1ST QUARTER 2022 – FINANCIAL REPORT

for the three month period ended March 31, 2022

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 March 31, 2022

This Unaudited Condensed Consolidated Interim Financial Report for the period ended 31 March 2022 refers to the Unaudited Condensed Consolidated Interim 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. We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this report includes forward-looking information that has been extracted from third-party sources. 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.

New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as at 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 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, amortization 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. In this Report, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin represent the results of our Romanian, Spanish 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

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 March 31, 2022.
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 European leader in geographically-focused telecommunication solutions, based on the number of RGUs (*Source: Group and peer reporting*). We are a leading provider of telecommunication services in Romania and Spain with a presence also in Italy and Portugal.

- 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 FTTH 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.

For the three months ended March 31, 2022, we had revenues of €360.6 million, net profit from continued operations of €27 million and Adjusted EBITDA of €124.3 million. Net profit from discontinued operations related to the sale of Hungary is in amount of € 388 million.

Sale of Hungarian operations

On January 3, 2022 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4iG Plc.) one of the leading companies of 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.

On 29 November 2021, the parties executed the sale and purchase agreement regarding the acquisition by 4iG Plc of the 100 percent stake held by RCS&RDS in Hungary's leading telecommunications and media service group and the assignment of all debts of Digi Hungary and of its subsidiaries to RCS & RDS. The transaction was subject to the fulfilment of certain conditions, including the Hungarian competition authority's clearance.

Basis of Financial Presentation

The Group prepared its Interim Financial Statements as of March 31, 2022 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 continuous 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 67% and 31%, respectively, of our consolidated revenue for the three months ended March 31, 2022 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 is 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 and incur operating expenses in Romania, Spain and Italy. Revenue and operating expenses from our operations are broken down into the following geographic segments: Romania, Spain and Other (the Other segment includes Italy).
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

In the three month period ended March 31, 2022 the Romanian leu has depreciated with approximately 1.4%.
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 and the U.S. dollar, 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 March 31,	
	2021	**2022**
Romanian leu (RON) (1)		
Period end rate	4.93	4.95
Average rate	4.88	4.95
U.S. dollar (USD)(1)		
Period end rate	1.17	1.11
Average rate	1.21	1.12

(1) ACCORDING TO THE EXCHANGE RATES PUBLISHED BY THE NATIONAL BANK OF ROMANIA.

In the three months ended March 31, 2022 we had a net foreign exchange loss of €1.2 million, compared to a net foreign exchange loss of €12 million in the three months ended March 31, 2021.

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) by geographic segment and business line and monthly ARPU (€/month) by geographic segment as at and for the three month period ended March 31, 2021 and 2022:

RGUs (thousand)/ARPU (€/month)	As at and for the three months ended March 31,		% change
	2021	2022	
Romania			
RGUs			
Pay TV(1)	4,870	5,185	6.5%
Fixed internet and data(2)	3,440	3,875	12.6%
Mobile telecommunication services(3)	3,796	4,348	14.5%
Fixed-line telephony(2)	1,027	969	(5.6%)
ARPU(4)	4.8	4.6	(4.2%)
Spain			
RGUs			
Fixed internet and data	249	575	130.9%
Mobile telecommunication services(3)	2,496	3,210	28.6%
Fixed-line telephony	86	196	127.9%
ARPU(4)	9.5	9.7	2.1%
Other(5)			
RGUs			
Mobile telecommunication services(3)	268	341	27.2%
ARPU(4)	7.1	6.6	(7%)

(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 months ended March 31, 2021 and 2022

	As at and for the three months ended March 31,	
	2021	**2022**
	(€ millions)	
Revenues		
Romania	215.4	244.0
Spain	77.9	110.8
Other	5.6	6.6
Elimination of intersegment revenues	(1.0)	(0.8)
Total revenues	**297.9**	**360.6**
Other income/ (expense)	**(0.3)**	**(0.1)**
Operating expenses		
Romania	(113.3)	(137.4)
Spain	(65.9)	(92.9)
Other	(5.9)	(6.9)
Elimination of intersegment expenses	1.0	0.8
Depreciation, amortization and impairment of tangible and intangible assets	(73.1)	(80.8)
Total operating expenses	**(257.3)**	**(317.2)**
Operating profit	**40.3**	**43.4**
Finance income	0.3	0.1
Finance expense	(25.3)	(20.2)
Net finance costs	**(25.1)**	**(20.1)**
Profit/ (loss)before taxation	**15.2**	**23.2**
Income credit/(tax expense)	8.1	3.7
Profit/ (loss) for the period	**23.3**	**27.0**

Revenue

Our revenue (excluding intersegment revenue and other income) for the three month period ended March 31, 2022 was €360.6 million, compared with €297.9 million for the three month period ended March 31, 2021, an increase of 21.1%.
The following table shows the distribution of revenue by geographic segment and business line for the three period ended March 31, 2021 and 2022:

	As at and for the three months ended March 31,		
	2021	**2022**	**% change**
(€ millions)			
Geographical segment			
Romania	214.6	243.4	13.4%
Spain	77.8	110.7	42.3%
Other(1)	5.5	6.6	19.1%
Total	**297.9**	**360.6**	

Category			
Fixed services (2)	147.5	170.8	15.8%
Mobile services	123.0	142.9	16.2%
Other	27.4	46.9	71.2%
Total	**297.9**	**360.6**	

(1) Includes revenue from operations in Italy.
(2) Includes revenues from DTH operations.

Revenue in Romania for the three month period ended March 31, 2022 was €243.4 million compared with €214.6 million for the three month period ended March 31, 2021, an increase of 13.4%.
Revenue growth in Romania was mainly the result of the increase of mobile telecommunication services, cable TV and fixed internet and data RGUs in the period, due to organic growth.

ARPU in Romania was impacted by the currency depreciation in the period (RON/EUR foreign exchange rate (increased with 1.4% in Q1 2022 compared to Q1 2021), as well as by packages mix in the period.

