

**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	December 31,	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 302,058	\$ 305,484
Restricted cash	280	267
Accounts receivable, trade (less allowance for doubtful accounts of \$ 21,915 and \$ 20,767, respectively)	357,597	365,992
Prepaid expenses and other current assets (\$ 407 and \$ 572 due from affiliates, respectively)	174,859	130,684
Derivative contracts	—	263,873
Investment securities pledged as collateral	—	1,502,145
Total current assets	834,794	2,568,445
Property, plant and equipment, net of accumulated depreciation of \$ 8,162,442 and \$ 7,785,397, respectively	8,117,757	7,500,780
Right-of-use operating lease assets	255,545	250,601
Other assets	195,114	259,681
Amortizable intangibles, net of accumulated amortization of \$ 5,874,612 and \$ 5,549,674, respectively	1,259,335	1,660,331
Indefinite-lived cable franchise rights	13,216,355	13,216,355
Goodwill	8,044,716	8,208,773
Total assets	\$ 31,923,616	\$ 33,664,966
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 936,950	\$ 1,213,806
Interest payable	274,507	252,351
Accrued employee related costs	182,146	139,328
Deferred revenue	85,018	80,559
Debt	359,407	2,075,077
Other current liabilities (\$ 71,523 and \$ 20,857 due to affiliates, respectively)	470,096	278,580
Total current liabilities	2,308,124	4,039,701
Other liabilities	221,249	274,623
Deferred tax liability	4,848,460	5,081,661
Right-of-use operating lease liability	264,647	260,237
Long-term debt, net of current maturities	24,715,554	24,512,656
Total liabilities	32,358,034	34,168,878
<b>Commitments and contingencies (Note 17)</b>		
<b>Stockholders' Deficiency:</b>		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Class A common stock: \$0.01 par value, 4,000,000,000 shares authorized, 271,772,978 issued and outstanding as of December 31, 2023 and 271,851,984 and 271,833,063 shares issued and outstanding as of December 31, 2022	2,718	2,719
Class B common stock: \$0.01 par value, 1,000,000,000 shares authorized, 490,086,674 issued, 184,224,428 shares outstanding as of December 31, 2023 and 184,329,229 shares outstanding as of December 31, 2022	1,842	1,843
Class C common stock: \$0.01 par value, 4,000,000,000 shares authorized, no shares issued and outstanding	—	—
Paid-in capital	187,186	182,701
Accumulated deficit	(601,075)	(654,273)
	(409,329)	(467,010)
Treasury stock, at cost (18,921 Class A common shares at December 31, 2022)	—	—
Accumulated other comprehensive loss	(12,851)	(8,201)
Total Altice USA stockholders' deficiency	(422,180)	(475,211)
Noncontrolling interests	(12,238)	(28,701)
Total stockholders' deficiency	(434,418)	(503,912)
Total liabilities and stockholders' deficiency	\$ 31,923,616	\$ 33,664,966

See accompanying notes to consolidated financial statements.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands, except per share amounts)

	2023	2022	2021
Revenue (including revenue from affiliates of \$1,471, \$2,368 and \$13,238, respectively) (See Note 16)	\$ 9,237,064	\$ 9,647,659	\$ 10,090,849
<b>Operating expenses:</b>			
Programming and other direct costs (including charges from affiliates of \$13,794, \$14,321 and \$17,167, respectively) (See Note 16)	3,029,842	3,205,638	3,382,129
Other operating expenses (including charges from affiliates of \$57,063, \$12,210 and \$11,989, respectively) (See Note 16)	2,646,258	2,735,469	2,379,765
Restructuring, impairments and other operating items (See Note 7)	214,727	130,285	17,176
Depreciation and amortization (including impairments)	1,644,297	1,773,673	1,787,152
	<u>7,535,124</u>	<u>7,845,065</u>	<u>7,566,222</u>
<b>Operating income</b>	<u>1,701,940</u>	<u>1,802,594</u>	<u>2,524,627</u>
<b>Other income (expense):</b>			
Interest expense, net	(1,639,120)	(1,331,636)	(1,266,591)
Gain (loss) on investments and sale of affiliate interests, net	180,237	(659,792)	(88,898)
Gain (loss) on derivative contracts, net	(166,489)	425,815	85,911
Gain on interest rate swap contracts, net	32,664	271,788	92,735
Gain (loss) on extinguishment of debt and write-off of deferred financing costs	4,393	(575)	(51,712)
Other income, net	4,940	8,535	9,835
	<u>(1,583,375)</u>	<u>(1,285,865)</u>	<u>(1,218,720)</u>
<b>Income before income taxes</b>	<u>118,565</u>	<u>516,729</u>	<u>1,305,907</u>
Income tax expense	(39,528)	(295,840)	(294,975)
<b>Net income</b>	<u>79,037</u>	<u>220,889</u>	<u>1,010,932</u>
Net income attributable to noncontrolling interests	(25,839)	(26,326)	(20,621)
<b>Net income attributable to Altice USA, Inc. stockholders</b>	<u>\$ 53,198</u>	<u>\$ 194,563</u>	<u>\$ 990,311</u>
<b>Income per share:</b>			
Basic income per share	<u>\$ 0.12</u>	<u>\$ 0.43</u>	<u>\$ 2.16</u>
Basic weighted average common shares (in thousands)	<u>454,723</u>	<u>453,244</u>	<u>458,311</u>
Diluted income per share	<u>\$ 0.12</u>	<u>\$ 0.43</u>	<u>\$ 2.14</u>
Diluted weighted average common shares (in thousands)	<u>455,034</u>	<u>453,282</u>	<u>462,295</u>
<b>Cash dividends declared per common share</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands)

	2023	2022	2021
Net income	\$ 79,037	\$ 220,889	\$ 1,010,932
Other comprehensive income (loss):			
Defined benefit pension plans	(5,424)	(20,526)	4,772
Applicable income taxes	1,463	5,537	(1,259)
Defined benefit pension plans, net of income taxes	(3,961)	(14,989)	3,513
Foreign currency translation adjustment	(689)	291	(662)
Other comprehensive income (loss)	(4,650)	(14,698)	2,851
Comprehensive income	74,387	206,191	1,013,783
Comprehensive income attributable to noncontrolling interests	(25,839)	(26,326)	(20,621)
Comprehensive income attributable to Altice USA, Inc. stockholders	\$ 48,548	\$ 179,865	\$ 993,162

See accompanying notes to consolidated financial statements.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Altice USA Stockholders' Equity (Deficiency)	Non- controlling Interests	Total Equity (Deficiency)
Balance at January 1, 2021	\$ 2,972	\$ 1,859	\$ —	\$ (985,641)	\$ (163,866)	\$ 3,646	\$ (1,141,030)	\$ (62,109)	\$ (1,203,139)
Net income attributable to Altice USA stockholders	—	—	—	990,311	—	—	990,311	—	990,311
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	20,621	20,621
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(14,004)	(14,004)
Pension liability adjustments, net of income taxes	—	—	—	—	—	3,513	3,513	—	3,513
Foreign currency translation adjustment	—	—	—	—	—	(662)	(662)	—	(662)
Share-based compensation expense (equity classified)	—	—	17,990	79,521	—	—	97,511	—	97,511
Redeemable equity vested	—	—	—	23,749	—	—	23,749	—	23,749
Change in redeemable equity	—	—	—	2,014	—	—	2,014	—	2,014
Class A shares acquired through share repurchase program and retired	(236)	—	—	(804,692)	—	—	(804,928)	—	(804,928)
Conversion of Class B to Class A shares	16	(16)	—	—	—	—	—	—	—
Retirement of treasury stock and issuance of common shares pursuant to employee LTIP	(49)	—	15	(149,932)	163,866	—	13,900	—	13,900
Other	—	—	—	(4,166)	—	—	(4,166)	4,378	212
Balance at December 31, 2021	\$ 2,703	\$ 1,843	\$ 18,005	\$ (848,836)	\$ —	\$ 6,497	\$ (819,788)	\$ (51,114)	\$ (870,902)

See accompanying notes to consolidated financial statements.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY (continued)**  
**Years ended December 31, 2023, 2022 and 2021**  
**(In thousands)**

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Altice USA Stockholders' Equity (Deficiency)	Non- controlling Interests	Total Equity (Deficiency)
Balance at January 1, 2022	\$ 2,703	\$ 1,843	\$ 18,005	\$ (848,836)	\$ —	\$ 6,497	\$ (819,788)	\$ (51,114)	\$ (870,902)
Net income attributable to Altice USA stockholders	—	—	—	194,563	—	—	194,563	—	194,563
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	26,326	26,326
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(3,913)	(3,913)
Pension liability adjustments, net of income taxes	—	—	—	—	—	(14,989)	(14,989)	—	(14,989)
Foreign currency translation adjustment	—	—	—	—	—	291	291	—	291
Share-based compensation expense (equity classified)	—	—	167,410	—	—	—	167,410	—	167,410
Issuance of common shares pursuant to employee long term incentive plan	16	—	63	—	—	—	79	—	79
Other	—	—	(2,777)	—	—	—	(2,777)	—	(2,777)
Balance at December 31, 2022	<u>\$ 2,719</u>	<u>\$ 1,843</u>	<u>\$ 182,701</u>	<u>\$ (654,273)</u>	<u>\$ —</u>	<u>\$ (8,201)</u>	<u>\$ (475,211)</u>	<u>\$ (28,701)</u>	<u>\$ (503,912)</u>

See accompanying notes to consolidated financial statements.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY (continued)**  
**Years ended December 31, 2023, 2022 and 2021**  
**(In thousands)**

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Altice USA Stockholders' Equity (Deficiency)	Non- controlling Interests	Total Equity (Deficiency)
Balance at January 1, 2023	\$ 2,719	\$ 1,843	\$ 182,701	\$ (654,273)	\$ —	\$ (8,201)	\$ (475,211)	\$ (28,701)	\$ (503,912)
Net income attributable to Altice USA stockholders	—	—	—	53,198	—	—	53,198	—	53,198
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	25,839	25,839
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,077)	(1,077)
Pension liability adjustments, net of income taxes	—	—	—	—	—	(3,961)	(3,961)	—	(3,961)
Foreign currency translation adjustment	—	—	—	—	—	(689)	(689)	(8)	(697)
Share-based compensation expense (equity classified)	—	—	19,090	—	—	—	19,090	—	19,090
Change in noncontrolling interest	—	—	(12,815)	—	—	—	(12,815)	(8,291)	(21,106)
Other	(1)	(1)	(1,790)	—	—	—	(1,792)	—	(1,792)
Balance at December 31, 2023	\$ 2,718	\$ 1,842	\$ 187,186	\$ (601,075)	\$ —	\$ (12,851)	\$ (422,180)	\$ (12,238)	\$ (434,418)

See accompanying notes to consolidated financial statements.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands)

	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 79,037	\$ 220,889	\$ 1,010,932
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including impairments)	1,644,297	1,773,673	1,787,152
Loss (gain) on investments and sale of affiliate interests, net	(180,237)	659,792	88,898
Loss (gain) on derivative contracts, net	166,489	(425,815)	(85,911)
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	(4,393)	575	51,712
Amortization of deferred financing costs and discounts (premiums) on indebtedness	34,440	77,356	91,226
Share-based compensation expense	47,926	159,985	98,296
Deferred income taxes	(226,915)	36,385	40,701
Decrease in right-of-use assets	46,108	44,342	43,820
Provision for doubtful accounts	84,461	88,159	68,809
Goodwill impairment	163,055	—	—
Other	11,169	3,460	4,928
Change in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable, trade	(77,703)	(45,279)	(30,379)
Prepaid expenses and other assets	(54,782)	50,419	28,343
Amounts due from and due to affiliates	50,831	(7,749)	23,758
Accounts payable and accrued liabilities	(39,256)	46,724	(177,326)
Deferred revenue	9,164	(14,953)	(40,929)
Interest rate swap contracts	72,707	(301,062)	(149,952)
Net cash provided by operating activities	<u>1,826,398</u>	<u>2,366,901</u>	<u>2,854,078</u>
Cash flows from investing activities:			
Capital expenditures	(1,704,811)	(1,914,282)	(1,231,715)
Payments for acquisitions, net of cash acquired	—	(2,060)	(340,444)
Other, net	(1,712)	(5,168)	(1,444)
Net cash used in investing activities	<u>(1,706,523)</u>	<u>(1,921,510)</u>	<u>(1,573,603)</u>
Cash flows from financing activities:			
Proceeds from long-term debt	2,700,000	4,276,903	4,410,000
Repayment of debt	(2,688,009)	(4,469,727)	(4,870,108)
Proceeds from collateralized indebtedness and related derivative contracts, net	38,902	—	185,105
Repayment of collateralized indebtedness and related derivative contracts, net	—	—	(185,105)
Principal payments on finance lease obligations	(149,297)	(134,682)	(85,949)
Purchase of shares of Altice USA, Inc. Class A common stock, pursuant to a share repurchase program	—	—	(804,928)
Payments to acquire noncontrolling interest	(14,070)	—	—
Other, net	(10,117)	(8,400)	(11,539)
Net cash used in financing activities	<u>(122,591)</u>	<u>(335,906)</u>	<u>(1,362,524)</u>
Net increase (decrease) in cash and cash equivalents	(2,716)	109,485	(82,049)
Effect of exchange rate changes on cash and cash equivalents	(697)	291	(662)
Net increase (decrease) in cash and cash equivalents	<u>(3,413)</u>	<u>109,776</u>	<u>(82,711)</u>
Cash, cash equivalents and restricted cash at beginning of year	305,751	195,975	278,686
Cash, cash equivalents and restricted cash at end of year	<u>\$ 302,338</u>	<u>\$ 305,751</u>	<u>\$ 195,975</u>

See accompanying notes to consolidated financial statements.



