



**To:** The Romanian Financial Supervisory Authority  
Financial Instruments and Investments Sector  
  
The Bucharest Stock Exchange  
Regulated Spot Market, Category Int'l (Shares)

**From** DIGI COMMUNICATIONS N.V.

### **CURRENT REPORT**

pursuant to Law no. 24/2017 on issuers of financial instruments and market operations and to the Romanian Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities, as subsequently amended and supplemented and the provisions of Article 99 of the Bucharest Stock Exchange Code, Title II, Issuers and Financial Instruments

**Report date:** 14 November 2023

**Name of the issuing entity:** DIGI COMMUNICATIONS N.V. (the “Company”)

**Statutory seat:** Amsterdam, The Netherlands

**Visiting address:** Bucharest, 75 Dr. N. Staicovici, Forum 2000 Building,  
Phase I, 4<sup>th</sup> floor, 5<sup>th</sup> District, Romania

**Phone/Fax number:** +4031.400.65.05/ +4031.400.65.06

**Registration number with The Netherlands Chamber of Commerce Business Register and Dutch Legal Entities and Partnerships Identification Number (RSIN):** Registration number with The Netherlands Chamber of Commerce Business Register: 34132532/29.03.2000  
RSIN: 808800322

**Romanian Tax Registration Code:** RO 37449310

**Share Capital:** EUR 6,810,042.52

**Number of shares in issue:** 100,000,000 (out of which (i) 64,556,028 class A shares with a nominal value of ten eurocents (€ 0.10) each and (ii) 35,443,972 class B shares, with a nominal value of one eurocent (€ 0.01) each)

**Number of listed shares:** 35,443,972 class B shares

**Regulated market on which the issued securities are traded:** Bucharest Stock Exchange, Main Segment, Category Int'l (Shares)

**Important events to be reported:** Availability of Q3 2023 Financial Report (for the nine month and for the three month period ended 30 September 2023) for Digi Communications N.V. Group.

Digi Communications N.V. informs the shareholders and investors that the Q3 2023 Financial report is available starting 14 November 2023, on the company's website ([www.digi-communications.ro](http://www.digi-communications.ro)), at section Investor Relations/Financial reports.

## **Digi Communications N.V. reports consolidated revenues of 1.2 billion euros, adjusted EBITDA of 430 million euros for the first nine months of 2023**

- Digi Communications consolidated revenues increased 14% year-on-year in Q3 2023, reaching EUR 429.5 million, resulting in EUR 1,238.8 million in revenues generated in 9M 2023 (+13% vs 9M 2022)
- Adjusted EBITDA (excluding the impact of IFRS 16) reached EUR 129.3 million in Q3 2023, a 21% year-on-year increase based on the expansion of the customer base, contributing to the result for 9M 2023 of EUR 367.9 million (+17% vs 9M 2022)
- A substantial increase in the number of revenue-generating units (RGUs) in all three markets - Romania, Spain, and Italy, reaching 23.2 million RGUs (+15% YoY growth) across the entire portfolio of services – mobile and fixed-line telecommunication services, fixed internet and data, and Pay TV

Digi Communications N.V., one of the leading European telecommunications companies, listed on the Bucharest Stock Exchange, reports consolidated revenues (including revenues and other income) of EUR 433.7 million in the third quarter of 2023, a 13% increase compared to the same period of the previous year. Adjusted EBITDA increased by 19% compared to the result from Q3 2022, reaching EUR 150.4 million. Adjusted EBITDA excluding the impact of IFRS 16 increased 21% year-on-year, to EUR 129.3 million.

The solid performance in the third quarter, in line with management's expectations, contributed to the results generated for the first nine months of the year. Consequently, the Group recorded in the first nine months of 2023 consolidated revenues of EUR 1,238.8 million, a 13% increase versus 9M 2022, adjusted EBITDA of EUR 430.3 million (+16% vs 9M 2022) and adjusted EBITDA excluding the IFRS 16 impact of EUR 367.9 million (+17% vs 9M 2022).

*Serghei Bulgac, CEO of Digi Communications, stated: "The strong financial results generated by our Group in third quarter mirrored the success of our strategic initiatives. The remarkable evolution across all service categories in Romania and Spain is aligned with our projections for the year, showcasing our ability to execute our growth strategy with precision. The sustained financial performance is a direct result of a robust increase in customer base, driven by a substantial RGU increase in Romania and Spain, particularly in the mobile segment where we saw a 19% and 24% year-on-year growth, respectively. As we continue Digi's geographical expansion across our existing markets, we remain committed to offering competitive and superior services to all our customers. Looking beyond 2023, we are pleased to be advancing with our entry into the Portuguese and Belgian markets, where we aim to replicate our affordable, high-quality service model, thereby ensuring our continued growth in the European telecom landscape."*

In Q3 2023, Digi continued to grow across its entire service portfolio, exceeding 23.2 million of revenue-generating contractual relationships (RGUs) across its three markets of activity – Romania, Spain, and Italy, representing a 15% year-on-year increase. The Group's offerings include mobile and fixed-line telecommunication services, fixed internet and data, and Pay TV services. In Romania, Digi offers fixed telecommunication and entertainment services through a technologically advanced fiber optic network. The Group also operates a mobile network in Romania, which shares the backbone of the fixed fiber optic infrastructure. In Spain, Digi offers

mobile services, broadband, and fixed-line telephony, while in Italy, the Group provides exclusively mobile services.

The mobile segment is prominent as it produces the highest number of RGUs among all the Group's service categories, contributing to 45% of total RGUs across all three markets. Continuing with the growth rate of previous quarters, the number of RGUs in this category reached 10.5 million, a 21% increase, covering mobile telephony clients across Romania, Spain, and Italy.

In **Romania**, the mobile services segment reached 5.6 million RGUs, an evolution of 19% compared to Q3 2022. Fixed mobile services registered an increase of 10%, compared to the same period of last year, up to 4.5 million RGUs, while the segment of Pay-TV services (cable and satellite) increased by 5% compared to the same period of last year, up to 5.6 million RGUs. Together with fixed-line telephony, the total number of RGUs in the Romanian market amounted to 16.7 million customers, a 10% increase.

Operations in **Spain** continued to perform well in the Q3 2023, with the number of users of fixed services, internet, and mobile telephony increasing 33% compared to the same period of the prior year, to 6.1 million RGUs. Mobile users increased by 24% to 4.5 million RGUs, while broadband users increased by 66% to 1.2 million.

In **Italy**, mobile users increased by 14%, reaching 409 thousand RGUs as of the end of Q3 2023.

The Group's strategic initiatives in Portugal and Belgium set the stage for future expansion of Digi in these two markets. In **Portugal**, the subsidiary is actively laying the groundwork to commence commercial services in 2024. The preparations are sustained by a long-term partnership with Cellnex, a key player in the telecom infrastructure sector in this country.

In **Belgium**, Digi Communications Belgium N.V. and InSky N.V. established a foundation for future operations by signing in August 2023 a series of wholesale agreements with Proximus Plc, the leading telecom player in Belgium. These agreements will compliment the mobile spectrum package that was won in June 2022 by the joint venture.

Commercial indicators by market (RGU 000's)	Q3 23	Q3 22	Change (%)
<b>Romania</b>	<b>16,653</b>	<b>15,106</b>	<b>10.2%</b>
Pay-TV	5,640	5,360	5.2%
Mobile services	5,625	4,715	19.3%
Broadband	4,487	4,083	9.9%
Fixed telephony	901	948	-5.0%
<b>Spain</b>	<b>6,113</b>	<b>4,609</b>	<b>32.6%</b>
Mobile services	4,469	3,614	23.7%
Broadband	1,242	746	66.5%
Fixed telephony	402	249	61.4%
<b>Italy</b>	<b>409</b>	<b>359</b>	<b>13.9%</b>
Mobile services	409	359	13.9%
<b>TOTAL</b>	<b>23,175</b>	<b>20,074</b>	<b>15.4%</b>

For details regarding the Financial Report and Interim Condensed Consolidated Financial Statements as at September 30, 2023, please visit our site: <https://www.digi-communications.ro/en/investor-relations>

For additional information, please contact us at [investor.relations@digi-communications.ro](mailto:investor.relations@digi-communications.ro)

**Serghei Bulgac,**

**Chief Executive Officer**





**3<sup>RD</sup> QUARTER 2023 – FINANCIAL REPORT**  
**for the three-month period ended September 30, 2023**

**DIGI COMMUNICATIONS N.V. (“Digi”)**



**(the “COMPANY”)**

(Digi, together with its direct and indirect consolidated subsidiaries are referred to as the  
“Group”)

**FINANCIAL REPORT (the “REPORT”)  
for the three-month period ended September 30, 2023**

*This Unaudited Interim Condensed Consolidated Financial Report for the period ended 30 September 2023 refers to the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IAS 34 “Interim Financial Reporting”.*

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# Important Information



## Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Report are not historical facts and are forward-looking. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

Words such as “believe,” “anticipate,” “estimate,” “target,” “potential,” “expect,” “intend,” “predict,” “project,” “could,” “should,” “may,” “will,” “plan,” “aim,” “seek” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

The forward-looking statements contained in this Report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, without limitation, various risks related to our business, risks related to regulatory matters and litigation, risks related to investments in emerging markets, risks related to our financial position as well as risks related to the notes and the related guarantee.

Any forward-looking statements are only made as of the date of this Report. Accordingly, we do not intend, and do not undertake any obligation, to update forward-looking statements set forth in this Report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Report. As a result, you should not place undue reliance on such forward-looking statements.

## Operating and Market Data

Throughout this Report, we refer to persons who subscribe to one or more of our services as customers. We use the term revenue generating unit (“RGU”) to designate a subscriber account of a customer in relation to one of our services. We measure RGUs at the end of each relevant period. An individual customer may represent one or several RGUs depending on the number of our services to which it subscribes.

More specifically:

- for our cable TV and DTH services, we count each basic package that we invoice to a customer as an RGU, without counting separately the premium add-on packages that a customer may subscribe for;
- for our fixed internet and data services, we consider each subscription package to be a single RGU;
- for our fixed-line telephony services, we consider each phone line that we invoice to be a separate RGU, so that a customer will represent more than one RGU if it has subscribed for more than one phone line; and
- for our mobile telecommunication services, we consider the following to be a separate RGU: (a) for pre-paid services, each mobile voice and mobile data SIM with active traffic in the last month of the relevant period, except for Romania where pre-paid RGUs are not included due to low usage and small number of users; and (b) for post-paid services, each separate SIM on a valid contract.

As our definition of RGUs is different for our different business lines, you should use caution when comparing RGUs between our different business lines. In addition, since RGUs can be defined differently by different companies within our industry, you should use caution in comparing our RGU figures to those of our competitors. We use the term average revenue per unit (“ARPU”) to refer to the average revenue per RGU in a geographic segment or the Group as a whole, for a period by dividing the total revenue of such geographic segment, or the Group, for such period, (a) if such period is a calendar month, by the total number of RGUs invoiced for services in that calendar month; or (b) if such period is longer than a calendar month, by (i) the average number of relevant RGUs invoiced for services in that period and (ii) the number of calendar months in that period. In our ARPU calculations we do not differentiate between various types of subscription packages or the number and nature of services an individual customer subscribes for. Because we calculate ARPU differently from some of our competitors, you should use caution when comparing our ARPU figures with those of other telecommunications companies.

In this Report RGUs and ARPU numbers presented under the heading “Other” are the RGUs and ARPU numbers of our Italian subsidiary.



