

IMPORTANT NOTICE

THE OFFERING OF THE NOTES DESCRIBED HEREIN (THE “**NOTES**”) IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“**QIBs**”) WITHIN THE MEANING OF RULE 144A (“**RULE 144A**”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR (2) NON-U.S. PERSONS PURCHASING THE NOTES OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S (“**REGULATION S**”) UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE (A “**MEMBER STATE**”) OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) OR IN THE UNITED KINGDOM (THE “**UK**”), NOT RETAIL INVESTORS (AS DEFINED BELOW)).

IMPORTANT: You must read the following before continuing. The below applies to the prospectus following this notice (the “**prospectus**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. The prospectus has been prepared in connection with the proposed offer and sale of the Notes. By accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED, AND WILL NOT BE ABLE TO, PURCHASE ANY OF THE NOTES.

Confirmation of your Representation: In order to be eligible to view the prospectus or make an investment decision with respect to the Notes, you must be either (1) a QIB; or (2) (x) a non-U.S. person purchasing the Notes outside the United States in reliance on Regulation S, and (y) to the extent you are resident in (i) a Member State of the EEA or (ii) the UK, you must not be a retail investor (as defined below).

The prospectus is being sent at your request. By accepting this electronic transmission and accessing the prospectus, you shall be deemed to have represented to us that:

- (1) you consent to delivery of the prospectus by electronic transmission;
- (2) either:
 - (a) you and any customers you represent are QIBs, or
 - (b) you and any customers you represent are outside the United States, are non-U.S. persons, and the e-mail address that you gave us and to which this electronic transmission has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia;
- (3) to the extent you or any customer you represent are a resident of a Member State of the EEA, neither you, nor any such customer is a retail investor. For the purposes of the preceding sentence, “**retail investor**” means a person who is one (or more) of the following:
 - (a) “retail client” as defined in point (11) of Article 4(1) of European Union Directive 2014/65/EU (as amended, “**MiFID II**”);
 - (b) a “customer” within the meaning of European Union Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a “qualified investor” as defined in European Union Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and

- (4) to the extent you or any customer you represent are a resident of the UK, neither you, nor any such customer is a retail investor. For the purposes of the preceding sentence, “**retail investor**” means a person who is one (or more) of the following:
- (a) a “retail client” as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”);
 - (b) a “customer” within the meaning of the provisions of and any rules or regulations made under, the United Kingdom Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a “professional client,” as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
 - (c) not a “qualified investor” as defined in Article 2(e) of the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”).

Prospective purchasers of the Notes that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

The materials relating to the offering of the Notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and the Initial Purchasers (as defined in the prospectus) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer (as defined in the prospectus) in such jurisdiction.

Under no circumstances shall the prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of any Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The prospectus has not been approved by any authorized person in the United Kingdom and is for distribution only to persons who are: (i) outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); (iii) high net worth companies, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Financial Promotion Order; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). The prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity, to which the prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the FSMA.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes other than in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

EEA MiFID II Product Governance / Professional Investors and Eligible Counterparties-only Target Market:

Solely for the purposes of each manufacturers’ product approval process, the target market assessment in respect of the Notes has led the manufacturers to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however and without prejudice to the obligations of the Issuer in accordance with MiFID II, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance / Professional Investors and ECPs-only Target Market: Solely for the purposes of the product approval process of each manufacturer for the purposes of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) (each a “**UK Manufacturer**” and, together, the “**UK Manufacturers**”), the target market assessment in respect of the securities described in the prospectus has led to the conclusion that: (i) the target market for such securities is only ECPs, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a “**distributor**”) should take into consideration the UK Manufacturers’ target market assessment; however, a distributor subject to the UK MiFIR

Product Governance Rules is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the UK Manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to retail investors in the EEA: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined above) in the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors. The securities described in the attached prospectus are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the securities described in the attached prospectus or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

The prospectus may only be distributed, and the Notes may only be offered for sale or purchase to investors, in Romania, who are qualified investors (as defined in Regulation (EU) 2017/1129). This prospectus has not been approved by the Romanian Financial Supervisory Authority or any other competent Romanian authority.

The prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Initial Purchasers, nor any person who controls any Initial Purchaser, nor any of their or its directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

This notice and the prospectus are intended only for use by the addressee named herein. If you have received this transmission in error, please immediately notify the sender by replying to this transmission and permanently delete all copies of this transmission and destroy any printouts of it.



DIGI Romania S.A.
€600,000,000 4.625% Senior Secured Notes due 2031

DIGI Romania S.A. (the “**Issuer**”), a joint stock company organized under the laws of Romania, has offered (the “**Offering**”) €600,000,000 aggregate principal amount of its 4.625% Senior Secured Notes due 2031 (the “**Notes**”).

The Issuer will pay interest on the Notes semi-annually in arrears on each of April 29 and October 29, commencing on April 29, 2026. The Notes will mature on October 29, 2031. The Issuer may redeem some or all of the Notes at any time on or after October 29, 2027, at the redemption prices set forth herein. Prior to October 29, 2027, the Issuer may redeem, at its option, some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, *plus* the applicable “make-whole” premium, as described in this prospectus (this “**prospectus**”). Prior to October 29, 2027, the Issuer may also redeem up to 40% of the Notes using the proceeds from certain equity offerings at the redemption price of 104.6250% of the principal amount of the Notes, *plus* accrued and unpaid interest and additional amounts, if any, to the date of redemption. Prior to October 29, 2027, the Issuer may redeem up to 10% of the Notes in each twelve-month period commencing on the Issue Date (as defined herein) at a redemption price equal to 103% of the principal amount thereof. Additionally, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest and additional amounts, if any, to the date of redemption. Upon the occurrence of certain events constituting a change of control, the Issuer will be required to offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest and additional amounts, if any, to the date of redemption.

The Notes are the Issuer’s senior secured obligations and, were not guaranteed as of the Issue Date. Following the Issue Date, Restricted Subsidiaries (as defined herein) of the Issuer may guarantee the Issuer’s obligations under the Notes and the Indenture pursuant to the terms of the Indenture. The Issuer’s obligations under the Notes are and will be effectively senior to any of the Issuer’s existing and future unsecured indebtedness to the extent of the value of the Collateral (as defined below) securing the Notes. The Issuer’s obligations under the Notes rank and will rank *pari passu* in right of payment with all of the Issuer’s existing and future indebtedness that is not subordinated in right of payment to the Issuer’s obligations under the Notes. The Notes are and will be structurally subordinated to any existing and future indebtedness of the Issuer’s subsidiaries that do not guarantee the Notes.

The obligations of the Issuer under the Notes are secured by first-ranking security interests (subject to any Permitted Collateral Liens (as defined herein)) over (i) subject to certain exclusions, all present and future movable assets of the Issuer, including bank accounts, trade receivables, intragroup receivables, insurance receivables, inventories, movable tangible property (including installation, networks, machinery, equipment, vehicles, furniture, and other similar assets), intellectual property rights, insurance and proceeds related to any of the foregoing; (ii) all the quota-shares of DIGI SPAIN TELECOM, S.L.U., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain (“**DIGI Spain**”) held by the Issuer and (iii) certain assets of Digi Communications N.V., a public company (*naamloze vennootschap*) organized under the laws of the Netherlands and tax resident in Romania (the “**Parent**”), including all shares it holds in the Issuer and certain of its bank accounts in Romania (collectively, the “**Collateral**”). The Collateral is subject to limitations under the laws of the relevant jurisdictions and will be released in certain circumstances, in each case as described in this prospectus.

The Collateral also secures, and will continue to secure on the Issue Date, on a *pari passu* basis, our obligations under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities Agreements (each as defined herein) and certain other obligations.

There is no current market for the Notes. Application has been made to Euronext Dublin for the Notes to be admitted to the official list (the “**Official List**”) and trading on its regulated market, which is a regulated market for the purposes of European Union Directive 2014/65/EU (as amended) (the “**MiFID II**”). This prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Regulation (EU) 2017/1129. The Central Bank only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer accepts responsibility for the information contained in this prospectus. To the best of the knowledge of the Issuer, the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect its import.

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 30.

Price for the Notes: 100.0%, *plus* interest, if any, from the Issue Date.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering is being made only to qualified institutional buyers (“**QIBs**”) in compliance with Rule 144A under the U.S. Securities Act (“**Rule 144A**”). You are hereby notified that the Initial Purchasers may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, the Offering is being made to investors who are not U.S. persons in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”). For a description of eligible transferees and certain restrictions on transfer of the Notes, see “*Plan of Distribution*” and “*Notice to Investors*.”

The Notes were issued in registered form in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. On the closing date of the Offering, Global Notes (as defined herein) representing the Notes were deposited with, or on behalf of, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”) and registered in the name of a nominee of such common depository for the accounts of Euroclear and Clearstream. We expect the Notes to be delivered to the Initial Purchasers on or about October 29, 2025. See “*Book-Entry; Delivery and Form*.”

The Notes were rated BB+ by Fitch Ratings Inc. (“**Fitch**”) and BB- by S&P Global Ratings Europe Limited (“**S&P**”). Fitch and S&P are established in the European Economic Area (“**EEA**”) and registered under Regulation (EU) No 1060/2009, as amended. Fitch and S&P appear on the latest update of the list of registered credit rating agencies on the website of the European Securities Markets Authority, <http://www.esma.europa.eu>. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction, or withdrawal at any time by Fitch or S&P, as applicable. A suspension or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

Joint Global Coordinators
and
Joint Physical Bookrunners

Barclays

Citigroup

Joint Bookrunners

ING

Santander

Société Générale

UniCredit

The date of this prospectus is November 7, 2025

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OVERVIEW

The following overview information should be read as an introduction to the more detailed information appearing elsewhere in this prospectus, including the Financial Statements beginning on page F-1. Any decision by a prospective investor to invest in the Notes should be based on consideration of this prospectus as a whole, including the information discussed under “—Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” and not solely on this summarized information.

BUSINESS OVERVIEW

Introduction

We are a fast-growing European telecom challenger, with strong presence in our core countries Romania and Spain, historic presence in Italy and recently launched operations in Portugal and Belgium.

- **Romania.** We offer a comprehensive suite of fixed and mobile telecommunication services to our customers in Romania. Our fixed services in the country include pay TV (cable TV and DTH), fixed internet and data and fixed-line telephony. As at June 30, 2025, our fixed network in Romania (which is the country’s largest FTTH network) covered 95.1% of all dwellings (*Sources: Group Reporting, ANCOM*). As at the same date, we estimate that our network of approximately 9,000 mobile base stations (which is the largest number of mobile base stations among all mobile operators in the country) covered 99.45% (outdoor voice coverage) of Romania’s population. According to ANCOM, we have the widest population coverage among all mobile operators in the country. In October 2025, we further enhanced our mobile network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see “*Recent Developments—TKRM Business and Assets Acquisition*”). In addition, all of Romania is within the footprint of our DTH signal.
- **Spain.** In Spain, we offer IPTV, fixed internet and data and fixed-line telephony services through our own FTTH network and based on wholesale indirect access agreements through the SOTA Network and the fixed network of Telefónica. We provide mobile telecommunication services in the country as an MVNO through Telefónica’s mobile network. Since January 2025, we have also been providing mobile telecommunication services as an MNO via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica. As at June 30, 2025, our own fixed network and the SOTA Network (which we sold to a consortium led by Macquarie Capital in 2024, but continue to maintain and operate to provide our services) together covered 46.6% of all dwellings in the country (*Sources: Group Reporting, Spanish National Institute of Statistics*).
- **Portugal.** We have been developing our own network in Portugal since 2021, when we acquired certain spectrum licenses. In addition, on October 25, 2024, we acquired NOWO, Portugal’s fourth largest telecom operator. Since November 2024, we have been offering a full range of telecommunication services under the DIGI brand, including cable TV and IPTV, fixed internet and data, fixed-line telephony and mobile telecommunication services. We also continue servicing customers not yet migrated to the DIGI platform under the NOWO brand. We offer fixed services through our own FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country covered 36.3% of all dwellings (*Sources: Group reporting; INE*). As at the same date, our mobile telecommunication services covered 98.7% (outdoor voice coverage) of Portugal’s population. Additionally, we provide mobile telecommunication services as an MVNO (under the NOWO brand) through the mobile network of MEO, a subsidiary of Altice Portugal.
- **Italy.** In Italy, we provide mobile telecommunication services as an MVNO through the mobile network of Vodafone Italy. We have also started a roll-out of our fixed network in the country, which is currently in an early development stage.
- **Belgium.** On July 16, 2025, we completed a series of transactions to consolidate all our existing operations in Belgium into the Issuer’s direct subsidiary, Digi Communications Belgium N.V. (“**DIGI Belgium**”). We originally expanded into the country in December 2024, by introducing fixed and mobile service offerings through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future. See “*Recent Developments—DIGI Belgium Consolidation*”. Our current offerings in the country include fixed internet and data and fixed-line telephony on our own network, and mobile telecommunication services on our own network and through a national roaming services agreement with Proximus.

As at June 30, 2025, we had 29.8 million RGUs in all our jurisdictions, including 18.8 million in Romania, 9.7 million in Spain, 0.8 million in Portugal and 0.5 million in Italy. In addition, as at June 30, 2025, DIGI Belgium had approximately 62,000 RGUs.

We have historically generated strong revenue streams and robust Adjusted EBITDA. Our revenues were €1,492.8 million, €1,690.4 million, €1,924.3 million and €2,083.0 million for the years ended December 31, 2022, 2023, 2024 and the twelve months ended June 30, 2025, respectively. For the twelve months ended June 30, 2025, we generated €1,145.4 million, €857.7 million, €46.8 million and €33.3 million of revenues (after intersegment eliminations) in Romania, Spain, Portugal and Other (which includes revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions), respectively. This represented 55.0%, 41.2%, 2.2%, and 1.6%, respectively, of our consolidated revenues for that period. Our Adjusted EBITDA was €509.6 million, €595.3 million, €684.5 million and €690.6 million for the years ended December 31, 2022, 2023, 2024 and the twelve months ended June 30, 2025, respectively. For the twelve months ended June 30, 2025, we generated €549.8 million, €174.6 million, €(35.1) million and €1.3 million of Adjusted EBITDA in Romania, Spain, Portugal and Other, respectively. This represented 79.6%, 25.3%, (5.1)%, and 0.2%, respectively, of our Adjusted EBITDA for that period.

We offer the following principal types of services:

- **fixed:**
 - **pay TV**, which includes cable TV, IPTV and DTH. Cable TV is our original line of business and is currently offered in Romania and Portugal. We also offer IPTV services in Spain and Portugal and DTH services in Romania. As at June 30, 2025, we had 6.2 million RGUs for pay TV services, of which 6.0 million, 0.1 million and 0.1 million in Romania, Spain and Portugal, respectively.
 - **fixed internet and data**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 7.4 million RGUs for fixed internet and data services, of which 5.0 million, 2.3 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed internet and data services in selected cities in Italy and Belgium, but their roll-out is an early development stage.
 - **fixed-line telephony**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 1.7 million RGUs for fixed-line telephony services, of which 0.8 million, 0.7 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed-line telephony services in selected cities in Belgium, but their roll-out is in an early development stage.
- **mobile:** we provide **mobile telecommunication services** in all our jurisdictions. As at June 30, 2025, we had 14.5 million RGUs for mobile telecommunication services, of which 7.0 million, 6.6 million, 0.4 million and 0.5 million in Romania, Spain, Portugal and Italy, respectively. We also had approximately 62,000 mobile RGUs in Belgium.

For the twelve months ended June 30, 2025, our fixed services generated €1,042.0 million of revenues (after intersegment eliminations), or 50.0% of our consolidated revenues for that period, whilst our mobile services generated €860.5 million of revenues (after intersegment eliminations), or 41.3% of our consolidated revenues for that period. Other revenues for the twelve months ended June 30, 2025 (which include sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues) was €180.4 million (after intersegment eliminations), or 8.7% of our consolidated revenues.

Key Strengths

We consider our key strengths to include the following:

- **Leadership in core markets with robust RGUs growth to gain market share.** We are the leading provider of pay TV services (by number of subscribers), fixed internet and data services (by number of connections), fixed-line telephony services (by number of subscribers) and post-paid mobile telecommunication services (by number of connections) in Romania, our original home jurisdiction and most mature market (*Sources: Group reporting; ANCOM*). Despite the high level of penetration achieved in prior years, our RGUs in the country continued to increase from 15.5 million as at December 31, 2022 to 18.8 million as at June 30, 2025. In addition to Romania, we have recently made strategic investments in Spain, Portugal and Belgium to capture market share and gain leadership positions. As a result, we are currently one of the fastest growing telecom operators in our second main jurisdiction, Spain, with a 11.1% market share of fixed internet and data services, a 10.2% market share of mobile telephony services, and a 11.1% market share of mobile internet services, all as at March 31, 2025 (*Source: CNMC*). Our Spanish RGUs doubled from 4.9 million as at December 31, 2022 to 9.7 million as at June 30, 2025. In Portugal and Belgium, we have launched operations through direct investments in spectrum licenses and infrastructure to promote RGUs growth. We are focused on increasing market penetration in all these markets through further expansion and cross-selling multiple service offerings to our current and prospective subscribers. Capitalizing on high-quality fixed and mobile infrastructure and competitive pricing, we have achieved substantial, mainly organic, growth which led to an increase of our total RGUs across all business lines and jurisdictions from 0.7 million as at December 31, 2002 to 29.8 million as at June 30, 2025.

- Attractive core markets with steady structural evolution.** Our main markets are Romania and Spain. Both economies have been experiencing strong positive developments in recent years and their respective telecommunication services markets have been growing steadily. Romania, our original home and largest market, has a large and dynamic economy, with real gross domestic product (“GDP”) growth of 4.0% and 2.4% in 2022 and 2023, respectively. Although at a slower pace, Romania’s real GDP still grew at the rate of 0.8% in 2024 (Source: Eurostat). The aggregate consumption expenditure of households in Romania in the period between January 1, 2020 and January 1, 2025 increased at a compound annual growth rate (“CAGR”) of 13.2%, from approximately €154.0 billion to approximately €252.6 billion (Source: EIU (Economist Intelligence Unit) National Institute of Statistics and Economic Studies). Spain, our second largest market, has experienced real GDP growth at the rate of 6.2%, 2.7% and 3.2% in 2022, 2023 and 2024, respectively (Source: Eurostat) and the aggregate consumption expenditure of households in Spain in the period between January 1, 2021 and January 1, 2025 increased at a CAGR of 8.7%, from approximately €620.7 billion to approximately €865.1 billion (Source: INE Household Budget Survey). The telecommunication and entertainment industries in both countries have benefited from this evolution, with a steady subscriber growth across all business lines. With respect to pay TV, there were 7.8 million in Romania as at December 31, 2023 and December 31, 2024 and 10.5 million and 11.1 million subscribers in Spain as at the same dates, respectively. As regards fixed internet and data, there were 6.6 million and 6.8 million subscribers in Romania and 17.3 million and 18.5 million subscribers in Spain as at December 31, 2023 and December 31, 2024, respectively. Finally, the mobile telecommunication services market accounted for 26.7 million and 24.1 million subscribers in Romania and 71.0 million and 74.7 million subscribers in Spain as at December 31, 2023 and December 31, 2024, respectively (Sources: ANCOM; Instituto Nacional de Estadística, Global Data; CNMC). This steady structural evolution in our core jurisdictions has supported our efforts to increase RGUs through disruptive investments and market share gains.
- Advanced fixed and mobile infrastructure with extensive coverage in core markets.** We offer our services through technologically advanced infrastructure with extensive coverage of our core markets. In Romania, our own fixed network covered 95.1% of dwellings as at June 30, 2025 (Sources: Group reporting; ANCOM). Almost the entirety of this network is FTTH and has been upgraded to GPON or comparable technology. As a result, we are currently able to offer transmission speeds of up to 1,000 Mbps for internet and data services (up to 10 Gbps in selected major cities, which is the fastest available to residential users). In addition, as at June 30, 2025, we had approximately 9,000 mobile base stations in Romania and our mobile telecommunication services covered 99.45% (outdoor voice coverage) of the country’s population, which is the widest population coverage among all mobile operators. This network will increase by approximately 500 mobile base stations acquired as part of the TKRM Business and Assets Acquisition (see “Recent Developments—TKRM Business and Assets Acquisition”). We offer 2G/4G voice and data services countrywide and 5G voice and data services in certain cities. In Spain, our fixed services are offered through our own FTTH network and wholesale indirect access through the SOTA Network and the Telefonica NEBA network. Our technologically advanced fiber network offers 100% GPON and for 93% XGSPON in our own network and the SOTA Network, which is the largest XGSPON footprint in Spain, and together covered 46.6% of dwellings as at June 30, 2025 (Sources: Group reporting; National Institute of Statistics). These networks enable transmission speeds of up to 10 Gbps for internet and data services to most customers. Our mobile telecommunication services are offered as an MNO using Telefónica’s advanced mobile network based on the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement, as well as our own spectrum. We expect to deploy approximately 5,000 mobile base stations in Spain in the next three years to further enhance our mobile telecommunications services. In Portugal, our fixed services are offered through our own GPON FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country covered 36.3% of all dwellings (Sources: Group reporting; INE). As at the same date, our 2G/4G/5G mobile telecommunications services covered 98.7% of Portugal’s population (Sources: Group reporting; National Institute of Statistics) and were provided via approximately 4,300 mobile base stations.
- Leading commercial proposition for customers.** Our technical capabilities, wide network coverage and multiple service offerings enable us to provide customers with a wide range of services at competitive prices. Our ability to offer multiple services is a central element of our strategy and allows us to attract new customers who wish to benefit from our varied product offerings, to expand the uptake of our service offerings within our existing customer base and increase customer loyalty by offering multiple services at cost-effective prices. For example, we have a flexible customer proposition in Romania, which includes a comprehensive cable TV offering (with premium content), superfast fixed internet and data (at speeds of 500 Mbps, 1,000 Mbps, and, in certain larger cities, 10 Gbps), fixed-line telephony and mobile packages (with solutions offering various call minutes allowances and generous mobile traffic of up to 200 GB per month at 4G/5G speeds).

- **Robust financial performance.** Our business has consistently generated strong revenue streams. For the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, our revenues were €1,492.8 million, €1,690.4 million, €1,924.3 million and €2,083.0 million, respectively. We have historically had robust Adjusted EBITDA and a prudent approach to capital expenditure (defined as cash outflows for the acquisition of tangible, intangible assets, subscriber acquisition costs, subsidiaries and programme assets). Our Adjusted EBITDA was €509.6 million, €595.3 million, €684.5 million and €690.6 million for the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively. Our total capital expenditure was €560.1 million, €729.7 million, €885.1 million and €862.5 million for the same periods, respectively. This represented 37.5%, 43.2%, 46.0% and 41.4% of our revenues for the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively. In addition, we have historically maintained prudent capital and liquidity structures with a ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases of 2.4x, 2.5x, 2.4x and 2.8x for the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively, and a ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases of 10.9x, 10.0x, 11.6x and 9.3x, respectively, for the same periods.
- **Highly experienced management team.** Our senior management team is made up of professionals who have, on average, more than 20 years of experience in the telecommunication industry and with the Group. Our controlling shareholder, Mr. Zoltán Teszári, has been, and continues to be, involved in all key management decisions in relation to the Group since its foundation in 1992. Our Chief Executive Officer, Mr. Serghei Bulgac, joined the Group in 2003 as its Chief Financial Officer and became the Chief Executive Officer in 2015. The majority of other members of our experienced management team have also been with us for a long time. These key individuals have made significant contributions to our transformation from a small cable TV business in Romania to a leading provider of telecommunication services in our core markets. We believe that the collective industry knowledge and leadership capabilities of our senior management team will enable them to continue a successful execution of our strategy.

Strategy

Our mission is to provide customers with high-quality telecommunications services at competitive prices. Specific components of our strategy include the following:

- **Continue the focus on Romania and Spain, while accelerating development in other existing markets and exploring additional expansion opportunities.** We intend to continue focusing on our main markets in Romania and Spain. Our advanced fixed network in Romania allows us to efficiently deliver multiple services in the areas already covered and we believe there is scope for a further increase in uptake of our fixed services in these areas. We also see the potential for further growth of our mobile telecommunication services, as we believe that the Romanian mobile market still offers opportunities for us to expand. As regards to Spain, we believe that our development has achieved significant momentum in that country, which continues to present attractive future growth opportunities for our business. We expect our Spanish operations to continue gaining prominence supported by our investments in the build-up of high-quality own infrastructure and strategic partnering with Telefónica, which provides us access to their advanced mobile network. In addition to these main markets, we will continue the roll-out of our fiber optic networks in Portugal, Italy and Belgium (where we are also aiming to develop a market-leading mobile offering) and we are regularly monitoring attractive opportunities to enter additional markets.
- **Continue developing advanced fixed networks.** The quality of our fixed networks has been the primary driver for the organic growth in our RGUs. These networks allow us to offer a wide range of advanced services to customers at competitive prices, while maintaining low infrastructure operating expenses. In particular, our Romanian fixed network is predominantly fiber-based and is faster and more cost-effective than traditional networks operated by our competitors. In Spain, Portugal, Belgium and certain Italian cities, we are building fully fiber optic networks from the ground up and use advanced technologies to deliver premium, yet cost-effective services. We intend to continue developing cutting-edge fixed networks in all our jurisdictions, which we believe allows us to leverage our service capabilities, while maintaining competitive pricing, to attract and retain customers across all our fixed offerings.
- **Further grow our mobile business.** In Romania, our mobile telecommunication services cover 99.45% (outdoor voice coverage) of the population. We believe that our dense fixed network, an extensive network of mobile base stations and existing 2G, 4G and 5G licenses provide a solid foundation for further development of our mobile telecommunication infrastructure and offerings in this core market. In Spain, we operate as an MNO using Telefónica's advanced mobile network based on the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement, as well as our own spectrum.. We intend to further strengthen our position of a

fully integrated telecommunications provider in Spain by developing our own mobile network, primarily based on the spectrum licenses acquired through competition-enhancing remedies approved by the European Commission and the Spanish authorities in the context of the 2024 combination between Orange Spain and MasMovil into MasOrange and the spectrum shared with Telefónica. In Portugal, we are aiming to further increase our mobile network coverage, currently at 98.7% (outdoor voice coverage) of the population, in various regions, including islands and indoor spaces. In Belgium, our strategy is to develop DIGI Belgium into the fourth national mobile services provider. We currently offer mobile services in the country through our own network and through a national roaming services agreement with Proximus. We plan on expanding our network and expect to deploy approximately 600 mobile base stations by the end of 2025.

- ***Explore strategic options to improve the capital structure and long-term financing position of our subsidiaries.*** Our operations are geographically diversified and are at different stages of their respective development cycles. We have individual strategic plans for each of our jurisdictions and will continue to carefully monitor strategic opportunities to improve the capital structure and long-term financing position of our subsidiaries there. We remain open to further strategic opportunities in our existing markets with a view of a long-term value creation across the Group (such as the recent arrangements with a consortium of infrastructure funds led by Aberdeen in relation to DIGI Andalusia or a disposal of the SOTA Network to a consortium led by Macquarie Capital in Spain, the acquisition of NOWO in Portugal or the joint venture arrangements with Citymesh in Belgium). We regularly monitor any such opportunities, while assessing their attractiveness relative to other strategic alternatives available to us. We carefully plan any related activities, including by reference to expected synergies with our existing operations, level of regulatory support and availability of third-party financing. In particular, we will continue to evaluate strategic financing options for our steadily growing business in Spain. Any such opportunities will ensure that we maintain control of DIGI Spain and will be considered by reference to the long-term objectives of our overall business and our existing Group-level financing arrangements.

THE REFINANCING

We intend to use the gross proceeds of the Offering (such use, together with the Offering, the “**Refinancing**”): (a) to redeem the entire outstanding aggregate principal amount of the 2028 Senior Secured Notes; (b) to partially prepay the term loan Facility A under the 2023 Senior Facilities Agreement; (c) to partially prepay the term loan Facility A under the 2024 Senior Facilities Agreement; (d) to partially prepay certain of our other secured short-term debt; (e) for general corporate purposes; and (f) to pay costs, expenses and fees in connection with the Refinancing (including accrued but unpaid interest, the Initial Purchasers’ fees, legal and accounting fees and other transaction costs). See “*Use of Proceeds*.” For descriptions of the Group’s current and anticipated indebtedness following the Refinancing, see “*Description of Other Indebtedness*” and “*Capitalization*.”

In the context of the Refinancing, we have amended existing Group-level financing arrangements and the 2025 Spanish Senior Facilities Agreement to ensure that from the Issue Date, (a) DIGI Spain and its subsidiaries (each, a “**Spanish Restricted Subsidiary**”) no longer guarantee or provide security in connection with any financial indebtedness of the Parent, the Issuer or any subsidiaries of the Issuer other than the Spanish Restricted Subsidiaries; and (b) the Parent, the Issuer or any subsidiaries of the Issuer other than the Spanish Restricted Subsidiaries no longer guarantee or provide security in connection with any financial indebtedness of the Spanish Restricted Subsidiaries.

In particular:

- the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, the Export Credit Facilities Agreements, the BRD Facility Agreements, the Citi Facilities Agreement and the ING Facilities Agreement were amended to, among other things: (i) release and discharge DIGI Spain from its guarantees thereunder; (ii) permit the Spanish Restricted Subsidiaries to incur secured and unsecured financial indebtedness up to a maximum of 3.5 times of the Spanish Restricted Subsidiaries’ consolidated EBITDA; and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA;
- the 2025 Spanish Senior Facilities Agreement was amended and restated, and will become effective on or before the Issue Date to, among other things: (i) release and discharge the Issuer and the Parent from their guarantees thereunder; (ii) remove the 2025 Spanish Senior Facilities Agreement from “Secured Obligations” under the Intercreditor Agreement; and (iii) add a restriction on DIGI Spain’s ability to repay indebtedness to its direct or indirect shareholders or to issue dividends, redeem shares or make other capital distributions to such persons if, and as long as, a default is continuing or would occur as a result of such transactions; and
- the Security Agent, the Issuer, the Parent and DIGI Spain executed (i) a debtor resignation notice pursuant to which DIGI Spain ceases to be a “Debtor” under the Intercreditor Agreement on or before the Issue Date, and (ii) a *pari passu* facility removal notice pursuant to which, among other things, the 2025 Spanish Senior

Facilities Agreement will cease, on or before the Issue Date, to be deemed a “Pari Passu Facility” and the lenders thereunder cease to be deemed “Creditors” under the Intercreditor Agreement.

RECENT DEVELOPMENTS

DIGI Belgium Consolidation

On July 16, 2025, we completed a series of transactions, as a result of which all our operations in Belgium were consolidated into DIGI Belgium, which is currently 51% owned by the Issuer and 49% by Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures—Joint ventures—DIGI Belgium.*”

TKRM Business and Assets Acquisition

On September 19, 2025, the Issuer entered into a business and asset transfer agreement with Hellenic Telecommunications Organization S.A. (“OTE”), Vodafone Romania S.A. (“**Vodafone Romania**”) and Telekom Romania Mobile Communications S.A. (“**TKRM**”) in relation to, among other things, the acquisition by the Issuer from TKRM of TKRM’s business of providing prepaid mobile telecommunication services, as well as certain other assets, including certain spectrum licenses and mobile base stations and associated equipment, for an aggregate consideration of €40.0 million (the “**TKRM Business and Assets Acquisition**”). As part of the overall transaction, Vodafone Romania has acquired all shares held by OTE in TKRM.

The TKRM Business and Assets Acquisition was completed on October 1, 2025.

Current Trading

The below information is based on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results. Such information has not been audited, reviewed, or verified by our independent auditors. Accordingly, you should not place any reliance on such preliminary information, and no opinion or any other form of assurance is provided with respect thereto. Our preliminary results are based on our preliminary review of our results of operations and are inherently subject to modification during the preparation of our financial statements, and are not intended to be a comprehensive statement of our financial or operational results for the periods they relate to. Accordingly, the forward-looking information presented below should not be taken as an indication of future performance, and should not be viewed as a substitute for the full results for any period, including the three months ended September 30, 2025, which will be prepared in accordance with IFRS and reviewed, as applicable, by our independent auditors. In light of the foregoing, prospective purchasers of the Notes are strongly cautioned not to place undue reliance on the information below, and such information should not be regarded as an accurate prediction of actual financial results. The preliminary information below also includes certain non-IFRS measures, including Adjusted EBITDA, which do not constitute measures of financial performance under IFRS or any other accounting standard and have not been audited or otherwise reviewed by any auditors, consultants or experts. Our actual results could vary from these estimates and these differences could be material. See “Forward-Looking Statements” and “Risk Factors” for a more complete discussion of certain of the factors that could affect our future performance and results of operations.

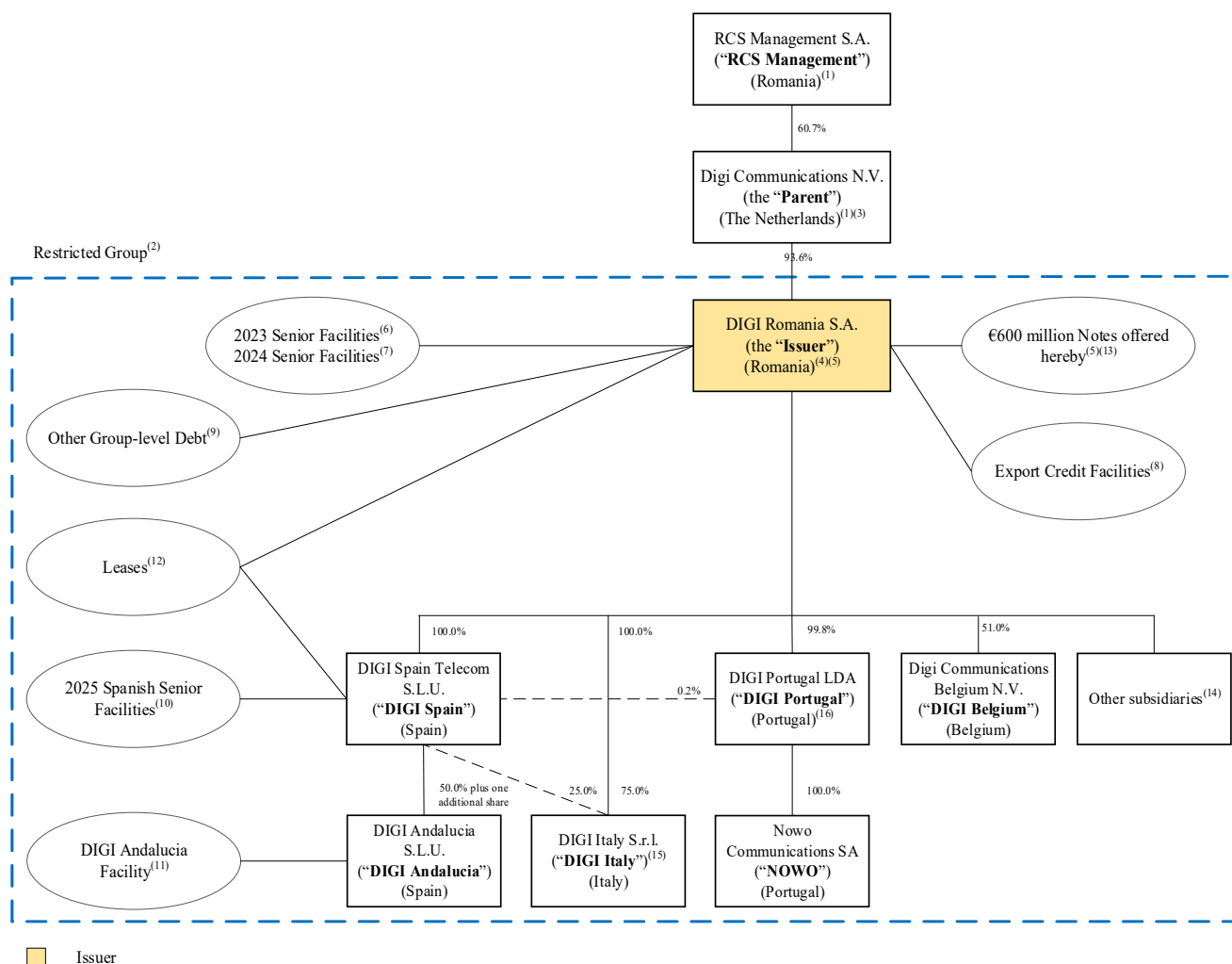
For the three months ended September 30, 2025, we expect our RGUs to have increased in line with the growth observed during the three months ended June 30, 2025, primarily as a result of the expansion of our network.

For the three months ended September 30, 2025, we expect our revenues to have increased, as compared with the three months ended June 30, 2025, primarily as a result of growth in RGUs and our Adjusted EBITDA to have increased, as compared with the three months ended June 30, 2025, primarily as a result of our transition to the Spanish RAN Sharing and Spectrum Sharing Agreement in Spain and the increase in RGUs throughout the Group.

Our capital expenditure for the three months ended September 30, 2025 was broadly in line with the capital expenditure for the three months ended June 30, 2025. We expect to report a smaller total capital expenditure for the year ending December 31, 2025, compared with total capital expenditure for the year ended December 31, 2024, reflecting the decrease in M&A activity in 2025.

OVERVIEW OF CORPORATE AND FINANCING STRUCTURE

The following chart summarizes our corporate structure (adjusted for treasury holdings) and shows outstanding balances under our principal financing arrangements after giving effect to the Refinancing:



- (1) RCS Management holds 89.6% of Class A Shares of the Parent (equivalent to 96.2% of Class A Shares of the Parent, adjusted for treasury shares), which represent 60.6% of the economic interest and 90.9% of the voting rights in the capital of the Parent (60.7% and 90.9% adjusted for treasury shares, respectively). Class B Shares of the Parent are listed on the Bucharest Stock Exchange. See "Principal Shareholders."
- (2) The entities in the "Restricted Group" will be subject to the covenants in the Indenture. See "Description of the Notes."
- (3) The Parent has no significant activities, other than acting as a holding company of the Issuer and its direct and indirect consolidated subsidiaries (the "Group") and engaging in certain Group financings. As at the date hereof, the Parent has no material assets (other than shares in the Issuer, certain bank accounts and shares in the controlling shareholder of the Parent, RCS Management) and no material liabilities (other than the guarantee of certain Group financings).
- (4) The Issuer is the Group's principal operating company in our original home jurisdiction, Romania. See "Business—History—Our Development in Romania." As at and for the six months ended June 30, 2025, Romania generated 53.9% of our revenues and 82.3% of our Adjusted EBITDA and accounted for 77.2% of our net assets. Other Romanian subsidiaries of the Issuer do not have material operations. As at and for the six months ended June 30, 2025, the Issuer generated 52.3% of our revenues and 82.4% of our Adjusted EBITDA and accounted for 76.4% of our net assets.
- (5) As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee the Issuer's obligations under the Notes and the Indenture pursuant to the terms of the Indenture. The obligations of the Issuer under the Indenture and the Notes are secured by first-ranking security interests (subject to any Permitted Collateral Liens (as defined herein)) over (i) subject to certain exclusions, all present and future movable assets of the Issuer, including bank accounts, trade receivables, intragroup receivables, insurance receivables, inventories, movable tangible property (including installation, networks, machinery, equipment, vehicles, furniture and other similar assets), intellectual property rights, insurance and proceeds related to any of the foregoing, (ii) all the quota-shares of DIGI Spain held by the Issuer, and (iii) certain assets of the Parent, including all shares it holds in the Issuer and certain of its bank accounts in Romania (collectively, the "Collateral"). The Collateral will be subject to limitations under the laws of the relevant jurisdictions and will be released in certain circumstances, in each case as described in this prospectus. See "Certain Insolvency and Enforceability Considerations," "Risk Factors—Risks relating to the Notes" and "Description of the Notes—Security."
- (6) After the completion of the Refinancing, €176.3 million in aggregate principal amount is expected to be outstanding under the 2023 Senior Facilities. The 2023 Senior Facilities Agreement provides for a €100.0 million revolving Facility B, which is expected to be fully drawn following completion of the Refinancing. See "Use of Proceeds" and "Capitalization." The 2023 Senior Facilities are guaranteed by the Parent and are secured on the Collateral on a *pari passu* basis with the Notes pursuant to the terms of the Intercreditor Agreement (as defined below). See "Description of Other Indebtedness—Financial Obligations" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans

and Borrowings.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2023 Senior Facilities Agreement has been released. See “Overview—The Refinancing.”

- (7) After the completion of the Refinancing, €196.2 million in aggregate principal amount is expected to be outstanding under the 2024 Senior Facilities. See “Use of Proceeds” and “Capitalization.” The 2024 Senior Facilities are guaranteed by the Parent and are secured on the Collateral on a *pari passu* basis with the Notes pursuant to the terms of the Intercreditor Agreement. See “Description of Other Indebtedness—Financial Obligations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans and Borrowings.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Senior Facilities Agreement has been released. See “Overview—The Refinancing.”
- (8) The Export Credit Facilities include the 2023 Export Credit Facilities, the 2024 Export Credit Facilities, the 2024 Additional Export Credit Facilities and the 2025 Additional Export Credit Facilities. After the completion of the Refinancing, under the Export Credit Facilities (i) €191.2 million in aggregate principal amount is expected to be outstanding and (ii) an additional €41.0 million is expected to be available. See “Capitalization.” The Export Credit Facilities are guaranteed by the Parent and are secured on the Collateral on a *pari passu* basis with the Notes pursuant to the terms of the Intercreditor Agreement. See “Description of Other Indebtedness—Financial Obligations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans and Borrowings” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans and Borrowings.” The guarantee provided by DIGI Spain for the benefit of the lenders under the Export Credit Facilities Agreements has been released. See “Overview—The Refinancing.”
- (9) After the completion of the Refinancing, other Group-level debt is expected to include (i) (a) €17.6 million of other secured long-term debt; and (b) €16.7 million of other secured short-term debt, which is secured on the Collateral on a *pari passu* basis with the Notes pursuant to the terms of the Intercreditor Agreement; and (ii) (x) €61.2 million of other unsecured long-term debt and (y) €91.4 million of other unsecured short-term debt. See “Description of Other Indebtedness—Financial Obligations.” The guarantee provided by DIGI Spain for the benefit of the lenders under any such other Group-level debt have been released. See “Overview—The Refinancing.”
- (10) After the completion of the Refinancing, €220.0 million in aggregate principal amount is expected to be outstanding under the 2025 Spanish Senior Facilities. The 2025 Spanish Senior Facilities Agreement provides for a €40.0 million revolving Facility C, €25.0 million under which will be undrawn following completion of the Refinancing. See “Use of Proceeds” and “Capitalization.” See “Description of Other Indebtedness—Financial Obligations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans and Borrowings.” On or prior to the Issue Date, the guarantees and security provided by the Parent or the Issuer for the benefit of the lenders under the 2025 Spanish Senior Facilities Agreement will be released and the 2025 Spanish Senior Facilities will become, on or before the Issue Date, unsecured. See “Overview—The Refinancing.”
- (11) After the completion of the Refinancing, €51.0 million in aggregate principal amount is expected to be outstanding under the €84.0 million DIGI Andalucía Facility Agreement. See “Capitalization.” The DIGI Andalucía Facility Agreement is secured on assets of DIGI Andalucía that do not form part of the Collateral (including the shares owned by DIGI Spain in DIGI Andalucía). See “Description of Other Indebtedness—Financial Obligations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations—Loans and Borrowings.”
- (12) Leases include €441.5 million of operating lease liabilities and €64.6 million of financial leases.
- (13) We intend to use the gross proceeds of the Offering: (a) to redeem the entire outstanding aggregate principal amount of the 2028 Senior Secured Notes; (b) to partially prepay the term loan Facility A under the 2023 Senior Facilities Agreement; (c) to partially prepay the term loan Facility A under the 2024 Senior Facilities Agreement; (d) to partially prepay certain of our other secured short-term debt; (e) for general corporate purposes; and (f) to pay costs, expenses and fees in connection with the Refinancing (including accrued but unpaid interest, the Initial Purchasers’ fees, legal and accounting fees and other transaction costs). See “Use of Proceeds.”
- (14) In addition to the holdings presented in the chart above, the Issuer holds, directly, or indirectly, interests (typically, 100%) in 25 other subsidiaries in various jurisdictions, which are not material for our business, or which have no material operations as of the date of this prospectus.
- (15) As of the date of this prospectus, the Issuer holds 75.0% of the share capital of DIGI Italy, with DIGI Spain holding the remaining 25.0% of DIGI Italy. The Issuer is in the process of consolidating the full ownership in the share capital of DIGI Italy and expects that it will hold 100.0% of the share capital of DIGI Italy on or around the Issue Date.
- (16) As of the date of this prospectus, the Issuer holds 99.8% of the share capital of DIGI Portugal, with DIGI Spain holding the remaining 0.2% of DIGI Portugal.

Within the above chart, legal entities are shown in boxes and financing instruments and amounts outstanding are shown in ovals. See “Use of Proceeds,” “Capitalization,” “Description of the Notes” and “Description of Other Indebtedness” for more detailed descriptions.

As at the Issue Date (as defined below), all of the Issuer’s subsidiaries noted in the chart above will be Restricted Subsidiaries for purposes of the Indenture and the section entitled “Description of the Notes.” As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee the Issuer’s obligations under the Notes and the Indenture pursuant to the terms of the Indenture. See “Description of the Notes—Certain Covenants—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries.”

THE OFFERING

The overview below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled “Description of the Notes” of this prospectus contains a more detailed description of the terms and conditions of the Notes, including definitions of certain terms used in this overview.

Issuer	Digi Romania S.A. (the “ Issuer ”).
Notes offered hereby	€600,000,000 aggregate principal amount of 4.625% Senior Secured Notes due 2031 (the “ Notes ”).
Issue Date	October 29, 2025.
Issue Price	100% <i>plus</i> interest accrued, if any, from the Issue Date.
Maturity Date	October 29, 2031.
Interest Rate	4.625% per annum.
Interest Payment Dates	Interest on the Notes will accrue from the Issue Date and will be payable semi-annually in arrears on April 29 and October 29 of each year. The first interest payment on the Notes will be made on April 29, 2026.
Denomination of Notes	The Issuer issued the Notes in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.
Form of Notes	The Notes were represented on issue by Global Notes, which were deposited on the Issue Date with, or on behalf of, a common depositary for Euroclear and Clearstream and registered in the name of the nominee of such common depositary for the accounts of Euroclear and Clearstream. If definitive registered notes are issued in respect of the Notes, they will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Interests in each Global Note will be exchangeable for definitive registered notes only in certain limited circumstances. See “<i>Book—Entry; Delivery and Form—Definitive Registered Notes.</i>”
Ranking of Notes	The Notes: • are general, senior obligations of the Issuer, secured by a first-ranking security interests in the Collateral (subject to any Permitted Collateral Liens (as defined in the section entitled “<i>Description of the Notes—Certain Definitions</i>”)), as described below under “<i>—Collateral,</i>” along with its obligations under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities Agreements and certain outstanding hedging obligations (subject, in each case, to limitations under applicable law); • rank senior in right of payment to all existing and any future indebtedness of the Issuer that is subordinated to the Notes; • rank <i>pari passu</i> in right of payment with all existing and any future indebtedness of the Issuer that is not subordinated to the Notes; • are effectively senior to all existing and any future unsecured indebtedness of the Issuer to the extent of the value of the Collateral securing the Notes; • are effectively subordinated to all existing and any future indebtedness of the Issuer that is secured by property or assets of the Issuer that do not form part of the Collateral, to the extent of the value of the property or assets securing such indebtedness; and • are structurally subordinated to any existing and future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes.

As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee (any such guarantee of the Notes, a “**Guarantee**” and collectively the “**Guarantees**”) the Issuer’s obligations under the Notes and the Indenture pursuant to the terms of the Indenture. Any such guarantee will be subject to limitations under the laws of the relevant jurisdictions and may be released under certain circumstances. See “*Risk Factors—Risks relating to the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically and under which the Guarantees (if any) will be released without the consent of the holders of the Notes or the Trustee or the Security Agent obtaining their further consent,*” “*Description of the Notes—Guarantees—Release of Guarantees*” and “*Certain Insolvency and Enforceability Considerations.*”

Collateral

The obligations of the Issuer under the Notes are secured by first-ranking, subject to any Permitted Collateral Liens, security interests over (i) subject to certain exclusions, all present and future movable assets of the Issuer, including bank accounts, trade receivables, intragroup receivables, insurance receivables, inventories, movable tangible property (including installation, networks, machinery, equipment, vehicles, furniture, and other similar assets), intellectual property rights, insurance and proceeds related to any of the foregoing, (ii) all the quota-shares of DIGI Spain held by the Issuer, and (iii) certain assets of the Parent, including all shares it holds in the Issuer and certain of its bank accounts in Romania (collectively, the “**Collateral**”).

The security interests over the Collateral may be released under certain circumstances. See “*Risk Factors—Risks relating to the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically and under which the Guarantee (if any) will be released without the consent of the holders of the Notes or the Trustee or the Security Agent obtaining their further consent*” and “*Description of the Notes—Security—Release of Liens.*”

In particular, the security interests over the Collateral will be released if the security interests over the Collateral securing the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities are released in accordance with the applicable provisions thereof. See “*Risk Factors—Risks relating to the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically and under which any future Guarantees will be released without the consent of the holders of the Notes or the Trustee or the Security Agent obtaining their further consent.*” See also “*Description of Other Indebtedness—Financial Obligations*” for a description of the facilities comprising the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities.

Use of Proceeds

We intend to use the gross proceeds of the Offering: (a) to redeem the entire outstanding aggregate principal amount of the 2028 Senior Secured Notes; (b) to partially prepay the term loan Facility A under the 2023 Senior Facilities Agreement; (c) to partially prepay the term loan Facility A under the 2024 Senior Facilities Agreement; (d) to partially prepay certain of our other secured short-term debt; (e) for general corporate purposes; and (f) to pay costs, expenses and fees in connection with the Refinancing (including accrued but unpaid interest, the Initial Purchasers’ fees, legal and accounting fees and other transaction costs). See “*Use of Proceeds.*”

Taxation/Additional Amounts

Save as discussed in the immediately following sentence, all payments by the Issuer under, or with respect to, the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or

future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) except to the extent required by law. If withholding or deduction is required by law in any such jurisdiction in which the Issuer is then incorporated, engaged in business or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction (including, without limitation, the jurisdiction of any paying agent) from or through which payment on the relevant Notes is made by or on behalf of the Issuer, subject to certain exceptions, the Issuer will pay such additional amounts as may be necessary so that the net amount received by any holder of Notes (including additional amounts) after such withholding or deduction will not be less than the amount such holder would have received if such withholding or deduction had not been required. See “*Description of the Notes—Additional Amounts.*”

Optional Redemption

At any time prior to October 29, 2027, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes using the net cash proceeds of certain equity offerings, at the redemption price of 104.6250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the redemption date. See “*Description of the Notes—Optional Redemption—Notes—Optional Redemption prior to October 29, 2027.*”

Prior to October 29, 2027, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, if any. See “*Description of the Notes—Optional Redemption—Notes—Optional Redemption prior to October 29, 2027.*”

At any time prior to October 29, 2027, the Issuer may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, *plus*, in each case, accrued and unpaid interest and additional amounts, if any, to the applicable redemption date plus the applicable “make whole” premium. See “*Description of the Notes—Optional Redemption—Notes—Optional Redemption prior to October 29, 2027.*”

At any time on or after October 29, 2027, the Issuer may redeem some or all of the Notes at the redemption prices set forth in “*Description of the Notes—Optional Redemption—Notes—Optional Redemption on or after October 29, 2027.*”

Change of Control

Upon the occurrence of certain events constituting a “change of control,” holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes, *plus* accrued and unpaid interest and additional amounts, if any, to the repurchase date. See “*Description of the Notes—Repurchase at the Option of the Holders—Change of Control.*”

Optional Redemption for Taxation Reasons

If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the redemption date. See “*Description of the Notes—Optional Redemption for Taxation Reasons.*”

Certain Covenants

We have agreed to certain covenants in the Indenture, including, among other things, limitations on our ability to:

- incur or guarantee additional indebtedness;
- make investments or other restricted payments;

- sell assets and subsidiary stock;
- enter into certain transactions with affiliates;
- create liens;
- consolidate, merge or sell all, or substantially all, of our assets;
- enter into agreements that restrict our restricted subsidiaries' ability to pay dividends;
- sell or issue capital stock of restricted subsidiaries;
- engage in any business other than a permitted business; and
- impair the security interests with respect to the Collateral.