**CSC HOLDINGS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	December 31,	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 302,051	\$ 305,477
Restricted cash	280	267
Accounts receivable, trade (less allowance for doubtful accounts of \$21,915 and \$20,767, respectively)	357,597	365,992
Prepaid expenses and other current assets (\$407 and \$572 due from affiliates, respectively)	174,859	130,684
Derivative contracts	—	263,873
Investment securities pledged as collateral	—	1,502,145
Total current assets	834,787	2,568,438
Property, plant and equipment, net of accumulated depreciation of \$8,162,442 and \$7,785,397, respectively	8,117,757	7,500,780
Right-of-use operating lease assets	255,545	250,601
Other assets	195,114	259,681
Amortizable intangibles, net of accumulated amortization of \$ 5,874,612 and \$5,549,674, respectively	1,259,335	1,660,331
Indefinite-lived cable franchise rights	13,216,355	13,216,355
Goodwill	8,044,716	8,208,773
Total assets	\$ 31,923,609	\$ 33,664,959
<b>LIABILITIES AND MEMBER'S DEFICIENCY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 936,950	\$ 1,213,806
Interest payable	274,507	252,351
Accrued employee related costs	182,146	139,328
Deferred revenue	85,018	80,559
Debt	359,407	2,075,077
Other current liabilities (\$71,523 and \$20,857 due to affiliates, respectively)	470,097	278,580
Total current liabilities	2,308,125	4,039,701
Other liabilities	221,249	274,623
Deferred tax liability	4,851,959	5,090,294
Right-of-use operating lease liability	264,647	260,237
Long-term debt, net of current maturities	24,715,554	24,512,656
Total liabilities	32,361,534	34,177,511
Commitments and contingencies (Note 17)		
Member's deficiency (100 membership units issued and outstanding)	(412,836)	(475,650)
Accumulated other comprehensive income	(12,851)	(8,201)
Total member's deficiency	(425,687)	(483,851)
Noncontrolling interests	(12,238)	(28,701)
Total deficiency	(437,925)	(512,552)
Total liabilities and member's deficiency	\$ 31,923,609	\$ 33,664,959

See accompanying notes to consolidated financial statements.



**CSC HOLDINGS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands)

	2023	2022	2021
Revenue (including revenue from affiliates of \$1,471, \$2,368 and \$13,238, respectively) (See Note 16)	\$ 9,237,064	\$ 9,647,659	\$ 10,090,849
Operating expenses:			
Programming and other direct costs (including charges from affiliates of \$13,794, \$14,321 and \$17,167, respectively) (See Note 16)	3,029,842	3,205,638	3,382,129
Other operating expenses (including charges from affiliates of \$57,063, \$12,210 and \$11,989 respectively) (See Note 16)	2,646,258	2,735,469	2,379,765
Restructuring, impairments and other operating items (See Note 7)	214,727	130,285	17,176
Depreciation and amortization (including impairments)	1,644,297	1,773,673	1,787,152
	7,535,124	7,845,065	7,566,222
Operating income	1,701,940	1,802,594	2,524,627
Other income (expense):			
Interest expense, net	(1,639,120)	(1,331,636)	(1,266,591)
Gain (loss) on investments and sale of affiliate interests, net	180,237	(659,792)	(88,898)
Gain (loss) on derivative contracts, net	(166,489)	425,815	85,911
Gain on interest rate swap contracts, net	32,664	271,788	92,735
Gain (loss) on extinguishment of debt and write-off of deferred financing costs	4,393	(575)	(51,712)
Other income, net	4,940	8,535	9,835
	(1,583,375)	(1,285,865)	(1,218,720)
Income before income taxes	118,565	516,729	1,305,907
Income tax expense	(42,577)	(292,152)	(297,110)
Net income	75,988	224,577	1,008,797
Net income attributable to noncontrolling interests	(25,839)	(26,326)	(20,621)
Net income attributable to CSC Holdings, LLC sole member	\$ 50,149	\$ 198,251	\$ 988,176

See accompanying notes to consolidated financial statements.

**CSC HOLDINGS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**Years ended December 31, 2023, 2022 and 2021**  
**(In thousands)**

	2023	2022	2021
Net income	\$ 75,988	\$ 224,577	\$ 1,008,797
Other comprehensive income (loss):			
Defined benefit pension plans	(5,424)	(20,526)	4,772
Applicable income taxes	1,463	5,537	(1,259)
Defined benefit pension plans, net of income taxes	(3,961)	(14,989)	3,513
Foreign currency translation adjustment	(689)	291	(662)
Other comprehensive income (loss)	(4,650)	(14,698)	2,851
Comprehensive income	71,338	209,879	1,011,648
Comprehensive income attributable to noncontrolling interests	(25,839)	(26,326)	(20,621)
Comprehensive income attributable to CSC Holdings, LLC's sole member	\$ 45,499	\$ 183,553	\$ 991,027

See accompanying notes to consolidated financial statements.



**CSC HOLDINGS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL MEMBER'S DEFICIENCY**  
**Years ended December 31, 2023, 2022 and 2021**  
(In thousands)

	Member's Equity (Deficiency)	Accumulated Other Comprehensive Income (Loss)	Total Member's Equity (Deficiency)	Noncontrolling Interests	Total Equity (Deficiency)
Balance at January 1, 2021	\$ (1,172,505)	\$ 3,646	\$ (1,168,859)	\$ (62,109)	\$ (1,230,968)
Net income attributable to CSC Holdings' sole member	988,176	—	988,176	—	988,176
Net income attributable to noncontrolling interests	—	—	—	20,621	20,621
Distributions to noncontrolling interests	—	—	—	(14,004)	(14,004)
Pension liability adjustments, net of income taxes	—	3,513	3,513	—	3,513
Foreign currency translation adjustment	—	(662)	(662)	—	(662)
Share-based compensation expense (equity classified)	97,511	—	97,511	—	97,511
Redeemable equity vested	23,749	—	23,749	—	23,749
Change in redeemable equity	2,014	—	2,014	—	2,014
Cash distributions to parent	(763,435)	—	(763,435)	—	(763,435)
Non-cash distributions to parent	(19,500)	—	(19,500)	—	(19,500)
Other	(4,166)	—	(4,166)	4,378	212
Balance at December 31, 2021	(848,156)	6,497	(841,659)	(51,114)	(892,773)
Net income attributable to CSC Holdings' sole member	198,251	—	198,251	—	198,251
Net income attributable to noncontrolling interests	—	—	—	26,326	26,326
Distributions to noncontrolling interests	—	—	—	(3,913)	(3,913)
Pension liability adjustments, net of income taxes	—	(14,989)	(14,989)	—	(14,989)
Foreign currency translation adjustment	—	291	291	—	291
Share-based compensation expense (equity classified)	167,410	—	167,410	—	167,410
Cash distributions to parent, net	(170)	—	(170)	—	(170)
Non-cash contributions from parent	7,015	—	7,015	—	7,015
Balance at December 31, 2022	(475,650)	(8,201)	(483,851)	(28,701)	(512,552)
Net income attributable to CSC Holdings' sole member	50,149	—	50,149	—	50,149
Net income attributable to noncontrolling interests	—	—	—	25,839	25,839
Distributions to noncontrolling interests	—	—	—	(1,077)	(1,077)
Pension liability adjustments, net of income taxes	—	(3,961)	(3,961)	—	(3,961)
Foreign currency translation adjustment	—	(689)	(689)	(8)	(697)
Share-based compensation expense (equity classified)	19,090	—	19,090	—	19,090
Cash distributions to parent, net	(1,793)	—	(1,793)	—	(1,793)
Change in noncontrolling interest	(12,815)	—	(12,815)	(8,291)	(21,106)
Non-cash contributions from parent	8,183	—	8,183	—	8,183
Balance at December 31, 2023	\$ (412,836)	\$ (12,851)	\$ (425,687)	\$ (12,238)	\$ (437,925)

See accompanying notes to consolidated financial statements.

**CSC HOLDINGS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years ended December 31, 2023, 2022 and 2021**

	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 75,988	\$ 224,577	\$ 1,008,797
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including impairments)	1,644,297	1,773,673	1,787,152
Loss (gain) on investments and sale of affiliate interests, net	(180,237)	659,792	88,898
Loss (gain) on derivative contracts, net	166,489	(425,815)	(85,911)
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	(4,393)	575	51,712
Amortization of deferred financing costs and discounts (premiums) on indebtedness	34,440	77,356	91,226
Share-based compensation expense	47,926	159,985	98,296
Deferred income taxes	(232,048)	25,705	32,201
Decrease in right-of-use assets	46,108	44,342	43,820
Provision for doubtful accounts	84,461	88,159	68,809
Goodwill impairment	163,055	—	—
Other	11,169	3,460	4,928
Change in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable, trade	(77,703)	(45,279)	(30,379)
Prepaid expenses and other assets	(54,782)	50,419	28,343
Amounts due from and due to affiliates	59,013	(756)	3,778
Accounts payable and accrued liabilities	(39,256)	46,723	(176,855)
Deferred revenue	9,164	(14,953)	(40,929)
Interest rate swap contracts	72,707	(301,062)	(149,952)
Net cash provided by operating activities	1,826,398	2,366,901	2,823,934
Cash flows from investing activities:			
Capital expenditures	(1,704,811)	(1,914,282)	(1,231,715)
Payment for acquisitions, net of cash acquired	—	(2,060)	(340,444)
Other, net	(1,712)	(5,168)	(1,444)
Net cash used in investing activities	(1,706,523)	(1,921,510)	(1,573,603)
Cash flows from financing activities:			
Proceeds from long-term debt	2,700,000	4,276,903	4,410,000
Repayment of debt	(2,688,009)	(4,469,727)	(4,870,108)
Proceeds from collateralized indebtedness and related derivative contracts, net	38,902	—	185,105
Repayment of collateralized indebtedness and related derivative contracts, net	—	—	(185,105)
Distributions to parent	(1,793)	(170)	(763,435)
Principal payments on finance lease obligations	(149,297)	(134,682)	(85,949)
Payments to acquire noncontrolling interest	(14,070)	—	—
Other, net	(8,324)	(5,680)	(24,961)
Net cash used in financing activities	(122,591)	(333,356)	(1,334,453)
Net increase (decrease) in cash and cash equivalents	(2,716)	112,035	(84,122)
Effect of exchange rate changes on cash and cash equivalents	(697)	291	(662)
Net increase (decrease) in cash and cash equivalents	(3,413)	112,326	(84,784)
Cash, cash equivalents and restricted cash at beginning of year	305,744	193,418	278,202
Cash, cash equivalents and restricted cash at end of year	\$ 302,331	\$ 305,744	\$ 193,418

See accompanying notes to consolidated financial statements.



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in thousands, except share and per share amounts)

**NOTE 1. DESCRIPTION OF BUSINESS AND RELATED MATTERS**

**The Company and Related Matters**

Altice USA, Inc. ("Altice USA") was incorporated in Delaware on September 14, 2015. Altice USA is majority-owned by Patrick Drahi through Next Alt. S.à.r.l. ("Next Alt"). Patrick Drahi also controls Altice Group Lux S.à.r.l, formerly Altice Europe N.V. ("Altice Europe") and its subsidiaries and other entities. Altice USA is a holding company that does not conduct any business operations of its own. Altice Europe, through a subsidiary, acquired Cequel Corporation ("Cequel") on December 21, 2015 (the "Cequel Acquisition") and Cequel was contributed to Altice USA on June 9, 2016. Altice USA acquired Cablevision Systems Corporation ("Cablevision") on June 21, 2016 (the "Cablevision Acquisition").

Altice USA, through CSC Holdings, LLC (a wholly-owned subsidiary of Cablevision) and its consolidated subsidiaries ("CSC Holdings," and collectively with Altice USA, the "Company", "we", "us" and "our"), principally delivers broadband, video, and telephony services to residential and business customers, as well as proprietary content and advertising services in the United States. We market our residential services under the Optimum brand and provide enterprise services under the Lightpath and Optimum Business brands. In addition, we offer a full service mobile offering to consumers across our footprint. As these businesses are managed on a consolidated basis, we classify our operations in one segment.

The accompanying consolidated financial statements ("consolidated financial statements") of Altice USA include the accounts of Altice USA and its majority-owned subsidiaries and the accompanying consolidated financial statements of CSC Holdings include the accounts of CSC Holdings and its majority-owned subsidiaries. The consolidated balance sheets and statements of operations of Altice USA are essentially identical to the consolidated balance sheets and statements of operations of CSC Holdings, with the following exceptions: Altice USA has additional cash and CSC Holdings has a higher deferred tax liability on their respective consolidated balance sheets. Additionally, income tax expense differs between Altice USA and CSC Holdings and CSC Holdings and its subsidiaries have certain intercompany receivables from and payables to Altice USA.

The combined notes to the consolidated financial statements relate to the Company, which, except as noted, are essentially identical for Altice USA and CSC Holdings. All significant intercompany transactions and balances between Altice USA and CSC Holdings and their respective consolidated subsidiaries are eliminated in both sets of consolidated financial statements. Intercompany transactions between Altice USA and CSC Holdings are not eliminated in the CSC Holdings consolidated financial statements, but are eliminated in the Altice USA consolidated financial statements.

The financial statements of CSC Holdings are included herein as supplemental information as CSC Holdings is not a SEC registrant.

**Share Repurchase Plan**

In June 2018, the Board of Directors of Altice USA authorized a share repurchase program of \$2,000,000, and on July 30, 2019, the Board of Directors authorized a new incremental three-year share repurchase program of \$5,000,000 that took effect following the completion in August 2019 of the \$2,000,000 repurchase program. In November 2020, the Board of Directors authorized an additional \$2,000,000 of share repurchases, bringing the total amount of cumulative share repurchases authorized to \$9,000,000. Under these repurchase programs, shares of Altice USA Class A common stock were purchased from time to time in the open market and included trading plans entered into with one or more brokerage firms in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934. Size and timing of these purchases were determined based on market conditions and other factors.

For the years ended December 31, 2023 and 2022, Altice USA did not repurchase any shares. For the years ended December 31, 2021, Altice USA repurchased an aggregate of 23,593,728 shares for a total purchase price of approximately \$804,928. These acquired shares were retired and the cost of these shares was recorded in stockholders' equity (deficiency) in the consolidated balance sheet of Altice USA. From inception through December 31, 2023, Altice USA repurchased an aggregate of 285,507,773 shares for a total purchase price of approximately \$7,808,698. The share repurchase program expired in November 2023.

ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

***Revenue Recognition***

***Residential Services***

We derive revenue through monthly charges to residential customers of our broadband, video, and telephony services, including installation services. In addition, we derive revenue from digital video recorder ("DVR"), video-on-demand ("VOD"), pay-per-view, and home shopping commissions which are reflected in "Residential video" revenues. We recognize broadband, video, and telephony revenues as the services are provided to a customer on a monthly basis. Each service is accounted for as a distinct performance obligation. Revenue from the sale of bundled services at a discounted rate is allocated to each product based on the standalone selling price of each performance obligation within the bundled offer. The standalone selling price requires judgment and is typically determined based on the current prices at which the separate services are sold by us. Installation revenue for our residential services is deferred and recognized over the benefit period, which is generally less than one year. The estimated benefit period takes into account both quantitative and qualitative factors including the significance of average installation fees to total recurring revenue per customer.

Also, we have mobile services providing data, talk and text to consumers in or near our service areas. Customers are billed monthly for access to and usage of our mobile services. We recognize mobile service revenue ratably over the monthly service period as the services are provided to the customers.

We are assessed non-income related taxes by governmental authorities, including franchising authorities (generally under multi-year agreements), and collects such taxes from its customers. In instances where the tax is being assessed directly on us, amounts paid to the governmental authorities are recorded as programming and other direct costs and amounts received from the customers are recorded as revenue. For the years ended December 31, 2023, 2022 and 2021, the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated \$219,988, \$232,795 and \$257,364, respectively.

***Business and Wholesale Revenue***

We derive revenue from the sale of products and services to both large enterprise and small and medium-sized business ("SMB") customers, including broadband, telephony, networking, and video services reflected in "Business services and wholesale" revenues. Our business services also include Ethernet, data transport, and IP-based virtual private networks. We provide managed services to businesses, including hosted telephony services (cloud based SIP-based private branch exchange), managed WiFi, managed desktop and server backup and managed collaboration services including audio and web conferencing. We also offer fiber-to-the-tower services to wireless carriers for cell tower backhaul, which enables wireline communications service providers to connect to customers that their own networks do not reach. We recognize revenues for these services as the services are provided to a customer on a monthly basis.

Substantially all of our SMB customers are billed monthly and large enterprise customers are billed in accordance with the terms of their contracts which is typically on a monthly basis. Contracts with large enterprise customers typically range from three to five years. In certain instances, upon expiration of a contract and prior to its renewal, we continue to provide services on a month to month basis. Installation revenue related to our large enterprise customers is deferred and recognized over the average contract term. Installation revenue related to SMB customers is deferred and recognized over the benefit period, which is less than one year. The estimated benefit period for SMB customers takes into account both quantitative and qualitative factors including the significance of average installation fees to total recurring revenue per customer.

***News and Advertising Revenue***

News and advertising revenue is primarily derived from the sale of (i) advertising inventory available on the programming carried on our cable television systems, as well as other systems (linear revenue), (ii) digital advertising, (iii) data analytics, and (iv) affiliation fees for news programming.

As part of the agreements under which we acquire video programming, we typically receive an allocation of scheduled advertising time during such programming into which our cable systems can insert commercials. In several of the markets in which we operate, we have entered into agreements commonly referred to as interconnects with



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

other cable operators to jointly sell local advertising. In some of these markets, we represent the advertising sales efforts of other cable operators; in other markets, other cable operators represent us.

We also offer customers the opportunity to advertise on digital platforms. Advertising revenues are recognized when the advertising is distributed. For arrangements in which we control the sale of advertising and act as the principal to the transaction, we recognize revenue earned from the advertising customer on a gross basis and the amount remitted to the distributor as an operating expense. For arrangements in which we do not control the sale of advertising and act as an agent to the transaction, we recognize revenue net of any fee remitted to the distributor.

Revenue earned from the data-driven, audience-based advertising solutions using advanced analytics tools is recognized when services are provided.

Affiliation fee revenue derived by our news business is recognized as the programming services are provided.

*Other Revenue*

Other revenue includes revenue derived from the sale of mobile devices which is recognized upon delivery and acceptance of the equipment by the customer. Revenues derived from other sources are recognized when services are provided or events occur.

*Customer Contract Costs*

Incremental costs incurred in obtaining a contract with a customer are deferred and recorded as an asset if the period of benefit is expected to be greater than one year. Sales commissions for enterprise customers are deferred and amortized over the average contract term. As the amortization period for sales commission expenses related to residential and SMB customers is less than one year, we utilize the practical expedient and are recognizing the costs when incurred. The costs of fulfilling a contract with a customer are deferred and recorded as an asset if they generate or enhance resources for us that will be used in satisfying future performance obligations and are expected to be recovered. Installation costs related to residential and SMB customers that are not capitalized as part of the initial deployment of new customer premise equipment are expensed as incurred pursuant to industry-specific guidance.

Deferred enterprise sales commission costs are included in other current and noncurrent assets in the consolidated balance sheet and totaled \$8,109 and \$17,511 as of December 31, 2023 and 2022, respectively.

A significant portion of our revenue is derived from residential and SMB customer contracts which are month-to-month. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of the future revenue to be recognized from our existing customer base. Contracts with enterprise customers generally range from three years to five years, and services may only be terminated in accordance with the contractual terms.

ALTICE USA, INC. AND SUBSIDIARIES  
 COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
 (Dollars in thousands, except share and per share amounts)

The following table presents the composition of revenue:

	Years Ended December 31,		
	2023	2022	2021
Residential:			
Broadband	\$ 3,824,472	\$ 3,930,667	\$ 3,925,089
Video	3,072,011	3,281,306	3,526,205
Telephony	300,198	332,406	404,813
Mobile (a)	77,012	61,832	51,281
Residential revenue	7,273,693	7,606,211	7,907,388
Business services and wholesale (a)	1,467,149	1,474,269	1,586,423
News and advertising	447,742	520,293	550,667
Other	48,480	46,886	46,371
<b>Total revenue</b>	<b>\$ 9,237,064</b>	<b>\$ 9,647,659</b>	<b>\$ 10,090,849</b>

(a) Beginning in the second quarter of 2023, mobile service revenue previously included in mobile revenue is now separately reported in residential revenue and business services revenue. In addition, mobile equipment revenue previously included in mobile revenue is now included in other revenue. Prior period amounts have been revised to conform with this presentation.

**Multiple-Element Transactions**

In the normal course of business, we may enter into multiple-element transactions where we are simultaneously both a customer and a vendor with the same counterparty or in which we purchase multiple products and/or services, or settle outstanding items contemporaneously with the purchase of a product or service, from a single counterparty. Our policy for accounting for each transaction negotiated contemporaneously is to record each deliverable of the transaction based on our best estimate of selling price in a manner consistent with that used to determine the price to sell each deliverable on a standalone basis. In determining the value of the respective deliverable, we utilize historical transactions, quoted market prices (as available), or comparable transactions.

**Programming and Other Direct Costs**

Costs of revenue related to delivery of services and goods are classified as "programming and other direct costs" in the accompanying consolidated statements of operations.

**Programming Costs**

Programming expenses related to our video service represent fees paid to programming distributors to license the programming distributed to video customers. This programming is acquired generally under multi-year distribution agreements, with rates usually based on the number of customers that receive the programming. If there are periods when an existing distribution agreement has expired and the parties have not finalized negotiations of either a renewal of that agreement or a new agreement for certain periods of time, we continue to carry and pay for these services until execution of definitive replacement agreements or renewals. The amount of programming expense recorded during the interim period is based on our estimate of the ultimate contractual agreement expected to be reached, which is based on several factors, including previous contractual rates, customary rate increases and the current status of negotiations. Such estimates are adjusted as negotiations progress until new programming terms are finalized.

In addition, we receive, or may receive, incentives from programming distributors for carriage of the distributors' programming. We generally recognize these incentives as a reduction of programming costs and are recorded in "programming and other direct costs", generally over the term of the distribution agreement.



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

**Advertising Expenses**

Advertising costs are charged to expense when incurred and are reflected in "other operating expenses" in the accompanying consolidated statements of operations. Advertising costs amounted to \$253,777, \$299,590 and \$274,639 for the years ended December 31, 2023, 2022 and 2021, respectively.

**Share-Based Compensation**

Share-based compensation expense which primarily relates to awards of stock options, restricted shares, and performance stock units, is based on the fair value of share-based payment awards at the date of grant. We recognize share-based compensation expense over the requisite service period or when it is probable any related performance condition will be met. For awards with graded vesting, compensation cost is recognized on an accelerated method under the graded vesting method over the requisite service period. Share-based compensation expense related to awards that vest entirely at the end of the vesting period are expensed on a straight-line basis. We account for forfeitures as they occur.

See Note 15 to the consolidated financial statements for additional information about our share-based compensation.

**Income Taxes**

Our provision for income taxes is based on current period income, changes in deferred tax assets and liabilities and changes in estimates with regard to uncertain tax positions. Deferred tax assets are subject to an ongoing assessment of realizability.

**Cash and Cash Equivalents**

Our cash investments are placed with money market funds and financial institutions that are investment grade as rated by S&P Global Ratings and Moody's Investors Service. We select money market funds that predominantly invest in marketable, direct obligations issued or guaranteed by the United States government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

We consider the balance of our investment in funds that substantially hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

**Accounts Receivable**

Accounts receivable are recorded at net realizable value. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amounts.

**Investment Securities**

Investment securities and investment securities pledged as collateral are carried at fair value with realized and unrealized holding gains and losses included in the consolidated statements of operations.

**Long-Lived Assets and Amortizable Intangible Assets**

Property, plant and equipment, including construction materials, are carried at cost, and include all direct costs and certain indirect costs associated with the construction of cable systems, and the costs of new equipment installations. Equipment under finance leases is recorded at the present value of the total minimum lease payments. Depreciation on equipment is calculated on the straight-line basis over the estimated useful lives of the assets or, with respect to equipment under finance lease obligations and leasehold improvements, amortized over the lease term or the assets' useful lives and reported in depreciation and amortization (including impairments) in the consolidated statements of operations.

We capitalize certain internal and external costs incurred to acquire or develop internal-use software. Capitalized software costs are amortized over the estimated useful life of the software and reported in depreciation and amortization.

Customer relationships, trade names and other intangibles established in connection with acquisitions that are finite-lived are amortized in a manner that reflects the pattern in which the projected net cash inflows are expected to occur, such as the sum of the years' digits method, or when such pattern does not exist, using the straight-line method over their respective estimated useful lives.

ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

We review our long-lived assets (property, plant and equipment, and intangible assets subject to amortization) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

**Goodwill and Indefinite-Lived Intangible Assets**

Goodwill and the value of indefinite-lived cable franchises acquired in business combinations are not amortized. Rather, such assets are tested for impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the assets may be impaired.

The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit or the indefinite-lived cable franchise right is less than its carrying amount. These qualitative factors include macroeconomic conditions such as changes in interest rates, industry and market considerations, recent and projected financial performance of the reporting units, as well as other factors. A quantitative test is performed if we conclude that it is more likely than not that the fair value of a reporting unit or an indefinite-lived cable franchise right is less than its carrying amount or if a qualitative assessment is not performed. In 2023, we performed a quantitative assessment for our goodwill recoverability test and a qualitative assessment for our indefinite-lived cable franchise rights recoverability test. See Note 10 for a discussion of the results of our annual impairment tests.

*Goodwill*

Goodwill resulted from business combinations and represents the excess amount of the consideration paid over the identifiable assets and liabilities recorded in the acquisition. We test goodwill for impairment at the reporting unit level: (i) Telecommunications and (ii) News and Advertising.

The quantitative test for goodwill identifies potential impairment by comparing the fair value of the reporting unit with its carrying amount. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

We estimate the fair value of our reporting units by considering both (i) a discounted cash flow method, which is based on the present value of projected cash flows over a discrete projection period and a terminal value, which is based on the expected normalized cash flows of the reporting units following the discrete projection period, and (ii) a market approach, which includes the use of multiples of publicly-traded companies whose services are comparable to ours. Significant judgments in estimating the fair value of our reporting units include cash flow projections and the selection of the discount rate.

The estimates and assumptions utilized in estimating the fair value of our reporting units could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such charge. Fair value estimates are made at a specific point in time, based on relevant information. These estimates are subjective in nature and involve uncertainties and matters of significant judgments. Changes in assumptions could significantly affect the estimates.

*Indefinite-lived Cable Franchise Rights*

Our indefinite-lived cable franchise rights reflect the value of agreements we have with state and local governments that allow us to construct and operate a cable business within a specified geographic area and allow us to solicit and service potential customers in the service areas defined by the franchise rights currently held by us. We have concluded that our cable franchise rights have an indefinite useful life since there are no legal, regulatory, contractual, competitive, economic or other factors that limit the period over which these rights will contribute to our cash flows. For impairment testing purposes, we have concluded that our cable franchise rights are a single unit of account.

When the qualitative assessment is not used, or if the qualitative assessment is not conclusive, the impairment test for our indefinite-lived cable franchise rights requires a comparison of the estimated fair value of the cable television franchise with its carrying value. If the carrying value of the indefinite-lived cable franchise rights exceed its fair value, an impairment loss is recognized in an amount equal to that excess. Estimates and assumptions utilized in estimating the fair value of our indefinite-lived cable franchise rights could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such charge. Fair value estimates are made at a specific point in time, based on relevant information. These estimates are subjective in nature and involve uncertainties and matters of significant judgments. Changes in assumptions could significantly affect the estimates.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

**Deferred Financing Costs**

Deferred financing costs, which are presented as a reduction of debt, are amortized to interest expense using the effective interest method over the terms of the related debt.

**Derivative Financial Instruments**

We account for derivative financial instruments as either assets or liabilities measured at fair value. We use derivative instruments to manage our exposure to market risks from changes in certain equity prices and interest rates and we do not hold or issue derivative instruments for speculative or trading purposes. These derivative instruments are not designated as hedges, and changes in the fair values of these derivatives are recognized in the consolidated statements of operations as gain (loss) on derivative contracts or gain (loss) on interest rate swap contracts.