Our Pay TV (Cable TV and DTH) increased from approximately 4,870 thousand as at March 31, 2021 to approximately 5,185 thousand as at March 31, 2022, an increase of approximately 6.5%, and our fixed internet and data RGUs increased from approximately 3,440 thousand as at March 31, 2021 to approximately 3,875 thousand as at March 31, 2022, an increase of approximately 12.6%. These increases were obtained both organically, primarily due to our investments in expanding of our fixed fiber-optic network and to our attractive fixed internet and data packages.
Mobile telecommunication services RGUs increased from approximately 3,796 thousand as at March 31, 2021 to approximately 4,348 thousand as at March 31, 2022, an increase of approximately 14.5 %.
Other revenues include mainly sales of equipment and advertising revenue. Sales of equipment include mainly mobile handsets and other equipment.
Fixed-line telephony RGUs decreased from approximately 1,027 thousand as at March 31, 2021 to approximately 969 thousand as at March 31, 2022, a decrease of approximately 5.6%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Revenue in Spain for the three month period ended March 31, 2022 was € 110.7 million, compared with €77.8 million for the three month period ended March 31, 2021, an increase of 42.3%. The increase in our Spain revenue was due to the increase in mobile telecommunication services RGUs from approximately 2,496 thousand as at March 31, 2021 to approximately 3,210 thousand as at March 31, 2022, an increase of approximately 28.6%. This was primarily due to new customer acquisitions as a result of more attractive and affordable mobile and data offerings, as well as the roll out of the fixed services. Fixed internet and fixed telephony services RGUs increased from approximately 335 thousand as at March 31, 2021 to approximately 771 thousand as at March 31, 2022, an increase of approximately 130%

Revenue in Other represented revenue from our operations in Italy and for the three month period ended March 31, 2022 was € 6.6 million, compared with €5.5 million for the three month period ended March 31, 2021, an increase of 19.1%, primarily due to new customer acquisitions as a result of more attractive mobile and data offerings.

Mobile telecommunication services RGUs increased from approximately 268 thousand as at March 31, 2021 to approximately 341 thousand as at March 31, 2022, an increase of approximately 27.2%. ARPU decreased because of the significant increases of mobile data allowances included in our packages with little additional cost to customers.

Total operating expenses

Our total operating expenses (excluding intersegment expenses) for the three period ended March 31, 2022 were € 317.2 million, compared with €257.3 million for the three month period ended March 31, 2021, an increase of 23.3%, respectively.

	As at and for the three months ended March 31,	
	2021	**2022**
Romania	113.1	137.3
Spain	65.3	92.4
Other[(1)]	5.8	6.7
Depreciation, amortization and impairment of tangible and intangible assets	73.1	80.8
Total operating expenses	**257.3**	**317.2**

(1) INCLUDES OPERATING EXPENSES OF OPERATIONS IN ITALY AND OPERATING EXPENSES OF DIGI.

Operating expenses in Romania for three month period ended March 31, 2022 were €137.3 million, compared with € 113.1 million for the three month period ended March 31, 2021, an increase of 21.4 %. This variation is mainly due to increases in utilities and network maintenance expenses during the period.
In general operating expenses are in line with the growth of the business.

Operating expenses in Spain for the three month period ended March 31, 2022 were €92.4 million, compared with €65.3 million for the three month period ended March 31, 2021, an increase of 41.5 %. The increase is mainly due to interconnection and salaries expenses as a result of the business development.

Operating expenses in Other represented expenses of our operations in Italy and expenses of Digi and for the three month period ended March 31, 2022 were €6.7 million, compared with €5.8 million for the three month period ended March 31, 2021, an increase of 15.5%.

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Depreciation, amortization and impairment of tangible and intangible assets

The table below sets out information on depreciation, amortization and impairment of our tangible and intangible assets for the three month period ended March 31, 2021 and 2022.

	As at and for the three months ended March 31,	
	2021	2022
	(€ millions)	
Depreciation of property, plant and equipment	29.0	28.2
Amortization of non-current intangible assets	16.0	24.7
Amortization of programme assets	10.4	8.4
Depreciation of right of use assets	14.5	19.3
Impairment of property, plant and equipment	3.3	0.3
Total	**73.2**	**80.8**

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment was €28.2 million for the three month period ended March 31, 2022, compared with €29 million for the three month period ended March 31, 2021.

Amortization of non-current intangible assets

Amortization of non-current intangible assets was €24.7 million for the three month period ended March 31, 2022, compared with €16 million for the three month period ended March 31, 2021, an increase of 54.4%%.

Amortization of program assets

Amortization of program assets was €8.4 million for the three month period ended March 31, 2022, compared with €10.4 million for the three month period ended March 31, 2021, a decrease of 19.2%.

Depreciation of right of use

The depreciation of the right of use assets was €19.3 million for the period ended March 31, 2022, compared to €14.5 million for the period ended March 31, 2021.

Other income/ (expense)

We recorded €0.1 million of other expense in the three month period ended March 31, 2022 compared with €0.3 million of other income in the three months ended March 31, 2021.

Operating profit

For the reasons set forth above, our operating profit was €43.4 million for the three month period ended March 31, 2022, compared with €40.3 million for the three month period ended March 31, 2021.

Net finance expense

We recognized net finance expense of €20.1 million in the three month period ended March 31, 2022, compared with €25.1million for the three month period ended March 31, 2021, a decrease of 19.8%.

Profit/(loss) before taxation

For the reasons set forth above, our profit before taxation was €23.2 million in the three month period ended March 31, 2022, compared with loss of €15.2 million for the three month period ended March 31, 2021.

Income credit tax

An income tax credit of €3.7 million was recognized in the three month period ended March 31, 2022, compared to a tax credit of €8.1 million recognized in the three month period ended March 31, 2021, mainly due to deferred tax release in the period.

Net profit/(loss) for the period

For the reasons set forth above, our net profit was €27 million in the three month period ended March 31, 2022, compared to net loss of the prior period of €23.3 million for the three months ended March 31, 2021.

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 and fixed networks, acquiring new and renewing existing content rights, procuring CPE which we provide to our customers and exploring other investment opportunities 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.
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 month period ended March 31, 2021 and 2022, cash flows used in investing activities and cash flows from/(used in) financing activities.