Each of these covenants is subject to certain exceptions and qualifications. Certain of these covenants may also be suspended in the event that the Notes receive investment grade ratings from the relevant credit rating agencies. See "*Description of the Notes—Certain Covenants.*"

Transfer Restrictions

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to certain restrictions on transfer and resale. See "*Book-Entry; Delivery and Form.*"

Initial Meeting Resolutions

As the Issuer is a joint stock company organized under the laws of Romania, certain provisions of Romanian law provide for the possibility of noteholders' meetings (*adunarea obligatarilor*) and noteholders' representatives (*reprezentantul obligatarilor*) in relation to its notes issuances. In light of this, on the Issue Date, initial meetings of the holders (*adunarea obligatarilor*) of the Notes (the "**Initial Meetings**") in accordance with applicable Romanian law has been held to approve certain initial resolutions (the "**Initial Meeting Resolutions**"), the forms of which are set out in Annex A to this prospectus and which are further described in "*Description of the Notes.*" The Initial Meeting Resolutions are, in general terms intended to (i) approve the Indenture, the relevant Notes and the related documents in relation to the Offering, including where such documents differ from, or are supplementary to, provisions of Romanian law, and (ii) facilitate the exercise or performance following the Issue Date by relevant persons (including the Issuer, the Trustee, the Noteholders' Representatives (as defined below) and holders of the Notes or book-entry interests therein) of the rights, duties, powers, authorities or discretions customarily required of, permitted by or granted to them under such documents and/or pursuant to customary practices in relation to such documents. The Initial Meeting Resolutions also appointed the Trustee as the initial noteholders' representative (*reprezentantul obligatarilor*) in relation to the Notes for purposes of applicable Romanian law (the "**Noteholders' Representative**") and required it, in that capacity, to accede to and thereby assume certain obligations under the Indenture, as described in "*Description of the Notes.*"

Each holder who accepts a Note on the Issue Date, and each person who purchases or otherwise acquires a beneficial interest in a Note on or prior to the Issue Date, will be deemed, by its acceptance or purchase or other acquisition thereof to have irrevocably: (a) instructed the Issuer to procure that the relevant Initial Meeting is held; (b) agreed to the holding of the relevant Initial Meeting and waived the convening formalities in relation thereto; (c) appointed the Trustee as its proxy, to: (i) attend such Initial Meeting (to be held at the offices of Weil, Gotshal & Manges (London) LLP, located at 110 Fetter Lane, London EC4A 1AY, United Kingdom, on the Issue Date starting at the applicable time specified in Annex A to this prospectus), (ii) appoint, from among its representatives, officers or

employees, the Chairman (and the Issuer appointed an employee of the Issuer to act as a technical secretary for such Initial Meeting) and one to three secretaries of such Initial Meeting and (iii) cast a vote in favor of the relevant Initial Meeting Resolutions, the forms of which are set out in Annex A to this prospectus, at such Initial Meeting; and (d) accepted and agreed to the relevant Initial Meeting Resolutions as set out in Annex A to this prospectus.

No Established Market

The Notes are new securities, for which there is currently no established trading market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so, and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

Listing

Application has been made to the Irish Stock Exchange plc (trading as Euronext Dublin), for the Notes to be admitted to the official list (the “**Official List**”) and trading on its regulated market, which is a regulated market for the purposes of MiFID II.

Governing Law

The Notes and the Indenture are governed by the laws of the State of New York (save for the provisions for arbitration under the LCIA Rules (as defined below), which is governed by English law).

The Intercreditor Agreement is governed by English law.

The Security Documents are governed by Romanian, Spanish and Dutch law.

Security Agent

Wilmington Trust (London) Limited.

Trustee

GLAS Trustees Limited.

Paying Agent, Transfer Agent and Registrar

Citibank, N.A., London Branch

Irish Listing Agent

Arthur Cox Listing Services Limited.

Risk Factors

Investing in the Notes involves a high degree of risk. See the section entitled “*Risk Factors*” for a description of certain of the risks you should carefully consider before investing in the Notes.

SUMMARY FINANCIAL AND OTHER DATA

The tables below set out summary consolidated financial information for the Group as at and for the years ended December 31, 2022, 2023 and 2024, as at and for the six months ended June 30, 2024 and 2025, and for the twelve months ended June 30, 2025. The financial information as at and for the years ended December 31, 2022, 2023 and 2024 has been extracted or derived from the Annual Financial Statements. The financial information as at and for the six months ended June 30, 2024 and 2025, as applicable, has been extracted or derived from the Interim Financial Statements. The financial information for the twelve months ended June 30, 2025 has been extracted or derived from the 2024 Annual Financial Statements and the Interim Financial Statements; for our computation thereof see “*Presentation of Financial and Other Data—Presentation of Financial Information.*” The Financial Statements are included elsewhere in this prospectus. Certain information presented below under the caption “—*Other operating data*” has not been extracted or derived from the Financial Statements, but from our management’s accounts and/or accounting records. The information below should be read in conjunction with the Financial Statements and accompanying notes included elsewhere in this prospectus and the discussion in sections entitled “*Presentation of Financial and Other Data,*” “*Selected Financial Data*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*”

Consolidated statement of profit or loss data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(<i>€ millions</i>)					
Revenues	1,492.8	1,690.4	1,924.3	918.1	1,076.8	2,083.0
Other income	24.7	16.2	407.2 ⁽²⁾	3.2	35.8	439.8
Operating expenses	(1,132.0)	(1,248.2)	(1,403.6)	(660.6)	(831.7)	(1,574.7)
Employee benefits	(237.2)	(287.5)	(330.0)	(157.0)	(196.2)	(369.2)
Other expenses	(0.7)	(0.5)	(0.3)	(0.0)	(0.4)	(0.7)
Operating profit	147.6	170.4	597.5	103.7	84.3	578.1
Finance income	0.4	7.7	23.0	8.6	7.1	21.5
Finance costs	(63.4)	(80.7)	(84.7)	(43.7)	(78.3)	(119.3)
Net finance costs	(62.9)	(73.0)	(61.6)	(35.1)	(71.2)	(97.7)
Share of loss of equity-accounted investees net of tax ⁽³⁾	(1.1)	(6.5)	(1.0)	(1.0)	—	—
Profit before taxation	83.6	90.9	534.9	67.7	13.1	480.3
Income tax benefit (expense)	(6.5)	(1.4)	(110.0)	(9.2)	3.7	(97.1)
Profit from continuing operations	77.1	89.5	424.9	58.4	16.8	383.3
Profit from discontinued operations, net of tax	318.7 ⁽⁴⁾	-	-	-	-	-
Profit for the period	395.8	89.5	424.9	58.4	16.8	383.3

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) Includes a €399.3 million gain from sale of property, plant and equipment and inventory from the sale on September 5, 2024 of a portion of our FTTH network in Spain (the “**SOTA Network**”) to a consortium led by Macquarie Capital. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (3) Represents our share of losses of DIGI Belgium. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (4) Represents the profit recognized on the disposal of our operations in Hungary.

Consolidated statement of financial position data

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	(<i>€ millions</i>)			
Assets				
Non-Current assets				
Property, plant and equipment	1,561.8	1,951.9	2,182.2	2,287.2
Right of use assets	307.1	395.7	480.3	506.2
Intangible assets and goodwill	356.5	362.7	469.8	473.2

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	(€ millions)			
Subscriber acquisition costs	58.0	58.6	59.3	61.8
Investment property.....	11.8	11.7	12.8	12.5
Equity accounted investees.....	7.8	1.4	0.4	0.4
Long term receivables	11.4	13.6	69.7	76.6
Loans to related parties.....	—	—	56.3	—
Other non-current assets	5.2	4.5	3.8	3.3
Derivative financial assets.....	—	3.4	14.0	5.6
Other long term assets	2.3	3.0	1.4	0.9
Deferred tax assets	2.8	16.0	30.3	49.1
Total non-current assets	2,324.6	2,822.5	3,380.3	3,477.0
Current assets				
Inventories.....	16.2	12.9	46.6	46.0
Programme assets.....	18.4	19.1	29.6	7.7
Trade and other receivables.....	75.5	92.8	81.0	108.0
Loans to related parties.....	4.6	18.5	31.7	138.4
Contract assets.....	78.6	94.3	98.0	92.7
Income tax receivable.....	0.2	—	—	—
Other assets	14.0	14.1	25.0	48.9
Derivative financial assets.....	5.1	2.8	1.3	1.2
Cash and cash equivalents.....	261.3	221.3	66.5	55.5
Total current assets	473.8	475.7	379.7	498.4
Total assets	2,798.4	3,298.2	3,760.0	3,975.3
Equity and liabilities				
Equity				
Share capital	11.7	11.7	11.7	11.7
Reserves	115.8	183.6	234.3	220.4
Retained earnings	439.8	435.5	777.5	760.6
Equity attributable to equity holders of the Company⁽¹⁾.....	567.3	630.8	1,023.6	992.7
Non-controlling interest	-	82.6	113.3	116.3
Total equity	567.3	713.5	1,136.9	1,109.0
Liabilities				
Non-current liabilities				
Loans and borrowings	1,027.8	1,183.7	1,019.5	1,235.2
Lease liabilities.....	216.3	312.5	376.5	392.3
Deferred tax liabilities.....	76.1	82.2	96.9	95.6
Decommissioning provision.....	7.1	11.3	15.2	15.6
Trade and other payables.....	120.7	71.6	44.7	41.4
Contract liabilities	2.9	3.4	6.2	6.0
Total non-current liabilities.....	1,450.9	1,664.8	1,559.0	1,786.1
Current liabilities				
Trade and other payables.....	538.4	562.6	555.7	571.9
Employee benefits	45.9	54.8	59.3	62.3
Loans and borrowings	94.9	199.8	305.2	282.2
Lease liabilities.....	79.3	77.0	102.1	113.7
Income tax payable.....	0.7	2.4	13.2	18.3
Provisions.....	1.1	0.6	7.6	7.7
Contract liabilities	20.0	22.7	21.1	24.0
Total current liabilities	780.3	920.0	1,064.2	1,080.2
Total liabilities	2,231.2	2,584.8	2,623.2	2,866.3
Total equity and liabilities	2,798.4	3,298.2	3,760.0	3,975.3

(1) The Issuer.

Consolidated statement of cash flows data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(<i>€ millions</i>)					
Cash flows from operations before working capital changes	496.5	600.4	702.4	334.7	384.5	752.2
Cash flows from changes in working capital ⁽²⁾	(19.3)	(72.7)	(65.6)	(39.0)	(44.5)	(71.1)
Cash flows from operations	477.1	527.7	636.8	295.7	340.0	681.1
Interest paid.....	(41.8)	(60.5)	(63.0)	(32.9)	(38.0)	(68.1)
Interest received.....	0.1	4.3	5.2	2.2	0.4	3.4
Income tax paid.....	(5.6)	(6.4)	(92.9)	(3.3)	(9.1)	(98.7)
Net cash flows from operating activities	429.8	465.1	486.0	261.8	293.3	517.5
Net cash flows (used in)/from investing activities	85.2⁽³⁾	(717.4)	(433.0)⁽⁴⁾	(408.9)	(412.0)	(436.1)
Net cash flows (used in)/from financing activities	(273.2)	212.2	(207.9)	53.6	107.7	(153.8)
Net increase/(decrease) in cash and cash equivalents.....	241.8	(40.1)	(154.8)	(93.6)	(11.0)	(72.2)
Cash and cash equivalents at the beginning of the period.....	19.5	261.3	221.3	221.3	66.5	66.5
Cash and cash equivalents at the closing of the period	261.3	221.3	66.5	127.7	55.5	(5.7)

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The cash flows of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) Cash flows from changes in working capital includes the sum of the (Increase)/decrease in trade receivables, other assets and contract assets, (Increase)/decrease in programme assets, (Increase)/decrease in inventories, Increase/(decrease) in trade payables and other current liabilities, Increase/(decrease) in contract liabilities.
- (3) Includes €622.3 million of proceeds from disposal of our former Hungarian operations received on January 3, 2022 (net of cash disposed).
- (4) Includes €503.3 million of proceeds from the sale on September 5, 2024 of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”

Other financial data

Revenues by segment (after intersegment eliminations)

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(<i>€ millions</i>)					
Romania.....	964.9	1,019.4	1,099.0	533.9	580.3	1,145.4
Spain.....	500.4	642.0	782.0	369.0	444.7	857.7
Portugal ⁽²⁾	—	n.m.	11.8	n.m.	35.0	46.8
Other ⁽³⁾	27.5	29.0	31.5	15.1	16.9	33.3
Total consolidated	1,492.8	1,690.4	1,924.3	918.1	1,076.8	2,083.0

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (3) Represents revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions.

Revenues by business line (after intersegment eliminations)

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(€ millions)					
Fixed services ⁽²⁾	725.3	841.2	963.8	464.9	543.1	1,042.0
Mobile services.....	615.9	714.2	795.4	377.5	442.6	860.5
Other ⁽³⁾	151.6	135.0	165.1	75.8	91.1	180.4
Total consolidated.....	1,492.8	1,690.4	1,924.3	918.1	1,076.8	2,083.0

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) Includes revenues from our pay TV, fixed internet and data and fixed telephony services.

(3) Includes sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues.

Revenues by segment and by business line/activity

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(€ millions)					
Romania						
Fixed services ⁽²⁾	589.1	628.9	659.4	325.0	343.8	678.2
Mobile services	233.5	259.1	281.1	134.1	150.3	297.3
Other ⁽³⁾	146.1	134.5	162.6	75.7	87.4	174.3
Total before intersegment eliminations	968.7	1,022.5	1,103.1	534.8	581.5	1,149.8
Intersegment elimination	(3.8)	(3.1)	(4.1)	(0.9)	(1.2)	(4.4)
Total Romania	964.9	1,019.4	1,099.0	533.9	580.3	1,145.4
Spain						
Fixed services ⁽²⁾	136.2	212.3	299.3	139.9	180.9	340.3
Mobile services	359.3	429.7	482.3	229.2	262.0	515.1
Other ⁽³⁾	5.5	0.4	1.1	n.m.	2.1	3.2
Total before intersegment eliminations	501.0	642.4	782.7	369.1	445.0	858.6
Intersegment elimination	(0.6)	(0.4)	(0.8)	(0.1)	(0.3)	(1.0)
Total Spain	500.4	642.0	782.0	369.0	444.7	857.7
Portugal⁽⁴⁾						
Fixed services ⁽²⁾	—	—	5.8	—	18.6	24.4
Mobile services	—	—	4.4	—	14.9	19.3
Other ⁽³⁾	—	n.m.	1.6	—	1.4	3.0
Total before intersegment eliminations	—	n.m.	11.8	—	35.0	46.8
Intersegment elimination	—	—	—	—	—	—
Total Portugal	—	n.m.	11.8	—	35.0	46.8
Other⁽⁵⁾						
Fixed services ⁽²⁾	—	—	0.1	n.m.	0.2	0.3
Mobile services	27.7	29.1	31.1	15.1	16.5	32.5
Other ⁽³⁾	n.m.	n.m.	0.4	n.m.	0.2	0.6
Total before intersegment eliminations	27.7	29.1	31.6	15.2	16.9	33.3
Intersegment elimination	(0.2)	(0.1)	(0.1)	n.m.	n.m.	(0.1)
Total Other.....	27.5	29.0	31.5	15.1	16.9	33.3
Total consolidated.....	1,492.8	1,690.4	1,924.3	918.1	1,076.8	2,083.0

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) Includes revenues from pay TV, fixed internet and data and fixed-line telephony services, as applicable.
- (3) Represents primarily revenues from sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues.
- (4) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (5) Represents revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions.

Operating expenses by segment (after intersegment eliminations)

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(€ millions)					
Romania.....	560.7	573.6	588.6	284.5	305.3	609.4
Spain.....	418.3	508.0	605.1	285.7	361.4	680.8
Portugal ⁽²⁾	6.0	6.9	27.4	4.4	58.8	81.8
Other ⁽³⁾	22.9	22.7	26.6	12.0	15.1	29.7
Total consolidated⁽⁴⁾.....	1,007.8	1,111.3	1,247.7	586.5	740.6	1,401.8

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (3) Represents operating expenses of our operations in Italy, as well as certain immaterial operating expenses incurred in other jurisdictions.
- (4) Excludes depreciation, amortization and impairment of assets, which we only monitor on a consolidated Group level. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Basis of Financial Presentation—Presentation of Depreciation, Amortization and Impairment of Assets.*”

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022 ⁽¹⁾	2023	2024	2024	2025	2025
	(€ millions; unless otherwise stated)					
Revenues	1,492.8	1,690.4	1,924.3	918.1	1,076.8	2,083.0
Other income	24.7	16.2	407.2	3.2	35.8	439.8
Operating profit	147.6	170.4	597.5	103.7	84.3	578.1
Depreciation, amortization, impairment and revaluation impact	361.4	424.4	485.9	231.1	287.4	542.2
EBITDA⁽²⁾.....	509.0	594.8	1,083.4	334.8	371.7	1,120.3
<i>Adjustments for:</i>						
Other income	—	—	(399.3) ⁽³⁾	—	(31.2) ⁽³⁾	(430.5)
Other expenses ⁽⁴⁾	0.7	0.5	0.3	—	0.4	0.7
Adjusted EBITDA⁽⁵⁾.....	509.6	595.3	684.5	334.8	340.9	690.6
Adjusted EBITDA Margin (%)⁽⁶⁾.....	33.6%	34.9%	35.4%	36.3%	31.5%	33.0%

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) EBITDA is operating profit *plus* charges for depreciation, amortization, impairment and revaluation impact. EBITDA is a not a financial measure presented in accordance with IFRS. EBITDA under our definition may not be comparable to similar measures presented by other companies and labeled “EBITDA.” “EBITDA” as presented herein differs from “EBITDA” as defined in “*Description of the Notes*” and the Indenture. We believe that EBITDA is a useful analytical tool for presenting a normalized measure of profitability. Since operating profit and actual cash flows for a given period can differ significantly from this normalized measure, we urge you to consider our EBITDA 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 as a substitute for operating profit or cash flows from operating activities determined in accordance with IFRS. See “*Presentation of Financial and Other Data—Operating and Market Data.*”
- (3) Represents a gain from sale of property, plant and equipment and inventory from the sale on September 5, 2024 of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”
- (4) Represents expenses related to share option plans vested, which are expected to be one-off non-recurring events.

- (5) Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items. Adjusted EBITDA is a not a financial measure presented in accordance with IFRS. Adjusted EBITDA under our definition may not be comparable to similar measures presented by other companies and labeled “Adjusted EBITDA.” “Adjusted EBITDA” as presented herein differs from “LTM EBITDA” as defined in “*Description of the Notes*” and the Indenture. We believe that Adjusted EBITDA is a useful analytical tool for presenting a normalized measure of profitability. Since operating profit and actual cash flows for a given period can differ significantly from this normalized measure, we urge you to consider our Adjusted EBITDA 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 Adjusted EBITDA as a substitute for operating profit or cash flows from operating activities determined in accordance with IFRS. See “*Presentation of Financial and Other Data—Operating and Market Data.*”

The table below sets out our Adjusted EBITDA by segment (after intersegment eliminations) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2022	2023	2024	2024	2025	2025
	<i>(€ millions)</i>					
Romania	431.9	464.5	522.5	253.4	280.7	549.8
Spain	79.9	132.1	174.7	82.8	82.7	174.6
Portugal	—	(6.9)	(15.6)	(4.4)	(23.9)	(35.1)
Other	(2.2)	5.5	2.8	2.9	1.4	1.3
Adjusted EBITDA	509.6	595.3	684.5	334.8	340.9	690.6

- (6) Adjusted EBITDA Margin is the ratio of Adjusted EBITDA to the sum of (i) revenues and (ii) other income (excluding other income from extraordinary sale of assets). See “*Presentation of Financial and Other Data—Non-IFRS financial information.*”

Selected financial data and ratios

	As at and for the year ended December 31,			As at and for the twelve months ended June 30,
	2022	2023	2024	2025
	<i>(€ millions, unless otherwise stated)</i>			
Debt				
2025 Senior Secured Notes ⁽¹⁾	450.0	450.0	—	—
2028 Senior Secured Notes ⁽²⁾	400.0	400.0	400.0	400.0
Senior Secured Notes	850.0	850.0	400.0	400.0
2021 Spanish Senior Facilities ⁽³⁾	212.0	341.9	193.8	—
2023 Senior Facilities ⁽⁴⁾	—	—	235.0	277.5
2024 Senior Facilities ⁽⁵⁾	—	—	185.0	220.0
2025 Spanish Senior Facilities ⁽⁶⁾	—	—	—	220.0
Senior Facilities	212.0	341.9	613.8	717.5
2023 Export Credit Facilities ⁽⁷⁾	—	110.4	66.2	44.2
2024 Export Credit Facilities ⁽⁸⁾	—	—	99.2	87.7
2024 Additional Export Credit Facilities ⁽⁹⁾	—	—	14.0	26.7
2025 Export Credit Facilities ⁽¹⁰⁾	—	—	—	32.6
Export Credit Facilities	—	110.4	179.4	191.2
Other secured long-term debt ⁽¹¹⁾	—	—	19.0	17.6
Other secured short-term debt ⁽¹²⁾	28.1	47.4	49.4	43.9
Total senior secured debt	1,090.1	1,349.6	1,261.6	1,370.2
DIGI Andalusia Facility ⁽¹³⁾	—	—	—	51.0
Total secured debt	1,090.1	1,349.6	1,261.6	1,421.2
Finance lease liabilities	32.8	43.8	59.8	64.6
Operating lease liabilities ⁽¹⁴⁾	262.8	345.8	418.9	441.5
Other unsecured long-term debt ⁽¹⁵⁾	120.7	71.6	66.2	61.2
Other unsecured short-term debt ⁽¹⁶⁾	25.0	30.0	54.6	91.4
Interest accrued, but unpaid	9.9	11.2	7.0	6.5
Unamortized borrowing costs and effective interest rate adjustments	(2.3)	(7.4)	(20.0)	(21.5)
Total debt	1,538.9	1,844.7	1,848.0	2,064.9
Cash and cash equivalents	261.3	221.3	66.5	55.5
Total secured net debt⁽¹⁷⁾	831.1	1,135.7	1,215.1	1,387.2
Total net debt⁽¹⁸⁾	1,279.9	1,630.8	1,801.6	2,031.0
Total net debt ex-operating leases ⁽¹⁹⁾	1,017.1	1,285.0	1,382.7	1,589.5

	As at and for the year ended December 31,			As at and for the twelve months ended June 30,
	2022	2023	2024	2025
	<i>(€ millions, unless otherwise stated)</i>			
Adjusted EBITDA ex-operating leases ⁽²⁰⁾	432.1	511.9	582.7	576.8
Adjusted EBITDA Margin ex-operating leases ⁽²¹⁾	28.5%	30.0%	30.2%	27.6%
Ratio of total net debt to Adjusted EBITDA	2.5x	2.7x	2.6x	2.9x
Ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases	2.4x	2.5x	2.4x	2.8x
Net interest expense ⁽²²⁾	46.8	60.6	63.4	82.2
Net interest expense ex-operating leases ⁽²³⁾	39.7	51.4	50.3	62.2
Ratio of Adjusted EBITDA to net interest expense	10.9x	9.8x	10.8x	8.4x
Ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases	10.9x	10.0x	11.6x	9.3x

- (1) The €450.0 million 2.50% Senior Secured Notes due February 5, 2025 issued by the Issuer were redeemed in full on September 27, 2024 and the indenture governing such notes was satisfied and discharged.
- (2) Represents the aggregate principal amount outstanding under the 2028 Senior Secured Notes. On or about the Issue Date, we expect to redeem the 2028 Senior Secured Notes in full, using proceeds from the Offering. See “*Use of Proceeds*” and “*Capitalization*.”
- (3) On September 27, 2024, Facilities A, B and C under the 2021 Spanish Senior Facilities Agreement were repaid in full. On March 31, 2025, Facilities D and E under the 2021 Spanish Senior Facilities Agreement were repaid in full and the 2021 Spanish Senior Facilities Agreement was terminated.
- (4) Represents the aggregate principal amount drawn under the 2023 Senior Facilities Agreement. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2023 Senior Facilities Agreement*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2023 Senior Facilities Agreement has been released. See “*Overview—The Refinancing*.” On or about the Issue Date, we expect to prepay €101.3 million under the term loan Facility A under the 2023 Senior Facilities Agreement, using proceeds from the Offering. See “*Use of Proceeds*” and “*Capitalization*.”
- (5) Represents the aggregate principal amount drawn under the 2024 Senior Facilities Agreement. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Senior Facilities Agreement*” and “*Capitalization*.” On or about the Issue Date, we expect to prepay €23.8 million under the term loan Facility A under the 2024 Senior Facilities Agreement, using proceeds from the Offering. The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Senior Facilities Agreement has been released. See “*Overview—The Refinancing*.”
- (6) Represents the aggregate principal amount drawn under the 2025 Spanish Senior Facilities Agreement. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2025 Spanish Senior Facilities Agreement*” and “*Capitalization*.” A €40.0 million revolving Facility C is provided under the 2025 Spanish Senior Facilities Agreement, which was undrawn as at June 30, 2025. Prior to the Issue Date, the guarantees and security provided by the Parent or the Issuer for the benefit of the lenders under the 2025 Spanish Senior Facilities Agreement have been released and the 2025 Spanish Senior Facilities became unsecured. See “*Overview—The Refinancing*.”
- (7) Represents the aggregate principal amount drawn under the 2023 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2023 Export Credit Facilities Agreements*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2023 Export Credit Facilities Agreements have been released. See “*Overview—The Refinancing*.”
- (8) Represents the aggregate principal amount drawn under the 2024 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Export Credit Facilities Agreements*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Export Credit Facilities Agreements have been released. See “*Overview—The Refinancing*.”
- (9) Represents the aggregate principal amount drawn under the 2024 Additional Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Additional Export Credit Facilities Agreements*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Additional Export Credit Facilities Agreements have been released. See “*Overview—The Refinancing*.”
- (10) Represents the aggregate principal amount drawn under the 2025 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2025 Export Credit Facilities Agreements*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2025 Export Credit Facilities Agreements have been released. See “*Overview—The Refinancing*.”
- (11) Represents relevant principal amounts drawn under the BRD Facility Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short Term and Working Capital Facilities*” and “*Capitalization*.” The guarantee provided by DIGI Spain for the benefit of the lenders under the BRD Facility Agreements have been released. See “*Overview—The Refinancing*.”
- (12) Includes relevant principal amounts drawn under the (i) ING Facilities Agreement; (ii) Citi Facilities Agreement; and (iii) BRD Facility Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short Term and Working Capital Facilities*” and “*Capitalization*.” On or about the Issue Date, we expect to prepay €27.2 million under our other secured short-term debt, using proceeds from the Offering. The guarantee provided by DIGI Spain for the benefit of the lenders under the ING Facilities Agreement and the Citi Facilities Agreement have been released. See “*Overview—The Refinancing*.”
- (13) Represents the aggregate principal amount drawn under the DIGI Andalucía Facility. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—DIGI Andalucía Facility Agreement*” and “*Capitalization*.”
- (14) Represent operating lease liabilities resulting from the effects of the application of IFRS 16 to operating leases.

- (15) Includes (i) long-term trade payables relating to vendor financing arrangements and (ii) aggregate principal amounts drawn under certain local financing arrangements of DIGI Spain. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short term and working capital facilities*” and “*Capitalization*.”
- (16) Includes relevant principal amounts drawn under the (i) UniCredit Overdraft Facility Agreement; (ii) local financing arrangements of DIGI Spain; (iii) local financing arrangements of NOWO; and (iv) reverse factoring agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short term and working capital facilities*” and “*Capitalization*.”
- (17) Represents total secured debt less cash and cash equivalents, adjusted for unamortized borrowing costs and effective interest rate adjustments. Total secured net debt is not a financial measure presented in accordance with IFRS. Total secured net debt under our definition may not be comparable to similar measures presented by other companies and labeled “total secured net debt.” We believe that Total secured net debt is a useful analytical tool for presenting a normalized measure of financial position. Since loans and borrowings and cash and cash equivalents as at a given date can differ significantly from this normalized measure, we urge you to consider our Total secured net debt as at any date together with data for loans and borrowings and cash and cash equivalents. You should not consider Total net debt as a substitute for these measures determined in accordance with IFRS. See “*Presentation of Financial and Other Data—Operating and Market Data*.”
- (18) Represents total debt less cash and cash equivalents, adjusted for unamortized borrowing costs and effective interest rate adjustments. Total net debt is not a financial measure presented in accordance with IFRS. Total net debt under our definition may not be comparable to similar measures presented by other companies and labeled “total net debt.” We believe that Total net debt is a useful analytical tool for presenting a normalized measure of financial position. Since loans and borrowings and cash and cash equivalents as at a given date can differ significantly from this normalized measure, we urge you to consider our Total net debt as at any date together with data for loans and borrowings and cash and cash equivalents. You should not consider Total net debt as a substitute for these measures determined in accordance with IFRS. See “*Presentation of Financial and Other Data—Operating and Market Data*.”
- (19) Represents total net debt excluding operating lease liabilities resulting from the effects of the application of IFRS 16 to operating leases.

The table below provides a reconciliation of total net debt ex-operating leases to total net debt for the periods indicated:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	(€ millions)			
Total net debt	1,279.9	1,630.8	1,801.6	2,031.0
Operating lease liabilities ^(a)	(262.8)	(345.8)	(418.9)	(441.5)
Total net debt ex-operating leases	1,017.1	1,285.0	1,382.7	1,589.5

(a) Represents lease liabilities resulting from the effects of the application of IFRS 16 to operating leases.

- (20) Represents Adjusted EBITDA excluding the effects of the application of IFRS 16 to operating leases.

The table below provides a reconciliation of Adjusted EBITDA ex-operating leases to Adjusted EBITDA for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	For the twelve months ended June 30,
	2022	2023	2024	2024	2025
	(€ millions)				
Adjusted EBITDA	509.6	595.3	684.5	334.8	690.6
Adjustment for the effects of the application of IFRS 16 to operating leases	(77.6)	(83.3)	(101.7)	(48.7)	(113.6)
Adjusted EBITDA ex-operating leases	432.1	511.9	582.7	286.2	576.8

- (21) Represents the ratio of Adjusted EBITDA ex-operating leases to the sum of (i) revenues and (ii) other income (excluding other income from extraordinary sale of assets). See “*Presentation of Financial and Other Data—Non-IFRS financial information*”.
- (22) Represents the sum of interest expense and interest for lease liability, less interest from banks (in each case, as extracted from our Financial Statements). Net interest expense is not a financial measure presented in accordance with IFRS. Net interest expense under our definition may not be comparable to similar measures presented by other companies and labeled “net interest expense.” We believe that net interest expense is a useful analytical tool for presenting a normalized measure of financial performance. Since interest expense, interest for lease liability and interest from banks for a given period can differ significantly from this normalized measure, we urge you to consider our net interest expense for any period together with our data for interest expense, interest for lease liability and interest from banks. You should not consider net interest expense as a substitute for these measures determined in accordance with IFRS. See “*Presentation of Financial and Other Data—Operating and Market Data*.”
- (23) Represents net interest expense, excluding the interest expense resulting from the application of IFRS 16 to operating leases.

The table below provides a reconciliation of net interest expense ex-operating leases to net interest expense for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	For the twelve months ended June 30,
	2022	2023	2024	2024	2025
	(€ millions)				
Net interest expense	46.8	60.6	63.4	33.6	82.2
Adjustment for the effects of the application of IFRS 16 to operating leases	7.1	9.2	13.1	4.4	20.3
Net interest expense ex-operating leases	39.7	51.4	50.3	29.2	62.2

Selected as adjusted financial data and ratios

	As at and for the twelve months ended June 30, 2025
	(€ millions, unless otherwise stated)
<i>As adjusted</i> total debt ⁽¹⁾	2,095.5
<i>As adjusted</i> cash and cash equivalents ⁽²⁾	(86.1)
<i>As adjusted</i> unamortized borrowing costs and effective interest rate adjustments ⁽³⁾	36.0
<i>As adjusted</i> total net debt	2,045.4
<i>As adjusted</i> total net debt ex-operating leases ⁽⁴⁾	1,603.9
Ratio of <i>as adjusted</i> total net debt ex-operating leases to Adjusted EBITDA ex-operating leases ..	2.8x
<i>As adjusted</i> net interest expense ex-operating leases ⁽⁵⁾	72.8
Ratio of Adjusted EBITDA ex-operating leases to <i>as adjusted</i> net interest expense ex-operating leases	7.9x

- (1) *As adjusted* total debt is total debt after giving effect to the Refinancing as if it had occurred on June 30, 2025.
- (2) *As adjusted* cash and cash equivalents are cash and cash equivalents after giving effect to the Refinancing as if it had occurred on June 30, 2025.
- (3) *As adjusted* unamortized borrowing costs and effective interest rate adjustments are unamortized borrowing costs and effective interest rate adjustments after giving effect to the Refinancing as if it had occurred on June 30, 2025.
- (4) *As adjusted* total net debt ex-operating leases is total net debt ex-operating leases after giving effect to the Refinancing as if it had occurred on June 30, 2025.
- (5) *As adjusted* net interest expense ex-operating leases is net interest expense ex-operating leases after giving effect to the Refinancing as if it had occurred on July 1, 2024.

Other operating data

RGUs and ARPU by segment

	As at and for the year ended December 31,			As at and for the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RGUs: thousands; ARPU: (€/period))				
Romania					
RGUs⁽¹⁾					
Fixed.....	10,569	11,143	11,605	11,354	11,812
of which					
Pay TV ⁽²⁾	5,432	5,682	5,868	5,773	5,957
Fixed internet and data ⁽³⁾	4,204	4,571	4,888	4,712	5,026
Fixed-line telephony	933	890	849	869	829
Mobile ⁽⁴⁾	4,933	5,820	6,578	6,207	7,009
ARPU⁽⁵⁾	4.6	4.5	4.4	4.4	4.4
Spain					
RGUs⁽¹⁾					
Fixed.....	1,122	1,818	2,577	2,219	3,079
of which					
Pay TV ⁽²⁾	—	—	—	—	90
Fixed internet and data	843	1,373	1,951	1,675	2,266
Fixed-line telephony	279	445	626	544	723
Mobile ⁽⁴⁾	3,796	4,663	5,863	5,298	6,587
ARPU⁽⁵⁾⁽⁶⁾	9.6	9.3	8.7	8.8	8.1
Portugal					
RGUs⁽¹⁾					
Fixed.....	—	—	355	—	369
of which					
Pay TV ⁽²⁾	—	—	121	—	127
Fixed internet and data	—	—	127	—	144
Fixed-line telephony	—	—	107	—	98
Mobile ⁽⁴⁾	—	—	321	—	420

	As at and for the year ended December 31,			As at and for the six months ended June 30,	
	2022	2023	2024	2024	2025
ARPU⁽⁵⁾	—	—	7.6	—	7.4
Other					
RGUs⁽¹⁾⁽⁷⁾					
Mobile ⁽⁴⁾	362	420	490	456	512
ARPU⁽⁵⁾⁽⁸⁾	6.6	6.2	5.7	5.8	5.5
RGUs Group⁽¹⁾⁽⁹⁾	20,782	23,864	27,789	25,534	29,788
ARPU Group⁽⁵⁾	5.8	5.8	5.7	5.7	5.7

- (1) RGUs, or revenue generating units, represent the number of customer accounts at period end. A single customer can account for several RGUs. See “Presentation of Financial and Other Data—Operating and Market Data—Non-IFRS information and other operating data—RGUs and ARPU.”
- (2) Includes RGUs for cable TV, IPTV and DTH services, as applicable.
- (3) Includes residential and business RGUs.
- (4) Includes mobile telephony and mobile internet and data RGUs.
- (5) ARPU is average revenue per RGU for a period. We calculate it by dividing the total revenues of such segment for such period (a) if such period is a calendar month, by the total number of relevant 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. See “Presentation of Financial and Other Data—Operating and Market Data—Non-IFRS information and other operating data—RGUs and ARPU.”
- (6) Does not include ARPU for our pay TV services for the period ended December 31, 2024, as those were immaterial in Spain during such period.
- (7) Represents our RGUs in Italy. Does not include our fixed services RGUs in Italy, as those services are immaterial.
- (8) Represents our ARPU in Italy. Does not include our fixed services ARPU in Italy, as those services are immaterial.
- (9) Does not include RGUs in Belgium. We started our operations in Belgium in December 2024 through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investments on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future. As of June 30, 2025, we had approximately 62,000 mobile services RGUs in Belgium. See “Acquisitions and disposals and joint ventures—Joint ventures.”

RGUs⁽¹⁾ by business line

	As at December 31,			As at June 30,	
	2022	2023	2024	2024	2025
Fixed	11,691	12,961	14,537	13,573	15,260
<i>of which</i>			<i>(thousands)</i>		
Pay TV ⁽²⁾	5,432	5,682	5,989	5,773	6,174
Fixed internet and data ⁽³⁾	5,047	5,944	6,966	6,387	7,436
Fixed-line telephony	1,212	1,335	1,582	1,413	1,650
Mobile ⁽⁴⁾	9,091	10,903	13,252	11,961	14,528
RGUs Group	20,782	23,864	27,789	25,534	29,788

- (1) RGUs, or revenue generating units, represent the number of customer accounts at period end. A single customer can account for several RGUs. See “Presentation of Financial and Other Data—Operating and Market Data—Non-IFRS information and other operating data—RGUs and ARPU.”
- (2) Includes RGUs for cable TV, IPTV and DTH services, as applicable.
- (3) Includes residential and business RGUs.
- (4) Includes mobile telephony and mobile internet and data RGUs.

IMPORTANT INFORMATION

You should rely only on the information contained in this prospectus. Neither the Issuer, the Parent, nor Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, Banco Santander, S.A., ING Bank N.V., Société Générale and UniCredit Bank GmbH (the “Initial Purchasers”) has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. You should not assume that the information contained in this prospectus is accurate as at any date other than the date on the front of this prospectus.

Neither the Issuer, the Parent nor the Initial Purchasers are making an offer of the Notes in any jurisdiction where the Offering is not permitted.

The Issuer is a joint stock company incorporated under the laws of Romania. The Issuer was incorporated on July 7, 1994. The Issuer is registered with the Bucharest Trade Registry Office under registration number J1994012278401, EUID ROONRC. J1994012278401, sole registration code 5888716. The Issuer’s registered address is at 75 Dr. Staicovici Street, 5th district, Bucharest, Romania. The Issuer’s telephone number is +40 31 400 4440. The Issuer’s internet address is <https://www.digi.ro/>.

The Parent is a public company incorporated under the laws of the Netherlands. The Parent was incorporated on March 29, 2000 and is the controlling shareholder of the Issuer. The Parent is registered with the Dutch trade register under registration number 34132532, RSIN: 808800322. The Parent’s statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its business address is at 75 Dr. Staicovici Street, 5th district, Bucharest, Romania. The Parent is a Romanian tax resident. The Parent’s telephone number is +40 31 400 6505. The Parent’s internet address is www.digi-communications.ro.

Unless the context otherwise requires and with the exception of the section entitled “*Description of the Notes*,” references in the prospectus to “**we**,” “**our**,” “**us**” and the “**Group**” refer collectively to the Issuer and its direct and indirect consolidated subsidiaries. References in this prospectus to “**Bucharest**” are to the city of Bucharest, Romania. Certain key terms used in this prospectus are defined in the section entitled “*Certain Key Definitions*,” certain technical terms related to our business and used in this prospectus are defined in the section entitled “*Glossary of Technical Terms*.” Unless the context so requires, “**or**,” as used in this prospectus, is not exclusive.

The language of this prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

This prospectus has been prepared by us solely for use in connection with the Offering described in this prospectus. This prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this prospectus to any person other than the prospective investors and any person retained to advise such prospective investors with respect to the purchase of the Notes is unauthorized, and any disclosure of any of the contents of this prospectus, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this prospectus, agrees to the foregoing and to make no photocopies of this prospectus or any documents referred to in this prospectus.

The distribution of this prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See “*Notice to Investors*” and “*Plan of Distribution*.”

In making an investment decision regarding the Notes, prospective investors must rely on their own examination of our business and the terms of the Offering, including the merits and risks involved. In addition, neither we nor the Initial Purchasers nor any of our or their representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this prospectus as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this prospectus, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

The Initial Purchasers are not making any representation or warranty, express or implied, that the information contained in this prospectus is accurate or complete and are not responsible for this information. Nothing contained in this prospectus is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or the future.

The Issuer accepts responsibility for the information contained in this prospectus. To the best of the knowledge of the Issuer, the information contained in this prospectus is in accordance with the facts and contains no omission likely to affect its import. However, the information set out in the sections entitled “*Overview—Business Overview*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Industry Overview*” and “*Business*” includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. We have accurately reproduced all industry and market information and data contained in this prospectus and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nonetheless, we have not independently verified the accuracy of such

information and data and we accept no further responsibility in respect thereof. In addition, this prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. However, as far as we are aware, no information or data has been omitted, which would render reproduced information inaccurate or misleading.

The information contained in this prospectus is correct as of the date hereof. Neither the delivery of this prospectus at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this prospectus or in our business since the date of this prospectus.

We have accurately reproduced the information set out in relation to sections of this prospectus describing clearing arrangements, including in the section entitled “*Book-Entry; Delivery and Form*,” and as far as we are aware and able to ascertain from third-party sources, no facts have been omitted, which would render the reproduced information inaccurate or misleading. Nonetheless, such information is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. Neither Euroclear nor Clearstream are under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by either of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear or Clearstream or their respective participants. Investors wishing to use these clearing systems are advised to confirm the continued applicability of these arrangements.

By receiving this prospectus, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this prospectus. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The contents of our websites or any other websites referred to herein do not form any part of this prospectus. Our websites are mainly addressed to potential clients of our services and, therefore, information available on our websites may differ in content or may be organized differently than information in this prospectus. For the purposes of making an investment decision regarding the Notes, you should not rely on our websites.

None of the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission or any other U.S. regulatory authority, has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this prospectus entitled “*Plan of Distribution*” and “*Notice to Investors*.”

The Notes are available initially only in book-entry form. We expect that the Notes sold pursuant to this prospectus were issued in the form of one or more Global Notes, which were deposited with, or on behalf of, a common depositary for Euroclear and Clearstream and registered in the name of the nominee of such common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the Global Notes will be shown on, and transfers of beneficial interests in the Global Notes will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the Global Notes, Notes in certificated form will be issued in exchange for the Global Notes only as set forth in the indenture governing the Notes. See “*Book-Entry; Delivery and Form*.”

We reserve the right to withdraw the Offering at any time. We and the Initial Purchasers reserve the right to reject any offer to purchase the Notes, in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their related entities may acquire a portion of the Notes for their own accounts.

IN CONNECTION WITH THE OFFERING, CITIGROUP GLOBAL MARKETS EUROPE AG OR ONE OR MORE OF ITS AFFILIATES OR PERSONS ACTING ON ITS BEHALF (THE “**STABILIZING MANAGER**”) MAY OVERALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE NOTES ISSUE DATE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES, WHICHEVER IS EARLIER.

Each purchaser of the Notes has and will be deemed to have made the representations, warranties and acknowledgements that are described in the section entitled “*Notice to Investors*” of this prospectus.

ALTERNATIVE SETTLEMENT CYCLE

Delivery of the Notes was made against payment on the Notes on or about the date specified on the cover page of this prospectus, which was the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as “T+5”). Under Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the immediately succeeding four business days were required, by virtue of the fact that the Notes initially settled T+5 to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the immediately succeeding business days should consult their own advisors.

NOTICE TO INVESTORS IN THE UNITED STATES

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Notes have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to QIBs within the meaning of Rule 144A, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see “*Notice to Investors.*”

NOTICE TO INVESTORS IN THE EEA

The Notes have not been and will not be registered under the laws of any member state of the EEA. The offering of the Notes is being made, and the Notes are being offered and issued, only to persons other than retail investors in the EEA, each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Regulation (EU) 2017/1129 (“the **Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

EEA MiFID II Product Governance / Professional Investors and ECPs only target market. Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Notes has led the manufacturers to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This prospectus has not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”). Accordingly, this prospectus is for distribution only to, and is directed solely at, persons who are: (i) outside the United Kingdom; (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); (iii) persons falling within Articles 49(2)(a) to (d) of the Financial Promotion Order; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

The offering of the Notes is being made, and the Notes are being offered and issued, only to persons other than retail investors in the United Kingdom, each defined as a person who is one (or more) of: (i) United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a “customer” within the meaning of the provisions of and any rules or regulations made under, the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a “professional client,” as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or (iii) not a “qualified investor” as defined in Article 2(e) of the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the securities described in the attached prospectus or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

UK MiFIR Product Governance / Professional Investors and ECPs-only Target Market: Solely for the purposes of the product approval process of each manufacturer for the purposes of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) (each a “UK Manufacturer” and, together, the “UK Manufacturers”), the target market assessment in respect of the securities described in the prospectus has led to the conclusion that: (i) the target market for such securities is only ECPs, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (“UK MiFIR”); and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a “distributor”) should take into consideration the UK Manufacturers’ target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the UK Manufacturers’ target market assessment) and determining appropriate distribution channels.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are not historical facts and are forward-looking. Forward-looking statements appear in various locations, including, without limitation, in the sections entitled “Overview,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry Overview” and “Business.” We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this prospectus 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 prospectus 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 prospectus are not guarantee 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. These risks, uncertainties and other factors include, among other things, those listed in the section entitled “Risk Factors,” as well as those included elsewhere in this prospectus. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- significant competition in the markets in which we operate;
- rapid technological changes leading to increased competition and rendering our technologies or services obsolete;
- our capital expenditure not being able to generate a positive return or a significant reduction in costs or promote the growth of our business;

- undertaking future acquisitions;
- difficulty in obtaining adequate managerial and operational resources as a result of our rapid growth and expansion in new areas of business;
- our ability to attract and retain key personnel without whom we may not be able to manage our business effectively;
- currency transactional and translation risks associated with exchange rate fluctuations;
- a systems failure or shutdown in our networks;
- our ability to attract new customers and retain existing customers if we do not maintain or improve our reputation for quality of service;
- our ability to retain or increase our subscriber base and increasing costs of operations if we cannot acquire or retain content or programming rights or do so at competitive prices;
- a decrease in our ARPU figures as a result of our business strategy;
- failure to manage customer churn;
- our insurance not adequately covering all potential losses, liabilities and damage related to our business and certain risks being uninsured or not insurable;
- problems with and interruptions to our billing and credit control systems that our business relies upon;
- discontinuing of products or services by terminating contracts with, or charging of non-competitive prices by our current hardware, software and service suppliers;
- our dependence on various intellectual property rights that we license from or that may be claimed by third parties;
- our dependence on our interconnection, roaming and MVNO arrangements with other telecommunications operators and third-party network providers, over which we have no direct control;
- concerns about health risks relating to the use of mobile handsets or the location of mobile telecommunication towers;
- leakage of sensitive customer data in violation of laws and regulations, and any other failure to fully comply with applicable data protection legislation, resulting in fines, loss of reputation and customer churn;
- downgrading of our credit ratings by an international rating agency;
- changes to IFRS standards for lease accounting and revenue recognition;
- failure to comply with anti-corruption or money laundering laws, or allegations thereof;
- claims relating to breaches of competition law and investigations by competition authorities to which we may have been and may continue to be subject;
- claims relating to breaches of consumer protection law, which could result in us lowering our tariffs or court judgments and loss of reputation;
- our failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of our operations, which could result in substantial additional compliance costs or various sanctions or court judgments;
- difficulty in obtaining required licenses, permits or other authorizations to operate our existing network, and any subsequent amendment, revocation, suspension, or termination of licenses and permits obtained;
- disruption of service and additional expenses incurred as a result of being required to move some of our networks which are based on contracts and which may be terminated;
- inadvertent infringement of the intellectual property rights of others, which could lead to liability for infringements in relation to information disseminated through our network, protracted litigation and, in certain instances, loss of access to transmission technology or content;
- variation in payments related to copyrights;
- adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations;
- major litigations and unfavorable court decisions;
- deterioration of the general internal economic, political and social conditions in our principal countries of operation;

- social, political and military conflicts in the region of our operations;
- difficult business climate as a result of corruption in some of the markets where we operate;
- downgrading of Romania's credit ratings by an international rating agency;
- Romania's difficulties related to its integration with the European Union;
- less developed legal and judicial systems in some of our markets of operation;
- difficulty of service of process in, and enforcement of judgments rendered by courts of, the United States and the United Kingdom;
- our substantial leverage and debt servicing obligations;
- debt covenants that restrict our ability to finance our future operations and capital needs and to pursue business opportunities and activities;
- impairment of our ability to draw funds under the Senior Facilities Agreements, the Export Credit Facilities Agreements and other Group financings;
- the significant amount of cash required to service our debt and sustain our operations and the fact that our ability to generate cash depends on many factors beyond our control and we may not be able to generate sufficient cash to service our debt;
- our inability to refinance maturing debt on terms that are as favorable as those from which we previously benefited or on terms that are acceptable to us or at all;
- our exposure to unexpected risk and potential losses relating to derivative transactions;
- the other factors discussed in more detail under "*Risk Factors*"; and
- factors that are not known to us at this time.

This list of important factors and the other factors discussed in the section entitled "*Risk Factors*" is not exhaustive. Other sections of this prospectus describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. 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 prospectus. Accordingly, we do not intend, and do not undertake any obligation, to update forward-looking statements set forth in this prospectus. 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 prospectus. As a result, you should not place undue reliance on such forward-looking statements.

RISK FACTORS

An investment in the Notes involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Notes is suitable for them in the light of the risks described below and other information in this prospectus and their personal circumstances.

The occurrence of any of the following events could have a material adverse effect on our business, prospects, results of operations or financial condition and impair our ability to fulfil our obligations in respect of the Notes, potentially causing a loss of all or part of the investment made when purchasing the Notes. However, the risk factors described below are not an exhaustive list or explanation of all relevant risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, prospects, results of operations or financial condition.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face significant competition in the markets in which we operate, which could result in decreases in the number of current and potential customers, revenues and profitability.