**Commitments and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when we believe it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated.

**Foreign Currency**

Certain of our subsidiaries (including our international news channel and our customer care center) are located outside the United States. The functional currency for these subsidiaries is determined based on the primary economic environment in which the subsidiary operates. Revenues and expenses for these subsidiaries are translated into U.S. dollars using rates that approximate those in effect during the period and the assets and liabilities are translated into U.S. dollars using exchange rates in effect at the end of each period. The resulting gains and losses from these translations are recognized in cumulative translation adjustment included in accumulated other comprehensive income (loss) in stockholders'/member's equity (deficiency) on the consolidated balance sheets.

**Common Stock of Altice USA**

Each holder of our Class A common stock has one vote per share while holders of our Class B common stock have twenty-five votes per share. Class B shares can be converted to Class A common stock at anytime with a conversion ratio of one Class A common share for one Class B common share.

The following table provides details of Altice USA's shares of common stock outstanding:

	Shares of Common Stock Outstanding	
	Class A Common Stock	Class B Common Stock
Balance at December 31, 2021	270,320,798	184,333,342
Conversion of Class B common stock to Class A common stock	4,113	(4,113)
Issuance of common shares in connection with the vesting of restricted stock units	1,506,186	—
Treasury shares reissued	1,966	—
Balance at December 31, 2022	271,833,063	184,329,229
Conversion of Class B common stock to Class A common stock	104,801	(104,801)
Issuance of common shares in connection with the vesting of restricted stock units	1,357,983	—
Retirement of Class A common shares due to forfeiture	(1,522,965)	—
Treasury shares reissued	96	—
Balance at December 31, 2023	271,772,978	184,224,428

**CSC Holdings Membership Interests**

As of December 31, 2023 and 2022, CSC Holdings had 100 membership units issued and outstanding, which are all indirectly owned by Altice USA.

ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

## Dividends and Distributions

### *Altice USA*

Altice USA may pay dividends on its capital stock only from net profits and surplus as determined under Delaware law. If dividends are paid on the Altice USA common stock, holders of the Altice USA Class A common stock and Altice USA Class B common stock are entitled to receive dividends, and other distributions in cash, stock or property, equally on a per share basis, except that stock dividends with respect to Altice USA Class A common stock may be paid only with shares of Altice USA Class A common stock and stock dividends with respect to Altice USA Class B common stock may be paid only with shares of Altice USA Class B common stock.

Our indentures restrict the amount of dividends and distributions in respect of any equity interest that can be made.

During 2023, 2022 and 2021, there were no dividends paid to shareholders by Altice USA.

### *CSC Holdings*

CSC Holdings may make distributions on its membership interests only if sufficient funds exist as determined under Delaware law. See Note 16 for a discussion of equity distributions that CSC Holdings made to its parent.

## Concentrations of Credit Risk

Financial instruments that may potentially subject us to a concentration of credit risk consist primarily of cash and cash equivalents and trade account receivables. We monitor the financial institutions and money market funds where it invests its cash and cash equivalents with diversification among counterparties to mitigate exposure to any single financial institution. Our emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on its investments. Management believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents because of its assessment of the creditworthiness and financial viability of the respective financial institutions.

We did not have a single customer that represented 10% or more of our consolidated revenues for the years ended December 31, 2023, 2022 and 2021 or 10% or more of our consolidated net trade receivables at December 31, 2023, and 2022, respectively.

## Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. See Note 13 for a discussion of fair value estimates.

## Reclassifications

Certain reclassifications have been made to the 2022 and 2021 amounts to conform to the 2023 presentation.

## NOTE 3. ACCOUNTING STANDARDS

### *Accounting Standards Adopted in 2023*

#### *ASU No. 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*

In September 2022, the FASB issued ASU 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations, to enhance transparency about an entity's use of supplier finance programs. ASU 2022-04 requires the buyer in a supplier finance program to disclose (a) information about the key terms of the program, (b) the amount outstanding that remains unpaid by the buyer as of the end of the period, (c) a rollforward of such amounts during each annual period, and (d) a description of where in the financial statements outstanding amounts are being presented. We adopted ASU 2022-04 on January 1, 2023. See Note 11 for further information.



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

**Accounting Standards Adopted in 2022**

**ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers**

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires companies to apply the definition of a performance obligation under ASC Topic 606, Revenue from Contracts with Customers, to recognize and measure contract assets and contract liabilities relating to contracts with customers that are acquired in a business combination. Under prior GAAP, an acquirer generally recognized assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at fair value on the acquisition date. ASU No. 2021-08 results in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded before the acquisition under ASC Topic 606. We elected to adopt ASU No. 2021-08 on January 1, 2022 and we will provide the required disclosures for any future material transactions.

**ASU No. 2021-10, Government Assistance (Topic 832)**

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832)*, which requires business entities to disclose information about transactions with a government that are accounted for by applying a grant or contribution model by analogy (for example, IFRS guidance in IAS 20 or guidance on contributions for not-for-profit entities in ASC 958-605). For transactions in the scope of the ASU No. 2021-10, business entities will need to provide information about the nature of the transaction, including significant terms and conditions, as well as the amounts and specific financial statement line items affected by the transaction. We adopted the new guidance on January 1, 2022 and it did not have a material impact on our consolidated financial statements. We will provide the required disclosures for any future material transactions.

**Recently Issued But Not Yet Adopted Accounting Pronouncements**

**ASU No. 2023-07 Segment Reporting—Improvements to Reportable Segment Disclosures**

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures*, to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities. ASU No. 2023-07 is meant to enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, and provide new segment disclosure requirements for entities with a single reportable segment. ASU No. 2023-07 is effective for us for the year ended December 31, 2024, although early adoption is permitted. We are currently evaluating the impact of adopting ASU 2023-07.

**ASU No. 2023-09 Income Taxes—Improvements to Income Tax Disclosures**

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes—Improvements to Income Tax Disclosures*, which require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. ASU No. 2023-09 is effective for us for the year ending December 31, 2025, although early adoption is permitted. We are currently evaluating the impact of adopting ASU No. 2023-09.

ALTICE USA, INC. AND SUBSIDIARIES  
 COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
 (Dollars in thousands, except share and per share amounts)

**NOTE 4. NET INCOME PER SHARE**

Basic net income per common share attributable to Altice USA stockholders is computed by dividing net income attributable to Altice USA stockholders by the weighted average number of common shares outstanding during the period. Diluted income per common share attributable to Altice USA stockholders reflects the dilutive effects of stock options, restricted stock, restricted stock units, and deferred cash-denominated awards. For awards that are performance based, the dilutive effect is reflected upon the achievement of the performance criteria.

The following table presents a reconciliation of weighted average shares used in the calculations of the basic and diluted net income per share attributable to Altice USA stockholders:

	Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
<b>Basic weighted average shares outstanding</b>	454,723	453,244	458,311
Effect of dilution:			
Stock options	—	—	3,972
Restricted stock	74	38	11
Restricted stock units	—	—	1
Deferred cash-denominated awards (Note 15)	237	—	—
<b>Diluted weighted average shares outstanding</b>	<u>455,034</u>	<u>453,282</u>	<u>462,295</u>
<b>Weighted average shares excluded from diluted weighted average shares outstanding:</b>			
Anti-dilutive shares	46,084	57,961	15,856
Share-based compensation awards whose performance metrics have not been achieved	<u>20,831</u>	<u>7,309</u>	<u>8,557</u>

Net income per membership unit for CSC Holdings is not presented since CSC Holdings is a limited liability company and a wholly-owned subsidiary of Altice USA.

**NOTE 5. ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Activity related to our allowance for doubtful accounts is presented below:

	Balance at Beginning of Period	Provision for Bad Debt	Deductions/ Write-Offs and Other Charges	Balance at End of Period
<u>Year Ended December 31, 2023</u>				
Allowance for doubtful accounts	\$ 20,767	\$ 84,461	\$ (83,313)	\$ 21,915
<u>Year Ended December 31, 2022</u>				
Allowance for doubtful accounts	\$ 27,931	\$ 88,159	\$ (95,323)	\$ 20,767
<u>Year Ended December 31, 2021</u>				
Allowance for doubtful accounts	\$ 25,198	\$ 68,809	\$ (66,076)	\$ 27,931



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

**NOTE 6. SUPPLEMENTAL CASH FLOW INFORMATION**

Our non-cash investing and financing activities and other supplemental data were as follows:

	Years Ended December 31,		
	2023	2022	2021
<i>Non-Cash Investing and Financing Activities:</i>			
<i>Altice USA and CSC Holdings:</i>			
Property and equipment accrued but unpaid	\$ 317,000	\$ 496,135	\$ 335,680
Notes payable for the purchase of equipment and other assets	213,325	132,452	89,898
Right-of-use assets acquired in exchange for finance lease obligations	133,056	160,542	145,047
Payable relating to acquisition of noncontrolling interest	7,036	—	—
Other non-cash investing and financing transactions	249	1,117	500
<i>CSC Holdings:</i>			
Contributions from (distributions to) parent, net	8,183	7,015	(19,500)
<i>Supplemental Data:</i>			
<i>Altice USA:</i>			
Cash interest paid, net of capitalized interest	1,582,646	1,247,747	1,178,088
Income taxes paid, net	200,295	253,962	263,589
<i>CSC Holdings:</i>			
Cash interest paid, net of capitalized interest	1,582,646	1,247,747	1,178,088
Income taxes paid, net	200,295	253,962	263,589

**NOTE 7. RESTRUCTURING, IMPAIRMENTS AND OTHER OPERATING ITEMS**

Our restructuring, impairments and other operating items are comprised of the following:

	Years Ended December 31,		
	2023	2022	2021
Contractual payments for terminated employees	\$ 39,915	\$ 4,002	\$ 6,227
Facility realignment costs	2,368	5,652	2,551
Impairment of right-of-use operating lease assets	10,554	3,821	6,701
Remeasurement of contingent consideration related to an acquisition	(6,345)	—	—
Transaction costs related to certain transactions not related to our operations	5,180	4,310	1,697
Litigation settlement (a)	—	112,500	—
Goodwill impairment (b)	163,055	—	—
Restructuring, impairments and other operating items	\$ 214,727	\$ 130,285	\$ 17,176

- (a) Represents the settlement of litigation in the fourth quarter of 2022, of which \$65,000 was paid in 2022 and the balance of \$47,500 is payable on or before June 30, 2024.
- (b) In connection with our annual recoverability assessment of goodwill, we recorded an impairment charge relating to our News and Advertising reporting unit for the year ended December 31, 2023. See Note 10 for additional information.

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

Costs incurred in the construction of our cable systems, including line extensions to, and upgrade of, our hybrid fiber/coaxial infrastructure and construction of the parallel fiber-to-the-home ("FTTH") infrastructure, are capitalized. This includes headend facilities and initial placement of the feeder cable to connect a customer that had not been previously connected. These costs consist of materials, subcontractor labor, direct consulting fees, and internal labor

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

and related costs associated with the construction activities (including interest related to FTTH construction). Internal costs that are capitalized consist of salaries and benefits of our employees and a portion of facility costs that supports the construction activities. Such costs are depreciated over the estimated life of our infrastructure and our headend facilities and related equipment (5 to 25 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred.

Costs associated with the initial deployment of new customer premise equipment ("CPE") necessary to provide services are also capitalized. These costs include materials, subcontractor labor, internal labor, and other related costs associated with the connection activities. Departmental activities supporting the connection process are capitalized based on time-weighted activity allocations of costs. These installation costs are amortized over the estimated useful lives of the CPE. The portion of departmental costs related to disconnecting services and removing CPE from a customer, costs related to connecting CPE that has been previously connected to the network, and repairs and maintenance are expensed as incurred.

The estimated useful lives assigned to our property, plant and equipment are reviewed on an annual basis or more frequently if circumstances warrant and such lives are revised to the extent necessary due to changing facts and circumstances. Any changes in estimated useful lives are reflected prospectively.

Property, plant and equipment (including equipment under finance leases) consist of the following assets, which are depreciated or amortized on a straight-line basis over the estimated useful lives shown below:

	December 31,		Estimated Useful Lives
	2023	2022	
Customer premise equipment	\$ 2,242,175	\$ 2,134,561	3 to 5 years
Headends and related equipment	2,506,665	2,493,208	5 to 25 years
Infrastructure	8,727,425	7,711,815	5 to 25 years
Equipment and software	1,436,010	1,434,742	3 to 10 years
Construction in progress (including materials and supplies)	353,572	499,598	
Furniture and fixtures	80,585	81,518	5 to 8 years
Transportation equipment	123,193	145,413	5 to 10 years
Buildings and building improvements	574,162	550,884	10 to 40 years
Leasehold improvements	187,608	185,645	Term of lease
Land	48,804	48,793	
	16,280,199	15,286,177	
Less accumulated depreciation and amortization	(8,162,442)	(7,785,397)	
	<u>\$ 8,117,757</u>	<u>\$ 7,500,780</u>	

For the years ended December 31, 2023, 2022 and 2021, we capitalized certain costs aggregating \$47,267, \$138,845 and \$145,837, respectively, related to the acquisition and development of internal use software, which are included in the table above.

Depreciation expense on property, plant and equipment (including finance leases) for the years ended December 31, 2023, 2022 and 2021 amounted to \$252,919, \$1,218,365 and \$1,145,316, respectively.