## Non-GAAP Financial Measures

In this report, we present certain financial measures that are not defined in and, thus, not calculated in accordance with IFRS, U.S. GAAP or generally accepted accounting principles in any other relevant jurisdiction. This includes EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, companies can define and calculate these measures differently, and therefore we urge you not to use them as a basis for comparing our results with those of other companies.

We calculate EBITDA by adding back to our consolidated operating profit or loss charges for depreciation, amortisation and impairment of assets. Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items. Adjusted EBITDA Margin is the ratio of Adjusted EBITDA to the sum of our total revenue and other operating income. EBITDA, Adjusted EBITDA or Adjusted EBITDA Margin under our definition may not be comparable to similar measures presented by other companies and labelled “EBITDA”, “Adjusted EBITDA” or “Adjusted EBITDA Margin,” respectively.

We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are useful analytical tools for presenting a normalized measure of cash flows that disregards temporary fluctuations in working capital, including due to fluctuations in inventory levels and due to timing of payments received or payments made. Since operating profit and actual cash flows for a given period can differ significantly from this normalized measure, we urge you to consider these figures for any period together with our data for cash flows from operations and other cash flow data and our operating profit. You should not consider EBITDA, Adjusted EBITDA or Adjusted EBITDA Margin as substitutes for operating profit or cash flows from operating activities.

In Note 3 to the Interim Financial Statements, as part of our “Other” segment we reported EBITDA of (i) our Italian operations, together with operating expenses of Digi and Portugal. In this Report, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin represent the results of our Romanian, Spanish, Portuguese and Italian subsidiaries and operating expenses of Digi.

## Rounding

Certain amounts that appear in this Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

# Management's Discussion and Analysis of Financial Condition and Results of Operations



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The following discussion and analysis of the financial condition and results of operations of the Group should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Group as of September 30, 2023.

The following discussion includes forward-looking statements based on assumptions about our future business. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described in sections captioned “Forward-Looking Statements” of this Report.

## Overview

We are a leading provider of telecommunication services in Romania, Spain and Italy with a presence also in Portugal and Belgium.

- **Romania.** Our offerings in Romania include cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH.
- **Spain.** We provide mobile telecommunication services as an MVNO through the mobile network of Telefónica. We also offer fixed internet and data and fixed-line telephony services through Telefónica’s fixed network and through our own GPON-XGSPON network.
- **Italy.** We provide mobile telecommunication services as an MVNO through the mobile network of Vodafone. Our service offerings in Italy primarily target the large local Romanian community.
- **Portugal.** At the end of 2021, we were awarded mobile spectrum in Portugal at the 5G auction. We are in process of developing the fixed and mobile networks and we will start operations at a later date.
- **Belgium.** During 2022, we were awarded, together with Citymesh NV, part of Cegeka Group, mobile spectrum in Belgium at the 5G auction organized by the Belgian Institute for Postal Services and Telecommunication (“BIPT”). We will start to build a new national mobile network (the 4th). This will allow the Group to expand its business on the Belgium market, in order to provide high quality, affordable telecommunication services, based on the latest technologies.

For the three months ended September 30, 2023, we had revenues and other income of €433.7 million, net profit of €13 million and Adjusted EBITDA of €150.4 million.

## Basis of Financial Presentation

The Group prepared its Interim Financial Statements as of September 30, 2023 in accordance with IFRS as adopted by the EU. For the periods discussed in this Report, the Group’s presentation currency was the euro. The Group’s financial year ends on December 31 of each calendar year. All amounts presented are for continuing operations unless otherwise stated.

## Functional Currencies and Presentation Currency

Each Group entity prepares individual financial statements in its functional currency, which is the currency of the primary economic environment in which such entity operates. As our operations in Romania and Spain generated approximately 60% and 39%, respectively, of our consolidated revenue for the three months ended September 30, 2023 our principal functional currencies are the Romanian leu and EUR.

The Group presents its consolidated Interim Financial Statements in euros. The Group uses the euro as the presentation currency of its consolidated Interim Financial Statements because management analysis and reporting are prepared in euros, as the euro is the most used reference currency in the telecommunication industry in the European Union.

## Presentation of Revenue and Operating Expenses

Our Board of Directors evaluates business and market opportunities and considers our results primarily on a country by country basis. We currently generate revenue in Romania, Spain and Italy. We incur operating expenses in Romania, Spain, Italy and Portugal. Revenue and operating expenses from our operations are broken down into the following geographic segments: Romania, Spain and Other (the other segment includes Italy, Digi and Portugal).

In line with our management’s consideration of the Group’s revenue generation we further break down revenue generated by each of our four geographic segments in accordance with our five principal business lines: (1) cable TV; (2) fixed internet and data; (3) mobile telecommunication services; (4) fixed-line telephony; and (5) DTH.



## Exchange rates

The following table sets out, where applicable, the period end and average exchange rates for the periods under review of the euro against each of our principal functional currencies, in each case as reported by the relevant central bank on its website (unless otherwise stated):

Value of one euro in the relevant currency	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
	2023	2022	2023	2022
<b>Romanian leu (RON) <sup>(1)</sup></b>				
Period end rate	4.97	4.95	4.97	4.95
Average rate	4.95	4.91	4.94	4.94

*(1) According to the exchange rates published by the National Bank of Romania.*

In the three months ended September 30, 2023, we had a net foreign exchange loss (which is recognized in net finance result on our statement of comprehensive income) of €4.1 million. In the three months ended September 30, 2022, we had a net foreign exchange loss of €4.1 million.

In the nine months ended September 30, 2023, we had a net foreign exchange loss (which is recognized in net finance results on our statement of comprehensive income) of €6.0 million. In the nine months ended September 30, 2022 we had a net foreign exchange loss of €9.2 million.

### Growth in Business, RGUs and ARPU

Our revenue is mostly a function of the number of our RGUs and ARPU. Neither of these terms is a measure of financial performance under IFRS, nor have these measures been reviewed by an outside auditor, consultant or expert. Each of these measures is derived from management estimates. As defined by our management, these terms may not be comparable to similar terms used by other companies.

The following table shows our RGUs (thousand) and monthly ARPU (€/month) by geographic segment as at and for the three-month period ended September 30, 2023 and 2022:

RGUs (thousand)/ARPU (€/month)	As at and for the three months ended September 30,		% change
	2023	2022	
Romania			
RGUs			
Pay TV <sup>(1)</sup>	5,640	5,360	5.2%
Fixed internet and data <sup>(2)</sup>	4,487	4,083	9.9%
Mobile telecommunication services <sup>(3)</sup>	5,625	4,715	19.3%
Fixed-line telephony <sup>(2)</sup>	901	948	(5.0%)
ARPU <sup>(4)</sup>	4.5	4.6	(2.2%)
Spain			
RGUs			
Fixed internet and data	1,242	746	66.5%
Mobile telecommunication services <sup>(3)</sup>	4,469	3,614	23.7%
Fixed-line telephony	402	249	61.4%
ARPU <sup>(4)</sup>	9.3	9.5	(2.1%)
Other <sup>(5)</sup>			
RGUs			
Mobile telecommunication services <sup>(3)</sup>	409	359	13.9%
ARPU <sup>(4)</sup>	6.1	6.6	(7.6%)

(1) Includes RGUs for Cable television and DTH services.

(2) Includes residential and business RGUs.

(3) Includes mobile telephony and mobile internet and data RGUs.

(4) ARPU refers to the average revenue per RGU in a geographic segment or the Group as a whole, for a period by dividing the total revenue of such geographic segment, or the Group, for such period.

(5) Includes Italy.

## Historical Results of Operations

### Results of Operations for the three and nine months ended September 30, 2023 and 2022

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
(€ millions)	2023	2022	2023	2022
<b>Revenues</b>				
Romania	257.2	243.9	754.2	719.6
Spain	166.1	128.0	466.0	357.1
Other	7.7	7.1	21.7	20.6
Elimination of intersegment revenues	(1.5)	(1.8)	(3.1)	(3.4)
<b>Total revenues</b>	<b>429.5</b>	<b>377.2</b>	<b>1,238.8</b>	<b>1,093.9</b>
<b>Other income</b>	<b>4.2</b>	<b>7.9</b>	<b>12.1</b>	<b>22.2</b>
<b>Other expenses</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.5)</b>
<b>Operating expenses</b>				
Romania	(145.9)	(143.2)	(424.5)	(417.5)
Spain	(129.9)	(109.1)	(373.7)	(306.4)
Other	(9.1)	(8.2)	(25.5)	(24.4)
Elimination of intersegment expenses	1.5	1.8	3.1	3.4
Depreciation, amortisation and impairment of tangible and intangible assets	(105.6)	(81.3)	(310.4)	(253.5)
<b>Total operating expenses</b>	<b>(388.9)</b>	<b>(340.0)</b>	<b>(1,131.1)</b>	<b>(998.3)</b>
<b>Operating profit</b>	<b>44.7</b>	<b>44.8</b>	<b>119.4</b>	<b>117.3</b>
Finance income	2.3	0.3	4.8	0.5
Finance expense	(28.4)	(20.8)	(68.3)	(58.1)
<b>Net finance costs</b>	<b>(26.1)</b>	<b>(20.5)</b>	<b>(63.5)</b>	<b>(57.6)</b>
Share of loss of equity-accounted investees	(0.9)	-	(6.2)	-
<b>Profit before taxation</b>	<b>17.7</b>	<b>24.4</b>	<b>49.8</b>	<b>59.8</b>
<b>Income tax expense</b>	<b>(4.7)</b>	<b>(1.4)</b>	<b>(10.0)</b>	<b>(6.1)</b>
<b>Profit for the period continuing operations</b>	<b>13.0</b>	<b>23.0</b>	<b>39.8</b>	<b>53.7</b>
<b>Net Profit for the period - discontinued</b>	<b>-</b>	<b>(0.5)</b>	<b>-</b>	<b>318.7</b>
<b>Profit for the period</b>	<b>13.0</b>	<b>22.5</b>	<b>39.8</b>	<b>372.4</b>
	Three months ended 30 September 2023	Three months ended 30 September 2022 Restated <sup>1)</sup>	Nine months ended 30 September 2023	Nine months ended 30 September 2022 Restated <sup>1)</sup>
<b>Revenues</b>	<b>429.5</b>	<b>377.2</b>	<b>1,238.8</b>	<b>1,093.9</b>
<b>Other income</b>	<b>4.2</b>	<b>7.9</b>	<b>12.1</b>	<b>22.2</b>
<b>EBITDA</b>				
Operating profit	44.7	44.8	119.4	117.3
Depreciation, amortization and impairment and revaluation impact	105.6	81.3	310.4	253.5
<b>EBITDA</b>	<b>150.3</b>	<b>126.1</b>	<b>429.8</b>	<b>370.8</b>
Other expenses	0.1	0.2	0.4	0.5
<b>Adjusted EBITDA</b>	<b>150.4</b>	<b>126.4</b>	<b>430.3</b>	<b>371.3</b>
<b>IFRS 16 impact</b>	<b>(21.1)</b>	<b>(19.0)</b>	<b>(62.4)</b>	<b>(57.4)</b>
<b>Adjusted EBITDA excluding IFRS 16 impact</b>	<b>129.3</b>	<b>107.3</b>	<b>367.9</b>	<b>313.9</b>



## Revenue

Our revenue (excluding intersegment revenue and other income) for the three-month period ended September 30, 2023 was €429.5 million, compared with €377.2 million for the three-month period ended September 30, 2022, an increase of 13.9%.

Our revenue (excluding intersegment revenue and other income) for the nine-month period ended September 30, 2023 was €1,238.8 million, compared with €1,093.9 million for the nine-month period ended September 30, 2022, an increase of 13.2%.

