



DIGI

Investor Presentation

September 2023

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DIGI



DIGI

Who we are

At Digi Communications, our goal is to harness **cutting-edge technology** to provide superior communication services to **a large customer base** at the most **affordable prices**

Our services



Pay TV (DTH & Cable TV)



Fixed telephony



Mobile telephony



Fixed and mobile internet



Data communications



Media content

Media holdings

DIGI was the first Romanian electronic communications company to offer convergent services and transmedia content, by bundling phone, internet and TV together. The TV channels launched in July 2009, while in May 2015, the Radio stations were added to the line-up.

TV channels:



Radio:



Online:



Benefits of Media Holdings:

- **Stickiness:** Media offerings play a vital role in enhancing customer stickiness. By providing engaging and relevant content, the Group encourages customers to remain connected to the DIGI ecosystem.
- **Entertainment:** DIGI's diverse content portfolio ensures that customers find something to suit their preferences.
- **Information:** Informative programming keep customers well-informed about current events and trends.
- **Brand Loyalty:** Media holding contributes to the recognition and loyalty associated with the "DIGI" brand.

Key markets

Consolidated, yet still growing



Romania

Multiple play:

- CATV, satellite/DTH
- Fixed internet
- Fixed telephony
- Mobile communications

Growth



Spain

Multiple play:

- Fixed internet
- Fixed telephony
- Mobile communications (MVNO)

Moderate Growth



Italy

Single play:

- Mobile communications (MVNO)

Future Growth

Portugal



- Fixed (FTTH) and mobile network (4G/5G) in construction, after acquisition of spectrum licenses

Belgium



- Fixed and mobile network in preparation in **JV with Citymesh/Cegeka**, after acquisition of spectrum licenses

DIGI in numbers*

**2 core markets:
Romania & Spain**

**5 growth markets:
Romania, Spain, Italy,
Portugal & Belgium**

**+15.5mn homes
covered by DIGI's fiber
network in core markets**

20.8m RGUS

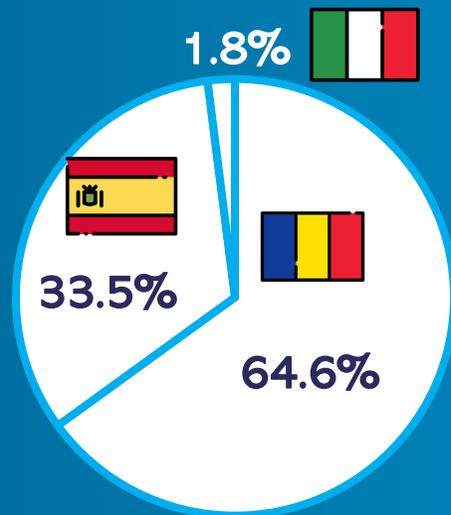
**€3.1bn CAPEX
between 2007-2022**

**21K+ employees in
4 key markets**

Key financial data

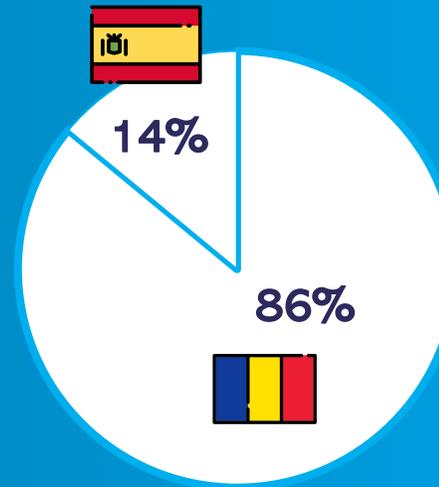
Revenues by market

Total revenues in 2022:
€1,492.8bn (+17% vs. 2021)



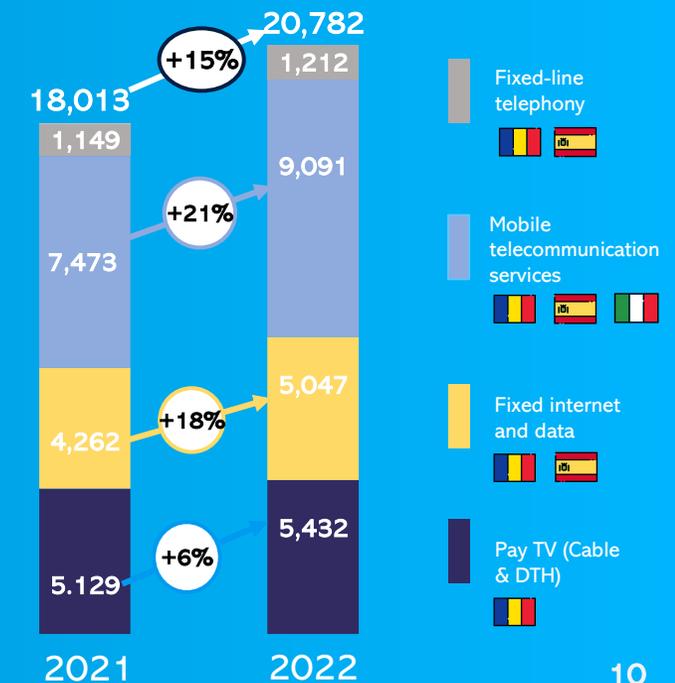
EBITDA by market

Total Adjusted* EBITDA in 2022:
€505.6bn (7.3% vs. 2021)