**NOTE 9. LEASES**

Our operating leases are comprised primarily of facility leases and our finance leases are comprised primarily of vehicle and equipment leases. We determine if an arrangement is a lease at inception and lease assets and liabilities are recognized upon commencement of the lease based on the present value of the future minimum lease payments over the lease term. Lease assets and liabilities are not recorded for leases with an initial term of one year or less. We generally use our incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease agreement. The lease term will include options to extend the lease when it is reasonably certain that we will exercise that option.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

Balance sheet information related to our leases is presented below:

	Balance Sheet location	December 31,	
		2023	2022
<i>Operating leases:</i>			
Right-of-use lease assets	Right-of-use operating lease assets	\$ 255,545	\$ 250,601
Right-of-use lease liability, current	Other current liabilities	47,965	38,740
Right-of-use lease liability, long-term	Right-of-use operating lease liability	264,647	260,237
<i>Finance leases:</i>			
Right-of-use lease assets	Property, plant and equipment	326,427	332,217
Right-of-use lease liability, current	Current portion of long-term debt	123,636	129,657
Right-of-use lease liability, long-term	Long-term debt	104,720	114,938

The following provides details of our lease expense:

	Years Ended December 31,	
	2023	2022
Operating lease expense, net	\$ 62,157	\$ 58,124
Finance lease expense:		
Amortization of assets	95,449	86,455
Interest on lease liabilities	14,912	11,332
Total finance lease expense	110,361	97,787
	\$ 172,518	\$ 155,911

Other information related to our leases is presented below:

	As of December 31,	
	2023	2022
<b>Right-of-use assets acquired in exchange for operating lease obligations</b>	\$ 60,108	\$ 74,063
<b>Cash Paid For Amounts Included In Measurement of Liabilities:</b>		
Operating cash flows from finance leases	14,912	11,332
Operating cash flows from operating leases	63,737	65,879
<b>Weighted Average Remaining Lease Term:</b>		
Operating leases	8.2 years	8.1 years
Finance leases	2.2 years	2.0 years
<b>Weighted Average Discount Rate:</b>		
Operating leases	5.70 %	5.63 %
Finance leases	7.78 %	5.49 %

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The minimum future annual payments under non-cancellable leases during the next five years and thereafter, at rates now in force, are as follows:

	Finance leases	Operating leases
2024	\$ 136,863	\$ 58,367
2025	76,968	54,781
2026	26,475	50,883
2027	4,921	47,799
2028	3,743	38,055
Thereafter	809	146,237
Total future minimum lease payments, undiscounted	249,779	396,122
Less: Imputed interest	(21,423)	(83,510)
Present value of future minimum lease payments	\$ 228,356	\$ 312,612

**NOTE 10. INTANGIBLE ASSETS**

Our amortizable intangible assets primarily consist of customer relationships acquired pursuant to business combinations and represent the value of the business relationship with those customers.

The following table summarizes information relating to our acquired amortizable intangible assets:

	As of December 31, 2023			As of December 31, 2022			Estimated Useful Lives
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 6,073,152	\$ (4,824,140)	\$ 1,249,012	\$ 6,123,586	\$ (4,484,286)	\$ 1,639,300	3 to 18 years
Trade names	1,010,300	(1,010,300)	—	1,024,300	(1,018,212)	6,088	4 to 10 years
Other amortizable intangibles	50,495	(40,172)	10,323	62,119	(47,176)	14,943	1 to 15 years
	<u>\$ 7,133,947</u>	<u>\$ (5,874,612)</u>	<u>\$ 1,259,335</u>	<u>\$ 7,210,005</u>	<u>\$ (5,549,674)</u>	<u>\$ 1,660,331</u>	

During the third quarter of 2022, we reduced the gross carrying amount and accumulated amortization of our fully amortized Suddenlink trademark by approximately \$6,783, as we rebranded our entire footprint under the Optimum trademark.

Amortization expense for the years ended December 31, 2023, 2022 and 2021 aggregated \$91,378, \$555,308, and \$641,836, respectively.

The following table sets forth the estimated amortization expense on intangible assets for the periods presented:

Estimated amortization expense	
Year Ending December 31, 2024	\$309,717
Year Ending December 31, 2025	262,152
Year Ending December 31, 2026	217,182
Year Ending December 31, 2027	173,411
Year Ending December 31, 2028	130,122



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

Goodwill and the value of indefinite-lived cable franchises acquired in business combinations are not amortized. Rather, such assets are tested for impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the assets may be impaired. See Note 2 for additional for additional information. The carrying amount of indefinite-lived cable franchise rights and goodwill is presented below:

	Indefinite-lived Cable Franchise Rights	Goodwill
Balance as of December 31, 2021	\$ 13,216,355	\$ 8,205,863
Goodwill recorded in connection with acquisitions	—	2,910
Balance as of December 31, 2022	13,216,355	8,208,773
Adjustment related to 2022 acquisition	—	(1,002)
Goodwill impairment	—	(163,055)
Balance as of December 31, 2023	<u>\$ 13,216,355</u>	<u>\$ 8,044,716</u>

*Goodwill Impairment*

We assess the recoverability of our goodwill annually as of October 1 ("annual impairment test date"). As of the annual impairment test date, goodwill amounted to \$8,207,771 (\$8,044,716 related to our Telecommunications reporting unit and \$163,055 related to our News and Advertising reporting unit). The goodwill related to our Telecommunications reporting unit was recorded in connection with the Cequel Acquisition in 2015 and the Cablevision Acquisition in 2016 and approximately \$130,040 of the goodwill related to our News and Advertising reporting unit was recorded in connection with the acquisition of Cheddar Inc. in 2019.

In 2023, we performed a quantitative impairment test for our reporting units. Based on this assessment, the estimated fair value of our Telecommunications reporting unit exceeded its carrying value and no impairment was recorded. However, the carrying value of our News and Advertising reporting unit exceeded its fair value resulting in an impairment charge of \$163,055. The decrease in the fair value of the News and Advertising reporting unit was primarily due to a decrease in projected cash flows due to the overall decline in the advertising market and an increase in the discount rate used in the discounted cash flow method.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

**NOTE 11. DEBT**

The following table provides details of our outstanding debt:

Date Issued	Maturity Date	Interest Rate at December 31, 2023	December 31, 2023		December 31, 2022		
			Principal Amount	Carrying Amount (a)	Principal Amount	Carrying Amount (a)	
<b>CSC Holdings Senior Notes:</b>							
May 23, 2014	June 1, 2024	5.250%	\$ 750,000	\$ 742,746	\$ 750,000	\$ 726,343	
October 18, 2018	April 1, 2028	7.500%	4,118	4,114	4,118	4,113	
November 27, 2018	April 1, 2028	7.500%	1,045,882	1,044,933	1,045,882	1,044,752	
July 10 and October 7, 2019	January 15, 2030	5.750%	2,250,000	2,275,915	2,250,000	2,279,483	
June 16 and August 17, 2020	December 1, 2030	4.625%	2,325,000	2,359,078	2,325,000	2,363,082	
May 13, 2021	November 15, 2031	5.000%	500,000	498,525	500,000	498,375	
			<u>6,875,000</u>	<u>6,925,311</u>	<u>6,875,000</u>	<u>6,916,148</u>	
<b>CSC Holdings Senior Guaranteed Notes:</b>							
September 23, 2016	April 15, 2027	5.500%	1,310,000	1,307,709	1,310,000	1,307,091	
January 29, 2018	February 1, 2028	5.375%	1,000,000	995,940	1,000,000	995,078	
January 24, 2019	February 1, 2029	6.500%	1,750,000	1,748,098	1,750,000	1,747,795	
June 16, 2020	December 1, 2030	4.125%	1,100,000	1,096,499	1,100,000	1,096,077	
August 17, 2020	February 15, 2031	3.375%	1,000,000	997,556	1,000,000	997,258	
May 13, 2021	November 15, 2031	4.500%	1,500,000	1,495,598	1,500,000	1,495,144	
April 25, 2023	May 15, 2028	11.250%	1,000,000	994,072	—	—	
			<u>8,660,000</u>	<u>8,635,472</u>	<u>7,660,000</u>	<u>7,638,443</u>	
<b>CSC Holdings Restricted Group Credit Facility:</b>							
Revolving Credit Facility	July 13, 2027	7.712%	(b)	825,000	821,632	1,575,000	1,570,730
Term Loan B	July 17, 2025	7.726%	(e)(g)	1,520,483	1,518,530	1,535,842	1,532,644
Incremental Term Loan B-3	January 15, 2026	7.726%	(d)(g)	521,744	520,988	527,014	525,883
Incremental Term Loan B-5	April 15, 2027	7.976%	(e)(g)	2,887,500	2,876,131	2,917,500	2,902,921
Incremental Term Loan B-6	January 15, 2028	9.862%	(f)	1,986,928	1,948,503	2,001,942	1,955,839
				<u>7,741,655</u>	<u>7,685,784</u>	<u>8,557,298</u>	<u>8,488,017</u>
<b>Lightpath Senior Notes:</b>							
September 29, 2020	September 15, 2028	5.625%	415,000	409,136	415,000	408,090	
<b>Lightpath Senior Secured Notes:</b>							
September 29, 2020	September 15, 2027	3.875%	450,000	444,410	450,000	443,046	
<b>Lightpath Term Loan</b>	November 30, 2027	8.726%	582,000	571,898	588,000	575,478	
<b>Lightpath Revolving Credit Facility</b>							
			—	—	—	—	
			<u>1,447,000</u>	<u>1,425,444</u>	<u>1,453,000</u>	<u>1,426,614</u>	
<b>Collateralized indebtedness (see Note 12)</b>							
			—	—	1,759,017	1,746,281	
<b>Finance lease obligations (see Note 9)</b>							
			228,356	228,356	244,595	244,595	
<b>Notes payable and supply chain financing</b>							
			174,594	174,594	127,635	127,635	
			<u>25,126,605</u>	<u>25,074,961</u>	<u>26,676,545</u>	<u>26,587,733</u>	
Less: current portion of credit facility debt			(61,177)	(61,177)	(71,643)	(71,643)	
Less: current portion of collateralized indebtedness (h)			—	—	(1,759,017)	(1,746,281)	
Less: current portion of finance lease obligations			(123,636)	(123,636)	(129,637)	(129,637)	
Less: current portion of notes payable and supply chain financing			(174,594)	(174,594)	(127,496)	(127,496)	
			<u>(359,407)</u>	<u>(359,407)</u>	<u>(2,087,813)</u>	<u>(2,075,077)</u>	
Long-term debt			<u>\$ 24,767,198</u>	<u>\$ 24,715,554</u>	<u>\$ 24,588,732</u>	<u>\$ 24,512,656</u>	



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

- (a) The carrying amount is net of the unamortized deferred financing costs and/or discounts/premiums and with respect to certain notes, a fair value adjustment resulting from the Cequel and Cablevision acquisitions.
- (b) At December 31, 2023, \$133,512 of the revolving credit facility was restricted for certain letters of credit issued on our behalf and \$1,516,488 of the \$2,475,000 facility was undrawn and available, subject to covenant limitations. The revolving credit facility bears interest at a rate of SOFR (plus a Term SOFR credit adjustment spread of 0.10%) plus 2.25% per annum.
- (c) Term Loan B requires quarterly installments of \$3,840 and bears interest at a rate equal to Synthetic USD LIBOR plus 2.25% per annum.
- (d) Incremental Term Loan B-3 requires quarterly installments of \$1,318 and bears interest at a rate equal to Synthetic USD LIBOR plus 2.25% per annum.
- (e) Incremental Term Loan B-5 requires quarterly installments of \$7,500 and bears interest at a rate equal to Synthetic USD LIBOR plus 2.50% per annum.
- (f) Incremental Term Loan B-6 requires quarterly installments of \$5,005 and bears interest at a rate equal to SOFR plus 4.50% per annum. The CSC Holdings' Incremental Term Loan B-6 that is due on the earlier of (i) January 15, 2028 and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 borrowings are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.
- (g) Pursuant to the term loan agreement, the interest rate on outstanding borrowings subsequent to the phase-out of London Interbank Offered Rate ("LIBOR") as of June 30, 2023, is Synthetic USD LIBOR, calculated as Term SOFR plus the spread adjustment for the corresponding LIBOR setting, being 0.11448% (1 month), 0.26161% (3 month) and 0.42826% (6 month), until September 30, 2024.
- (h) The indebtedness was collateralized by shares of Comcast common stock. In January 2023, we settled this debt by delivering shares of Comcast common stock and the related equity derivative contracts. See Note 12.

For financing purposes, we have two debt silos: CSC Holdings and Lightpath. The CSC Holdings silo is structured as a restricted group (the "Restricted Group") and an unrestricted group, which includes certain designated subsidiaries and investments (the "Unrestricted Group"). The Restricted Group is comprised of CSC Holdings and substantially all of its wholly-owned operating subsidiaries excluding Lightpath. These Restricted Group subsidiaries are subject to the covenants and restrictions of the credit facility and indentures governing the notes issued by CSC Holdings. The Lightpath silo includes all of its operating subsidiaries which are subject to the covenants and restrictions of the credit facility and indentures governing the notes issued by Lightpath. See discussion below regarding the Lightpath debt financing.

#### CSC Holdings Credit Facilities

In October 2015, a wholly-owned subsidiary of Altice USA, which merged with and into CSC Holdings on June 21, 2016, entered into a senior secured credit facility, which, as amended, currently provides for U.S. dollar term loans (the "Term Loan B", and the term loans under the Term Loan B, the "CSC Term Loans") and U.S. dollar revolving loan commitments (the "CSC Revolving Credit Facility" and, together with the Term Loan B, the "CSC Credit Facilities"), which are governed by a credit facilities agreement entered into by, inter alios, CSC Holdings, certain lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent and security agent (as amended, restated, supplemented or otherwise modified from time to time, the "CSC Credit Facilities Agreement"). Amounts outstanding under the CSC Holdings Credit Facilities bear interest, at our election, at Term Secured Overnight Financing Rate ("SOFR"), Synthetic USD LIBOR, or at an alternate base rate, as defined therein, plus an applicable margin.

During the year ended December 31, 2023, CSC Holdings borrowed \$1,700,000 under its revolving credit facility and repaid \$2,450,000 of amounts outstanding under the revolving credit facility.

The CSC Credit Facilities Agreement requires the prepayment of outstanding CSC Term Loans, subject to certain exceptions and deductions, with (i) 100% of the net cash proceeds of certain asset sales, subject to reinvestment rights and certain other exceptions; and (ii) on a pari rata share (based on the outstanding principal amount of the CSC Term Loans divided by the sum of the outstanding principal amount of all pari passu indebtedness and the CSC Term Loans) of 50% of annual excess cash flow, which will be reduced to 0% if the consolidated net senior secured leverage ratio of CSC Holdings is less than or equal to 4.5 to 1.