We face significant competition in all our markets and business lines, which is expected to intensify further. For example, in Romania we face intense competition in our pay TV, fixed internet and data, fixed-line telephony, and mobile telecommunication services business lines from Orange and Vodafone. In Spain, we face competition in our mobile telecommunication services, fixed internet and data and fixed-line telephony business lines from Telefónica, MasOrange and Vodafone, who operate much larger and more established businesses in the country. In Portugal, we face competition in our pay TV, fixed internet and data, fixed-line telephony, and mobile telecommunication services business lines from MEO, NOS, and Vodafone. Similarly, we face competition from Fastweb + Vodafone, TIM, Wind Tre and Iliad in Italy and from Proximus, Telenet and Orange Belgium in Belgium. Additionally, in each of these markets, we face competition from MVNOs and internet service providers. Increased competition may encourage customers to stop subscribing to our services (an effect known as “churn”) and thereby adversely affect our revenues and profitability.

Our existing competitors, as well as other competitors that may enter the markets in which we operate in the future, may enjoy certain competitive advantages that we do not, such as having greater economies of scale, easier access to financing, access to certain new technologies, more comprehensive product offerings in certain business lines, greater personnel resources, greater brand name recognition, fewer regulatory burdens and more experience or longer-established relationships with regulatory authorities, customers and suppliers. In particular, all our principal competitors in the Romanian and Spanish markets are part of much larger international telecommunication groups. Additionally, our competitors may consolidate and thus create larger and more established competitors, which may make it more difficult for us to compete in the markets in which we operate. For example, in the recent years there has been significant consolidation activity in the Spanish telecommunications and television market, primarily through mobile-centric operators acquiring fixed-line assets operators, such as the combination of Orange and MasMovil’s operations in early 2024 to form MasOrange.

In recent years, the telecommunications industry has experienced a significant increase in customer demand for multiple-play offerings, which combine two or more fixed and mobile services in one package. With respect to our business in Romania, although we believe that the combination of our own fixed and mobile infrastructures in Romania is unparalleled, all of our principal competitors in the country have made arrangements to significantly enhance their multiple-play capabilities. In particular, in 2021 Orange acquired Telekom Romania’s cable TV and fixed internet business, whereas Vodafone took over the cable TV and fixed internet business of UPC Holding, a subsidiary of Liberty Global. In addition, in October 2025, as part of the sale of Telekom Romania’s mobile operations in Romania, which included the TKRM Business and Assets Acquisition, Vodafone acquired a significant portion of Telekom Romania, including employees, postpaid customers, business clients, retail stores, and technical network infrastructure. These developments have resulted, and are expected in the future to result in, synergies to their businesses, increase competition, further pressure on prices, higher rates of customer churn and ultimately could adversely affect our revenues and profitability. Similarly, in Spain our competitors have converged services offerings comprised of a mix of fixed and mobile voice services, internet and video broadcast services, as well as emerging and disruptive technologies. Our success in these markets is affected by the actions of our competitors, who in some case have larger financial and personnel resources, wider geographical coverage, the ability to offer different converged services and more established relationships with, and greater access to, content providers than us.

In addition to competition in our traditional services and technologies, we also experience significant pressure from the rapid development of new technologies and alternative services, which are either offered by our existing competitors or new entrants. See “—*Rapid technological changes may increase competition and render our technologies or services obsolete, and*

we may fail to adapt to, or implement new technological developments in a cost-efficient manner or at all.” For example, our fixed-line telephony and fixed internet and data business lines in Romania are experiencing increased competition from the country’s mobile telecommunication services sector. This may result in slower growth or a decrease in our fixed-line telephony and fixed internet and data services penetration rates, as our subscribers may migrate from fixed to mobile services, choosing to switch to our competitors such as Orange or Vodafone, who may have stronger market positions than us in the mobile telecommunication services sector. These competitors are also aiming to offer increasingly innovative integrated solutions to customers, such as 5G (currently in limited operation). We also have to compete with companies offering other technologies alternative to our telephony services, such as Zoom, Teams, WhatsApp, Webex, Google Hangouts and Facebook Messenger, as well as with companies offering alternative platforms that make TV and entertainment content available to customers, such as OTT platforms Netflix, HBO Max, Disney Plus, Amazon Prime, SkyShowtime, Apple TV and Google Play, along with other services which allow legal or illegal downloading of movies and television programs.

Our success in the markets where we operate may be adversely affected by the actions of our competitors in a number of ways, including:

- lower prices, more attractive multiple-play services or higher quality services, features or content;
- more rapid development and deployment of new or improved products and services; or
- more rapid enhancement of their networks.

Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new products and services, pricing strategies by competitors, changes in consumer preferences and economic, political and social conditions in the markets in which we operate. Any failure to compete effectively or any inability to respond to, or effectively anticipate, consumer sentiment, including in terms of pricing of services, acquisition of new customers and retention of existing customers, could have a material adverse effect on our business, prospects, results of operations or financial condition.

Rapid technological changes may increase competition and render our technologies or services obsolete, and we may fail to adapt to, or implement, new technological developments in a cost-efficient manner or at all.

The markets in which we operate are characterized by rapid and significant changes in technology, customer demand and behavior, and as a result, by a changing competitive environment. Given the fast pace of technological innovation in our industry, we face the risk of our technology becoming obsolete. We may need to make substantial investments to upgrade our networks or to obtain licenses for and develop and install new technologies (such as 5G, which is expected to become the standard for providing mobile telecommunication services in the foreseeable future and may, to a certain extent, present a viable alternative to, and a replacement for, fixed-line offerings) to remain competitive. The cost of implementing these investments could be significant and there is no assurance that the services enabled by new technologies will be accepted by customers to the extent required to generate a rate of return that is acceptable to us. In addition, we face the risk of unforeseen complications in the deployment of these new services and technologies and there is no assurance that our original estimates of the necessary capital expenditure to offer such services will be accurate. New services and technologies may not be developed and/or deployed according to expected schedules or may not be commercially viable or cost effective. Should our services fail to be commercially viable, this could result in additional capital expenditures or a reduction in profitability. Any such change could have a material adverse effect on our business, prospects, results of operations or financial condition.

In addition, rapid technological change makes it difficult to predict the extent of our future competition. For example, new transmission technologies and means of distributing content or increased consumer demand for, and affordability of, products based on new mobile communication technologies, such as the rise in satellite-based internet service providers, could trigger the emergence of new competitors or strengthen the position of existing competitors. There is no guarantee that we will successfully anticipate the demands of the marketplace with regard to new technologies. Any failure to do so could affect our ability to attract and retain customers and generate revenue growth, which in turn could have a material adverse effect on our financial condition and results of operations. Conversely, we may overestimate the demand in the marketplace for certain new technologies and services. If any new technology or service that we introduce fails to achieve market acceptance, our revenues, margins and cash flows may be adversely affected, and as a result we may not recover any investment made to deploy such new technology or service. Our future success depends on our ability to anticipate, react and adapt in a timely manner to technological changes. Responding successfully to technological advances and emerging industry standards may require substantial capital expenditure and access to related or enabling technologies to introduce and integrate new products and services successfully. Failure to do so could have a material adverse effect on our competitive position, business, prospects, results of operations or financial condition.

We operate in a capital-intensive business and may be required to make significant capital expenditure and to finance a substantial increase in our working capital to maintain our competitive position. Our capital expenditure may not generate a positive return or a significant reduction in costs or promote the growth of our business.

The expansion and operation of our fixed and mobile networks, as well as the costs of development, sales and marketing of our products and services, require substantial capital expenditure. In recent years, we have undertaken significant investment to attract and retain customers, including expenditures for equipment and installation costs, license acquisitions, implementation of new technologies (such as GPON), as well as upgrades of existing networks, such as the FTTH roll-out. As at the date of this prospectus, we have the following material ongoing capital requirements:

- further expansion, development and maintenance of our fixed and mobile networks;
- acquisition of new telecommunication licenses and payments under the terms of existing telecommunication licenses;
- continued investments in the expansions of our business in Portugal and Belgium and, potentially, in other markets;
- the acquisition of CPE, including certain network equipment, such as GPON terminals (which may not generally be treated as CPE by other members of our industry), and other equipment, such as set-top boxes, mobile data devices and fixed-line telephone handsets, satellite dishes, satellite receivers and smartcards; and
- payments for the acquisition of television content rights.

In addition, we may, from time to time, incur significant capital expenditure in relation to opportunistic mergers and acquisitions, such as our acquisition of NOWO in Portugal in 2024 or our recently completed acquisition of certain assets from TKRM, and in connection with the upgrade and integration of any acquired business and assets and/or with the migration of acquired customers. See “—*We may undertake future acquisitions which may increase our risk profile, distract our management or increase our expenses*” and “*Overview—Recent Developments—TKRM Business and Assets Acquisition.*”

However, no assurance can be given that any existing or future capital expenditures will generate a positive return, a significant reduction in costs, or promote the growth of our business. If our investments fail to generate the expected positive returns or cost reductions, our operations could be significantly adversely affected and future growth could be significantly curtailed.

In order to finance our capital expenditures and working capital needs, we use a combination of cash from operations, financial indebtedness, reverse factoring and vendor financing arrangements. In the near future, we expect to fund significant capital expenditures, such as acquisition of new licenses (including mobile bandwidth) to expand our existing offerings and acquire local telecommunication services providers to grow our network, predominantly with external financing sourced from international financial institutions or debt capital markets. Our working capital needs have fluctuated in the past years along with the need to finance the development of our mobile telecommunication services business (where we continue to acquire ancillary CPE (such as handheld devices) that are further on-sold to customers). We generally pay our suppliers within a relatively short period after acquiring products, but on-sell CPE to our customers subject to a deferral of payments for up to 12 months. If we fail to negotiate or renegotiate reverse factoring, vendor financing agreements and other arrangements that we use to finance our working capital requirements, our ability to finance the continued expansion of our business would be materially adversely affected.

In addition, our liquidity and capital requirements may increase if we expand into additional areas of operation, accelerate the pace of our growth or make acquisitions. If, for any reason, we are unable to obtain adequate funding to meet these requirements, we may be required to limit our operations and our expansion plans, including plans to expand our network and service offering, could be significantly adversely affected, future growth could be significantly curtailed and our competitive position could be impaired.

We may undertake future acquisitions which may increase our risk profile, distract our management or increase our expenses.

Part of our growth over the years has been due to acquisitions. Most recently, we acquired NOWO in Portugal in 2024 and in October 2025 we have completed the TKRM Business and Assets Acquisition, pursuant to which we acquired specific assets from Telekom Romania’s mobile business in Romania, including radio frequency usage rights, a portion of Telekom Romania’s towers, infrastructure, and equipment, as well as the entire prepaid mobile service business. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures*” and “*Overview—Recent Developments—TKRM Business and Assets Acquisition.*” As part of our strategy, we may undertake additional acquisitions, which could be significant, in our existing business lines or complementary to them as, and if, appropriate opportunities become available. We regularly

monitor potential acquisition targets in order to be able to act in an expedient fashion should an attractive opportunity arise. However, a decision to proceed with any such acquisition will be subject to number of conditions that may or may not materialize, including regulatory support and availability of third-party financing (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation—Trends and Other Key Factors Impacting our Results of Operations—Capital expenditure*”) and we expect to have other strategic alternatives, which we will consider as appropriate. Should we decide to proceed with any such transaction, we may not be successful in our efforts to estimate the financial effects thereof on our business. In addition, acquisitions may divert our management’s attention or financial or other resources away from our existing business or require additional expenditures. Such developments could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our ability to acquire new businesses may be limited by many factors, including competition law constraints, availability of financing, the covenants in our financing agreements, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers. If acquisitions are made, there can be no assurance that we will be able to migrate and/or to maintain the customer base of businesses we acquire, novate agreements to our main operating companies, generate expected margins or cash flows or realize the anticipated benefits of such acquisitions, including growth or expected synergies. Although we analyze acquisition targets, those assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that our assessments of, and assumptions regarding, acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations.

Even if we are successful in acquiring new businesses, the integration of new businesses may be difficult for a variety of reasons, including differing languages, cultures, management styles and systems, inadequate infrastructure, insufficient or unclear rights in acquired agreements or in relation to acquired assets and poor records or internal controls. In addition, integrating any potential new acquisitions may require significant initial cash investments and present significant costs, which may result in changes in our capital structure, including the incurrence of additional indebtedness, tax liabilities or regulatory fines. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our operating results as a result of costs, challenges, difficulties or risks, including: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overhead expenses; integrating personnel, networks, financial and operational systems; unforeseen legal, regulatory, contractual and other issues; unforeseen challenges from operating in new geographic areas; and the diversion of management’s attention from our day-to-day business as a result of the need to deal with the foregoing challenges, disruptions and difficulties.

Furthermore, even if we are successful in integrating our existing and new businesses, expected synergies and cost savings may not materialize as anticipated or at all, resulting in lower-than-expected profit margins. There is no assurance that we will be successful in acquiring new businesses or realizing any of the anticipated benefits of the companies that we may acquire in the future. If we undertake acquisitions but do not realize these benefits, it could have a material adverse effect on our business, prospects, results of operations or financial condition.

Additionally, our changing geographic footprint involves a number of risks, including changes in the political, economic, regulatory, tax and/or social environment that could jeopardize profit forecasts prepared when we originally made our expansion decision, which would therefore adversely affect our return on investments. We cannot guarantee that we will be able to develop our business in new markets or geographies in line with our plans or that we will be able to fully recover amounts invested to develop our networks and services. Similarly, we can give no assurance that the deployment of our services in new markets will be successful, in view of the competition from other operators or players already present in those countries, or for any other reason. In particular, in relation to our recent investments in Portugal and Belgium, we have limited experience operating in these geographies and there can be no assurance that we will be successful in adapting to the demands of relevant markets and realize the contemplated benefits from growth and expansion in new areas of business.

Any acquisition we undertake or have undertaken may be subject to regulatory approval or review by competition authorities which could delay, limit or prevent its completion or could prevent us from realizing the benefits from any such acquisition following its completion.

Any acquisition we may undertake in the future may require the approval of governmental authorities (both at national and European levels), which could block, impose conditions on, or delay the process and which could result in a failure on our part to proceed with announced transactions on a timely basis or at all. Our previous acquisitions, including recent acquisitions, are or may become subject to review by competition authorities within the relevant jurisdictions. For example, the TKRM Business and Assets Acquisition, which we completed in October 2025, required a lengthy and complex approval process before the Romanian Competition Council (the “**RCC**”), the Romanian Foreign Direct Investment Commission, as well as ANCOM. See “*Overview—Recent Developments—TKRM Business and Assets Acquisition.*”

Such competition authorities may take the position that merger control filings were required and/or impose commitments (as was the case with respect to the RCC approval of the TKRM Business and Assets Acquisition), and should we fail to meet

such requirements or commitments in a timely manner, the relevant governmental authority may impose fines and, if in connection with a merger transaction, may require corrective measures, such as mandatory disposition of assets, divestiture of operations or unwinding of the transactions. Any risks associated with regulatory oversight of completed or future acquisitions could have a significant negative impact on our business, prospects, results of operations or financial condition.

Our growth and expansion in new areas of business or new markets may make it difficult to obtain adequate operational and managerial resources, thus restricting our ability to expand our operations.

We have experienced substantial growth in a relatively short period of time expanding into new areas of business or new geographies, and our business may continue to grow in the future. For example, in 2024 we launched our fixed and mobile offerings in Portugal and launched commercial operations in Belgium.

The operational complexity of our business and the responsibilities of our management have increased as a result of this growth, placing significant strain on the relatively limited resources of our senior management. We will need to continue to improve our operational and financial systems and managerial controls and procedures to keep pace with our growth. We will also have to maintain close coordination among our logistical, technical, accounting, finance, marketing and sales personnel. Managing our growth will require, among other things:

- the ability to integrate new acquisitions into our operations;
- continued development of financial and management controls and IT systems and their implementation in newly acquired businesses;
- the ability to manage increased marketing activities;
- hiring and training new personnel;
- the ability to adapt to changes in the markets in which we operate, including changes in legislation;
- the ability to successfully deal with new regulators and regulatory regimes; and
- the ability to manage additional taxes, increased competition and address the increased demand for our services.

An inability to ensure appropriate operational and managerial resources and to successfully manage our growth could have a material adverse effect on our business, prospects, results of operations or financial condition.

We may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom we may not be able to manage our business effectively.

We depend on the availability and continued service of a relatively small number of key managers, employees and other individuals, including our founder and President of the Parent's Board of Directors, Mr. Zoltán Teszári, Directors of the Parent and the Issuer and the Group's senior management. These key individuals are heavily involved in the daily operation of our business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise our development. The loss of any of these key individuals could significantly impede our financial plans, product development, network expansion, marketing and other plans, which could in turn affect our ability to comply with the covenants under the Notes and our existing credit facilities. In particular, Mr. Teszári's continued involvement in the strategic oversight of the Group is key for our continued development and competitive position. In addition, competition for qualified executives in the telecommunications industry in the markets in which we operate is intense. Our future operating results depend, in significant part, upon the continued contributions of our existing management and our ability to expand our senior management team by adding highly skilled new members, who may be difficult to identify and recruit. If any of our senior executives or other key individuals cease their employment or engagement with us, our business, prospects, results of operation or financial condition could be materially adversely affected.

We are subject to transactional currency risks associated with exchange rate fluctuations.

For the twelve months ended June 30, 2025, we generated approximately 55.0% of total revenues in Romanian leu (including approximately 29.8% of revenues collected in Romanian leu, but denominated in euros). As at June 30, 2025, we had €1,321.6 million of gross exposure denominated in euros and €61.5 million denominated in U.S. dollars of gross exposure in respect of loans and borrowings, bank overdraft, lease liabilities and trade and other payables, compared to €1,235.4 million and €68.4 million denominated in U.S. dollars, respectively, as at December 31, 2024. Our euro obligations principally relate to outstanding financial debt, and our exposure to the U.S. dollar primarily relates to purchases of content for our pay TV business. A significant depreciation of the Romanian leu relative to the euro and, to a lesser extent, the U.S. dollar, could have a material adverse effect on our business, prospects, results of operations or financial condition.

In particular, our ability to repay or refinance our euro-denominated financial indebtedness could be adversely impacted by a significant depreciation of the Romanian leu relative to the euro. In this respect, from January 1, 2022, to June 30, 2025, the Romanian leu declined by approximately 2.7% in total relative to the euro. It could also result in a breach of financial

covenants under our existing credit facilities, thereby requiring us to seek waivers from relevant creditors or causing the acceleration of such indebtedness. In addition, it could make it more difficult for us to comply with incurrence covenants under the Notes.

In accordance with our historical approach, we may hedge the interest payments and/or repayments of the whole or a portion of the principal amount of our financial indebtedness. However, any hedging arrangements we enter into may not adequately offset the risks of foreign exchange rate fluctuations and may result in losses. In addition, further depreciation of the Romanian leu relative to the euro and the U.S. dollar could require us to offset the impact of such exchange rate fluctuations by price increases for customers in Romania that are invoiced in Romanian leu, which could cause a reduction in the number of RGUs and could have a material adverse effect on our business, prospects, results of operations or financial condition. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Exchange rates—Liabilities denominated in euros and U.S. Dollar.*”

Any significant depreciation of the Romanian leu relative to the euro could also markedly reduce our consolidated financial results, which are reported in euros (see “*—We are subject to currency translation risks associated with exchange rate fluctuations*”).

We are subject to currency translation risks associated with exchange rate fluctuations.

Our Financial Statements are presented in euros. However, a significant portion of our revenues and expenses are denominated in the Romanian leu and are translated into euros at the applicable exchange rates for inclusion in our consolidated Financial Statements. In addition, some of our borrowings and their related interest payments, as well as other assets and liabilities, are denominated in currencies other than the euro, which also require translation into euros at the applicable exchange rates when we prepare our consolidated Financial Statements. Therefore, we are exposed to fluctuations in exchange rates when converting non-euro amounts into euro for reporting purposes. Any fluctuation in the value of the Romanian leu against the euro may affect the value of our revenues, costs, assets and liabilities as stated in our consolidated Financial Statements, which may in turn affect our reported financial condition and results of operations in a given reporting period.

The Romanian Leu can be subject to high volatility.

The Romanian leu is subject to a managed-variable exchange rate regime, whereby its value against foreign currencies is determined in the interbank foreign exchange market. The monetary policy of the NBR is inflation-targeting. The managed-variable exchange rate regime is in line with using inflation targets as a nominal anchor for monetary policy and allowing for a flexible policy response to unpredicted shocks likely to affect the economy. The NBR does not target any level or range for the exchange rate. The ability of the NBR to limit volatility of the Romanian leu is contingent on a number of economic and political factors, including the availability of foreign currency reserves and foreign direct investment inflows, as well as developments in market sentiment and investors' risk aversion.

Any changes to global investors' perceptions of Romanian or global economic prospects may lead to further depreciation of the Romanian leu. A significant depreciation of the Romanian leu could adversely affect the country's economic and financial position. Any higher-than-expected inflation resulting from the depreciation of the Leu could lead to a reduction in customer purchasing power and erosion of customer confidence, which may have a material adverse effect on our business, operational results and financial position. See “*—We are subject to transactional currency risks associated with exchange rate fluctuations*” and “*—We are subject to currency translation risks associated with exchange rate fluctuations.*”

A systems failure or shutdown in our networks may occur.

Our cable TV, fixed internet and data and fixed-line telephony services are carried through our transmission networks composed primarily of fiber-optic cables. Our mobile telecommunication services share the backbone of the same fixed infrastructure and are provided via approximately 9,000 and 4,300 mobile network base stations in Romania and Portugal, respectively. In October 2025, we further enhanced that network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see “*Recent Developments—TKRM Business and Assets Acquisition*”). Furthermore, our information technology system comprises numerous intra-linked systems that are periodically updated, upgraded, enhanced and integrated with new systems. Failure to maintain or update these systems, particularly where updates may be required to support new or expanded products or services, could result in their inability to support or expand our business, as it is dependent on the continued and uninterrupted performance of our network. Our ability to deliver services may be subject to disruptions of our systems from communications failures that may be caused by, among other things, computer viruses, power failures, natural disasters, software flaws, transmission cable cuts, sabotage, acts of terrorism, cyberattacks, vandalism, and unauthorized access. These threats may derive from human errors, fraud or malice on the part of our employees, third party service providers, or third parties, or may result from accidental technology failure. Any such disruption or other damage that affects our network could result in substantial losses, for which we are not adequately covered by our existing insurance policies. Disaster recovery, security (including cybersecurity) and service continuity protection measures that we have undertaken or may in the future undertake, and our monitoring of network performance, may be

insufficient to prevent losses. Our network may be susceptible to increased network disturbances and technological problems, and such difficulties may increase over time. Such disruptions may affect our provision of new or existing services and reputation, leading to costly repairs and loss of customers. For so long as any such disruption continues, our revenues could be significantly impacted, which in turn could have a material adverse effect on our operating cash flows, business, prospects, results of operations or financial condition.

If we do not maintain or improve our reputation for the quality of our service, our ability to attract new customers and retain existing customers may be harmed.

Our ability to retain customers and to attract new customers depends in part on our brand recognition and our reputation for the quality of our service. Our reputation and brand may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical faults, lack of necessary equipment, changes to our traditional product offerings, financial difficulties, or for any other reason. Damage to our reputation and brand could have a material adverse effect on our business, prospects, results of operations or financial condition.

If we cannot acquire or retain content or programming rights or do so at competitive prices, we may not be able to retain or increase our customer base in Romania and our costs of operations may increase.

The success of our business in Romania depends on, among other things, the quality and variety of the television programming delivered to the customers of our pay TV business. We depend substantially on third parties to provide us with programming TV content and we license rights to broadcast certain high interest sports events and movies on our own premium channels in Romania. Our programming agreements generally have terms ranging from one to five years (including options to extend) and contain various renewal, cancellation and annual price adjustment provisions. No assurance can be provided that we will succeed in renewing our rights for content upon the expiry of currently applicable contractual terms on competitive terms or at all. If we fail to negotiate or renegotiate programming agreements for popular content on satisfactory terms or at all, we may not be able to offer a compelling and popular product to our customers at a price they are willing to pay.

Generally, our programming agreements may be terminated if we fail to make any of our payments or breach our obligations to keep our transmission signal secure or within agreed technical parameters and we fail to address any such breaches within a certain time period, typically between 10 and 30 days.

The ability to broadcast certain sports competitions, especially football matches, is integral to our ability to attract and retain customers in Romania. We currently hold rights to broadcast some of the most popular competitions in our countries of operation, such as the Romanian Football Super League, UEFA Champions League, UEFA Europa League and UEFA Conference League. However, no assurance can be provided that we will succeed in acquiring new or renewing existing broadcasting rights upon the expiration of the underlying contracts.

We believe that in order to compete successfully, we must continue to obtain attractive content and deliver it to our customers at competitive prices. When we offer new content, or upon the expiry of existing programming agreements or broadcast licenses, our content suppliers may decide to increase the rates they charge for content or they may opt out of the “must carry” (free-to-air regime) and start charging for the retransmission of their channels by us, thereby increasing our operating costs. In addition, some of the channels we broadcast in Romania are subject to “must carry” rules, meaning that the content suppliers have opted to make them available free of charge, which, under certain conditions, creates an obligation for us to include them in our cable TV package. If some or all of the main channels we carry in Romania on the “must carry” basis opted out of this regime, we may have to pay for their retransmission or discontinue the transmission of such channels as part of our services, which may lead to increases in costs or potential customer churn. Increases in programming fees or license fees or changes in the way programming fees or license fees are calculated could force us to increase our subscription rates, which in turn could cause customers to terminate their subscriptions or lead potential new customers to refrain from subscribing. In addition, if we were to breach the terms of the applicable agreements, the license content providers could decide to withhold certain content or we could lose the right to retransmit certain programs or broadcast certain competitions. Also, program providers and broadcasters may elect to distribute their programming through other distribution platforms, such as Internet-based platforms, or may enter into exclusive arrangements with other distributors. If we cannot pass on any increased programming or license fees to our customers, or if we lose rights to transmit certain programming or broadcast certain competitions, it could have a material adverse effect on our reputation, competitive position, business, prospects, results of operations or financial condition.

Our business strategy may cause our ARPU figures to decrease.

Our customer base is spread across both urban and rural areas. As we further expand into less affluent demographic segments of our geographic markets, our ARPU figures may decline depending upon changes in our mix of customers and the prices at which our packages are offered. Further, the reported ARPU from our Romanian operations may be affected by fluctuations in the exchange rates of the Romanian leu. See “—We are subject to currency translation risks associated with exchange rate fluctuations.”

A material decrease in ARPU from current levels could have a material adverse effect on our business, prospects, results of operations or financial condition.

We may fail to manage customer churn.

Pay TV, fixed internet and data, fixed-line telephony and mobile telecommunication services industries all experience customer churn, which could increase as a result of, among other things:

- the availability of competing services, some of which may be less expensive or technologically superior or complementary to those offered by us or offer content or features that we do not offer;
- customers moving to areas where we do not or cannot offer services;
- customer dissatisfaction with the quality of our customer service, including billing errors;
- negative perception of our ability to continue to provide services required by our customers;
- interruptions in the delivery of services to customers over our network and poor fault management; and
- customers choosing to discontinue a certain service without replacing it with an equivalent service provided by us or our competitors.

We believe that our churn levels are in line with those of our principal competitors in our core markets. In addition, we focus on growth in total number of RGUs, ARPU, revenues, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin as key indicators of our performance, rather than churn. However, our inability to control customer churn, particularly in relation to our DTH and fixed-telephony services, as a result of any of the above factors can lead to a reduction in revenues and RGUs or increased costs to retain customers, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our insurance may not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or are not insurable.

We maintain an insurance policy in respect of our critical communications equipment in data centers in Bucharest and certain key network nodes throughout Romania for the services we provide, including our up-link facilities in Bucharest. This insurance policy has an aggregate coverage of up to approximately €16.6 million equivalent as at June 30, 2025. We also maintain civil liability insurance policies and property damage insurance policies for our car fleet. We can provide no assurance that insurance will continue to be available to us on commercially reasonable terms or at all. Our insurance may not be adequate to cover all our potential losses or liabilities. At present, we have no coverage for business interruption or loss of key management personnel and a substantial proportion of our assets are not insured. In particular, we do not have any insurance policies for our business in Spain, Portugal or Belgium. Should a significant event affect one of our facilities or networks, we could experience substantial property loss and significant disruptions in the provision of our services, for which we would not be compensated. Additionally, depending on the severity of the property damage, we may not be able to rebuild damaged property in a timely manner or at all. We do not maintain separate funds or otherwise set aside reserves for these types of events. Any such loss or third-party claim for damages could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our business relies on sophisticated billing and credit control systems, and any problems with these systems could disrupt our operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs and potential credit problems and bill our customers properly and in a timely manner. New technologies and applications are expected to increase customers' expectations and to create increasing demands on billing and credit control systems. Any damage, delay or interruptions in our systems or failure of servers or backup servers that are used for our billing and credit control systems could disrupt our operations, and this, in turn, could have a material adverse effect on our reputation, business, prospects, results of operations or financial condition.

Our business relies on hardware, software, commodities and services supplied by third parties. Our access to such products and services may be discontinued or reduced for a number of reasons, including because these suppliers may choose to discontinue their products or services, seek to charge us prices that are not competitive, choose not to renew contracts with us, or become unable to manufacture or deliver their products to us.

We have important relationships with certain suppliers of hardware, software and services (such as ECI, Ericsson, Wuhan Fiberhome, Huawei, Kaon, NagraVision, Nokia and ZTE). These suppliers may, among other things, extend delivery times, supply unreliable equipment, raise prices and limit or discontinue supply due to their own shortages, business requirements, regulatory intervention, changes in trade policies or otherwise. Conversely, we may ourselves need to discontinue or reduce the use of products and services from particular suppliers due to similar or other reasons, including with limited notice.

In addition, some of our suppliers have been and may in the future be affected by restrictions imposed by certain countries as a result of trade disputes and/or state security considerations or otherwise become unable to manufacture or deliver their products and services, including (but not limited to) due to health crisis, natural disasters, wars, scarcity of materials or components (such as semiconductors), or other factors. For example, between 2020 and 2022, the combination of several crisis, including the COVID-19 pandemic and the armed conflict in Ukraine, put a strain on semiconductor productions, and as a result we encountered supply difficulties for CPE. Tensions between Taiwan and China also continue to pose a risk for the semiconductor market in view of Europe's dependence on Asia for its supplies, and the recent events in the Middle East, resulting in difficulties to access the Suez Canal have put pressure on our ability to purchase equipment and components. We are also exposed to the risks related to the rising or otherwise volatile raw material prices, which can lead to reduced profit margins and require operational adjustments to maintain competitiveness in the market.

Although we are not entirely dependent on hardware, software and services supplied by particular suppliers, in many cases we have made substantial investments in the equipment or software of a certain supplier. This makes it difficult for us to find replacement suppliers quickly in the event that a supplier refuses to offer us favorable prices, ceases to produce the equipment we use or fails to provide the support we require. In the event that hardware or software products or related services are defective, or if the suppliers are insolvent, it may be difficult or impossible to enforce claims against them, in whole or in part. Should we be required to change a supplier, it may be that the particular products or services provided are difficult and/or time consuming to replace or that we have to incur additional costs in making the change or are unable to fully replicate the desired functionality. The occurrence of any of these risks may create technical problems, damage our reputation, result in the loss of customers and could have a material adverse effect on our business, prospects, results of operations or financial condition. Further, our contractual obligations to customers may exceed the scope of the warranties we have obtained from suppliers.

We are also exposed to risks associated with the potential financial instability and business continuity issues of our suppliers. If our suppliers were to discontinue certain products, were unable to provide equipment to meet our specifications or interrupt the provision of equipment or services to us, whether as a result of bankruptcy, regulatory actions, court decisions or otherwise and if we were unable to procure satisfactory substitutes, it could have a material adverse effect on our business, results of operations or financial condition.

Our business relies on third-party licenses and other intellectual property arrangements.

We rely on third-party licenses and other intellectual property arrangements to enable us to carry on our business. Network elements and telecommunications equipment including hardware, software and firmware deployed on our network are licensed or purchased from various third parties, including from vendors holding the intellectual property rights to use these elements and equipment. Although these agreements provide warranties, indemnities and the right of termination in the event of any breach or threatened breach of any intellectual property rights, no assurance can be provided that competitors or other third parties will not challenge or circumvent the intellectual property rights we own or license or that the relevant intellectual property rights are valid, enforceable or sufficiently broad to protect our interest or will provide us with any competitive advantage. In addition, certain license holders are entitled to control our compliance with the underlying license arrangements and no assurance can be provided that we will be able to satisfy their requirements at all times. Any resulting loss, withdrawal or suspension of those intellectual property rights could result in a significant increase in our costs or otherwise have a material adverse effect on our business, prospects, results of operations or financial condition.

Our ability to provide commercially viable services depends, in part, upon interconnection, roaming, spectrum sharing and MVNO arrangements with other operators and third-party network providers and on the impact of local and EU-wide interconnection and roaming regulations.

Our ability to provide commercially viable mobile and fixed-line telecommunication services depends, in part, upon interconnection, spectrum sharing, roaming and MVNO arrangements with other operators. In particular, we are dependent, in certain regions, on interconnection with our competitors' mobile and fixed-line networks and the associated infrastructure for the successful operation of our business. Our roaming, spectrum sharing and MVNO agreements include certain deployment or maintenance undertakings by our counterparties in relation to the establishment of specific numbers of sites and the maintenance of lines. Therefore, we rely on third parties to invest in the maintenance and growth of their networks and to provide a reliable and high-quality service to us. Should such third parties fail, for any reason, to proceed with such development or maintenance, or should such measures be delayed, it could have a material adverse effect on our business, prospects, financial condition or results of operations.

For instance, in Spain we provide mobile telecommunication services as an MNO through the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica. We partially financed the roll-out of our FTTH network in Spain through partnerships with third parties. In particular, we developed our network in Andalucía through a partnership with Aberdeen and, as a consequence, our FTTH network in Andalucía is owned by DIGI Andalucía, a subsidiary in which DIGI Spain holds 50% plus one share (the rest being held by Aberdeen). Additionally, while we sold the

SOTA Network to a consortium led by Macquarie Capital, DIGI Spain is responsible for the maintenance of the SOTA Network and is currently its main customer. In Portugal, Italy and Belgium, our services are provided based on MVNO agreements concluded with MEO, Vodafone and Proximus.

In Romania, Spain, Portugal, Italy and Belgium price caps apply on the interconnection charges that all telecommunications operators, including us, may charge, pursuant to the applicable EU regulations, which set a single maximum EU-wide mobile and fixed voice termination rate. In addition, Regulation (EU) No. 2022/612 on roaming on public mobile communications networks within the European Union (“**EU Roaming Regulation**”) requires mobile communications providers within the European Union to ensure that their customers could continue using their service while travelling to a different EU country, as if they were using it in their home jurisdiction (also known as the “roam like at home” rule), save for paying wholesale charges to the relevant service provider.

There can be no assurance that interconnection, roaming, spectrum sharing, MVNO, RAN sharing or infrastructure access agreements will be easy to agree, that we will be able to renew these agreements on commercially acceptable terms, that they will not be terminated, that the counterparties will not default under these agreements, or that ANCOM, other national regulators, or the European Commission will not take any action that could materially adversely affect our operations. If we fail to maintain these agreements on commercially acceptable terms, or if there are any difficulties or delays in interconnecting with other networks and services, or a failure of any operator to provide reliable roaming, MVNO, RAN sharing or infrastructure access agreements services to us on a consistent basis, this could have a material adverse effect on our business, prospects, results of operations or financial condition.

Customer data is an important part of our daily business and leakage of such data may violate laws and regulations and negatively impact the trust of our customers. Any such data security breach, as well as any other failure to fully comply with applicable data protection legislation could result in fines, reputational damage and customer churn.

We collect, store and use in our operations data, which may be protected by data protection laws. Although we take precautions to protect customer data in accordance with the applicable privacy requirements and information security laws, regulations and practices, it is possible that we may be exposed to cyberattacks or that customer data is otherwise leaked in the future.

The telecommunications sector has become increasingly digitalized, automated and online-based in recent years, increasing our exposure to risks of unauthorized or unintended data release through hacking and general information technology system failures. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorized access to our network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of our services, compromise the confidentiality of our customer data or cause service interruptions, and may result in the imposition of fines and other penalties.

We are committed to complying with all legal requirements related to data protection, as well as adhering to the guidance and opinions issued by the European Data Protection Board and relevant European case law. However, the interpretation of these requirements ultimately lies with the local authorities in the countries where we operate. As a result, we cannot guarantee that the measures we have implemented—or those we plan to implement—will fully align with how these authorities interpret the obligations set out under the European data protection laws. See also “—*Risk Relating to Legal and Regulatory Matters and Litigation—We are subject to local and EU-wide laws and regulations relating to processing and transfer of personal data.*”

Any suspension, downgrade or withdrawal of our credit ratings by an international rating agency could have a negative impact on our business.

The corporate rating of the Parent and its subsidiaries is BB- by S&P and BB by Fitch. The Notes are expected upon issue to be rated BB- by S&P and BB+ by Fitch. Any adverse revisions to our corporate credit ratings noted above by S&P, Fitch or any other international rating agency may adversely impact the credit rating of our existing indebtedness (including the Notes), our ability to raise additional financing and the interest rates and other commercial terms, under which such additional financing is available. This could jeopardize our ability to obtain financing for capital expenditures and to refinance or service our indebtedness, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Concerns about health risks relating to the use of mobile handsets or the location of mobile telecommunication towers may materially adversely affect the prospects of our mobile telecommunication services business.

Media and other reports have linked radio-frequency emissions from mobile handsets and mobile telecommunication towers to various health concerns, including cancer, and interference with various electronic medical devices, including hearing aids and pacemakers. In particular, in May 2011, the World Health Organization classified radiofrequency electromagnetic fields as potentially carcinogenic to humans based on an increased risk for adverse health effects associated with wireless phone

use. In addition, certain media have speculated that health risks may be intensified by 5G networks/technology, although no conclusive studies proving any negative impact have been published to date. Concerns over radio frequency emissions may discourage the use of mobile handsets or may create difficulties in the procurement of tower sites for our mobile telecommunication business, which could have a material adverse effect on the prospects of such business.

If there is sound scientific evidence of a link between radio frequency emissions and health concerns or if concerns about such health risks increase in countries in which we do business, the prospects and results of operations of our mobile telecommunication services business could be materially adversely affected. In addition, the actual or perceived health risks associated with electromagnetic radio emissions and wireless communications devices and antennas and the resulting costs and lowered usage, as well as any related potential new regulatory measures could have a material adverse effect on our business, prospects, results of operations or financial condition.

We may be unable to use Intelsat's and Telenor's satellites to broadcast our DTH services and may fail to find a commercially acceptable alternative in a reasonable amount of time.

We currently broadcast programming for our DTH services using five transponders, of which two are located on a satellite operated by Intelsat Global Sales & Marketing Ltd (“**Intelsat**”) and three are leased through Intelsat on a Telenor satellite and use an additional transponder for transmitting non-DTH signals. Our current lease arrangement with Intelsat covering both sets of transponders is effective until April 30, 2026. There can be no assurance that an extension of the term of this arrangement can be agreed on similar financial terms after April 30, 2026 or that we will not have to find alternative providers. As DTH is a competitive, price-sensitive business, we may not be able to pass an increase in satellite transmission costs, in whole or in part, to our DTH customers.

Satellite broadcasts may also be disrupted for various reasons. Furthermore, the amount of satellite capacity that we are able to obtain is limited by the amount of efficient transmission spectrum allocated by the relevant national, regional and international regulatory bodies of the satellite operators that provide satellite coverage over our areas of operations. Intelsat is not contractually obligated to increase the satellite capacity it makes available to us.

Should the satellites we use significantly deteriorate, or become unavailable for regulatory or any other reason, we may not be able to secure replacement capacity on an alternative satellite on a timely basis or at the same or similar cost or quality. Our ability to recoup losses related to service failures from Intelsat may also be limited. Even if alternative capacity were available on other satellites, the replacement satellites may need to be repositioned in order to be co-located with the satellites we currently use. If it is not possible to co-locate replacement satellites, we would be required to repoint all our existing customers' receiving dishes to enable them to receive our signal. Accurate repointing requires specialist tools and expertise, and we believe that there could be substantial costs of repointing all of our existing subscribers' receiving dishes in the event the satellite networks we currently use fail. Moreover, the time needed to repoint our dishes to alternative satellites would vary depending on the market. Accordingly, the inability to use Intelsat's or Telenor's satellites or otherwise to obtain access to sufficient levels of satellite bandwidth on a timely basis and at commercially acceptable prices, or any system failure, accident or security breach that causes interruptions in our operations on the satellite networks we use could impair our ability to provide services to our customers and could have a material adverse effect on our business, prospects, results of operations or financial condition.

Some of our employees are unionized. Failure to sustain a good working relationship with employee representatives, including workers' unions, could harm our business.

Some of our employees are members of trade unions and/or are represented by workers' representatives. In particular, our employees in Spain are members of trade unions in multiple cities and adhere to collective bargaining agreements. Similarly, our employees in Belgium are represented by workers' representatives in accordance with Belgian law. In Romania, the employees that are being transferred to the Group as part of the TKRM Business and Assets Acquisitions are also party to a collective bargaining agreement. See “*Business—Employees*.” When current collective agreements expire or agreements must be re-negotiated, we may not be able to conclude new agreements on terms and conditions that we consider to be reasonable, or without work stoppages, strikes or similar industrial action, or at all. For example, as a result of our subsidiary in Spain adhering to collective bargaining agreements at national level, less than 2% of its employees have planned and carried out a few isolated strikes which affected our operations in limited areas. The collective bargaining agreements that apply to us impose certain obligations and restrictions on us that may adversely affect our flexibility to undertake adjustments to our workforce, restructurings, reorganizations and similar corporate actions in a timely manner or at all. Moreover, any restructuring or reorganizational measures that we succeed in carrying out may strain relations with employees and their representatives. This may in turn make it more difficult for us to subsequently negotiate, renew or extend collective agreements in a favorable and timely manner. Such actions, and the negotiation of new collective bargaining agreements, could result in delays in our ability to serve our customers in a timely manner or disrupt our operations and make it more costly to operate our business, any of which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Failure to comply with health and safety policies could lead to serious work related accidents, material claims, or fines for our workforce, which could have a material adverse effect on our reputation and business.

Our employees are subject to the risk of injuries while working on our infrastructure, including the risk of fall from ladders, fall from poles, pole breaks and incidents when working alone. Any serious accident, material claim or fine in connection with any such incident could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO LEGAL AND REGULATORY MATTERS AND LITIGATION

Failure to comply with anti-corruption or money laundering laws, or allegations thereof, could have a material adverse effect on our reputation and business.

While we are committed to doing business in accordance with applicable anti-corruption and money laundering laws, we face the risk that members of the Group or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such laws, and may face allegations that they have violated such laws. In general, if we are alleged or found to have violated applicable anti-corruption or money laundering laws in any matter, any such allegations or violation may have a material adverse effect on our reputation and business, including, among others, application of criminal sanctions against us or our officers or employees, disgorgement of property, termination of existing commercial arrangements, our exclusion from further public or private tenders, as well as affect our ability to comply with certain covenants under our existing indebtedness.

For example, on January 15, 2019, the Bucharest Tribunal issued its judgment (the “**2019 Judgment**”) in relation to the investigation conducted by the DNA into alleged bribery and money laundering in connection with our entry into a joint venture with Bodu S.R.L. in 2009 and certain subsequent transactions. The joint venture related to an events hall in Bucharest. At the time of our original investment, 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**”). The DNA’s original enquiry (that followed allegations by Antenna Group that unlawful bribes had been advanced to Mr. Dumitru Dragomir) centered around the €3.1 million investment that we made into the JV from 2009 to 2011. The DNA’s subsequent money laundering enquiry related to later transactions entered into with Bodu S.R.L. in 2015 and 2016, through which we ultimately acquired the sole ownership of the events hall. We undertook those transactions in order to ensure continuity of our business in relation to the events hall and recover our original investment. However, the DNA alleged that these were attempts to conceal unlawful bribes.

The 2019 Judgment:

- dismissed the bribery related allegations against the Issuer and its past and current directors on the basis that they had become time-barred;
- convicted the Issuer of money laundering and (a) ordered it to pay a criminal fine of approximately RON 1.25 million; (b) confiscated €3.1 million of our original investment in the JV and RON 655,124 as alleged unlawful profits derived by the Issuer from the JV; and (c) maintained seizure of the two previously attached real estate assets;
- convicted Integrasoft S.R.L. (one of our Romanian subsidiaries and the Issuer’s partner in the JV following the 2016 acquisition) of being an accessory to money laundering and ordered it to pay a criminal fine of approximately RON 700,000;
- cancelled (a) the original 2009 joint venture agreement (along with all subsequent amendments thereto); (b) the 2015 settlement agreement (along with all subsequent amendments thereto); and (c) the 2016 purchase by the Issuer of the events hall’s real estate and business;
- convicted Mr. Ioan Bendei (who at the time was a member of the Issuer’s Board of Directors and is a director of Integrasoft S.R.L.) of being an accessory to money laundering (in his capacity as director of Integrasoft S.R.L.) and sentenced him to four years’ imprisonment;
- acquitted Messrs. Serghei Bulgac (our Chief Executive Officer and the President of the Issuer’s Board of Directors), Mihai Dinei and Alexandru Oprea (a former Chief Executive Officer and President of the Issuer’s Board of Directors) of all charges; and
- convicted Mr. Dumitru Dragomir and a director of Bodu S.R.L. of unlawfully receiving the bribes allegedly paid through the JV investments (which, owing to different limitations periods, had not yet become time-barred).

On November 1, 2021, the Bucharest Court of Appeal overturned the 2019 Judgment (such decision being final, with no remedy being admissible) and established that the Bucharest Court of Appeal would re-try the factual matters and legal issues in this case while it maintained the court-mandated security interest over two real estate assets with a total carrying value of €3.5 million. On July 1, 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed

as unfounded the claims and exceptions raised by the Issuer, Integrasoft S.R.L. and their current and former officers. An appeal against this ruling was partially granted by the High Court of Cassation and Justice on June 20, 2023, which decided that certain evidence used by the Romanian National Anti-Corruption Agency to argue its case was inadmissible. As at the date of this prospectus, the case is undergoing retrial before the Bucharest Court of Appeal.

We believe that the convictions and related sanctions in the 2019 Judgment were erroneous and not supported by the evidence provided to the court. We continue to deny any allegations against the Issuer, Integrasoft S.R.L. or any of our or their current or former officers or employees in relation to this matter and believe that they at all times acted in compliance with applicable law. Additionally, we believe that all criminal offences for which we and/or Integrasoft S.R.L. and/or current or former members of our management have been charged have become time-barred, which should preclude all criminal liability of such persons and limiting the Issuer's exposure to the approximately €4 million of non-time barred monetary charges.

However, if as a result of the re-trial, the 2019 Judgment is confirmed and ultimately becomes effective, our ability to participate in public tenders in Romania may be impeded (for example, if the terms of such tenders specifically prohibit legal entities with a criminal record to participate). In addition, even while the re-trial is pending, it cannot be excluded that these proceedings could result in increased scrutiny of our operations and adversely impact perceptions of us (including as to the effectiveness of our compliance policies and procedures). If any of this were to occur, our relationships with governmental authorities, commercial partners or lenders and our perceived attractiveness as a licensee or commercial counterparty may deteriorate, which, among other things, may impair our ability to renew or sustain existing material arrangements with such governmental authorities or counterparties or to enter into new commercially desirable arrangements.

We have been, are and may continue to be subject to competition law investigations and claims.

We have been in the past, are and may continue to be the subject of claims regarding alleged anticompetitive behavior on the markets of the jurisdictions where we operate to restrict competition and limit consumer choice.

The telecommunications and media sectors are under constant scrutiny by national competition regulators in the countries in which we operate and by the European Commission. Sector inquiries are one of the methods that the regulators use to evaluate the competitive landscape. These sector inquiries are not targeted at particular companies and are concluded with reports describing the markets analyzed and including recommendations for better market functioning. Although competition authorities cannot apply fines as a result of sector inquiry proceedings for anticompetitive conduct, they may decide to open new investigations targeted at particular companies, which may result in stricter scrutiny of our business and/or the imposition of fines or other sanctions. Additionally, the results of an inquiry could lead to lawsuits being brought by third parties. If we are deemed to hold significant market power, regulatory authorities may impose certain obligations to address competition concerns, including pursuant to the Commission Recommendation (EU) 2020/2245 of December 18, 2020 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation. No assurance can be given that we will not be identified as having anti-competitive market power in any relevant markets in the future (under current or proposed national or European legislation) and that we will not be subject to additional regulatory requirements.

Whether in the context of sector inquiries, antitrust investigations or in relation to requests for information, competition authorities may, from time to time, have different interpretations of our behavior in the relevant markets or of the clauses in the agreements that we enter into and construe them as potentially non-compliant with applicable competition legislation. As a result, we could be subject to fines, which may be significant, and/or other restrictive measures.

For example, in May 2025, the RCC opened an investigation into the Issuer's alleged abuse of dominance in the retail markets for TV retransmission, fixed internet access, and fixed telephony services, with the alleged conduct dating back to at least 2015. The inquiry focuses on alleged exclusionary practices, including unfair trading conditions in the retail market for mobile telecommunications services, and targeted discounts or selective offers in markets where the Issuer is dominant. The investigation is at an early stage, and any assessment of potential outcomes is uncertain. Antitrust investigations before the RCC typically take two to three years, depending on the complexity of the case.

We have fully cooperated with the relevant competition authorities in any past and current proceedings and intend to continue to do so if we are the subject of any future proceedings. There is no assurance that the RCC or any other relevant antitrust authority in our countries of operations will not conduct further investigations into our activities or, if they do, that they will not impose sanctions on us as a result of such investigations. Such sanctions may include fines of up to 1% of our total turnover in the year prior to the decision, if we fail to provide accurate and complete information to the relevant authority within the terms indicated by it or imposed by applicable law and up to 10% of our total turnover in the year prior to the decision per individual violation of competition law, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of our operations, could result in substantial fines, additional compliance costs or various other sanctions or court judgments.

Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licenses, permits, approvals and authorizations, as well as ongoing compliance with, among other things, telecommunications, audio-visual, energy, environmental, health and safety, labor, building and urban planning, construction standards, personal data protection and consumer protection laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses, permits, approvals and authorizations and monitoring licensees' compliance with the terms thereof. We may sometimes disagree with the way legal provisions are interpreted or applied by regulators and we may, from time to time, challenge or contest regulatory decisions in the course of our business, which may affect our relations with regulators. The competent authorities in the countries where we carry out our activities have the right to, and frequently do, conduct periodic inspections of our operations and properties throughout the year. Any such future inspections may result in the conclusion that we have violated laws, decrees or regulations. We may be unable to refute any such conclusions or remedy the violations found. See also "*We have been, are and may continue to be subject to competition law investigations and claims.*"

Moreover, regulatory authorities may, from time to time, decide to change their interpretation of the applicable legal or regulatory provisions, their policies or views of our businesses in ways that can significantly impact our operations. For instance, we are subject to certain obligations as an operator with significant market power in the market of access to fixed-line telephony and mobile telephony and, as our market share increases or market conditions change, we could become subject to significant additional restrictions in the future, such as having to comply with higher technical standards. Such restrictions may decrease or eliminate our competitive advantage and could have a material adverse effect on our business, prospects, results of operations or financial condition. To the extent these restrictions are deemed to be insufficient and the relevant telecommunications regulator concludes that our market power is significant to the degree that there is no competition, we may even become subject to user tariff control measures.

