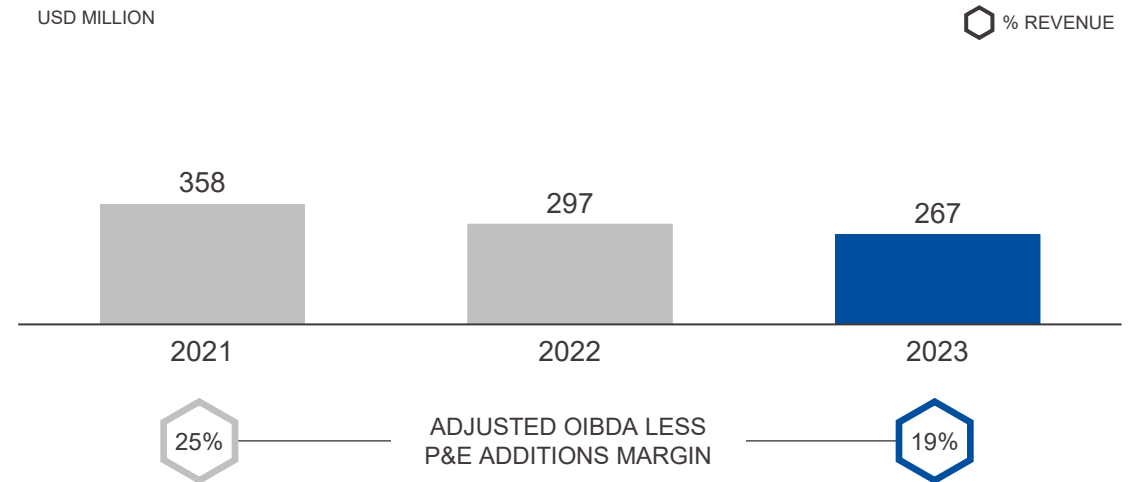
### P&E ADDITIONS

USD MILLION



### ADJUSTED OIBDA LESS P&E ADDITIONS

USD MILLION



(1) See Appendix for definitions and additional information. Due to rounding, certain percentages and totals may not recalculate.