The obligations under the CSC Credit Facilities are guaranteed on a senior basis by each restricted subsidiary of CSC Holdings (other than CSC TKR, LLC and its subsidiaries, Lightpath, and certain excluded subsidiaries) and, subject



ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

to certain limitations, will be guaranteed by each future material wholly-owned restricted subsidiary of CSC Holdings. The obligations under the CSC Credit Facilities (including any guarantees thereof) are secured on a first priority basis, subject to any liens permitted by the CSC Credit Facilities, by capital stock held by CSC Holdings or any guarantor in certain subsidiaries of CSC Holdings, subject to certain exclusions and limitations.

The CSC Credit Facilities Agreement includes certain negative covenants which, among other things and subject to certain significant exceptions and qualifications, limit CSC Holdings' ability and the ability of its restricted subsidiaries to: (i) incur or guarantee additional indebtedness, (ii) make investments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. In addition, the CSC Revolving Credit Facility includes a financial maintenance covenant solely for the benefit of the lenders under the CSC Revolving Credit Facility consisting of a maximum consolidated net senior secured leverage ratio of CSC Holdings and its restricted subsidiaries of 5.0 to 1.0. The financial covenant is tested on the last day of any fiscal quarter, but only if on such day there are outstanding borrowings, as defined, under the CSC Revolving Credit Facility.

The CSC Credit Facilities Agreement also contains certain customary representations and warranties, affirmative covenants and events of default (including, among others, an event of default upon a change of control). If an event of default occurs, the lenders under the CSC Credit Facilities will be entitled to take various actions, including the acceleration of amounts due under the CSC Credit Facilities and all actions permitted to be taken by a secured creditor.

#### **Issuances of CSC Holdings Senior Guaranteed Notes**

In April 2023, CSC Holdings issued \$1,000,000 in aggregate principal amount of senior guaranteed notes that bear interest at a rate of 1.250% and mature on May 15, 2028. The Company used the proceeds to repay outstanding borrowings drawn under the Revolving Credit Facility.

#### **CSC Holdings Senior Guaranteed Notes and Senior Notes**

The indentures under which the Senior Guaranteed Notes and Senior Notes were issued contain certain customary covenants and agreements, including limitations on the ability of CSC Holdings and its restricted subsidiaries to (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, and (viii) engage in mergers or consolidations, in each case subject to certain exceptions. The indentures also contain certain customary events of default. If an event of default occurs, the obligations under the notes may be accelerated.

Subject to customary conditions, we may redeem some or all of the notes at the redemption price set forth in the relevant indenture, plus accrued and unpaid interest, plus a specified "make-whole" premium (in the event the notes are redeemed prior to a certain specified time set forth in the indentures).

#### **Lightpath Credit Facility**

On September 29, 2020, Lightpath entered into a credit agreement between, inter alios, certain lenders party thereto and Goldman Sachs Bank USA, as administrative agent, and Deutsche Bank Trust Company Americas, as collateral agent, (the "Lightpath Credit Agreement") which provides for, among other things, (i) a term loan in an aggregate principal amount of \$600,000 (the "Lightpath Term Loan Facility") at a price of 99.50% of the aggregate principal amount, which was drawn on November 30, 2020, and (ii) revolving loan commitments in an aggregate principal amount of \$100,000 (the "Lightpath Revolving Credit Facility").

As of December 31, 2023 and 2022, there were no borrowings outstanding under the Lightpath Revolving Credit Facility. We are required to make scheduled quarterly payments of \$1,500 pursuant to the Lightpath Term Loan Facility.

In June 2023, Lightpath entered into an amendment (the "First Amendment") under its existing credit facility agreement to replace LIBOR-based benchmark rates with SOFR-based benchmark rates. The First Amendment provides for interest on borrowings under its term loan and revolving credit facility to be calculated for any (i) SOFR



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

loan, at a rate per annum equal to the Term SOFR (plus spread adjustments of 0.11448%, 0.26161% and 0.42826% for interest periods of one, three and six months, respectively) or (ii) the alternate base rate loan, at the alternative base rate as applicable, plus the applicable margin in each case, where the applicable margin is 2.25% per annum with respect to any alternate base rate loan and 3.25% per annum with respect to any SOFR loan.

Debt issued by Lightpath is subject to certain restrictive covenants. Lightpath is subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on the Lightpath's ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations. These covenants are subject to several important exceptions and qualifications.

To be able to incur additional debt under an applicable debt instrument, Lightpath must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument. Senior debt of Lightpath will be subject to an incurrence test of 6.75:1 (Consolidated Net Leverage to L2QA Pro Forma EBITDA (each as defined in the relevant debt instruments)) and senior secured debt of Lightpath will be subject to an incurrence test of 4.75:1 (Consolidated Net Senior Secured Leverage (as defined in the relevant debt instrument) to L2QA Pro Forma EBITDA).

**Debt Compliance**

As of December 31, 2023, CSC Holdings and Lightpath were in compliance with applicable financial covenants under their respective credit facilities and with applicable financial covenants under each respective indenture by which the senior guaranteed notes, senior secured notes and senior notes were issued.

**Gain (Loss) on Extinguishment of Debt and the Write-off of Deferred Financing Costs**

The following table provides a summary of the gain (loss) on extinguishment of debt and the write-off of deferred financing costs recorded by us:

	For the Year Ended December 31,		
	2023	2022	2021
Settlement of collateralized debt (see Note 12)	\$ 4,393	\$ —	\$ —
Refinancing of CSC Holdings Term Loan B and Incremental Term Loan B-3	—	(575)	—
Repayment of CSC Holdings 5.500% Senior Guaranteed Notes due 2026	—	—	(51,712)

**Supply Chain Financing Arrangement**

We have a supply chain financing arrangement with a financial institution with credit availability of \$175,000 that is used to finance certain of our property and equipment purchases. This arrangement extends our repayment terms beyond a vendor's original invoice due dates (for up to one year) and as such are classified as debt on our consolidated balance sheets.

The following is a rollforward of the outstanding balances relating to our supply chain financing arrangement:

Balance as of December 31, 2022	\$ 123,880
Invoices financed	213,325
Repayments	(162,751)
Balance as of December 31, 2023	<u>\$ 174,454</u>

**Summary of Debt Maturities**

The future principal payments under our various debt obligations outstanding as of December 31, 2023, including notes payable and supply chain financing, but excluding finance lease obligations (see Note 9), are as follows:

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

<u>Years Ending December 31,</u>	<u>\$</u>	<u></u>
2024		1,001,242
2025 (a)		2,391,415
2026		567,223
2027		5,141,519
2028 (b)		5,371,850
Thereafter		10,425,000

(a) Includes \$825,000 principal amount related to the CSC Holdings' revolving credit facility. As a result of the debt transaction in January 2024 discussed in Note 18, the revolving credit facility will mature on July 13, 2027.

(b) Includes \$1,906,850 principal amount related to the CSC Holdings' Incremental Term Loan B-6 that is due on the earlier of (i) January 15, 2028 and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 borrowings are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.

The amounts in the table above do not include the effects of the debt transactions discussed in Note 18.

**NOTE 12. DERIVATIVE CONTRACTS AND COLLATERALIZED INDEBTEDNESS**

**Prepaid Forward Contracts**

Historically, we had entered into various transactions to limit the exposure against equity price risk on shares of Comcast Corporation ("Comcast") common stock we previously owned. We monetized all of our stock holdings in Comcast through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock.

We received cash proceeds upon execution of the prepaid forward contracts which had been reflected as collateralized indebtedness in the accompanying consolidated balance sheet as of December 31, 2022. In addition, we separately accounted for the equity derivative component of the prepaid forward contracts. These equity derivatives were not designated as hedges for accounting purposes, therefore, the net fair values of the equity derivatives had been reflected in the accompanying consolidated balance sheet as an asset at December 31, 2022, and the net increases or decreases in the fair value of the equity derivative component of the prepaid forward contracts were included in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

In January 2023, we settled our outstanding collateralized indebtedness by delivering the Comcast shares we held and the related equity derivative contracts which resulted in us receiving net cash of approximately \$50,500 (including dividends of \$11,598) and recorded a gain on the extinguishment of debt of \$8,393.

As of December 31, 2023, we did not hold and have not issued equity derivative instruments for trading or speculative purposes.

**Interest Rate Swap Contracts**

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit us to realize lower interest expense in a declining interest rate environment. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are not designated as hedges for accounting purposes and are carried at their fair market values on our consolidated balance sheets, with changes in fair value reflected in the consolidated statements of operations.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The following represents the location of the assets associated with our derivative instruments within the consolidated balance sheets:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value at December 31,	
		2023	2022
<b>Asset Derivatives:</b>			
Prepaid forward contracts	Derivative contracts	\$ —	\$ 263,873
Interest rate swap contracts	Other assets, long-term	112,914	185,622
		<u>\$ 112,914</u>	<u>\$ 449,495</u>

The following table presents certain consolidated statement of operations data related to our derivative contracts and the underlying Comcast common stock:

	Years Ended December 31,		
	2023	2022	2021
Gain (loss) on derivative contracts related to change in the value of equity derivative contracts related to Comcast common stock	\$ (166,489)	\$ 425,815	\$ 85,911
Change in fair value of Comcast common stock included in gain (loss) on investments	192,010	(659,792)	(88,917)
Gain on interest rate swap contracts, net	32,664	271,788	92,735

**Interest Rate Swap Contract**

In connection with the phase-out of LIBOR as of June 30, 2023, the Company entered into amendments to its existing interest rate swap contracts that transitioned the reference rates from LIBOR to SOFR. These amendments had no impact to our consolidated financial statements as we utilized the expedients set forth in FASB Topic 848, *Reference Rate Reform*. The following is a summary of the terms of the amended interest rate swap contracts:

Maturity Date	Notional Amount	Prior to Amendments		Subsequent to Amendments	
		Company Pays	Company Receives	Company Pays	Company Receives
<b>CSC Holdings:</b>					
January 2025 (a)	\$ 500,000	Fixed rate of 1.53%	Three-month LIBOR	Fixed rate of 1.3281%	One-month SOFR
January 2025 (a)	500,000	Fixed rate of 1.625%	Three-month LIBOR	Fixed rate of 1.4223%	One-month SOFR
January 2025 (a)	500,000	Fixed rate of 1.458%	Three-month LIBOR	Fixed rate of 1.2567%	One-month SOFR
December 2026 (b)	750,000	Fixed rate of 2.9155%	Three-month LIBOR	Fixed rate of 2.7129%	One-month SOFR
December 2026 (b)	750,000	Fixed rate of 2.9025%	Three-month LIBOR	Fixed rate of 2.6999%	One-month SOFR
<b>Lightpath:</b>					
December 2026 (a)	300,000	Fixed rate of 2.161%	One-month LIBOR	Fixed rate of 2.11%	One-month SOFR

(a) Amended rates effective June 15, 2023.

(b) Amended rates effective July 17, 2023.

In April 2023, Lightpath entered into an interest rate swap contract, effective June 2023 on a notional amount of \$80,000, whereby Lightpath pays interest of 3.523% through December 2026 and receives interest based on one-month SOFR. This swap contract is also not designated as a hedge for accounting purposes. Accordingly, this contract is carried at its fair market value on our consolidated balance sheet, with changes in fair value reflected in the consolidated statements of operations.

**NOTE 13. FAIR VALUE MEASUREMENT**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

The following table presents our financial assets and financial liabilities that are measured at fair value on a recurring basis and their classification under the fair value hierarchy:

	Fair Value Hierarchy	December 31,	
		2023	2022
<b>Assets:</b>			
Money market funds	Level I	\$ 49,541	\$ 141,137
Investment securities pledged as collateral	Level I	—	1,502,145
Prepaid forward contracts (a)	Level II	—	263,873
Interest rate swap contracts	Level II	112,914	185,622
<b>Liabilities:</b>			
Contingent consideration related to acquisition	Level III	2,037	8,383

(a) In January 2023, the Company settled its outstanding collateralized indebtedness by delivering the Comcast shares it held and the related equity derivative contracts.

The Company's money market funds which are classified as cash equivalents and investment securities pledged as collateral are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The Company's derivative contracts and liabilities under derivative contracts on the Company's consolidated balance sheets are valued using market-based inputs to valuation models. These valuation models require a variety of inputs, including contractual terms, market prices, yield curves, and measures of volatility. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit risk considerations. Such adjustments are generally based on available market evidence. Since model inputs can generally be verified and do not involve significant management judgment, the Company has concluded that these instruments should be classified within Level II of the fair value hierarchy.

The fair value of the contingent consideration as of December 31, 2023 and 2022 related to an acquisition in the third quarter of 2022 and were determined using a probability assessment of the contingent payment for the respective periods.

**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate:

*Credit Facility Debt, Collateralized Indebtedness, Senior Notes, Senior Guaranteed Notes, Senior Secured Notes, Notes Payable and Supply Chain Financing*

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities. The fair value of notes payable is based primarily on the present value of the remaining payments discounted at the borrowing cost. The carrying value of outstanding amounts related to supply chain financing agreements approximates the fair value due to their short-term maturity (less than one year).



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The carrying values, estimated fair values, and classification under the fair value hierarchy of the Company's financial instruments, excluding those that are carried at fair value in the accompanying consolidated balance sheets, are summarized below:

	Fair Value Hierarchy	December 31, 2023		December 31, 2022	
		Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Credit facility debt	Level II	\$ 8,257,682	\$ 8,323,654	\$ 9,063,495	\$ 9,145,298
Collateralized indebtedness (b)	Level II	—	—	1,746,281	1,731,771
Senior guaranteed and senior secured notes	Level II	9,079,882	7,784,288	8,081,489	6,154,075
Senior notes	Level II	7,334,447	4,932,931	7,324,238	4,531,300
Notes payable and supply chain financing	Level II	174,594	174,594	127,635	127,608
		<u>\$ 24,846,605</u>	<u>\$ 21,215,467</u>	<u>\$ 26,343,138</u>	<u>\$ 21,690,052</u>

(a) Amounts are net of unamortized deferred financing costs and discounts/premiums.

