

An aerial night view of a city, likely Dubai, showing a complex network of roads and buildings illuminated by city lights. Overlaid on the city are several glowing, white, curved lines that represent fiber optic cables or data paths, creating a sense of connectivity and technology.

**DIGI**  
communications n.v.

# PRELIMINARY FINANCIAL REPORT

For the year ended 31 December 2023

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## INTRODUCTION

The consolidated financial information included in this Preliminary Financial Report is based on the Digi Communications N.V. (“Digi”) Group’s Unaudited IFRS as adopted by the EU and Section 2:362(9) of the Dutch Civil Code Consolidated Financial Statements for the year ended 31 December 2023.

Financial and operational data from this Preliminary Financial Report are estimates. The final Annual Report for the year ended 31 December 2023 will include the final financial and operational data, which may vary significantly by reference to this Preliminary Financial Report. A final Annual Report will be released by Digi to the market as per the Financial Calendar announced on Bucharest Stock Exchange.

**DIGI COMMUNICATIONS N.V.**  
**Preliminary Summarized Consolidated Statement of Profit or Loss**  
**for the year ended as at 31 December**  
*(all amounts are in thousand EUR, unless specified otherwise)*

		<b>2023</b>	<b>2022</b>
	Note		
<b>Continuing operations</b>			
Revenues	1	1,690,376	1,492,768
Other income	4	16,180	24,672
Operating expenses	2	(1,240,720)	(1,131,461)
Employee benefits	3	(288,601)	(239,775)
Other expenses	4	(504)	(654)
<b>Operating profit</b>		<b>176,731</b>	<b>145,550</b>
<b>Net finance costs</b>	<b>5</b>	<b>(73,334)</b>	<b>(63,234)</b>
<b>Share of profit/(loss) of equity-accounted investees</b>		<b>(6,507)</b>	<b>(1,075)</b>
<b>Profit before taxation from continuing operations</b>		<b>96,890</b>	<b>81,241</b>
<b>Discontinued operations</b>			
<b>Profit/(Loss) before taxation from discontinued operations</b>	<b>6</b>	-	<b>318,690</b>
<b>Profit before taxation</b>		<b>96,890</b>	<b>399,931</b>

This is the Group's preliminary Statement of Profit or Loss consolidated information as at 31 December 2023. Significant adjustments might occur until the authorization of the final consolidated financial statements. Therefore, the final results may vary significantly by reference to this Preliminary Financial Report.

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

## OTHER FINANCIAL AND OPERATING DATA

The following table shows Selected Financial Data and Ratios based on Digi Group's consolidated financial data as at and for the years ended 31 December 2023 and 2022:

### Selected Financial Data and Ratios

	As at and for the year ended 31 December	
	2023 <sup>(1)</sup>	2022
(EUR, unless specified otherwise)		
<b>Revenues</b>		
Revenues from continuing operations	1,690,375	1,492,768
Other income	16,180	24,672
<b>Total Revenues</b>	<b>1,706,555</b>	<b>1,517,440</b>
<b>Adjusted EBITDA</b>		
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>592,652</b>	<b>505,593</b>
Adjusted EBITDA Margin%	34.7%	33.3%
<b>Adjusted EBITDA without IFRS 16<sup>(3)</sup></b>		
<b>Adjusted EBITDA without IFRS 16</b>	<b>509,313</b>	<b>428,040</b>
Adjusted EBITDA (%) without IFRS 16	29.8%	28.2%
<b>Net debt &amp; Leverage</b>		
Total consolidated debt <sup>(4)</sup>	<b>1,500,070</b>	<b>1,268,571</b>
Cash and cash equivalents	226,298	261,408
<b>Total consolidated net debt</b>	<b>1,273,771</b>	<b>1,007,162</b>
<b>Net Leverage Ratio<sup>(5)</sup></b>	<b>2.5</b>	<b>2.3</b>
<b>CAPEX</b>	<b>729,713</b>	<b>560,098</b>

(1) Unaudited

(2) Adjusted EBITDA includes the impact of IFRS 16 in total amount of EUR 83,339 for 2023, EUR 77,553 for 2022. Adjusted EBITDA does not include the gain on sale of discontinued operations.

(3) Adjusted EBITDA without IFRS 16 is computed as Adjusted EBITDA decreased by the rental expense recognized in line with IFRS without IFRS 16

(4) Total consolidated debt presented as per the Senior Notes covenants. It includes loans and borrowings (non-current), loans and borrowings (current), derivative financial liabilities, other long-term liabilities, financial leases and excludes accrued interest.