# AGENDA

01 | KEY CREDIT HIGHLIGHTS

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03 | **APPENDIX**

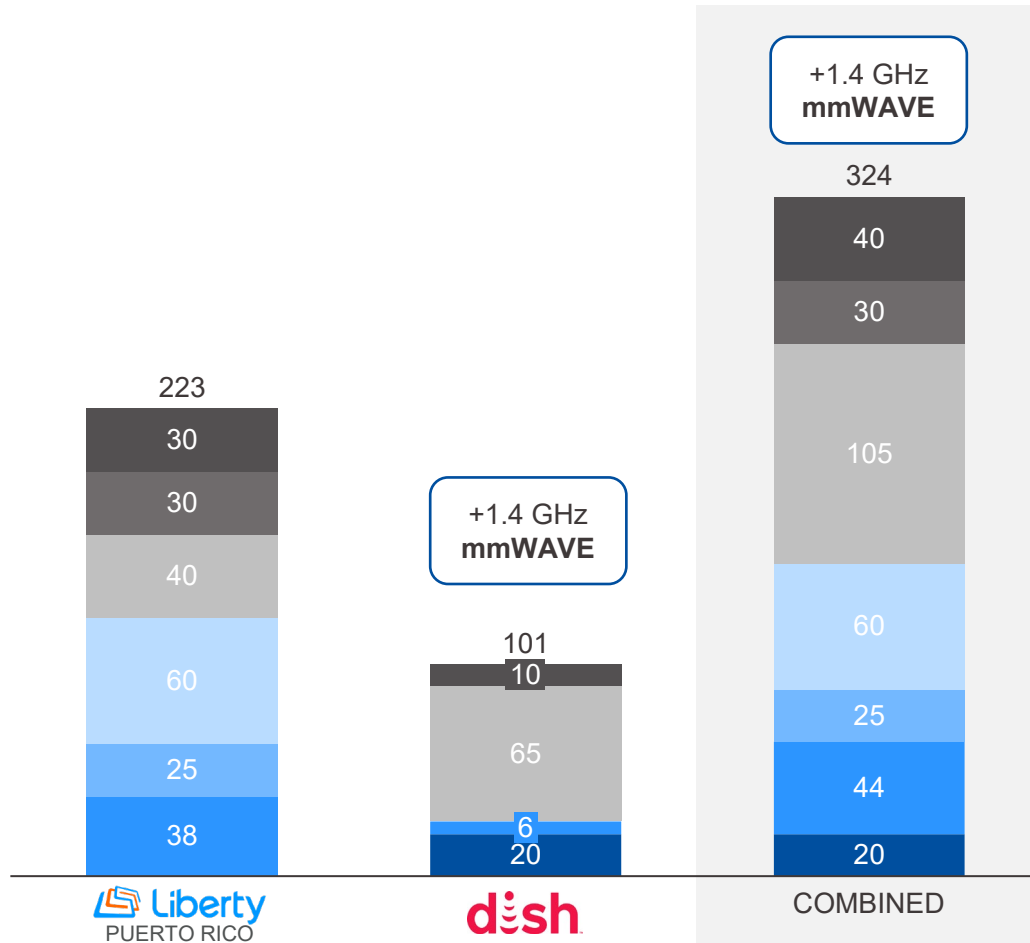


# AGREEMENT TO ACQUIRE DISH SPECTRUM & SUBSCRIBERS

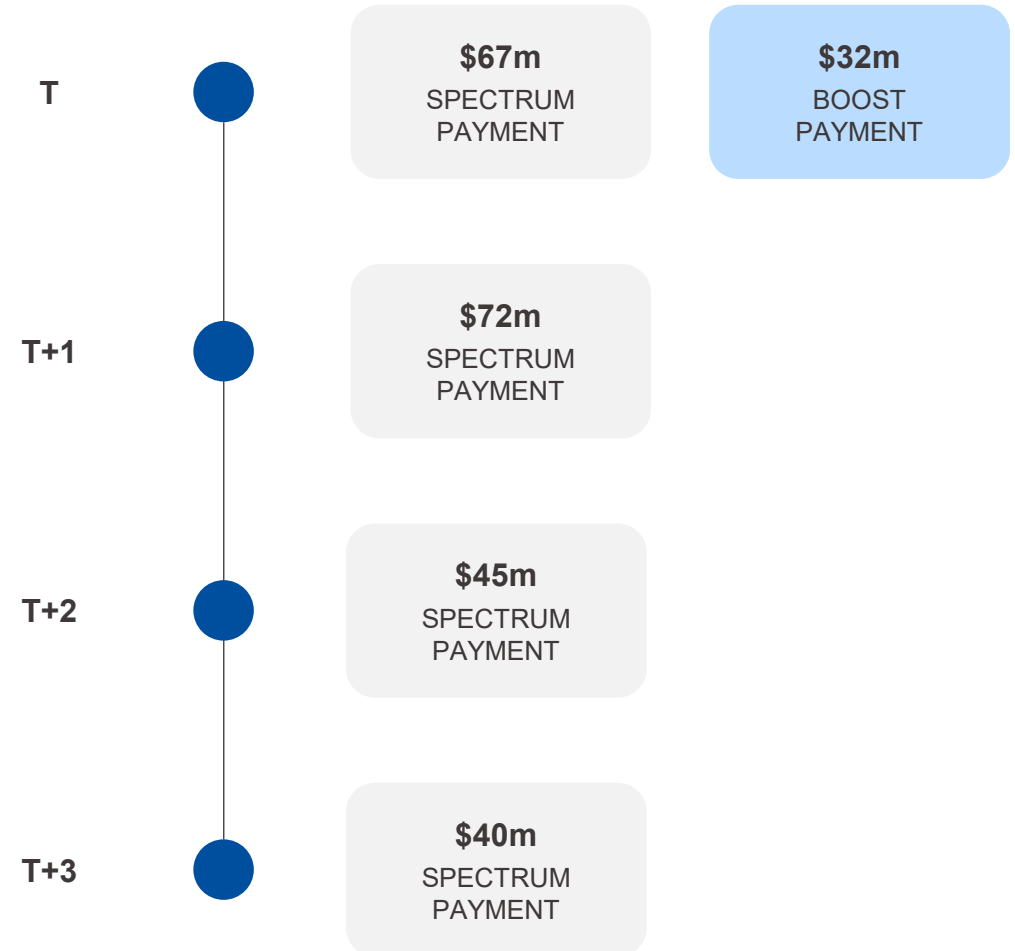


## SPECTRUM EVOLUTION

IN MHz      ■ CBRS   ■ WCS   ■ AWS   ■ 1900 MHz   ■ 850 MHz   ■ 700 MHz   ■ 600 MHz



## PAYMENT TIMELINE



# CAPITAL STRUCTURE & COVENANT LEVERAGE

## LONG-DATED MATURITY PROFILE; LEVERAGE IMPACTED BY INTEGRATION

CAPITAL STRUCTURE <sup>(1)</sup>	USD MILLION, EXCEPT LEVERAGE	AS OF DECEMBER 31, 2023	MATURITY
	Cash & Cash Equivalents		(128)
RCF Draw (out of \$172.5 million)		-	March 2027
Senior Secured Term Loan		620	October 2028
Senior Secured Notes due 2027		1,161	October 2027
Senior Secured Notes due 2029		820	July 2029
Vendor financing, Tower Transactions & Other		100	Various
<b>NET TOTAL THIRD-PARTY DEBT<sup>(1)</sup></b>		<b>2,573</b>	

COVENANT LEVERAGE <sup>(3)</sup>	USD MILLION, EXCEPT LEVERAGE	AS OF DECEMBER 31, 2023
	Covenant total net debt <sup>(2)</sup>	
Covenant EBITDA <sup>(3)</sup>		473
<b>RATIO OF COVENANT TOTAL NET DEBT TO COVENANT EBITDA<sup>(4)</sup></b>		<b>5.2x</b>

(1) Excludes vendor finance and finance leases.

(2) Covenant total net debt is calculated in accordance with the Consolidated Net Leverage Ratio (in accordance with Liberty Puerto Rico's Credit Agreement).

(3) Covenant EBITDA is calculated by multiplying Liberty's Consolidated EBITDA (as defined in the Credit and Guaranty Agreement) for the six months ended December 31, 2023 (\$451.2 million) by two plus an increase of \$21.5 million representing 50% of our estimate of the cost synergies expected to be achieved upon the completion of the integration of the Liberty Puerto Rico Entities.