(b) In January 2023, the Company settled its outstanding collateralized indebtedness by delivering the Comcast shares it held and the related equity derivative contracts.

The fair value estimates related to our debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

#### NOTE 14. INCOME TAXES

Altice USA files a federal consolidated and certain state combined income tax returns with its 80% or more owned subsidiaries. CSC Holdings and its subsidiaries are included in the consolidated federal income tax returns of Altice USA. The income tax provision for CSC Holdings is determined on a stand-alone basis for all periods presented as if CSC Holdings filed separate consolidated income tax returns. In accordance with a tax sharing agreement between CSC Holdings and Altice USA, CSC Holdings has an obligation to Altice USA for its stand-alone current tax liability as if it filed separate income tax returns.

Income tax expense for the years ended December 31, 2023, 2022 and 2021 consist of the following components:

	Altice USA			CSC Holdings		
	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2023	2022	2021
Current expense (benefit):						
Federal	\$ 227,189	\$ 133,329	\$ 168,397	\$ 227,189	\$ 133,329	\$ 179,032
State	54,130	81,076	56,211	62,312	88,068	56,211
Foreign	105	128	(3)	105	128	(3)
	<u>281,424</u>	<u>214,533</u>	<u>224,605</u>	<u>289,606</u>	<u>221,525</u>	<u>235,240</u>
Deferred expense (benefit):						
Federal	(210,378)	(43,797)	70,989	(210,378)	(43,797)	70,989
State	(16,547)	80,356	(30,108)	(21,680)	69,676	(38,608)
Foreign	10	(174)	(180)	10	(174)	(180)
	<u>(226,915)</u>	<u>36,385</u>	<u>40,701</u>	<u>(232,048)</u>	<u>25,705</u>	<u>32,201</u>
	<u>54,509</u>	<u>250,918</u>	<u>265,306</u>	<u>57,558</u>	<u>247,230</u>	<u>267,441</u>
Tax expense relating to uncertain tax positions	(14,981)	44,922	29,669	(14,981)	44,922	29,669
Income tax expense	<u>\$ 39,528</u>	<u>\$ 295,840</u>	<u>\$ 294,975</u>	<u>\$ 42,577</u>	<u>\$ 292,152</u>	<u>\$ 297,110</u>

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The income tax expense attributable to operations differs from the amount derived by applying the statutory federal rate to pretax income principally due to the effect of the following items:

	Altice USA			CSC Holdings		
	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2023	2022	2021
Federal tax expense at statutory rate	\$ 24,899	\$ 108,513	\$ 274,240	\$ 24,899	\$ 108,513	\$ 274,240
State income taxes, net of federal impact	6,436	26,527	21,492	9,842	28,768	13,973
Minority interest	(5,494)	(5,914)	(5,092)	(5,494)	(5,914)	(5,092)
Changes in the valuation allowance	13,847	20,176	13,573	14,099	15,494	12,793
Change in New York state rate to measure deferred taxes, net of federal impact	—	112,117	—	—	112,117	—
Other changes in the state rates used to measure deferred taxes, net of federal impact	23,909	(9,603)	(6,924)	23,300	(10,849)	(7,125)
Tax expense (benefit) relating to uncertain tax positions	(14,311)	36,281	24,580	(14,311)	36,281	24,580
Tax credits	(4,201)	(3,544)	(2,500)	(4,201)	(3,544)	(2,500)
Excess tax deficiencies (benefits) related to share-based compensation including non-deductible carried unit plans	11,696	10,321	(2,602)	11,696	10,321	(2,602)
Non-deductible officers compensation	3,934	4,916	7,201	3,934	4,916	7,201
Foreign losses of disregarded entities	(6,097)	(6,352)	—	(6,097)	(6,352)	—
Business dispositions	(46,591)	—	(12,643)	(46,591)	—	(12,643)
Goodwill impairment	34,241	—	—	34,241	—	—
Other permanent differences	—	—	(22,613)	—	—	(22,613)
Other, net	(2,740)	2,402	6,263	(2,740)	2,401	16,898
Income tax expense	<u>\$ 39,528</u>	<u>\$ 295,840</u>	<u>\$ 294,975</u>	<u>\$ 42,577</u>	<u>\$ 292,152</u>	<u>\$ 297,110</u>

Due to the sale of our Cheddar News business in December 2023 to an unrelated third party, we recognized a capital loss resulting in an income tax benefit. In addition, our income tax expense was impacted by the non-deductibility of the impairment of goodwill related to our News and Advertising business (see Note 10).

In December 2022, the New York State Division of Tax Appeals, via an Administrative Law Judge determination, published a decision in Charter Communications, Inc. versus New York State, which concluded that each corporation in a combined reporting group would have to separately qualify as a qualified emerging technology company ("QETC") to use the preferential QETC tax rate. As we had been historically using the QETC rate at the combined reporting group level, we recorded a cumulative income tax expense of \$157,300 that included both a revaluation of state deferred taxes and an increase to our uncertain tax positions reserve for tax years 2017 through 2022 based on this published decision.

In 2021, due to internal restructuring of i24NEWS and a permanent reduction in tax relating to the Opportunity Zones commitment (see note below), a permanent tax benefit of \$35,256 was recognized.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The tax effects of temporary differences which give rise to significant portions of deferred tax assets or liabilities and the corresponding valuation allowance are as follows:

	Altice USA		CSC Holdings	
	December 31,		December 31,	
	2023	2022	2023	2022
<i>Noncurrent</i>				
NOLs, capital loss, and tax credit carry forwards (a)	\$ 130,134	\$ 117,995	\$ 104,071	\$ 86,547
Compensation and benefit plans	90,853	97,115	90,853	97,115
Restructuring liability	7,220	2,079	7,220	2,079
Other liabilities	50,440	48,433	50,440	48,433
Research and experimental expenditures	33,427	22,292	33,427	22,292
Derivative contracts	(40,357)	315,861	(40,357)	315,861
Interest deferred for tax purposes	536,284	272,842	536,284	272,842
Operating lease liability	79,263	71,232	79,263	71,232
Deferred tax assets	887,264	947,849	861,201	916,401
Less: Valuation allowance	(87,407)	(73,560)	(64,844)	(50,745)
Net deferred tax assets, noncurrent	799,857	874,289	796,357	865,656
Deferred tax liabilities:				
Fixed assets and intangibles	(5,250,112)	(5,185,319)	(5,250,112)	(5,185,319)
Operating lease asset	(64,163)	(58,360)	(64,163)	(58,360)
Investments	1,519	(393,700)	1,519	(393,700)
Partnership investments	(173,198)	(155,434)	(173,198)	(155,434)
Prepaid expenses	(14,630)	(11,477)	(14,630)	(11,477)
Fair value adjustments related to debt and deferred financing costs	(1,751)	(5,698)	(1,751)	(5,698)
Opportunity Zone tax deferral	(145,655)	(145,608)	(145,655)	(145,608)
Deferred tax liability, noncurrent	(5,647,990)	(5,955,596)	(5,647,990)	(5,955,596)
Total net deferred tax liabilities	\$ (4,848,133)	\$ (5,081,307)	\$ (4,851,633)	\$ (5,089,940)

(a) Includes deferred tax assets of \$326 and \$354 as of December 31, 2023 and 2022, respectively, that relate to the net operating losses of foreign subsidiaries which are presented under Other assets on the consolidated balance sheets.

Under the Tax Cuts & Jobs Act ("TCJA") enacted in December 2017, research and experimental expenditures are required to be capitalized and amortized for the tax years beginning after December 31, 2021. As a result, we have capitalized (net of amortization) \$33,427 and \$22,292 as of December 31, 2023 and 2022, respectively.

As a result of us selling our 1% interest in Newsday LLC, as well as internal restructuring of i24NEWS in 2021, capital losses of \$35,316 and \$104,171, respectively, were recognized for tax purposes. In the fourth quarter of 2022, we carried back the net capital loss against the taxable capital gain generated in connection with the 49.99% sale of Lightpath in 2020. In addition, we received \$48,645 in 2021 relating to a refund request for prior year AMT credits, including \$12,161 claimed in 2020 due to the CARES Act acceleration of credits.

Deferred tax assets have resulted primarily from our future deductible temporary differences and NOLs. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. In evaluating the need for a valuation allowance, management takes into account various factors, including the expected level of future taxable income, available tax planning strategies and reversals of existing taxable temporary differences. If such estimates and related assumptions change in the future, we may be required to record additional valuation allowances against its deferred tax assets, resulting in additional income tax expense in our consolidated statements of operations. Management evaluates the realizability of the deferred tax assets and the need for additional valuation allowances quarterly. Due to the significant deferred tax



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

liabilities associated with our fixed assets and intangibles, primarily due to the change in the 2017 TCJA, allowing 100% bonus depreciation on most fixed assets (this percentage decreases to 80% for 2023), as well as the continued taxable income adjustments associated with the deferred tax liabilities established under purchase accounting pursuant to the Cablevision and Cequel acquisitions in 2016, the future taxable income that will result from the reversal of existing taxable temporary differences for which deferred tax liabilities are recognized is sufficient to conclude it is more likely than not that we will realize all of its gross deferred tax assets, except those deferred tax assets against which a valuation allowance has been recorded which relate to certain state NOLs and the foreign NOLs in i24NEWS.

In the normal course of business, we engage in transactions in which the income tax consequences may be uncertain. Our income tax returns are filed based on interpretation of tax laws and regulations. Such income tax returns are subject to examination by taxing authorities. For financial statement purposes, we only recognize tax positions that it believes are more likely than not of being sustained. There is considerable judgment involved in determining whether positions taken or expected to be taken on the tax return are more likely than not of being sustained. Changes in the liabilities for uncertain tax positions are recognized in the interim period in which the positions are effectively settled or there is a change in factual circumstances.

The following is the activity relating to our liability for uncertain tax positions:

	Years Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 70,593	\$ 25,296	\$ 1,301
Increases (decreases) from prior period positions	(18,714)	871	(637)
Increases from current period positions	1,131	44,426	24,632
Balance at end of year	<u>\$ 53,010</u>	<u>\$ 70,593</u>	<u>\$ 25,296</u>

Interest and penalties related to unrecognized tax benefits ("UTBs") are included in our provision for income taxes. We recognized a net expense (benefit) for interest and penalties of \$1,475, \$9,683 and \$6,159 during the years ended December 31, 2023, 2022, and 2021, respectively. As of December 31, 2023 and 2022, accrued interest and penalties associated with UTBs were \$18,264 and \$16,789, respectively. The increase in interest and penalties for the year ended December 31, 2023 was primarily due to an interest accrual on our QETC reserve position (see discussion above). We are not expecting a material change in this reserve due to expiring statutes, audit activity, or tax payments in the next twelve months. If we were to prevail on all uncertain positions, the net effect would result in an income tax benefit of \$40,961.

The most significant jurisdictions in which we are required to file income tax returns include the states of New York, New Jersey, Connecticut, and the City of New York. The State and City of New York are presently auditing income tax returns for tax years 2015 through 2019. The State of New Jersey is presently auditing income tax returns for tax years 2014 through 2017, and for tax years 2018 through 2020. Management does not believe that the resolution of these ongoing income tax examinations will have a material adverse impact on our financial position.

#### **NOTE 15. SHARE-BASED COMPENSATION**

The following table presents share-based compensation expense (benefit) and unrecognized compensation cost:

	Share-Based Compensation			Unrecognized Compensation Cost as of December 31, 2023
	2023	2022	2021	
Awards issued pursuant to LTIP:				
Stock option awards (a)	\$ (3,850)	\$ 86,307	\$ 87,697	\$ 6,659
Performance stock units (a)	(12,757)	10,220	8,675	6,443
Restricted share units	33,809	63,458	1,120	57,546
Other	30,724	—	804	46,937
	<u>\$ 47,926</u>	<u>\$ 159,985</u>	<u>\$ 98,296</u>	<u>\$ 117,585</u>



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

(a) The benefit for the year ended December 31, 2023 includes credits due to the modification of awards to certain former executive officers and other forfeitures.

**Long Term Incentive Plan**

Pursuant to the Altice USA 2017 Long Term Incentive Plan, as amended (the "2017 LTIP"), we may grant awards of options, restricted shares, restricted share units, stock appreciation rights, performance stock, performance stock units and other awards. The maximum aggregate number of shares that may be issued for all purposes under the Plan is 89,879,291. Awards may be granted to our officers, employees and consultants or any of our affiliates. The 2017 LTIP is administered by Altice USA's Board of Directors (the "Board"), subject to the provision of the stockholders' agreement. The Board has delegated its authority to our Compensation Committee. The Compensation Committee has the full power and authority to, among other things, select eligible participants, to grant awards in accordance with the 2017 LTIP, to determine the number of shares subject to each award or the cash amount payable in connection with an award and determine the terms and conditions of each award.

**Stock Option Awards**

Options outstanding under the 2017 LTIP Plan either (i) cliff vest on the third anniversary of the date of grant, (ii) vest over 3 years in annual increments of 33-1/3%, or (iii) vest over 4 years, where 50% vest on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the date of grant. The option awards generally are subject to continued employment with the Company, and expire 10 years from the date of grant. Performance based option awards vest upon achievement of performance criteria.

The following table summarizes activity related to stock options granted to our employees:

	Shares Under Option		Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a)
	Time Vesting	Weighted Average Exercise Price Per Share		
Balance at December 31, 2020	37,062,146	\$ 25.52	8.69	\$ 457,608
Granted	18,192,257	16.87		
Exercised	(1,368,156)	17.47		
Forfeited and Cancelled	(2,887,431)	28.02		
Balance at December 31, 2021	50,998,816	22.51	8.29	6,801
Granted	7,888,472	9.30		
Forfeited and Cancelled	(7,811,613)	23.84		
Balance at December 31, 2022	51,075,675	\$ 20.27	7.73	\$ 184
Granted	640	4.69		
Forfeited	(3,525,176)	21.94		
Exchanged and Canceled (b)	(24,015,508)	20.72		
Balance at December 31, 2023	23,535,631	\$ 19.55	5.98	\$ —
Options exercisable at December 31, 2023	17,931,371	\$ 22.76	5.17	\$ —

(a) The aggregate intrinsic value is calculated as the difference between the exercise price and the closing price of Altice USA's Class A common stock at the respective date.