	As at and for the three months ended March 31,	
	2021	**2022**
	(€ millions)	
Cash flows from operations before working capital changes	**88.1**	**116.1**
Cash flows from changes in working capital	15.9	(24.5)
Cash flows from operations	**104.0**	**91.6**
Interest paid	(17.7)	(15.1)
(Decrease)/increase in programming assets	(4.8)	(9.1)
Income tax paid	(1.3)	(0.0)
Cash flow from operating activities	**80.2**	**67.4**
Cash flow used in investing activities	**(99.6)**	**509.0**
Cash flows from /(used in) financing activities	**22.0**	**(279.1)**
Net decrease in cash and cash equivalents	2.5	297.3
Cash and cash equivalents at the beginning of the period	10.6	19.6
Effect of exchange rate fluctuation on cash and cash equivalent held	0.0	(0.0)
Cash and cash equivalents at the closing of the period	**13.1**	**316.9**

(*) At 31 March 2021 the Group has elected to present a statement of cash flows that includes an analysis of cash flow in total, both continuing and discontinuing operations.

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Cash flows from operations before working capital changes were €116.1 million in the three month period ended March 31, 2022 and €88.1 million in the three month period ended March 31, 2021 for the reasons discussed in "—*Historical Results of Operations—Results of operations for the three month period ended March 31, 2021 and 2022*".

The following table shows changes in our working capital:

	For the three months ended March 31,	
	2021	**2022**
	(€ millions)	
(Increase)/ Decrease in trade receivables and other assets	(12.2)	(36.4)
Increase/Decrease in inventories	(0.5)	(0.9)
Increase/(decrease) in trade payables and other current liabilities	20.8	6.1
Increase/(decrease) in contract liabilities	7.9	6.7
Total	**15.9**	**(24.5)**

We had a working capital surplus of €24.5million in the three month period ended March 31, 2022 (compared with a working capital requirement of €15.9 million in the three month period ended March 31, 2021).

Cash flows from operating activities were €67.4 million in the three month period ended March 31, 2022 and €80.2 million in the three month period ended March 31, 2021. Included in these amounts are deductions for interest paid and income tax paid. No income tax was paid in the three months ended March 31, 2022 and €1.3 million in the three months ended March 31, 2021. Interest paid was €15.1 million in the three months ended March 31, 2022, compared with €17.7 million in the three months ended March 31, 2021. The increase in cash flows from operating activities in the three months ended March 31, 2021 was primarily due to changes in working capital discussed above.

Cash flows from investing activities were €509 million in the three month period ended March 31, 2022 and €99.6 million in the three month period ended March 31, 2021. The most significant amount is from sale of its subsidiaries of €625 million.
Purchases of property, plant and equipment were €70 million in the three months ended March 31, 2022 and €103.4 million in the three months ended March 31, 2021.

Cash flows from financing activities were €279.1 million outflow, mainly due to repayments of borrowings in the three month period ended March 31, 2022, €22.0 million inflow for the three months ended March 31, 2021.

DIGI COMMUNICATIONS NV

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
IAS 34 INTERIM FINANCIAL REPORTING
for the three-month period ended 31 March 2022

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(all amounts are in thousand Eur, unless specified otherwise)

	Notes	Unaudited 31 March 2022	Unaudited 31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,208,390	1,113,976
Right of use assets	5	201,916	203,254
Intangible assets	6	515,477	516,541
Investment property		9,327	9,327
Financial assets at fair value through OCI		45,038	47,948
Investments in associates		644	644
Long term receivables		460	822
Other non-current assets		6,748	6,750
Deferred tax asset		569	569
Total non-current assets		**1,988,569**	**1,899,831**
Current assets			
Inventories		18,499	17,567
Programme assets	6	9,298	15,795
Trade and other receivables		103,494	74,373
Contract assets		76,767	70,470
Income tax receivable		-	1,640
Other assets		9,848	11,344
Derivative financial assets	16	5,981	8,857
Cash and cash equivalents		316,884	17,003
Assets held for sale		-	402,201
Total current assets		**540,771**	**619,248**
Total assets		**2,529,340**	**2,519,081**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	**7**		
Share capital		6,810	6,810
Share premium		3,406	3,406
Treasury shares		(14,880)	(14,880)
Reserves		(70,800)	(22,246)
Retained earnings		669,241	275,278
Total equity attributable to equity holders of the parent		**593,777**	**248,368**
Non-controlling interest		37,813	13,859
Total equity		**631,590**	**262,227**
Non-current liabilities			
Interest-bearing loans and borrowings, including bonds	8	973,063	1,127,491
Lease liabilities	9	130,627	125,119
Deferred tax liabilities		45,733	50,693
Decommissioning provision		6,261	6,172
Other long term liabilities		99,763	100,621
Total non-current liabilities		**1,255,447**	**1,410,096**
Current liabilities			
Trade payables and other payables		481,287	460,204
Interest-bearing loans and borrowings	8	53,655	158,852
Lease liabilities	9	73,645	71,642
Income tax payable		1,781	613
Provisions		9,460	9,457
Contract liabilities		22,465	15,732
Liabilities directly associated with the assets held for sale			130,258
Total current liabilities		**642,303**	**846,758**
Total liabilities		**1,897,750**	**2,256,854**
Total equity and liabilities		**2,529,340**	**2,519,081**

The notes on pages 8 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.
The condensed consolidated interim financial report was issued on 16 May 2022.

(all amounts in EUR '000, unless specified otherwise)

	Notes	Three-month period ended 31 March 2022	Three-month period ended 31 March 2021
Revenues	11	360,623	297,898
Other income	20		-
Operating expenses	12	(317,191)	(257,317)
Other expenses	20	(73)	(312)
Operating Profit		**43,359**	**40,269**
Finance income	13	108	259
Finance expenses	13	(20,218)	(25,333)
Net finance costs		**(20,110)**	**(25,074)**
Profit before taxation		**23,249**	**15,195**
Income tax		3,706	8,093
Net profit for the period - continued		**26,955**	**23,287**
Net result for the period - discontinued	**17**	**387,795**	**(9,211)**
Net profit for the period total		**414,750**	**14,076**
Attributable to non-controlling interests		*388,038*	*12,846*
Attributable to owners		*26,712*	*1,230*
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(73,300)	(4,959)
Cash Flow hedge reserves			-
Items that will not be reclassified to profit or loss			
Net gain/(loss) on equity instruments measured at fair value through OCI		(2,927)	1,469
Other comprehensive income/(loss) for the period, net of income tax		**(76,227)**	**(3,490)**
Total comprehensive income for the period		**338,523**	**10,586**
Attributable to non-controlling interests		*316,532*	*9,688*
Attributable to owners		*21,991*	*898*

The notes on pages 8 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

The condensed consolidated interim financial report was issued on 16 May 2022.

