

An aerial night view of a city, likely Singapore, featuring a prominent multi-lane highway with light trails from traffic. The city lights and buildings are visible in the background. Overlaid on the image are several glowing, white, curved lines that resemble fiber optic cables or data paths, connecting various points across the city.

**DIGI**  
communications n.v.

# PRELIMINARY FINANCIAL REPORT

For the year ended 31 December 2022

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## INTRODUCTION

The consolidated financial information included in this Preliminary Financial Report is based on the Digi Communications N.V. (“Digi”) Group’s Unaudited IFRS as adopted by the EU and Section 2:362(9) of the Dutch Civil Code Consolidated Financial Statements for the year ended 31 December 2022.

Financial and operational data from this Preliminary Financial Report are estimates. The final Annual Report for the year ended 31 December 2022 will include the final financial and operational data, which may vary significantly by reference to this Preliminary Financial Report. A final Annual Report will be released by Digi to the market as per the Financial Calendar announced on Bucharest Stock Exchange.

**DIGI COMMUNICATIONS N.V.**  
**Preliminary Summarized Consolidated Statement of Profit or Loss**  
**for the year ended as at 31 December**

*(all amounts are in thousand EUR, unless specified otherwise)*

		<b>2022</b>	<b>2021</b>
	Note		
<b>Continuing operations</b>			
Revenues	1	1,492,769	1,278,270
Other income	4	24,144	3,448
Operating expenses	2	(1,126,978)	(889,978)
Employee benefits	3	(240,274)	(205,648)
Other expenses	4	(654)	(417)
<b>Operating profit</b>		<b>149,007</b>	<b>185,675</b>
Finance income		438	189
Finance costs		(63,092)	(81,898)
<b>Net finance costs</b>	5	<b>(62,654)</b>	<b>(81,709)</b>
<b>Share of profit/(loss) of equity-accounted investees</b>		<b>(1,075)</b>	<b>-</b>
<b>Profit before taxation from continuing operations</b>		<b>85,278</b>	<b>103,966</b>
<b>Discontinued operations</b>			
<b>Profit/(Loss) before taxation from discontinued operations</b>	6	<b>318,690</b>	<b>(19,782)</b>
<b>Profit before taxation</b>		<b>403,968</b>	<b>84,184</b>

This is the Group's preliminary Statement of Profit or Loss consolidated information as at 31 December 2022. Significant adjustments might occur until the authorization of the final consolidated financial statements. Therefore, the final results may vary significantly by reference to this Preliminary Financial Report.

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

## OTHER FINANCIAL AND OPERATING DATA

The following table shows Selected Financial Data and Ratios based on Digi Group's consolidated financial data as at and for the years ended 31 December 2022 and 2021:

### Selected Financial Data and Ratios

	As at and for the year ended 31 December	
	2022 <sup>(1)</sup>	2021
	(thousand EUR, unless specified otherwise)	
<b>Revenues</b>		
Revenues from continuing operations	1,492,769	1,278,270
Other income	24,144	3,448
Revenues from discontinued operations	-	194,632
<b>Total Revenues</b>	<b>1,516,913</b>	<b>1,476,350</b>
<b>Adjusted EBITDA</b>		
<b>Continuing operations</b>		
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>505,936</b>	<b>471,159</b>
Adjusted EBITDA Margin%	33.4%	36.9%
<b>Adjusted EBITDA before IFRS 16<sup>(3)</sup></b>	<b>428,383</b>	<b>401,999</b>
Adjusted EBITDA (%) before IFRS 16	28.2%	31.4%
<b>Discontinued operation</b>		
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>-</b>	<b>51,881</b>
Adjusted EBITDA Margin%	-	26.7%
<b>Adjusted EBITDA before IFRS 16<sup>(3)</sup></b>	<b>-</b>	<b>28,511</b>
Adjusted EBITDA (%) before IFRS 16	-	14.6%
<b>Total</b>		
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>505,936</b>	<b>523,040</b>
Adjusted EBITDA Margin%	33.4%	35.5%
<b>Adjusted EBITDA before IFRS 16<sup>(3)</sup></b>	<b>428,383</b>	<b>430,510</b>
Adjusted EBITDA (%) before IFRS 16	28.2%	29.2%
<b>Net debt &amp; Leverage</b>		
Total consolidated debt <sup>(4)</sup>	<b>1,268,571</b>	<b>1,400,286</b>
Cash and cash equivalents	261,408	19,630
<b>Total consolidated net debt</b>	<b>1,007,163</b>	<b>1,380,655</b>
<b>Net Leverage Ratio<sup>(5)</sup></b>	<b>2.3x</b>	<b>3.2x</b>
<b>CAPEX<sup>(6)</sup></b>	<b>554,230</b>	<b>567,284</b>

(1) Unaudited

(2) Adjusted EBITDA includes the impact of IFRS 16 in total amount of EUR 77,553 for 2022 (from continuing operations), EUR 69,159 for 2021 (from continuing operations) and EUR 23,370 for 2021 (for discontinued operations). Adjusted EBITDA does not include the gain on sale of discontinued operations.