For instance, in March 2025, the ANCOM published a draft decision designating the Issuer as having significant market power in the market for local access at fixed points within a defined area encompassing 6,288 settlements in Romania, and proposing extensive wholesale access obligations. If adopted in the proposed form, the decision would require the Issuer to provide third-party operators with non-discriminatory access to parts of its fixed access network, either through physical unbundling of the local loop or an equivalent virtual access solution, together with access to all associated facilities (including colocation), at fair and reasonable tariffs that preserve a sufficient retail-wholesale margin to enable an equally efficient competitor to offer retail services at equivalent fixed points. The draft decision also mandates publication of a detailed reference offer, stringent operational deadlines for provisioning and fault repair, and comprehensive transparency regarding network and processes, with ANCOM overseeing the adoption and update of the reference offer. Implementation of these measures could increase operational complexity, require investments in systems and processes, limit pricing and retail strategy flexibility, intensify competition within the Issuer's retail footprint, and exert pressure on margins. Although the proposal has not been adopted and its final scope, timing, and terms may change or may not be enacted, we are subject to the risk that these obligations or materially similar obligations be imposed, and potentially expanded or adjusted over time, which could have a material adverse effect on our business, prospects, results of operation or financial condition.

Additionally, in connection with the TKRM Business and Assets Acquisition, the RCC's approval was subject to binding commitments that may limit the Issuer's operational flexibility and impose additional costs and oversight. In particular, as part of these comments, the Issuer shall: (i) integrate and actively use the acquired spectrum in accordance with the applicable license terms; (ii) maintain, for at least 36 months from closing and through their contractual terms, the existing co-location agreements between Orange and TKRM for the acquired mobile base stations on current commercial terms, and thereafter remain available to negotiate continuation under certain limited conditions; (iii) invest €25 million within 36 months from closing to improve mobile internet service quality and refrain from any intentional actions that could reduce the overall quality of 4G and 5G services; (iv) preserve, for at least 36 months from closing, the TKRM prepaid contracts on agreed commercial terms, limit price increases to exceptional objective circumstances, refrain from actively targeting those prepaid clients, and ensure the availability of prepaid mobile services to all interested clients for at least 36 months from the date of the decision; and (v) publish and submit to the RCC an updated MVNO wholesale offer. Failure to comply with these commitments could trigger regulatory scrutiny, sanctions, or remedial measures that may adversely affect the Issuer's business, financial condition, and results of operations.

Because we are subject to a large number of changing regulatory requirements and market and regulatory practices, we may not be in compliance with certain requirements under telecommunications and media laws, consumer protection laws, personal data protection laws and regulations or regulatory decisions. For instance, in Romania, we have not always complied in a timely fashion with certain technical and administrative requirements, and the obligation that we pay our regulatory fees.

We were in breach of certain technical obligations/parameters relating to our network and the provision of our services (e.g., level of noise/radiation above the threshold, poor TV signal in certain villages/towns, etc.), for which we have received warnings from ANCOM and small fines. We have generally remedied such breaches after receiving such sanctions from ANCOM, but we may be unable to remedy such breaches in the future (or do that in a timely fashion). In addition, from time to time, our satellite spectrum license may not cover some of our channels or up-link connections and our retransmission endorsements may not cover some of our channels or may cover certain channels that we are not currently broadcasting. See *“Industry Regulation—Romania—Television and Radio Services—Licenses—Satellite Spectrum License.”* We may also, from time to time, not be in full compliance with our “must carry” obligations and may have differing interpretations of such obligations than the regulators. Our failure to comply with existing laws and regulations and the findings of government inspections may result in the imposition of fines or other sanctions on us by ANCOM or the National Audiovisual Council of Romania (“NACP”). The current regulatory framework in force entitles ANCOM to impose fines of up to 10% of our total turnover in the year prior to ANCOM’s decision in the event of repeated violations of regulatory obligations under current law in Romania. See *“—Risks relating to investments in countries where we operate—Any potential deterioration of the general internal economic, political and social conditions in Romania, our principal country of operation, or any adverse changes in the Romanian tax or regulatory environment, may not be offset by developments in other markets.”* Should ANCOM impose such fines for any actual or alleged violation, it could have a material adverse effect on our business, prospects, results of operations or financial condition. To the extent certain provisions in our agreements with individual customers in Romania are deemed unenforceable by ANCOM or NACP, a court may decide that such provisions are invalid and must be removed from such agreements and we may face minor administrative fines. In certain cases, some agreements may be terminated in full. See also *“—We have been, are and may continue to be subject to competition law investigations and claims.”* While we are not aware of any relevant claims, there can be no assurance that no such claims will be filed in the future.

In addition, changes in applicable law, regulations, governing policy or the interpretation and application of existing law, regulations or policies could be inconsistent, not comprehensive or difficult to implement in a timely fashion or at all, all of which could adversely affect our business, financial condition and ability to introduce new products and services. For example, regulations relating to digital sovereignty and AI could impact our ability to offer services in this new area or make the provision of such services more costly.

It may be difficult for us to obtain all licenses, permits or other authorizations required to operate our existing network or any other required licenses, permits or other authorizations, and once obtained they may be amended, suspended or revoked or may not be renewed.

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by European, national, state, regional or local governmental and/or regulatory authorities in the countries where we operate. Our existing operating licenses, concessions, licenses, permits, registrations, authorizations and agreements (“**licenses**”) specify the services we can offer and the frequency spectrum we can utilize for mobile operations. Such licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to them may also be amended. There is no assurance that the relevant authorities will not take any action that could materially adversely affect our operations.

Our operating licenses are generally renewable upon expiration. However, there is no assurance that they will be renewed and their renewal may be conditional on a variety of factors, including the payment of fees and conditions relating to deployment and coverage. If we fail to renew any of our licenses, we may lose the ability to continue to operate the relevant business and the realizable value of our relevant network infrastructure and related assets may be materially adversely affected. Some of these licenses are particularly complicated and lengthy to obtain and may subject us to ongoing compliance obligations or entitle the relevant authority to terminate, revoke or alter them in the event of a change of control, default or to promote public interest. If we fail to comply with the requirements of the applicable legislation or if we fail to meet any of the terms of our licenses, we may be subject to fines or other sanctions and our licenses could be suspended or terminated, which would adversely affect on our business and results of operations.

Further, the deployment of our networks requires obtaining access rights from various third parties, as well as various approvals or permits from European, national, state, regional or local governmental and/or regulatory authorities, particularly in relation to establishing base stations for our mobile telecommunication services. In addition, such approvals and permits may include building, construction and environmental permits, antenna and mast deployment approvals and various other planning permissions. Obtaining these access rights, approvals and permits can be a complex process and is often characterized by different practices and requirements at the various regulatory authorities which frequently results in inconsistent and bureaucratic processes and/or by varying demands of third parties from whom access rights are obtained. Moreover, in certain instances, applicable regulatory regime has deteriorated over time and otherwise may be not fully adapted to the requirements and realities of modern telecommunications business, while regulatory authorities have recently significantly intensified enforcement activities, including imposition of fines. Though we have a dedicated team tasked with obtaining the required access rights, licenses, permits and other authorizations, due to the inherent challenges of these regimes, we have experienced,

and may continue to experience, difficulties in obtaining some of these access rights, approvals and permits, which has led us to operate (in full or in part) without necessary authorizations in some instances and may require us to exert considerable effort and incur considerable expenses in order to implement suitable alternatives or could result in fines or other penalties being imposed by regulators.

In addition, we rely on licenses to use frequency spectrum to offer our services. Spectrum auctions are infrequent and, since the allocation of frequency spectrum is controlled by the relevant governments in the jurisdictions where we operate, if additional frequency spectrum is required, it may not be possible or be prohibitively expensive to purchase additional spectrum via a public auction or a private sale. The emergence of new and/or disruptive technologies and business models may also make frequency spectrum more difficult or expensive to obtain in the future.

Many components of our network are based on contracts, which may currently be undocumented or may be terminated or otherwise cancelled, and we may be required to move some of our networks, which may disrupt service and cause us to incur additional expenses.

In Romania, we currently provide our network services through networks, which are mostly above-ground and for which we lease the right to use poles from electricity and public transportation companies. Market participants (us included) may not always be able to obtain or use the necessary permits for developing, building and completing networks in a timely manner or at all, and this may result in such networks (including mobile network base stations) not being fully authorized. Although current planning regulations allow above-ground infrastructure building in rural areas, the overall negative regulatory trend has pressured market participants to relocate existing above-ground networks to underground networks and may lead to further changes to network building practices, as well as to mandatory requirements to alter existing network locations, which can involve significant capital expenditure. We are moving our networks underground in cities where local authorities have granted us the required authorizations expediently or where the necessary infrastructure was already available. However, we may not always be in full compliance with obligations to move our networks underground or we may have different interpretations with respect to the imposition of such obligations by public authorities. If we were forced to place our above-ground networks underground pursuant to plans of authorities that contemplate impractical solutions, our costs for providing services may increase and our customer satisfaction may be adversely affected. In addition, if we are found not to be in compliance with such obligations, or otherwise in violation of restrictive covenants, easements or rights of way, we may face fines or service interruptions while we relocate our networks.

Certain agreements we entered into for the purpose of developing our networks, including the majority of leases of poles that support our above-ground fixed fiber optic networks, are with persons whose title thereto or authority or capacity to enter into such agreements were not fully verifiable or clear at the time, among other reasons, because of unclear and constantly changing legislation. In addition, certain agreements with third parties with respect to our network (including mobile network base stations) were not documented or executed in the authenticated form required by Romanian law and, as such, they, or the building permits obtained on the basis thereof, may be invalidated or easily discontinued. Moreover, certain agreements were entered into without full compliance with other applicable formalities, such as public tender requirements. No assurance can be provided that such agreements will not be subject to cancellation or revocation in the future. Moreover, as a result of the TKRM Business and Assets Acquisition, the Issuer acquired ownership of over 500 base stations, the operation of which relies on leases or similar agreements in various stages of documentation, which have been assigned to the Issuer in the context of the transaction. The completion of such assignment depends on further post-closing formalities which may not be, depending on pre-existing circumstance, fulfilled in their entirety in a timely manner or at all. Further, a significant portion of our above-ground fixed fiber optic network in Romania is built on poles leased from various regional electricity distribution companies. Renewal of agreements concluded with these operators is often delayed and problematic. In addition, certain of our lease agreements have provisions allowing the lessor to terminate the lease at its option, subject to prior notice ranging from 10 to 90 days.

We are not aware of any significant claims with regard to any irregularities related to any of the above arrangements. However, if such claims were to arise and be numerous and successful, or if there is any failure to renew these arrangements (or these agreements are terminated or cancelled), it may result in additional significant costs, material capital expenditure, service interruptions, contractual penalties or regulatory fines or other sanctions or, in the worst case, loss of business if there is no adequate alternative or there is a delay in securing such alternative. Any of these network-related risks could have a material adverse effect on our business, prospects, results of operations or financial condition.

If we infringe the intellectual property rights of third parties, or if we are otherwise held liable for infringements in relation to information disseminated through our network, we could face protracted litigation and, in certain instances, lose access to transmission technology or content.

The telecommunications industry in the markets in which we operate is characterized by the existence of a large number of patents and trademarks. Objections to the registration of new trademarks from third parties and claims based on allegations of patent and/or trademark infringement or other violations of intellectual property rights are common. Defending intellectual

property claims requires us to engage in lengthy and costly litigation and divert the attention of our senior management and technical personnel from our business. Successful challenges to our rights to intellectual property or claims of infringement of a third party's intellectual property could require us to incur monetary liability, temporarily or permanently discontinue the use of the respective intellectual property, or enter into royalty or licensing agreements, which may not be available on commercially reasonable terms or at all. If we were required to take any such action, it could have a material adverse effect on our business, prospects, results of operations or financial condition.

The infringement of patents and proprietary rights of others may also lead to the loss of access to transmission technology or programming content, damage third-party interests and render us unable to deliver the content that our customers expect, which could materially adversely affect our business, prospects, results of operations or financial condition. In the event that access to transmission technology is lost, alternative technology would need to be purchased, which may result in an interruption of services and increases in costs.

We may also be subject to claims for defamation, negligence, copyright or other legal claims relating to the programming content or information that we broadcast through our network, publish on our websites or to which our customers have access online through our network. Any such claims could include actions under the censorship and national security laws of countries in which we broadcast or provide internet access. In the event that we receive a valid and substantial infringement claim, we would need to cease broadcasting or block from our internet system the infringing content or information, which may increase customer churn.

We are subject to payments related to collective copyright organizations which may vary.

In Romania, we are obliged to make payments to various collective copyright protection organizations as compensation for the use of copyrighted content in the programming delivered by us through our cable TV and DTH services, and copyrighted content used on our website. These amounts are not fixed and are determined by negotiation in accordance with a methodology based on certain legal provisions and relevant European practices. There can be no assurance that amounts payable to various collective copyright protection organizations will not increase in the future or that additional claims could not arise in relation to our past activity or that we will not be subjected to penalties or fines for delaying payments. Since we may not be able to pass on such increases in costs to our customers, such increases, penalties or fines could have a material adverse effect on our business, prospects, results of operations or financial condition.

We are subject to local and EU-wide laws and regulations relating to processing and transfer of personal data.

In the ordinary course of our business, we collect and process personal data. We are subject to stringent regulations relating to the processing of (including the transfer and storage) personal data, including, in particular, the General Data Protection Regulation EU 2016/679 (the “**GDPR**”) and to similar national regulations in each of our markets. The GDPR has been directly applicable in all Member States since May 25, 2018 and significantly changed the EU/EEA data protection landscape, including strengthening of individuals' rights, stricter requirements on companies processing personal data and stricter sanctions with substantial administrative fines of up to €20 million, or up to 4% of total worldwide annual turnover for the preceding financial year, whichever is higher.

In addition, the European Privacy and Electronic Communications Directive 2002/58/EC sets out more specific privacy rights on electronic communications. It includes rules relating to marketing by electronic means (including marketing calls, texts and emails) and the use of cookies and similar technologies. This directive has been implemented into law in each of our markets, including Law 34/2002 on information society services and electronic commerce and Law 11/2022 on Telecoms in Spain. The European Commission has proposed enhanced regulations concerning privacy and electronic communications (the “**e-Privacy Regulation**”), which would entail additional and stricter rules in respect of the use of personal data from electronic communications. The e-Privacy Regulation would establish fines similar to those included in GDPR. These regulations may affect the development of innovative services that would draw on consumer data, potentially creating a competitive disadvantage for undertakings subject to both the GDPR and the e-Privacy Regulation.

We prioritize compliance with all applicable laws and regulations relating to data protection, as well as the guidelines of the European Data Protection Board. However, we are subject to interpretation of such laws and regulations by the local authorities in the countries where we operate. Therefore, there can be no assurance that our current practices, or modifications thereof that we will be making in the future, will fully comply with the interpretation of the GDPR's requirements by such authorities. Should we be found in breach of any applicable data protection laws, this may result in significant fines, claims for damages, prosecution of relevant employees and managers, reputational damage and customer churn and may otherwise have a material adverse effect on our business, prospects, results of operations or financial condition.

Additionally, regardless of the measures we adopt to protect the confidentiality and security of data, the risk of possible attacks or breaches of data processing systems remains, which could harm our reputation and give rise to fines and damages claims. In addition, we could incur additional costs in order to protect against these risks and/or to mitigate the consequences thereof, which could in turn have a material adverse impact on our business, prospects, financial condition and results of

operations. Furthermore, any loss of confidence on the part of our customers as a result of such events could lead to a significant decline in sales and have a material adverse impact on our business, prospects, financial condition and results of operations.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

The tax laws and regulations in the countries where we operate may be subject to change, and there may be changes in interpretation and enforcement of these laws and regulations. These changes in law or interpretation or enforcement thereof may be difficult for us to predict, and we may therefore be unprepared for these changes. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified by the competent authorities in a manner which could have a material adverse effect on our cash flows, business, prospects, results of operation or financial condition for any affected reporting period.

As at the date of this prospectus, interest on notes/debt securities issued by Romanian companies is tax exempt if notes/debt securities are issued under a prospectus approved by a competent regulatory authority and the interest is paid to a holder who is non-tax resident in Romania and who is not an affiliated person to the issuer of the notes/debt securities. See “*Tax Considerations—Romanian tax considerations—Taxation of the Notes—Non-resident holders—Romanian withholding taxes on interest payments made by the Issuer on the Notes to non-resident holders.*” If the above provisions of the Romanian Fiscal Code, or the interpretation thereof, were to change, we could be required to pay certain Additional Amounts in relation to the Notes, which could be significant. See “*Description of the Notes—Additional Amounts.*”

In addition, such competent authorities periodically examine or audit the Group. Reviews by tax authorities for verification purposes only (*i.e.*, not due to an infringement) are common in Romania for companies of our size and we regularly consider the likelihood of assessments and, for probable adverse assessments, have established tax allowances, which represent our management’s best estimate of the potential assessments. However, the actual resolution of any of these tax matters could differ from the amount provisioned, which could have a material adverse effect on our cash flows, business, prospects, results of operation or financial condition for any affected reporting period.

We may be subject to fines, awards of damages or other penalties arising from legal proceedings, contractual claims and disputes, as well as negative publicity arising therefrom.

We are involved in legal proceedings from time to time, which may lead to the imposition of damages, fines or other penalties on us. We may be adversely affected by other contractual claims, complaints and litigation, including from counterparties with whom we have contractual relationships, customers, competitors or regulatory authorities, as well as any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity could have a material adverse effect on our business, prospects, reputation, results of operation or financial condition.

We rely on key information technology systems, which may be vulnerable to physical or digital and/or electronic damage, security breaches and/or cyber-attacks that could have a material adverse effect on our reputation as well as our business, prospects, financial condition and/or results of operations.

We rely on information technology to conduct our daily business, financial reporting, procure products, pay suppliers, communicate internally and externally, share files, efficiently and accurately provide services to our customers and monitor our operations, including our network operations centers, which is key to our site maintenance and performance management. While we seek to apply best practice policies and internal controls, and devote significant resources to network and application security and other security measures to protect our information technology and communications systems and data, these measures cannot provide absolute security. In addition, the tools used by cybercriminals including artificial intelligence, continue to evolve, in order to circumvent such security measures and maximize the potential damage of a successful attack. Some of our networks are also managed by third-party service providers and are not under our direct control.

Third (and beyond) parties have been a popular attack vector for cybercriminals, and depending on the nature of the relationship with some of these partners, we sometimes use their code, software, human-power, networks, or give them access to our servers and data, among many other scenarios. A security vulnerability at any of these third-party partners could potentially provide an opportunity for a cybercriminal to reach or damage our networks or data. Despite existing security measures, certain parts of our infrastructure, including, for example, our fiber infrastructure network for the provision of residential broadband services to consumers, may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, software bugs, phishing attacks, employee errors, computer viruses, cyber-attacks, and other security breaches. In addition, many types of cyberattacks are designed to be difficult to detect in order to harvest as much data or cause as much systemic damage as possible before detection. As a result, in the event of a cyberattack our systems could be compromised without our knowledge for a period of time before the attack is detected and addressed. The performance of our information technology systems may also be impacted by certain operating conditions in our jurisdictions of operation, including lack of reliable power supply, shortages in replacement parts, as well as general security conditions. In addition, if our employees are required to work from home as a result of natural disasters or global or regional health pandemics or epidemics or for other

reasons, our information technologies and systems may be particularly strained or increasingly vulnerable. An attack attempt or security breach, such as a distributed denial of service attack, or damage caused by other means could potentially result in the interruption or cessation of certain or all of our services to our customers, our inability to meet expected levels of service or data transmitted over our customers' networks being compromised, as well as other unforeseen damages. In the event of a potential breach, while we would endeavor to comply with any applicable requirements to inform impacted parties within a reasonable time, priority may be given to containing and eliminating the cyberattack in order to limit the damage, which as a result could potentially delay our communication of the identified attack to customers, suppliers, concerned regulatory bodies, agencies or authorities or other relevant parties.

In addition, we may collect, store and process certain sensitive data (either in respect of our personnel, or from our customers, end-users or suppliers), which makes us a potentially vulnerable target to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions or data theft. While we have taken steps to protect the confidential information that we have access to, our security measures could be breached. Because the techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may not be able to anticipate these techniques or implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our system could cause any such confidential information to be stolen and used for criminal purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If our security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships (in particular, those with our customers) could be severely damaged, we could incur significant liability and it could have a material adverse effect on our business and operations. Moreover, as a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered in some of our markets regarding the protection, privacy and security of personal information, information-related risks are increasing. Failure to comply with any such data protection laws may result in, among other consequences, fines, litigation or regulatory actions. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer or end-user data, could cause our customers to lose trust in us and could expose us to legal claims.

We cannot guarantee that our security and power back-up measures will not be circumvented or fail, resulting in customer network failures or interruptions that could impact our customers' network availability, potentially resulting in penalties for failure to meet targeted quality levels, as well as otherwise having a material adverse effect on our business, reputation, financial condition and/or operational results. We may be required to spend significant resources to protect against or recover from such threats and attacks. In addition, as we implement new information technology systems, we cannot guarantee that our new security measures will be sufficient. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, and we could lose customers. Further, the perpetrators of cyber-attacks are not restricted to particular groups or persons. Our employees or external actors operating in any geography may commit these attacks. Any such events could result in legal claims or penalties, disruption in operations, misappropriation of sensitive data, damage to our reputation, negative market perception, or costly response measures, which could have a material adverse effect on our business, prospects, financial condition and/or results of operations.

RISKS RELATING TO INVESTMENTS IN COUNTRIES WHERE WE OPERATE

Any potential deterioration of the general internal economic, political and social conditions in Romania, one of our core markets, or any adverse changes in the Romanian tax or regulatory environment, may not be offset by developments in other markets.

Our success is historically closely tied to general economic developments in Romania. Romania has undergone substantial political, economic and social change in recent years. However, it still does not possess the full business, legal and regulatory infrastructures that would generally exist in more mature free market economies. In addition, the tax, currency and customs legislation in Romania are subject to varying interpretations and changes, which can occur frequently. See “—Romania's legal and judicial systems are less developed than in other European countries, which makes an investment in the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.” These issues continue to result in relatively high poverty rates and low wages.

Moreover, for the past several years, the political environment in Romania has been unstable, which could delay or stop economic and regulatory reforms in the country. In turn, this could have a material adverse effect on us and the value of investments related to Romania generally. In particular, the 2024 Romanian presidential elections were marked by significant turmoil. The initial vote in November 2024 resulted in a runoff between independent nationalist candidate Călin Georgescu and Elena Lasconi of the Save Romania Union (USR). However, in December 2024, the Constitutional Court annulled the election results citing evidence of foreign interference that allegedly favored Georgescu. As a result, a new presidential election has been scheduled for May 2025 and resulted with the election of Nicușor Daniel Dan as the President. These events have

heightened political tensions in Romania, increasing the risk of policy instability, shifts in foreign relations and potential regulatory changes, as well as led to delayed key fiscal measures, aimed at addressing the budget deficit (which is around 9% of Romania's GDP), spurred bond yield spikes, increased currency depreciation and risked a credit rating downgrade. Any further instability or policy uncertainty could negatively affect market conditions, economic growth, and investor sentiment.

The future economic direction of the markets in which we operate remains largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by their respective governments, together with tax, legal, regulatory, and political developments. Our failure to manage the risks associated with our business in emerging markets could have a material adverse effect on our results of operations. Negative developments in, or the general weakness of, the Romanian economy, in particular increasing levels of unemployment may have a direct negative impact on the spending patterns of retail consumers, both in terms of subscriber and usage levels. Because a substantial portion of our revenues is derived from residential customers who may be impacted by such conditions, it may be more difficult for us to attract new customers or maintain ARPU at existing levels. Deterioration in the Romanian economy may further lead to a higher number of non-paying customers or generally result in service disconnections. Additionally, any uncertainty or instability in, or related to, the political conditions in Romania, including any changes to its political regime, legal, tax and regulatory framework or governing policies, could negatively affect our business and operations.

In addition, Romanian policy-making and regulatory frameworks are often subject to rapid and sometimes dramatic changes, the consequences of which may be difficult to foresee, or which could potentially lead to slower economic growth or general deterioration of economic conditions in the country. For example, in the past few years the Romanian government implemented a series of reforms, which may have a severe impact on various sectors of the country's economy, including telecommunication and energy companies. In particular, the December Ordinance, which became effective on January 1, 2019, introduced major changes affecting the energy, banking and private pension sectors of the Romanian economy. Most importantly for our business, it (i) increased ANCOM's annual monitoring fee to 3.0% of total turnover of a telecommunications operator for the preceding year (the "**Monitoring Fee**"); (ii) provided for very significant fees for extending existing, or acquiring new, telecommunications licenses; and (iii) significantly increased penalties for breaches of regulations governing the Romanian telecommunication industry (up to 10% of the violator's turnover in the year prior to the decision to impose such penalties). The December Ordinance was repeatedly amended thereafter, most recently on July 7, 2022, through the Law 198/2022. These amendments have disappplied the vast majority of the December Ordinance's original provisions affecting our business in Romania, with the exception of the Monitoring Fee, which remains in place at a reduced rate of up to 2.0%, and the penalties. However, whether or not ANCOM will be entitled to charge the Monitoring Fee is currently conditional on whether its other funding is sufficient to cover its operational requirements (an arrangement which was also in place prior to the issuance of the December Ordinance in its original form). ANCOM has not applied such fees, including the Monitoring fees, over the previous several years. Unfavorable economic conditions, regulatory uncertainty and special taxation may ultimately have a direct and/or indirect negative impact on consumers' spending and/or the prices we are able to charge for our products and services. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Regulation*" and "*Industry Regulation—Romania—Sanctions in Relation to Electronic Communications Networks and Services and to Telephony Services.*"

Any such negative developments in Romania may not be offset by positive trends in other markets. Therefore, a weak economy and negative economic or political developments in Romania may jeopardize our growth targets and could have a material adverse effect on our business, prospects, results of operations or financial condition. See also "*Risks Relating to Investments in Countries Where We Operate—Romania's legal and judicial systems are less developed than in other European countries, which makes an investment in the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.*"

Political and military conflicts in Eastern Europe may materially adversely affect our business.

Since early 2014, Ukraine, which neighbors Romania, has been confronting a severe internal crisis, in which the Russian Federation has been heavily involved. During this crisis, Ukraine lost control over the peninsula of Crimea to the Russian Federation and lost control over a significant part of its other eastern territories to pro-Russian separatists. On February 24, 2022, the Russian military launched a full-scale invasion of Ukraine, which continues as at the date of this prospectus. It claims to have thereafter annexed a significant portion of Ukrainian territory. In response, the United States, the United Kingdom, the European Union and many other countries have imposed several sets of economic sanctions and are threatening further sanctions in the future. The extent and duration of, and the potential impacts from, Russia's invasion of Ukraine remain uncertain, including, but not limited to, on economic conditions, supply chain disruptions, asset valuations, interest and exchange rates. The economic sanctions imposed as a consequence of Russia's invasion of Ukraine have negatively impacted the global economy and financial markets and contributed to increases in energy prices and inflation levels worldwide. Although we do not have operations in Russia or Ukraine, our business could experience disruptions as the situation evolves, should the European Union, the United Kingdom, the United States and other countries implement further sanctions, export controls and other measures against Russia and its allies. Such actions could trigger potential further responses from Russia or

other countries, which could adversely affect the global economy, the financial markets and could negatively affect our business, prospects, results of operations or financial condition.

In addition, we are exposed to the risk that the political uncertainty surrounding the ongoing military conflict in Ukraine increases the likelihood of further escalations, including the risk of cybersecurity incidents or other forms of hostility that could directly or indirectly impact our business. In particular, the changed stance of the Russian establishment in international relations has been claimed to be the source of manipulations that marred the 2024 Romanian presidential elections. See “— *Any potential deterioration of the general internal economic, political and social conditions in Romania, our principal country of operation, or any adverse changes in the Romanian tax or regulatory environment, may not be offset by developments in other markets.*”

In addition, the political instability in the context of alleged Russian interference in the Republic of Moldova, another country neighboring Romania, is threatening to trigger another political conflict in the region.

Prolonged conflict in Eastern Europe, escalation of existing tensions or resulting further increases in energy prices or other negative effects would adversely impact the global, European and Romanian economies, resulting in a worsening of the macro-financial climate, higher inflation and lower economic growth and possibly recession. Any failure by the Group to mitigate the impact of such events on our business may have a material adverse effect on our business, prospects, results of operations or financial condition.

Adverse changes in the inflation rate in Romania may have a significant negative impact on the Group’s performance.

According to the NBR and NIS, the consumer price index inflation rate in Romania for the year ended December 31, 2024, was 5.1%, compared to 6.6% for the year ended December 31, 2023 and 3.1% as at June 30, 2025 compared to December 31, 2024. It is projected that the inflation rate will continue to be high, with a projected annual inflation rate for 2025 of 8.8% before starting to taper down in 2026. The inflation rate in Romania is significantly above the EU average, which was at 2.7% and 3.4% for the years ended December 31, 2023 and 2024, respectively, according to Eurostat.

The unpredictability of the inflation rate may have a negative effect on our business by increasing the difficulty of estimating total costs related to our activities and creating a potential non-correlation of our prices charged to customers (especially, residential customers) with our costs, with significant negative effect. A major difference between the anticipated inflation rate in a given period and the actual amount recorded during that period may significantly affect our allocation of resources and could have a material adverse effect on our business, prospects, results of operations or financial condition.

Moreover, an unpredictable increase in the inflation rate can lead to macroeconomic imbalances, characterized by rising interest rates, declining living standards and general slowdown of economic development in our countries of operation (especially Romania), imbalances that could have a material adverse effect on our business, prospects, results of operations or financial condition.

We may be adversely affected by the departure of any EU member state from the EU.

We may be adversely affected by the departure of any EU member state from the EU. Our business has extensive operations in five separate EU countries: Romania, Spain, Italy, Portugal, and Belgium, and relies on free movement of capital, goods, services and people across the EU. Any additional withdrawal or attempted withdrawal from the EU by any current EU member state, on the basis of a referendum similar to the so-called Brexit referendum, or on another basis, and whether or not successful, could, among other outcomes, disrupt the free movement of capital, goods, services and people throughout the EU.

In addition, should any current member states leave the EU, our business would face a variety of risks including lower economic growth, greater volatility in currency markets, the introduction of new trade barriers and other market restrictions, a shifting regulatory environment including uncertainty about the allocation of broadband frequencies, increased difficulty in expanding operations in other countries or executing future acquisitions and limited access to labor. The consequences of any future withdrawals from the EU by EU member states are hard to predict and may have a material adverse effect on our business, prospects, results of operations or financial condition.

Corruption could create a difficult business climate in Romania.

Corruption is one of the main risks confronting companies with business operations in Romania. International and local media, as well as international organizations, have issued numerous alerting reports on the levels of corruption in the country. For example, the 2024 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world and assigns scores to countries from 0 (highly corrupt) to 100 (very clean), gave Romania a score of 46, corresponding to a ranking of 65 out of 180 countries.

Corruption has been reported to affect the judicial system and some of the regulatory and administrative bodies in Romania, which may be relevant for our business. Although it is difficult to predict all of the effects of corruption on our operations, it can, among other things, slow down approvals of regulatory permits and licenses we need to conduct our business.

Therefore, corruption could have a material adverse effect on our business, prospects, results of operations or financial condition.

Any downgrade of Romania's credit ratings by an international rating agency could have a negative impact on our business.

The long-term foreign and domestic currency debt of Romania is currently rated BBB-/A-3 (negative outlook) by S&P, Baa3 (negative outlook) by Moody's and BBB- (negative outlook) by Fitch.

Any adverse revisions to Romania's credit ratings for domestic or international debt by these or similar international rating agencies may materially adversely impact our ability to raise additional financing and the interest rates and other commercial terms under which such additional financing is available. This could hamper our ability to obtain financing for capital expenditures and to refinance or service our indebtedness, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Romania's legal and judicial system is less developed than in other European countries, which makes an investment in the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.

The legal and judicial system in Romania is less developed than those of other European countries. Commercial law, competition law, securities law, company law, bankruptcy law and other areas of law in Romania are relatively new to local judges and such related legal provisions have been and continue to be subject to constant changes, as new laws are being adopted in order to keep pace with the transition to a market economy and EU legislation. Existing laws and regulations in Romania may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. It may not be possible, in certain circumstances, to obtain legal remedies in a timely manner. The relatively limited experience of a significant number of the magistrates practicing in Romania, specifically with regard to capital markets issues, and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on considerations that are not grounded in the law.

In addition to the foregoing, resolving cases may at times involve considerable delays. The court system in Romania is underfunded relative to those of other European countries. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through court systems may be laborious, especially where such judgments may lead to closure of businesses or job losses. This lack of legal certainty and the inability to obtain effective legal remedies in a timely manner may adversely affect our business, and may also make it difficult for investors in the Notes to address any claims that they may have.

We may be adversely affected by unfavorable conditions in the global economy or volatile equity and credit markets.

Unfavorable global economic conditions, political instability and volatile equity and credit markets may adversely affect our business, financial performance and growth prospects. Concerns over geopolitical tensions, including strained relations between the United States and key global economies, trade controversies, and the potential for economic slowdowns or recessions in Europe and the United States contribute to increased market volatility and uncertainty.

Rising inflation, higher interest rates, reduced business and consumer confidence, as well as changes in GDP growth, unemployment levels, household income further exacerbate these risks, potentially impacting the availability and cost of credit, global demand, and investment flows. In recent years, instability has been heightened by the COVID-19 pandemic and efforts to contain its spread, as well as ongoing military conflicts in Ukraine and the Middle East. See “—*Political and military conflicts in Eastern Europe may materially adversely affect our business.*” These factors have led to increased volatility in financial markets, disrupted supply chains, and created further risks to economic stability in Europe and worldwide. Additionally, prolonged instability may lead to government responses, such as austerity measures, exceptional taxes and changes in fiscal policy, all of which could impact our operations.

Trade restrictions, tariffs and economic sanctions could also affect our business, including the ability to expand into additional markets. Additional uncertainty with respect to any future actions and escalations exists in light of U.S. President Donald Trump's administration beginning in January 2025 and previous public statements made by him with respect to tariffs. For example, the U.S. administration has indicated a willingness to use tariffs to shift trade balances in its favor in a number of regions and countries, including Europe, North America and China. The U.S. administration has subsequently enacted significant tariff increases on imports from its trading partners, including a universal 10% tariff on all imports, with significantly higher rates for specific countries. As a consequence, other countries (including the European Union and China) have announced, and then partially repealed or temporarily stayed, retaliatory tariffs on goods and raw materials imported into such countries from the U.S. Any commencement, continuation, or escalation of a trade war, tariffs, retaliatory tariffs or other trade restrictions on products and materials (such as hardware and other components for our physical networks) imported by us into or out of any country may significantly hinder our ability to provide our services to customers in such countries or other affected locations.

The demand for our products may be impacted by global inflationary pressures. Prolonged inflation may impact consumers' purchasing power and, therefore, our customers' ability and willingness to purchase our services. In such an environment, consumers may also opt for our lower-priced offerings, impacting our revenues and margins. A prolonged economic downturn or recession may result in increased unemployment, reduced disposable income and declining consumer spending, all of which could have a material adverse effect on our business, prospects, results of operations or financial condition. We further face risks related to significant increases in energy prices, as all of our activities are energy-dependent and both costs and revenues are impacted by inflation.

Negative developments in, or the general weakness of, the economies in the countries where we operate, in particular increasing levels of unemployment, may have a direct negative impact on the spending patterns of our customers, both in terms of subscribed services and usage levels. Because a substantial portion of our revenues is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of our subscribers will downgrade or disconnect all or part of the services they subscribe to and (iii) more difficult to maintain ARPU's at existing levels. In addition, we can provide no assurances that a deterioration of the economy will not lead to a higher number of non-paying customers or generally result in service disconnections. Therefore, a weak economy and negative economic development may jeopardize our growth targets and may otherwise have a material adverse effect on our business, prospects, results of operations or financial condition.

In addition, reduced availability of credit has had, and could in the future have, an indirect negative effect on our business by reducing overall spending in the countries in which we operate, causing or helping to cause significant decreases in the value of certain asset classes and, therefore, decreases in the overall wealth of our customers and, together with the overall economic climate, increases in the number of payment defaults and insolvencies among our customers. Volatile credit markets have affected us in the past, and may affect us in the future, through increases in interest rates of our floating rate debt and other financial obligations. The lack of easily available credit in the future may also restrict our ability to grow at a pace commensurate with the business opportunities we can identify. See *"—We operate in a capital-intensive business and may be required to make significant capital expenditure and to finance a substantial increase in our working capital to maintain our competitive position. Our capital expenditure may not generate a positive return or a significant reduction in costs or promote the growth of our business."* Additionally, this uncertainty can lead to an increase in costs for us due to legal and regulatory changes, as well as currency exchange rate fluctuations between the euro, the U.S. dollar and Romanian leu. These effects could have an adverse effect on our business, investments and future growth. They could increase our operating costs, delay capital expenditure programs, or place additional regulatory burdens on us that could have a material adverse effect on our business, prospects, results of operations or financial condition. Furthermore, as a result of this uncertainty, financial markets could experience significant volatility, which could adversely affect the value of the Notes. All these factors and other effects of a continued economic downturn that we may fail to predict could have a material adverse effect on our business, prospects, results of operations or financial condition.

RISKS RELATING TO OUR FINANCIAL POSITION

Our substantial leverage and debt servicing obligations could have a material adverse effect on our business, prospects, results of operations and financial condition.

As at June 30, 2025, our total net debt was €2,031.0 million, and for the twelve months ended June 30, 2025, our ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases was 2.8x, and our ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases was 9.3x. See *"Overview—Summary Financial and Other Data—Other Operating Data—Selected financial data and ratios."*

Our leverage can have important consequences for our business and operations, including:

- making it more difficult for us to satisfy our obligations with respect to our debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry;
- negatively impacting credit terms with our creditors;
- restricting us from exploiting certain business opportunities; and
- limiting our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations.

Additionally, we may incur substantial additional indebtedness in the future which could increase the risks listed above. Although the Intercreditor Agreement and certain of our existing credit facilities contain, and the Indenture will contain, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, such agreements do not prevent us from incurring obligations that do not constitute indebtedness as such term is defined therein. Any of these or other consequences or events could have a material adverse effect on our business, prospects, results of operations or financial condition.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indenture limits our ability to:

- incur or guarantee additional indebtedness that would cause us to exceed a Consolidated Net Leverage Ratio (as such term is defined in the Indenture) of 4.25 to 1;
- pay dividends or make other distributions, purchase or redeem our stock or prepay or redeem subordinated debt;
- make investments or other restricted payments;
- sell assets and subsidiary stock;
- enter into certain transactions with affiliates;
- create liens;
- consolidate, merge or sell all or substantially all of our assets;
- enter into agreements that restrict certain of our subsidiaries' ability to pay dividends; and
- engage in any business other than a permitted business.

In addition, the Senior Facilities Agreements and the Export Credit Facilities Agreements contain covenants that limit our ability to incur and assume debt and/or require us to maintain a Net Leverage Ratio of 3.50 to 1 and a Consolidated EBITDA to total net interest ratio of 4.25 to 1 (as such terms are defined therein). Further, our existing financing arrangements require us to have positive equity and limit, among other things, our ability to acquire or sell certain assets, to undergo certain corporate actions (such as mergers and de-mergers), to create security over our assets and to open or maintain bank accounts or to enter into banking relationships with certain financial institutions.

Although all of these limitations are subject to significant exceptions and qualifications, these covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

If we fail to comply with any of these covenants, we will be in default under our financial indebtedness (including under the Indenture and the Notes), and the relevant trustee, holders of the indebtedness or the applicable lenders could declare the principal and accrued interest on the Notes or the applicable loans due and payable, after any applicable cure period. These restrictions could materially adversely affect our ability to finance future operations or capital needs or engage in other business activities that may be in our best interest.

Our current financial covenants are computed based upon the consolidated financial statements of the Parent, while under the Indenture, financial covenants will be computed based upon the consolidated financial statements of the Issuer.

Any impairment of our ability to draw funds under our senior credit facilities, including the Senior Facilities and the Export Credit Facilities, could materially adversely affect our business operations.

Our operations have been primarily financed using cash generated in our operations and debt financing. We rely on our senior credit facilities under the Senior Facilities Agreements and the Export Credit Facilities Agreements to fund our business operations and for various other purposes. Further, if we were unable to draw funds under our senior credit facilities, we may need to find alternative sources of funds which may be at higher interest rates. There also can be no assurance that we will have sufficient cash resources on hand at any given time to meet our expenses or debt servicing requirements. Our ability to draw funds depends on, among other things, our ability to maintain certain ratios. Our ability to meet these financial ratios and other required conditions to drawing could be affected by a number of factors, including by events beyond our control. In addition, our inability to maintain these financial ratios may also result in an event of default under our senior credit facilities, including the Senior Facilities Agreements and the Export Credit Facilities Agreements, which would prohibit us from drawing funds

under those facilities and potentially trigger a cross-default under the Notes. See “*We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.*” This inability to draw funds or to maintain our operations due to a lack of cash flow could have a material adverse effect on our business, prospects, results of operations or financial condition.

We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate sufficient cash to service our debt.

Our ability to make payments on and to refinance our indebtedness, and to fund working capital and to make capital expenditures in the longer term, will depend on our future operating performance and ability to generate sufficient cash over the longer term. This depends on the success of our business strategy and on economic, financial, competitive, market, legislative, regulatory and other factors, as well as the factors discussed in these “*Risk Factors*,” many of which are beyond our control.

No assurance can be provided that our business will generate sufficient cash flows from operations or that future debt or equity financings will be available to us to pay our debt when due or to fund our other capital requirements or any operating losses. If our future cash flows from operations and other capital resources (including borrowings under the Senior Facilities Agreements and the Export Credit Facilities Agreements) are insufficient to pay our obligations as they mature or to fund our liquidity needs in the longer term, we may be forced to:

- reduce or delay our business activities or capital expenditures;
- sell assets;
- obtain additional debt or equity capital;
- restructure or refinance all or part of our debt on or before maturity; or
- forego opportunities such as acquisitions of other businesses.

No assurance can be provided that we would be able to accomplish these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments on our indebtedness on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Senior Facilities Agreements and the Export Credit Facilities Agreements limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business and could have a material adverse effect on our financial condition and results of operations. There can be no assurance that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale will be acceptable.

We may not be able to refinance maturing debt on terms that are as favorable as those from which we previously benefited or on terms that are acceptable to us, or at all.

Our ability to refinance our debt depends on a number of factors, including the liquidity and capital conditions in the credit markets and we may not be able to do so on satisfactory terms, including in relation to the covenants, or at all. In the event that we cannot refinance our debt, we may not be able to meet our debt repayment obligations. In addition, the terms of any refinancing indebtedness may be materially more burdensome to us than the indebtedness it refinances. Such terms, including in relation to the covenants and additional restrictions on our operations and higher interest rates, could have an adverse effect on our results of operations and financial condition.

Furthermore, our inability to meet repayment obligations under the existing agreements could trigger various cross-default and cross-acceleration provisions, resulting in the acceleration of a substantial portion (if not all) of our debt and could have a material adverse effect on our business, prospects, results of operations or financial condition.

Derivative transactions may expose us to unexpected risk and potential losses.

As at June 30, 2025, we had €1.2 million of embedded derivative assets related to the 2028 Senior Secured Notes (which included several call options, as well as one put option) and €5.6 million non-current derivative financial assets in connection with the transaction between DIGI Spain and Aberdeen for the roll out of our FTTH network in Andalucia, Spain. From time to time, we may be party to other derivative transactions, such as interest rate swap contracts, with financial institutions to hedge against certain financial risks. Changes in the fair value of these derivative financial instruments, that are not cash flow hedges, are reported in profit and loss, and accordingly could materially affect our reported results in any period. Moreover, we may be exposed to the risk that our counterparty in a derivative transaction may be unable to perform its obligations as a result of being placed in receivership or otherwise. In the event that a counterparty to a material derivative transaction is unable to perform its obligations thereunder, we may experience losses that could have a material adverse effect on our financial condition, financial returns or results of operations.

RISKS RELATING TO THE NOTES

The Notes are and will be structurally subordinated to the indebtedness and other obligations of our non-guarantor subsidiaries.

At issuance, neither the Parent nor any subsidiary of the Issuer provide a guarantee for the benefit of the holders of the Notes. In the future, subsidiaries of the Issuer may guarantee the Notes but, until then, the non-guarantor subsidiaries of the Issuer will have no obligation, contingent or otherwise, to pay any amounts due under the Notes or to make funds available to the Issuer to enable it to pay any amounts due under the Notes. As a consequence, any claim by the Issuer or any of its creditors, including the holders of the Notes, against any such non-guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of such non-guarantor subsidiaries. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our Restricted Subsidiaries (as defined therein), including non-guarantor subsidiaries, which subsidiaries could account for a higher portion of our assets, liabilities, revenues and net results in the future. As at June 30, 2025, our subsidiaries, none of which guarantees the Notes on the Issue Date, accounted (on a combined basis and after intercompany eliminations) for 23.6% of our consolidated net assets and had €271.0 million of third-party financial indebtedness under the 2025 Spanish Senior Facilities Agreement and DIGI Andalusia Facility Agreement. For the twelve months ended June 30, 2025, such subsidiaries generated (on a combined basis and after intercompany eliminations) 47.7% of our consolidated revenues, 24.5% of EBITDA and 17.6% of our consolidated Adjusted EBITDA. In the event of insolvency, liquidation or other reorganization of any of these non-guarantor subsidiaries, creditors of such non-guarantor subsidiaries will generally be entitled to payment in full from their respective assets before the Issuer or the relevant guarantor, as applicable, is entitled to receive any distribution from such assets as an equity holder. Except to the extent that the Issuer or any future guarantor may itself be a creditor with recognized claims against a non-guarantor subsidiary, claims of third-party creditors of such non-guarantor subsidiary will have priority with respect to the assets and earnings of that subsidiary over the claims of the Issuer or such relevant guarantor as equity holders, although there is no assurance that the claims of the Issuer or any future guarantor as a creditor against a non-guarantor subsidiary may not be reduced, limited or extinguished as a result of applicable insolvency rules (such as the doctrine of equitable subordination or the rules regarding the potential avoidance of transactions concluded with related persons within a certain hardening period). Our non-guarantor subsidiaries are also subject to liabilities to other creditors as a result of obligations incurred in the ordinary course of business, which liabilities will also be structurally senior to the Notes.

The holders of the Notes may not control certain decisions regarding the Collateral.

The Notes are secured by the same Collateral securing the obligations under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities Agreements and certain hedging obligations. In addition, under the terms of the Indenture, we are permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

As a result of the voting provisions set forth in the Intercreditor Agreement, certain amendments and waivers under the Intercreditor Agreement and in relation to the Collateral will have to be consented to by the required majority of creditors under the relevant *pari passu* indebtedness, including the Notes as well as indebtedness secured on the Collateral listed in the immediately preceding paragraph. The required majority will vary with the type of amendment or waiver being sought and there may in certain circumstances be a requirement for unanimity. See “*Description of Other Indebtedness—Intercreditor Agreement—Amendment.*” The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for all the secured parties with respect to the shared Collateral. The Security Agent will act with respect to the shared Collateral only at the direction of those senior secured creditors whose unpaid amounts and undrawn commitments under the senior secured liabilities at that time aggregate to more than 50% of the total aggregate amount of all of the senior secured liabilities at that time (the “**Majority Senior Secured Creditors**”). Before giving any instructions to the Security Agent to enforce the Collateral or take any enforcement action, a 15-day consultation period among the representatives of creditors is triggered, subject to certain exceptions. Only following the expiry of a consultation period will the Majority Senior Secured Creditors be entitled to give any instruction to the Security Agent to enforce the Collateral or take any other enforcement action. However, it may prove difficult for the holders of any public debt sharing in the Collateral and subject to the Intercreditor Agreement that may be, in the future, issued by the Issuer under Romanian law to give instructions to the Security Agent in a timely manner or at all, which may lead to the inability of the Security Agent to obtain instructions from the Majority Senior Secured Creditors and prevent it from taking enforcement or other actions in a timely manner or at all.

Nevertheless, these arrangements could result in the enforcement of the Collateral in a manner that results in lower recoveries by the holders of the Notes. Furthermore, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during such period, the Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced.

Pursuant to the Intercreditor Agreement, if the Security Agent sells Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action, claims under the Notes and the liens over any other assets of such subsidiaries

securing the Notes may be released. See “*Description of Other Indebtedness—Intercreditor Agreement—Enforcement—Instructions to enforce—consultation*,” “*Description of Other Indebtedness—Intercreditor Agreement—Enforcement Instructions*” and “*Description of the Notes—Security—Release of Liens*.”

The Notes will be secured only to the extent of the value of the Collateral, which will also secure other types of obligations. The portion of the claims of the holders of the Notes that exceed the value of the Collateral will constitute our general unsecured obligations.

Our obligations with respect to the Notes are secured by a first-ranking security interests in the Collateral, which are more fully described under “*Description of the Notes—Security—The Collateral*.” The Collateral will initially be shared with the creditors under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities Agreements and certain hedge counterparties, all of which are secured on a *pari passu* basis. The Indenture also permits the Issuer and its subsidiaries to use the Collateral to secure certain additional indebtedness as well as certain hedging obligations on a *pari passu* or subordinated basis in the future. Therefore, the proceeds from the sale of the Collateral may not be sufficient to satisfy our obligations under the Notes and the other indebtedness secured on a *pari passu* basis thereby. See also “*It may be difficult to realize the value of the Collateral*.”

To the extent that the claims of the holders of the Notes and creditors of our other obligations secured by the Collateral exceed the value of such Collateral, those claims will constitute our general unsecured obligations. In the event of competing claims in bankruptcy, such unsecured claims will be subject to the mandatory distribution order set out by Romanian law, as applicable. In addition, in a competing enforcement procedure outside of bankruptcy, such unsecured claims, will rank *pari passu* with other unsecured and unpreferred claims against the Issuer and will be subordinated to certain competing claims preferred by applicable Romanian laws. As a result, the ability of the holders of the Notes to obtain recovery against the Issuer on any portion of their claim that exceeds the value of the Collateral may be limited. See “*Certain Insolvency and Enforceability Considerations*.”

It may be difficult to realize the value of the Collateral.