(all amounts in EUR '000, unless specified otherwise)

	Notes	Unaudited Three-month period ended 31 March 2022	Unaudited Three-month period ended 31 March 2021
Cash flows from operating activities			
Profit before taxation		**411,044**	**6,348**
Adjustments for:			
Depreciation, amortization and impairment of property, plant and equipment, intangibles and right-of-use assets	12	80,838	89,942
Interest expense, net	13	12,758	10,457
Impairment of trade and other receivables	12	2,114	576
Share-based payment expense		364	527
Unrealised losses/ (gains) on derivative financial instruments			2,493
Unrealised foreign exchange loss / (gain)		(3,162)	(20,092)
Gain on sale of assets		(58)	(2,183)
Gain on sale of discontinued operations before tax		(387,795)	
Cash flows from operations before working capital changes		**116,103**	**88,068**
Changes in:			
Trade receivables, other assets and contract assets		(36,380)	(12,238)
Inventories		(932)	(495)
Trade payables, other payables		6,109	20,808
Contract liabilities		6,733	7,857
Cash flows from operations		**91,633**	**104,000**
Interest paid		(15,140)	(17,685)
Programme assets		(9,111)	(4,806)
Income tax paid		(10)	(1,332)
Cash flows from operating activities		**67,372**	**80.177**
Cash flow used in investing activities			
Purchases of property, plant and equipment		(70,086)	(103,411)
Purchases of intangibles		(46,433)	2,420
Acquisition of subsidiaries, net of cash acquired		(48)	379
Sale of subsidiaries, net of cash disposed		624,977	
Proceeds from sale of property, plant and equipment		606	970
Cash flows used in investing activities		**509,016**	**(99,642)**
Cash flows from financing activities			
Dividends paid to shareholders		(2,055)	(4,841)
Proceeds from borrowings	8	12,902	27,272
Repayment of borrowings	8	(269,965)	(9,708)
Financing costs paid			
Payment of lease obligations		(20,019)	9,249
Cash flows used in/from financing activities		**(279,137)**	**21,972**
Net increase / (decrease) in cash and cash equivalents		**297,251**	**2,507**
Cash and cash equivalents at the beginning of the period		**19,636**	**10,584**
Effect of exchange rate fluctuations of cash and cash equivalents held		(3)	4
Cash and cash equivalents at the end of the period		**316,884**	**13,095**

The notes on pages 8 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

(all amounts in EUR '000, 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
Balance at 1 January 2022 (unaudited)	6,810	3,406	(14,880)	(40,823)	15,166	3,108	275,582	248,369	13,859	262,228
Comprehensive income for the period										
Net profit for the period							388,038	388,038	26,712	414,750
Foreign currency translation differences				(68,579)				**(68,579)**	(4,721)	**(73,300)**
Gain on equity instruments measured at fair value through OCI						(2,927)		**(2,927)**		**(2,927)**
Transfer of revaluation reserve (depreciation)					(87)		87	-	-	-
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**(68,579)**	**(87)**	**(2,927)**	**388,125**	**316,532**	**21,991**	**338,523**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Conversion of class A shares to class B shares										
Purchase of treasury shares (Note 7)										
Equity-settled share-based payment transactions							359	**359**	5	**364**
Dividends distributed										
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**-**	**359**	**359**	**5**	**364**
Changes in ownership interests in subsidiaries										
Movement in ownership					28,517	(5,175)	5,175	**28,517**	1,958	**30,475**
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**28,517**	**(5,175)**	**5,175**	**28,517**	**1,958**	**30,475**
Total transactions with owners	**-**	**-**	**-**	**-**	**28,517**	**(5,175)**	**5,534**	**28,876**	**1,963**	**30,839**
Balance at 31 March 2022 (unaudited)	**6,810**	**3,406**	**(14,880)**	**(109,402)**	**43,596**	**(4,994)**	**669,241**	**593,777**	**37,813**	**631,590**

The notes on pages 8 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

(all amounts in EUR '000, unless specified otherwise)

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value Reserves	Cash Flow hedge reserves (1)	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2021 (unaudited)	**6,810**	**3,406**	**(15,556)**	**(43,205)**	**285,147**	**(4,669)**	**13**	**192,900**	**424,846**	**26,430**	**451,276**
Comprehensive income for the period											
Net Profit for the period	-	-	-	-	-	-	-	12,846	**12,846**	1,230	**14,076**
Foreign currency translation differences	-	-	-	(4,627)	-	-	-	-	**(4,627)**	(332)	**(4,959)**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	1,469	-	-	**1,469**	-	**1,469**
Cash Flow hedge reserves(1)	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserve (depreciation)					(1,006)			1,006	-	-	-
Total comprehensive income/loss for the period	**-**	**-**	**-**	**(4,627)**	**(1,006)**	**1,469**	**-**	**13,852**	**9,688**	**898**	**10,586**
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Conversion of class A shares to class B shares											
Purchase of treasury shares (Note 7)			-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	-	-	527	**527**	-	**527**
Dividends distributed											
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**527**	**527**	**-**	**527**
Changes in ownership interests in subsidiaries											
Movement in ownership interest while retaining control											
Total changes in ownership interests in subsidiaries											
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**527**	**527**	**-**	**527**
Balance at 31 March 2021 (unaudited)	**6,810**	**3,406**	**(15,556)**	**(47,832)**	**284,141**	**(3,200)**	**13**	**207,280**	**435,062**	**27,328**	**462,390**

(1) The amount presented on Cash Flow Hedge reserves is included in Reserves in Statement of financial position.

The notes on pages 8 to 30 are an integral part of these unaudited 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” or “the Company” or “the Parent”), a company incorporated in Netherlands with place of business and registered office in Romania. The main operations are carried by RCS&RDS S.A (Romania) (“RCS&RDS”), Digi Spain Telecom SLU, and Digi Italy SL. DIGI registered office is located in Str. Dr. Nicolae Staicovici, nr. 75, bl. Forum 2000 Building, Faza 1, et. 4, sect. 5, Bucuresti, Romania. On 11 April 2017 the Company changed its name to Digi Communications N.V., its former name being Cable Communications Systems N.V.

RCS&RDS is a company incorporated in Romania and its registered office is located at Dr. Staicovici 75, Forum 2000 Building, sect. 5, Bucharest, Romania.