The following table shows the distribution of revenue by geographic segment and business line for the three and nine-month period ended September 30, 2023 and 2022:

	As at and for the three months ended September 30,			As at and for the nine months ended September 30,		
	2023	2022	% change	2023	2022	% change
<b>(€ millions)</b>						
<b>Geographical segment</b>						
Romania	256.1	242.3	5.7%	751.8	716.8	4.9%
Spain	166.0	127.8	29.9%	465.7	356.7	30.6%
Other <sup>(1)</sup>	7.4	7.1	5.0%	21.3	20.5	3.9%
<b>Total</b>	<b>429.5</b>	<b>377.2</b>	<b>13.9%</b>	<b>1,238.8</b>	<b>1,093.9</b>	<b>13.2%</b>
<b>Category</b>						
Fixed services <sup>(2)</sup>	213.1	184.1	15.7%	619.2	532.7	16.2%
Mobile services	184.8	158.3	16.7%	524.0	450.7	16.3%
Other	31.7	34.8	(9.0%)	95.5	110.5	(13.5%)
<b>Total</b>	<b>429.5</b>	<b>377.2</b>	<b>13.9%</b>	<b>1,238.8</b>	<b>1,093.9</b>	<b>13.2%</b>

(1) Includes revenue from operations in Italy and Portugal.

(2) Includes revenues from DTH operations.

**Revenue in Romania** for the three-month period ended September 30, 2023 was €256.1 million compared with €242.3 million for the three-month period ended September 30, 2022, an increase of 5.7%.

Revenue growth in Romania was mainly the result of the increase of mobile telecommunication services, fixed internet and data and pay TV RGUs in the period, due to organic growth. ARPU in Romania was impacted by the decrease in mobile termination rates, as well as subscription packages' mix.

Our Pay TV RGUs increased from approximately 5,360 thousand as at September 30, 2022 to approximately 5,640 thousand as at September 30, 2023, an increase of approximately 5.2%, and our fixed internet and data RGUs increased from approximately 4,083 thousand as at September 30, 2022 to approximately 4,487 thousand as at September 30, 2023, an increase of approximately 9.9%. These increases were obtained both organically, primarily due to our investments in expanding our fixed fiber-optic network and to our attractive fixed internet and data and pay TV packages.

Mobile telecommunication services RGUs increased from approximately 4,715 thousand as at September 30, 2022 to approximately 5,625 thousand as at September 30, 2023, an increase of approximately 19.3%, mainly driven by our attractive offerings.

Fixed-line telephony RGUs decreased from approximately 948 thousand as at September 30, 2022 to approximately 901 thousand as at September 30, 2023, a decrease of approximately 5.0%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Other revenues include mainly sales of equipment, revenue from energy and advertising revenue. Sales of equipment include mainly mobile handsets.

**Revenue in Spain** for the three-month period ended September 30, 2023 was €166.0 million, compared with €127.8 million for the three-month period ended September 30, 2022, an increase of 29.9%.

The increase in revenues generated by our operations in Spain was due to the increase in mobile telecommunication services and fixed internet and data RGUs in the period, mainly driven by our attractive offerings.

Mobile telecommunication services RGUs increased from approximately 3,614 thousand as at September 30, 2022 to approximately 4,469 thousand as at September 30, 2023, an increase of approximately 23.7%.

Fixed internet and data RGUs increased from approximately 746 thousand as at September 30, 2022 to approximately 1,242 thousand as at September 30, 2023, an increase of approximately 66.5% and fixed-line telephony RGUs increased from approximately 249 thousand as at September 30, 2022 to approximately 402 thousand as at September 30, 2023, an increase of approximately 61.4%.

**Revenue in Other** mainly represents revenue from our operations in Italy and Portugal for the three-month period ended September 30, 2023 was € 7.4 million, compared with €7.1 million for the three-month period ended September 30, 2022, an increase of 5.0%. Mobile telecommunication services RGUs increased from approximately 359 thousand as at September 30, 2022 to approximately 409 thousand as at September 30, 2023, an increase of approximately 13.9%

### Total operating expenses

Our total operating expenses (excluding intersegment expenses and other expenses, but including depreciation, amortisation and impairment) for the three-month period ended September 30, 2023 were €388.9 million, compared with €340.0 million for the three-month period ended September 30, 2022, an increase of 14.4%.

Our total operating expenses (excluding intersegment expenses and other expenses, but including depreciation, amortisation and impairment) for the nine months ended September 30, 2023 were €1,131.1 million compared with €998.3 million for the nine months ended September 30, 2022, an increase of 13.3%.

The following table shows the distribution of total operating expenses by geographic segment for the three and nine-month period ended September 30, 2023 and 2022:

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
	2023	2022	2023	2022
<b>(€ millions)</b>				
Romania	145.4	143.0	423.8	416.9
Spain	129.1	108.0	372.0	304.4
Other <sup>(1)</sup>	8.8	7.7	24.8	23.6
Depreciation, amortisation and impairment of tangible and intangible assets	105.6	81.3	310.4	253.5
<b>Total operating expenses</b>	<b>388.9</b>	<b>340.0</b>	<b>1,131.1</b>	<b>998.3</b>

(1) Includes operating expenses of operations in Italy and operating expenses of Digi.

**Operating expenses in Romania** for three-month period ended September 30, 2023 were €145.4 million, compared with €143.0 million for the three-month period ended September 30, 2022, an increase of 1.7%.

The increase in operating expenses is in line with the growth of the business.

**Operating expenses in Spain** for the three-month period ended September 30, 2023 were €129.1 million, compared with €108.0 million for the three-month period ended September 30, 2022, an increase of 19.5%. Operating expenses follow the evolution of increase in mobile telephony services RGUs between the two periods, as a results of business development.

**Operating expenses in Other** represents expenses of our operations in Italy, Portugal and expenses of Digi for the three-month period ended September 30, 2023 were €8.8 million, compared with €7.7 million for the three-month period ended September 30, 2022, an increase of 14.3%.



## Depreciation, amortisation and impairment of tangible and intangible assets

The table below sets out information on depreciation, amortisation and impairment of our tangible and intangible assets for the three and nine-month period ended September 30, 2023 and 2022.

	As at and for the three months ended September 30,		As at and for the nine months ended September 30	
	2023	2022	2023	2022
<b>(€ millions)</b>				
Depreciation of property, plant and equipment	38.2	33.1	121.8	99.7
Amortisation of non-current intangible assets and programme assets	22.2	19.0	69.0	58.9
Amortisation of subscriber acquisition costs	14.9	11.0	43.8	38.0
Amortisation of right of use assets	27.8	18.2	71.7	54.7
Impairment of property, plant and equipment	2.5	0.0	4.2	2.2
<b>Total</b>	<b>105.6</b>	<b>81.3</b>	<b>310.4</b>	<b>253.5</b>

### Depreciation of property, plant and equipment

Depreciation of property, plant and equipment was €38.2 million for the three-month period ended September 30, 2023, compared with €33.1 million for the three-month period ended September 30, 2022, an increase of 15.4%. This variation is the result of our continuing development of networks.

### Amortisation of non-current intangible assets

Amortisation of non-current intangible assets was €22.2 million for the three-month period ended September 30, 2023, compared with €19.0 million for the three-month period ended September 30, 2022, an increase of 16.8%. This was due to amortisation increase of software licenses for telecommunications' equipment.

### Amortisation of subscriber acquisition cost

Amortisation of subscriber acquisition costs was €14.9 million for the three-month period ended September 30, 2023, compared with €11.0 million for the three-month period ended September 30, 2022.

### Amortisation of right of use

Amortisation of right of use for the three-month period ended September 30, 2023 was €27.8 million, compared to €18.2 million for the three-month period ended September 30, 2022. Modifications of lease contracts' stipulations for certain contracts during the period led to variations in the amortisation charge for the period.

### Operating profit

For the reasons set forth above, our operating profit was €44.7 million for the three-month period ended September 30, 2023, compared with €44.8 million for the three-month period ended September 30, 2022.

### Net finance cost

We recognized net finance costs of €26.1 million in the three-month period ended September 30, 2023, compared with €20.5 million for the three-month period ended September 30, 2022.

The net loss from foreign exchange, as well as the impact of the interest expenses, have contributed to the increase of the net finance loss.

### Profit before taxation

For the reasons set forth above, our profit before taxation was €17.7 million in the three-month period ended September 30, 2023, compared with profit before taxation of €24.4 million for the three-month period ended September 30, 2022.

### Income tax expense

An income tax expense of €4.7 million was recognized in the three-month period ended September 30, 2023, compared to a tax expense of €1.4 million recognized in the three-month period ended September 30, 2022.

### **Net profit/(loss) for the period**

For the reasons set forth above, our net profit was €13.0 million in the three-month period ended September 30, 2023, compared with net profit of €22.5 million for the three-month ended September 30, 2022.

## Liquidity and Capital Resources

Historically, our principal sources of liquidity have been our operating cash flows as well as debt financing. Going forward, we expect to fund our cash obligations and capital expenditures primarily out of our operating cash flows, credit facilities and letter of guarantee facilities. We believe that our operating cash flows will continue to allow us to maintain a flexible capital expenditure policy.

All of our businesses have historically produced positive operating cash flows that are relatively constant from month to month. Variations in our aggregate cash flow during the periods under review principally represented increased or decreased cash flow used in investing activities and cash flow from financing activities.

We have made and intend to continue to make significant investments in the growth of our businesses by expanding our mobile telecommunication network and our fixed fiber optic networks, acquiring new and renewing existing content rights, procuring CPE which we provide to our customers and exploring other investment opportunities on an opportunistic basis in line with our current business model. We believe that we will be able to continue to meet our cash flow needs by the acceleration or deceleration of our growth and expansion plans.

### Historical cash flows

The following table sets forth our consolidated cash flows from operating activities for the three and nine-month period ended September 30, 2023 and 2022, cash flows used in investing activities and cash flows from/ (used in) financing activities.

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
	2023	2022	2023	2022
<b>(€ millions)</b>				
<b>Cash flows from operations before working capital changes</b>	<b>150.3</b>	<b>111.0</b>	<b>429.0</b>	<b>352.6</b>
Cash flows from changes in working capital	(8.7)	38.0	(45.7)	(5.3)
<b>Cash flows from operations</b>	<b>141.6</b>	<b>149.0</b>	<b>383.3</b>	<b>347.3</b>
Interest paid	(23.2)	(15.4)	(50.1)	(34.3)
Income tax paid	(2.2)	(3.8)	(3.2)	(5.1)
<b>Cash flow from operating activities</b>	<b>116.2</b>	<b>129.8</b>	<b>330.0</b>	<b>307.8</b>
<b>Cash flow from / (used in) investing activities</b>	<b>(145.4)</b>	<b>(126.9)</b>	<b>(549.7)</b>	<b>240.2</b>
<b>Cash flows from / (used in) financing activities</b>	<b>32.6</b>	<b>32.0</b>	<b>167.1</b>	<b>(246.9)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>3.4</b>	<b>34.9</b>	<b>(52.6)</b>	<b>301.1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>205.5</b>	<b>285.8</b>	<b>261.4</b>	<b>19.6</b>
Effect of exchange rate fluctuation on cash and cash equivalent held	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at the closing of the period</b>	<b>208.8</b>	<b>320.7</b>	<b>208.8</b>	<b>320.7</b>

*Cash flows from operations before working capital changes* were €150.3 million in the three-month period ended September 30, 2023 and €111.0 million in the three-month period ended September 30, 2022 for the reasons discussed in “—Historical Results of Operations—Results of operations for the three-month period ended September 30, 2023 and 2022”.