No appraisal of the value of the Collateral that secures the Notes has been made in connection with the Offering. The fair market value of such Collateral is subject to fluctuations based on many factors including, among others, whether or not our business is sold as a going concern, the ability to sell the assets (including the shares that constitute part of the Collateral) in an orderly sale, the availability of buyers and whether telecommunications, media and other licenses required to operate our business and approvals required to purchase our business would be available to a buyer of the assets. The book value of the assets securing the Notes should not be relied on as a measure of realizable value for such assets. In addition, the security interest of the Security Agent will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Agent may need to obtain the consent or approval of a third party or governmental authority to create, perfect or enforce a security interest in a contract or permit or transfer or sell certain assets. See “*Enforcing pledges over certain Collateral may be prohibited or subject to special authorization or require payment of stamp duties*” and “*Any future Guarantees and the related security interests in the Collateral may be limited by applicable laws or subject to certain other limitations or defenses*.” Thus, no assurance can be provided that these assets will be saleable and, even if saleable, that there will not be substantial delays in the liquidation thereof or loss of value associated with the difficulty or inability to sell them as a going concern. Each of these factors could reduce the likelihood of an enforcement action, as well as reduce the amount of any proceeds from an enforcement action.

In addition, the condition of the Collateral may deteriorate in the period leading up to bankruptcy or foreclosure. In the event that a bankruptcy case is commenced by or against us, if the value of the Collateral is less than or equal to the amount of principal and accrued and unpaid interest, if any, on the Notes and all other obligations secured by the Collateral, interest may cease to accrue on the Notes from and after the date of the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, no assurance can be provided that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the Notes.

The Collateral, that secures the Notes, will be subject to casualty risks.

Some of the Collateral that secures the Notes is either uninsured, uninsurable or not economically insurable, in whole or in part. Consequently, we may not be fully compensated by insurance proceeds for any losses we may suffer. See “*Risks relating to our Business and Industry—Our insurance may not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or are not insurable*.” If there is a complete or partial loss of any of the pledged Collateral, our insurance proceeds may not be sufficient to satisfy all of the secured obligations including the Notes. In addition, even if there is sufficient insurance coverage, if there is a total or partial loss of certain Collateral, there may be significant delays in obtaining replacement Collateral.

We will have control over the Collateral, and the sale of particular assets could reduce the pool of assets securing the Notes.

The security documents governing the granting of the Collateral will allow us, subject to the terms of the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and the Export Credit Facilities Agreements, and the Indenture, to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing such indebtedness. So long as no default or event of default under the above arrangements or the Indenture would result therefrom, we may, among other things, without any release or consent by the Trustee or Security Agent, conduct ordinary course activities with respect to the Collateral such as selling, factoring or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.

Rights of the holders of the Notes in the Collateral may be adversely affected by the failure to perfect or maintain security interests in certain Collateral (including any Collateral acquired in the future).

The Collateral includes certain tangible and intangible assets. Applicable law requires that a security interest in certain tangible and intangible assets can only retain its priority if it is properly perfected. Perfection is attained through certain actions (including filings or registration) undertaken by the secured party or the relevant security grantor, as the case may be. Such actions may also require the consent or cooperation of third parties. For example, in Romania, registration of security interests in movable assets must be performed in various registers, depending on the nature of the specific asset over which security is granted. Generally, security interests over movable assets governed by Romanian law must be registered with the National Register for Movable Assets (the “**National Register**”).

Certain movable assets are subject to other or additional publicity formalities. Security interests over shares in a private company must be registered with such company’s shareholders’ register and security interests over listed shares must be registered with the Romanian Central Depository. In addition, security over intellectual property rights must be registered with the register kept by the relevant IP authority (e.g., the State Office for Inventions and Trademarks, the World Intellectual Property Organization or the Office of Harmonization for the Internal Market). Romanian law also provides for the concept of “control over bank accounts,” which ensures a preference for the controlling creditor. Control over a bank account may be obtained in several ways and, in the case of those bank accounts which secures the Notes, this includes obtaining the written consent of the account bank. We may not make one or more of the registrations required by applicable laws or obtain all the necessary consents in a timely manner. As a result, the security interests in the Collateral may not be perfected, and their priority may not be created or retained, with respect to the obligations under the Notes.

Applicable law (including Romanian law) requires that security interests over certain property and rights acquired after the grant of such security interest can only be perfected at the time such property and rights are acquired, subject to the proper identification of such property or rights. Neither the Trustee, nor the Security Agent will monitor the Collateral and there can be no assurance that the Issuer or the Parent will inform the Trustee or the Security Agent of the future acquisition of property and rights that constitute Collateral (although the security documents will impose an obligation on us to do so). As a result, the Trustee, the Security Agent and we may not take the required action to perfect the particular security interest. Such failure may result in the loss of the security interest therein.

Registrations of security interests may be subject to renewal or confirmation from time to time. For instance, in Romania, renewals of security interests registered with the National Register must be made by, or on behalf of, the Security Agent before the expiry of a five-year period from the date of initial registration. If we (despite our obligation to do so under the relevant security documents) or the Security Agent do not renew such registration before the expiry of the aforementioned five-year period, the holders of the Notes may lose their priority status with respect to certain Collateral to the extent other secured indebtedness over the same assets has been perfected by that time. Failure to ensure renewal may trigger the application of new hardening periods in the event that the relevant security is re-registered.

There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically and under which any future Guarantees will be released without the consent of the holders of the Notes or the Trustee or the Security Agent obtaining their further consent.

Under various circumstances, Collateral securing the Notes and any future Guarantees will be released automatically, including:

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes;
- upon release of any future Guarantees (with respect to the Liens granted by any future guarantor) in accordance with the relevant Indenture;
- with respect to the Collateral securing the Notes, automatically upon the release of any security interest granted in favor of the Senior Facilities over such Collateral pursuant to the terms of the Senior Facility Agreements, provided that the security interest over such Collateral is unconditionally released with respect to all outstanding Senior Facilities, as further described under “*Description of the Notes—Security—Release of Liens*.”;

- in connection with any disposition of Collateral, directly or indirectly, to any Person other than the Parent, the Issuer or any Restricted Subsidiary (but excluding any transaction subject to “*Description of the Notes—Certain Covenants—Merger and Consolidation*”) that is not prohibited by the relevant Indenture (with respect to the Lien on such Collateral);
- as described under “*Description of the Notes—Amendment, Supplement and Waiver*;”
- if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the relevant Indenture, the release of Liens on property and assets and Capital Stock of such Restricted Subsidiary;
- as described in the second paragraph under “*Description of the Notes—Certain Covenants—Limitation on Liens*;”
- as otherwise provided in the Intercreditor Agreement or any additional intercreditor agreement in connection with an enforcement action;
- pursuant to certain permitted reorganizations; and
- as described under “*Description of the Notes—Certain Covenants—Impairment of Security Interest*.”

Additionally, under various circumstances, any future Guarantees will be released automatically, including:

- in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of the relevant guarantor to a person that is not the Issuer or a Restricted Subsidiary in a transaction that is permitted by the relevant Indenture;
- in connection with any sale, disposition, exchange or other transfer of Capital Stock of the Issuer or other relevant guarantor to a person that is not the Parent or a Restricted Subsidiary in a transaction that is permitted by the relevant Indenture, and the Issuer or such other guarantor ceases to be a Restrictive Subsidiary as a result of such sale or other disposition;
- upon the release of the guarantee or security or the discharge of the indebtedness that gave rise to the obligation to guarantee the Notes, so long as no other indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed by the relevant guarantor in a manner that would require the granting of a Guarantee under the relevant Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the relevant Indenture; and as described under “*Description of the Notes—Amendment, Supplement and Waiver*.”

The Indenture also permits us to designate one or more Restricted Subsidiaries as Unrestricted Subsidiaries. If we designate a Restricted Subsidiary as an Unrestricted Subsidiary for purposes of the relevant Indenture, all the liens on the Collateral owned by such subsidiary and on such subsidiary’s capital stock will be released under such Indenture and such subsidiary will cease to be a guarantor. Designation of an Unrestricted Subsidiary will reduce the aggregate value of the Collateral securing the Notes to the extent that liens on the assets of such Unrestricted Subsidiary that constitute Collateral are released. See “*Description of the Notes—Guarantees—Release of Guarantee*” and “*Description of the Notes—Security—Release of Liens*.” The Collateral and any future Guarantees may also be released with the consent of holders of at least 90% of the aggregate principal amount of the Notes then outstanding. See “*Description of the Notes—Amendment, Supplement and Waiver*.”

Certain categories of property will be excluded from the Collateral.

Certain categories of assets, such as real estate properties, will be excluded from the Collateral securing the Notes. In addition, the Indenture, in certain instances, permits us to grant liens over such other assets to secure other indebtedness without also granting liens over such assets to secure the Notes. See “*Description of the Notes—Security*.” If an event of default occurs and the indebtedness in respect of the Notes is accelerated, the Notes will rank equally with all of our other unsecured indebtedness with respect to such excluded property, except for certain creditors that are mandatorily preferred under local law. See “*—The Notes and any future Guarantees will be secured only to the extent of the value of the Collateral, which will also secure other types of obligations. The portion of the claims of the holders of the Notes that exceed the value of the Collateral will constitute our general unsecured obligations.*”

The security interests in the Collateral was granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

The security interests in the Collateral that secures our obligations under the Notes was not granted directly to the holders of the Notes but only in favor of the Security Agent. The Security Agent has entered into the relevant security documents in its own name for the benefit of the Trustee and the holders of the Notes. Each holder, by accepting a Note, appoints the Security Agent as its agent for the security documents and authorizes it to act as such. Neither the Trustee nor the holders of the Notes

may, individually or collectively, take any direct action to enforce any rights in their favor under the security documents. The Indenture provides that only the Security Agent has the right to enforce the security documents. The Security Agent will agree to any release of the security interest created by the security documents that is in accordance with the Indenture without requiring any consent of the holders of the Notes. As a consequence, in certain jurisdictions, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral, except through the Trustee who will (subject to the provisions in the Indenture) provide instructions to the Security Agent in respect of the Collateral, who in turn will act subject to the provisions of the Intercreditor Agreement. For example, in the case of enforcement of the Spanish security, the Security Agent shall be required to prove in Spain the capacity to represent the holders of the Notes and the Trustee for the purposes of the Spanish security document and to accept them on their behalf, by means of a power of attorney granted in favor of the Security Agent by each of the creditors. The holders of the Notes are and will be deemed to have granted certain powers of attorney to the Security Agent pursuant to the Indentures. However, according to Article 1,280 of the Spanish Civil Code, any such power of attorney will not be considered valid unless granted in a public document (which has to be an *escritura*), duly notarized, and, if necessary, bear the Apostille of the Hague Convention of October 5, 1961. In addition, although both the power of attorney for the Security Agent and the relevant Spanish security document were notarized, there is a risk that the Spanish courts may find such power of attorney unenforceable due to the fact that the Trustee was not present at the Spanish notary when the notarization occurred and the holders of the Notes are not parties to the Indentures.

Any instructions given to the Security Agent must be in compliance with the majority voting provisions of the Intercreditor Agreement. In the event that the Collateral secures additional indebtedness on a *pari passu* basis with the Notes pursuant to the Intercreditor Agreement, rights of the holders of the Notes (acting through the Trustee) to instruct the Security Agent to enforce will be diluted. In certain circumstances, as may be provided under the Intercreditor Agreement, the rights of the holders of the Notes to instruct the Security Agent to enforce may be limited or restricted notwithstanding any default under the Notes. See “—*The holders of the Notes may not control certain decisions regarding the Collateral.*”

In Romania and the Netherlands the security interests in the Collateral were granted in favor of the Security Agent, as beneficiary of parallel debt obligations (the “**Parallel Debt**”). The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Indenture and the Notes, as well as other obligations secured by the Collateral (the “**Principal Obligations**”). Security interests governed by Romanian, and Dutch laws will secure the Parallel Debt and will not directly secure the Principal Obligations. Any payment in respect of the Principal Obligations discharges the corresponding Parallel Debt and any payment in respect of the Parallel Debt discharges the corresponding Principal Obligations, in each case, by the amount of such payment. Although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Notes and other indebtedness that shares in the Collateral, the underlying creditors in respect thereof, including the holders of the Notes, will bear the risk of a possible insolvency or bankruptcy of the Security Agent or a breach of its obligations as Security Agent towards the secured creditors. The Parallel Debt obligations referred to above are contained in the Intercreditor Agreement, which is governed by English law. There is no assurance that such a structure will be effective before courts in the jurisdiction in which the Collateral is located as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Agent to enforce the Collateral may be restricted. To the extent that the security interests in the Collateral created under the Parallel Debt structure are successfully challenged (including by other creditors of the Issuer), the security interest in the Collateral may be invalidated and/or held unenforceable and the holders of the Notes may not recover any amounts from the enforcement of the Collateral.

Although enforceability in Romania of certain rights (particularly in insolvency proceedings) of a security agent benefiting from a parallel debt was recognized in the past, there is no assurance that such structure will be effective in other cases in Romanian courts, especially in the case of parallel debt structures created after the entry into force of the new Romanian Civil Code in 2011. Thus, there is a risk that a Romanian court may not recognize the claim held by the Security Agent under the parallel debt structure and that consequently, the security interest securing the respective claim could be deemed invalid and/or unenforceable.

The granting of the security interests in connection with the issuance of the Notes may create hardening periods for such security interests in accordance with the law applicable in certain jurisdictions.

The granting of new security interests (including extensions of existing security interests) in connection with the issuance of the Notes may create hardening periods for such security interests in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. The granting of shared security interests to secure future permitted indebtedness may restart or reopen such hardening periods, in particular, as the Indenture will permit the release and retaking of security granted in favor of the holders of the Notes in certain circumstances including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. Subject to specific avoidance rules, if the particular security interest granted or reconfirmed were to be enforced before the end of the respective hardening period applicable in the relevant jurisdiction, it may be declared void or ineffective or it may not be possible to enforce it.

The market value of the Collateral may depend on economic conditions in our markets of operations.

The market value of the Collateral may be affected to varying degrees by economic and market conditions in the markets where we operate. International and local financial markets have experienced volatility in the past due to a combination of international political and economic events. There can be no assurance that any future negative political or economic developments will not adversely affect the market value of the Collateral. See “—*Risks Relating to Investments in Countries Where We Operate.*”

Enforcing pledges over certain Collateral may be prohibited or subject to special authorization or require payment of stamp duties.

Our business is subject to complex regulations and requires us to obtain a variety of national and local permits and licenses. The continued operation of properties that are part of the Collateral depend on the maintenance of such permits and licenses. If we are unable to comply with existing regulations or requirements or changes in applicable regulations or requirements, our business and the value of the Collateral could be adversely affected.

In Romania, permits and licenses generally may not be transferred without the consent of the issuing authority. In the event of enforcement on the Collateral, the transfer of such permits and licenses may be prohibited (such as our general authorization issued by ANCOM for the provision of electronic communications networks and services or our retransmission endorsements issued by the NAC) or if permitted, be subject to certain conditions and restrictions. For example, our audiovisual authorization can only be transferred together with the audiovisual licenses issued by the NAC. Our other telecommunication licenses can generally be transferred to third parties but subject to certain conditions, including (i) that the transferee is also a regulated entity; (ii) prior consent of the relevant regulator; or (iii) the incurrence of significant costs and expenses. The relevant regulator is also entitled to add specific requirements to license issuers. For specific transfer conditions, see “*Industry Regulation—Romania—Relevant Regulatory Authorities.*” No assurance can be provided that the relevant regulators will consent to the transfer of such permits or licenses or that such consent, if obtained, will be unconditional or granted on terms, which are appropriate in an enforcement context. If the regulatory approvals required for such transfers are not obtained or are delayed, enforcement may be delayed or prevented, our operations may be subject to a temporary shutdown, the value of the Collateral may significantly decrease and we may be subject to regulatory fines or other sanctions.

In certain circumstances, certain of our permits and licenses may only be transferred if accompanied by the related portion of our business (e.g., certain networks) and the parties to whom such permits and licenses are transferred must undertake all obligations arising therefrom. Any such transfer may also require competition approval, which may make enforcement very difficult or impossible, or lead to a significant decrease in the value of our business and the Collateral. Furthermore, if any such transfer occurs without the requisite competition approval, then such transfer may ultimately be rendered void.

Additional requirements and limitations apply to certain changes in our shareholding structure. Any person acquiring 10% or more of the share capital or voting rights in the Issuer or an equity controlling the Issuer (i.e., the Parent) must notify the NAC of the acquisition within one month of its occurrence. With respect to the general mortgage on movable assets of the Issuer, the transfer of a significant portion of all of our assets (pursuant to any enforcement of the Collateral) relating to the access network to any person controlled by a third party is subject to a prior notification to ANCOM within a reasonable time. ANCOM is entitled to add, amend or terminate any underlying obligation of the buyer. In the event of enforcement, there is no control over what actions the regulator may take and how such actions may impact on the realizable value of the Collateral.

In addition, under Spanish law, if upon enforcement of the Collateral there is a change of control of DIGI Spain, the transaction must be notified to the National Commission for Markets and Competition (“CNMC”) if the turnover or market share thresholds established in the applicable competition regulations are met. Furthermore, where DIGI Spain has been designated by CNMC as a Principal Operator (*Operador Principal*) in the telecommunications market, an acquirer who already held, directly or indirectly, a stake of 3% or more in another Principal Operator in the same market shall be subject to the operational and corporate governance restrictions of Royal Decree -Law 6/2000, and must notify the CNMC and, where appropriate, request express authorization to exercise any voting rights, which might be limited. Moreover, any transfer of shares in may be subject in Spain to (and, as the case may be, conditional upon) sector-specific or foreign-investment screening and prior authorizations (including under the Spanish foreign investment regime), and may be defective or vulnerable to annulment if it breaches applicable by-law transfer restrictions, sanctions regimes (such as public policy prohibitions relating to the freezing of assets of persons or entities sanctioned by the European Union or Spain), or other mandatory authorization requirements.

In addition, a substantial number of our material contracts, including content agreements for our own channels and carriage agreements, pursuant to which we carry channels produced by third parties contain anti-assignment provisions. Such anti-assignment provisions may significantly limit the ability of the Security Agent to enforce its rights and remedies under such contracts. No assurance can be provided that the Security Agent will be able to obtain the consent or approval of our

counterparties to such contracts or that such consents and approvals, if obtained, will be granted on terms that will facilitate enforcement in a timely or commercial manner.

In addition, under Romanian law, to the extent that as a result of enforcement of the Collateral, one or more creditors or a third party would acquire the right to effectively participate in the management or would acquire control over the shares in the Issuer and/or over a part of its business, the approval by the Foreign Direct Investment Review Commission may be required.

In some cases, enforcement of the Collateral may be subject to a requirement to pay stamp duty or other procedural charges and fees, which may be substantial and reduce any recovery of amounts due under the Notes.

The sale of pledged assets under Spanish law will be subject to statutory restrictions and may be substantially delayed.

In general terms, according to Spanish law, a secured party is not entitled to take ownership of the assets affected by a security interest or sell such assets at its discretion (other than in case of financial collateral in accordance with Royal Decree-Law 5/2005, March 11, on urgent reforms for the encouragement of productivity and the improvement of government procurement (*Real Decreto-Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso de la productividad y para la mejora de la contratación pública*) which is not applicable in this case). As a result, the enforcement of a security interest over an asset governed by Spanish law typically requires the sale of the relevant collateral through a formal foreclosure process involving a public auction administered by a court of competent jurisdiction or by a notary public, or other similar procedures. No assurance can be given that any such foreclosure process will be successful and any such steps may result in substantial waiting periods, notice requirements, legal costs and expenses that may not be recoverable from the Issuer or through the enforcement of the Collateral.

We may not be able to obtain the funds required to repurchase the Notes upon a change of control.

The Indenture will contain provisions relating to certain events constituting a “change of control” in relation to the Issuer. Upon the occurrence of a change of control, the Issuer will be required to make an offer to purchase all outstanding Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. In addition, each lender under the Senior Facilities Agreements and the Export Credit Facilities Agreements may, at such lender’s option, require repayment of all amounts due to it and a cancellation of its commitment, if applicable, under the Senior Facilities Agreements and the Export Credit Facilities Agreements, as applicable, upon the occurrence of a change of control thereunder. If a change of control were to occur, no assurance can be provided that we will have sufficient funds to pay the purchase price of the outstanding Notes and repay amounts outstanding under the Senior Facilities Agreements and the Export Credit Facilities Agreements, as applicable.

In addition, our other indebtedness may contain restrictions or repayment requirements with respect to certain events or transactions that could constitute a change of control under the terms of the Indenture, the Senior Facilities Agreements and the Export Credit Facilities Agreements. The inability to purchase any Notes that are required to be purchased or repay any loans that are required to be repaid under the Senior Facilities Agreements and the Export Credit Facilities Agreements upon the occurrence of a change of control constitute an event of default under the terms and conditions governing the Notes, the Senior Facilities Agreements and the Export Credit Facilities Agreements, as applicable, which could trigger a cross-default under the Notes, the Senior Facilities Agreements and the Export Credit Facilities Agreements, as applicable. See “*Description of the Notes—Repurchase at the Option of the Holders—Change of Control.*”

Enforceability of Romanian Collateral may be limited by Romanian mandatory law provisions.

Romanian law requires, as a condition to the validity of the security interests, that the secured amount be reasonably determined or determinable based on the security document. Any increase of the secured amount beyond that contemplated by the original signed security documents requires the amendment of the security documents in order to reflect such increase and the performance of related perfection formalities. There may be circumstances where a prohibition on the creation of a security interest (e.g., a negative pledge) or a prohibition on the disposal of assets may be unenforceable under Romanian law. To the extent a Romanian security interest granted for the benefit of the holders of the Notes violates any of the foregoing laws, the holders of the Notes would cease to have a valid claim in respect of the relevant Collateral or the relevant Collateral may be unenforceable. To the extent a Romanian court deems the description of future property included in the Romanian Collateral as insufficiently precise, the holders of the Notes and the Security Agent may be unable to enforce against such assets or property. Furthermore, the enforcement of the security interests created over future movable property may encounter difficulties; in particular, the enforcement of the Collateral created by the Issuer over all present and future movable assets will be limited to those assets that will comprise the mortgaged property at the date of enforcement, which could be significantly less in value than the mortgaged property on the date that such mortgage was first granted. “*Certain Insolvency and Enforceability Considerations—Romania.*”

Any future Guarantees and the related security interests in the Collateral may be limited by applicable laws or subject to certain other limitations or defenses.

Any future Guarantees and the related security interests will provide the holders of the Notes with a direct claim against the assets of the relevant guarantor. However, any future Guarantees and related security interests will be limited to the maximum amount that can be guaranteed by, or secured by assets of, the relevant guarantor without rendering any such future Guarantees or security interest voidable or otherwise ineffective under applicable laws, and enforcement of any such future Guarantees and security interest against the relevant guarantor would be subject to certain defenses available to guarantors and security providers generally or, in some cases, to limitations designed to ensure full compliance with statutory requirements applicable to the relevant guarantor. These laws and defenses include those that relate to corporate benefit, corporate purpose and fraudulent conveyance or similar laws, regulations or defenses affecting the rights of creditors generally (such as those relating to bankruptcy, insolvency, liquidation ad-hoc mandate, preventive concordat, moratorium or reorganization). As a result, a guarantor's liability under any future Guarantees and any related Collateral could be materially reduced or eliminated, depending upon the amounts of its other obligations and upon applicable laws. Under the laws of certain jurisdictions, the validity and enforceability of guarantees (including any related security interests) are conditional upon the validity and enforceability of the guaranteed obligations. Notwithstanding the fact that certain jurisdictions may recognize independent guarantees, to the extent the Parallel Debt claim and/or the obligations of the Issuer in relation to the Notes are invalidated, the obligations of a guarantor under any future Guarantees and the Collateral may also be invalidated. See "*Certain Insolvency and Enforceability Considerations—The Netherlands.*"

Enforcement of the Issuer's obligations under the Notes, any guarantor's obligations under any future Guarantees and of certain Collateral is subject to various local rules of civil procedure which may delay, cause difficulties in, or endanger such enforcement.

The Issuer is located in Romania. The Collateral is located in several jurisdictions, including Spain and Romania. Enforcement of the Issuer's obligations under the Notes, any guarantor's obligations under any future Guarantees and Collateral is governed by local laws and regulations. Such laws and regulations may require additional acts to be performed in a specific manner within a specific period of time. Failing to comply with such local applicable rules may also result in enforcement requests having to be resubmitted, delayed or even irrevocably rejected. In addition, third parties may have rights to intervene or to contest the enforcement actions of the Trustee or the Security Agent. See "*Certain Insolvency and Enforceability Considerations.*"

Local procedural rules may also conflict with each other, thereby further adding to difficulties, delays and limitations in the enforceability of debt obligations or security interests either in a consensual out of court transactions or formal court supervised process.

Romanian insolvency laws may not be as favorable to prospective investors as other insolvency laws.

The Romanian Insolvency Law may not be as favorable to the holders of the Notes as the laws of England and Wales, the United States or other jurisdictions with regard to creditors' rights, priority of creditors, voidable acts and hardening periods, the ability to obtain post-petition interest and the duration of the insolvency proceeding.

In the event of the Issuer's insolvency, the Security Agent, on behalf of the holders of the Notes and the other creditors whose indebtedness is secured by the Collateral will be a secured creditor of the Issuer under the Romanian Insolvency Law and will, on liquidation, be entitled to the proceeds of the sale of the Issuer's assets that constitute the Collateral in priority to all other claims other than (i) taxes, stamp duties and other expenses, costs and considerations relating to the sale of the said assets, including expenses related to conservation and administration of the said assets, such as utility payments, as well as the expenses incurred by creditors in the context of enforcement proceedings, claims of utilities suppliers arising after the initiation of insolvency proceedings and remuneration owed (as of the distribution date) to the persons engaged for the benefit of all creditors (e.g., remuneration payable to the judicial administrator, liquidator and other experts involved in the proceedings); and (ii) receivables incurred and accrued by preferred creditors after the start of the insolvency proceedings. Any secured financings extended to the Issuer during the observation period (the period of no more than 12 months starting with the opening of the insolvency proceedings and ending on the date of approval or rejection of the reorganization plan) for the purposes of carrying out current activities, with the approval of the creditors' assembly, will also enjoy such priority in the case of a distribution of proceeds in liquidation. In principle, such financing will be secured with previously uncharged assets. If these are not sufficient, security can extend over charged assets with the consent of the existing secured creditors. If such consent is not granted, a *pari passu* rank in reimbursement would be granted to such new financings and the proceeds of enforcement would be split on a *pro rata* basis with respect to all secured assets and rights of the Issuer. Therefore, any third parties providing financing during the observation period, which are not parties to the Intercreditor Agreement, may be entitled to benefit from the Collateral and share in the proceeds of the Collateral on a *pari passu* basis with the holders of the Notes thus diluting the ability of the holders of the Notes to recover amounts due to them.

Secured claims will continue to accrue interest after the insolvency proceedings commence until full payment thereof, within the limit of the market value of the Collateral. However, if the realization proceeds of the secured assets are insufficient to meet the debt, as far as the balance between the debts secured by such assets and the proceeds resulting from the sale of such secured assets is concerned, a secured creditor will be treated as an unsecured creditor. See “—*The Notes and any future Guarantees will be secured only to the extent of the value of the Collateral, which will also secure other types of obligations. The portion of the claims of the holders of the Notes that exceed the value of the Collateral will constitute our general unsecured obligations.*”

The commencement of Romanian insolvency proceedings mandates an automatic stay of all judicial actions or measures of enforcement for the purpose of recovering the receivables against the debtor or its assets, from which derogation can be obtained by certain secured creditors only if approved by the insolvency judge (*judecatorul sindic*). As an exception, a creditor of the insolvency debtor holding certain liquid receivables valued over RON 450,000, overdue for more than 60 days and originating after the initiation of original insolvency proceedings, may request initiation of the bankruptcy proceedings, which may result in such creditors foreclosing on the Collateral, while the Security Agent is prevented from acting outside the initial insolvency proceedings. This, however, does not alter the distribution preference of the secured creditor (e.g., Security Agent on behalf of the holders of Notes) in the original insolvency proceedings. The Romanian Insolvency Law provides for certain additional exceptions to the stay of all judicial actions or measures of enforcement. See “*Certain Insolvency and Enforceability Considerations—Romania—Main effects of commencement of the insolvency proceedings—Stay of creditors’ enforcement claims*” and “*Certain Insolvency and Enforceability Considerations—Romania—Stay of all interests, penalties and expenses in relation to unsecured and secured debts.*”

In addition, the debtor undergoing insolvency will be precluded from independently managing its business. Operational decisions will be made by the administrator or liquidator appointed by the court. However, during the observation period, the debtor could remain entitled to manage its business, with the supervision of the judicial administrator. The debtor will be entitled to retain such relative operational independence, if the insolvency request was filed by the debtor in the first place and there is no decision of the insolvency judge precluding such arrangement. Otherwise the debtor’s business will be managed by the judicial administrator.

Romanian law may not recognize the validity of clauses which trigger the acceleration of the Notes in the event of insolvency of the Issuer.

The Romanian Insolvency Law provides that any provisions terminating a contract or accelerating payments thereunder, in each case, in the event of insolvency proceedings, are null and void. In addition, any delay, limitations, prohibitions or similar measures contractually agreed to be triggered upon the opening of insolvency proceedings cannot be applied until the entry into bankruptcy. The law also provides that upon the opening of bankruptcy proceedings, all receivables become due and payable (*scadente*) by operation of law (except for those resulting from qualified financial agreements, netting operations based on qualified financial agreements and netting arrangements). To the extent a Romanian court would find these provisions to pertain to Romanian public order under private international law, it may refuse to recognize the validity of these types of clauses governing the Notes, which may result in rendering them unenforceable against the Issuer and will limit or deny the ability of the holders of the Notes to exercise their rights under the Notes. See “*Certain Insolvency and Enforceability Consideration—Romania.*”

Dutch insolvency laws may not be as favorable to prospective investors as insolvency laws of other jurisdictions.

The Parent is incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in the Netherlands. Therefore, the Netherlands is presumed to be the center of main interests of the Parent (from a legal perspective and *provided* that the statutory seat was not moved to another EU Member State in the three months preceding the moment of the bankruptcy petition) and the Parent can be subjected to insolvency proceedings in this jurisdiction. Such insolvency proceedings applicable to the Parent will be governed by Dutch insolvency laws, subject to certain exceptions as provided for in the EU Insolvency Regulation. The center of main interest can be located in another Member State other than its statutory seat if a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company’s actual center of management and supervision and of the management of its interests is located in that other Member State. Dutch insolvency laws are different from the insolvency laws of other jurisdictions, and this may limit a prospective investor’s ability to enforce any Collateral granted by the Parent to an extent exceeding the limitations arising under other insolvency laws. See “*Certain Insolvency and Enforceability Considerations—The Netherlands—Insolvency.*”

In addition, under Dutch insolvency laws, the validity of an appointment of an agent for service of process granted by a Dutch entity, such as the appointment by the Parent of agents for service of process under New York and English law under the Indenture and under English law under the Intercreditor Agreement, is uncertain. Furthermore, such appointments will terminate automatically in the case of an insolvency of the Parent. As such, the ability of the holders of the Notes to bring suit against the Issuer in New York or England may be limited.

Investors may be unable to enforce foreign arbitral awards or court judgments or effect service of process against us or our assets in the jurisdictions in which we operate or our executive officers reside.

Our presence outside of the United States and the United Kingdom may limit the legal recourse investors in the Notes may enjoy against us. The Issuer is incorporated under the laws of Romania and the Parent is incorporated under the laws of the Netherlands. Other subsidiaries of the Parent are incorporated under the laws of Romania and Italy. All of the Issuer's and the Parent's directors and executive officers named in this prospectus reside outside the United States and United Kingdom, principally in Romania.

The Notes and the Indenture are governed by the laws of the State of New York (save for the arbitration clauses providing for arbitration under the LCIA Rules (as defined below), which are governed by English law). The Notes and the Indenture provide that (a) any suit, action or proceeding arising out of, related to, or in connection with the Indenture, the Notes or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws (a **"Dispute"**) shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration, also known as LCIA (the **"LCIA Rules"**), with the seat of any such arbitration in London, United Kingdom, *provided* that (b) any party to the Indenture (an **"Initiating Party"**) may, in its sole discretion and by notice in writing to the other parties, choose instead of arbitration to submit a Dispute to any U.S. federal or state court located in the State and City of New York, Borough of Manhattan, *provided further* that such notice is made before any request for arbitration has already been served in respect of the same Dispute. The Intercreditor Agreement is governed by English law and provides for an exclusive jurisdiction of English courts to settle any dispute arising out of or in connection therewith.

Romania and the Netherlands are parties to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the **"New York Convention"**). Consequently, an arbitral award from an arbitral tribunal in the United Kingdom would generally be recognized and enforced in each of those jurisdictions on the basis of the rules of the New York Convention. However, it may be difficult to enforce foreign arbitral awards against us in some, or all, of those jurisdictions due to, among other things, procedural requirements of local legislation governing such enforcement or should such awards be considered contrary to local public policy. In addition, local laws in Romania and the Netherlands may make it difficult to enforce judgments against us that were obtained in foreign courts. As a general matter, these laws permit an action to be brought before a court of competent jurisdiction for the recognition and enforcement of a final and conclusive judgment *in personam* rendered by a court from an EU member state, *provided* that the relevant conditions set forth in EC Regulation No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters are met. However, other conditions may be applicable with respect to specific matters, under special local legislation or international conventions. Similar rules on the recognition and enforcement of foreign court judgments apply to judgments issued in non-EU member states, which are parties to the EU Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters of 2007 (the **"Lugano Convention"**). Judgments rendered by courts in the United States and other non-EU member states (which includes the United Kingdom following its departure from the EU), which are not parties to the 2007 Lugano Convention are subject to different conditions, and may be more difficult to enforce. Recognition and enforcement of such judgments is subject to compliance with a number of local procedural requirements. There is no treaty between the United States and either Romania or the Netherlands providing for reciprocal recognition and enforcement of foreign court judgments in civil and commercial matters. Under Romanian law, reciprocity is presumed to exist in fact (*de facto*) unless there is proof to the contrary; such proof is to be determined by the Romanian Ministry of Justice, in consultation with the Romanian Ministry of Foreign Affairs. Should the presumption not be observed or should it be overturned, this may deprive you of effective legal recourse for claims related to your investment in the Notes. The possible need to re-litigate in Romania a judgment obtained in a foreign court on the merits may also significantly delay the enforcement of such judgment. Under Romanian law, certain amounts may be payable by the claimant upon the initiation of any action or proceeding in any Romanian court. These amounts in many instances depend on the amount of the relevant claim. Under Dutch laws, reciprocity is presumed to exist *de facto*, unless there is proof to the contrary, such proof to be determined by the relevant local authorities.

The limitations set out above may deprive investors in the Notes of effective legal recourse for claims related to their investment. See *"Enforcement of Civil Liabilities."*

In addition, investors in the Notes may not be able to serve process on our directors and executive officers or us in the United States or enforce judgments obtained in U.S. courts against them or us based on the civil liability provisions of U.S. federal securities laws. It is unclear if original actions of civil liabilities based solely upon U.S. federal securities laws are enforceable in courts outside the United States. Any enforcement action in a court outside the United States will be subject to compliance with procedural requirements under applicable local law, including the condition that the judgment does not violate the public policy of the applicable jurisdiction, and requirements relating to the service of process.

Romanian law provisions in relation to noteholders' meetings are untested, which may interfere with customary operation of the Indenture, the Notes and other documents related to the Offering in unpredictable ways.

As the Issuer is a joint stock company organized under the laws of Romania, certain provisions of Romanian law provide for the possibility of noteholders' meetings (*adunarea obligatarilor*) and noteholders' representatives (*reprezentantul obligatarilor*) in relation to its notes issuances. Under Romanian law, noteholders' meetings are vested with the following powers (together, the **"Romanian Law Meeting Powers"**): (a) to appoint a noteholders' representative and one or more deputies and establish the remuneration of the noteholders' representative (the **"Noteholders' Representative Appointment Power"**); (b) to carry out all acts of supervision and defense of the applicable noteholders' common interests in relation to the applicable notes or to authorize any appointed noteholders' representative in this respect (the **"Common Interests Power"**); (c) to establish a fund, which may be constituted from any interest payments due to the noteholders in respect of their notes, in order to cover the expenses necessary for the defense of the rights of the noteholders and establish at the same time the rules for the management and administration of such a fund (the **"Fund Power"**); (d) to oppose any amendment to the articles of association of the issuer or to the terms and conditions of notes, in each case which could adversely affect the rights of the noteholders (the **"Amendments Power"**); and (e) to express a position on the issue of any new bonds by the issuer (the **"Bond Opinion Power"**). Romanian law also requires that certain statutory minimum quorum and voting thresholds be met in connection with the exercise of these powers. Under the statutory minimum thresholds, with respect to an exercise of the Noteholders' Representative Appointment Power, the Common Interests Power and/or the Fund Power, at least a majority of the votes cast at a noteholders' meeting must be cast in favor of such exercise, *provided* that such votes cast in favor also represent at least one-third of the aggregate principal amount of the notes outstanding (which in effect permits exercise of the Noteholders' Representative Appointment Power, the Common Interests Power and/or the Fund Power with the support of as little as one-third of the aggregate principal amount of the notes outstanding). With respect to an exercise of the Amendments Power and/or the Bond Opinion Power, at least 80% of the votes cast at a noteholders' meeting must be cast in favor, *provided* that a quorum of two-thirds of the notes outstanding was initially present (which in effect permits exercise of the Amendments Power and/or the Bond Opinion Power with the support of as little as 53 1/3% of the aggregate principal amount of the notes outstanding).

Certain of these Romanian Law Meeting Powers, and/or the statutory minimum thresholds at which they may be exercised, differ from the rights, duties, powers, authorities or discretions that are customarily provided for in Indenture and related documents for offerings of notes similar to the Offering and/or from the specified thresholds or circumstances under which the latter may customarily be exercised or performed. Moreover, the relevant provisions of Romanian law are unclear and untested and unfamiliar to the Romanian courts, which creates significant uncertainty in relation to the ways in which such provisions may eventually be applied or enforced in practice. Consequently, it is possible that the Romanian Law Meeting Powers could interfere with the customary exercise or performance of rights, duties, powers, authorities or discretions in Indenture and related documents for offerings of notes similar to the Offering in unpredictable ways. For example, although there is no relevant precedent, under the statutory minimum thresholds, resolutions that may be adopted pursuant to the Romanian Law Meeting Powers by holders of as little as one-third of the aggregate principal amount of the notes outstanding could potentially be used to initiate enforcement proceedings that, under typical indenture provisions, might require the approval of holders representing at least a majority in aggregate principal amount of the notes outstanding. Conversely, although there is no relevant precedent, under the statutory minimum thresholds, resolutions that may be adopted pursuant to the Romanian Law Meeting Powers by holders of as little as one-third of the aggregate principal amount of the notes outstanding could potentially seek to block the exercise of powers that, under typical indenture provisions, would customarily be permitted to holders of notes representing a specified percentage in aggregate principal amount of the notes outstanding (such as the rights of holders representing at least 25% in aggregate principal amount of the notes outstanding to declare the notes to be due and payable immediately following an event of default, or to take enforcement action if the trustee, being so requested, fails to act in a time-bound manner and certain other conditions are satisfied) or to individual holders of notes. Further, although there is no relevant precedent, we expect that holders of the relevant notes would not, under Romanian law, be permitted to institute legal action in Romanian courts to the extent such legal action is contrary to a resolution of a duly convened noteholders' meeting.

In light of these considerations, on the Issue Date, Initial Meetings of the Notes was held in accordance with applicable Romanian law to approve the relevant Initial Meeting Resolutions, the forms of which are set out in Annex A to this prospectus and which are further described in *"Description of the Notes."* The Initial Meeting Resolutions are generally intended to (i) approve the relevant Indenture, the relevant Notes and the related documents in relation to the Offering, including where such documents differ from, or are supplementary to, provisions of Romanian law, and (ii) facilitate the exercise or performance following the Issue Date by relevant persons (including the Issuer, the Trustee, the Noteholders' Representatives and holders of the Notes or book-entry interests therein) of the rights, duties, powers, authorities or discretions customarily required of,

permitted by or granted to them under such documents and/or pursuant to customary practices in relation to such documents. For example:

- by appointing the Trustee as the initial Noteholders' Representative for the Notes, and requiring that both the Trustee, in that capacity, as well as any successor Noteholders' Representatives that may be validly appointed after the Issue Date accede to and thereby assume certain obligations under the relevant Indenture(s), the Initial Meeting Resolutions seek to limit the potential for conflicts that may arise if a person other than the Trustee exercises the powers of a noteholders' representative under Romanian Law (see "*A Noteholders' Representative other than the Trustee could be appointed and, if so appointed, may not comply with the provisions of the relevant Indenture or the directions of the Trustee*");
- by approving the terms of the relevant Indenture, the relevant Notes and the related documents in relation to the Offering, and sanctioning any future action made, given or taken by or on behalf of the relevant persons mentioned above in relation to such documents, the Initial Meeting Resolutions seek to ensure that all such rights, duties, powers, authorities or discretions may be exercised or performed in customary manner following the Issue Date by all such relevant persons without the need for subsequent noteholders' meetings (except in the limited instances where Meetings are required under the relevant Indenture); and
- by requiring that any subsequent noteholders' meeting comply with the requirements in relation to Meetings provided for in the relevant Indenture, the Initial Meeting Resolutions seek to ensure alignment between the quorum and voting requirements required at any subsequent Meetings and the consent thresholds that would in any event be required to be met under the Indenture for a particular action by the holders of the relevant Notes, and, further, to ensure that modifications to the Initial Meeting Resolutions may only be made (or actions inconsistent with the Initial Meeting Resolutions or the provisions of the relevant Indenture, the relevant Notes and related documents in relation to the Offering only be taken) if at least 90% in aggregate principal amount of the relevant Notes outstanding are both represented at a Meeting and vote in favor.

Although we believe that the Initial Meeting Resolutions and the related provisions of the Indenture addressing Meetings and the Romanian Law Meeting Powers should be effective for their intended purpose, investors should be aware that these constructs, like the Romanian Law Meeting Powers themselves, are untested and may be susceptible to challenge. It is possible, for example, that the provisions of the Indenture that apply different quorum and majority requirements to Meetings following the Initial Meetings than the ones prescribed under applicable Romanian law may be challenged by holders of the relevant Notes, the Issuer and others, and if challenged, that the necessity of applying such provisions may not be upheld by a Romanian court (potentially resulting in a reduction of quorum and majority thresholds to the levels prescribed by applicable Romanian law). Similarly, the provisions of the Indenture that require voting on certain matters to be done in separate Meetings for the Notes, allow convening of Meetings directly by the Trustee (in its capacity as an appointed Noteholders' Representative) and allow, under certain circumstances, the Trustee (in its capacity as an appointed Noteholders' Representative) to appoint representatives of itself to chair Meetings, are all untested under Romanian law and could, if challenged and not upheld by a Romanian court, have unpredictable consequences (such as the imposition of a requirement that Meetings be convened only by the Issuer or a Romanian court, or invalidation by a Romanian court of the resolutions adopted by past Meetings, including the Initial Meeting).

A Noteholders' Representative other than the Trustee could be appointed and, if so appointed, may not comply with the provisions of the relevant Indenture or the directions of the Trustee.

Under applicable Romanian Law, a noteholders' representative appointed pursuant to an exercise of the Noteholders' Representative Appointment Power may direct the issuer of the relevant notes to convene subsequent noteholders' meetings and to act in certain capacities on behalf of the holders of the notes (including on behalf of the holders in proceedings before a Romanian court, or in discussions with the issuer of the notes, or, subject to being expressly empowered to do so at a noteholders' meeting pursuant to the exercise of the Common Interests Power, to take other actions for the supervision and defense of the noteholders' common interests).

The Trustee was appointed as the Noteholders' Representative for the Notes at the relevant Initial Meetings and acceded to the Indenture in its capacity as such on the Issue Date. Moreover, the Indenture specifically prescribes that all duties, powers, rights and discretions conferred upon the Noteholders' Representative (if other than the Trustee) will be performed in accordance with the Trustee's instructions, such instructions being treated as instructions given to the Noteholders' Representative by all holders of the relevant Notes as a body. However, if a Noteholders' Representative other than the Trustee were to be appointed and, if so appointed, were to act otherwise than in accordance with the terms of the relevant Indenture and such instructions by the Trustee, that could result in a conflict with the provisions of the relevant Indenture and the acts of the Trustee thereunder. Any such conflict or any related uncertainty could impact the Trustee's actions on behalf of the holders of the relevant Notes and/or jeopardize the ability of such holders to enforce their rights under such Notes. The Trustee will be

under no obligation to monitor, direct, or supervise any such other Noteholders' Representative and will not be held liable for any action taken by such other Noteholders' Representative unless directly caused by its gross negligence or willful misconduct.

In addition, mandatory Romanian law provisions limit certain individual rights to pursue legal action available to the holders of the Notes under Indenture, where the Noteholders' Representative is also pursuing a remedy in relation to the same matter. The Indenture requires each Noteholders' Representative to disjunct, amend or forfeit (as necessary) any remedy that it is pursuing, on behalf of the holders of the relevant Notes to the extent that the pursuit or award of such remedy may adversely affect such individual rights of any holder of the relevant Notes. If the Noteholders' Representative were to act other than as required under the relevant Indenture, this may affect the ability of the holders of the relevant Notes to pursue their claims individually.

The market value of the Notes could decrease if our creditworthiness worsens.

The market value of the Notes will suffer if the market perceives us to be less likely to fully perform all obligations under the Notes when they fall due. This could occur, for example, because of the materialization of any of the risks listed in this "Risk Factors" section. Even if our ability to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these events occurs, third parties would only be willing to purchase the Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes could decrease.

Credit ratings may not reflect all risks, are not recommendations to buy or hold the Notes and may be subject to revision, suspension or withdrawal at any time.

The Notes are expected upon issue to be rated BB+ by Fitch and BB- by S&P. Other independent credit rating agencies may also assign credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, the market, other risk factors discussed in this prospectus and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if in its judgment circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Many of the covenants in the Indenture will be suspended if the Notes are rated investment grade.

Many of the covenants that will be contained in the Indenture will be suspended if the Notes are rated investment grade by both S&P and Fitch, *provided* at such time no default under the Indenture has occurred and is continuing. These covenants will be suspended for the duration of the period during which the Notes maintain an investment grade rating and include covenants that restrict, among other things, our ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such ratings. Suspension of these covenants, however, would allow us to engage in certain transactions that would not be permitted while these covenants were in force, and such transactions will not result in a breach of the Indenture if the Notes fail to maintain an investment grade rating. See "Description of the Notes—Certain Covenants—Covenant Suspension."

Early redemption of the Notes may reduce the yield expected by the holders of the Notes.

The Notes will be redeemable at the option of the Issuer as more fully described in "Description of the Notes—Optional Redemption." In the event that the Issuer exercises the option to redeem the Notes, the holders of the Notes may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

Transfers of the Notes will be subject to certain restrictions.

The Issuer has not agreed to register and does not intend to register the Notes under the U.S. Securities Act or any securities laws of any state or any other jurisdiction of the United States. The holders of the Notes may not offer to sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or any other jurisdiction of the United States. The Issuer has not undertaken to register the Notes or to effect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered and does not intend to register the Notes under any other country's securities laws. Prospective investors in the Notes should read the discussion under the heading "Notice to Investors" for further information about these transfer restrictions. It

is the obligation of the investors in the Notes to ensure that their subscription for or subsequent offers, sales or transfers of the Notes within the United States and other countries comply with any applicable securities laws.

There is no assurance that the holders of the Notes will be able to sell them.

There is no existing market for the Notes. An application has been made to the Irish Stock Exchange plc (trading as Euronext Dublin), to list the Notes on its Official List and admit them to trading on its regulated market, but we cannot guarantee that the Notes will be admitted to trading and, if admitted, the liquidity of any market that may develop for the Notes, the ability of the holders of the Notes to sell such Notes or the price, at which they may be able to sell such Notes. Liquidity and future trading prices of the Notes depend on many factors, including, among other things, prevailing interest rates, results of operations, the market for similar securities and general economic conditions. The Initial Purchasers have informed us that they intend to make a market in the Notes after completing the Offering. They are not, however, obligated to do so. Any market-making that is commenced may be halted at any time. In addition, changes in the overall market for high yield securities and changes in our financial performance in the markets in which we operate may adversely affect the liquidity of any trading market in the Notes that does develop and any market price quoted for the Notes. As a result, we cannot ensure that an active trading market will actually develop for the Notes.

Historically, markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in the prices of such debt. Any market for the Notes may be subject to similar disruptions. Any such disruptions may affect the liquidity and trading of the Notes independent of our financial performance and prospects and may have an adverse effect on the holders of the Notes.

The Notes may not become listed on the Irish Stock Exchange, trading as Euronext Dublin.

Although the Issuer will use its commercially reasonable efforts to have the Notes listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, as promptly as practicable following the Notes Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure prospective investors that the Notes will be admitted and, if admitted, remain listed. If the Issuer cannot obtain or maintain the listing of the Notes on the regulated market of Euronext Dublin or it becomes unduly onerous to make or maintain such listing, the Issuer may cease to make or maintain such listing, provided that it will use commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List on the regulated market of Euronext Dublin or another recognized listing exchange for high yield issuers in accordance with the Indenture, failure of the Notes to be approved for listing, or the delisting of the Notes from the Official List on the regulated market of Euronext Dublin or another stock exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

Prospective investors may face foreign exchange risks by investing in the Notes and may be exposed to tax consequences as a result of any foreign exchange gains or losses.

The Notes are denominated and payable in euros. If prospective investors measure their investment returns by reference to a currency other than the euro, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro, relative to the currency, by reference to which such prospective investors measure their returns because of economic, political or other factor, over which we have no control. Depreciation of the euro, against the currency, by reference to which prospective investors measure their respective investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return of the Notes is translated into the currency, by reference to which such investors measure their investment returns. There may be tax consequences for prospective investors as a result of any foreign exchange gains or losses for any investment in the Notes. See “Tax Considerations—Certain United States Federal Income Tax considerations—Foreign currency exchange gain or loss.”

The interests of our shareholders may not always coincide with those of the holders of the Notes.

Mr. Zoltán Tészari privately controls the majority of our share capital. See “Principal Shareholders.” As a result, Mr. Zoltán Tészari has, and will continue to have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our board of directors and to approve or prevent any other changes to our operations. There may be circumstances in which our controlling shareholder may have different objectives from the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our controlling shareholder could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in his judgment, could enhance his equity investment, although such transactions might involve risks to the holders of the Notes. In addition, we might not be aware of all related party transactions, which may involve risks of conflicts of interest that result in concluding transactions on less favorable terms than could be obtained in arm's length transactions.

Even if our current controlling shareholder makes divestitures such that he controls less than a majority of our equity, he may still be able to effectively control or strongly influence our decisions. Such divestitures may not trigger a change of control under the Indenture. See “*Description of the Notes—Repurchase at the Option of the Holders—Change of Control.*”

The Notes will initially be held in book-entry form and therefore prospective investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until the Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or the holders of the Notes. The nominees for Euroclear and/or Clearstream (or their common depositary) are the sole holders of the global notes representing the Notes. After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests.