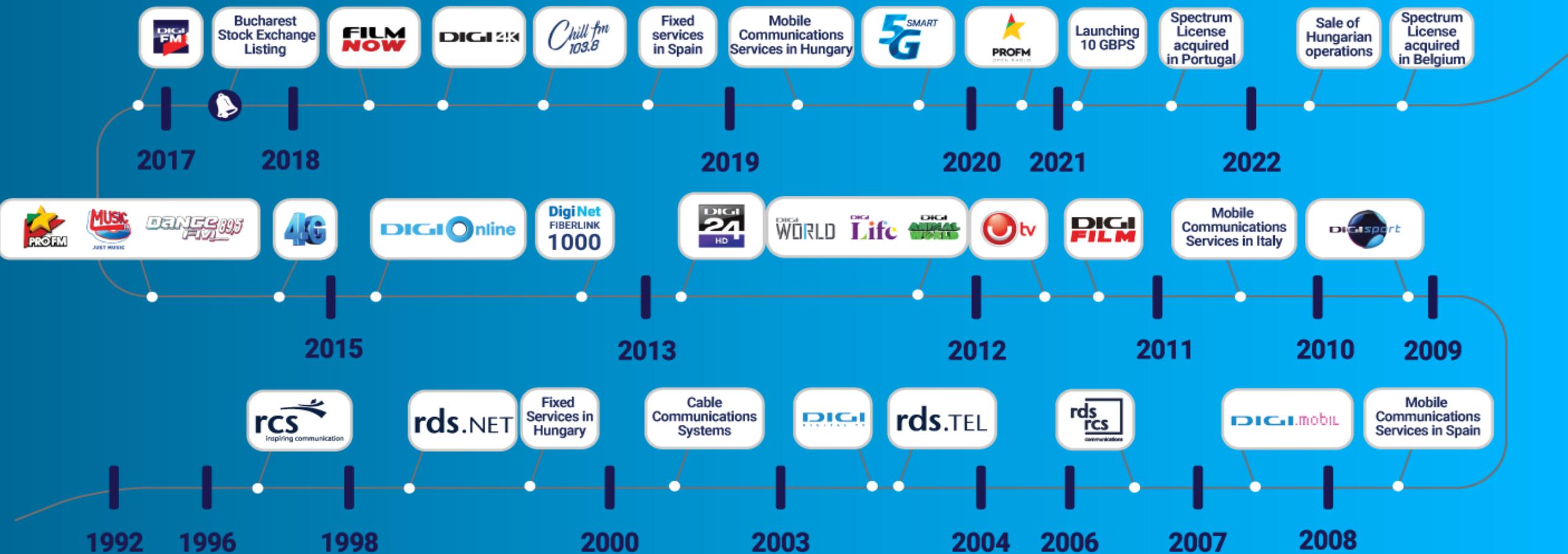


*Adjusted for the effect of non-recurring and one-off items.

RGUs ('000) by business line



Our evolution



Note: On January 3, 2022 the Group successfully closed the sale of Digi Hungary and its subsidiaries to 4iG Plc ("the Hungarian operations") for a total consideration of EUR 625 million.

Board of Directors

Digi Communications applies a one-tier board structure comprising of two Executive Directors and five Non-executive Directors, of which two are considered to be independent. The Board of Directors was appointed on April 20th, 2020, and it consists of the following members:

Zoltán TESZÁRI
President and Non-executive Director

Marius VARZARU
Vice-president and Non-executive Director

Serghei BULGAC
Chief Executive Officer and Executive Director

Valentin POPOVICIU
Executive Director

Emil JUGARU
Non-executive Director

Bogdan CIOBOTARU
Independent Non-executive Director

Piotr RYMASZEWSKI
Independent Non-executive Director

The Board of Directors has established two board committees: the Audit Committee and the Remuneration Committee.

Awards and recognition

#1

The most powerful Romanian group in the telecommunications industry, according to **Capital Magazine (Elite Companies Gala 2022)**

#1

Player in telecom sector in Romania and #23 in CX Brand Ranking 2021, **KPMG, Customer Experience Excellence Report 2022**

#1

First prize in the “Employee Support” category, **CSR Media, Romanian CSR Awards, 2022**

#9

Largest employer in Romania according to **ZF Top 1,000 Employers 2022 ranking**

#6

Out of Top 50 Most Valuable Romanian Brands, according to **Brand Finance 2022 Ranking**

#1

Spain’s fastest fibre-optic network according **Ookla, Speedtest 2022 & 2023 Awards Gala.**

#17

Top Company according to **Capital Magazine Top 300 Companies in Romania, 2022**

#26

Serghei Bulgac, DIGI’s CEO rank in 100 Most Admired CEOs in Romania by **Business Magazine, 2022**



Special award for business performance and expansion into European markets, by **Bucharest Chamber of Commerce and Industry, Top companies in Bucharest, 2022**



Inclusion in the 2022 **Catalogue of Good Deeds**, a CSR Media project, with 2 campaigns: “DIGI stands by Ukraine” and “DIGI donates life”



The Messenger of Good award by **SOS Children’s Villages at the 2022 Appreciation Gala**

Why invest in DIGI

DIGI on BVB

Digi Communications share capital consists of Class A and Class B shares. Class B shares are listed on the Bucharest Stock Exchange (BVB) as of May 16th, 2017. The Company's shares (BVB: DIGI) are included in the main reference indices of BVB, including the BET index, which includes 20 most tradeable Romanian public companies. DIGI is the only telecommunications company included in the index and the largest entrepreneurial company listed on BVB.

Shareholding structure as of 30.06.2023:

	CLASS A SHARES	NUMBER OF VOTING RIGHTS	CLASS B SHARES	NUMBER OF VOTING RIGHTS
	<i>Unlisted</i>		<i>Listed on the Bucharest Stock Exchange (BVB)</i>	
RCS Management S.A.	57,866,545	578,665,450	-	-
Mr. Zoltan Teszari	2,280,122	22,801,220	-	-
Legal entities	-	-	27,573,875	27,573,875
Individuals	-	-	7,444,571	7,444,571
Treasury shares	4,409,361	-	425,526	-
Total	64,556,028	601,466,670	35,443,972	35,018,446

Listing venue:



Research coverage:



SWISS CAPITAL



Bonds

Romanian subsidiary of Digi Communications, RCS & RDS, issued in 2020 notes totalling €850 million.

Particularly in the current context, the financial cost of the notes is extremely attractive therefore confirming the right strategy of the Group to access financing in 2020.



Face value: **€450 million**

Coupon rate: **2.5%**

Maturity: **05.02.2025**

Venue: **Euronext Dublin**

Face value: **€400 million**

Coupon rate: **3.25%**

Maturity: **05.02.2028**

Venue: **Euronext Dublin**

Key investment highlights



State of the art telecom networks

- More than 9.1 mn homes passed in Romania, of which more than 99% are fiber networks, resulting in faster and more cost-effective service compared to traditional networks.
- Ongoing development and rollout of fixed fiber network in Spain with a focus on expansion in rural areas.