(5) Represents the ratio between total net debt and Adjusted EBITDA as per the Senior Notes covenants, over a given period.

The following table shows our revenues generating units (RGUs) by geographic segment and business line and average revenue per unit (ARPU) by geographic segment as at and for the years ended 31 December 2023 and 2022:

(RGUs: thousands; ARPU: EUR/period)	As at and for the year ended 31 December	
	2023	2022
<b>Group Continuing operations</b>		
<b>RGUs</b>	<b>23,864</b>	<b>20,782</b>
<b>ARPU<sup>(1)</sup></b>	<b>5.80</b>	<b>5.80</b>
<b>Romania</b>		
<b>RGUs</b>		
Pay TV <sup>(2)</sup>	5,682	5,432
Broadband <sup>(3)</sup>	4,571	4,204
Mobile telecommunication services <sup>(4)</sup>	5,820	4,933
Fixed-line telephony <sup>(3)</sup>	890	933
<b>ARPU<sup>(1)</sup></b>	<b>4.5</b>	<b>4.6</b>
<b>Spain</b>		
<b>RGUs</b>		
Broadband	1,373	843
Mobile telecommunication services <sup>(4)</sup>	4,663	3,796
Fixed-line telephony	445	279
<b>ARPU<sup>(1)</sup></b>	<b>9.3</b>	<b>9.6</b>
<b>Other<sup>(5)</sup></b>		
<b>RGUs</b>		
Mobile telecommunication services <sup>(4)</sup>	420	362
<b>ARPU<sup>(1)</sup></b>	<b>6.2</b>	<b>6.6</b>

(1) 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 to the RGUs number.

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

(3) Includes residential and business RGUs.

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

(5) Includes Italy

## PRELIMINARY MANAGEMENT DISCUSSION AND ANALYSIS

Main variances are explained below:

### 1. Revenues

Our revenue for the year ended 31 December 2023 was EUR 1,690,376 compared with EUR 1,492,769 for the year ended 31 December 2022, an increase of 13.2%.

Group RGU's increased from 20,782 as at 31 December 2022 to 23,864 as at 31 December 2023, an increase of 14.8%, main contributors to the growth being Romania's and Spain's mobile RGUs.

### 2. Operating expenses

Our operating expenses for the year ended 31 December 2023 were EUR 1,240,720 compared with EUR 1,131,461 for the year ended 31 December 2022, an increase of 9.7%. Operating expenses' increase was driven by network expansion and growing our customer base.

### 3. Employee benefits

Employee benefits for the year ended 31 December 2023 were EUR 288,601 compared with EUR 239,775 for the year ended 31 December 2022, an increase of 20.4%. The increase is in line with business development.

### 4. Other income / expenses

We recorded EUR 16,180 of Other income in the year ended 31 December 2023, which represents the subsidy related to electricity supply operation and which is further passed to our customers (for the year ended 31 December 2022: EUR 24,672). The Government subsidy has been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle RCS & RDS to the receipt of compensation for the cap on energy prices.

We recorded EUR 504 of *Other expenses* in the year ended 31 December 2023, compared to *Other expenses* of EUR 654 in the year ended 31 December 2022, which include accrued expenses for the period related to share option plans which are expected to be non-recurring.

### 5. Net finance costs

We recognized net finance costs of EUR 73,334 in the year ended 31 December 2023, compared with net finance costs of EUR 63,234 in the year ended 31 December 2022, an increase of 16.0%. The increase is mainly due to the financial debt increase; to the increase in the interest lease liability IFRS 16 and to the total net loss from foreign exchange.

### 6. Profit/(Loss) before taxation from discontinued operation

On 3 January 2022 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4iG Plc.) one of the leading companies on the Hungarian IT and ICT market, successfully closed the transaction 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. As result, the gain from disposal of transaction is in amount of EUR 318,690.

### 7. Subsequent events

On February, 20<sup>th</sup>, 2024 The European Commission has approved, under the EU Merger Regulation, the proposed creation of a joint venture by Orange and MásMóvil. The approval is conditional upon full compliance with a commitments package, offered by Orange and MásMóvil.

As part of its proposed package of commitments, the joint-venture has agreed to divest to Digi Spain as remedy taker 60MHz of spectrum assets and to enter into an optional national roaming agreement at market conditions, which Digi Spain can decide to use or not. The package is pending approval from the Spanish Authorities.