Accordingly, if an investor owns a book-entry interest, it must rely on the procedures of Euroclear or Clearstream, as applicable, and if it is not a participant in Euroclear or Clearstream, on the procedures of the participant through which it owns its interest, to exercise any rights and obligations as a holder of the Notes. See “*Book-Entry; Delivery and Form—Information Concerning the Clearing Systems.*” Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon our solicitations for consents, requests for waivers or other actions from the holders of the Notes. Instead, if an investor owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, or if applicable, from a participant in these systems. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters or otherwise exercise their rights with respect to the Notes on a timely basis.

Similarly, upon the occurrence of an event of default, unless and until definitive registered Notes are issued in respect of all book-entry interests, if an investor owns a book-entry interest it will be restricted to acting through Euroclear or Clearstream, as applicable. No assurance can be provided that the procedures to be implemented through Euroclear or Clearstream, as applicable, will be adequate to ensure the timely exercise of the investors’ rights under the Notes. See “*Book-Entry; Delivery and Form—Special Timing Considerations.*”

Potential investors will risk losing all or part of the investment in the Notes if they do not have the expertise to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on their overall investment portfolio.

Investment in the Notes involves a high degree of risk. Therefore, each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Notes;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

If potential investors in the Notes do not have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on their overall investment portfolio, they could lose all or part of their investment in the Notes.

CERTAIN KEY DEFINITIONS

“2021 Spanish Senior Facilities Agreement” means the senior facilities agreement dated July 26, 2021 (as amended on July 27, 2022 and June 29, 2023), between, among others, DIGI Spain, the Parent, the Issuer, Banco Santander S.A. and ING Bank N.V. as mandated lead arrangers, and several other financial institutions, as lenders, which provided for the following facilities: (i) a €57 million Facility A (term loan facility); (ii) a €65 million Facility B (term loan facility); (iii) a €10 million Facility C (revolving facility); (iv) a €128 million Facility D (term loan facility); (v) a €100 million Facility E (term loan facility). The Facilities A, B and C under the 2021 Spanish Senior Facilities Agreement were repaid in full on September 27, 2024. The Facilities D and E under the 2021 Spanish Senior Facilities Agreement were repaid in full and the 2021 Spanish Senior Facilities Agreement was terminated on March 31, 2025;

“2023 EKN Covered Export Credit Facility Agreement” means the export credit facilities agreement dated April 24, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for the following facilities: (i) a €25.8 million Facility A and (ii) a €34.2 million Facility B, described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2023 EKN Covered Export Credit Facilities Agreement”*;

“2023 Export Credit Facilities” means the facilities established under the 2023 Export Credit Facility Agreements;

“2023 Export Credit Facilities Agreements” means the 2023 Finnvera Covered Export Credit Facility Agreement and the 2023 EKN Covered Export Credit Facility Agreement;

“2023 Finnvera Covered Export Credit Facility Agreement” means the export credit facilities agreement dated April 24, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for a €72.8 million Facility A, described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2023 Finnvera Covered Export Credit Facility Agreement”*;

“2023 Senior Facilities” means the facilities established under the 2023 Senior Facilities Agreement;

“2023 Senior Facilities Agreement” means the senior facilities agreement dated April 21, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, and several other financial institutions, as lenders, which as at the date of this prospectus provides for the following facilities: (i) a €150 million Facility A (term loan facility); (ii) a €100 million Facility B (revolving credit facility); (iii) a €250 million incremental facility (on a non-committed basis), described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2023 Senior Facilities Agreement”*;

“2024 Additional Export Credit Facilities” means the facilities established under the 2024 Additional Export Credit Facilities Agreement;

“2024 Additional Export Credit Facilities Agreement” means the export credit facilities agreement dated October 22, 2024, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for (i) a €46.1 million Facility A; (ii) a €10.2 million Facility B; (iii) a €3.5 million Facility C; and (iv) a €2.2 million Facility D, described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2024 Additional Export Credit Facilities Agreement”*;

“2024 EKN Covered Export Credit Facility Agreement” means the export credit facilities agreement dated May 14, 2024, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for the following facilities: (i) a €46.1 million Facility A and (iii) a €35.3 million Facility B, described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2024 EKN Covered Export Credit Facility Agreement”*;

“2024 Export Credit Facilities” means the facilities established under the 2024 Export Credit Facilities Agreements;

“2024 Export Credit Facilities Agreements” means the 2024 Finnvera Covered Export Credit Facility Agreement and the 2024 EKN Covered Export Credit Facility Agreement;

“2024 Finnvera Covered Export Credit Facility Agreement” means the export credit facilities agreement dated April 22, 2024, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for a €35.7 million Facility A, described in the section entitled *“Description of Other Indebtedness—Financial Obligations—2024 Finnvera Covered Export Credit Facility Agreement”*;

“2024 Senior Facilities” means the facilities established under the 2024 Senior Facilities Agreement;

“2024 Senior Facilities Agreement” means the senior facilities agreement dated June 3, 2024 (as amended and restated on September 12, 2024, and on December 5, 2024), between, among others, the Issuer, ING Bank N.V. as mandated lead

arranger, ING Bank N.V., London Branch, as facility agent, and several other financial institutions, as lenders, which as at the date of this prospectus provides for a €220 million Facility A, described in the section entitled “*Description of Other Indebtedness—Financial Obligations—2024 Senior Facilities Agreement*”;

“**2025 EKN Covered Export Credit Facility Agreement**” means the export credit facility agreement dated March 27, 2025, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides a €35.4 million term loan facility “*Description of Other Indebtedness—Financial Obligations—2025 EKN Covered Export Credit Facility Agreement*”;

“**2025 Export Credit Facilities**” means the facilities established under the 2025 Export Credit Facilities Agreements;

“**2025 Export Credit Facilities Agreements**” means the 2025 Finnvera Covered Export Credit Facility Agreement and the 2025 EKN Covered Export Credit Facility Agreement;

“**2025 Finnvera Covered Export Credit Facility Agreement**” means the export credit facility agreement dated March 27, 2025, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for a €19 million term loan facility, described in the section entitled “*Description of Other Indebtedness—Financial Obligations—2025 Finnvera Covered Export Credit Facility Agreement*”;

“**2025 Spanish Senior Facilities**” means the facilities established under the 2025 Spanish Senior Facilities Agreement;

“**2025 Spanish Senior Facilities Agreement**” means the senior facilities agreement dated March 28, 2025, between, among others, DIGI Spain, as the borrower, Banco Santander S.A. as facility agent and sustainability coordinator, and several other financial institutions, as lenders, which as at the date of this prospectus provides for the following facilities: (i) a €195.0 million Facility A (term loan facility); (ii) a €40.0 million Facility B (term loan facility); and (iii) a €40.0 million Facility C (revolving facility), described in the section entitled “*Description of Other Indebtedness—Financial Obligations—2025 Spanish Senior Facilities Agreement*”;

“**2028 Senior Secured Notes**” means the €400.0 million 3.25% Senior Secured Notes due 2028 issued by the Issuer on February 5, 2020 under the 2028 Senior Secured Notes Indenture, described in the section entitled “*Description of Other Indebtedness—Financial Obligations—2028 Senior Secured Notes*”;

“**2028 Senior Secured Notes Indenture**” means the indenture dated February 5, 2020, between, among others, the Issuer, the Parent, the Subsidiary Guarantors (as defined therein), GLAS Trustees Limited, as trustee, Citibank N.A., London Branch, as Principal Paying Agent and Transfer Agent, Citibank Global Markets Europe AG, as Registrar, and Wilmington Trust (London) Limited as Security Agent, governs the 2028 Senior Secured Notes;

“**ANCOM**” means *Autoritatea Națională pentru Administrare și Reglementare în Comunicații* (National Authority for Management and Regulation in Communications of Romania), an autonomous authority with regulatory and supervisory roles over electronic communications and postal services;

“**ARPU**” means average revenue per user;

“**CAGR**” means compound annual growth rate;

“**Conditional Notice of Redemption**” means the conditional notice of full redemption in relation to the 2028 Senior Secured Notes distributed to the holders thereof on October 20, 2025, in accordance with the terms of which such redemption is conditional upon the completion of one or more financing transactions by the Group for the purpose of redeeming the 2028 Senior Secured Notes that are satisfactory to the Issuer in its sole and absolute discretion and result in aggregate net proceeds to the Group in a sufficient quantity to pay the redemption price for the 2028 Senior Secured Notes in full and pay all related expenses on or prior to the redemption date (which, subject to the possibility of postponement as set out in such notice, is presently expected to be October 30, 2025);

“**DIGI Andalucía**” means DIGI Andalucía S.L.U., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain;

“**DIGI Andalucía Facility Agreement**” means the €84.0 million facility agreement entered into on May 14, 2025 by DIGI Andalucía, as borrower, DIGI Spain, as guarantor, and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING Bank N.V., Sucursal En España, as mandated lead arrangers, described in the section entitled “*Description of Other Indebtedness—Financial Obligations—DIGI Andalucía Facility Agreement*”;

“**DIGI Belgium**” means Digi Communications Belgium N.V., a limited liability company (*naamloze vennootschap*) organized under the laws of Belgium;

“**DIGI Italy**” means DIGI Italy S.r.l., a limited liability company (*società a responsabilità limitata*) organized under the laws of Italy;

“**DIGI Portugal**” means DIGI Portugal LDA, a limited liability company (*sociedade por quotas*) organized under the laws of Portugal;

“**DIGI Spain**” means DIGI Spain Telecom, S.L.U., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain;

“**Export Credit Facilities**” means the export credit facilities established under the Export Credit Facilities Agreements;

“**Export Credit Facilities Agreements**” means, collectively, the 2023 Export Credit Facilities Agreements, the 2024 Export Credit Facilities Agreements, the 2024 Additional Export Credit Facilities Agreement and the 2025 Export Credit Facilities Agreements;

“**GDP**” means gross domestic product;

“**Group**” means the Issuer and its direct and indirect consolidated subsidiaries, except as otherwise indicated or where the context otherwise requires;

“**IFRS**” means the International Financial Reporting Standards issued by the International Accounting Standards Board;

“**Indenture**” means the indenture, between, among others, the Issuer, as issuer, the Parent, as third-party security provider, the Trustee and the Security Agent that governs the Notes;

“**Intercreditor Agreement**” means the intercreditor agreement originally dated November 4, 2013, as amended and restated on October 26, 2016 between, among other parties, the Issuer, the Parent, The Trustee and the Security Agent, described in the section entitled “*Description of Other Indebtedness—Intercreditor Agreement*”;

“**ISIN**” means international securities identification number;

“**Issue Date**” means the date of issuance of the Notes;

“**Issuer**” means DIGI Romania S.A., a joint stock company organized under the laws of Romania, registered with the Bucharest Trade Registry Office under number J1994012278401, with its registered office at 75 Dr. Staicovici Street, 5th district, Bucharest, Romania;

“**NAC**” means National Audiovisual Council of Romania;

“**NACP**” means the Romanian National Authority for Consumer Protection;

“**NBR**” means the National Bank of Romania;

“**NEBA**” means *Nuevo Servicio Ethernet de Banda Ancha*, which is the new broadband Ethernet service provided by Telefónica in Spain;

“**Notes**” means the €600.0 million 4.625% Senior Secured Notes due October 29, 2031 offered hereby;

“**OCI**” means other comprehensive income;

“**Offering**” means the offering of the Notes;

“**Orange Romania**” means Orange Romania S.A., a majority owned subsidiary of Orange S.A.;

“**Parent**” means DIGI Communications N.V., a public company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, registered with the Dutch trade register under registration number 34132532, with its registered office at 75 Dr. Staicovici Street, 5th district, Bucharest, Romania, and its direct and indirect consolidated subsidiaries, except as otherwise indicated or where the context otherwise requires;

“**Paying Agent**” and “**Transfer Agent**” and “**Registrar**” means Citibank, N.A., London Branch;

“**Purchase Agreement**” means the purchase agreement to be dated as at the date of this prospectus, among the Issuer, as issuer, the Parent, as third-party security provider, and Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, Banco Santander, S.A., ING Bank N.V., Société Générale, and UniCredit Bank GmbH as the Initial Purchasers;

“**RCS Management**” or “**RCSM**” means RCS Management S.A., a joint stock company organized under the laws of Romania, registered with the Bucharest Trade Registry Office under number J199900674407, with its registered office at 71-75 Dr. Staicovici Street, 5th district, Bucharest, Romania;

“**Refinancing**” has the meaning given to it in “*Overview—The Refinancing*”;

“**RGU**” means revenue generating unit;

“**Security Agent**” means Wilmington Trust (London) Limited;

“**Senior Facilities**” means the senior facilities established under the Senior Facilities Agreements;

“**Senior Facilities Agreements**” means, collectively, the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, and the 2025 Spanish Senior Facilities Agreement;

“**SOTA**” means Sota Investments Spain OpCo, S.L.U., an investment vehicle controlled by a consortium led by Macquarie Capital, Aberdeen and Arjun Infrastructure Partners, which acquired the SOTA Network from DIGI Spain.

“**SOTA Network**” means the FTTH fixed network developed by DIGI Spain in 12 provinces in the Spanish regions of Comunidad de Madrid, Segovia, Avila, Castilla-La Mancha, Comunidad Valenciana and Murcia, which was sold to SOTA in September 2024. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and disposals and joint ventures—Disposals.*”

“**Stock Option Plans**” has the meaning given to it in “*Management—Compensation for Directors and Managers—Stock Option Plans*”;

“**Telekom Romania**” means, collectively, Telecom Romania Communications S.A. and Telecom Romania Mobile Communications S.A., minority owned subsidiaries of Deutsche Telekom AG;

“**Trustee**” means GLAS Trustees Limited;

“**UPC Romania**” means UPC ROMANIA S.R.L., a wholly owned subsidiary of the Vodafone group;

“**UniCredit Overdraft Facility Agreement**” means the uncommitted overdraft/bank guarantee facility agreement dated December 15, 2015, between the Issuer, as borrower, and UniCredit Bank, as lender, which as at the date of this prospectus provides for an up to €2.0 million overdraft/bank guarantee facility, described in the section entitled “*Description of Other Indebtedness—Financial Obligations—UniCredit Overdraft Facility Agreement*”;

“**VAT**” means value added tax; and

“**Vodafone Italy**” means Vodafone Italia S.p.A. , a wholly owned subsidiary of Vodafone Group.

“**Vodafone Romania**” means Vodafone Romania S.A., a wholly owned subsidiary of Vodafone Group.

PRESENTATION OF FINANCIAL AND OTHER DATA

PRESENTATION OF FINANCIAL INFORMATION

Historical financial information

Unless otherwise indicated, the financial information in this prospectus consists of the historical consolidated financial information of the Issuer and its consolidated subsidiaries. The Issuer's financial year runs from January 1 to December 31.

Included in this prospectus are the following consolidated financial statements of the Group:

- audited non-statutory consolidated financial statements of the Group prepared in accordance with IFRS as adopted by the EU as at and for the year ended December 31, 2024, together with the related notes thereto (the **"2024 Annual Financial Statements"**), which include the comparative financial information as at and for the year ended December 31, 2023, and an audit report thereon by the Group's independent auditors;
- audited non-statutory consolidated financial statements of the Group prepared in accordance with IFRS as adopted by the EU as at and for the year ended December 31, 2023, together with the related notes thereto (the **"2023 Annual Financial Statements"**) and, together with the 2024 Annual Financial Statements, the **"Annual Financial Statements"**), which include the comparative financial information as at and for the year ended December 31, 2022, and an audit report thereon by the Group's independent auditors;
- unaudited interim condensed consolidated financial statements of the Group prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, as at June 30, 2025, and for the six months ended June 30, 2025, which include comparative financial information as at December 31, 2024 for the condensed consolidated statements of financial position and for the six months ended June 30, 2024 condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity, together with the related notes thereto (the **"Interim Financial Statements,"** and, together with the Annual Financial Statements, the **"Financial Statements"**).

See the section entitled *"Index to Financial Statements."*

The Annual Financial Statements included in this prospectus have been audited by KPMG Audit SRL, independent auditors, as stated in their reports appearing herein, which contain an emphasis of matter paragraph stating that such Annual Financial Statements have been prepared by the Board of Directors for the purpose of being included in an prospectus and do not represent the Issuer's statutory consolidated financial statements, as discussed in Note 2.1 to each set of such Annual Financial Statements. The audit report on the 2023 Annual Financial Statements includes a qualified opinion with respect to the corresponding figures presented in those 2023 Annual Financial Statements, stating that in the auditor's view certain key inputs used by the management in its lease accounting model of the former subsidiary DIGI KFT (Hungary) as at and for the year ended December 31, 2021 could not be supported by available evidence, including lease contracts, and that it was not feasible for the auditor to quantify the financial effects of the above departure from the requirements of IFRS 16 (*Leases*) on the amounts of retained earnings as at December 31, 2022, on profit from discontinued operations, net of tax, and on net profit for the year then ended. The auditor's opinion on the 2023 Annual Financial Statements is modified because of the effect of this matter on the comparability of data presented as at December 31, 2023 and the corresponding data presented as at December 31, 2022.

With respect to the Interim Financial Statements included in this prospectus, the KPMG Audit SRL, independent auditors, have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their review report included herein, states that they did not audit and they do not express an opinion on that interim financial information and contains an others matters paragraph that states that the corresponding figures in the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, were not audited or subject to a review. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

See the section entitled *"Independent Auditors."*

The consolidated financial information of the Group as at and for the years ended December 31, 2022, 2023 and 2024 included in this prospectus has been extracted or derived from the Annual Financial Statements. The consolidated financial information of the Group as at December 31, 2024 and June 30, 2025 and for the six months ended June 30, 2024 and 2025 included in this prospectus has been extracted or derived from the Interim Financial Statements. The significant accounting policies applied in the preparation of the Financial Statements have been applied consistently in the preparation of the consolidated financial information of the Group extracted or derived from the Financial Statements for the purpose of presentation in this prospectus.

The presentation currency is the euro, as further described in the sections entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Exchange Rates—Conversion into euros for presentation in the Financial Statements.*” Accordingly, the Financial Statements included herein are presented in euros.

Segmental presentation

We currently have operations in Romania, Spain, Portugal and Italy. Although in the past we had operations in other Eastern European countries, the last of such operations (other than Romania) was disposed of on January 3, 2022. For historic reasons, in Note 4 (*Segment Reporting*) to each set of the Annual Financial Statements and Note 3 (*Segment Reporting*) to the Interim Financial Statements and in this prospectus, as part of our “Other” segment we present revenues from, and expenses of, our Italian operations. We also operate in Belgium through a joint-venture with Citymesh. We currently do not consolidate our Belgian joint venture and account for its result on an equity investment basis. Therefore, we do not currently present revenues from, or expenses of, our Belgian operations as part of our segment reporting. Unless otherwise specifically stated, in this prospectus we discuss revenues generated by, and operating expenses incurred in, Romania, Spain, Portugal and Italy after intersegment eliminations.

LTM information

Certain financial information in this prospectus has been presented for the twelve months ended June 30, 2025. Unless noted otherwise, such financial information has been computed by adding the number for the six months ended June 30, 2025 to the number for the year ended December 31, 2024 and subtracting from the resulting total the number for the six months ended June 30, 2024, in each case, in the relevant line item. The financial information presented for the twelve months ended June 30, 2025 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this prospectus, is not prepared in the ordinary course of the financial reporting of the Issuer and its consolidated direct and indirect subsidiaries and has not been audited or reviewed by the independent auditors of the Issuer.

None of the financial information used in this prospectus has been audited in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAS”) or auditing standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”). U.S. GAAS and the auditing standards of the PCAOB do not provide for the expression of an opinion on accounting standards which have not been finalized and are still subject to modification, as is the case with accounting standards as adopted for use in the European Union and included in the Financial Statements. Accordingly, it would not be possible to express any opinion on the Financial Statements under U.S. GAAS or the auditing standards of the PCAOB. In addition, there could be other differences between the auditing standards required by U.S. GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the Financial Statements and the implications of differences between the auditing standards noted herein.

Non-IFRS financial information

This prospectus contains certain financial measures that are not defined or recognized under IFRS, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA ex-operating leases, Adjusted EBITDA Margin ex-operating leases, Total debt, Total net debt, Total net debt ex-operating leases, Total secured debt, Total secured net debt, Net interest expense, Net interest expense ex-operating leases, Ratio of total net debt to Adjusted EBITDA, Ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases, Ratio of Adjusted EBITDA to net interest expense, and Ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases. See “*Summary Financial and Other Data*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” for a summary and the definition of each of these financial measures.

Our primary non-IFRS financial measures are defined as follows:

- **EBITDA** is defined as operating profit *plus* charges for depreciation, amortization, impairment and revaluation impact;
- **Adjusted EBITDA** is defined as EBITDA adjusted for the effect of non-recurring and one-off items;
- **Adjusted EBITDA Margin** is defined as ratio of Adjusted EBITDA to the sum of (i) revenues and (ii) other income (excluding other income from extraordinary sale of assets);
- **Adjusted EBITDA ex-operating leases** is defined as Adjusted EBITDA excluding the effects of the application of IFRS 16 to operating leases;
- **Adjusted EBITDA Margin ex-operating leases** is defined as the ratio of Adjusted EBITDA ex-operating leases to the sum of (i) revenues and (ii) other income (excluding other income from extraordinary sale of assets);
- **Total debt** is defined as the aggregate principal amount outstanding under our financial indebtedness;

- **Total net debt** is defined as total debt *less* cash and cash equivalents, adjusted for unamortized borrowing costs and effective interest rate adjustments;
- **Total net debt ex-operating leases** is defined as total net debt excluding operating lease liabilities resulting from the effects of the application of IFRS 16 to operating leases;
- **Total secured debt** is defined as the aggregate principal amount outstanding under our financial indebtedness, which are secured by liens of the Collateral or assets that do not form part of the Collateral;
- **Total secured net debt** is defined as total secured debt *less* cash and cash equivalents, adjusted for unamortized borrowing costs and effective interest rate adjustments;
- **Net interest expense** is defined as the sum of interest expense and interest for lease liability, *less* interest from banks (in each case, as extracted from our Financial Statements);
- **Net interest expense ex-operating leases** is defined as net interest expense, excluding the interest expense resulting from the application of IFRS 16 to operating leases;
- **Ratio of total net debt to Adjusted EBITDA** is defined as the ratio of total net debt to Adjusted EBITDA;
- **Ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases** is defined as the ratio of net debt ex-operating leases to Adjusted EBITDA ex-operating leases;
- **Ratio of Adjusted EBITDA to net interest expense** is defined as the ratio of Adjusted EBITDA to net interest expense;
- **Ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases** is defined as the ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases.

Information regarding these measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company.

These measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation, or as a substitute, for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. Furthermore, these items are unaudited, they are solely derived from our management's accounts and estimates and therefore undue reliance should not be placed on them and they should not be considered as substitutes for measures determined in accordance with IFRS.

OPERATING AND MARKET DATA

RGUs and ARPU

Throughout this prospectus, we refer to persons and organizations who subscribe to one or more of our services as customers. We use the term "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, IPTV 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; 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 “ARPU” to refer to the average revenue per RGU in a business line, geographic segment or the Group as a whole, for a period by dividing the total revenues of such business line, 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 prospectus, RGUs and ARPU numbers presented under the heading “Other” are the RGUs and ARPU numbers of our Italian subsidiary.

Market Data

Information regarding macroeconomic trends, market position, growth rates and other industry data pertaining to our business contained in this prospectus consists, with certain exceptions, of estimates based on data compiled by professional organizations and analysts, of data from other external sources and of our knowledge of our market. These data are subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In particular, we have cited the following sources in this prospectus in the section entitled “*Industry Overview*”: Eurostat, ANCOM, Cable Europe, European Commission, Comisión Nacional de los Mercados y la Competencia (*Spanish National Authority for Markets and Competition*) (“**CNMC**”) and Autorità per le Garanzie nelle Comunicazioni (*Italian National Authority for Telecommunications*) (“**AGCOM**”), Liberty Global plc, Ampere, Instituto Nacional de Estadística, GSMA Intelligence, National Institute of Statistics of Romania, Istituto Nazionale di Statistica, which, in each case, are independent public sources, as well as Group and peer reports. The analysts compiling these reports base their estimates and conclusions on a variety of different sources, some of which may be more accurate or reliable than others. Thus, our market share estimates, calculated using our internal RGU records, and RGU data of our competitors published by third parties, may differ from third-party analyst estimates of our market share. We cannot provide any assurance that RGU numbers of our competitors in such analyst reports and databases are correct or the same as those contained in our competitors’ internal records. Therefore, you should use caution in analyzing these estimates and should not place undue reliance on them.

Whilst the Directors believe the third-party information included herein to be reliable, we have not independently verified such third-party information, and neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of such information as set forth in this prospectus. We confirm that all third-party data contained in this prospectus has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this prospectus, the source of such information has been identified.

ROUNDING

Certain amounts that appear in this prospectus have been subject to rounding adjustments. The amounts derived or extracted from the Financial Statements (where they are presented in EUR thousand) have been rounded up in this document in EUR million, to the nearest one or two decimals. The percentages derived, extracted or calculated from the figures derived or extracted from the Financial Statements we have been round up in this document to the nearest one or two decimals. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. The calculations, variations and other percentages may differ slightly from their actual calculations due to rounding of underlying financial, statistical and operating information.

CURRENCIES

In this prospectus, references to “euro,” “EUR,” “€” or “eurocents” are to the currency of the member states of the European Union participating in the European Monetary Union, references to “U.S. dollar” or “US\$” are to the currency of the United States, references to “Romanian leu,” “RON,” “leu” (singular) or “lei” (plural) are to the currency of Romania and references to “GBP” are to the currency of the United Kingdom.

No representation is made that any specific currency amount in this prospectus could have been converted into any of the other currencies presented in this prospectus at any particular rate or at all. There are limited markets for the Romanian leu outside Romania. The limited availability of such currency may lead to volatility of exchange rates.

EXCHANGE RATE INFORMATION

The following table sets out the high, low, average and period-end exchange rates, for the periods and dates indicated, of the euro against the Romanian leu and the U.S. dollar, in each case as published by Bloomberg Composite Rate (London). The average exchange rates for each year are calculated as the average of the exchange rates as published by Bloomberg Composite Rate (London) on the last day of each month during a year.

The Bloomberg Composite Rate of the Romanian leu was RON 5.0874 per €1.00 and of the U.S. Dollar was \$1.1640 per €1.00, in each case, on October 15, 2025.

Year	Romanian leu			
	High	Low	Average	Period End
2020	4.8775	4.7569	4.8415	4.8682
2021	4.9536	4.8603	4.9243	4.9490
2022	4.9614	4.8186	4.9326	4.9466
2023	4.9790	4.8750	4.9506	4.9743
2024	4.9791	4.9665	4.9750	4.9753
2025 (through October 15, 2025).....	5.1204	4.9717	5.0296	5.0874

Source: Bloomberg.

Year	U.S. dollar			
	High	Low	Average	Period End
2020	1.2289	1.0667	1.1468	1.2289
2021	1.2300	1.1196	1.1795	1.2300
2022	1.1465	0.9582	1.0519	1.1465
2023	1.1239	1.0462	1.0823	1.1239
2024	1.1174	1.0349	1.0789	1.1174
2025 (through October 15, 2025).....	1.1865	1.0218	1.1219	1.1640

Source: Bloomberg.

The above rates may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this prospectus.

USE OF PROCEEDS

We expect the gross proceeds of the Offering to be €600.0 million.

We intend to use the gross proceeds of the Offering: (a) to redeem the entire outstanding aggregate principal amount of the 2028 Senior Secured Notes; (b) to partially prepay the term loan Facility A under the 2023 Senior Facilities Agreement; (c) to partially prepay the term loan Facility A under the 2024 Senior Facilities Agreement; (d) to partially prepay certain of our other secured short-term debt; (e) for general corporate purposes; and (f) to pay costs, expenses and fees in connection with the Refinancing (including accrued but unpaid interest, the Initial Purchasers' fees, legal and accounting fees and other transaction costs).

The table below summarizes the currently expected sources and uses of funds in connection with the Refinancing.

Sources of funds	(€ millions)	Uses of funds	(€ millions) ⁽¹⁾
Notes offered hereby ⁽²⁾	600.0	Redemption of the 2028 Senior Secured Notes ⁽³⁾	400.0
		Prepayment of the term loan Facility A under the 2023 Senior Facilities Agreement ⁽⁴⁾⁽⁷⁾	101.3
		Prepayment of the term loan Facility A under the 2024 Senior Facilities Agreement ⁽⁵⁾⁽⁷⁾	23.8
		Prepayment of other secured short-term debt ⁽⁶⁾⁽⁷⁾	27.2
		Payment of costs, expenses and fees ⁽⁸⁾	17.2
		General corporate purposes	30.5
Total sources	600.0	Total uses	600.0

- (1) These amounts represent our good faith estimates as at the date of this prospectus. However, actual amounts paid may be different and we assume no obligation to notify investors in the Notes of any amounts so paid.
- (2) Represents the gross proceeds from the Offering of the Notes.
- (3) Represents the entire aggregate principal amount outstanding under the 2028 Senior Secured Notes. On October 20, 2025, the Conditional Notice of Redemption was distributed to the holders of the 2028 Senior Secured Notes. On the Issue Date, we intend to deposit the corresponding amounts with the 2028 Senior Secured Notes trustee (or such other entity designated (as agent) for such purposes), thus causing the 2028 Senior Secured Notes Indenture to be satisfied and discharged. Certain of the Initial Purchasers or their affiliates are holders of the 2028 Senior Secured Notes and would receive proceeds from the Offering in connection with the redemption of the 2028 Senior Secured Notes.
- (4) Represents the aggregate amount of drawings under the term loan Facility A under the 2023 Senior Facilities Agreement, which we expect to prepay on or about the Issue Date. As of the date of this prospectus, €112.5 million in aggregate principal amount is outstanding under Facility A. After such prepayment, €11.3 million in aggregate principal amount is expected to remain outstanding under Facility A. See “*Description of Other Indebtedness—Financial Obligations—2023 Senior Facilities Agreement*.”
- (5) Represents the aggregate amount of drawings under the term loan Facility A under the 2024 Senior Facilities Agreement, which we expect to prepay on or about the Issue Date. As of the date of this prospectus, €220.0 million in aggregate principal amount is outstanding under the 2024 Senior Facilities Agreement. After such prepayment, €196.2 million in aggregate principal amount is expected to remain outstanding under the 2024 Senior Facilities Agreement. See “*Description of Other Indebtedness—Financial Obligations—2024 Senior Facilities Agreement*.”
- (6) Represents aggregate amount of drawings under our other secured-short term debt which we expect to prepay on or about the Issue Date. Our other secured short-term debt includes the (i) ING Facilities Agreement; (ii) Citi Facilities Agreement; and (iii) BRD Facility Agreements. As of the date of this prospectus, €43.9 million in aggregate principal amount is outstanding under our other secured short-term debt. After such prepayment, €16.7 million in aggregate principal amount is expected to remain outstanding under our other secured short-term debt. See “*Description of Other Indebtedness—Financial Obligations—ING Facilities Agreement*,” “*Description of Other Indebtedness—Financial Obligations—Citi Facilities Agreement*,” and “*Description of Other Indebtedness—Financial Obligations—BRD Facility Agreements*.”
- (7) The amounts shown estimate a particular split of prepayments between the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and our other secured short-term debt. We may choose to split the amounts to be prepaid under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and our other secured short-term debt in a different manner or prepay other amounts outstanding under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement and our other secured short-term debt. Certain of the Initial Purchasers or their affiliates are lenders under the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement or our other secured short-term debt and would receive proceeds from the Offering in connection with the prepayment of the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement or our other secured short-term debt, as applicable.
- (8) Represents estimated costs, fees and expenses associated with the Refinancing, including accrued but unpaid interest, the Initial Purchasers' fees, legal and accounting fees and other transaction costs.

CAPITALIZATION

The table below sets out the Group's consolidated capitalization, along with cash and cash equivalents, as at June 30, 2025:

- on a historical basis, which is extracted or derived (without material adjustments) from our Interim Financial Statements included elsewhere in this prospectus; and
- as adjusted to give effect to the Refinancing, as if it had occurred on June 30, 2025.

You should read this table in conjunction with the sections entitled “*Use of Proceeds*,” “*Business*,” “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments*,” as well as the Financial Statements included elsewhere in this prospectus.

	As at June 30, 2025	Adjustment (€ millions)	As at June 30, 2025 (as adjusted)
Cash and Cash Equivalents	55.5		86.1
Debt			
Notes offered hereby ⁽¹⁾	—	600.0	600.0
2028 Senior Secured Notes ⁽²⁾	400.0	(400.0)	—
Total Senior Secured Notes	400.0	200.0	600.0
2023 Senior Facilities ⁽³⁾	277.5	(101.3)	176.3
2024 Senior Facilities ⁽⁴⁾	220.0	(23.8)	196.2
2025 Spanish Senior Facilities ⁽⁵⁾	220.0	(220.0)	—
Total Senior Facilities	717.5	(345.0)	372.5
2023 Export Credit Facilities ⁽⁶⁾	44.2	—	44.2
2024 Export Credit Facilities ⁽⁷⁾	87.7	—	87.7
2024 Additional Export Credit Facilities ⁽⁸⁾	26.7	—	26.7
2025 Additional Export Credit Facilities ⁽⁹⁾	32.6	—	32.6
Total Export Credit Facilities	191.2	—	191.2
Other secured long-term debt ⁽¹⁰⁾	17.6	—	17.6
Other secured short-term debt ⁽¹¹⁾	43.9	(27.2)	16.7
Total senior secured debt	1,370.2	(172.2)	1,198.0
DIGI Andalusia Facility ⁽¹²⁾	51.0	—	51.0
Total secured debt	1,421.2	(172.2)	1,249.0
2025 Spanish Senior Facilities ⁽⁵⁾	—	220.0	220.0
Finance lease liabilities	64.6	—	64.6
Operating lease liabilities ⁽¹³⁾	441.5	—	441.5
Other unsecured long-term debt ⁽¹⁴⁾	61.2	—	61.2
Other unsecured short-term debt ⁽¹⁵⁾	91.4	—	91.4
Interest accrued, but unpaid	6.5	(2.7)	3.7
Unamortized borrowing costs and effective interest rate adjustments	(21.5)	(14.5)	(36.0)
Total debt	2,064.9	30.5	2,095.5
Equity			
Share capital	11.7	—	11.7
Reserves	220.4	—	220.4
Retained earnings	760.6	—	760.6
Equity attributable to owners of the Issuer	992.7	—	992.7
Non-controlling interest	116.3	—	116.3
Total equity	1,109.0	—	1,109.0
Total capitalization⁽¹⁶⁾	3,173.9	30.5	3,204.5

(1) Represents the aggregate principal amount of Notes offered hereby.

(2) Represents the aggregate principal amount outstanding under the 2028 Senior Secured Notes. On or about the Issue Date, we expect to redeem the 2028 Senior Secured Notes in full, using proceeds from the Offering. See “*Use of Proceeds*.”

(3) Represents the aggregate principal amount drawn under the 2023 Senior Facilities Agreement. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2023 Senior Facilities Agreement*.” The

guarantee provided by DIGI Spain for the benefit of the lenders under the 2023 Senior Facilities Agreement has been released. See “*Overview—The Refinancing.*” On or about the Issue Date, we expect to prepay €101.3 million under the term loan Facility A under the 2023 Senior Facilities Agreement, using proceedings from the Offering. See “*Use of Proceeds.*”

- (4) Represents the aggregate principal amount drawn under the 2024 Senior Facilities Agreement. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Senior Facilities Agreement.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Senior Facilities Agreement has been released. See “*Overview—The Refinancing.*” On or about the Issue Date, we expect to prepay €23.8 million under the 2024 Senior Facilities Agreement, using proceedings from the Offering. See “*Use of Proceeds.*”
- (5) Represents the aggregate principal amount drawn under the 2025 Spanish Senior Facilities Agreement. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2025 Spanish Senior Facilities Agreement.*” A €40.0 million revolving Facility C is provided under the 2025 Spanish Senior Facilities Agreement, which was undrawn as at June 30, 2025. Prior to the Issue Date, the guarantees and security provided by the Parent or the Issuer for the benefit of the lenders under the 2025 Spanish Senior Facilities Agreement were released and the 2025 Spanish Senior Facilities became unsecured. See “*Overview—The Refinancing.*”
- (6) Represents the aggregate principal amount drawn under the 2023 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2023 Export Credit Facilities Agreements.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2023 Export Credit Facilities Agreements has been released. See “*Overview—The Refinancing.*”
- (7) Represents the aggregate principal amount drawn under the 2024 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Export Credit Facilities Agreements.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Export Credit Facilities Agreements has been released. See “*Overview—The Refinancing.*”
- (8) Represents the aggregate principal amount drawn under the 2024 Additional Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2024 Additional Export Credit Facilities Agreements.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2024 Additional Export Credit Facilities Agreements has been released. See “*Overview—The Refinancing.*”
- (9) Represents the aggregate principal amount drawn under the 2025 Export Credit Facilities Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—2025 Export Credit Facilities Agreements.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the 2025 Export Credit Facilities Agreements has been released. See “*Overview—The Refinancing.*”
- (10) Represents relevant principal amounts drawn under the BRD Facility Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short Term and Working Capital Facilities.*” The guarantee provided by DIGI Spain for the benefit of the lenders under the BRD Facility Agreements has been released. See “*Overview—The Refinancing.*”
- (11) Includes relevant principal amounts drawn under the (i) ING Facilities Agreement; (ii) Citi Facilities Agreement; and (iii) BRD Facility Agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short Term and Working Capital Facilities.*” The guarantees provided by DIGI Spain for the benefit of the lenders under the ING Facilities Agreement and the Citi Facilities Agreement have been released. See “*Overview—The Refinancing.*” On or about the Issue Date, we expect to prepay €27.2 million under our other secured short-term debt, using proceedings from the Offering. See “*Use of Proceeds.*”
- (12) Represents the aggregate principal amount drawn under the DIGI Andalucía Facility. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—DIGI Andalucía Facility Agreement.*”
- (13) Represent operating lease liabilities resulting from the effects of the application of IFRS 16 to operating leases.
- (14) Includes (i) long-term trade payables relating to vendor financing arrangements and (ii) aggregate principal amounts drawn under certain local financing arrangements of DIGI Spain. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short term and working capital facilities.*”
- (15) Includes relevant principal amounts drawn under the (i) UniCredit Overdraft Facility Agreement; (ii) local financing arrangements of DIGI Spain; (iii) local financing arrangements of NOWO; and (iv) reverse factoring agreements. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Loans and borrowings—Short term and working capital facilities.*”
- (16) Represents the sum of total debt and total equity.

Other than as disclosed above and the sections entitled “*Overview—Refinancing*” and “*Use of Proceeds,*” there has been no material change in the Group’s capitalization since June 30, 2025, save for fluctuations in balances outstanding under our overdraft and other working capital financing facilities in the ordinary course of business.

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 information in the sections captioned "Presentation of Financial and Other Data" and "Summary—Summary Financial and Other Data" of this prospectus. The following discussion should also be read in conjunction with the Financial Statements included elsewhere in this prospectus.

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 the sections captioned "Important Information—Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" of this prospectus.

OVERVIEW

We are a fast-growing European telecom challenger, with strong presence in our core countries Romania and Spain, historic presence in Italy and recently launched operations in Portugal and Belgium.

- **Romania.** We offer a comprehensive suite of fixed and mobile telecommunication services to our customers in Romania. Our fixed services in the country include pay TV (cable TV and DTH), fixed internet and data and fixed-line telephony. As at June 30, 2025, our fixed network in Romania (which is the country's largest FTTH network) covered 95.1% of all dwellings (*Sources: Group Reporting, ANCOM*). As at the same date, we estimate that our network of approximately 9,000 mobile base stations (which we also estimate is the largest number of mobile base stations among all mobile operators in the country) covered 99.45% (outdoor voice coverage) of Romania's population. According to ANCOM, we have the widest population coverage among all mobile operators in the country. In October 2025, we further enhanced our mobile network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see "*Recent Developments—TKRM Business and Assets Acquisition*"). In addition, all of Romania is within the footprint of our DTH signal.
- **Spain.** In Spain, we offer IPTV, fixed internet and data and fixed-line telephony services through our own FTTH network and based on wholesale indirect access agreements through the SOTA Network and the fixed network of Telefónica. We provide mobile telecommunication services in the country as an MVNO through Telefónica's mobile network. Since January 2025, we have also been providing mobile telecommunication services as an MNO via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica. As at June 30, 2025, our own fixed network and the SOTA Network (which we sold to a consortium led by Macquarie Capital in 2024, but continue to maintain and operate to provide our services) together covered 46.6% of all dwellings in the country (*Sources: Group Reporting, Spanish National Institute of Statistics*).
- **Portugal.** We have been developing our own network in Portugal since 2021, when we acquired certain spectrum licenses. In addition, on October 25, 2024, we acquired NOWO, Portugal's fourth largest telecom operator. Since November 2024, we have been offering a full range of telecommunication services under the DIGI brand, including cable TV and IPTV, fixed internet and data, fixed-line telephony and mobile telecommunication services. We also continue servicing customers not yet migrated to the DIGI platform under the NOWO brand. We offer fixed services through our own FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country covered 36.3% of all dwellings (*Sources: Group reporting; INE*). As at the same date, our mobile telecommunication services covered 98.7% (outdoor voice coverage) of Portugal's population. Additionally, we provide mobile telecommunication services as an MVNO (under the NOWO brand) through the mobile network of MEO, a subsidiary of Altice Portugal.
- **Italy.** In Italy, we provide mobile telecommunication services as an MVNO through the mobile network of Vodafone Italy. We have also started a roll-out of our fixed network in the country, which is currently in an early development stage.
- **Belgium.** On July 16, 2025, we completed a series of transactions to consolidate all our existing operations in Belgium into the Issuer's direct subsidiary, Digi Communications Belgium N.V. ("**DIGI Belgium**"). We originally expanded into the country in December 2024, by introducing fixed and mobile service offerings through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium's results in our financial statements in the future. See "*Recent Developments—DIGI Belgium Consolidation*". Our current offerings in the country include fixed internet and data and fixed-line telephony on our own network, and mobile

telecommunication services on our own network and through a national roaming services agreement with Proximus.

As at June 30, 2025, we had 29.8 million RGUs in all our jurisdictions, including 18.8 million in Romania, 9.7 million in Spain, 0.8 million in Portugal and 0.5 million in Italy. In addition, as at June 30, 2025, DIGI Belgium had approximately 62,000 RGUs.

We have historically generated strong revenue streams and robust Adjusted EBITDA. Our revenues were €1,492.8 million, €1,690.4 million and €1,924.3 million for the years ended December 31, 2022, 2023 and 2024, respectively. For the year ended December 31, 2024, we generated €1,099.0 million, €782.0 million, €11.8 million and €31.5 million of revenues (after intersegment eliminations) in Romania, Spain, Portugal and Other (which includes revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions), respectively. This represented 57.1%, 40.6%, 0.6%, and 1.6%, respectively, of our consolidated revenues for that period. Our Adjusted EBITDA was €509.6 million, €595.3 million and €684.5 million for the years ended December 31, 2022, 2023 and 2024, respectively. For the year ended December 31, 2024, we generated €522.5 million, €174.7 million, €(15.6) million and €2.8 million of Adjusted EBITDA in Romania, Spain, Portugal and Other, respectively. This represented 76.3%, 25.5%, (2.3)%, and 0.4%, respectively, of our Adjusted EBITDA for that period.

We offer the following principal types of services:

- **fixed:**
 - **pay TV**, which includes cable TV, IPTV and DTH. Cable TV is our original line of business and is currently offered in Romania and Portugal. We also offer IPTV services in Spain and Portugal and DTH services in Romania. As at June 30, 2025, we had 6.2 million RGUs for pay TV services, of which 6.0 million, 0.1 million and 0.1 million in Romania, Spain and Portugal, respectively.
 - **fixed internet and data**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 7.4 million RGUs for fixed internet and data services, of which 5.0 million, 2.3 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed internet and data services in selected cities in Italy and Belgium, but their roll-out is an early development stage.
 - **fixed-line telephony**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 1.7 million RGUs for fixed-line telephony services, of which 0.8 million, 0.7 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed-line telephony services in selected cities in Belgium, but their roll-out is in an early development stage.
- **mobile:** we provide **mobile telecommunication services** in all our jurisdictions. As at June 30, 2025, we had 14.5 million RGUs for mobile telecommunication services, of which 7.0 million, 6.6 million, 0.4 million and 0.5 million in Romania, Spain, Portugal and Italy, respectively. We also had approximately 62,000 mobile RGUs in Belgium.

For the year ended December 31, 2024, our fixed services generated €963.8.0 million of revenues (after intersegment eliminations), or 50.1% of our consolidated revenues for that period, whilst our mobile services generated €795.4 million of revenues (after intersegment eliminations), or 41.3% of our consolidated revenues for that period. Other revenues for the year ended December 31, 2024 (which include sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues) was €165.1 million (after intersegment eliminations), or 8.6% of our consolidated revenues.

RECENT DEVELOPMENTS

DIGI Belgium Consolidation

On July 16, 2025, we completed a series of transactions, as a result of which all our operations in Belgium were consolidated into DIGI Belgium, which is currently 51% owned by the Issuer and 49% by Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium's results in our financial statements in the future. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures—Joint ventures—DIGI Belgium.”

TKRM Business and Assets Acquisition

On September 19, 2025, the Issuer entered into a business and asset transfer agreement with Hellenic Telecommunications Organization S.A. (“OTE”), Vodafone Romania S.A. (“**Vodafone Romania**”) and Telekom Romania Mobile Communications S.A. (“**TKRM**”) in relation to, among other things, the acquisition by the Issuer from TKRM of TKRM's business of providing prepaid mobile telecommunication services, as well as certain other assets, including certain spectrum licenses and mobile base stations and associated equipment, for an aggregate consideration of €40.0 million (the “**TKRM Business and Assets Acquisition**”). As part of the overall transaction, Vodafone Romania has acquired all shares held by OTE in TKRM.

The TKRM Business and Assets Acquisition was completed on October 1, 2025.

BASIS OF FINANCIAL PRESENTATION

The Group prepared its Annual Financial Statements in accordance with IFRS as adopted by the EU. The Group prepared its Interim Financial Statements in accordance with IAS 34 Interim Financial Reporting. The Group's financial year ends on December 31 of each calendar year. See "*Presentation of Financial and Other Data—Presentation of Financial Information.*"

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 generated 55% of our consolidated revenues for the twelve months ended June 30, 2025, our principal functional currency is the Romanian leu.

The non-statutory consolidated Financial Statements are presented in euros. The Group has elected to use the euro as the presentation currency for these Financial Statements, as management analysis and internal reporting are conducted in euros, and the euro is widely used as a reference currency in the telecommunications industry within the European Union. This presentation currency differs from the Group's statutory consolidated financial statements, which are prepared in Romanian leu (RON).

Presentation of Revenues and Operating Expenses

Revenues and operating expenses structure of our segments

We evaluate business and market opportunities and consider our results primarily on a country-by-country basis. We currently generate revenues and incur operating expenses in Romania, Spain, Portugal and Italy. Accordingly, our revenues and operating expenses as presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section are broken down into the following segments: Romania, Spain, Portugal and Other (which includes revenues generated, and operating expenses incurred, by our operations in Italy, as well as certain immaterial revenues / operating expenses, as applicable, in other jurisdictions).

Revenues

The table below sets out the revenues for each segment (after intersegment eliminations) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022 ⁽¹⁾	2023	2024	2024	2025
			(€ millions)		
Romania.....	964.9	1,019.4	1,099.0	533.9	580.3
Spain.....	500.4	642.0	782.0	369.0	444.7
Portugal ⁽²⁾	—	n.m.	11.8	n.m.	35.0
Other ⁽³⁾	27.5	29.0	31.5	15.1	16.9
Total consolidated.....	1,492.8	1,690.4	1,924.3	918.1	1,076.8

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See "*Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*"

(3) Represents revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions.

In addition, we analyze total revenues in accordance with our principal business lines, as follows: (1) fixed (which includes revenues generated by our pay TV (cable TV, IPTV and DTH), fixed internet and data and fixed-line telephony business lines), (2) mobile (which includes revenues generated by our mobile telecommunication services business line) and (3) other (which includes sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues).

The table below sets out our revenues by business line (after intersegment eliminations) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022 ⁽¹⁾	2023	2024	2024	2025
	<i>(€ millions)</i>				
Fixed services ⁽²⁾	725.3	841.2	963.8	464.9	543.1
Mobile services	615.9	714.2	795.4	377.5	442.6
Other ⁽³⁾	151.6	135.0	165.1	75.8	91.1
Total consolidated	1,492.8	1,690.4	1,924.3	918.1	1,076.8

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) Includes revenues from our pay TV, fixed internet and data and fixed telephony services.

(3) Includes sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues.

In general, for our principal pay TV, fixed internet and data, fixed-line telephony and mobile telecommunication services businesses lines, we earn revenues from flat-rate subscription fees received from our customers.

Fixed

Fixed revenues include revenues generated by pay TV (cable TV, IPTV and DTH), fixed internet and data and fixed-line telephony services.

Pay TV

Our pay TV services include cable TV services in Romania and Portugal, IPTV services in Spain and Portugal and DTH services in Romania. The revenues we receive for cable TV, IPTV and DTH services consists principally of flat-rate monthly subscription fees. The level of subscription fees depends on the programming package (including extras) chosen by the particular customer.

Fixed internet and data

The revenues we receive for fixed internet and data services in Romania, Spain, Portugal and Italy consists principally of flat-rate monthly subscription fees. We serve both residential and business customers. Subscription packages for business customers are subject to more negotiation and, as a result, present significantly more variability over time.

Fixed-line telephony

The revenues we receive for fixed-line telephony services in Romania, Spain and Portugal consists principally of flat-rate monthly subscription fees and per-minute telephone charges. We also derive revenues from interconnection fees that we receive from other service providers whose customers call our customers. We do not charge for calls to other telephone numbers within our fixed-line and mobile telephony networks in the same country. We charge for calls to other networks that exceed the allowance included in the monthly fee and for international calls to destinations that are not included in the subscriptions.

Mobile

In Romania, the revenues that we receive for mobile telephony services consists mostly of flat-rate monthly subscription fees, with a smaller proportion of revenues being generated by per-minute telephone charges (to the extent not included in the monthly subscription) and, to an even lesser extent, interconnection fees that we receive from other service providers whose customers call our customers, as well as charges for text and video messages (using the Rich Communication Services protocol) to, or from, numbers outside our network. We charge for SMS to other networks in Romania, SMS to international destinations and in roaming (to the extent not included in the monthly subscription). We also charge for voice and data traffic in roaming that exceed the quantity included in the subscription by the “roam-like-at-home” policy in EEA countries and all voice and data traffic in roaming in other countries that are not part of EEA. Another revenues stream for mobile telephony is from international calls to destinations that are not included in subscriptions. As a result of the acquisition of the pre-paid mobile business of TKRM pursuant to the TKRM Business and Assets Acquisition, starting with November 2025, when the migration of the TKRM prepaid customers to our network will begin, we will also offer prepaid mobile telephony services, thus also generating revenues from the sale of pre-paid packages (see “Recent Developments—TKRM Business and Assets Acquisition”).