(3) Adjusted EBITDA before IFRS 16 is computed as Adjusted EBITDA decreased by the rental expense recognized in line with IFRS as in effect at 31 December 2018.

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

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

(6) Includes telecommunication spectrum licenses paid for acquisition or renewal in 2022 in Romania (EUR 13,000) and for acquisition in Portugal (EUR 4,464) (2021: EUR 67,708 in Romania and EUR 33,669 in Portugal)

The following table shows our revenues generating units (RGUs) by geographic segment and business line and average revenue per unit (ARPU) by geographic segment as at and for the years ended 31 December 2022 and 2021:

	As at and for the year ended 31 December	
(RGUs: thousands; ARPU: EUR/period)	2022	2021
<b>Group Continuing operations</b>		
<b>RGUs</b>	<b>20,782</b>	<b>18,013</b>
<b>ARPU<sup>(1)</sup></b>	<b>5.80</b>	<b>5.70</b>
<b>Romania</b>		
<b>RGUs</b>		
Pay TV <sup>(2)</sup>	5,432	5,129
Fixed internet and data <sup>(3)</sup>	4,204	3,782
Mobile telecommunication services <sup>(4)</sup>	4,933	4,177
Fixed-line telephony <sup>(3)</sup>	933	984
<b>ARPU<sup>(1)</sup></b>	<b>4.6</b>	<b>4.8</b>
<b>Spain</b>		
<b>RGUs</b>		
Fixed internet and data	843	480
Mobile telecommunication services <sup>(4)</sup>	3,796	2,972
Fixed-line telephony	279	165
<b>ARPU<sup>(1)</sup></b>	<b>9.6</b>	<b>9.7</b>
<b>Other<sup>(5)</sup></b>		
<b>RGUs</b>		
Mobile telecommunication services <sup>(4)</sup>	362	324
<b>ARPU<sup>(1)</sup></b>	<b>6.6</b>	<b>6.9</b>

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

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

(3) Includes residential and business RGUs.

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

(5) Includes Italy



## PRELIMINARY MANAGEMENT DISCUSSION AND ANALYSIS

Main variances are explained below:

### 1. Revenues

Our revenue from continuing operations for the year ended 31 December 2022 was EUR 1,492,769 compared with EUR 1,278,270 for the year ended 31 December 2021, an increase of 16.8% for continuing operations.

Group RGU's increased from 18,013 as at 31 December 2021 to 20,782 as at 31 December 2022, an increase of 15.4% for continuing operations, main contributors to the growth being Romania's and Spain's mobile RGUs.

### 2. Operating expenses

Our operating expenses from continuing operations for the year ended 31 December 2022 were EUR 1,126,978 compared with EUR 889,978 for the year ended 31 December 2021, an increase of 26.6%. Operating expenses' increase was driven by network expansion and growing our customer base.

### 3. Employee benefits

Employee benefits from continuing operations for the year ended 31 December 2022 were EUR 240,274 compared with EUR 205,648 for the year ended 31 December 2021, an increase of 16.8%. The increase is in line with business development.

### 4. Other income/expenses

We recorded EUR 24,144 of other income in the year ended 31 December 2022, which represents the grant related to electricity supply.

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle RCS & RDS to the receipt of compensation for the cap on energy prices. For the period ended 31 December 2021, other income represents release of litigation provision.

We recorded EUR 654 of *Other expenses* in the year ended 31 December 2022, compared to *Other expenses* of EUR 417 in the year ended 31 December 2021, which include accrued expenses for the period related to share option plans which are expected to be non-recurring.

### 5. Net finance costs

We recognized net finance costs from continuing operations of EUR 62,654 in the year ended 31 December 2022, compared with net finance costs from continuing operations of EUR 81,709 in the year ended 31 December 2021, a decrease of 23.3%. The decrease is mainly due to the total net loss from foreign exchange in amount of EUR 567 recorded in 2022, compared with total net loss from foreign exchange in amount of EUR 17,807 in 2021, a decrease of 96.6%.

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

On 3 January 2022 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4iG Plc.) one of the leading companies on the Hungarian IT and ICT market, successfully closed the transaction regarding the acquisition of DIGI Tavkozlesi Szolgaltato Ltd. (Digi Hungary) and of its subsidiaries, Invitel Ltd., Digi Infrastruktura Korlatolt Felelossegu Tarsasag and I TV Ltd by 4iG Plc. As result, the gain from disposal of transaction is in amount of EUR 319,209.

### 7. Subsequent events

In January 2023, Digi Spain has drawn EUR 25,000 from Facility D of the 2021 Syndicated Loan for general corporate and working capital purposes and in February 2023 EUR 15,000 from the same Facility.