RCS&RDS was setup in 1994, under the name of Analog CATV, and initially started as a cable TV operator in several cities in Romania. In 1996 following a merger with a part of another cable operator (Kappa) the name of the company became Romania Cable Systems S.A. (“RCS”).

In 1998 Romania Cable Systems S.A established a new subsidiary Romania Data Systems S.A. (“RDS”) for the purposes of offering internet, data and fixed telephony services to the Romanian market. In August 2005, Romania Cable Systems S.A. absorbed through merger its subsidiary Romania Data Systems S.A. and changed its name into RCS&RDS.

RCS&RDS evolved historically both by organic growth and by acquisition of telecommunication operators and customer relationships.

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, Spain and Italy. The largest operating company of the Group is RCS&RDS.

The principal shareholder of the DIGI is RCS Management (“RCSM”) a company incorporated in Romania. The ultimate shareholder of DIGI is Mr. Zoltan Teszari, the controlling shareholder of RCSM. DIGI and RCSM have no operations, except for holding and financing activities, and their primary/ only asset is the ownership of RCS&RDS and respectively DIGI.

The consolidated financial statements were authorized for issue on 16 May 2022.

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 three-month period ended 31 March 2022 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 2021. 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 2021 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union 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 comparatives please see note 17.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for buildings, land and investment property measured at revalued amount, and except for financial assets at fair value through OCI and derivative financial instruments measured at fair value.

(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 2021.

(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).

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 a presentation currency of the interim condensed consolidated financial statements under IFRS based on the following considerations:

- management analysis and reporting is 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 the subsidiaries are translated into the presentation currency at the rate of exchange ruling at the reporting date (none of the functional currencies of the subsidiaries or the Parent is hyperinflationary for the reporting periods). The income and expenses of the Parent and of the subsidiaries are translated at transaction date exchange rates. The exchange differences arising on the retranslation from functional currency to presentation currency are taken directly to equity under translation reserve. On disposal of a foreign entity, 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(all amounts in EUR '000, unless specified otherwise)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

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

Currency	2022			2021		
	1 Jan	Average for the 3 months	31 March	1 Jan	Average for the 3 months	31 March
RON per 1EUR	4.9481	4.9462	4.9466	4.8694	4.8782	4.9251
USD per 1EUR	1.1326	1.1225	1.1101	1.2271	1.2056	1.1725

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 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied by the Group in these condensed consolidated unaudited interim 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 2021.

The accounting policies used are consistent with those of the previous financial year.

Amendment to IAS 16 Property, Plant and Equipment - Property, Plant and Equipment – Proceeds before Intended Use (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)

The amendments to IAS 16 require that the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended must be recognised, together with the cost of those items, in profit or loss and that the entity must measure the cost of those items applying the measurement requirements of IAS 2. The amendments must be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented (if necessary).

The Group applies the amendment from 1 January 2022. The Group's non-statutory consolidated financial statements has no impact.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract - (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)

In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
The Group applies the amendment from 1 January 2022. The Group's non-statutory consolidated financial statements has no impact.

Annual Improvements to IFRS Standards 2018-2020 - (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)

Amendment to IFRS 9 Financial Instruments

The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
The Group applies the amendment from 1 January 2022. The Group's non-statutory consolidated financial statements has no impact.

New or amended Standards and Interpretations that are effective for annual periods beginning after 1 January 2021, not yet endorsed by the EU

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective for annual periods beginning on or after 1 January 2023. Early application is permitted)

The amendments narrow the scope of the initial recognition exemption (IRE) to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax impacts are presented net in the statement of financial position. There will be no impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture (Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future)

The amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:
• a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while;
• a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

The Group expects that the amendments will have no impact on its financial statements.

Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current - (Effective for annual periods beginning on or after 1 January 2023 Early application is permitted)

The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Group's right to defer settlement at the end of the reporting period. The Group's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance. The classification is not affected by management's intentions or expectations about whether and when the Group will exercise its right. The amendments also clarify the situations that are considered settlement of a liability.
The Group expects that the amendments, will have no impact on its financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments - (Effective for annual periods beginning on or after 1 January 2023 Early application is permitted)

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than significant accounting policies.
The Group expects that the amendments, when initially applied, will have no impact on its financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - (Effective for annual periods beginning on or after 1 January 2023 Early application is permitted)

The amendments introduced a definition of 'accounting estimates' and included other amendments to IAS 8 clarifying how to distinguish changes in accounting policies from changes in estimates. The distinction is important as changes in accounting policies are generally applied retrospectively while changes in estimates are accounted for in the period in which the change occurs.
The Group expects that the amendments, when initially applied, will have no impact on its financial statements.

(all amounts in EUR '000, unless specified otherwise)

3. SEGMENT REPORTING

Three months ended 31 March 2022	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue	243,390	110,682	6,552	-		360,624
Inter-segment revenues	652	129	50	(831)		-
Segment operating expenses	(137,437)	(92,898)	(6,850)	831		(236,354)
Adjusted EBITDA	106,605	17,913	(248)	**-**	**-**	**124,270**
Depreciation, amortization and impairment of tangible, right of use and intangible assets					(80,839)	(80,839)
Other expenses (Note 20)	(73)					**(73)**
Operating profit						**43,358**
Additions to tangible and intangible non-current assets	92,392	71,028	1,559			**164,979**
Carrying amount of:						
Non-current assets	1,541,663	328,563	64,883			**1,935,109**
Investments in associates and Financial assets at fair value through OCI	644		45,038			**45,682**

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

(all amounts in EUR '000, unless specified otherwise)

3. SEGMENT REPORTING (continued)

31 March 2021	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Total continued**	**Discontinued**	**Group**
Segment revenue	214,600	77,798	5,499	-	-	**297,897**	48,057	**345,954**
Inter-segment revenues	774	148	69	(991)	-	**-**	-	**-**
Segment operating expenses	(113,332)	(65,893)	(5,918)	991		**(184,152)**	(39,270)	**(223,422)**
Adjusted EBITDA (Note 20)	**102,041**	**12,053**	**(350)**	**-**	**-**	**113,745**	**8,787**	**122,531**
Depreciation, amortization and impairment of tangible and intangible assets					(73,166)	**(73,166)**	**(16,776)**	**(89,942)**
Other income (Note 20)	(312)	-	-	-	-	**(312)**	-	**(312)**
Operating profit						**40,267**	**(7,989)**	**32,277**
Additions to tangible and intangible non-current assets	68,694	39,851	3,100	-	-	**111,645**	20,983	**132,628**
Carrying amount of:								
Non-current assets	1,593,135	164,286	4,124		-	**1,761,545**	415,460	**2,177,005**
Investments in associates and financial assets at fair value through OCI	15,363	-	41,828		-	**57,191**	-	**57,191**

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

(all amounts in EUR '000, unless specified otherwise)

4. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the three-month period ended 31 March 2022, the Group acquired property, plant and equipment with a cost of 123,240 EUR (three-month period ended 31 March 2021: EUR 73,854 for continuing operations).