In Spain, we generate revenues from mobile telephony services and mobile internet and data primarily via sale of post-paid and pre-paid packages as an MVNO and, from January 2025, as an MNO. Such revenues consist of voice, data and text charges and, to a lesser extent, interconnection fees that we receive from other service providers whose customers call our customers and revenues we receive from other service providers in connection with spectrum sharing agreements.

In Portugal, we generate revenues from mobile telephony services and mobile internet and data through our own networks and as an MVNO. Such revenues consist of voice, data and text charges and, to a lesser extent, interconnection fees that we receive from other service providers whose customers call our customers.

In Italy, we generate revenues from mobile telephony services and mobile internet and data primarily via sale of pre-paid packages as an MVNO. Such revenues consist of voice, data and text charges and, to a lesser extent, interconnection fees that we receive from other service providers whose customers call our customers.

Other

We also generated revenues from sales of third-party manufactured mobile handsets and pay TV accessories (such as satellite signal receivers and decoders in Romania), which are sold directly to our customers. Those sales are generally conducted at a low margin, or no margin at all, as part of new customer acquisition or as an incentive for existing customers to renew or upgrade their subscriptions. The cost of equipment that we provide to customers is capitalized as CPE.

In addition to our principal revenues generation streams, in Romania we sell advertising time on all our own TV channels and we operate four local radio stations in Romania. We also generate certain revenues from sale of electricity and green certificates in connection with our immaterial electricity generation and supply business, which is not our core activity. See “*Business—Products and Services—Business Lines—Electricity generation and supply.*”

These operations are relatively small and are not reported as separate business lines.

Operating expenses

The table below sets out the operating expenses for each of our segments (after intersegment eliminations) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022 ⁽¹⁾	2023	2024	2024	2025
	(€ millions)				
Romania	560.7	573.6	588.6	284.5	305.3
Spain.....	418.3	508.0	605.1	285.7	361.4
Portugal ⁽²⁾	6.0	6.9	27.4	4.4	58.8
Other ⁽³⁾	22.9	22.7	26.6	12.0	15.1
Total consolidated⁽⁴⁾	1,007.8	1,111.3	1,247.7	586.5	740.6

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “—*Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.*”

(3) Represents operating expenses of our operations in Italy, as well as certain immaterial operating expenses incurred in other jurisdictions.

(4) Excludes depreciation, amortization and impairment of assets, which we only monitor on a consolidated Group level. See “—*Presentation of Depreciation, Amortization and Impairment of Assets.*”

In general, for our principal pay TV, fixed internet and data, fixed-line telephony and mobile telecommunication services businesses lines, we incur expenses that include licensing, programming and content fees, customer service, as well as network operation and maintenance.

The operating expenses we record for cable TV services in Romania, Spain and Portugal consist principally of fees that we pay to providers of third-party TV channels, license fees that we pay for content on our own TV channels and personnel expenses (consisting in large part of the salaries we pay to personnel that operate and maintain our network, personnel used to operate our own channels and our sales personnel). We also incur expenses for copyright payments to the national bodies representing collective artists’ rights under relevant local laws, rights of way for our cables (which we record as “network rents”), maintenance and repair of our network, transportation and fuel expenses of our cable TV staff, collection and other miscellaneous expenses. We capitalize the expenses related to installing and upgrading our fixed network (except for maintenance and repairs). We also capitalize the expenses related to acquiring third-party programming for our own channels and amortize those assets over the period they relate to on a straight-line basis. Such third-party programming expenses are accounted for as a capital expenditure because the underlying rights are generally either exclusive or shared with one other party and we acquire them to attract and retain customers. We expense the cost of acquiring third-party channels and other content not used in the production of our own channels. The operating expenses incurred in connection with our DTH services in Romania consist principally of the cost of the programming content offered to our subscribers, transmission capacity on the

Intelsat and Telenor satellites, license fees paid to the holders of transmission/retransmission rights for sporting events that are broadcasted on our sports channels and the expense of operating customer care call centers. Third-party programming costs for cable TV and DTH services that are accounted for as operating expenses generally vary directly with our number of RGUs, as a significant part of our programming agreements for third-party channels link programming fees paid to content owners to the number of our subscribers in the relevant territory.

The operating expenses incurred in relation to fixed internet and data and fixed-line telephony services in Romania, Spain and Portugal consist principally of personnel expenses and related expenses of our service and maintenance staff, as well as interconnection fees, transmission fees and fees for indirect bitstream access with Telefónica and in connection with the SOTA Network. We also incur expenses for installation, maintenance and repair of the network and rights of way for the network, energy expenses related to the operation of the network, sales and collection expenses and expenses related to customer support services. Our treatment of expenses related to installing and upgrading our fixed network is the same across all business lines offering services via such network.

The expenses incurred in connection with our mobile telecommunication services in Romania, Portugal and Italy consist principally of interconnection fees paid to other network operators whose customers are called by our customers. In Spain, the expenses incurred in connection with our mobile telecommunication services consist principally of MVNO fees (up until December 2024), fees in connection with the National Roaming Agreement (from January 2025) and fees in connection with the RAN Sharing and Spectrum Sharing Agreement with Telefónica (from July 2025). Mobile telephony interconnection fees charged by operators during the periods under review by segment are set out in the table below:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(euro cent/minute)</i>				
Mobile telephony interconnection fees					
Romania.....	0.6	0.4	0.2	0.2	0.2
Spain.....	0.6	0.4	0.2	0.2	0.2
Italy.....	0.6	0.4	0.2	0.2	0.2
Portugal	—	—	0.2	0.2	0.2

Our expenses also include energy consumed by the network, personnel expenses and related expenses of our maintenance and customer service staff, radio spectrum fees payable to communications authorities in Romania, Spain and Portugal and service carry fees that we pay to Telefónica in Spain (including costs in connection with the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement), to Proximus under the Belgian MVNO Agreement, to MEO under the Portuguese Mobile Wholesale Services Provision Agreement and to Vodafone Italy under the Italian MVNO Agreement.

Presentation of Depreciation, Amortization and Impairment of Assets

As we have invested, and continue to invest, significantly in the development of our fixed and mobile networks and customer acquisition through investment in CPE, our expenses relating to depreciation, amortization and impairment of tangible and intangible assets have remained consistently high during the periods under review.

The table below sets out the evolution of our depreciation, amortization and impairment of assets expenses for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(€ millions)</i>				
Depreciation of property, plant and equipment.....	139.7	165.7	204.2	97.1	126.2
Depreciation of investment property	0.1	—	—	—	—
Amortization of right of use asset.....	79.8	91.2	104.6	51.0	58.1
Amortization of non-current intangible assets and programme assets ...	82.3	95.4	106.7	48.5	65.4
Amortization of subscriber acquisition costs.....	51.8	59.1	61.7	30.3	31.5
Impairment of property, plant and equipment.....	5.5	8.9	5.3	2.7	5.2
Impairment of subscriber acquisition costs.....	2.2	4.2	2.7	1.4	1.1
Revaluation decrease recognized in profit or loss.....	—	—	0.7	—	—
Total.....	361.4	424.4	485.9	231.1	287.4

Presentation of Other Income/Expenses

In addition to the revenues generated by our principal business lines and “other” revenues discussed above, in the periods under review we generated certain other income as follows: (i) one-off income from the sale in the year ended December 31, 2024 of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital for a €399.3 million gain from sale of property, plant and equipment and inventory; and (ii) grants extended by the Romanian government to energy producers in connection with regulatory caps on energy prices for consumers.

In the periods under review, we also incurred certain expenses other than operating expenses reported for our segments. Such other expenses related to vested share option plans.

TRENDS AND OTHER KEY FACTORS IMPACTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following are the key factors that have significantly affected our results of operations and financial condition during the periods under review, or which we expect will significantly affect our operations or financial condition in the future.

General economic environment in our key markets

Our main markets of Romania and Spain have shown significant economic growth in recent years. These markets jointly accounted for 97.7% and 95.2% of our consolidated revenues for the year ended December 31, 2024 and the six months ended June 30, 2025, respectively.

The ongoing military conflict in Ukraine or other factors may cause an economic downturn or recession in the markets in which we operate, which in turn could impact a significant number of our customers, leading to increased unemployment, a decrease in disposable income and in consumption spending.

Given the economic history of the regions of Eastern and Southern Europe that we serve, our enhanced television, data and telephony services are generally viewed as desirable, but not indispensable in times of economic difficulty. By contrast, we believe that basic television, internet and telephony services are perceived as necessities, rather than discretionary items.

Competition

Our results of operations are affected by competition, as we operate in intensely competitive industries and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers. See *“Risk Factors—Risks Relating to Our Business and Industry—We face significant competition in the markets in which we operate, which could result in decreases in the number of current and potential customers, revenues and profitability.”*

We believe that our focus on Romania and Spain, as well as synergies generated by our convergent fixed and mobile offerings and our advanced infrastructure, currently allow us to compete efficiently in our core markets. However, intense competition creates pressure to maintain low prices on our service and product offerings thus affecting our revenue growth potential.

Regulation

Mobile telecommunication licenses

We can only develop our mobile telecommunication offerings if we have appropriate licenses and bandwidth. For a list of our current mobile telecommunications licenses, see *“Business—Operations—Mobile Telecommunication Services Networks.”* If we are unsuccessful in obtaining such licenses, the growth of our business may be curtailed, as we may be unable to generate new RGUs or increase our ARPU (see *“—Growth in business, RGUs and ARPU”*).

License acquisition is a complex process, which is subject to extensive regulation in each country we operate or may seek to operate in. Licenses are granted at public auctions and relevant licensing authorities establish criteria that participants therein need to satisfy. If we are unable to meet those criteria, or otherwise unable to compete for such licenses, our results of operations could be significantly and materially affected.

In addition, in order to participate in auctions for mobile telecommunications licenses, we may be required to provide significant third party guarantees of our ability to pay corresponding license fees should the license sought be granted to us. If we are successful in our bids, we may need to attract additional financing to ensure that we have sufficient funds to pay those license fees. If we do, that will increase our balance sheet liabilities and finance expenses recorded on our statement of profit or loss.

Taxation

In the period from January 1, 2022, to June 30, 2025, we have seen no increase in general corporate taxation. In Romania, in particular, value-added tax (“VAT”) increased from 19% to 21% on August 1, 2025.

In addition to general increases in taxation levels, additional taxes may be introduced in response to specific crises of national or international scale affecting the countries where we operate. For example, in order to curtail the economic downturn and/or recession that may be caused by the ongoing military conflict in Ukraine or other factors, governments in the countries we operate in may increase the relevant tax rates and/or introduce special one-off taxes to compensate for otherwise diminished budget revenues. For instance, the Romanian Government has adopted in July 2025 a comprehensive fiscal package in an effort to address the budget deficit registered in 2024, which included an increase of the standard VAT from 19% to 21% applicable from August 1, 2025, an increase of the dividend tax from 10% to 16% starting with 2026, as well as the adoption of a 10% healthcare contribution which will be levied on public pensions above RON 3,000/month.

Growth in business, RGUs and ARPU

Our revenues are most directly 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 external auditor, consultant or expert. Each of these measures is derived from management estimates, systems and tools. As defined by our management, these terms may not be comparable to similar terms used by other companies. We use “RGU” to designate a subscriber account of a customer in relation to one of our services. RGUs are measured at the end of the relevant period. Because of the different nature of our services, the calculation of RGUs is different for our different business lines. Therefore, you should use caution when trying to compare RGUs between our business lines. We calculate ARPU in a segment or the Group as a whole, for a period by dividing the total revenues of such geographic or the Group, for such period, (a) if such period is a calendar month, by the total number of relevant 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. ARPU is a measure we use to evaluate how effectively we are realizing potential revenues from customers. See “*Presentation of Financial and Other Data—Operating and Market Data—RGUs and ARPU.*”

Our total RGU base has grown from 20.8 million RGUs as at December 31, 2022 to 29.8 million RGUs as at June 30, 2025, which represented an increase of 43.3%. This was principally due to our geographical expansion in Spain, our stable organic growth in Romania, the increase in mobile customers, the expansion of our fixed network coverage, increased penetration in areas already covered and cross-selling, as well as RGUs contributed through the acquisition of NOWO in Portugal. Growth in RGUs has been the primary driver of growth in our revenues in the periods under review and is dependent on further network development and installation, capitalizing on existing customer relations by cross-selling and investments made for subscriber acquisition, primarily CPE (such as GPON terminals, set-top boxes, mobile data devices and fixed-line phone handsets, satellite dishes and satellite receivers, and smartcards) and further development of our client offerings.

Our ARPU remained largely stable in the periods under review.

The table below sets out our RGUs and ARPU by segment, as at the dates indicated:

	As at and for the year ended December 31,			As at and for the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RGUs: thousands; ARPU: (€/period))</i>				
Romania					
RGUs⁽¹⁾					
Fixed.....	10,569	11,143	11,605	11,354	11,812
of which					
Pay TV ⁽²⁾	5,432	5,682	5,868	5,773	5,957
Fixed internet and data ⁽³⁾	4,204	4,571	4,888	4,712	5,026
Fixed-line telephony.....	933	890	849	869	829
Mobile ⁽⁴⁾	4,933	5,820	6,578	6,207	7,009
ARPU⁽⁵⁾	4.6	4.5	4.4	4.4	4.4
Spain					
RGUs⁽¹⁾					
Fixed.....	1,122	1,818	2,577	2,219	3,079
of which					
Pay TV ⁽¹⁾	—	—	—	—	90
Fixed internet and data.....	843	1,373	1,951	1,675	2,266
Fixed-line telephony.....	279	445	626	544	723
Mobile ⁽⁴⁾	3,796	4,663	5,863	5,298	6,587

	As at and for the year ended December 31,			As at and for the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RGUs: thousands; ARPU: (€/period))</i>				
ARPU⁽⁵⁾⁽⁶⁾	9.6	9.3	8.7	8.8	8.1
Portugal					
RGUs⁽¹⁾					
Fixed.....	—	—	355	—	369
of which					
Pay TV ⁽²⁾	—	—	121	—	127
Fixed internet and data.....	—	—	127	—	144
Fixed-line telephony	—	—	107	—	98
Mobile ⁽⁴⁾	—	—	321	—	420
ARPU⁽⁵⁾	—	—	7.6	—	7.4
Other					
RGUs⁽¹⁾⁽⁷⁾					
Mobile ⁽⁴⁾	362	420	490	456	512
ARPU⁽⁵⁾⁽⁸⁾	6.6	6.2	5.7	5.8	5.5
RGUs Group⁽¹⁾⁽⁹⁾	20,782	23,864	27,789	25,534	29,788
ARPU Group⁽⁵⁾	5.8	5.8	5.7	5.7	5.7

- (1) RGUs, or revenue generating units, represent the number of customer accounts at period end. A single customer can account for several RGUs. See “Presentation of Financial and Other Data—Operating and Market Data—Non-IFRS information and other operating data—RGUs and ARPU.”
- (2) Includes RGUs for cable TV, IPTV and DTH services, as applicable.
- (3) Includes residential and business RGUs.
- (4) Includes mobile telephony and mobile internet and data RGUs.
- (5) ARPU is average revenue per RGU for a period. We calculate it by dividing the total revenues of such segment for such period (a) if such period is a calendar month, by the total number of relevant 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. See “Presentation of Financial and Other Data—Operating and Market Data—Non-IFRS information and other operating data—RGUs and ARPU.”
- (6) Does not include ARPU for our pay TV services for the period ended December 31, 2024, as those were immaterial in Spain during such period.
- (7) Represents our RGUs in Italy. Does not include our fixed services RGUs in Italy, as those services are immaterial.
- (8) Represents our ARPU in Italy. Does not include our fixed services ARPU in Italy, as those services are immaterial.
- (9) Does not include RGUs in Belgium. We started our operations in Belgium in December 2024 through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investments on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future. As of June 30, 2025, we had approximately 62,000 mobile services RGUs in Belgium. See “Acquisitions and disposals and joint ventures—Joint ventures.”

Our revenues may not always grow in direct proportion with the increase in our RGUs. We try to increase profitability in each business line by careful management of expenses through negotiation of content fees, interconnection costs and similar expenses, use of newer technologies for improved results of operations and, where possible, by conducting certain operations and investment-related activities in-house to achieve cost efficiencies. In all our business lines we have focused, and continue to focus, on increasing the number of RGUs by acquiring new customers and by cross-selling more services to our existing customers while maintaining our Adjusted EBITDA Margin. Our approach reflects the relatively wide range of our business and our ability to offer multiple services to our customer base. For example, as at June 30, 2025, each of our residential customers in Romania (excluding DTH customers) subscribed to an average of 2.1 services and each of our residential subscribers in Spain subscribed to an average of 1.5 services.

The following table shows the evolution of our total RGUs by business line, for the periods indicated below:

	As at December 31,			As at June 30,	
	2022	2023	2024	2024	2025
	<i>(thousands)</i>				
Fixed.....	11,691	12,961	14,537	13,573	15,260
of which					
Pay TV ⁽¹⁾	5,432	5,682	5,989	5,773	6,174
Fixed internet and data ⁽²⁾	5,047	5,944	6,966	6,387	7,436
Fixed-line telephony	1,212	1,335	1,582	1,413	1,650
Mobile ⁽³⁾	9,091	10,903	13,252	11,961	14,528

	As at December 31,			As at June 30,	
	2022	2023	2024	2024	2025
			(thousands)		
Total	20,782	23,864	27,789	25,534	29,788

(1) Includes RGUs for cable TV, IPTV and DTH services, as applicable.

(2) Includes residential and business RGUs.

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

Technical capabilities and limitations of our networks

Fixed offerings

Romania

We offer cable TV, fixed internet and data and fixed-line telephony through our fixed network in Romania, which, as at June 30, 2025, covered 95.1% of all dwellings in the country (*Sources: Group reporting; ANCOM*). Our ability to expand our reach, attract new customers and migrate existing customers to higher levels of service depends on the capabilities and limitations of these networks. As at the date of this prospectus, we have upgraded almost the entire Romanian fixed network to GPON or comparable technology and are able to offer transfer speeds of up to 1,000 Mbps for internet and data services using such network. Since 2022, we offer transfer speeds of up to 10 Gbps for internet and data services in major cities in Romania, the fastest available to residential users on the market. As a result of those upgrades, we anticipate that our own fixed network will require relatively low maintenance capital expenditure over the short and medium term. We believe that growth from cable TV, fixed internet and data and fixed-line telephony services will principally come from increasing penetration in the areas that we already cover, cross-selling services to existing customers and migrating our existing customers to higher levels of service, and expanding our fixed networks to areas not currently covered.

Spain

In Spain we offer IPTV, fixed internet and data and fixed-line telephony services through our own FTTH network and through the SOTA Network, which we access from a consortium led by Macquarie Capital. Additionally, in certain areas, we offer the same fixed services based on a wholesale indirect access NEBA Agreement with Telefónica. As at June 30, 2025, our technologically advanced fixed network in the country, together with the SOTA Network, covered 46.6% of all dwellings (*Sources: Group reporting; INE*).

Portugal

In Portugal, we offer cable TV, IPTV, fixed internet and data and fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country (including NOWO's HFC networks) covered 36.3% of all dwellings (*Sources: Group reporting; INE*).

Italy

In Italy, we have recently started a roll-out of a fixed services portfolio. As of the date of this prospectus, we have launched high-speed broadband FTTH internet in selected locations, but their roll-out is in an early development stage.

Belgium

As of December 11, 2024, DIGI Belgium has launched fixed broadband internet and fixed-line telephony services over fiber optic on own network, but their roll-out is in an early development stage.

Mobile offerings

Romania

In Romania, we have frequency blocks in the bands of 800 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,600 MHz and 3,400-3,800 MHz, some of which were awarded to us in a spectrum auction in November 2022 and some of which, namely a number of 42 MHz have been acquired from TKRM pursuant to the TKRM Business and Assets Acquisition (see "*Recent Developments—TKRM Business and Assets Acquisition*"). As at June 30, 2025, we had approximately 9,000 mobile network

base stations covering approximately 99.45% (outdoor voice coverage) of the country's population. In October 2025, we further enhanced our network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see "*Recent Developments—TKRM Business and Assets Acquisition*"). We offer 5G mobile telecommunication services in certain Romanian cities based on our existing licenses and intend to continue the roll-out of our mobile networks in the country.

Spain

In Spain, we offer mobile services as MVNO through Telefónica's network and, since January 2025, as an MNO, pursuant to the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement, which will be effective until at least December 31, 2040. In Spain, we have frequency blocks in the bands of 1,800 MHz, 2,100 MHz and 3,500 MHz.

Portugal

In Portugal, we were granted spectrum licenses in the bands of 900 MHz, 1,800 MHz, 2,600 MHz and 3,600 MHz in a 2021 auction. In 2024, we acquired NOWO, an existing provider in Portugal, and through NOWO, spectrum licenses in the bands of 1,800 MHz and 2,600 MHz and 3,600 MHz.

We provide residential customers voice and mobile data on 2G/4G/5G networks under the DIGI Portugal brand since November 2024. As at June 30, 2025, our mobile telecommunication services in Portugal covered (outdoor voice coverage) approximately 98.7% of the country's population and were provided via approximately 4,300 base stations. Additionally, NOWO provides mobile telecommunication services as an MVNO through the mobile network of MEO, a subsidiary of Altice Portugal. Our current MVNO agreement with MEO is effective until March 31, 2028.

Italy

In Italy, we have an MVNO agreement with Vodafone Italy, regarding DIGI Italy's access to Vodafone Italy's radio spectrum and mobile communication network and infrastructure. Our current full MVNO agreement with Vodafone Italy is effective until February 1, 2028.

Belgium

We have been allocated spectrum licenses in 700 MHz, 900 MHz, 1,800 MHz, 2,100 MHz and 3,600 MHz as a result of winning the auction organized in 2022 by the Belgian Institute for Postal Services and Telecommunications. Since February 2023, Citymesh Mobile was also granted usage rights to the spectrum in the frequency block of 2,575-2,620 MHz, by acquisition of Citymesh Air BV (formerly known as Dense Air Belgium SRL) from Dense Air LTD. We offer mobile services in Belgium through our own network and through a national roaming services agreement with Proximus.

DTH

Romania

Our DTH satellite television services are not geographically constrained, as the footprint of our existing satellite coverage encompasses the entire territory of Romania. Only in rare circumstances are customers unable to install the equipment necessary to receive our satellite signal, typically where no alternative position for the antenna facing south-west can be found.

Exchange rates

Conversion into euros for presentation in the Financial Statements

The Issuer generates revenues and records its financial results in the Romanian leu. However, our consolidated financial results are reported in euros. See "*Basis of Financial Presentation—Functional Currencies and Presentation Currency*." Therefore, a significant depreciation of one of our functional currencies in relation to the euro could significantly reduce our financial results as reported in euros and could have a significant negative impact on our financial position and cash flows. See "*Risk Factors—Risks Relating to Our Business and Industry—We are subject to currency translation risks associated with exchange rate fluctuations*."

Liabilities denominated in euros and U.S. Dollars

In addition, we have significant exposure to the euro as a significant portion of our outstanding financial debt is denominated in that currency, and we also have certain limited exposure to the U.S. dollar, in which we purchase certain content for our cable TV and DTH businesses and certain CPE.

As at June 30, 2025, we had €1,321.6 million of gross exposure denominated in euros and €61.5 million denominated in U.S. dollars of gross exposure in respect of loans and borrowings, bank overdraft, lease liabilities and trade and other payables (December 31, 2024: €1,235.4 million and €68.4 million denominated in U.S. dollars, respectively; December 31, 2023: €1,237.9 million and €63.7 million denominated in U.S. dollars, respectively; and December 31, 2022: €1,122.1 million and €78.7 million denominated in U.S. dollars, respectively). See “—*Liquidity and Capital Resources—Financial Obligations.*”

Our euro exposure is partially mitigated by euro-denominated revenues from our operations in Spain, Italy and Portugal, which, together with revenues collected in local functional currencies, but denominated in euros, collectively, accounted for 59.8% and 62.1% of our total revenues for the year ended December 31, 2024 and the six months ended June 30, 2025, respectively. See “*Business—Operations—Mobile Telecommunication Services Networks—Spain,*” “*Business—Operations—Mobile Telecommunication Services Networks—Italy*” and “*Business—Operations—Mobile Telecommunication Services Networks—Portugal.*”

However, we still pay a significant portion of our euro-denominated expenses (and all of our U.S. dollar denominated expenses) out of revenues generated in our principal functional currency. See “*Risk Factors—Risks Relating to Our Business and Industry—We are subject to transactional currency risks associated with exchange rate fluctuations.*”

Historic performance of the Romanian leu against the euro and the U.S. Dollar

In the periods under review the Romanian leu has declined compared to the euro by approximately 0.6% (based on the relevant RON/€ exchange rates published by the NBR). Our obligations denominated in U.S. dollars are significantly smaller, so the appreciation of the U.S. dollar did not have a major effect on the Group. See “—*Quantitative and Qualitative Disclosures About Market Risks—Currency Risk.*”

The following table sets out the period end rates and the average exchange rates of the euro against the Romanian leu and the U.S. dollar for the years ended December 31, 2024, 2023 and 2022:

Value of one euro in the relevant currency	As at and for the year ended December 31,		
	2022	2023	2024
Romanian leu (RON)			
Period end rate	5.0	5.0	5.0
Average rate	4.9	5.0	5.0
U.S. dollar (USD)			
Period end rate	1.1	1.1	1.0
Average rate	1.1	1.1	1.1

For the six months ended June 30, 2025, we had a net foreign exchange difference cost of €9.8 million, compared with a net foreign exchange difference cost of €1.6 million for the six months ended June 30, 2024. For the year ended December 31, 2024, we had a net foreign exchange difference cost of €2.7 million (2023: net foreign exchange difference cost of €4.8 million and 2022: net foreign exchange difference cost of €0.2 million). In each of those periods, our net foreign exchange difference cost was primarily due to the depreciation of the Romanian leu against the euro and the U.S. dollar. See “—*Liquidity and Capital Resources—Contractual Obligations.*” Borrowings in foreign currencies are recorded in the functional currency of the relevant entity at the rate of exchange prevailing on the date of the transaction and re-evaluated to reflect changes in the exchange rate each month.

Churn

Loss of our customers (an effect known as “churn”) is a factor that could negatively affect our growth in RGUs and revenues. The pay TV, fixed internet and fixed-line and mobile telecommunication services industries encounter churn as a result of high levels of competition. In addition to competitive alternatives, churn levels may be affected by changes in our or our competitors’ prices, our level of customer satisfaction, the relocation of subscribers and any reduction of expenses by our customers in the context of a potential economic downturn. Increases in churn may lead to increased costs and reduced revenues. We believe that the following factors help reduce our level of churn:

- *Cross-selling.* We believe that customers who subscribe to multiple services are less likely to leave our services. In Romania, our average number of services per residential customer was 2.1 (excluding DTH) and the percentage of customers using more than one service was approximately 75% as at June 30, 2025. In Spain, our

average number of services per network customer was 1.5 and the percentage of network customers using more than one service was approximately 37% as at the same date.

- *Quality of offerings and pricing.* Our attractive pricing and relatively advanced technology compared to our competitors and our premium content offerings often make it unattractive to replace our services with those offered by our competitors.

Although churn may have a negative effect on our business, we focus on growth in total number of RGUs, ARPU, revenues, Adjusted EBITDA and Adjusted EBITDA Margin as key indicators rather than churn.

Capital expenditure

Historically, we have pursued an ambitious growth strategy that required us to undertake substantial capital expenditure. The primary focus of our investment spending over the periods under review has been (i) the upgrade and expansion of our fixed network in Romania; (ii) the expansion of our 3G and 4G mobile networks, and the development of our 5G mobile network, in Romania; (iii) the spectrum auctions in Romania and Portugal; (iv) the creation and development of our own television channels; (v) the creation and expansion of our MVNO or, as applicable, MNO services in Spain and Italy; (vi) the launch of fixed line services offered in Spain; (vii) costs to obtain a contract in all our business lines; (viii) developing fixed and mobile network in Portugal to launch fixed and mobile services; (ix) the acquisition of NOWO in Portugal, (x) the acquisition of spectrum in Spain as part of the conditions approved by the European Commission and the Spanish authorities in the context of the combination between Orange and MasMovil, and (xi) the TKRM Business and Assets Acquisition (see “*Recent Developments—TKRM Business and Assets Acquisition*”). Consequently, our capital expenditures have been significant.

For the six months ended June 30, 2025, we had capital expenditure of €386.5 million, which was higher than our Adjusted EBITDA by €45.6 million and represented 35.9% of our revenues for this period.

For the six months ended June 30, 2024, we had capital expenditure of €409.1 million, which was higher than our Adjusted EBITDA by €74.3 million and represented 44.6% of our revenues for this period.

For the year ended December 31, 2024, we had capital expenditure of €885.1 million, which was higher than our Adjusted EBITDA by € 200.7 million and represented 46.0% of our revenues for this period.

For the year ended December 31, 2023, we had capital expenditure of €729.7 million, which was higher than our Adjusted EBITDA by € 134.4 million and represented 43.2% of our revenues for this period.

For the year ended December 31, 2022, we had capital expenditure of €560.1 million, which was higher than our Adjusted EBITDA by € 50.5 million and represented 37.5% of our revenues for this period.

Going forward, we expect our capital expenditure to consist principally of amounts paid for:

- further expansion of our fixed networks in Romania;
- further expansion and development of our mobile network in Romania, as permitted by our existing licenses, including those acquired through the TKRM Business and Assets Acquisition (see “*Recent Developments—TKRM Business and Assets Acquisition*”);
- payments for the acquisition of television content rights;
- payments for the acquisition of new telecommunication licenses or renewal of existing telecommunication licenses;
- expansion of our fixed internet and data and fixed telephony business in Spain;
- development of our mobile network in Spain, including through RAN sharing, as permitted by our existing licenses;
- expansion of our business in Portugal and Belgium;
- the acquisition of CPE, including certain network equipment such as GPON terminals (which may not generally be treated as CPE by other members of our industry), and other equipment, such as set-top boxes, mobile data devices and fixed-line telephone handsets, satellite dishes, satellite receivers and smartcards; and
- potential acquisitions (see “*—Acquisitions and disposals*”).

The majority of these capital expenditures (with the exception of certain obligations under content agreements that we have already entered into) are discretionary, and we will revise these plans as required to ensure the best possible alignment with our business strategies, opportunities and continuity. We believe that our ability to finance our capital expenditures largely from internal resources has strongly improved, as our investment plan for the short to medium term is largely discretionary, thus giving us significant flexibility to adjust our capital expenditures.

Payments to third-party service and content providers

In all of our business lines, a key cost item is payments to service and content providers. In the case of television services (both cable TV and DTH), this includes fees paid to third-party providers of channels that we carry. In the case of our own channels, we pay license fees to the holders of transmission/retransmission rights for sporting events, films and certain other programming. In the case of DTH services, these fees also include fees paid to the providers of satellite transmission services. In the case of internet and data, fixed-line telephony and mobile services, fees consist principally of interconnection fees paid to other network operators, MVNO fees, fees in connection with the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement in Spain and, in the case of internet and data, international connectivity fees.

We carry both our own channels and channels produced by third parties over our pay TV services. Fees paid for channels produced by third parties are accounted for as operating expenses. Fees paid for content carried on our own channels is accounted for as capital expenditure and consist primarily of flat fees for the right to broadcast the relevant content.

Television programming fees, television license fees and internet and data connectivity fees are not determined by regulators and are subject to commercial negotiations. Our backbone networks in Romania (both for national communications and for our internet connection with the global internet network) allow us to realize significant cost savings, as we only have to pay limited lease or transit fees for the use of other networks. Moreover, we benefit from competition among leading providers of global internet interconnection services, which tends to keep prices low.

Our current contract with Intelsat (which covers both satellites used to transmit our DTH signal) is effective until April 30, 2026. As at June 30, 2025, we leased five transponders from Intelsat (and an additional transponder for the transmission of non-DTH signal), with an aggregate total capacity of 171 MHz.

Telephone interconnection charges are regulated by national authorities and the European Union, and are capped at certain amounts, which have decreased over the past few years. See “—*Basis of Financial Presentation—Revenues and expenses structure of our principal lines of business—Mobile telecommunication services.*” In all our markets, we pay fees to third-party service providers, such as banks, to help us collect revenues from customers, but also use our own network of collection points in Romania.

Our operations require us to purchase significant amounts of electricity from utility companies in Romania. In an effort to manage our future energy costs, in 2012 we started to invest in renewable energy by acquiring several companies developing solar energy projects. These projects are currently fully operational and have a combined installed capacity of 15.72 MW.

Acquisitions and disposals and joint ventures

Acquisitions

Our historical growth has been due in part to acquisitions of cable and/or internet operations. In the periods under review, we acquired, or paid consideration for, NOWO in Portugal and a number of small telecommunication operators in Romania. See “—*Liquidity and Capital Resources—Historical cash flows—Cash flows used in investing activities.*” Additionally, on October 1, 2025, we completed the acquisition of the mobile prepaid business and certain assets from TKRM in Romania. See “*Overview—Recent Developments—TKRM Business and Assets Acquisition.*”

As part of our strategy, we may undertake additional acquisitions in the future in our existing business lines or complementary to them as, and if, appropriate opportunities become available. We regularly monitor potential acquisition targets, while assessing their attractiveness relative to other strategic alternatives available to us. We also may acquire smaller businesses on an opportunistic basis. However, a decision to proceed with any such acquisition will be subject to a number of conditions that may or may not materialize, including regulatory support, compliance with covenants in our existing financing instruments and availability of third-party financing. See “—*Capital expenditure*” and “*Overview—Business Overview—Strategy.*”

Disposals

On January 3, 2022, we sold our Hungarian business (DIGI Távközlési és Szolgáltató Korlátolt Felelősségű Társaság and its subsidiaries, Invitel Ltd., Digi Infrastruktúra Korlátolt Felelősségű Társaság and I TV Ltd) for a total consideration of €625 million. The results and cash flows of our former Hungarian operations for the first three days of 2022 were not material for the Group as a whole and therefore were not included in the 2023 Annual Financial Statements or discussed in this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” section or elsewhere in this prospectus.

During the year ended December 31, 2024, we sold the SOTA Network to SOTA for a total consideration of approximately €503.3 million (representing a gain from sale of property, plant and equipment and inventory of €399.3 million). We continue to access and maintain the SOTA Network, which is managed by Onivia, a large Spanish infrastructure operator

controlled by the same consortium that acquired the SOTA Network from us, to serve our customers in Spain through a bitstream access agreement with SOTA.

As part of our strategy, we may undertake additional disposals in the future as, and if, appropriate opportunities become available. However, a decision to proceed with any such disposals will be subject to a number of conditions that may or may not materialize, including regulatory support and compliance with covenants in our existing financing instruments. See “—*Capital expenditure*” and “*Overview—Business Overview—Strategy*.”

Partnerships and Joint Ventures

DIGI Andalucia

In 2023, DIGI Spain, in partnership with Aberdeen plc., established DIGI Andalucia for the development of an FTTH network in the Spanish region of Andalucia. Although DIGI Spain controls DIGI Andalucia and it is consolidated as a subsidiary into our results reported in the Financial Statements and presented in the prospectus, Aberdeen plc. is a significant minority shareholder and has committed, after excluding bank financings, half of the total €300 million investment in the project.

On October 1st, 2025, we completed the development of our FTTH network in Andalucia, which passes presently approximately 2.5 million homes. In order to finance the network’s development and other costs and expenses of DIGI Andalucia, it entered into the €84.0 million DIGI Andalucia Facility Agreement on May 14, 2025. See “—*Liquidity and Capital Resources—Loans and borrowings— DIGI Andalucia Facility Agreement*.”

DIGI Belgium

Also in 2023, the Issuer and Citymesh entered into a joint venture agreement in respect of DIGI Belgium.

As at the date of this prospectus, DIGI Belgium benefits from spectrum licenses in the bands of 700 MHz, 900 MHz, 1,800 MHz, 2,100 MHz and 3600 MHz. In addition, it has usage rights to the spectrum in the frequency block of 2,575-2,620 MHz, via Citymesh Mobile’s acquisition of Citymesh Air BV. (formerly known as Dense Air Belgium SRL) from Dense Air LTD in 2023. We currently offer mobile services in Belgium through our own network and through a national roaming services agreement with Proximus. See “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Belgian MVNO Agreement*.”

Our strategy is to develop DIGI Belgium to become the fourth national mobile network in the country.

During the periods under review, we have not consolidated DIGI Belgium and therefore reported our investment in this joint venture on an equity basis in the Financial Statements. See Note 10 to the 2024 Annual Financial Statements. On July 16, 2025, we completed a series of restructuring transactions, as a result of which all our operations in Belgium were consolidated into DIGI Belgium, which is currently 51% owned by the Issuer and 49% by Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future.

As part of our strategy, we may enter into additional joint venture arrangements in the future as and if appropriate opportunities become available. However, a decision to proceed with any such arrangement will be subject to a number of conditions that may or may not materialize, including regulatory support, compliance with covenants in our existing financing instruments and availability of third-party financing. See “—*Capital expenditure*” and “*Overview—Business Overview—Strategy*.”

HISTORICAL RESULTS OF OPERATIONS

Results of operations for the six months ended June 30, 2025 and 2024.

Revenues

Our consolidated revenues for the six months ended June 30, 2025 were €1,076.8 million, compared with €918.1 million for the six months ended June 30, 2024, reflecting an increase of 17.3%.

The following table sets out our revenues by segment and business line (in each case, after intersegment eliminations) for the periods indicated:

	For the six months ended June 30,		
	2024	2025	% change
	(€ millions)		
Segment			
Romania	533.9	580.3	8.7%
Spain.....	369.0	444.7	20.5%
Portugal ⁽¹⁾	n.m.	35.0	100.0%
Other ⁽²⁾	15.1	16.9	11.5%
Total consolidated	918.1	1,076.8	17.3%
Business Line			
Fixed services ⁽³⁾	464.9	543.1	16.8%
Mobile services.....	377.5	442.6	17.3%
Other ⁽⁴⁾	75.8	91.1	20.2%
Total consolidated	918.1	1,076.8	17.3%

(1) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.”

(2) Represents revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions.

(3) Includes revenues from our pay TV, fixed internet and data and fixed telephony services.

(4) Represents primarily revenues from sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues.

Revenues in Romania for the six-month period ended June 30, 2025 were €580.3 million, compared with €533.9 million for the six-month period ended June 30, 2024, an increase of 8.7%. This increase was primarily driven by the increase of mobile, fixed internet and data and pay TV RGUs in the period. Our Pay TV RGUs increased from approximately 5.8 million as at June 30, 2024 to approximately 6.0 million as at June 30, 2025, or by 3.2%, and our fixed internet and data RGUs increased from approximately 4.7 million as at June 30, 2024 to approximately 5.0 million as at June 30, 2025, or by 6.7%. These were organic increases, primarily due to our attractive fixed internet and data and pay TV packages. Mobile RGUs increased from approximately 6.2 million as at June 30, 2024 to approximately 7.0 million as at June 30, 2025, or by 12.9%, mainly driven by our attractive offerings. Fixed-line telephony RGUs decreased from approximately 869,000 as at June 30, 2024 to approximately 829,000 as at June 30, 2025, or by 4.6%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Revenues in Spain for the six-month period ended June 30, 2025 were €444.7 million, compared with €369.0 million for the six-month period ended June 30, 2024, an increase of 20.5%. This increase was primarily driven by the increase in mobile and fixed internet and data RGUs in the period, mainly driven by our attractive offerings and network expansion. Mobile RGUs increased from approximately 5.3 million as at June 30, 2024 to approximately 6.6 million as at June 30, 2025, or by 24.3%. Fixed internet and data RGUs increased from approximately 1.7 million as at June 30, 2024 to approximately 2.3 million as at June 30, 2025, or by 35.3% and fixed-line telephony RGUs increased from approximately 544,000 as at June 30, 2024 to approximately 723,000 as at June 30, 2025, or by 32.9%. In December 2024, we launched IPTV services only in certain locations on our own FTTH network and as at June 30, 2025 we reached approximately 90,000 pay TV RGUs in Spain.

Revenues in Portugal for the six-month period ended June 30, 2025 were €35.0 million. We launched our fixed and mobile services in the country in November 2024 and as at June 30, 2025, we reached 420,000 mobile RGUs, 127,000 pay TV RGUs, 144,000 internet and data RGUs and 98,000 fixed-line telephony RGUs.

Revenues in Other represented mainly revenues from our operations in Italy and for the six-month period ended June 30, 2025 were €16.9 million, compared with €15.1 million for the six-month period ended June 30, 2024, an increase of 11.9%. This increase was primarily driven by attracting new customers. Mobile RGUs increased from approximately 456,000 as at June 30, 2024 to approximately 512,000 as at June 30, 2025, or by 12.3%.

Total operating expenses

Our total operating expenses (including depreciation, amortization and impairment of tangible and intangible assets) for the six months ended June 30, 2025 were €1,027.9 million, compared with €817.6 million for the six months ended June 30, 2024, an increase of 25.7%.

Operating expenses

The table below sets out our operating expenses by segment (after intersegment eliminations) for the periods indicated:

For the six months ended June 30				
	2024		2025	
	(€ millions)	(% of revenues) ⁽¹⁾	(€ millions)	(% of revenues) ⁽¹⁾
Romania.....	284.5	53.3%	305.3	52.6%
Spain.....	285.7	77.4%	361.4	81.3%
Portugal ⁽²⁾	4.4	—	58.8	168.3%
Other ⁽³⁾	12.0	79.1%	15.1	89.4%
Total consolidated⁽⁴⁾.....	586.5	63.9%	740.6	68.8%

- (1) Percentage of revenues generated by the relevant segment (after intersegment eliminations).
- (2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.”
- (3) Represents operating expenses of our operations in Italy, as well as certain immaterial operating expenses incurred in other jurisdictions.
- (4) Excludes depreciation, amortization and impairment of assets, which we only monitor on a consolidated Group level. See “—Basis of Financial Presentation—Presentation of Depreciation, Amortization and Impairment of Assets.”

Operating expenses in Romania for the six-month period ended June 30, 2025 were €305.3 million, compared with €284.5 million for the six-month period ended June 30, 2024, an increase of 7.3%. This increase was primarily driven by programming and salary expenses during the period. The increase of operating expenses follows the general growth trend of the business.

Operating expenses in Spain for the six-month period ended June 30, 2025 were €361.4 million, compared with €285.7 million for the six-month period ended June 30, 2024, an increase of 26.5%. This increase was primarily driven by the increase in telephony related expenses (including MVNO fees, fees in connection with the National Roaming Agreement and interconnection costs and radio spectrum fees), as a result of the growth in mobile and fixed RGUs. Our salary expenses also increased significantly due to a larger employee base.

Operating expenses in Portugal for the six-month period ended June 30, 2025 were €58.8 million, compared with €4.4 million for the six-month period ended June 30, 2024. This increase was primarily driven by an increase in our expenses related to direct telephony, as well as increased salaries and mobile network costs.

Operating expenses in Other represented mainly expenses of our operations in Italy and for the six-month period ended June 30, 2025 were €15.1 million, compared with €12.0 million for six-month period ended June 30, 2024, an increase of 26.0%. This increase was primarily driven by the general growth of our business.

Depreciation, amortization and impairment of tangible and intangible assets

The table below sets out our depreciation, amortization and impairment of our tangible and intangible assets for the periods indicated:

	For the six months ended June 30,	
	2024	2025
	(€ millions)	
Depreciation of property, plant and equipment.....	97.1	126.2
Amortization of right of use asset.....	51.0	58.1
Amortization of non-current intangible assets and programme assets....	48.5	65.4
Amortization of subscriber acquisition costs.....	30.3	31.5
Impairment of property, plant and equipment.....	2.7	5.2
Impairment of subscriber acquisition costs.....	1.4	1.1
Total.....	231.1	287.4

Depreciation of property, plant and equipment was €126.2 million for the six-month period ended June 30, 2025, compared with €97.1 million for the six-month period ended June 30, 2024, an increase of 29.9%. This increase was primarily driven by the continued development of our networks, in particular in connection with our operations in Spain and Portugal.

Amortization of right of use asset was €58.1 million for the six-month period ended June 30, 2025, compared with €51.0 million for the six-month period ended June 30, 2024, an increase of 13.8%. This increase was primarily driven by our operations in Spain and Portugal.

Amortization of non-current intangible assets and programme assets was €65.4 million for the six-month period ended June 30, 2025, compared with €48.5 million for the six-month period ended June 30, 2024, an increase of 34.8%. This increase was primarily driven by our network in Portugal becoming operational, and thus being amortized, and by higher programme expenses in Romania.

Amortization of subscriber acquisition costs was €31.5 million for the six-month period ended June 30, 2025, compared with €30.3 million for the six-month period ended June 30, 2024, an increase of 3.9%. This increase was primarily driven by the increase in RGUs in Portugal.

Other income/expenses

We recorded €35.8 million of other income for the six-month period ended June 30, 2025, compared with €3.2 million for the six-month period ended June 30, 2024. Other income for the six-month period ended June 30, 2025 represented the income from a subsequent sale of a part of the SOTA Network to the consortium led by Macquarie Capital, as part of the transaction concluded with SOTA in 2024, as well as income generated by Romanian government grants in connection with energy supply.

We recorded €0.4 million of other expenses for the six-month period ended June 30, 2025 and did not have material other expenses for the six-month period ended June 30, 2024. Our other expenses for the six-month period ended June 30, 2025 consisted of costs associated with the vesting of certain of our share options plans.

Operating profit

For the reasons set out above, our operating profit was €84.3 million for the six-month period ended June 30, 2025, compared with €103.7 million for the six-month period ended June 30, 2024.

Net finance costs

We recognized net finance costs of €71.2 million for the six-month period ended June 30, 2025, compared with net finance costs of €35.1 million for the six-month period ended June 30, 2024, an increase of 103.1%. This increase was primarily driven by an increase in the financial derivative expenses of DIGI Spain, an increase in the interest expenses due to the incurrence of new indebtedness and the devaluation of the Romanian leu against the euro.

Share of loss of equity-accounted investees net of tax

Our share of loss of equity-accounted investees net of tax for the six-month period ended June 30, 2025 was nil, compared with €1.0 million for the six-month period ended June 30, 2024. These losses represented our share of losses of DIGI Belgium.

Profit before taxation

For the reasons set out above, our profit before taxation was €13.1 million for the six-month period ended June 30, 2025, compared with €67.7 million for the six-month period ended June 30, 2024.

Income tax expense / (credit)

An income tax credit of €3.7 million was recognized in the six-month period ended June 30, 2025, compared with an income tax expense of €9.2 million for the six-month period ended June 30, 2024. This was principally due to the impact of deferred taxes in connection with DIGI Portugal.

Profit for the period

For the reasons set out above, our net profit for the six-month period ended June 30, 2025 was €16.8 million, compared with €58.4 million for the six-month period ended June 30, 2024.

Results of operations for the years ended December 31, 2022, 2023 and 2024.

Revenues

Our consolidated revenues for the year ended December 31, 2024 were €1,924.3 million, compared with €1,690.4 million for the year ended December 31, 2023, an increase of 13.8%, which was in turn an increase of 13.2% from €1,492.8 million for the year ended December 31, 2022.

The following table sets out our revenues by segment and business line (in each case, after intersegment eliminations) for the periods indicated:

	For the year ended December 31,			% change	
	2022 ⁽¹⁾	2023	2024	2022 v 2023	2023 v 2024
	(€ millions)				
Segment					
Romania	964.9	1,019.4	1,099.0	5.6%	7.8%
Spain.....	500.4	642.0	782.0	28.3%	21.8%
Portugal ⁽²⁾	—	—	11.8	—	100.0%
Other ⁽³⁾	27.5	29.0	31.5	5.5%	8.6%
Total consolidated	1,492.8	1,690.4	1,924.3	13.2%	13.8%
Business Line					
Fixed services ⁽⁴⁾	725.3	841.2	963.8	16.0%	14.6%
Mobile services.....	615.9	714.2	795.4	16.0%	11.4%
Other ⁽⁵⁾	151.6	135.0	165.1	(11.0)%	22.3%
Total consolidated	1,492.8	1,690.4	1,924.3	13.2%	13.8%

- (1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.
- (2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.”
- (3) Represents revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions.
- (4) Includes revenues from our pay TV, fixed internet and data and fixed telephony services.
- (5) Represents primarily revenues from sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues.

Revenues in Romania for the year ended December 31, 2024 were €1,099.0 million, compared with €1,019.4 million for the year ended December 31, 2023, an increase of 7.8%. Revenues growth in Romania was primarily driven by increases in our mobile, fixed internet and data and pay TV RGUs. Our Pay TV RGUs increased from approximately 5.7 million as at December 31, 2023 to approximately 5.9 million as at December 31, 2024, or by 3.3%, and our fixed internet and data RGUs (residential and business) increased from approximately 4.6 million as at December 31, 2023 to approximately 4.9 million as at December 31, 2024, or by 6.9%. These increases were primarily due to our attractive pay TV and fixed internet and data packages. Mobile RGUs increased from approximately 5.8 million as at December 31, 2023 to approximately 6.6 million as at December 31, 2024, or by 13.0%, mainly driven by our attractive offerings. Fixed-line telephony RGUs (residential and business) decreased from approximately 890,000 as at December 31, 2023 to approximately 849,000 as at December 31, 2024, or by 4.6%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Revenues in Romania for the year ended December 31, 2023 were €1,019.4 million, compared with €964.9 million for the year ended December 31, 2022, an increase of 5.6%. Revenues growth in Romania was primarily driven by increases in our mobile, fixed internet and data and pay TV RGUs. Our Pay TV RGUs increased from approximately 5.4 million as at December 31, 2022 to approximately 5.7 million as at December 31, 2023, or by 4.6%, and our fixed internet and data RGUs (residential and business) increased from approximately 4.2 million as at December 31, 2022 to approximately 4.6 million as at December 31, 2023, or by 8.7%. These increases were primarily due to our attractive pay TV and fixed internet and data packages. Mobile RGUs increased from approximately 4.9 million as at December 31, 2022 to approximately 5.8 million as at December 31, 2023, or by 18.0%, mainly driven by our attractive offerings. Fixed-line telephony RGUs (residential and business) decreased from approximately 933,000 as at December 31, 2022 to approximately 890,000 as at December 31, 2023, or by 4.6%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Revenues in Spain for the year ended December 31, 2024 were €782.0 million, compared with €642.0 million for the year ended December 31, 2023, an increase of 21.8%. The increase in revenues was principally due to an increase in the number of our mobile and fixed internet and data RGUs, mainly driven by our attractive offerings and network expansion. Mobile RGUs increased from approximately 4.7 million as at December 31, 2023 to approximately 5.9 million as at December 31, 2024, or by 25.7%. Fixed internet and data RGUs increased from approximately 1.4 million as at December 31, 2023 to approximately 2.0 million as at December 31, 2024, or by 42.1%, and fixed-line telephony RGUs increased from approximately 445,000 as at December 31, 2023 to approximately 626,000 as at December 31, 2024, or by 40.7%.