Robust RGU growth across all business lines

- Prioritizing organic growth through network expansion and increasing penetration of various services, from Pay TV to mobile.
- Potential of expanding RGU through strategic acquisitions.



Strong mobile infrastructure and coverage

- Currently cover 99.5% of Romania's population with mobile telecom services.
- Holding licenses across all technologies (2G-5G) with a proactive approach to potentially acquiring more frequency blocks.



Focused geographical expansion

- Primary focus on the Romanian and Spanish markets, leveraging advanced networks for service delivery.
- Plans to enter Portuguese and Belgian markets.

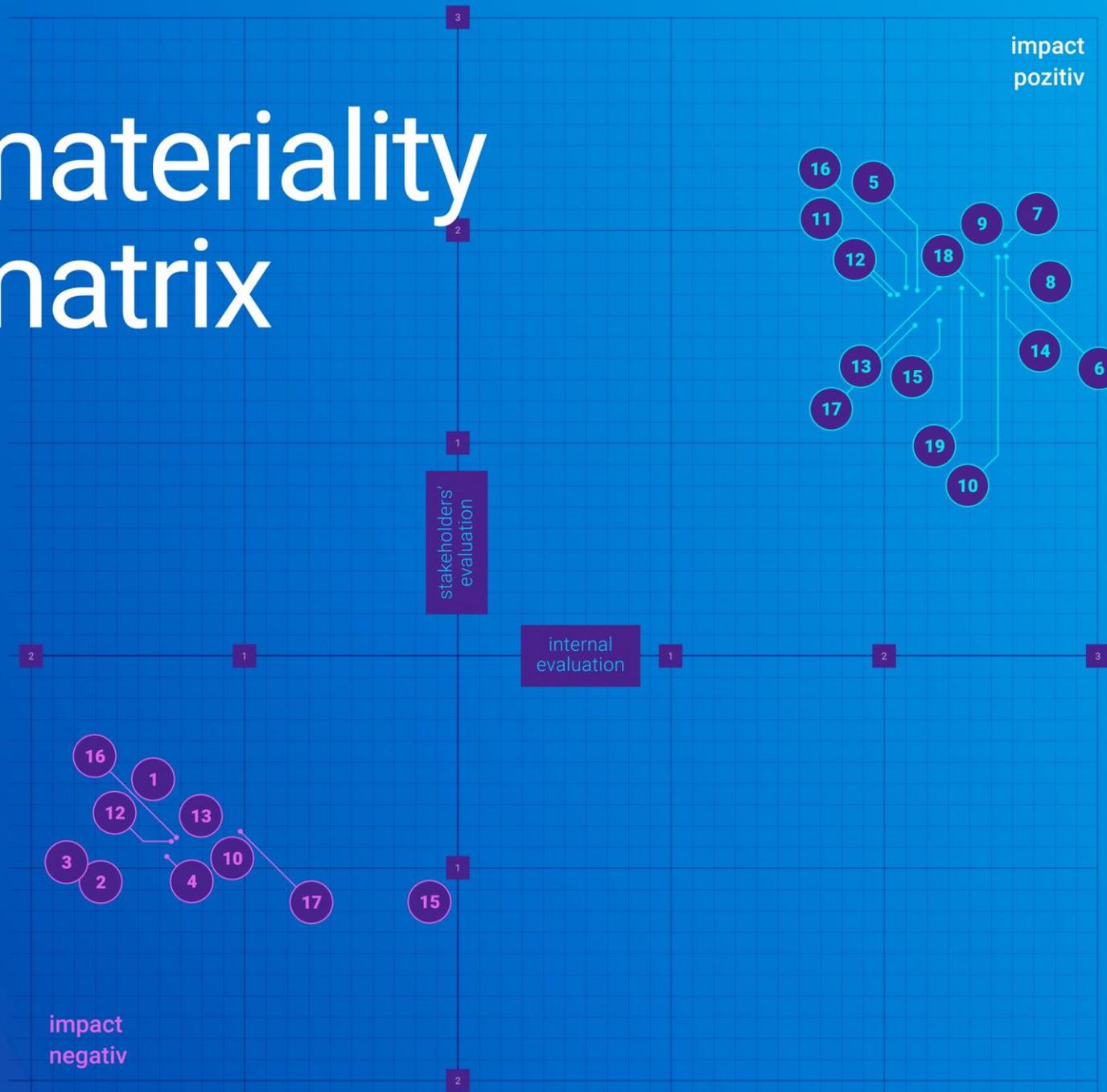


Proven growth driven by robust CAPEX

- Solid performance in Romania, which bolsters expansion in core market Spain and potential markets.
- Commitment to shareholder value with a dividend growth at a CAGR of 24% from 2017-2022, with 2.82% yield for 2022.
- Significant CAPEX geared towards harnessing growth opportunities.

materiality matrix

ESG



material topics:

- | | |
|--|--|
| 1. Climate change | 11. Personal data privacy |
| 2. Energy consumption | 12. Fair working environment |
| 3. Materials and waste | 13. Occupational health and safety |
| 4. Biodiversity | 14. Digital inclusion and access to services |
| 5. Business ethics and responsibility | 15. Content policy |
| 6. Impact on the local economy | 16. Supply chain management |
| 7. Internet governance and digital freedom | 17. Stakeholder engagement |
| 8. Technological innovation | 18. Circular economy |
| 9. Quality of services | 19. Engaging with local communities |
| 10. Data and network security | |

Development vectors

From its origins as a Romanian entrepreneurial venture, DIGI has evolved into a **pivotal European operator** in infrastructure and electronic communications, now present in five major markets.

Our **growth strategy** focuses on asserting leadership in core regions – **Romania & Spain** – and expanding our footprint in promising European territories – **Portugal, Belgium** – always delivering top quality services at affordable prices.