(4) Ratio of Covenant total net debt to Covenant EBITDA represents leverage covenant ratio calculated in accordance with Liberty Puerto Rico's Credit Agreement.

# DEFINITIONS & ADDITIONAL INFORMATION

## ADJUSTED OIBDA MARGIN

Calculated by dividing Adjusted OIBDA by total revenue for the applicable period.

## ADJUSTED OIBDA LESS P&E ADDITIONS MARGIN

Calculated by dividing Adjusted OIBDA less P&E additions by total revenue for the applicable period.

## ARPU

Average revenue per unit refers to the average monthly subscription revenue (subscription revenue excludes interconnect, mobile handset sales and late fees) per average customer relationship or mobile subscriber, as applicable. ARPU per average customer relationship is calculated by dividing the average monthly subscription revenue from residential fixed and SOHO fixed services by the average of the opening and closing balances for customer relationships for the indicated period. ARPU per average mobile subscriber is calculated by dividing the average monthly mobile service revenue by the average of the opening and closing balances for mobile subscribers for the indicated period. Unless otherwise indicated, ARPU per customer relationship or mobile subscriber is not adjusted for currency impacts. ARPU per average RGU is calculated by dividing the average monthly subscription revenue from the applicable residential fixed service by the average of the opening and closing balances of the applicable RGUs for the indicated period. Unless otherwise noted, ARPU in this release is considered to be ARPU per average customer relationship or mobile subscriber, as applicable. Customer relationships, mobile subscribers and RGUs of entities acquired during the period are normalized.