The acquisitions related mainly to networks EUR 73,116 (three-month period ended 31 March 2021: EUR 43,876 for continuing operations), customer premises equipment of EUR 12,101 (three-month period ended 31 March 2021: EUR 18,604 continuing operations) and equipment and devices of EUR 15,920 (three-month period ended31 March 2021: EUR 9,583 for continuing operations).

5. RIGHT OF USE ASSETS

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

During the three-month period ended 31 March 2022, right of use assets' net book value movement (additions, disposals and translation effect) is in amount of EUR 18,200.

6. NON-CURRENT INTANGIBLE ASSETS, CURRENT PROGRAMME ASSETS

a) Intangible assets

Acquisitions

Non-current intangible assets
During the three-month period ended 31 March 2022, the Group acquired non-current intangible assets with a cost of EUR 23,540 (three-month period ended 31 March 2021: EUR 31,417 for continuing operations).

The additions were as follows:
- Software and licences in amount of EUR 8,144 (three-month period ended 31 March 2021: EUR 6,579 for continuing operations);
- Customer relationships by acquiring CATV and fixed internet subscribers in amount of EUR 974 (three-month period ended 31 March 2021: EUR 12,316 for continuing operations);
- Costs to obtain contracts with customers (Subscriber Acquisition Costs "SAC") in amount of EUR 14,422 (three-month period ended 31 March 2021: EUR 12,522 for continuing operations); SAC represents third party costs for acquiring and connecting customers of the Group;

Goodwill

(i) Reconciliation of carrying amount	
Balance at 1 January 2022	**51,823**
Additions	
Disposals	
Effect of movement in exchange rates	46
Balance at 31 March 2022	**51,869**
(i) Reconciliation of carrying amount	
Cost	
Balance at 1 January 2021	**77,749**
Additions	-
Disposals	-
Effect of movement in exchange rates	(321)
Balance at 31 March 2021	**77,428**

(all amounts in EUR '000, unless specified otherwise)

6. NON-CURRENT INTANGIBLE ASSETS, CURRENT PROGRAMME ASSETS (CONTINUED)

Impairment testing of goodwill

Goodwill is not amortized 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 31 March 2022.

b) Programme assets

During the three-month period ended 31 March 2022, additions of programme assets in the amount of EUR 1,853 (three-month period ended 31 March 2021: EUR 4,806 for continuing operations) represent broadcasting rights for sports competitions for 2022/2023 season and related advance payments for future seasons, and also rights for movies and documentaries.

7. EQUITY

There were no changes in the share capital structure during the period ended 31 March 2022.

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

As at 31 March 2022, the Company had 5.04 million treasury shares.

8. INTEREST-BEARING LOANS AND BORROWINGS

Included in long term interest-bearing loans and borrowings are bonds of EUR 850,821 (December 2021: EUR 850,859), bank loans EUR 122,242 (December 2021: EUR 276,632).

Included in short term interest-bearing loans and borrowing are bank loans of EUR 37,464 (December 2021: EUR 88,335), short portion of long-term interest-bearing loans of EUR 12,366 (December 2021: EUR 60,600) and interest payable amounting to EUR 3,825 (December 2021: EUR 9,917).

The movements in total Interest-bearing loans and borrowings is presented in the table below:

	Carrying amount
Balance as of 1 January 2022	**1,286,343**
New drawings	
Proceeds from bank loans and proceeds from Bond	12,902
Interest for the period	7,600
Repayment	
Repayment of borrowings	(269,965)
Current year interest paid	(13,660)
New finance cost	-
Amortization of deferred finance costs and inception value of embedded derivative	3,419
Effect of movements in exchange rates	78
Balance as of 31 March 2022	**1,026,718**

Included in Other long-term liabilities and Trade payables and other payables there are supplier balances that are part of several factoring arrangements amounting to EUR 119,567.

(all amounts in EUR '000, unless specified otherwise)

9. LEASE LIABILITY

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. As at 31 March 2022, financial leasing liability in amount of EUR 204,272 (31 December 2021: EUR 196,761) was impacted by the variation of the foreign exchange rate for the Group's main functional currencies, by additions as well as by modifications of stipulations for certain leasing contracts related to rent amount, contract period, etc.

10. RELATED PARTY DISCLOSURES

		31 March 2022	31 December 2021
Receivables from Related Parties			
Ager Imobiliare S.R.L.	(ii)	783	780
Other*		11	10
Total		**794**	**790**

Payables to Related Parties		31 March 2022	31 December 2021
RCS Management S.A.	(i)(ii)	12,057	14,015
Mr. Zoltan Teszari	(i)	407	488
Other		37	37
Total		**12,501**	**14,540**

(i) Shareholder of DIGI
(ii) Entities affiliated to a shareholder of the parent
(*) Other includes RCS-Management

Compensation of key management personnel of the Group

	Three months ended 31 March 2022	Three months ended 31 March 2021
Short term employee benefits –salaries	857	652

(all amounts in EUR '000, unless specified otherwise)

11. REVENUES

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

	Three months ended 31 March 2022	**Three months ended 31 March 2021 (continuing operations)**
Country		
Romania	243,389	214,599
Spain	110,683	77,798
Other [(1)]	6,551	5,501
Total revenues	**360,623**	**297,898**
Category		
Fixed services [(2)]	170,834	105,613
Mobile services	142,877	121,204
Other [(3)]	46,912	28,787
Total revenues	**360,623**	**255,604**

(1) Includes revenue from operations in Italy.
(2) Includes mainly revenues from subscriptions for fixed, mobile and DTH services, interconnection and roaming revenues.
(3) Includes mainly revenues from 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 as at 31 March 2022 include mainly revenues from sale of 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 31 March 2022**	**Three months ended 31 March 2021 (continuing operations)**
Goods transferred at a point in time	12,297	6,438
Services transferred over time	348,326	249,166
Total revenues	**360,623**	**255,604**