4-pillar strategy

Superior infrastructure

- Leverage advanced **fiber network**
- Top coverage with **4G** mobile network with **5G** in active deployment
- Maximise advantage in **speed** and **reliability**
- **Expand coverage of mobile networks**



Accelerated growth

- Explore **acquisition and expansion** based on market opportunities
- **Cross-sell fixed/mobile services** to maximize customer value
- Drive penetration to reach **untapped consumer segments**

Service excellence

- Drive disruption by ensuring competitive and **affordable pricing**.
- Deliver high-quality service with premium content to drive **stickiness**



Market presence

- Focus on leadership in **core markets: Romania & Spain**
- Actively build presence in existing and potential **growth markets**
- Achieve economies of scale through **operational efficiency**

DIGI

Key markets



Top European
telecom operator

20.8mn RGUs

€1.5bn
consolidated
revenues

Consolidated, yet still
growing



Romania

- #1 internet operator
- #1 CATV operator
- #1 National mobile coverage
- #1 Mobile portability market
- #3 Mobile telephony operator

Growth



Spain

- #1 Mobile Virtual Network Operator on portability sector
- 4.9mn RGUs (fixed & mobile)
- Convergent services portfolio

Moderate Growth



Italy

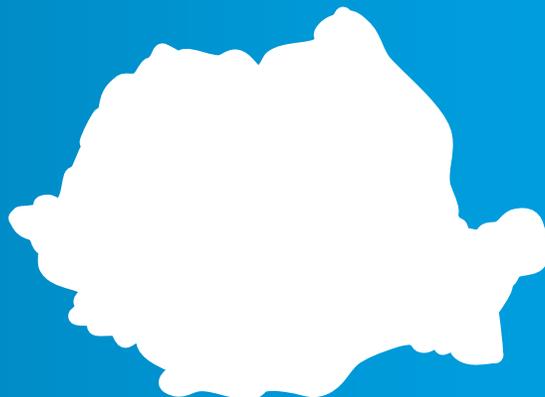
- 362K RGUs (mobile)
- Target customer is the large Romanian community (1.2mn people)

Romania: DIGI as a market leader

Key financial data¹

Revenue: €964.9m

Adj. EBITDA² margin: 43.5%



Key highlights

- #1 CATV operator with 69% market share
- #1 internet operator with 66.9% market share
- Performance of DIGI's fixed internet network places Romania in the global ranking speed for years
- #1 national mobile coverage, covering 98.8% of the total Romanian population
- #3 mobile telephony operator with ~24% of the mobile internet active connections
- #1 mobile portability market with +4.5m ported fixed and mobile numbers between 10.2008-07.2023

Competition

Market share ³				
PayTV	69.1%	10.7%	16%	-
Fixed internet	66.9%	11.6%	19.5%	-
Fixed-line telephony	48%	16.1%	35.7%	-
Mobile data active connections	23.6%	24%	39.7%	12.6%
Multiple play				

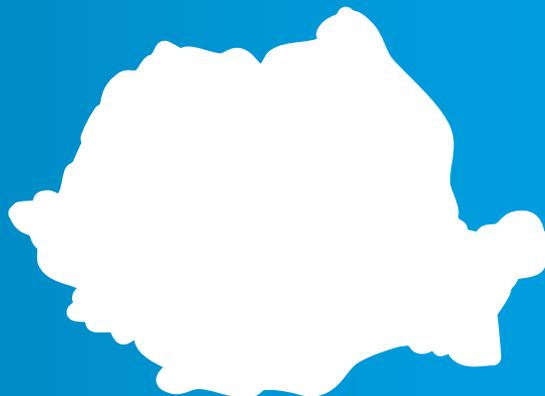
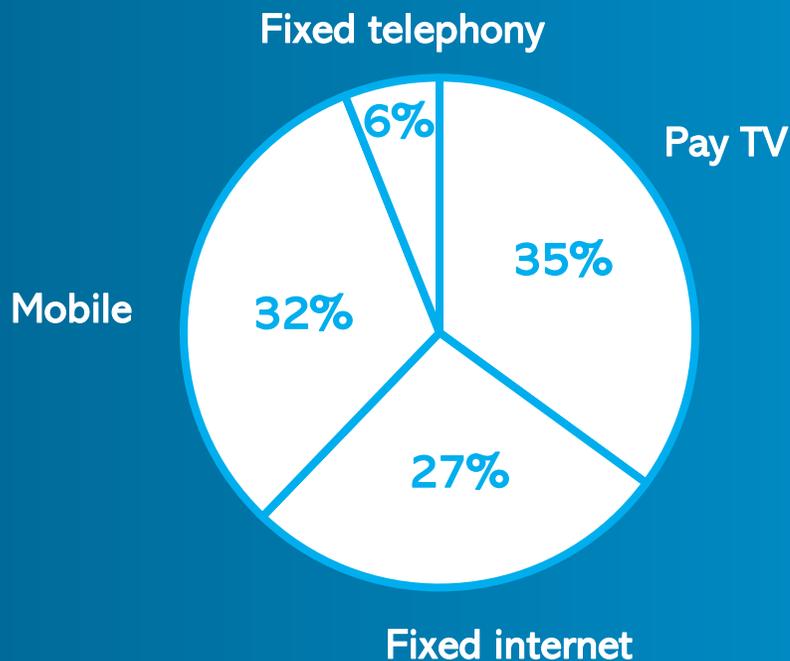
¹ All data as of 31.12.2022 unless stated otherwise.

² On a post-IFRS 16 basis, as % of revenue, incl. intersegment eliminations.

³ Market shares include all PayTV technologies (including but not limited to Cable TV and DTH). Source: Company data; Company estimates; ANCOM; Peer reporting.

Romania: DIGI as a market leader

15.5m RGUs¹



Key highlights

Fiber infrastructure:

- 100% owned nationwide network
- Nationwide last-mile 1Gbps connection with multiple 100Gbps capacities and multiple redundancies
- ~9.1 million homes passed, covering all major cities and certain rural areas (95% dwellings covered)
- >99.9% FTTB/FTTH coverage based on GPON or comparable technology

Mobile infrastructure:

- Mobile coverage in a continuous expansion
- The largest voice coverage in constant growth
- Increasing throughput, currently at 15-20 Mbps
- The highest 4G availability and the best consistent performance of the network
- Launched VoLTE & VoWiFi as one of the first at European level

¹ All data as of 31.12.2022 unless stated otherwise.