The following table shows changes in our working capital:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
<b>(€ millions)</b>				
(Increase) in trade receivables and other assets	(25.4)	24.3	(38.2)	(39.5)
Decrease/(increase) in inventories	1.3	(3.2)	6.4	2.3
(Decrease)/increase in programming assets	(10.1)	(8.8)	(19.8)	(20.9)
Increase/(decrease) in trade payables and other current liabilities	23.5	21.1	(0.0)	43.9
Increase/(decrease) in contract liabilities	1.9	4.5	5.8	8.9
<b>Total</b>	<b>(8.7)</b>	<b>38.0</b>	<b>(45.7)</b>	<b>(5.3)</b>

We had a working capital requirement of €8.7 million in the three-month period ended September 30, 2023 (compared with a working capital surplus of €38 million in the three-month period ended September 30, 2022).

*Cash flows from operating activities* were €116.2 million in the three-month period ended September 30, 2023 and €129.8 million in the three-month period ended September 30, 2022. Included in these amounts are deductions for interest paid and income tax paid. Income tax paid was €2.2 million in the three months ended September 30, 2023 and €3.8 million in the three-month ended September 30, 2022. Interest paid was €23.2 million in the three-



month ended September 30, 2023, compared with €15.4 million in the three-month ended September 30, 2022.

***Cash flows used in investing activities*** were €145.4 million in the three-month period ended September 30, 2023 and €126.9 million in the three-month period ended September 30, 2022.

Purchases of property, plant and equipment were €122.3 million in the three months ended September 30, 2023 and €74.6 million in the three months ended September 30, 2022.

Payments to obtain sales contracts were €14.6 million in the three months ended September 30, 2023 and €12.6 million in the three months ended September 30, 2022.

Purchases of intangible assets were €8.4 million in the three months ended September 30, 2023 and €39.2 million in the three months ended September 30, 2022.

***Cash flows from/(used in) financing activities*** were €32.6 million inflow for the three-month period ended September 30, 2023 and €32.0 million inflow for the three-month ended September 30, 2022.

## Main variations of assets and liabilities as at September 30, 2023

Main variations for the consolidated financial position captions as at September 30, 2023 are presented below:

### *ASSETS*

#### *Property plant and equipment*

Net book value of tangible assets increased in line with the continuing development of networks in our territories and capitalized subscriber acquisition costs and licenses, respectively.

### *LIABILITIES*

#### *Loans and borrowings*

Short term loans and borrowings as at September 30, 2023 are in amount of €185.8 million (December 31, 2022: €94.9 million).

Long-term loans and borrowings as at September 30, 2023 are in amount of €1,203.2 million (December 31, 2022: €1,027.8 million).

The variation is mainly the result of new financing obtained by the Group in 2023.

#### *Trade and other payables*

As at September 30, 2023 trade and other payables were in amount of €585.6 million (December 31, 2022: €660.8 million).

## **Management Statement for the Interim Condensed Consolidated Financial Statements of Digi Communications NV Group for the nine months period ended 30 September 2023**

The Board of Directors (the “Board”) confirms that to the best of its knowledge, the Interim Condensed Consolidated Financial Statements of Digi Communications NV Group for the period ended 30 September 2023 prepared in accordance with IAS 34 “Interim financial reporting” give a true and fair view of the assets, liabilities, financial position, statement of comprehensive income for Digi Communications NV Group.

The Board declares that the Management Report (Director’s report), issued as per Directive 2004/109/EC (“Transparency Directive”) and in compliance with Law 24/2017 and FSA Regulation no 5/2018 as subsequently amended and supplemented, containing analysis of the results for the reported period reflects correct and complete information according to the reality regarding the results and development of Digi Communications NV Group.

Serghei Bulgac,  
CEO

Valentin Popoviciu,  
Executive Director,

14 November 2023

# **DIGI COMMUNICATIONS NV**

## **UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**PREPARED IN ACCORDANCE WITH  
IAS 34 INTERIM FINANCIAL REPORTING  
for the nine-month period ended 30 September 2023**

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## **GENERAL INFORMATION**

### **Directors:**

Serghei Bulgac

Bogdan Ciobotaru

Emil Jugaru

Valentin Popoviciu

Piotr Rymaszewski

Marius Catalin Varzaru

Zoltan Teszari

### **Registered Office:**

#### **Digi Communications N.V.**

75 Dr. Nicolae Staicovici Street, Forum 2000 Building, Phase1, 4<sup>th</sup> floor, 5<sup>th</sup> District, Bucharest, Romania

**DIGI Communications N.V.****Interim Condensed Consolidated Statement of Financial Position****as at 30 September 2023***(all amounts are in thousand Eur, unless specified otherwise)*

	Notes	30 September 2023	31 December 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,848,483	1,574,931
Right of use assets	5	420,431	307,101
Intangible assets and goodwill	6	340,862	356,456
Subscriber acquisition costs		61,820	58,012
Investment property	4	11,687	11,751
Financial assets at fair value through OCI		42,808	36,844
Equity accounted investees		1,911	7,980
Long term receivables		13,061	11,400
Other non-current assets		4,643	5,243
Deferred tax assets		3,442	2,840
<b>Total non-current assets</b>		<b>2,749,148</b>	<b>2,372,558</b>
<b>Current assets</b>			
Inventories		11,787	16,196
Programme assets	6	25,712	18,380
Trade and other receivables		78,346	75,478
Loans receivable from related parties		11,348	4,565
Contract assets		86,572	78,575
Income tax receivable		173	165
Other assets		20,810	16,353
Derivative financial assets	16	4,203	5,052
Cash and cash equivalents		208,842	261,408
<b>Total current assets</b>		<b>447,793</b>	<b>476,172</b>
<b>Total assets</b>		<b>3,196,941</b>	<b>2,848,730</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	7		
Share capital		6,810	6,810
Share premium		3,406	3,406
Treasury shares		(14,397)	(14,768)
Reserves		(14,384)	(17,482)
Retained earnings		619,257	600,841
<b>Equity attributable to owners of the parent</b>		<b>600,692</b>	<b>578,807</b>
Non-controlling interest		37,860	36,922
<b>Total equity</b>		<b>638,552</b>	<b>615,729</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	8	1,203,152	1,027,798
Lease liabilities	9	324,698	216,299
Deferred tax liabilities		80,641	76,131
Decommissioning provision		8,160	7,056
Trade and other payables		85,094	120,695
Contract liabilities		4,260	2,876
<b>Total non-current liabilities</b>		<b>1,706,005</b>	<b>1,450,855</b>
<b>Current liabilities</b>			
Trade and other payables		500,508	540,080
Employee benefits		53,046	46,062
Loans and borrowings	8	185,825	94,856
Lease liabilities	9	85,034	79,301
Income tax payable		3,013	746
Provisions		464	1,054
Contract liabilities		24,494	20,047
<b>Total current liabilities</b>		<b>852,384</b>	<b>782,146</b>
<b>Total liabilities</b>		<b>2,558,389</b>	<b>2,233,001</b>
<b>Total equity and liabilities</b>		<b>3,196,941</b>	<b>2,848,730</b>

*The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements.*

The condensed consolidated interim financial report was issued on 14 November 2023.

**DIGI Communications N.V.****Interim Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income****for the period ended 30 September 2023***(all amounts are in thousand Eur, unless specified otherwise)*

	Notes	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022 Restated <sup>1)</sup>
Revenues	11	429,484	377,206
Other income	20	4,230	7,888
Operating expenses	12	(315,970)	(278,607)
Employee benefits		(72,955)	(61,422)
Other expenses	20	(57)	(234)
<b>Operating Profit</b>		<b>44,732</b>	<b>44,831</b>
Finance income	13	2,268	329
Finance costs	13	(28,390)	(20,784)
<b>Net finance costs</b>		<b>(26,122)</b>	<b>(20,455)</b>
<b>Share of loss of equity-accounted investees, net of tax</b>		<b>(871)</b>	<b>-</b>
<b>Profit before taxation</b>		<b>17,739</b>	<b>24,376</b>
Income tax expense		(4,699)	(1,395)
<b>Profit from continuing operations</b>		<b>13,040</b>	<b>22,981</b>
<b>Discontinued operations</b>			
<b>Profit/(loss) from discontinued operations, net of tax</b>		<b>-</b>	<b>(519)</b>
<b>Profit for the period</b>		<b>13,040</b>	<b>22,462</b>
Attributable to owners		12,132	20,960
Attributable to non-controlling interest		908	1,502
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified to profit or loss, net of income tax</i>			
Foreign operations – foreign currency translation differences		(2,250)	(46)
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of equity instruments measured at fair value through OCI		2,901	(7,712)
<b>Other comprehensive income/(expense) for the period, net of income tax</b>		<b>651</b>	<b>(7,758)</b>
<b>Total comprehensive income/(expense) for the period</b>		<b>13,691</b>	<b>14,704</b>
Attributable to owners		12,921	13,145
Attributable to non-controlling interest		770	1,559

1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the three-month period ended 30 September 2022 were restated accordingly.

The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements.

The condensed consolidated interim financial report was issued on 14 November 2023.

**DIGI Communications N.V.****Interim Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income**  
**for the period ended 30 September 2023***(all amounts are in thousand Eur, unless specified otherwise)*

	Notes	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022 Restated <sup>1)</sup>
Revenues	11	1,238,793	1,093,936
Other income	20	12,128	22,215
Operating expenses	12	(917,318)	(821,632)
Employee benefits		(213,740)	(176,701)
Other expenses	20	(447)	(467)
<b>Operating Profit</b>		<b>119,416</b>	<b>117,351</b>
Finance income	13	4,806	534
Finance costs	13	(68,260)	(58,108)
<b>Net finance costs</b>		<b>(63,454)</b>	<b>(57,574)</b>
<b>Share of loss of equity-accounted investees, net of tax</b>		<b>(6,156)</b>	<b>-</b>
<b>Profit before taxation</b>		<b>49,806</b>	<b>59,777</b>
Income tax expense		(9,991)	(6,102)
<b>Profit from continuing operations</b>		<b>39,815</b>	<b>53,675</b>
<b>Discontinued operations</b>			
<b>Profit/(loss) from discontinued operations, net of tax</b>		<b>-</b>	<b>318,690</b>
<b>Profit for the period</b>		<b>39,815</b>	<b>372,365</b>
Attributable to owners		37,087	348,293
Attributable to non-controlling interest		2,728	24,072
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified to profit or loss, net of income tax</i>			
Foreign operations – foreign currency translation differences		(3,081)	5,121
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of equity instruments measured at fair value through OCI		6,182	(11,576)
<b>Other comprehensive income/(expense) for the period, net of income tax</b>		<b>3,101</b>	<b>(6,455)</b>
<b>Total comprehensive income(expense) for the period</b>		<b>42,916</b>	<b>365,910</b>
Attributable to owners		40,381	341,679
Attributable to non-controlling interest		2,535	24,231

1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the nine-month period ended 30 September 2022 were restated accordingly.

The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements

The condensed consolidated interim financial report was issued on 14 November 2023.