## CAGR

Compound Annual Growth Rate.

## FMC

Fixed-Mobile Convergence.

## FULLY-SWAPPED BORROWING COST

Represents the weighted average interest rate on our debt (excluding finance leases and including vendor financing obligations, debt related to the Tower Transactions and other debt), including the effects of derivative instruments, original issue premiums or discounts, and commitment fees, but excluding the impact of financing costs.

## HOMES PASSED

Homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Certain of our homes passed counts are based on census data that can change based on either revisions to the data or from new census results.

## MOBILE SUBSCRIBERS

Our mobile subscriber count represents the number of active subscriber identification module (“SIM”) cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after periods of inactivity ranging from 30 to 90 days, based on industry standards within the respective country. In a number of countries, our mobile subscribers receive mobile services pursuant to prepaid contracts. Our Liberty Puerto Rico segment prepaid subscriber count includes mobile reseller subscribers, which represent organizations that purchase minutes and data at wholesale prices and subsequently resell it under the purchaser's brand name. These reseller subscribers result in a significantly lower ARPU than the remaining subscribers included in our prepaid balance. Additionally, our Liberty Puerto Rico segment postpaid subscriber count includes CRUs, which represent an individual receiving mobile services through an organization that has entered into a contract for mobile services with us and where the organization is responsible for the payment of the CRU's mobile services.

## P&E ADDITIONS MARGIN

Calculated by dividing P&E additions by total revenue for the applicable period.

## REVENUE GENERATING UNIT (“RGU”)

RGU is separately a video RGU, internet RGU or telephony RGU. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in Puerto Rico subscribed to our video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. RGUs are generally counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled video, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as RGUs during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers or free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

## U.S. GAAP

Generally accepted accounting principles in the United States.

# NON-GAAP RECONCILIATIONS

Adjusted OIBDA and Adjusted OIBDA less property and equipment additions are the primary measures used to evaluate the operating performance. Adjusted OIBDA and Adjusted OIBDA less property and equipment additions are also key factors that are used by our internal decision makers to evaluate the effectiveness of our management for purposes of incentive compensation plans. As we use the term “Adjusted OIBDA” is defined as operating income or loss before share-based compensation, depreciation and amortization, related-party fees and allocations, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted OIBDA and Adjusted OIBDA less property and equipment additions are meaningful measures because they represent a transparent view of our recurring operating performance that is unaffected by our capital structure and allow management to (i) readily view operating trends, (ii) perform analytical comparisons and

benchmarking and (iii) identify strategies to improve operating performance. We believe our Adjusted OIBDA and Adjusted OIBDA less property and equipment additions measures are useful to investors because they are one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measures may not be directly comparable to similar measures used by other public companies. Adjusted OIBDA and Adjusted OIBDA less property and equipment additions should be viewed as measures of operating performance that are a supplement to, and not a substitute for, operating income or loss, net earnings or loss and other U.S. GAAP measures of income (loss). We provide a reconciliation of the Group’s operating income to Adjusted OIBDA and Adjusted OIBDA to Adjusted OIBDA less property and equipment additions in the following table:

	Year ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2023
	in USD millions		
Operating income	296.7	222.1	175.2
Share-based compensation	6.4	7.3	6.2
Related-party fees and allocations	64.7	52.5	49.5
Depreciation and amortization	213.4	244.6	241.9
Impairment, restructuring and other operating items, net	(3.8)	4.3	12.7
<b>Adjusted OIBDA</b>	<b>577.4</b>	<b>530.8</b>	<b>485.5</b>
Less: Property and equipment additions	219.2	233.5	219.0
<b>Adjusted OIBDA less P&amp;E additions</b>	<b>358.2</b>	<b>297.3</b>	<b>266.5</b>
<b>Adjusted OIBDA margin</b>	<b>39.9%</b>	<b>36.3%</b>	<b>34.2%</b>
<b>Adjusted OIBDA less P&amp;E additions margin</b>	<b>24.8%</b>	<b>20.3%</b>	<b>18.8%</b>