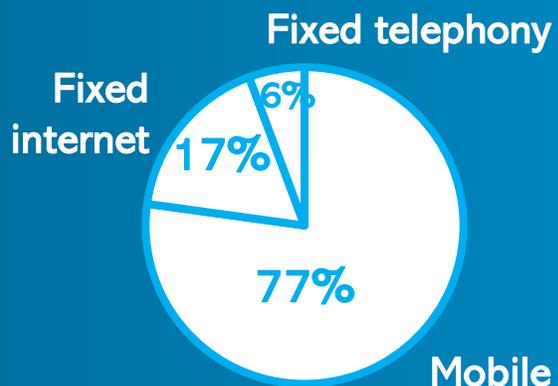
Spain: DIGI as an important player

Key financial data¹

Revenue: €500.4m

Adj. EBITDA² margin: 16.0%

4.92m RGUs



Key highlights

- September 2018: Launch of FTTH fixed broadband and fixed telephony; currently provides these services in 50 regions
- August 2021: Launch of 10 Gbps fixed broadband service
- Indirect access on Telefonica FTTH GPON network based on the NEBA regulation
- +6,5 million homes passed with own FTTH network
- Leader XGSPON in Spain, present in 35 provinces
- OOKLA award for two years in a row for the fastest internet in Spain

¹ All data as of 31.12.2022 unless stated otherwise.

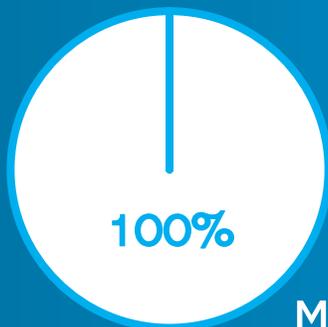
² On a post-IFRS 16 basis, as % revenue, incl. intersegment eliminations.

Italy: DIGI as a niched player

Key financial data¹

Revenue: €27.5

362k RGUs



MOBILE



Key highlights

- Utilize Vodafone's mobile telecommunications network under the Italian MVNO Agreement
- Primarily target the extensive local Romanian community in Italy

¹ All data as of 31.12.2022 unless stated otherwise.

² On a post-IFRS 16 basis, as % revenue, incl. intersegment eliminations.

Portugal, Belgium: potential growth for DIGI

Portugal



- Acquisition of mobile spectrum at 2021 5G auction
- Long-term strategic partnership with Cellnex, reaching 3,000 mobile towers
- Preparation for the launch of commercial services in 2024

Belgium

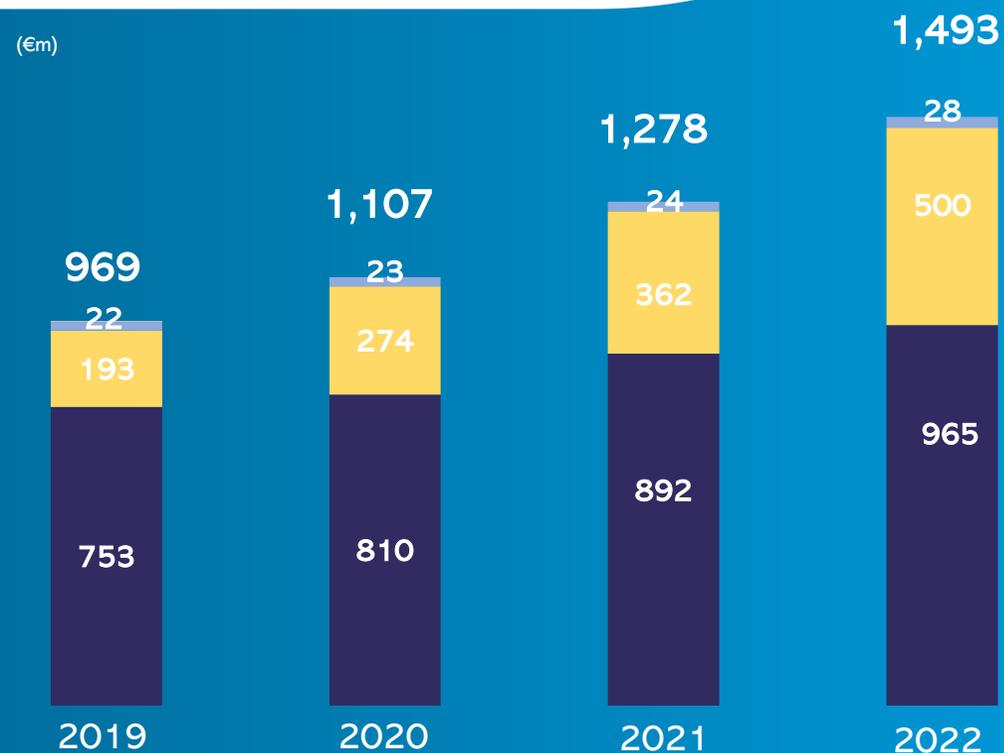


- Secured mobile spectrum in 2022 5G AUCTION in collaboration with Citymesh Mobile (Cegeka Group)
- Agreement concluded in August 2023 with Proximus of wholesale agreements, acquiring national roaming services for a fixed initial term of 5 years
- Under agreement with Proximus, 400 mobile sites (physical infrastructure) are expected to be bought in the next 4 years
- Goal to provide full suite of mobile services on the Belgian market

Historical financial data

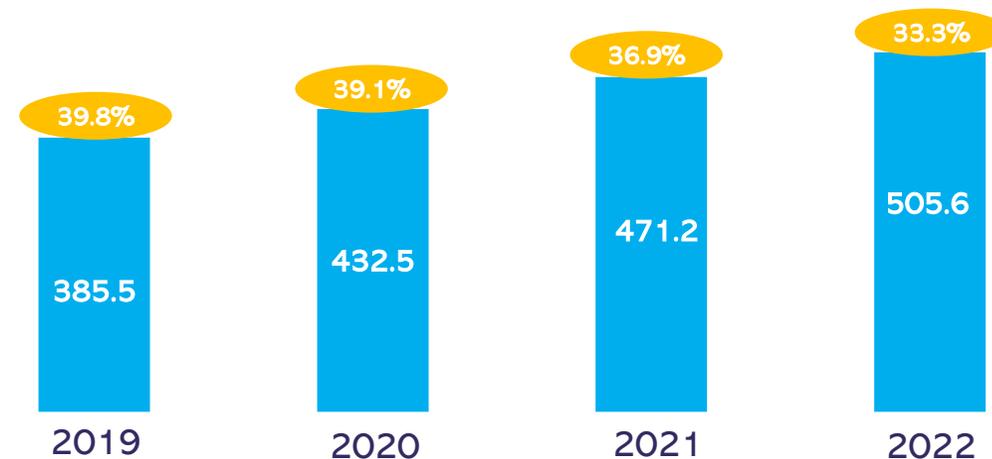
Financial KPIs evolution

Revenues by market*



Adjusted EBITDA evolution*

Adjusted EBITDA is defined as EBITDA (consolidated operating profit or loss plus charges for depreciation, amortisation and impairment of assets) adjusted for the effect of non-recurring and one-off items.