**DIGI Communications N.V.**
**Interim Condensed Consolidated Cash Flow Statement**  
**for the nine-month period ended 30 September 2023**  
*(all amounts are in thousand Eur, unless specified otherwise)*

	Notes	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022 Restated <sup>1)</sup>
<b>Cash flows from operating activities</b>			
<b>Profit before taxation from continuing operations</b>		<b>49,806</b>	<b>59,774</b>
<b>Profit/(Loss) before taxation from discontinued operations</b>		<b>-</b>	<b>318,690</b>
<b>Adjustments for:</b>			
Depreciation	12	193,477	154,417
Amortisation	12	112,801	98,509
Impairment	12	4,160	553
Decommissioning provision		374	-
Interest expense	13	52,581	32,016
Impairment of trade and other receivables	12	7,569	8,445
Set-up/(Reversal) of provisions		(631)	-
Unrealised losses/(gains) on derivative financial instruments		829	6,841
Share of loss of equity-accounted investees, net of tax		6,156	-
Equity settled share-based payments expense		673	1,304
Unrealised foreign exchange loss/(gain)		1,275	(8,686)
(Gain)/loss on sale of assets		(58)	(87)
Gain on sale of discontinued operations net of tax	17	-	(319,209)
<b>Cash flows from operations before working capital changes</b>		<b>429,012</b>	<b>352,567</b>
<b>Changes in:</b>			
(Increase)/decrease in trade receivables, other assets and contract assets		(38,170)	(39,471)
(Increase)/decrease in inventories		6,447	2,251
(Increase)/decrease program assets		(19,753)	(20,890)
Increase/(decrease) in trade payables and other current liabilities		(26)	43,919
Increase/(decrease) in contract liabilities		5,831	8,880
<b>Cash flows from operations</b>		<b>383,341</b>	<b>347,256</b>
Interest paid		(50,144)	(34,296)
Income tax paid		(3,181)	(5,149)
<b>Net cash flows from operating activities</b>		<b>330,016</b>	<b>307,811</b>
<b>Cash flow used in investing activities</b>			
Purchases of property, plant and equipment		(459,521)	(263,446)
Purchases of intangibles		(44,418)	(81,188)
Payments for subscriber acquisition costs		(45,723)	(38,885)
Acquisition of subsidiaries, net of cash and acquisition of NCI		-	235
Proceeds from disposal of discontinued operations, net of cash disposed		-	622,900
Proceeds from sale of property, plant and equipment		-	565
<b>Net cash flows used in investing activities</b>		<b>(549,662)</b>	<b>240,181</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders		(18,908)	(9,609)
Proceeds from loans and borrowings	8	317,378	90,721
Repayment of loans and borrowings	8	(39,931)	(276,317)
Payment to related parties borrowings		(6,350)	(4,111)
Financing costs paid		(8,040)	(2,878)
Payment of lease liabilities		(77,069)	(44,707)
<b>Net cash flows (used in)/from financing activities</b>		<b>167,080</b>	<b>(246,901)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(52,566)</b>	<b>301,091</b>
Cash and cash equivalents at the beginning of the period		261,408	19,636
Effect of exchange rate fluctuations of cash and cash equivalents held		-	3



**Interim Condensed Consolidated Cash Flow Statement  
for the nine-month period ended 30 September 2023  
(all amounts are in thousand Eur, unless specified otherwise)**

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<b>Cash and cash equivalents at the end of the period</b>	<b>208,842</b>	<b>320,730</b>
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1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the nine-month period ended 30 September 2022 were restated accordingly.

The Interim Condensed Consolidated statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value. The Interim Condensed Consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flow in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

*The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements.*

**DIGI Communications N.V.**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the period ended 30 September 2023**  
*(all amounts are in thousand Eur, unless specified otherwise)*

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
<b>Balance at 1 January 2023</b>	<b>6,810</b>	<b>3,406</b>	<b>(14,768)</b>	<b>(18,786)</b>	<b>9,308</b>	<b>(8,004)</b>	<b>600,841</b>	<b>578,807</b>	<b>36,922</b>	<b>615,729</b>
<b>Comprehensive income for the period</b>										
Profit/(loss) for the period	-	-	-	-	-	-	37,087	37,087	2,728	39,815
Foreign currency translation differences	-	-	-	(2,888)	-	-	-	(2,888)	(193)	(3,081)
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	6,182	-	6,182	-	6,182
Transfer of revaluation reserve (depreciation)	-	-	-	-	(196)	-	196	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,888)</b>	<b>(196)</b>	<b>6,182</b>	<b>37,283</b>	<b>40,381</b>	<b>2,535</b>	<b>42,916</b>
<b>Transactions with owners, recognized directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Equity-settled share-based payment transactions (Nota 15)	-	-	371	-	-	-	273	644	29	673
Dividends distributed	-	-	-	-	-	-	(19,140)	(19,140)	(1,626)	(20,766)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,867)</b>	<b>(18,496)</b>	<b>(1,597)</b>	<b>(20,093)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,867)</b>	<b>(18,496)</b>	<b>(1,597)</b>	<b>(20,093)</b>
<b>Balance at 30 September 2023</b>	<b>6,810</b>	<b>3,406</b>	<b>(14,397)</b>	<b>(21,674)</b>	<b>9,112</b>	<b>(1,822)</b>	<b>619,257</b>	<b>600,692</b>	<b>37,860</b>	<b>638,552</b>

The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements.

**DIGI Communications N.V.**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the period ended 30 September 2023**  
*(all amounts are in thousand Eur, unless specified otherwise)*

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
<b>Balance at 1 January 2022</b>	<b>6,810</b>	<b>3,406</b>	<b>(14,880)</b>	<b>(39,243)</b>	<b>15,694</b>	<b>3,108</b>	<b>242,390</b>	<b>217,285</b>	<b>11,595</b>	<b>228,880</b>
<b>Comprehensive income for the period</b>										
Profit/(loss) for the period	-	-	-	-	-	-	348,292	348,292	24,072	372,364
Foreign currency translation differences				4,963			4,963	4,963	159	5,122
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	(11,576)	-	(11,576)	-	(11,576)
Transfer of revaluation reserve (depreciation)	-	-	-	-	(235)	-	235	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,963</b>	<b>(235)</b>	<b>(11,576)</b>	<b>348,527</b>	<b>341,679</b>	<b>24,231</b>	<b>365,910</b>
<b>Transactions with owners, recognized directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Equity-settled share-based payment transactions (Nota 15)	-	-	112	-	-	-	1,162	1,274	30	1,304
Dividends distributed							(16,315)	(16,315)	(1,304)	(17,619)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,153)</b>	<b>(15,041)</b>	<b>(1,274)</b>	<b>(16,315)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Reclassification of cumulative exchange differences relating to sale of foreign operations	-	-	-	18,418	-	-	-	18,418	1,264	19,682
Realisation of reserves from disposal of subsidiary	-	-	-	-	(6,475)	-	4,963	(1,511)	(13)	(1,524)
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,418</b>	<b>(6,475)</b>	<b>-</b>	<b>4,963</b>	<b>16,907</b>	<b>1,251</b>	<b>18,158</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>18,418</b>	<b>(6,475)</b>	<b>-</b>	<b>(10,190)</b>	<b>1,866</b>	<b>(23)</b>	<b>1,843</b>
<b>Balance at 30 September 2022 (restated)</b>	<b>6,810</b>	<b>3,406</b>	<b>(14,768)</b>	<b>(15,862)</b>	<b>8,984</b>	<b>(8,468)</b>	<b>580,727</b>	<b>560,830</b>	<b>35,803</b>	<b>596,633</b>

*The notes on pages 9 to 31 are an integral part of these interim condensed consolidated financial statements.*

## **1. CORPORATE INFORMATION**

Digi Communications Group (“the Group” or “DIGI Group”) comprises Digi Communications N.V., RCS&RDS S.A. and their subsidiaries.

The parent company of the Group is Digi Communications N.V. (“DIGI”, “the Company” or “the Parent”), a company incorporated in Netherlands, Chamber of Commerce registration number 34132532/29.03.2000 with place of business and registered office in Romania. The controlling shareholder of DIGI is RCS Management SA (“RCSM”) a company incorporated in Romania. The ultimate controlling shareholder of RCSM is Mr. Zoltan Teszari. DIGI and RCSM have no operational activities, except for holding activities, and their primary asset is the ownership of RCS&RDS S.A (Romania) (“RCS&RDS”) and respectively DIGI.

The main operations are carried by RCS&RDS S.A. (Romania) (“RCS&RDS”), Digi Spain Telecom SLU (“DIGI Spain”) and Digi Italy SL.

DIGI’s registered office is located in 75 Dr. Nicolae Staicovici Street, Forum 2000 Building, Phase 1, 4<sup>th</sup> floor, 5<sup>th</sup> District, Bucharest, Romania.

RCS&RDS is a company incorporated in Romania and its registered office is located at 75 Dr. Staicovici, Forum 2000 Building, 5<sup>th</sup> District, Bucharest, Romania.

The Group provides telecommunication services of Cable TV (television), Fixed and Mobile Internet and Data, Fixed-line and Mobile Telephony (“CBT”) and Direct to Home television (“DTH”) services in Romania. In Spain, we offer mobile telephony services (as MVNO), fixed telephony and internet services. In Italy we offer mobile telephony services (as MVNO). RCS&RDS is the company with the largest operational activity within the Group.

Recently, we expanded operations in Portugal and Belgium, where we were attributed mobile spectrum at the 5G auction from 2021 and respectively, 2022. This will allow the Group to expand its business on the Portuguese and Belgian market, in order to provide high quality, affordable telecommunication services.

The interim condensed consolidated financial statements were authorized for issue on 14 November 2023.

## **2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

### **2.1 BASIS OF PREPARATION**

#### **(a) Statement of compliance**

These unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2022. These interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU") and part 9 of Book 2 of the Dutch Civil Code.

Comparative information for these unaudited interim condensed consolidated financial statements is presented only for continued operations. For information regarding the discontinued operations please see note 17.

#### **(b) Basis of measurement**

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties measured at fair value, land and buildings measured at revalued amount, financial assets measured at fair value through OCI, derivative financial instruments measured at fair value and liabilities for equity share-based payments arrangements measured at fair value through profit or loss.

#### **(c) Judgements and estimates**

Preparing the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

#### **(d) Functional and presentation currency**

The functional currency as well as the presentation currency for the financial statements of each Group entity is the currency of the primary economic environment in which the entity operates (the local currency), or in which the main economic transactions are undertaken (Romania: RON; Spain, Portugal, Italy and Belgium: EUR).

The interim condensed consolidated financial statements are presented in Euro ("EUR") and all values are rounded to the nearest thousand EUR except when otherwise indicated. The Group uses the EUR as presentation currency of the interim condensed consolidated financial statements under IFRS based on the following considerations:

- management analysis and reporting are prepared in EUR;
- EUR is used as a reference currency in telecommunication industry in the European Union;
- main debt finance instruments are denominated in EUR.

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on acquisition) are translated into EUR (presentation currency) at the rate of exchange ruling at the reporting date. The income and expenses of foreign operations are translated into EUR at average exchange rate updated quarterly.

The exchange differences arising on the translation from functional currencies to presentation currency are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation reserve is allocated to NCI.

On disposal of a foreign operation (in its entirety or partially such that control, significant influence or joint control is lost), accumulated exchange differences relating to it and previously recognized in equity as translation reserve are recognized in profit or loss as component of the gain or loss on disposal. The cumulative amount in the translation reserve related to that operation is reclassified to profit or loss as part of the gain or loss on disposal.



**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate, or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The following rates were applicable at various time periods according to the National Banks of Romania:

Currency	2023			2022		
	Jan – 1	Average for the 9 months	Sep – 30	Jan – 1	Average for the 9 months	Sep – 30
RON per 1EUR	4.9474	4.9388	4.9746	4.9481	4.9351	4.9490
USD per 1EUR	1.0666	1.0835	1.0594	1.1326	1.0650	0.9748

**2.2. GOING CONCERN**

Management believes that the Group will continue as a going concern for the foreseeable future. In the current year and recent years, the Group has managed to achieve consistently strong local currency revenue streams and cash flows from operating activities and has continued to grow the business. These results have been achieved during a period of significant investments in technological upgrades, new services and footprint expansion. The ability to offer multiple services is a central element of DIGI Group strategy and helps the Group to attract new customers, to expand the uptake of service offerings within the existing customer base and to increase customer loyalty by offering high value-for-money package offerings of services and attractive content.