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

(all amounts in EUR '000, unless specified otherwise)

12. OPERATING EXPENSES

	Three months ended 31 March 2022	Three months ended 31 March 2021 (continuing operations)
Depreciation of property, plant and equipment	28,241	29,018
Amortization of right of use assets	19,315	14,480
Amortization of program assets	8,356	10,394
Amortization of non-current intangible assets	24,650	16,018
Impairment of property, plant and equipment	276	2,937
Impairment of non-current intangible assets	-	319
Salaries and related taxes	56,086	46,257
Contribution to pension related fund	-	1,268
Programming expenses	18,959	17,051
Telephony expenses	75,530	66,239
Cost of goods sold	11,967	5,915
Invoicing and collection expenses	4,747	4,437
Utilities	12,969	6,143
Copyrights	2,535	2,487
Internet connection and related services	15,398	9,526
Impairment of receivables, net of reversals	2,114	645
Taxes to authorities	5,905	3,904
Other materials and subcontractors	2,502	3,272
Electricity expenses	11,331	5,265
Other services	7,335	6,037
Other operating expenses	8,975	5,705
Total operating expenses	**317,191**	**257,317**

Share option plans' expenses accrued in the period are included in the caption "Salaries and related taxes". For details, please see Note 15.

(all amounts in EUR '000, unless specified otherwise)

13. NET FINANCE COSTS

	Three months ended 31 March 2022	Three months ended 31 March 2021 (continuing operations)
Financial revenues		
Interest from banks	17	7
Other financial revenues	91	252
	108	**259**
Financial expenses		
Interest expense	(11,365)	(7,875)
Interest expense for lease Liability IFRS 16	(1,393)	(1,406)
Net gain/(loss) on derivative financial instruments	(2,879)	(2,524)
Foreign exchange differences (net)	(1,164)	(12,048)
Other financial expenses	(3,417)	(1,480)
	(20,218)	**(25,333)**
Net Financial Cost	**(20,110)**	**(25,074)**

In the three months period ended March 2022, we recognised a net fair value loss of EUR 2,879 (31 March 2021: 2,524 EUR) Senior Secured Notes embedded derivative asset.

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 and interest rate 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.

(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 credit risk mainly by monitoring the subscribers base and identifying bad debt cases, which are suspended, in general, in an average of 15 days period 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.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

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. The most significant part of cash and cash equivalents balance is generally kept at the main subsidiary (RCS RDS) level with internationally reputable banks, having at least A-2 rating in a country with a "BBB-" rating.

(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 31 March 2022, the Group had net current liabilities of EUR 101,532(31 December 2021: EUR 499,451). 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.

(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.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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.

At the Annual General Shareholders meeting to be held on 12 September 2022, new SOPs will be proposed on the Agenda. For details, please see Convocation materials (Agenda and explanatory notes) attached on the website.

For three-month period ended at 31 March 2022 the related share option expense of EUR 73 is included in the Consolidated statement of profit or loss and other comprehensive income included in the line item Operating expenses, within salaries and related taxes (Note 12).

(all amounts in EUR '000, unless specified otherwise)

16. DERIVATIVE FINANCIAL INSTRUMENTS

For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the 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 31 March 2022, 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 38.5), 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 31 March 2022, the valuation method was consistent with the one used as at 31 December 2021.

As at 31 March 2022 the Group had derivative financial assets in amount of EUR 5,981 (31 December 2021: EUR 8,857), which included:
- Embedded derivatives of EUR 5,981 (31 December 2021: EUR 8,857) related to the 2025 and 2028 Senior Secured Notes (includes several call options as well as one put option).

As at 31 March 2022 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	Level 3	Total
31 March 2022				
Financial assets at fair value through OCI	45,038	-		**45,038**
Embedded derivatives	-	-	5,981	**5,981**
Total	**45,038**	**-**	**5,981**	**51,019**
31 December 2021				
Financial assets at fair value through OCI	47,948	-		47,948
Embedded derivatives	-	-	8,857	8,857
Total	**47,948**	**-**	**8,857**	**56,805**

(all amounts in EUR '000, unless specified otherwise)

17. DISCONTINUED OPERATIONS

Sale of Hungarian operations

On January 3, 2022 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4iG Plc.) one of the leading companies of 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.

Effect in 2022 of disposal on the financial position of the Group	31-Mar-22
	242,671
Right of use assets	55,121
Intangible assets	64,767
Long term receivables	3,377
Total non-current assets	**365,936**
Inventories	4,500
Programme assets	63
Trade and other receivables	22,013
Contract assets	2,506
Income tax receivable	265
Other assets	4,286
Cash and short-term deposits	2,633
Total current assets	**36,266**
Total Assets held for sale	**402,202**
Lease liabilities	41,507
Deferred tax liability	4,025
Decommissioning provision	1,653
Total non-current liabilities	**47,185**
Trade payables and other payables	55,807
Lease liabilities	14,184
Contract liability	13,082
Total current liabilities	**83,073**
Total liabilities directly associated with the assets held for sale	**130,258**
Net assets and liabilities	**271,944**
Consideration received, satisfied in cash	624,980
Cash and cash equivalents disposed of	(2,633)
Net cash inflows	**622,347**

(all amounts in EUR '000, unless specified otherwise)

17. DISCONTINUED OPERATIONS (CONTINUED)

Revenues from discontinued operations for the three month period ended 31 March 2021 are detailed as follows:

	Three months ended 31 March 2021
Category	
Fixed services	41,931
Mobile services	1,748
Other	4,378
Total revenues	**48,057**

Operating expenses from discontinued operations for the three month period ended 31 March 2021 are detailed as follows:

	Three months ended 31 March 2021
Depreciation of property, plant and equipment	10,915
Amortization of right of use assets	4,380
Amortization of program assets	-
Amortization of non-current intangible assets	1,475
Impairment of property, plant and equipment	6
Impairment of non-current intangible assets	-
Salaries and related taxes	11,656
Contribution to pension related fund	-
Programming expenses	10,167
Telephony expenses	1,218
Cost of goods sold	43
Invoicing and collection expenses	1,584
Utilities	1,911
Copyrights	636
Internet connection and related services	265
Impairment of receivables, net of reversals	165
Taxes to authorities	5,039
Other materials and subcontractors	676
Electricity expenses	-
Other services	3,281
Other operating expenses	2,629
Total operating expenses	**56,046**