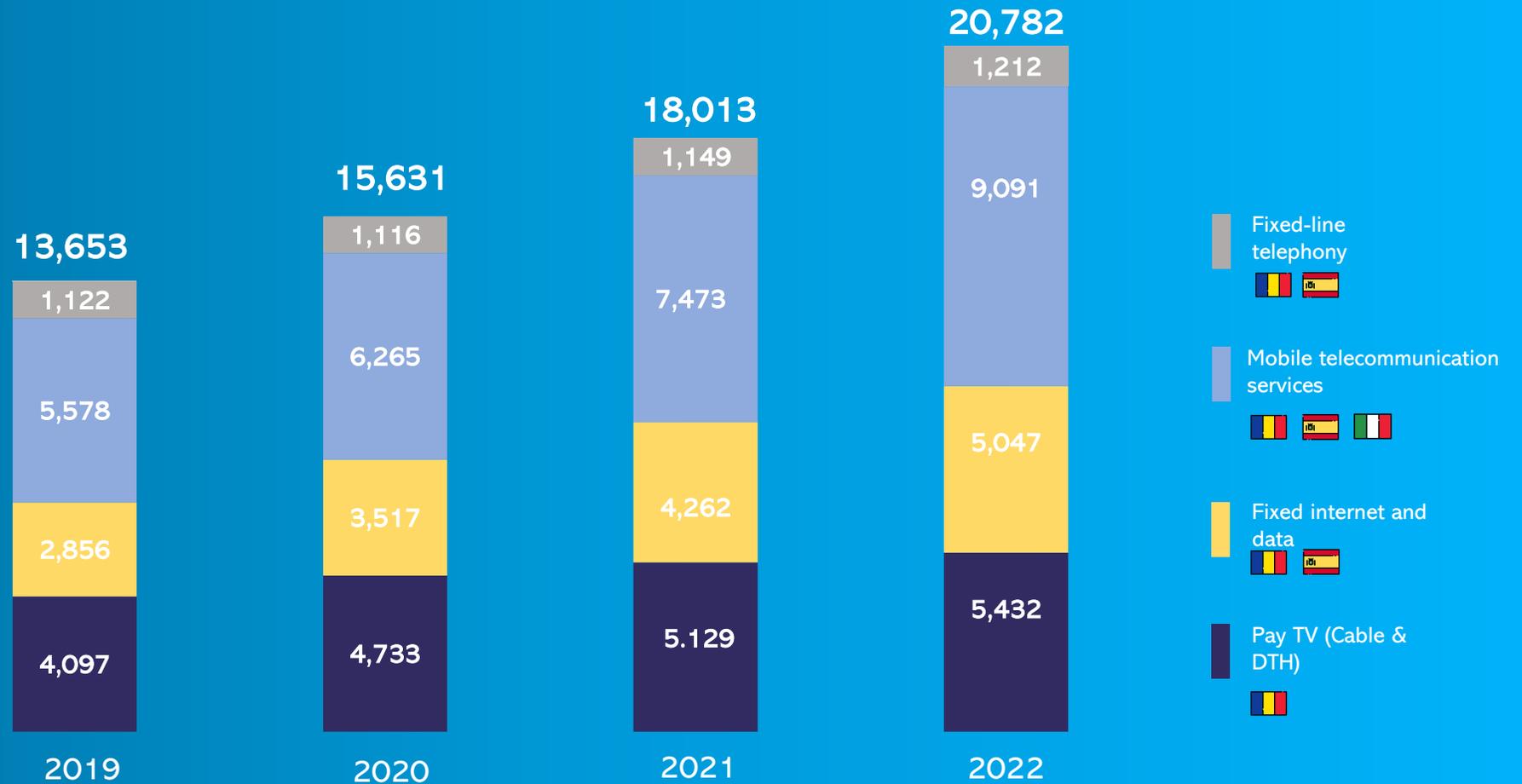


*Excluding the results of the Hungarian operations, of which sale was successfully closed on January 3rd, 2022.

(€m),
margin (%)

RGUs* evolution

RGUs CAGR of 15% for 2019-2022



*Excluding the RGUs of the Hungarian operations, of which sale was successfully closed on January 3rd, 2022.

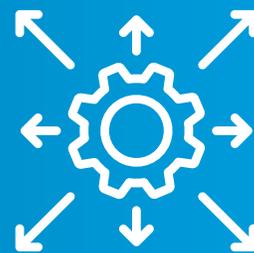
Q2 2023 financials

2023 focus



Sustained RGU growth across core markets

- Sustained market share growth in Romania and Spain
- Strong momentum in the mobile growth: Romania RGU's +19% and Spain RGU's +25%
- Strong momentum in the fixed segment in Spain



Continued network expansion

- **Romania:** expanding the mobile network and rolling out equipment to service the new frequencies
- **Spain:** continued development of fixed infrastructure
- **Portugal:** under development of both mobile and fixed infrastructures



Preparations for operations launch in Portugal

- On-track with preparation for the launch of commercial services early 2024
- Building up on the long-term partnership with Cellnex, equipping contracted mobile towers
- Starting roll-out fibre network

Q2 2023 Results overview



REVENUES
and other income



13%

up to EUR 418.6 million

RGU



16%

YoY increase up to 22.4m (+3.1m RGUs Q2'23/Q2'22)

EBITDA
excl. IFRS 16



24%

up to EUR 125.2 million



Romania RGU

Pay TV: 5.6m RGU (+6% YoY)
Internet: 4.4m RGU (+11% YoY)
Mobile: 5.4m RGU (+19% YoY)



Spain RGU

Mobile: 4.3m RGU (+25% YoY)
Internet: 1.1m RGU (+69% YoY)
Fixed telephony: 364k RGU (+63% YoY)

Q2 2023 Highlights

'm€ 3 months ending June 30, 2023	 Romania	 Spain	 Italy and Group operations ²	Total ⁴
Revenues ³	€ 251.6 m	€ 156.5 m	€ 7.1 m	€ 414.4 m
Other income	€ 4.2 m	-	-	€ 4.2 m
Adjusted EBITDA ¹ excluding IFRS 16	101.5	24.6	(0.9)	125.2
RGUs ('000)	# 16,271	# 5,776	# 391	# 22,438

Source: Company data

¹Adjusted EBITDA excluding IFRS 16 is computed as Adjusted EBITDA decreased by the rental expense recognized in line with IFRS as in effect at 31 December 2018.