For further information refer to Note 14 b) Liquidity risk.

**2.3 ACCOUNTING POLICIES**

Except for the adoption of new standards effective as of 1 January 2023, the accounting policies applied by the Group in these unaudited interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022. The accounting policies used are consistent with those of the previous financial year.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

***New and amended standards and interpretations*****Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to *IAS 8* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's interim condensed consolidated financial statements.

**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to *IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had no impact on the Group's disclosure of accounting policies, neither on the measurement, recognition or presentation of any items in the interim condensed consolidated financial statements.

**2.3 ACCOUNTING POLICIES (CONTINUED)****Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to *IAS 12 Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements.

**International Tax Reform – Pillar Two Model Rules – Amendment to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the Group's interim condensed consolidated financial statements because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognized as at that date. The relief and the new disclosures will be reflected in the Group's consolidated financial statements as at and for the period ending 31 December 2023.

**2.4 RESTATEMENT FOR COMPARISON PURPOSES***Restatement for comparison purposes*

The following restatements have been made for comparison purposes in the interim condensed consolidated financial statements:

- in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, the other income from energy subvention of EUR 22,215 was presented within Revenues. In the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023, this amount was reclassified in the affected financial statements line items comparatives on the Other income line.
- in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, employee benefits of EUR 176,701 were presented within Operating expenses. In the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023, this amount was reclassified in the affected financial statements line items comparatives on the Employee benefits line.

*Correction of errors*

The corrections were made by restating each of the affected interim condensed consolidated financial statements line items comparatives, as follows:

- in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, Operating expenses were overstated by EUR 571. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023;
- in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, the Profit from discontinued operations, net of tax, was overstated by EUR 70,614. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023.
- in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, the foreign currency translation difference included in Other comprehensive income was overstated by EUR 83,310. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023.

Notes to the Interim Condensed Consolidated Financial Statements  
for the period ended 30 September 2023  
(all amounts are in thousand EUR, unless specified otherwise)

3. SEGMENT REPORTING

Three months ended 30 September 2023	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	256,063	166,017	7,404	-	-	429,484
Other income	4,230	-	-	-	-	4,230
Inter-segment revenues	1,099	117	324	(1,540)	-	-
Segment operating expenses	(145,847)	(129,879)	(9,142)	1,540	-	(283,328)
<b>Adjusted EBITDA</b>	<b>115,545</b>	<b>36,255</b>	<b>(1,414)</b>	-	-	<b>150,386</b>
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(105,597)	(105,597)
Other expenses (Note 20)	(57)	-	-	-	-	(57)
<b>Operating profit</b>						<b>44,732</b>
Additions to tangible and intangible non-current assets	54,068	71,617	63,498	-	-	189,183
<i>Carrying amount of:</i>						
Non-current assets	1,690,291	626,269	387,874	-	-	2,704,434
Investments in associates and financial assets at fair value through OCI	1,911	-	42,808	-	-	44,719

The types of products and services from which each segment derives its revenues are disclosed in Note 11.

Notes to the Interim Condensed Consolidated Financial Statements  
for the period ended 30 September 2023  
(all amounts are in thousand EUR, unless specified otherwise)

Three months ended 30 September 2022 (restated <sup>1)</sup> )	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	242,341	127,814	7,051	-	-	377,206
Other income	7,888	-	-	-	-	7,888
Inter-segment revenues	1,582	159	51	(1,792)	-	-
Segment operating expenses	(143,199)	(109,139)	(8,164)	1,792	-	(258,710)
<b>Adjusted EBITDA</b>	<b>108,612</b>	<b>18,834</b>	<b>(1,062)</b>	-	-	<b>126,384</b>
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(81,319)	(81,319)
Other expenses (Note 20)	(234)	-	-	-	-	(234)
<b>Operating profit</b>						<b>44,831</b>
Additions to tangible and intangible non-current assets	<b>94,510</b>	<b>73,060</b>	<b>2,783</b>	-	-	<b>170,353</b>
<i>Carrying amount of:</i>						
Non-current assets	1,610,010	438,547	69,916	-	-	<b>2,118,473</b>
Investments in associates and financial assets at fair value through OCI	569	-	36,364	-	-	<b>36,933</b>

1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the three-month period ended 30 September 2022 were restated accordingly.

The types of products and services from which each segment derives its revenues are disclosed in Note 11.

Notes to the Interim Condensed Consolidated Financial Statements  
for the period ended 30 September 2023  
(all amounts are in thousand EUR, unless specified otherwise)

3. SEGMENT REPORTING (continued)

Nine months ended 30 September 2023	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	751,829	465,703	21,261	-	-	1,238,793
Other income	12,128	-	-	-	-	12,128
Inter-segment revenues	2,408	314	390	(3,112)	-	-
Segment operating expenses	(424,519)	(373,747)	(25,475)	3,112	-	(820,629)
<b>Adjusted EBITDA</b>	<b>341,846</b>	<b>92,270</b>	<b>(3,824)</b>	-	-	<b>430,292</b>
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(310,429)	(310,429)
Other expenses (Note 20)	(447)	-	-	-	-	(447)
<b>Operating profit</b>						<b>119,416</b>
Additions to tangible and intangible non-current assets	221,710	231,051	213,351	-	-	666,112
<i>Carrying amount of:</i>						
Non-current assets	1,690,291	626,269	387,874	-	-	2,704,434
Investments in associates and financial assets at fair value through OCI	1,911	-	42,808	-	-	44,719

The types of products and services from which each segment derives its revenues are disclosed in Note 11.



Notes to the Interim Condensed Consolidated Financial Statements  
for the period ended 30 September 2023  
(all amounts are in thousand EUR, unless specified otherwise)

Nine months ended 30 September 2022 (restated <sup>1)</sup> )	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	716,791	356,689	20,456	-	-	1,093,936
Other income	22,215	-	-	-	-	22,215
Inter-segment revenues	2,825	423	152	(3,400)	-	-
Segment operating expenses	(417,456)	(306,421)	(24,377)	3,400	-	(744,854)
<b>Adjusted EBITDA</b>	<b>324,375</b>	<b>50,691</b>	<b>(3,769)</b>	-	-	<b>371,297</b>
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(253,479)	(253,479)
Other expenses (Note 20)	(467)	-	-	-	-	(467)
<b>Operating profit</b>						<b>117,351</b>
Additions to tangible and intangible non-current assets	237,607	218,889	7,486	-	-	463,982
<i>Carrying amount of:</i>						
Non-current assets	1,610,010	438,547	69,916	-	-	2,118,473
Investments in associates	569	-	36,364	-	-	36,933

1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the nine-month period ended 30 September 2022 were restated accordingly.

The types of products and services from which each segment derives its revenues are disclosed in Note 11.

#### **4. PROPERTY, PLANT AND EQUIPMENT (PPE)**

##### **Acquisitions and disposals**

During the nine-month period ended 30 September 2023, the Group acquired property, plant and equipment with a cost of EUR 402,206 (nine months ended 30 September 2022: EUR 343,617).

The acquisitions related mainly to networks EUR 304,820 (nine months ended 30 September 2022: EUR 210,540), customer premises equipment of EUR 27,792 (nine months ended 30 September 2022: EUR 54,554) and equipment and devices of EUR 54,095 (nine months ended 30 September 2022: EUR 58,775).

#### **5. RIGHT OF USE ASSETS**

The Group has lease contracts for various items of land, commercial spaces, network, vehicles, equipment used in its operations. Right of use assets are accounted for at cost and depreciated over the contract period.

During the nine-month period ended 30 September 2023, right of use assets' net movement (additions, disposals, depreciation and translation effect) is in amount of EUR 113,331 (EUR 4,635 for the period ended 30 September 2022).

#### **6. NON-CURRENT INTANGIBLE ASSETS, CURRENT PROGRAMME ASSETS AND SUBSCRIBER ACQUISITION COSTS**

##### **a) Intangible assets**

##### **Acquisitions**

##### *Non-current intangible assets*

During the nine-month period ended 30 September 2023, the Group acquired non-current intangible assets with a cost of EUR 28,538 (30 September 2022: EUR 28,217) as follows:

- Software and licences in amount of EUR 26,311 (30 September 2022: EUR 24,655);
- Customer relationships by acquiring control in other companies in amount of EUR 2,227 (30 September 2022: EUR 3,562);

**6. NON-CURRENT INTANGIBLE ASSETS, CURRENT PROGRAMME ASSETS AND SUBSCRIBER ACQUISITION COSTS (CONTINUED)****Goodwill*****(i) Reconciliation of carrying amount*****Cost**

<b>Balance at 1 January 2023</b>	<b>51,741</b>
Additions	-
Disposals	-
Effect of movement in exchange rates	(282)
<b>Balance at 30 September 2023</b>	<b>51,460</b>

<b>Balance at 1 January 2022</b>	<b>51,823</b>
Additions	
Disposals	(113)
Effect of movement in exchange rates	13
<b>Balance at 30 September 2022</b>	<b>51,723</b>

***(ii) Impairment testing of goodwill***

Goodwill is not amortised but is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying values may be impaired. There were no impairment indicators for the cash generating units to which goodwill was allocated as of 30 September 2023.

**b) Programme assets**

	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Balance at beginning of period</b>	<b>18,379</b>	<b>15,465</b>
<b>Balance at end of period</b>	<b>25,712</b>	<b>18,380</b>

Contractual obligations related to future seasons are presented as commitments in Note 18.

**c) Subscriber acquisition costs**

Costs to obtain contracts with customers (Subscriber Acquisition Costs “SAC”) additions, in the nine-month period ended 30 September 2023, were in amount of EUR 49,545 (30 September 2022: EUR 43,705); SAC represents third party costs for acquiring and connecting customers of the Group.

**7. EQUITY**

There were no changes in the share capital structure during the period ended 30 September 2023.

For stock option plan exercised during the period, please see Note 15.

As at 30 September 2023, the Company had 4.78 million treasury shares (31 December 2022: 5.0 million treasury shares).

## 8. LOANS AND BORROWINGS

Included in Long term loans and borrowings are bonds of EUR 850,586 (December 2022: EUR 850,705) and bank loans of EUR 352,566 (December 2022: EUR 177,093).

Included in Short term loans and borrowing are bank loans of EUR 94,580 (December 2022: EUR 53,125), short portion of long-term loans of EUR 86,641 (December 2022: EUR 31,872) and interest payable amounting to EUR 4,604 (December 2022: EUR 9,860).

The movement in total loans and borrowings is presented in the table below:

	Carrying amount
<b>Balance as of 1 January 2023</b>	<b>1,122,654</b>
Proceeds from borrowings	317,378
Repayment of borrowings	(39,931)
Interest expense	35,823
Interest paid	(41,070)
Finance cost	(8,233)
Amortization of deferred finance costs	2,786
Effect of movements in exchange rates	(429)
<b>Balance as of 30 September 2023</b>	<b>1,388,977</b>

## 9. LEASE LIABILITY

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. As at 30 September 2023, financial leasing liability in amount of EUR 409,733 (31 December 2022: EUR 295,600) was impacted mainly by modifications for certain leasing contracts related to rent amount and contract period.