(all amounts in EUR '000, unless specified otherwise)

17. DISCONTINUED OPERATIONS (CONTINUED)

Net finance cost from discontinued operations for the three month period ended 31 March 2021 are detailed as follows:

	Three months ended 31 March 2021
Financial revenues	
Interest from banks	
Other financial revenues	352
	352
Financial expenses	
Interest expense	(67)
Interest expense for lease Liability IFRS 16	(1,109)
Other financial expenses	(34)
	(1,210)
Net Financial Cost	**(858)**

(all amounts in EUR '000, unless specified otherwise)

18. GENERAL COMMITMENTS AND CONTINGENCIES

(a) Contractual commitments
Commitments are presented on a discounted basis, using an interest rate of 3M LIBOR + 6.503% p.a., 3M EURIBOR + 6.503% p.a. or 3M ROBOR + 6.503% p.a.

	31 March 2022					
	Contractual cash flows	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
undiscounted						
Annual fee for spectrum license	158,376	4,942	4,942	9,883	34,758	103,851
Capital expenditure	82,106	41,053	41,053	-	-	-
Contractual obligations for program assets	80,000	15,201	15,201	32,000	17,598	-
Contractual obligations for energy contracts	88,706	22,752	22,752	30,062	11,625	1,516
	409,188	**83,947**	**83,947**	**71,946**	**63,982**	**105,366**
discounted						
Annual fee for spectrum license	93,234	4,620	4,620	8,638	26,514	48,841
Capital expenditure	76,714	38,357	38,357	-	-	-
Contractual obligations for program assets	70,344	14,202	14,202	27,952	13,988	-
Contractual obligations for energy contracts	77,163	20,478	20,478	26,275	8,920	1,012
	317,455	**77,657**	**77,657**	**62,865**	**49,422**	**49,853**

	31 December 2021					
	Contractual cash flows	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
undiscounted						
Annual fee for spectrum license	160,847	4,942	4,942	9,883	34,224	106,856
Capital expenditure	78,036	39,018	39,018	-	-	-
Contractual obligations for program assets	80,297	12,779	12,779	31,467	23,271	-
Contractual obligations for energy contracts	98,837	23,335	23,335	38,403	11,764	2,000
	418,017	**80,074**	**80,074**	**79,754**	**69,260**	**108,856**
discounted						
Annual fee for spectrum license	93,365	4,615	4,615	8,621	25,966	49,548
Capital expenditure	72,926	36,463	36,463	-	-	-
Contractual obligations for program assets	70,002	11,942	11,942	27,460	18,657	-
Contractual obligations for energy contracts	86,405	21,308	21,308	33,497	8,964	1,327

18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Letters of guarantee

As of 31 March 2022, there were bank letters of guarantee and letters of credit issued in amount of EUR 70,564 mostly in favour of content and satellite suppliers and for participation to tenders (31 December 2021: EUR 47,861).

We have cash collateral agreements for issuance of letters of counter guarantees. As at 31 March 2022 we had letters of guarantee issued in amount of EUR 2,671 (31 December 2021: 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 frameworks 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.

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.

During the year, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. 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. Specifically, for the litigations described below the Group did not recognize provisions (except for limited amounts in limited cases) as management assessed that the outcome of these litigations is not more likely than not to result in significant cash outflows for the Group.

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.

18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009[1] 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[2].

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. 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. The next hearing in the case is established for May, 20, 2022.

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

At the date of the publishing of this set of unaudited interim condensed consolidated financial statements there are no significant subsequent events to be reported.

For details regarding the up-date of the litigations, please see Note 18 above.

[1] 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**").

[2] 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.

(all amounts in EUR '000, unless specified otherwise)

20. EBITDA

In the telecommunications industry the benchmark for measuring profitability is EBITDA (earnings before interest, taxes, depreciation and amortization). 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, amortization and impairment of assets. Our Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items.

	Three months ended 31 March 2022	Three months ended 31 March 2021 (continuing operations)
Revenues and other income	**360,623**	**297,898**
EBITDA		
Operating profit	43,359	40,269
Depreciation, amortization and impairment	80,839	73,166
EBITDA	**124,198**	**113,435**
Other expenses	73	312
Adjusted EBITDA	**124,271**	**113,747**
Adjusted EBITDA (%)	*34.46%*	*38.18%*
Adjusted EBITDA excl. IFRS 16	**105,456**	**99,402**
Adjusted EBITDA (%) excl. IFRS 16	*29.24%*	*33.37%*

The impact of adopting IFRS 16 on EBITDA was EUR 18,815 for the three-month period ended 31 March 2022 (EUR 14,345 for the three-month period ended 31 March 2021 for continuing operations).

For the three-month period ended 31 March 2022, other expenses is related to share option plans vested and are expected to be one-time events (for details, please see Note 15) in amount of EUR 73 (EUR 312 for the three-month period ended 31 March 2021 for continuing operations).

EBITDA for discontinued operations:

	Three months ended 31 March 2021
Revenues and other income	**48,057**
EBITDA	
Operating profit	(7,989)
Depreciation, amortization and impairment	16,776
EBITDA	**8,787**
Adjusted EBITDA	**8,787**
Adjusted EBITDA (%)	*18.28%*
Adjusted EBITDA excl. IFRS 16	**2,705**
Adjusted EBITDA (%) excl. IFRS 16	*5.63%*

The impact of adopting IFRS 16 on EBITDA was EUR 6,082 for the three-month period ended 31 March 2022 for discontinued operations.

(all amounts in EUR '000, unless specified otherwise)

21. FINANCIAL INDICATORS

Financial Indicator	Value as at 31 March 2022
Current ratio	
Current assets/Current liabilities	0.84
Debt to equity ratio	
Long term debt/Equity x 100 (where Long term debt = Borrowings over 1 year)	172%
Long term debt/Capital employed x 100 (where Capital employed = Long term debt+ Equity)	63%
Trade receivables turnover	
Average receivables/Revenues x 90	40.57
Non-current assets turnover	
(Revenues/Non-current assets)	0.73

On behalf of the Board of directors of Digi Communications N.V.

Serghei Bulgac,
CEO

Valentin Popoviciu,
Executive Director