²In this Report, unless otherwise stated, as part of our "Other" segment we only present the results of our Italian operations, for revenue, and the results of our Italian, Dutch and Portuguese operations for operating expenses.

³ Revenues per country include intersegment revenues in total amount of EUR 0.8 million for Q2 2023.

⁴ Total Group revenues excluding intersegment revenues.

Q2 2023 Financial highlights

% CAPEX/revenues

44%

37%

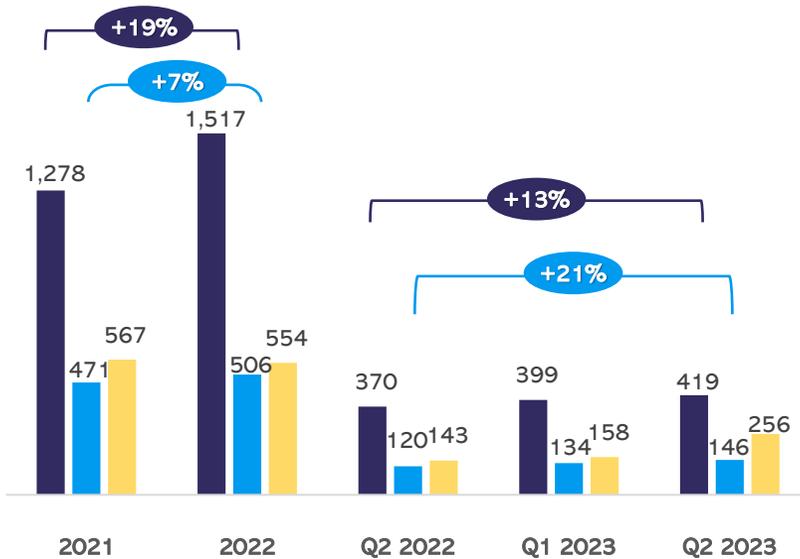
39%

40%

61%

(€m),
margin (%)

■ Revenues & other income ■ Adj. EBITDA ■ CAPEX



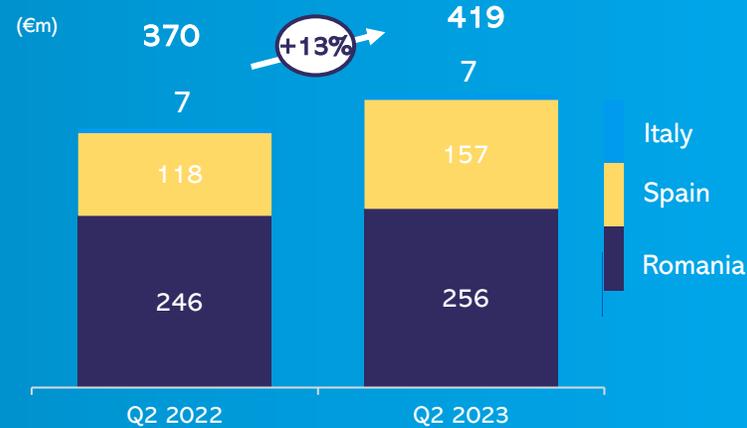
Source: Company data

¹Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off/non-recurring items.

²Revenues per country include intersegment revenues in total amount of EUR 0.8 million for Q2 2023..

³Capex for 2021 contains Hungarian operations.