## 10. RELATED PARTY DISCLOSURES

	30 September 2023	31 December 2022
<b>Receivables from Related Parties</b>		
Citymesh Mobile NV (i)	11,072	4,393
Other	288	172
<b>Total</b>	<b>11,360</b>	<b>4,565</b>
	30 September 2023	31 December 2022
<b>Payables to Related Parties</b>		
RCSM (ii)	20,392	20,728
Other	2,136	359
<b>Total</b>	<b>22,528</b>	<b>21,087</b>
(i) Joint Venture		
(ii) Shareholder of DIGI		

## 10. RELATED PARTY DISCLOSURES (CONTINUED)

## Compensation of key management personnel of the Group

	Three months ended 30 September 2023	Three months ended 30 September 2022	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Short term employee benefits—salaries	1,356	797	3,291	2,305

## 11. REVENUES

Allocation of revenues through business lines and geographical areas is as follows:

	Three months ended 30 September 2023	Three months ended 30 September 2022 Restated <sup>1)</sup>	Nine months ended 30 September 2023	Nine months ended 30 September 2022 Restated <sup>1)</sup>
<b>Country</b>				
Romania	256,063	242,341	751,829	716,790
Spain	166,017	127,814	465,703	356,689
Other <sup>(2)</sup>	7,404	7,051	21,261	20,457
<b>Total revenues</b>	<b>429,484</b>	<b>377,206</b>	<b>1,238,793</b>	<b>1,093,936</b>
<b>Category</b>				
Fixed services <sup>(3)</sup>	213,065	184,144	619,227	532,738
Mobile services	184,766	158,284	524,023	450,692
Other <sup>(4)</sup>	31,653	34,778	95,543	110,506
<b>Total revenues</b>	<b>429,484</b>	<b>377,206</b>	<b>1,238,793</b>	<b>1,093,936</b>

1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three-month and nine-month period ended 30 September 2022 were restated accordingly.

2) Includes revenue from operations in Italy.

3) Includes mainly revenues from subscriptions for fixed, mobile and DTH services, interconnection and roaming revenues.

4) Includes mainly revenues from energy, sale of handsets and other CPE, as well as advertising revenues.

*Revenues from services* include mainly subscription fees for fixed and mobile services, revenues from interconnection and roaming services. *Other revenues from contracts with costumers* as at 30 September 2023 include mainly revenues from sale of energy, handsets and other CPE, as well as advertising revenues.

The split of revenues based on timing of revenue recognition is presented below:

Timing of revenue recognition	Three months ended 30 September 2023	Three months ended 30 September 2022 Restated <sup>1)</sup>	Nine months ended 30 September 2023	Nine months ended 30 September 2022 Restated <sup>1)</sup>
Goods transferred at a point in time	13,137	11,971	37,617	37,306
Services transferred over time	416,347	365,235	1,201,177	1,056,630
<b>Total revenues</b>	<b>429,484</b>	<b>377,206</b>	<b>1,238,793</b>	<b>1,093,936</b>

(1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three-month and nine-month period ended 30 September 2022 were restated accordingly.

The transfer of goods to customer at a point in time are presented in the first table above as *Other revenues*. The rest of the services transferred to customers over time are presented as revenues under each category line and country.

## 12. OPERATING EXPENSES

	Three months ended 30 September 2023	Three months ended 30 September 2022 Restated <sup>(1)</sup>	Nine months ended 30 September 2023	Nine months ended 30 September 2022 Restated <sup>(1)</sup>
Depreciation of property, plant and equipment	38,169	33,070	121,750	99,680
Depreciation of right of use assets	27,833	18,246	71,725	54,731
Amortisation of non-current intangible assets and programme assets	22,224	18,976	68,962	58,949
Amortisation of subscriber acquisition costs	14,851	11,015	43,839	37,961
Impairment of property, plant and equipment	2,017	(488)	2,582	560
Impairment of subscriber acquisition costs	503	497	1,571	1,595
Employee benefit	72,955	61,422	213,740	176,701
Costs related to fixed services	41,680	36,018	124,453	113,437
Telephony expenses	96,149	86,211	274,665	243,121
Cost of goods sold	12,565	10,688	35,933	35,039
Invoicing and collection	5,130	4,962	15,293	14,365
Taxes and penalties	2,878	4,156	7,636	7,567
Electricity costs and other utilities	25,188	25,681	68,591	71,968
Impairment of receivables and other assets	2,794	3,840	7,569	8,445
Taxes to authorities	4,019	3,347	12,079	13,473
Other materials and subcontractors	2,182	2,200	7,939	7,369
Other services	6,898	8,498	22,631	24,880
Other operating expenses	10,889	11,694	30,100	28,494
<b>Total operating expenses</b>	<b>388,924</b>	<b>340,033</b>	<b>1,131,058</b>	<b>998,335</b>

(1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three-month period and nine-month period ended 30 September 2022 were restated accordingly.

Share option plans' expenses accrued in the period are included in the caption *Employee benefits*.

For details, please see Note 15.



## 13. NET FINANCE COSTS

	Three months ended 30 September 2023	Three months ended 30 September 2022	Nine months ended 30 September 2023	Nine months ended 30 September 2022
<b><i>Financial income</i></b>				
Interest from banks	2,179	41	4,625	85
Other financial revenues	89	287	181	449
	<b>2,268</b>	<b>328</b>	<b>4,806</b>	<b>534</b>
<b><i>Financial cost</i></b>				
Interest expense	(16,425)	(7,825)	(40,995)	(27,333)
Interest expense for lease liability	(4,787)	(1,818)	(11,586)	(4,683)
Loss on derivative financial instruments	(331)	(4,056)	(829)	(6,935)
Foreign exchange differences (net)	(4,140)	(4,062)	(5,977)	(9,179)
Other financial expenses	(2,707)	(3,023)	(8,873)	(9,979)
	<b>(28,390)</b>	<b>(20,784)</b>	<b>(68,260)</b>	<b>(58,109)</b>
<b>Net Financial Cost</b>	<b>(26,122)</b>	<b>(20,456)</b>	<b>(63,454)</b>	<b>(57,575)</b>

## 14. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, interest rate risk and price risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**14. FINANCIAL RISK MANAGEMENT (continued)**

***(a) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers.

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications and energy) and identifying potential bad debt cases, which are suspended, in general, between 10 and 30 days after the invoice due date.

The carrying amount of the non-derivative financial assets, net of the recorded allowances for expected credit losses, represents the maximum amount exposed to credit risk. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low. Although collection of receivables could be influenced by macro-economic factors, management believes that there is no significant risk of loss to the Group beyond the allowances already recorded.

The credit exposure for derivatives is limited, as there will be no incoming cash-flow arising from the embedded derivatives.

Cash and cash equivalents are placed in financial institutions, which are considered at time of deposit to have minimal risk of default.

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries.

***(b) Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, vendor financing and reverse factoring agreements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

At 30 September 2023, the Group had net current liabilities of EUR 404,591 (31 December 2022: EUR 305,974). As a result of the volume and nature of the telecommunication business current liabilities exceed current assets. A large part of the current liabilities is generated by investment activities. Management considers that the Group will generate sufficient funds to cover the current liabilities from future revenues.

The Group's policy on liquidity is to maintain sufficient liquid resources to meet its obligations as they fall due and to keep the Group's leverage optimized. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and working capital, whilst considering future cash flows from operations. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future.

**14. FINANCIAL RISK MANAGEMENT (continued)**

***(c) Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, market electricity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Exposure to currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures (other than the functional currency of each legal entity), primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currencies of the Company and each of its subsidiaries.

Management has set up a policy to manage the foreign exchange risk against the functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group used forward/option contracts, transacted with local banks.

The Group imports services and equipment and attracts substantial amount of foreign currency denominated borrowings.

**Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk (EUR and USD) though market fluctuations of interest rates. Details of borrowings are disclosed in Note 8.

***d) Capital Management***

The Group's objectives when managing capital are to safeguard the Groups ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. Management monitors "total net debt to EBITDA" ratio which is computed in accordance with the Senior Facilities Agreement.

***(e) Fair values***

The Group measures at fair value the following: financial assets at fair value through other comprehensive income and embedded derivatives.

***(f) Climate risks***

In the nine months period ended September 2023, the Group analysed potential sustainability risks in the areas at climate change and scarcity of resources. The Group did not identify any key risks to its business model in either area and, as such, also does not currently anticipate any significant impacts from such risks on its business model or on the presentation of its results of operations or financial position.

***(g) Situation in Ukraine***

The evolution of the situation in Ukraine is uncertain and is closely followed by the Group with respect to potential indirect consequences on the financial markets that could impact refinancing conditions in the future. The Group has no direct interests in Ukraine and the areas of conflict and as a result the Group estimates that the situation in Ukraine will have limited effects on its operations and financial performance for future periods.

## 15. SHARE-BASED PAYMENT

The Group implemented share-based payment plans for certain members of the management team and key employees. The options vest if and when certain performance conditions, such as revenue, subscriber targets and other targets of the Group were met. Some of the share option plans vested in past years and were closed.

For nine months period ended at 30 September 2023 the related share option expense of EUR 229 (30 September 2022: EUR 467) is included within *Operating expenses (Employee benefits line-item)* in the Consolidated statement of profit or loss and other comprehensive income (Note 12).

## 16. DERIVATIVE FINANCIAL INSTRUMENTS

For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the Interim Condensed Consolidated statement of financial position, after initial recognition, the valuation techniques and inputs used to develop those measurements are presented below:

### Financial assets at fair value through OCI

Financial assets at fair value through OCI comprise shares in RCSM. In 2017 the Company's class B shares were listed on the Bucharest Stock Exchange. As at 30 September 2023, the fair value assessment of the shares held in RCSM was consequently performed based on the average quoted price/share of the shares of the Company as of the valuation date (RON/share 36.8), adjusted for the impact of other assets and liabilities of RCSM, given that the main asset of RCSM is the holding of the majority of the shares of the Company. The fair value assessment also takes into account the cross-holdings between the Group and RCSM.

### Embedded derivatives

As at 30 September 2023, the valuation method was consistent with the one used as at 31 December 2022.

As at 30 September 2023 the Group had derivative financial assets in amount of EUR 4,203 (31 December 2022: EUR 5,052), which represents embedded derivatives related to the 2025 and 2028 Senior Secured Notes (includes several call options as well as one put option).

As at 30 September 2023 the Group had no derivative financial liabilities.

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Total
<b>30 September 2023</b>			
Financial assets at fair value through OCI	42,808	-	<b>42,808</b>
Embedded derivatives	-	4,203	<b>4,203</b>
<b>Total</b>	<b>42,808</b>	<b>4,203</b>	<b>47,011</b>
<b>31 December 2022</b>			
Financial assets at fair value through OCI	36,844	-	<b>36,844</b>
Embedded derivatives	-	5,052	<b>5,052</b>
<b>Total</b>	<b>36,844</b>	<b>5,052</b>	<b>41,896</b>

**17. DISCONTINUED OPERATIONS****Sale of Hungarian operations**

On 29 November 2021 the Company's Romanian subsidiary (RCS&RDS) and 4iG plc. (4iG Plc.), concluded the sale and purchase agreement ("SPA") regarding the acquisition of DIGI Tavkozlesi Szolgaltato Ltd. (Digi Hungary) and of its subsidiaries, Invitel Ltd., Digi Infrastruktura Korlatolt Felelossegu Tarsasag and I TV Ltd. by 4iG Plc (representing the whole Hungary reportable segment of the Group). Following completion of the conditions set by the parties in the sale and purchase agreement, on 3 January 2022 ("the Closing date"), EUR 624.98 million, representing the value of the transaction, was transferred by 4iG to RCS&RDS. On disposal of these subsidiaries, the cumulative amount of the exchange differences relating to the foreign operations (previously recognised in other comprehensive income and accumulated in the separate component of equity) of EUR 19,682 was reclassified from equity to profit or loss. The Gain from discontinued operations of EUR 319,209 is shown in the Interim condensed consolidated statement of profit or loss and other comprehensive income.