(b) Options exchanged and canceled in connection with the Company's stock option exchange program discussed below.

As of December 31, 2023, the total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of approximately 2.65 years.

We calculate the fair value of each option award on the date of grant using the Black-Scholes valuation model. Our computation of expected life was determined based on the simplified method (the average of the vesting period and option term) due to our lack of recent historical data for similar awards. The interest rate for periods within the contractual life of the stock option was based on interest yields for U.S. Treasury instruments in effect at the time of

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

grant. Our computation of expected volatility was based on historical volatility of the Altice USA common stock and the expected volatility of comparable publicly-traded companies who granted options that had similar expected lives.

The weighted-average fair values of stock option awards granted during the years ended December 31, 2023, 2022 and 2021 were \$4.42, \$3.76 and \$6.42, respectively. The following weighted-average assumptions were used to calculate these fair values:

	Years Ended December 31,		
	2023	2022	2021
Risk-free interest rate	3.53%	3.42%	1.36%
Expected life (in years)	5.71	6.24	6.02
Dividend yield	—%	—%	—%
Volatility	50.10%	41.79%	35.80%

In January 2023, the Company commenced a stock option exchange program (the "Exchange Offer") pursuant to which eligible employees were provided the opportunity to exchange eligible stock options for a number of restricted stock units ("RSU") and deferred cash-denominated awards ("DCA") at the exchange ratio of one RSU and \$10 of DCAs for every seven eligible options tendered. In connection with the Exchange Offer, the Company canceled 24,015,508 options and granted 3,430,433 restricted stock units and \$34,309 of DCAs awards. The exchange of these options was accounted for as a modification of share-based compensation awards. Accordingly, the Company will recognize the unamortized compensation cost related to the canceled options of approximately \$33,475, as well as the incremental compensation cost associated with the replacement awards of \$34,000 over their two year vesting term.

**Performance Stock Units**

Certain of our employees were granted performance stock units ("PSUs"). Each PSU gives the employee the right to receive one share of Altice USA class A common stock, upon achievement of a specified stock price hurdle. The PSUs will be forfeited if the applicable performance measure is not achieved prior to January 29, 2026 or if the employee does not continue to provide services to the Company through the achievement date of the applicable performance measure.

The following table summarizes activity related to PSUs granted to our employees:

	Number of Units
Balance at December 31, 2020	7,315,360
Granted	160,647
Forfeited	(1,114,113)
Balance at December 31, 2021	6,361,894
Forfeited	(1,182,535)
Balance at December 31, 2022	5,179,359
Forfeited	(1,411,606)
Balance at December 31, 2023	3,767,753

The PSUs have a weighted average grant date fair value of \$5.52 per unit. The total unrecognized compensation cost related to outstanding PSUs is expected to be recognized over a weighted-average period of approximately 2.1 years.

**Restricted Share Units**

We granted RSUs to certain employees pursuant to the 2017 LTIP. These awards vest either over over three years in 33-1/3% annual increments or 4 years, where 50% vest on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the date of grant.



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The following table summarizes activity related to RSUs granted to Company employees:

	Number of Units
Balance at December 31, 2020	—
Granted	6,621,639
Forfeited	(3,802)
Balance at December 31, 2021	6,617,837
Granted	3,597,775
Vested	(2,141,449)
Forfeited	(578,775)
Balance at December 31, 2022	7,495,388
Granted (including 3,430,433 in connection with Exchange Offer) (a)	19,975,943
Vested	(1,913,348)
Forfeited	(3,064,095)
Balance at December 31, 2023	22,493,888

(a) During 2023, the Company granted 16,545,510 RSUs to certain employees and directors pursuant to the 2017 LTIP with an aggregate fair value of \$53,510 (\$3.23 per share) which are being expensed over the vesting period. Most of these awards vest over three years in 33-1/3 annual increments.

**Lightpath Plan Awards**

In the third quarter of 2021, Lightpath Management Incentive Aggregator LLC ("LMIA") established a Management Incentive Plan (the "Lightpath Plan") for the benefit of employees of Lightpath by issuing equity interests in LMIA which holds an equivalent number of equity interests in Lightpath Holdings LLC ("Holdings"), the parent of Lightpath. These equity interests allow employees to participate in the long-term growth of Lightpath. The Lightpath Plan provides for an aggregate of 650,000 Class A-1 management incentive units and 350,000 Class A-2 management incentive units for issuance.

As of December 31, 2023, 536,140 Class A-1 management incentive units and 273,538 Class A-2 management incentive units ("Award Units") granted to certain employees of Lightpath were outstanding. Vested units will be redeemed upon a partial exit, a change in control or the completion of an initial public offering, as defined in the Holdings LLC agreement. The grant date fair value of the Award Units outstanding aggregated \$32,687 and will be expensed in the period in which a partial exit or a liquidity event is consummated.

**NOTE 16. AFFILIATE AND RELATED PARTY TRANSACTIONS**

**Affiliate and Related Party Transactions**

Altice USA is controlled by Patrick Drahi through Next Alt who also controls Altice Europe and other entities.

As the transactions discussed below were conducted between entities under common control by Mr. Drahi, amounts charged for certain services may not have represented amounts that might have been received or incurred if the transactions were based upon arm's length negotiations.

**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

The following table summarizes the revenue and expenses related to services provided to or received from affiliates and related parties:

	Years Ended December 31,		
	2023	2022	2021
Revenue	\$ 1,471	\$ 2,368	\$ 13,238
Operating expenses:			
Programming and other direct costs	\$ (13,794)	\$ (14,321)	\$ (17,167)
Other operating expenses, net	(57,063)	(12,210)	(11,989)
Operating expenses, net	(70,857)	(26,531)	(29,156)
Other credits	—	48	—
Net charges	\$ (69,386)	\$ (24,115)	\$ (15,918)
Capital Expenditures	\$ 122,384	\$ 91,382	\$ 54,163

**Revenue**

We recognize revenue primarily from the sale of advertising to a subsidiary of Altice Europe and in 2021 we also recognized revenue from a foundation controlled by Mr. Drahi.

**Programming and other direct costs**

Programming and other direct costs include costs incurred for advertising services provided by Teads S.A., a subsidiary of Altice Europe.

**Other operating expenses, net**

Other operating expenses primarily include charges for services provided by certain subsidiaries of Altice Europe and other related parties, including costs for customer care services in 2023.

**Capital Expenditures**

Capital expenditures primarily include costs for equipment purchased and software development services provided by subsidiaries of Altice Europe.

Aggregate amounts that were due from and due to affiliates and related parties are summarized below:

	December 31,	
	2023	2022
Due from:		
Altice Europe	\$ 137	\$ 529
Other affiliates and related parties	270	43
	\$ 407	\$ 572
Due to:		
Altice Europe	\$ 46,307	\$ 19,211
Other affiliates and related parties	25,216	1,646
	\$ 71,523	\$ 20,857

Amounts due from affiliates presented in the table above represent amounts due for services provided to the respective related party. Amounts due to affiliates presented in the table above and included in other current liabilities in the accompanying balance sheets relate to the purchase of equipment, customer care services, and advertising services, as well as reimbursement for payments made on our behalf.

**CSC Holdings**

CSC Holdings made cash equity distribution payments to and received cash contributions from its parent. CSC Holdings also recorded net non-cash equity contributions (distributions) which represent the non-cash settlement of



**ALTICE USA, INC. AND SUBSIDIARIES**  
**COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands, except share and per share amounts)

intercompany balances with Altice USA. Non-cash equity contributions (distributions) include the settlement of amounts due to/due from Altice USA pursuant to a tax sharing agreement between the entities. See summary below:

	Years Ended December 31,		
	2023	2022	2021
Cash distribution payments to Altice USA, net	\$ (1,793)	\$ (170)	\$ (763,435)
Non-cash equity contributions from (distributions to) Altice USA, net	8,183	7,015	(19,500)

**NOTE 17. COMMITMENTS AND CONTINGENCIES**

**Commitments**

Future cash payments and commitments required under arrangements pursuant to contracts entered into by us in the normal course of business as of December 31, 2023, are as follows:

	Payments Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years
Off balance sheet arrangements:					
Purchase obligations (a)	\$ 5,809,702	\$ 2,708,555	\$ 2,805,204	\$ 288,157	\$ 7,786
Guarantees (b)	75,840	75,840	—	—	—
Letters of credit (c)	133,512	1,485	1,310	—	130,717
Total	<u>\$ 6,019,054</u>	<u>\$ 2,785,880</u>	<u>\$ 2,806,514</u>	<u>\$ 288,157</u>	<u>\$ 138,503</u>

- (a) Purchase obligations primarily include contractual commitments with various programming vendors to provide video services to customers and minimum purchase obligations to purchase goods or services, including contracts to acquire handsets and other equipment. Future fees payable under contracts with programming vendors are based on numerous factors, including the number of customers receiving the programming. Amounts reflected above related to programming agreements are based on the number of customers receiving the programming as of December 31, 2023, multiplied by the per customer rates or the stated annual fee, as applicable, contained in the executed agreements in effect as of December 31, 2023.
- (b) Includes franchise and performance surety bonds primarily for our cable television systems.
- (c) Represent letters of credit guaranteeing performance to municipalities and public utilities and payment of insurance premiums. Payments due by period for these arrangements represent the year in which the commitment expires although payments under these arrangements are required only in the event of nonperformance.

The table above does not include obligations for payments required to be made under multi-year franchise agreements based on a percentage of revenues generated from video service per year.

Many of our franchise agreements and utility pole leases require us to remove its cable wires and other equipment upon termination of the respective agreements. We have concluded that the fair value of these asset retirement obligations cannot be reasonably estimated since the range of potential settlement dates is not determinable.

The table above does not include obligations for rent related to utility poles used in our operations. Our pole rental agreements are for varying terms, and management anticipates renewals as they expire. Rent expense incurred for pole rental attachments for the years ended December 31, 2023, 2022 and 2021 was \$40,868, \$40,277, and \$37,545, respectively.

**Legal Matters**

On December 7, 2023, Warner Records Inc., Sony Music Publishing (US) LLC and a number of other purported copyright holders (collectively, the "Warner Plaintiffs") filed a complaint in the U.S. District Court for the Eastern District of Texas (the "Warner Matter"), alleging that certain of our Internet subscribers directly infringed over 10,700 of the Warner Plaintiffs' copyrighted works. The Warner Plaintiffs seek to hold us liable for claims of contributory infringement of copyright and vicarious copyright infringement. The Warner Plaintiffs also claim that our alleged secondary infringement was willful and seek substantial statutory damages.

ALTICE USA, INC. AND SUBSIDIARIES  
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in thousands, except share and per share amounts)

The Warner Matter follows a similar complaint filed in December 2022 by BMG Rights Management (US) LLC, UMG Recordings, Inc., Capitol Records, LLC, Concord Music Group, Inc., and Concord Bicycle Assets, LLC (collectively, the "BMG Plaintiffs") in the U.S. District Court for the Eastern District of Texas (the "BMG Matter") alleging that certain of our Internet subscribers directly infringed over 8,100 of the BMG Plaintiffs' copyrighted works. The BMG Plaintiffs seek to hold us liable for claims of contributory infringement of copyright and vicarious copyright infringement. The BMG Plaintiffs claim that our alleged secondary infringement was willful and seek substantial statutory damages. Trial in this matter is scheduled for September 2024.

We intend to and are vigorously defending against the claims in the Warner Matter and the BMG Matter. In addition to contesting the claims of liability, we have an affirmative defense under the Digital Millennium Copyright Act that, if successful, would preclude or limit monetary damages against us in connection with some or all of the Warner Plaintiffs' and BMG Plaintiffs' asserted claims. There can be no assurance as to the outcome of these litigations. We may incur significant costs in defending these actions, and if we need to take measures to reduce our exposure to these risks or are required to pay damages in relation to such claims or choose to settle such claims, our business, reputation, financial condition and results of operations could be materially adversely affected.

We also receive notices from third parties, and in some cases we are named as a defendant in lawsuits, claiming infringement of various patents or copyrights relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and in certain of these cases we expect that some or all potential liability would be the responsibility of our vendors pursuant to applicable contractual indemnification provisions. In the event that we are found to infringe on any patent or other intellectual property rights, we may be subject to substantial damages or an injunction that could require us or our vendors to modify certain products and services we offer to our subscribers, as well as enter into royalty or license agreements with respect to the patents at issue. We are also party to various other lawsuits, disputes and investigations arising in the ordinary course of our business, some of which may involve claims for substantial damages, fines or penalties.

Although the outcome of these matters cannot be predicted and the impact of the final resolution of these matters on our results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these matters, individually, will have a material adverse effect on our operations or financial position or our ability to meet our financial obligations as they become due, but they could be material to our consolidated results of operations or cash flows for any one period.

#### **NOTE 18. SUBSEQUENT EVENTS**

In January 2024, CSC Holdings issued \$2,050,000 in aggregate principal amount of senior guaranteed notes due 2029 ("CSC Holdings 2029 Guaranteed Notes"). These notes bear interest at a rate of 11.750% and will mature on January 31, 2029. The proceeds from the sale of these notes were used to repay certain indebtedness including (i) the outstanding principal balance of the Term Loan B, (ii) the outstanding principal balance of the Incremental Term Loan B-3, and (iii) pay the fees, costs and expenses associated with these transactions.

Also in January 2024, we notified the holders of our 5.250% Senior Notes due 2024 and 5.250% Series B Senior Notes due 2024 that we will be redeeming these notes in full (in accordance with the terms of the indenture). We expect to drawdown \$750,000 under our Revolving Credit Facility to repay these notes on February 28, 2024. In connection with this refinancing, the carrying value of outstanding notes of \$742,746 as of December 31, 2023 has been classified as long-term debt.