Group revenue and other income²



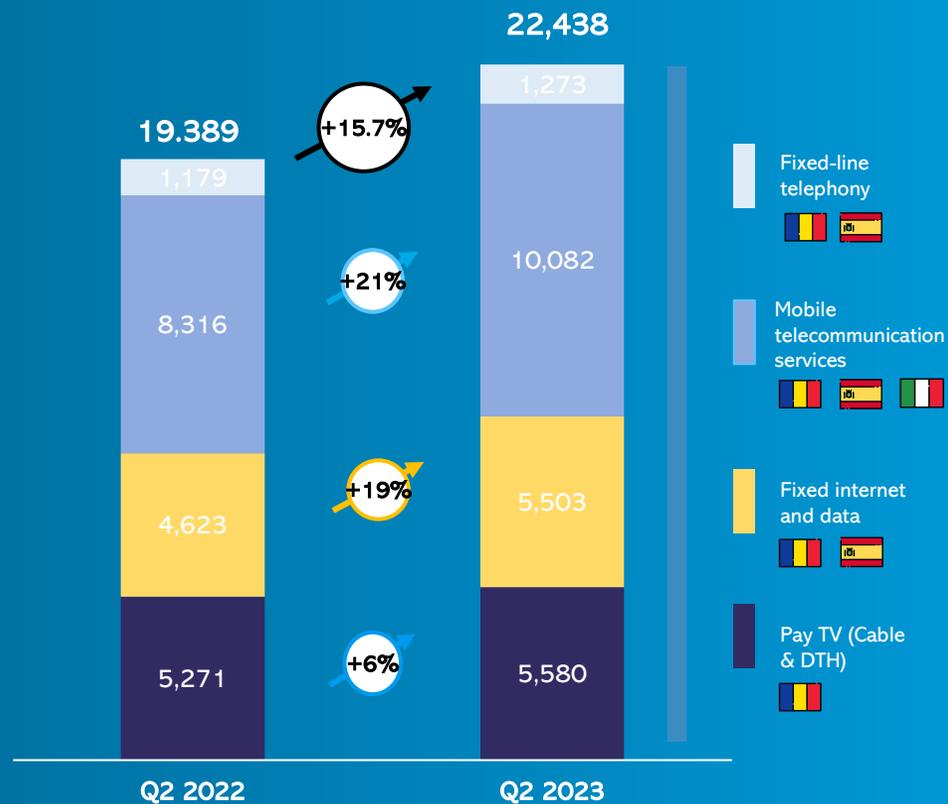
Group adjusted EBITDA¹



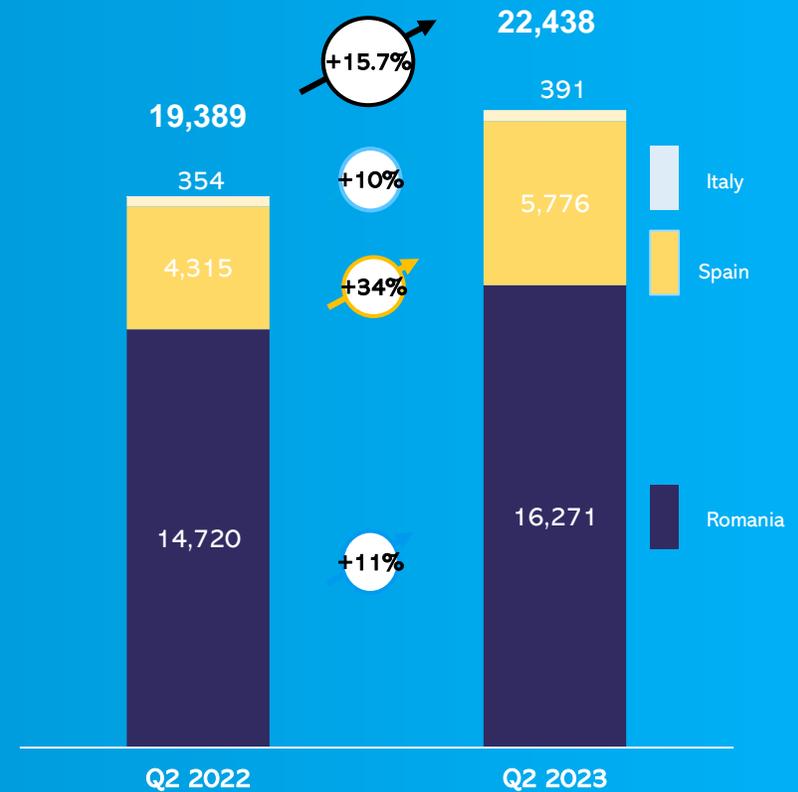
- Revenues and other income up 13% based on strong customer growth in Spain and Romania
- Sales in Spain grew by 33% while Romania grew by more than 4%
- EBITDA before IFRS 16 increased by 24% YoY amid certain inflationary pressures and cost associated to expansion to new territories (Adjusted EBITDA increased by 21%)
- Higher CAPEX in Q2 '23 as a result of accelerated payments for mobile infrastructure amounting to EUR 104 million

Q2 2023 RGU growth

RGUs ('000) per business line



RGUs ('000) per market



Q2 2023 Portability

Portability in Romania

+464.189 mobile portability at H1 2023

+13.095 fixed telephony portability at H1 2023

Portability in Spain

+594.200 fixed and mobile portability at H1 2023, +35% vs H1 2022

+98.200 fixed and mobile portability in Jun'23, +36% vs Jun'22



Q2 2023 Financial profile

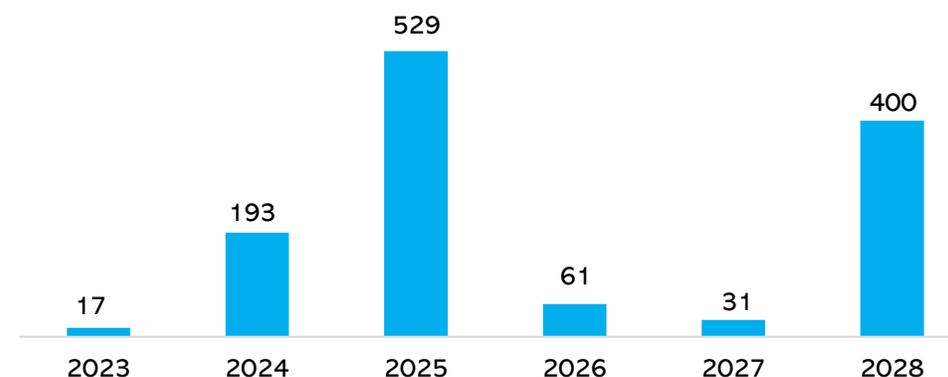
Financial liabilities as of June 30, 2023¹

Facility	Amount (Mil €)
Senior Secured Notes	850.0
2021 Senior Facility (term loan & revolver)	276.9
Export Credit Arrangements	104.0
Financial leases	41.0
Other long-term debt	95.4
Other short-term debt	85.5
Total gross debt	1,452.7
Cash on BS	205.5
Total net debt	1,247.2

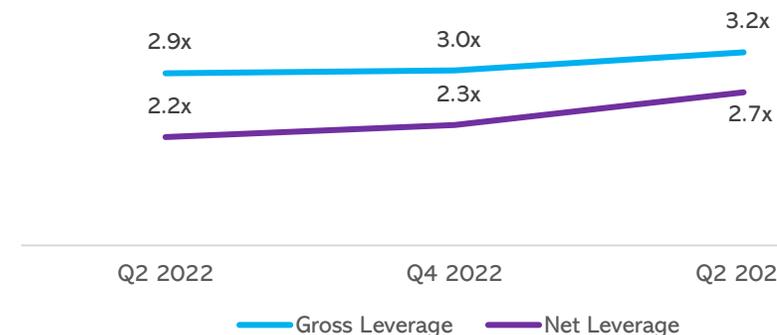
¹ Indebtedness as per Notes requirements. As per the Notes Covenants, debt is presented under IFRS available at the signing date, therefore excludes IFRS 16 implications.

² The Net Leverage and Gross Leverage are computed using EBITDA as per the Notes Covenants, under IFRS excluding IFRS 16 implications. Covenant's computation for the Net Leverage from the Senior Secured Notes uses EBITDA adjusted as per Indenture requirements, which is different from the Adjusted EBITDA in this presentation.

Maturity profile long-term loans & notes (mil €)



Leverage²



Contact

DIGI

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2023 Financial Calendar

14.11.2023 – Q3 2023 Results

14.11.2023 – Q3 2023 Call with Analysts