**18. GENERAL COMMITMENTS AND CONTINGENCIES****(a) Contractual commitments**

Commitments are presented on an undiscounted and discounted basis, using the weighted average cost of capital of each of our geographical segments.

	<b>30 September 2023</b>					
	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>
<b>Undiscounted</b>						
Annual fee for spectrum license	278,349	9,682	9,682	21,351	111,527	126,109
Capital expenditure	175,017	27,951	27,951	66,174	52,939	-
Contractual obligations for program assets	15,461	4,335	4,335	5,941	851	-
Contractual obligations for energy contracts	8,672	4,336	4,336	-	-	-
	<b>477,498</b>	<b>46,303</b>	<b>46,303</b>	<b>93,465</b>	<b>165,317</b>	<b>126,109</b>
<b>Discounted</b>						
Annual fee for spectrum license	139,036	8,640	8,640	17,087	67,944	36,725
Capital expenditure	146,424	25,139	25,139	55,493	40,654	-
Contractual obligations for program assets	12,796	3,814	3,814	4,626	542	-
Contractual obligations for energy contracts	7,501	3,751	3,751	-	-	-
	<b>305,757</b>	<b>41,344</b>	<b>41,344</b>	<b>77,205</b>	<b>109,139</b>	<b>36,725</b>

**18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)**

	31 December 2022					
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Undiscounted</b>						
Annual fee for spectrum license	293,677	9,682	9,682	19,632	71,437	183,245
Capital expenditure	200,286	38,491	33,089	77,325	51,380	-
Contractual obligations for program assets	47,125	12,567	12,567	20,256	1,735	-
Contractual obligations for energy contracts	34,523	17,262	17,262	-	-	-
	<b>575,611</b>	<b>78,001</b>	<b>72,599</b>	<b>117,213</b>	<b>124,552</b>	<b>183,245</b>
<b>Discounted</b>						
Annual fee for spectrum license	154,051	8,792	8,792	16,201	48,900	71,366
Capital expenditure	173,167	34,937	29,971	66,782	41,461	-
Contractual obligations for program assets	39,950	11,240	11,240	16,278	1,191	-
Contractual obligations for energy contracts	29,565	14,783	14,783	-	-	-
	<b>396,717</b>	<b>69,752</b>	<b>64,785</b>	<b>99,261</b>	<b>91,552</b>	<b>71,366</b>

**(b) Letters of guarantee**

As of 30 September 2023, there were bank letters of guarantee and letters of credit issued in amount of EUR 58,295 mostly in favour of content and satellite suppliers and for participation to tenders (31 December 2022: EUR 71,786).

We have cash collateral agreements for issuance of letters of counter guarantees. As at 30 September 2023 we had letters of guarantee issued in amount of EUR 2,671 (31 December 2022: EUR 2,671). These agreements are secured with moveable mortgage over cash collateral accounts.

**(c) Legal proceedings****Uncertainties associated with the fiscal and legal system**

The tax legislation in Romania and other Eastern and Central Europe countries are subject to frequent changes (some of them resulting from EU membership, others from the domestic fiscal policy) and often subject of contradictory interpretations, which might be applied retrospectively.

Furthermore, the Romanian and other Eastern and Central Europe governments work via a number of agencies authorized to carry on audits of the companies operating in these countries. These audits cover not only fiscal aspects but also legal and regulatory ones that are of interest to these agencies.

The Dutch, Romanian and other Eastern and Central Europe Fiscal legislation include detailed regulations regarding transfer pricing between related parties and includes specific methods for determining transfer prices between related prices at arm's length. Transfer pricing documentation requirements have been introduced so that taxpayers who carry out transactions with affiliated parties are required to prepare a transfer pricing file that needs to be presented to the tax authorities upon request.



## **18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The Company and its subsidiaries entered into various transactions within the Group, as well as other transactions with related parties. In light of this, if observance of arm's length principle cannot be proved, a future tax control could challenge the values of transactions between related parties and adjust the fiscal result of the Company and/ or its subsidiaries with additional taxable revenues/ non-deductible expenses (i.e., assess additional profit tax liability and related penalties).

Group management believes that it has paid or accrued all taxes, penalties and interest that are applicable, at the Company and subsidiaries level.

The Group is currently involved in a number of legal proceedings, including inquiries from, or discussions with, government authorities that are incidental to their operations. In the opinion of the management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements. For the litigation described below, the Group did not recognize provisions.

### **Criminal case brought to court by the Romanian National Anti-Corruption Agency**

During June – July 2017, RCS&RDS and part of its directors were indicted by the Romanian National Anti-Corruption Agency (DNA) for the offences of bribery and accessory to bribery, money laundering and accessory to money laundering.

The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009<sup>1</sup> joint-venture agreement between RCS&RDS and Bodu S.R.L. with respect to the events hall in Bucharest and the broadcasting rights for Liga 1 football matches, while the presumed offences of money laundering and accessory to money laundering are alleged to have been perpetrated through RCS&RDS's acquisition of the Bodu S.R.L. events hall in 2016<sup>2</sup>.

On 15 January 2019, the Bucharest Tribunal, convicted RCS&RDS in connection with the offence of money laundering for which the court applied a criminal fine. The Bucharest Tribunal's decision also decided on the confiscation from RCS&RDS of an amount of money and maintained the seizure over the two real estate assets first instituted by the DNA. Through the same judgement, Mr. Bendei Ioan (at that time member of the Board of directors of RCS&RDS and director of Integrasoft S.R.L.) was convicted, while the rest of the directors were acquitted in connection with all the accusations brought against them by the DNA.

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<sup>1</sup> In 2009 RCS&RDS and Bodu S.R.L. entered into a joint venture with Bodu S.R.L. (the "JV") with respect to an events hall in Bucharest. At the time when RCS&RDS entered into the JV, Bodu S.R.L. was owned by Mr. Bogdan Dragomir, a son of Mr Dumitru Dragomir, who served as the President of the Romanian Professional Football League (the "PFL").

<sup>2</sup> By 2015, the JV became virtually insolvent, as initial expectations on its prospects had failed to materialize. In 2015, in order to recover the EUR 3,100 investment, it had made into the JV from 2009 to 2011 and to be able to manage the business of the events hall directly and efficiently, RCS&RDS entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, RCS&RDS acquired (at a discount to nominal value) Bodu S.R.L.'s outstanding bank debt (which was secured by its share of, and assets it contributed to, the JV). Thereafter, RCS&RDS set-off its acquired receivables against Bodu S.R.L. in exchange for the real estate and business of the events hall. Bodu S.R.L. was replaced as RCS&RDS's JV partner by Integrasoft S.R.L., one of our Romanian subsidiaries. Following this acquisition, in addition to its investigation of Antena Group's bribery allegations in relation to our investment into the JV, the DNA opened an enquiry as to whether the transactions that followed (including the 2015 settlement and the 2016 acquisition) represented unlawful money-laundering activities.

## **18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The decision also cancels the joint-venture agreement from 2009 concluded between RCS&RDS and Bodu S.R.L., as well as all the agreements concluded between RCS&RDS, Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016. The first court decision was appealed. On November, 1, 2021, the Bucharest Court of Appeal granted the appeals of RCS&RDS S.A., Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from January, 15, 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. On 1 July 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as unfounded the claims and exceptions raised by RCS&RDS, INTEGRASOFT S.R.L. and their current and former officers.

The appeal against this solution was partially granted by the High Court of Cassation and Justice on 20 June 2023. The court decided that some of the evidences used by the Romanian National Anti-Corruption Agency must be removed from the court file and that the Romanian National Anti-Corruption Agency has to decide whether it requests the continuation of the trial under these circumstances. The court established the date of 5 September 2023 as deadline for the physical removal of the evidences from the court file by DNA. On 10 October 2023, the High Court of Cassation and Justice ruled definitively on the applications submitted in the preliminary chamber and ordered the file to be sent to the Court of Appeal and the start of the trial on the merits. The evidence indicated in the conclusion from 20 June 2023 remained excluded from the file. The Court of Appeal set the term for the start of the trial on 5 December 2023.

We strongly believe that RCS&RDS, INTEGRASOFT S.R.L. and their current and former officers have acted appropriately and in compliance with the law, and we strongly restate that we will continue to defend against all the above allegations while expecting a final solution that corresponds to the factual and legal situation.

## **19. SUBSEQUENT EVENTS**

For developments in legal proceedings in which the Group was involved (both as a plaintiff and a defendant), subsequent to 30 September 2023, please refer to Note 18.

On 10 October 2023, Digi Spain and Abrdn plc completed the first investment within the transaction having as subject matter the financing of the roll out of a FTTH network with the aim of covering up to 2,500,000 homes passed in the provinces of Almería, Cádiz, Córdoba, Granada, Huelva, Jaén, Málaga and Sevilla (the “Network”), pursuant to the fulfilment of the conditions under the investment agreement concluded on 21 March 2023.

This first investment covers 1.35 million homes passed, while the deployment of the entire Network will cover an additional number of 1.15 million homes passed, implying a total investment amount of up to EUR 300 million. The total investment will be committed in substantially equal parts by Digi Spain and Abrdn plc, potentially also involving bank financing.

**20. EBITDA**

In the telecommunications industry the benchmark for measuring profitability is EBITDA (earnings before interest, taxes, depreciation and amortisation). EBITDA is a non-IFRS accounting measure.

For the purposes of disclosure in these notes, EBITDA is calculated by adding back to consolidated operating profit/(loss) our charges for depreciation, amortisation and impairment of assets. Our Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items.

	Three months ended 30 September 2023	Three months ended 30 September 2022 Restated <sup>(1)</sup>	Nine months ended 30 September 2023	Nine months ended 30 September 2022 Restated <sup>(1)</sup>
<b>Revenues</b>	429,484	377,206	1,238,793	1,093,936
<b>Other income</b>	4,230	7,888	12,128	22,215
<b>EBITDA</b>				
Operating profit	44,732	44,831	119,416	117,351
Depreciation, amortisation and impairment	105,597	81,319	310,429	253,479
<b>EBITDA</b>	<b>150,329</b>	<b>126,150</b>	<b>429,845</b>	<b>370,830</b>
Other income	-	-	-	-
Other expenses	57	234	447	467
<b>Adjusted EBITDA</b>	<b>150,386</b>	<b>126,384</b>	<b>430,292</b>	<b>371,297</b>
<i>Adjusted EBITDA (%)</i>	34.67%	32.82%	34.40%	33.27%

- (1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three-month and the nine-month period ended 30 September 2022 were restated accordingly.

For the three months period ended 30 September 2023, other expenses are related to share option plans vested and are expected to be one-time events (for details, please see Note 15) in amount of EUR 57 (for three months period ended 30 September 2022: 234 EUR).

For the nine months period ended 30 September 2023, other expenses are related to share option plans vested and are expected to be one-time events (for details, please see Note 15) in amount of EUR 447 (for nine months period ended 30 September 2022: EUR 467).

**21. FINANCIAL INDICATORS**

<b>Financial Indicator</b>	<b>Value as at 30 September 2023</b>
<b>Current ratio</b>	
Current assets/Current liabilities	0.53
<b>Debt to equity ratio</b>	
Long term debt/Equity x 100 (where Long term debt = Borrowings over 1 year)	202%
Long term debt/Capital employed x 100 (where Capital employed = Long term debt+ Equity)	67%
<b>Trade receivables turnover</b>	
Average receivables/Revenues x 270	36.49 days
<b>Non-current assets turnover</b>	
(Revenues/Non-current assets)	0.61

**Serghei Bulgac,****CEO,**  
  

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**Valentin Popoviciu****Executive Director,**  
  

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