Revenues in Spain for the year ended December 31, 2023 were €642.0 million, compared with €500.4 million for the year ended December 31, 2022, an increase of 28.3%. The increase in revenues was principally due to an increase in the number of our mobile and fixed internet and data RGUs, mainly driven by our attractive offerings and network expansion. Mobile RGUs increased from approximately 3.8 million as at December 31, 2022 to approximately 4.7 million as at December 31, 2023, or by 22.8%. Fixed internet and data RGUs increased from approximately 843,000 as at December 31, 2022 to approximately 1.4 million as at December 31, 2023, or by 62.9%, and fixed-line telephony RGUs increased from approximately 279,000 as at December 31, 2022 to approximately 445,000 as at December 31, 2023, or by 59.5%.

Revenues in Portugal for the year ended December 31, 2024 were €11.8 million. We launched our fixed and mobile services in Portugal in November 2024. As at December 31, 2024, we had 321,000 mobile RGUs, 121,000 pay TV RGUs, 127,000 internet and data RGUs and 107,000 fixed-line telephony RGUs. The acquisition of NOWO contributed approximately 596,000 RGUs.

Revenues in Other represented mainly revenues from our operations in Italy and for the year ended December 31, 2024 were €31.5 million, compared with €29.0 million for the year ended December 31, 2023, an increase of 8.6%. The increase in our revenues in Italy was primarily due to an increase of mobile RGUs from approximately 420,000 as at December 31, 2023 to approximately 490,000 as at December 31, 2024, or by 16.7%.

Revenues in Other represented mainly revenues from our operations in Italy and for the year ended December 31, 2023 were €29.0 million, compared with €27.5 million for the year ended December 31, 2022, an increase of 5.5%. The increase in revenues was principally due to an increase of mobile RGUs in Italy from approximately 362,000 as at December 31, 2022 to approximately 420,000 as at December 31, 2023, an increase of approximately 16.0%.

Total operating expenses

Our total operating expenses (including depreciation, amortization and impairment of tangible and intangible assets) for the year ended December 31, 2024 were €1,733.6 million, compared with €1,535.7 million for the year ended December 31, 2023, an increase of 12.9%, which in turn was an increase of 12.2% compared with €1,369.2 million for the year ended December 31, 2022.

Operating expenses

The table below sets out our operating expenses (after intersegment eliminations) for the periods indicated:

	For the year ended December 31,					
	2022 ⁽¹⁾		2023		2024	
	(€ millions)	(% of revenues) ⁽¹⁾	(€ millions)	(% of revenues) ⁽¹⁾	(€ millions)	(% of revenues) ⁽¹⁾
Romania.....	560.7	58.1%	573.6	56.3%	588.6	53.6%
Spain.....	418.3	83.6%	508.0	79.1%	605.1	77.4%
Portugal ⁽²⁾	6.0	—	6.9	—	27.4	231.6%
Other ⁽³⁾	22.9	83.2%	22.7	78.3%	26.6	84.5%
Total consolidated⁽⁴⁾.....	1,007.8	67.5%	1,111.3	65.7%	1,247.7	64.8%

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The results of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) We acquired NOWO on October 25, 2024 and formally launched our operations in Portugal on November 4, 2024. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.”

(3) Represents operating expenses of our operations in Italy, as well as certain immaterial operating expenses incurred in other jurisdictions.

(4) Excludes depreciation, amortization and impairment of assets, which we only monitor on a consolidated Group level. See “—Basis of Financial Presentation—Presentation of Depreciation, Amortization and Impairment of Assets.”

Operating expenses in Romania for the year ended December 31, 2024 were €588.6 million, compared with €573.6 million for the year ended December 31, 2023, an increase of 2.6%. This was primarily due to increases in programming and salaries expenses during the period. In general, the increase of operating expenses follows the trend of the growth of business.

Operating expenses in Romania for the year ended December 31, 2023 were €573.6 million, compared with €560.7 million for the year ended December 31, 2022, an increase of 2.3%. This was primarily due to increases in utilities expenses during the period. In general, the increase of operating expenses follows the trend of the growth of business.

Operating expenses in Spain for the year ended December 31, 2024 were €605.1 million, compared with €508.0 million for the year ended December 31, 2023, an increase of 19.1%. This was primarily due to an increase in telephony-related

expenses (e.g., MVNO fee, interconnection cost) as a result of the growth in mobile and fixed RGUs. Salary expenses also increased significantly due to a larger employee base.

Operating expenses in Spain for the year ended December 31, 2023 were €508.0 million, compared with €418.3 million for the year ended December 31, 2022, an increase of 21.5%. This was primarily due to fixed telephony, internet and data and mobile interconnection expenses due to increased mobile and fixed RGUs and roll-out of our fixed line services. Salary expenses also increased significantly due to a larger employee base.

Operating expenses in Portugal for the year ended December 31, 2024 were €27.4 million, compared with €6.9 million for the year ended December 31, 2023. This was due to launch of our operations in Portugal at the end of 2024.

Operating expenses in Portugal for the year ended December 31, 2023 were €6.9 million, compared with €6.0 million for the year ended December 31, 2022, an increase of 15.4%. This was primarily due to network maintenance expenses.

Operating expenses in Other represented mainly expenses of our operations in Italy and for the year ended December 31, 2024 were €26.6 million, compared with €22.7 million for the year ended December 31, 2023, an increase of 17.1%, which is in line with the trend of growth of our business.

Operating expenses in Other represented expenses of our operations in Italy and for the year ended December 31, 2023 were €22.7 million, compared with €22.9 million for the year ended December 31, 2022, a decrease of 0.7%.

Depreciation, amortization and impairment of tangible and intangible assets

The table below sets out our depreciation, amortization and impairment of our tangible and intangible assets for the periods indicated:

	For the year ended December 31,		
	2022	2023	2024
		(€ millions)	
Depreciation of property, plant and equipment.....	139.7	165.7	204.2
Depreciation of investment property	0.1	—	—
Amortization of right of use asset.....	79.8	91.2	104.6
Amortization of non-current intangible assets and programme assets ...	82.3	95.4	106.7
Amortization of subscriber acquisition costs	51.8	59.1	61.7
Impairment of property, plant and equipment.....	5.5	8.9	5.3
Impairment of subscriber acquisition costs.....	2.2	4.2	2.7
Revaluation decrease recognized in profit or loss.....	—	—	0.7
Total.....	361.4	424.4	485.9

Depreciation of property, plant and equipment was €204.2 million for the year ended December 31, 2024, compared with €165.7 million for the year ended December 31, 2023, an increase of 23.2%. This increase was primarily due to the continued development of our networks with the main impact coming from our Spanish operation.

Depreciation of property, plant and equipment was €165.7 million for the year ended December 31, 2023, compared with €139.7 million for the year ended December 31, 2022, an increase of 18.7%. This increase was primarily due to the continued development of our networks.

Amortization of right of use asset was €104.6 million for the year ended December 31, 2024, compared with €91.2 million for the year ended December 31, 2023, a decrease of 14.7%. This increase was primarily due to the additions in the period.

Amortization of right of use asset was €91.2 million for the year ended December 31, 2023, compared with €79.8 million for the year ended December 31, 2022, an increase of 14.3%. This increase was primarily due to the acquisition of additional assets during the period.

Amortization of non-current intangible assets and programme assets was €106.7 million for the year ended December 31, 2024, compared with €95.4 million for the year ended December 31, 2023, an increase of 11.9%. This increase was primarily due to programme rights expenses in Romania, as well as software license expenses in Spain.

Amortization of non-current intangible assets and programme assets was €95.4 million for the year ended December 31, 2023, compared with €82.3 million for the year ended December 31, 2022, a decrease of 15.9%. This increase was primarily due to programme rights expenses in Romania, as well as the amortization of intangible assets following the acquisition of spectrum licenses.

Amortization of subscriber acquisition costs was €61.7 million for the year ended December 31, 2024, compared with €59.1 million for the year ended December 31, 2023, an increase of 4.5%. This increase was primarily due to an increase in the RGUs in Romania and Spain.

Amortization of subscriber acquisition costs was €59.1 million for the year ended December 31, 2023, compared with €51.8 million for the year ended December 31, 2022, an increase of 14.1%. This increase was primarily due to the additions in Romania and Spain.

Other income/expenses

We recorded €407.2 million of other income for the year ended December 31, 2024, compared with €16.2 million for the year ended December 31, 2023 and €24.7 million for the year ended December 31, 2022. Other income for the year ended December 31, 2024 represented the income from the sale on September 5, 2024 of the first part of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital. Other income for the years ended December 31, 2023 and 2022 represented Romanian government grants related to electricity supply.

We recorded €0.3 million of other expenses for the year ended December 31, 2024, compared with €0.5 million for the year ended December 31, 2023 and €0.7 million for the year ended December 31, 2022. For these periods, our other expenses consisted of costs associated with the vesting of certain of our share option plans.

Operating profit

For the reasons set out above, our operating profit was €597.5 million for the year ended December 31, 2024, compared with €170.4 million for the year ended December 31, 2023 and €147.6 million for the year ended December 31, 2022.

Net finance costs

We recognized net finance costs of €61.6 million for the year ended December 31, 2024, compared with net finance costs of €73.0 million for the year ended December 31, 2023, a decrease of 15.6%. This decrease was primarily driven by the valuation of a derivative financial asset that resulted in a finance income of €10.7 million.

We recognized net finance costs of €73.0 million for the year ended December 31, 2023, compared with net finance costs of €62.9 million for the year ended December 31, 2022, an increase of 16.0%. This increase was primarily driven by an increase in the interest expense due to the incurrence of new indebtedness and the devaluation of the Romanian leu against the euro.

Share of loss of equity-accounted investees net of tax

We had share of loss of equity-accounted investees net of tax for the year ended December 31, 2024 of €1.0 million, compared with €6.5 million for the year ended December 31, 2023 and €1.1 million for the year ended December 31, 2022. These losses represented our share of losses of DIGI Belgium.

Profit before taxation

For the reasons set out above, our profit before taxation was €534.9 million for the year ended December 31, 2024, compared with €90.9 million for the year ended December 31, 2023 and €83.6 million for the year ended December 31, 2022.

Income tax expense

An income tax expense of €110.0 million was recognized in the year ended December 31, 2024, compared with €1.4 million for the year ended December 31, 2023. The increase was principally due to the sale on September 5, 2024 of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital.

An income tax expense of €1.4 million was recognized for the year ended December 31, 2023, compared with €6.5 million for the year ended December 31, 2022.

Profit for the year

For the reasons set out above, our net profit for the year ended December 31, 2024 was €424.9 million, compared with €89.5 million for the year ended December 31, 2023 and €395.8 million for the year ended December 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our principal sources of liquidity have been our operating cash flows, as well as debt financing. Going forward, we expect to fund our cash obligations and capital expenditures primarily out of our operating cash flows and, with respect to any new acquisitions and payments for new telecommunication licenses, via drawdowns under our existing credit and letter of guarantee facilities or new third-party debt arrangements. See “*Description of Other Indebtedness—Financial Obligations.*”

All of our mature 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 also believe that, for the coming 12 months, our operating cash flows will be adequate to fund our working capital requirements.

Historical cash flows

The table below sets out our consolidated cash flows from operations, net cash flows from/(used in) investing activities and net cash flows from/(used in) financing activities for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022 ⁽¹⁾	2023	2024	2024	2025
	(<i>€ millions</i>)				
Cash flows from operations before working capital changes	496.5	600.4	702.4	334.7	384.5
Cash flows from changes in working capital ⁽²⁾	(19.3)	(72.7)	(65.6)	(39.0)	(44.5)
Cash flows from operations	477.1	527.7	636.8	295.7	340.0
Interest paid.....	(41.8)	(60.5)	(63.0)	(32.9)	(38.0)
Interest received	0.1	4.3	5.2	2.2	0.4
Income tax paid.....	(5.6)	(6.4)	(92.9)	(3.3)	(9.1)
Net cash flows from operating activities	429.8	465.1	486.0	261.8	293.3
Net cash flow (used in) / from investing activities	85.2⁽³⁾	(717.4)	(433.0)⁽⁴⁾	(408.9)	(412.0)
Net cash flows (used in) / from financing activities	(273.2)	212.2	(207.9)	53.6	107.7
Net increase / (decrease) in cash and cash equivalents.....	241.8	(40.1)	(154.8)	(93.6)	(11.0)
Cash and cash equivalents at the beginning of the period	19.5	261.3	221.3	221.3	66.5
Cash and cash equivalents at the closing of the period	261.3	221.3	66.5	127.7	55.5

(1) On January 3, 2022, we disposed of our operations in Hungary for a total consideration of €625.0 million. The cash flows of our former Hungarian operations for the first three days of 2022 were not material to the Group as a whole and therefore were not included in the 2023 Annual Financial Statements.

(2) Cash flows from changes in working capital includes the sum of the (Increase)/decrease in trade receivables and other assets, (Increase)/decrease in inventories, Increase/(decrease) in trade payables and other current liabilities, Increase/(decrease) in contract liabilities.

(3) Includes €622.3 million of proceeds from disposal of our former Hungarian operations received on January 3, 2022 (net of cash disposed).

(4) Includes €503.3 million of proceeds from the sale on September 5, 2024 of the SOTA Network, a portion of our FTTH network in Spain, to a consortium led by Macquarie Capital. See “—Trends and Other Key Factors Impacting Our Results of Operations—Acquisitions and disposals and joint ventures.”

Cash flows from operations before working capital changes were €384.5 million for the six months ended June 30, 2025 and €334.7 million for the six months ended June 30, 2024. The increase was due to the reasons discussed in “—Historical Results of Operations—Results of operations for the six months ended June 30, 2025 and 2024.”

Cash flows from operations before working capital changes were €702.4 million for the year ended December 31, 2024, €600.4 million for the year ended December 31, 2023 and €496.5 million for the year ended December 31, 2022. The increase was due to the reasons discussed in “—Historical Results of Operations—Results of operations for the years ended December 31, 2024, 2023 and 2022.”

The table below sets out changes in our working capital requirement for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(<i>€ millions</i>)				
(Increase)/decrease in trade receivables, other assets and contract assets....	(50.8)	(61.9)	(35.7)	(39.5)	(70.9)
(Increase)/decrease in inventories.....	2.1	3.0	(12.4)	1.2	4.1
Increase/(decrease) in programming assets.....	(26.5)	(25.6)	(31.2)	(12.0)	(14.2)
Increase/(decrease) in trade payables and other current liabilities	48.6	8.6	15.4	10.3	33.7
Increase/(decrease) in contract liabilities	7.3	3.3	(1.7)	1.1	2.7

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
			(€ millions)		
Total working capital requirement	(19.3)	(72.7)	(65.6)	(39.0)	(44.5)

We had a total working capital requirement of €44.5 million for the six months ended June 30, 2025. This was primarily due to a €70.9 million increase in trade receivables, other assets and contract assets and a €14.2 million decrease in programming assets, partially offset by a €4.1 million decrease in inventories, a €2.7 million increase in contract liabilities and a €33.7 million increase in trade payables and other current liabilities. These changes were primarily driven by increase in the overall business activity (including the growth seen in Spain and Romania and the launch of services in Portugal), the increase in the receivable from the Belgian JV and the payments for sports and movie rights.

We had a working capital requirement of €39.0 million for the six months ended June 30, 2024. This was primarily due to a €39.5 million increase in trade receivables, other assets and contract assets and a €12.0 million decrease in programming assets, partially offset by a €1.2 million decrease in inventories, a €1.1 million increase in contract liabilities and a €10.3 million increase in trade payables and other current liabilities. These changes were primarily driven by increase in the overall business activity (including the growth seen in Spain and Romania), the increase in the receivable from the Belgian JV and the payments for sports and movie rights.

We had a working capital requirement of €65.6 million in the year ended December 31, 2024. This was primarily due to a €35.7 million increase in trade receivables, other assets and contract assets, a €12.4 million increase in inventories, a €31.2 million decrease in programming assets and a €1.7 million decrease in contract liabilities, partially offset by a €15.4 million increase in trade payables and other current liabilities. These changes were primarily driven by the increase in the receivable from the Belgian JV and the payments for sports and movie rights.

We had a working capital requirement of €72.7 million for the year ended December 31, 2023. This was primarily due to a €61.9 million increase in trade receivables, other assets and contract assets and a €25.6 million decrease in programming assets, partially offset by a €3.0 million decrease in inventories, a €3.3 million increase in contract liabilities and a €8.6 million increase in trade payables and other current liabilities. These changes were primarily driven by increase in the overall business activity (including the growth seen in Spain and Romania), the increase in the receivable from the Belgian JV, the payments for sports and movie rights and VAT receivables as result of the Portugues investments.

We had a working capital requirement of €19.3 million for the year ended December 31, 2022. This was primarily due to a €50.8 million increase in trade receivables, other assets and contract assets, a €26.5 million decrease in programming assets and a €7.3 million increase in contract liabilities, partially offset by a €2.1 million decrease in inventories and a €48.6 million increase in trade payables and other current liabilities. These changes were primarily driven by the sale of the Hungarian subsidiary.

Cash flows from operations represented an inflow of €340.0 million for the six months ended June 30, 2025 and €295.7 million for the six months ended June 30, 2024. Included in these amounts are deductions for interest paid, interest received and income tax paid. Interest paid was €38.0 million for the six months ended June 30, 2025, compared with €32.9 million for the six months ended June 30, 2024. Income tax paid was €9.1 million for the six months ended June 30, 2025, compared with €3.3 million for the six months ended June 30, 2024.

Cash flows from operations represented an inflow of €636.8 million for the year ended December 31, 2024 and €527.7 million for the year ended December 31, 2023. Included in these amounts are deductions for interest paid and income tax paid. Interest paid was €63.0 million for the year ended December 31, 2024, compared with €60.5 million in the year ended December 31, 2023. Income tax paid was €92.9 million for the year ended December 31, 2024, compared with €6.4 million for the year ended December 31, 2023. Interest received was €5.2 million for the year ended December 31, 2024, compared with €4.3 million for the year ended December 31, 2023.

Cash flows from operations represented an inflow of €527.7 million for the year ended December 31, 2023 and €477.1 million for the year ended December 31, 2022. Included in these amounts are deductions for interest paid and income tax paid. Interest paid was €60.5 million for the year ended December 31, 2023, compared with €41.8 million in the year ended December 31, 2022. Income tax paid was €6.4 million for the year ended December 31, 2023, compared with €5.6 million for the year ended December 31, 2022. Interest received was €4.3 million for the year ended December 31, 2023, compared with €0.1 million for the year ended December 31, 2022.

Net cash flows from / (used in) investing activities represented an outflow of €412.0 million for the six months ended June 30, 2025 and €408.9 million for the six months ended June 30, 2024. Net cash flows from / (used in) investing activities represented an outflow of €433.0 million for the year ended December 31, 2024 and €717.4 million for the year ended December 31, 2023, compared to an inflow of €85.2 million for the year ended December 31, 2022.

The table below sets out our capital expenditures (defined as cash outflows for the acquisition of tangible, intangible assets, subscriber acquisition costs, subsidiaries, net of cash, investment property and equity-accounted investees, net of cash and programme assets) by category for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
			(€ millions)		
Network, equipment and customer premises equipment (CPE) ⁽¹⁾	479.3	547.9	552.9	239.3	244.8
Program assets—content for our own channels ⁽²⁾	37.1	39.8	56.5	13.1	4.9
License and software ⁽³⁾	44.8	62.5	124.6	34.3	44.2
Customer relationships ⁽⁴⁾	4.4	3.4	17.8	0.8	1.3
Other additions to tangible assets ⁽⁵⁾	26.0	15.6	39.1	17.2	11.2
Other additions to intangible assets	60.4	64.1	91.2	31.5	37.5
Total additions to tangible and intangible assets	652.0	733.5	882.0	336.1	343.8
Differences between capital expenditures for tangible and intangible assets and additions to tangible and intangible assets ⁽⁶⁾	(91.9)	(3.7)	3.1	73.0	42.7
Capital expenditures	560.1	729.7	885.1	409.1	386.5
Total	560.1	729.7	885.1	409.1	386.5

- (1) Composed primarily of costs incurred for additions of materials and equipment to expand and upgrade our fiber optic networks; costs incurred for our personnel and subcontractors related to the expansion and upgrade of our fiber optic and mobile networks; costs incurred for materials and equipment to expand and maintain our mobile networks; costs incurred for equipment needed to operate our own channels; costs for acquisitions through business combinations; and costs incurred for additions to CPE, including certain network equipment such as GPON terminals (which may not generally be treated as CPE-related costs by other members of our industry), and other equipment such as set-top boxes, mobile data devices, fixed-line telephone handsets, satellite dishes and satellite receivers and smartcards, and allocated costs of construction in progress.
- (2) Composed of costs incurred for additions of content for our own channels.
- (3) Composed primarily of mobile network software licenses acquired in Romania and payments for spectrum acquired.
- (4) Composed primarily of costs incurred when acquiring customer contracts from other companies directly by purchasing the assets of those companies.
- (5) Composed primarily of costs incurred for additions to our land, buildings, vehicles and furniture, investment property and allocated costs of construction in progress.
- (6) This is primarily composed of changes in trade payables owed to suppliers for tangible and intangible assets. Changes in trade payables owed to fixed asset suppliers is composed of payments for additions to tangible and intangible assets recognized in prior periods, advance payments for additions to tangible and intangible assets which we expect will be recognized in future periods and accruals for additions to tangible and intangible assets for which we are obligated to make payments in future periods.

During the six months ended June 30, 2025, we acquired tangible and intangible assets for €343.8 million. We had €244.8 million in additions to our network and equipment and CPEs, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania, Portugal and Spain and also from the NOWO acquisition. We had €4.9 million in additions to our program assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €44.2 million in additions to our intangible assets, primarily to recognize mobile licenses in Spain and Portugal (from the acquisition of NOWO), as well as software licenses for equipment for our mobile networks.. We also had additions to customer relationships of €1.3 million, reflecting amounts mainly associated to the acquisition of customer contracts and to a lesser extent customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €42.7 million higher than additions to tangible and intangible assets. This was primarily due to investments under construction in Portugal and Romania, where the assets are still under construction.

During the six months ended June 30, 2024, we acquired tangible and intangible assets for €336.1 million. We had €239.3 million in additions to our network and equipment and CPEs, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania, Portugal and Spain. We had €13.1 million in additions to our program assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €34.3 million in additions to our intangible assets, primarily to recognize mobile licenses in Spain and Portugal, as well as software licenses for equipment for our mobile networks. We also had additions to customer relationships of €0.8 million, reflecting incurred for the acquisition of customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €73.0 million higher than additions to tangible and intangible assets. This was primarily due to investments under construction in Portugal and Romania, where the assets are still under construction.

During the year ended December 31, 2024, we acquired tangible and intangible assets for €882.0 million. We had €552.9 million in additions to our network and equipment and CPEs, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania, Portugal and Spain and also from the NOWO acquisition. We had €56.5 million in additions to our programme assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €124.6 million in additions to our intangible assets, primarily to recognize

mobile licenses in Spain and Portugal (from the acquisition of NOWO), as well as software licenses for equipment for our mobile networks. We also had additions to customer relationships of €17.8 million, reflecting amounts mainly associated to the acquisition of customer contracts recognised as a result of the NOWO acquisition and to a lesser extent customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €3.1 million lower than accounting additions to tangible and intangible assets during the year. This was primarily due to additions of equipment and CPE additions which are payable in the future period and longer payment terms, especially for part of the network.

During the year ended December 31, 2023, we acquired tangible and intangible assets for €733.5 million. We had €547.9 million in additions to our network and equipment and CPEs, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania and Spain. We had €39.8 million in additions to our programme assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €62.5 million in additions to our intangible assets, primarily to recognize renewal of mobile licenses in Romania and newly acquired mobile licenses in Portugal, as well as software licenses for equipment for our mobile networks. We also had additions to customer relationships of €3.4 million, reflecting amounts incurred for the acquisition of customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €3.7 million lower than accounting additions to tangible and intangible assets during the year. This was primarily due to equipment and CPE additions.

During the year ended December 31, 2022, we acquired tangible and intangible assets for €652.0 million. We had €479.3 million in additions to our network and equipment and CPEs, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania and Spain. We had €37.1 million in additions to our programme assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €44.8 million in additions to our intangible assets, primarily to recognize renewal of mobile licenses in Romania and newly acquired mobile licenses in Portugal, as well as software licenses for equipment for our mobile networks. We also had additions to customer relationships of €4.4 million, reflecting amounts incurred for the acquisition of customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €91.9 million lower than accounting additions to tangible and intangible assets during the year. This was primarily due to additions which are payable in the future period and longer payment terms, especially for part of the network, as well as equipment and CPE additions.

Net cash flows from / (used in) financing activities represented an inflow of €107.7 million for the six months ended June 30, 2025, which reflected mainly the proceeds from the new 2025 Spanish Senior Facilities and the 2025 Romanian SFA and 2024 and 2025 ECA facilities drawdowns netted by the repayment of the remaining 2021 Spanish Senior Facilities.

Net cash flows from financing activities represented an outflow of €207.9 million for the year ended December 31, 2024. On September 27, 2024, the Issuer redeemed the €450.0 million principal amount outstanding of 2025 Senior Secured Notes and partially repaid the 2021 Spanish Senior Facilities. The remaining part of the 2021 Spanish Senior Facilities was repaid on March 31, 2025 in connection with DIGI Spain entering into the 2025 Spanish Senior Facilities. Also in 2024, we drew €250 million under the 2023 Senior Facilities Agreement and €185 million under the 2024 Senior Facilities Agreement. Additionally, we drew €127.8 million under the 2023 Export Credit Facilities Agreement and the 2024 Export Credit Facilities Agreement. We also paid €125.6 million in connection with our lease obligations during the year.

Net cash flows from / (used in) financing activities represented an inflow of €212.2 million for the year ended December 31, 2023. In 2023, we drew €138.0 million under the 2021 Spanish Senior Facilities Agreement and €132.5 million under the 2023 Export Credit Facilities Agreement. We also paid €100.2 million in connection with our lease obligations during the year.

Net cash flows from / (used in) financing activities represented an outflow of €273.2 million for the year ended December 31, 2022. In January 2022, we repaid the outstanding balance under the 2020 Senior Facilities Agreement and certain short term and working capital facilities, in an aggregate principal amount of €272.4 million. Also in 2022, we drew €90.0 million under the 2021 Spanish Senior Facilities Agreement. We also paid €91.3 million in connection with lease obligations during the year.

Planned Cash Requirements and Capital Expenditure Plan

We anticipate that our cash requirements in the near to medium term will consist principally of expenditures to service our debt, to upgrade and build expansions to our fixed and mobile networks, to further develop our mobile telecommunication services business, to purchase further broadcasting rights for our premium TV channels, to finance acquisitions and the cost of spectrum licenses (including the relevant annual fees). We evaluate acquisition opportunities in line with, or complementary to, our current business as and when they become available. The following discussion sets out our principal cash needs based, among other things, on our existing capital expenditure plan, our outstanding bank loans and other contractual commitments.

Beyond our contractually committed capital expenditures (mainly relating to broadcasting rights) and our expected network-related capital expenditures (relating to maintenance capital expenditures), our investment plan for the near to medium term is largely discretionary. These expenditures could include:

- expansion of our fixed network;
- expansion and further development of our mobile network;
- acquisition of additional television content rights and licenses;
- costs associated with CPE and the acquisition of new customers;
- payments for the acquisition of new telecommunication licenses or renewal of existing telecommunication licenses; and
- potential acquisitions.

We regularly monitor potential acquisition targets, while assessing their attractiveness relative to other strategic alternatives available to us on an opportunistic basis. However, a decision to proceed with any such acquisition will be subject to a number of conditions that may or may not materialize, including regulatory support and availability of third-party financing. See “—Trends and Other Key Factors Impacting Our Results of Operations—Capital expenditure” and “Overview—Business Overview—Strategy.”

As at June 30, 2025, contractual commitments for capital expenditures (consisting primarily of the minimum committed volume of customers under the bitstream services agreement in connection with the SOTA Network, certain obligations under the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica, the annual radio spectrum fees for our mobile telecommunications licenses in Romania, Spain and Portugal and payments for broadcasting rights) amounted to €3,958.8 million.

Contractual obligations

Our principal contractual obligations consist of our obligations in respect of financial indebtedness that is owed under the 2028 Senior Secured Notes, our credit facilities, the annual radio spectrum fees for our mobile telecommunication licenses in Romania, Spain and Portugal and payments for broadcasting rights. Additionally, in Spain, we are bound by a long term minimum committed volume of customers under the bitstream services agreement in connection with the SOTA Network, as well as by certain obligations under the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica.

The tables below set out the maturities of our financial liabilities and other major contractual commitments, including estimated payments and excluding the impact of netting agreements as at June 30, 2025, based on the agreements in place as at that date. We expect that our contractual commitments may evolve over time in response to current business and market conditions, with the result that future amounts due may differ considerably from the expected amounts payable set out in the table below.

Financial liabilities	Carrying amount as at June 30, 2025	Contractual cash flows for the six months ended June 30, 2025	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(€ millions)				
Loans and borrowings	1,517.4	1,657.8	172.1	160.1	341.5	933.1	50.9
Lease liabilities	506.1	664.8	75.7	61.0	87.1	135.5	305.4
Trade and other payables and other liabilities	613.3	614.4	551.8	15.6	26.7	16.0	4.5
Total	2,636.8	2,937.0	799.6	236.7	455.3	1,084.7	360.8

Contractual commitments	Contractual cash flows for the six months ended					
	June 30, 2025	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Total undiscounted amounts	3,958.8	310.8	279.3	408.7	510.5	2,449.5
Total discounted amounts	2,068.5	286.0	254.6	345.9	366.1	815.9

Loans and borrowings

2028 Senior Secured Notes

2028 Senior Secured Notes were issued by the Issuer on February 5, 2020 under the indenture between, among others, the Issuer, DIGI Communications N.V., as Parent, DIGI Távközlési és Szolgáltató Korlátolt Felelősségű Társaság, INVITEL Távközlési Zrt. and DIGI Spain, as Subsidiary Guarantors, GLAS Trustees Limited, as Trustee, and Wilmington Trust (London) Limited, as Security Agent, as amended or restated from time to time.

The aggregate principal amount outstanding under the 2028 Senior Secured Notes is €400.0 million and they bear interest at the rate of 3.25% *per annum*. The 2028 Senior Secured Notes are secured by the Collateral pursuant to the terms of the Intercreditor Agreement.

On or about the Issue Date, we expect to redeem the 2028 Senior Secured Notes in full. See “*Use of Proceeds*” and “*Capitalization*.”

2023 Senior Facilities Agreement

The 2023 Senior Facilities Agreement was entered into on April 21, 2023 by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, ING Bank N.V., London Branch, as facility agent, and other financial institutions named therein. It originally provided for the following facilities: (i) a €150.0 million term loan Facility A; (ii) a €100.0 million revolving Facility B; and (iii) €250.0 million in non-committed incremental facilities. Facility A and Facility B were fully drawn in September and October 2024, respectively. On April 9, 2025, a €200.0 million incremental facility under the 2023 Senior Facilities Agreement was established.

On October 15, 2025, the 2023 Senior Facilities Agreement was amended to among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rates payable are as follows: (i) Facility A: margin of 2.55% *per annum*, *plus* EURIBOR; (ii) Facility B: margin of 2.45% *per annum*, *plus* EURIBOR and (iii) Incremental Facility: margin of 2.5% *per annum*, *plus* EURIBOR. The final maturity dates are as follows: (i) Facility A: January 31, 2028; (ii) Facility B: January 21, 2028; and (iii) Incremental Facility: April 9, 2030.

The 2023 Senior Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €277.5 million was outstanding under the 2023 Senior Facilities Agreement. On or about the Issue Date, we expect to partially prepay the term loan Facility A under the 2023 Senior Facilities Agreement. See “*Use of Proceeds*” and “*Capitalization*.”

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Repayment Installments		
	Facility A	Facility B (€ millions)	Incremental Facility
July 31, 2025	3.8	—	—
August 31, 2025.....	3.8	—	—
September 30, 2025	3.8	—	—
October 31, 2025	3.8	—	—
November 30, 2025	3.8	—	—
December 31, 2025.....	3.8	—	—
January 31, 2026.....	3.8	—	—
February 28, 2026.....	3.8	—	—
March 31, 2026.....	3.8	—	—
April 30, 2026.....	3.8	—	—
May 31, 2026.....	3.8	—	—
June 30, 2026.....	3.8	—	—
July 31, 2026	3.8	—	—
August 31, 2026.....	3.8	—	—
September 30, 2026	3.8	—	—
October 31, 2026	3.8	—	—
November 30, 2026	3.8	—	—
December 31, 2026.....	3.8	—	—
January 31, 2027.....	3.8	—	—
February 28, 2027.....	3.8	—	—
March 31, 2027.....	3.8	—	—
April 30, 2027.....	3.8	—	—
May 31, 2027.....	3.8	—	1.8
June 30, 2027.....	3.8	—	1.8
July 31, 2027	3.8	—	1.8
August 31, 2027.....	3.8	—	1.8
September 30, 2027	3.8	—	1.8
October 31, 2027	3.8	—	1.8
November 30, 2027	3.8	—	1.8
December 31, 2027.....	3.8	—	1.8
January 21, 2028.....	—	100.0	—
January 28, 2028.....	—	—	1.8
February 28, 2028.....	—	—	1.8
March 31, 2028.....	—	—	1.8
April 30, 2028.....	—	—	1.8
May 31, 2028.....	—	—	1.8
June 30, 2028.....	—	—	1.8
July 31, 2028	—	—	1.8
August 31, 2028.....	—	—	1.8
September 30, 2028	—	—	1.8
October 31, 2028	—	—	1.8
November 30, 2028	—	—	1.8
December 31, 2028.....	—	—	1.8
January 31, 2029.....	—	—	1.8
February 28, 2029.....	—	—	1.8
March 31, 2029.....	—	—	1.8
April 30, 2029.....	—	—	1.8
May 31, 2029.....	—	—	1.8
June 30, 2029.....	—	—	1.8
July 31, 2029	—	—	1.8
August 31, 2029.....	—	—	1.8
September 16, 2029	—	—	1.8
October 31, 2029	—	—	1.8
November 30, 2029	—	—	1.8
December 31, 2029.....	—	—	1.8
January 31, 2030.....	—	—	1.8
February 28, 2030.....	—	—	1.8
March 31, 2030.....	—	—	1.8
April 30, 2030.....	—	—	1.8
Total.....	112.5	100.0	65.0

2024 Senior Facilities Agreement

The 2024 Senior Facilities Agreement was entered into on June 3, 2024 by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, ING Bank N.V., London branch, as facility agent, and other financial institutions named therein. It originally provided for a €150.0 million term loan Facility A. The 2024 Senior Facilities Agreement was amended and restated on September 12, 2024 and on December 5, 2024, it was further amended to increase the commitments under Facility A to €220.0 million and transfer part of the existing commitments to certain new lenders. Facility A was fully drawn in February 2025.

On October 15, 2025, the 2024 Senior Facilities Agreement was amended to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rate under the 2024 Senior Facilities is composed of a margin of 2.5% *per annum*, plus EURIBOR.

The 2024 Senior Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €220.0 million were outstanding under the 2024 Senior Facilities Agreement.

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Repayment Installments
	Facility A (€ millions)
September 30, 2026	5.9
October 31, 2026	5.9
November 30, 2026	5.9
December 31, 2026	5.9
January 31, 2027	5.9
February 28, 2027	5.9
March 31, 2027	5.9
April 30, 2027	5.9
May 31, 2027	5.9
June 30, 2027	5.9
July 31, 2027	5.9
August 31, 2027	5.9
September 30, 2027	5.9
October 31, 2027	5.9
November 30, 2027	5.9
December 31, 2027	5.9
January 31, 2028	5.9
February 28, 2028	5.9
March 31, 2028	5.9
April 30, 2028	5.9
May 31, 2028	5.9
June 30, 2028	5.9
July 31, 2028	5.9
August 31, 2028	5.9
September 30, 2028	5.9
October 31, 2028	5.9
November 30, 2028	5.9
December 31, 2028	5.9
January 31, 2029	5.9
February 28, 2029	5.9
March 31, 2029	5.9
April 30, 2029	5.9
May 31, 2029	5.9
June 30, 2029	5.9
July 31, 2029	5.9
August 31, 2029	5.9
September 16, 2029	6.2
Total	220.0

2025 Spanish Senior Facilities Agreement

The 2025 Spanish Senior Facilities Agreement was entered into on March 28, 2025 by DIGI Spain, as borrower, and the Parent, the Issuer and DIGI Spain, as guarantors, Banco Santander S.A., Banco Bilbao Vizcaya Argentaria S.A., ING Bank N.V., Sucursal en España, as bookrunners and mandate lead arrangers, and other financial institutions named therein. It provides for the following facilities: (i) a €195.0 million term loan Facility A; (ii) a €40.0 million term loan Facility B; and (iii) €40.0 million revolving credit Facility C. Facility A was fully drawn on March 31, 2025. Facility B was drawn in an amount of €25.0 million as of June 30, 2025. Facility C remains undrawn as of June 30, 2025. The 2025 Spanish Senior Facilities agreement also allows the establishment of additional accordion facilities.

On October 17, 2025, the 2025 Spanish Senior Facilities Agreement was amended and restated, effective on or before the Issue Date, to, among other things, (i) release and discharge the Issuer and the Parent from the guarantees granted by each of them under the 2025 Spanish Senior Facilities Agreement, (ii) to release the transaction security securing the liabilities under the agreement and (iii) restrict the ability of DIGI Spain to repay indebtedness to its direct or indirect shareholders or to issue dividends, redeem shares or make other capital distributions to such persons if and while a default is continuing or would occur as a result of such payment or transaction.

The interest rate under the 2025 Spanish Senior Facilities is composed of a margin of 2.50% *per annum*, plus EURIBOR.

The 2025 Spanish Senior Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement which will be released on or before the Issue Date.

As at June 30, 2025, €220.0 million were outstanding under the 2025 Spanish Senior Facilities Agreement.

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Repayment Installments	
	Facility A	Facility B
	(€ millions)	
March 31, 2027.....	13.7	1.8
June 30, 2027.....	13.7	1.8
September 30, 2027.....	13.7	1.8
December 31, 2027.....	13.7	1.8
March 31, 2028.....	13.7	1.8
June 30, 2028.....	13.7	1.8
September 30, 2028.....	13.7	1.8
December 31, 2028.....	13.7	1.8
March 31, 2029.....	13.7	1.8
June 30, 2029.....	13.7	1.8
September 30, 2029.....	13.7	1.8
December 31, 2029.....	22.4	2.8
March 31, 2030.....	22.4	3.0
Total.....	195.0	25.0

2023 Export Credit Facilities Agreements

The 2023 Export Credit Facilities Agreements were entered into on April 24, 2023 by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, and ING Bank N.V. They provide for (i) a €72.8 million Finnvera Covered Export Credit Facility and (ii) a €59.9 million EKN Covered Export Credit Facility, providing for a €25.8 million Facility A and of a €34.2 million Facility B. All 2023 Export Credit Facilities were fully drawn in 2023.

On October 15, 2025, the 2023 Export Credit Facility Agreements were amended, among other things, to (i) release and discharge DIGI Spain from the guarantee granted by it under such agreements, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rate under the 2023 Export Credit Facilities Agreements is composed of a margin of 0.7% *per annum*, plus EURIBOR.

The 2023 Export Credit Facilities Agreements are secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €44.2 million were outstanding under the 2023 Export Credit Facilities Agreement.

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Finnvera Covered Export Credit Facility	Repayment Installments EKN Covered Export Credit Facilities	
		Facility A (€ millions)	Facility B
August 28, 2025.....	-	4.3	-
September 19, 2025	12.1	-	-
October 30, 2025	-	-	5.7
February 27, 2026.....	-	4.3	-
March 20, 2026.....	12.1	-	-
April 30, 2026.....	-	-	5.7
Total.....	24.2	8.6	11.4

2024 Export Credit Facilities Agreements

The 2024 Export Credit Facilities Agreements were entered into on April 22, 2024 and May 14, 2024, respectively, by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, and CITIBANK EUROPE PLC. It provides for (i) a €35.7 million Finnvera Covered Export Credit Facility and (ii) a €81.4 million EKN Covered Export Credit Facility, providing for a €46.1 million Facility A and of a €35.3 million Facility B. All 2024 Export Credit Facilities were fully drawn in 2024.

On October 10, 2025, the 2024 Export Credit Facility Agreements were amended to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreements, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rate under the 2024 Export Credit Facilities Agreement is composed of a margin of 0.5% *per annum, plus* EURIBOR.

The 2024 Export Credit Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €87.7 million were outstanding under the 2024 Export Credit Facilities Agreement.

The table below sets out the repayment schedule for outstanding balances:

Repayment date	Finnvera Covered Export Credit Facility	Repayment Installments EKN Covered Export Credit Facilities	
		Facility A (€ millions)	Facility B
August 29, 2025.....	-	-	4.4
September 30, 2025	-	5.8	-
December 30, 2025	4.5	-	-
February 27, 2026.....	-	-	4.4
March 30, 2026.....	-	5.8	-
June 30, 2026.....	4.5	-	-
August 30, 2026.....	-	-	4.4
September 30, 2026	-	5.8	-
December 30, 2026.....	4.5	-	-
February 28, 2027.....	-	-	4.4
March 30, 2027.....	-	5.8	-
June 30, 2027.....	4.5	-	-
August 30, 2027.....	-	-	4.4
September 30, 2027	-	5.8	-
December 30, 2027.....	4.5	-	-
February 29, 2028.....	-	-	4.4
March 30, 2028.....	-	5.8	-
June 30, 2028.....	4.5	-	-
Total.....	26.8	34.5	26.4

2024 Additional Export Credit Facilities Agreement

The 2024 Additional Export Credit Facilities Agreement was entered into on October 22, 2024 by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, and ING Bank N.V. It provides for €62.0 million total commitments, split

between (i) a €46.1 million Facility A; (ii) a €10.2 million Facility B; (iii) a €3.5 million Facility C; and (iv) a €2.2 million Facility D. All 2024 Export Credit Facilities were fully drawn in 2024.

On October 15, 2025, the 2024 Additional Export Credit Facility Agreement was amended to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreements, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rate under the 2024 Additional Export Credit Facilities Agreement is composed of a margin of 0.45% *per annum*, plus EURIBOR.

The 2024 Additional Export Credit Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €14.04 million was outstanding under Facility A, €8.90 million was outstanding under Facility B, €2.91 million was outstanding under Facility C and €0.90 million was outstanding under Facility D.

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Facility A	Repayment Installments		Facility D
		Facility B	Facility C	
		(<i>€ millions</i>)		
August 14, 2025.....	—	—	—	0.3
September 30, 2025	—	1.3	—	—
October 1, 2025	1.8	—	—	—
December 2, 2025.....	—	—	0.4	—
February 16, 2026.....	—	—	—	0.1
March 30, 2026.....	—	1.3	—	—
April 1, 2026.....	1.8	—	—	—
June 2, 2026.....	—	—	0.4	—
August 14, 2026.....	—	—	—	0.1
September 30, 2026	—	1.3	—	—
October 1, 2026	1.8	—	—	—
December 2, 2026.....	—	—	0.4	—
February 14, 2027.....	—	—	—	0.1
March 30, 2027.....	—	1.3	—	—
April 1, 2027.....	1.8	—	—	—
June 2, 2027.....	—	—	0.4	—
August 14, 2027.....	—	—	—	0.1
September 30, 2027	—	1.3	—	—
October 1, 2027	1.8	—	—	—
December 2, 2027.....	—	—	0.4	—
February 14, 2028.....	—	—	—	0.1
March 30, 2028.....	—	1.3	—	—
April 1, 2028.....	1.8	—	—	—
June 2, 2028.....	—	—	0.4	—
August 14, 2028.....	—	—	—	0.1
September 30, 2028	—	1.3	—	—
October 1, 2028	1.8	—	—	—
December 2, 2028.....	—	—	0.4	—
February 14, 2028.....	—	—	—	0.1
April 1, 2029.....	1.8	—	—	—
Total.....	14.0	8.9	2.9	0.9

2025 Export Credit Facilities Agreements

The 2025 Export Credit Facilities Agreements were entered into on March 27, 2025 by the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, and CITIBANK EUROPE PLC. It provides for (i) a €19.4 million Finnvera Covered Export Credit Facility and (ii) a €35.4 million EKN Covered Export Credit Facility.

On October 10, 2025, the 2025 Export Credit Facilities Agreements were amended to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreements, (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes and (iii) limit the financial indebtedness of the Group, excluding the Spanish Restricted Subsidiaries, to a maximum of 3.5 times consolidated EBITDA.

The interest rate under the Additional Export Credit Facilities Agreement is composed of a margin of 0.55% *per annum*, plus EURIBOR.

The 2025 Additional Export Credit Facilities Agreement is secured on the Collateral on a *pari passu* basis with the 2028 Senior Secured Notes pursuant to the terms of the Intercreditor Agreement.

As at June 30, 2025, €11.43 million was outstanding under Finnvera – Covered Export Credit Facility and €21.15 million was outstanding under EKN Covered Export Credit Facility.

The table below sets out the repayment schedule for outstanding balances:

Repayment Date	Repayment Installments	
	Finnvera Covered Export Credit Facility	EKN Covered Export Credit Facility
	(€ millions)	
October 30, 2025	—	2.6
December 30, 2025	1.4	—
April 30, 2025	—	2.6
June 30, 2026	1.4	—
October 30, 2026	—	2.6
December 30, 2026	1.4	—
April 30, 2027	—	2.6
June 30, 2027	1.4	—
October 30, 2027	—	2.6
December 30, 2027	1.4	—
April 30, 2028	—	2.6
June 30, 2028	1.4	—
October 30, 2028	—	2.6
December 30, 2028	1.4	—
April 30, 2029	—	2.6
June 30, 2029	1.4	—
Total	11.4	21.2

DIGI Andalucía Facility Agreement

The €84.0 million DIGI Andalucía Facility Agreement was entered into on May 14, 2025 by DIGI Andalucía, as borrower, and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING Bank N.V., Sucursal En España, as mandated lead arrangers.

The interest rate under the DIGI Andalucía Facility Agreement is composed of three-month EURIBOR *plus* the margin set out in the table below:

From (Including)	To (Excluding)	Applicable Margin
Initial Utilization	June 30, 2027	2.35% <i>per annum</i>
June 30, 2027	June 30, 2029	2.50% <i>per annum</i>
June 30, 2029	June 30, 2030	2.75% <i>per annum</i>
June 30, 2030	June 30, 2031	3.00% <i>per annum</i>
June 30, 2031	Final Maturity Date	3.25% <i>per annum</i>

The final maturity date is May 14, 2032 for all amounts drawn under the DIGI Andalucía Facility Agreement.

As at June 30, 2025, €51.0 million were outstanding under the DIGI Andalucía Facility Agreement.

The 2025 DIGI Andalucía Facility Agreement is secured on (i) assets of DIGI Andalucía and (ii) shares of DIGI Andalucía owned by DIGI Spain, all of which do not form part of the Collateral.

Short term and working capital facilities

Issuer's short term financing

The Issuer is party to several short term and working capital facilities with ING Bank N.V.-Bucharest Branch, Citibank Europe Plc, Dublin – Romania Branch, BRD and UniCredit. These facilities include uncommitted overdraft facilities, uncommitted facilities for letters of guarantee and letters of credit issuance. As at June 30, 2025, the aggregate principal amount outstanding under these facilities was €72.1 million.

DIGI Spain's short term financing

DIGI Spain is party to several short term and working capital facilities with Banco Santander, Caixabank, Bankinter and BBVA. As at June 30, 2025, the aggregate principal amount outstanding under these facilities was €58.0 million.

NOWO's short term financing

NOWO is party to several short term and working capital facilities with Bankinter and Novo Banco. As at June 30, 2025, the aggregate principal amount outstanding under these facilities was €5.3 million.

Financial leases and lease liabilities

Included in the total lease liabilities of €506.1 million as at June 30, 2025, are €64.6 million related to lease arrangements that meet the definition of financial leases. These are now accounted for in accordance with IFRS 16.

Contingent obligations

Apart from the commitments described under the sections entitled “—Recent Developments—Litigations and other proceedings” and “—Contractual Obligations” above and “Business—Litigation and Legal Proceedings” and “Risk Factors,” we have no material contingent obligations. See also Note 22 to the Interim Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

Other than commitments described under the caption “—Contractual Obligations” (including letters of guarantees in the aggregate amount of €92.9 million), we did not have any material off-balance sheet arrangements as at June 30, 2025. See also Note 22 to the Interim Financial Statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to the following risks from the use of financial instruments: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

Credit risk

Financial assets, which potentially subject us to credit risk, consist principally of trade and other receivables, contract assets and cash and cash equivalents. Our credit risk is significantly concentrated in Romania and Spain. As at June 30, 2025 we had €200.8 million of trade and other receivables and contract assets. €119.0 million, or 59.3%, of our trade and other receivables and contract assets were attributable to Romania and €45.6 million, or 22.7%, were attributable to Spain. Although collection of receivables could be influenced by economic factors, we believe that there is no significant risk of loss beyond the reserves already recorded.

Cash is placed in financial institutions which are considered at time of deposit to have minimal risk of default.

Our exposure to credit risk as at the dates indicated was concentrated as follows:

	As at December 31,			As at
	2022	2023	2024	June 30,
				2025
	(€ millions)			
Trade and other receivables	69.5	78.5	72.0	98.5
Loans receivable from related parties	4.6	18.5	87.9	138.4
Other receivables from related parties	—	4.0	0.1	0.2
Contract assets	78.6	94.3	98.0	92.7
Other non-current assets	5.2	4.5	3.8	3.3
Grants for electricity supply	6.0	10.2	8.9	9.3
Cash and cash equivalents	261.3	221.3	66.5	55.5
Long term receivables.....	11.4	13.6	69.7	76.6
Total.....	436.6	444.9	406.9	474.5

Impairment losses

Impairment allowances are cumulative, including all prior years. The movements in the allowance for impairment in respect of trade receivables and contract assets during the periods indicated were as follows:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
			(€ millions)	
Balance at period start	20.2	19.2	21.1	25.4
Amounts written off.....	(5.4)	(9.6)	(9.7)	(6.4)
Acquisitions through business combinations.....	—	—	2.7	--
Reclassification.....	(1.2)	0.7	(0.1)	(2.3)
Net remeasurement of loss allowance.....	5.8	11.4	11.8	5.6
Translation reserve	(0.1)	(0.6)	(0.2)	(0.3)
Balance at period end	19.2	21.1	25.4	22.1

Liquidity risk

Our liquidity policy aims to maintain sufficient liquid resources to meet our obligations as they fall due and to keep our leverage optimized. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, vendor financing, supplier finance agreements, finance leases and working capital, while considering future cash flows from operations.

As a result of the volume and nature of the telecommunication business, our current liabilities exceed our current assets. A large part of our current liabilities is generated by investment activities. There is often a delay between the time we incur liabilities for investment activities and the time those activities begin to generate receivables. We believe that we will generate sufficient funds to cover the current liabilities from future revenues given the growth realized over the last years and the largely discretionary nature of our investment activities, which can be scaled down, if necessary, without a significant effect on our operations.

Currency risk

Our exposure to foreign currency risk as at the dates indicated was as follows:

	As at December 31,					
	2022		2023		2024	
	USD	EUR	USD	EUR	USD	EUR
	(equivalent in € millions)					
Trade and other receivables	3.1	8.8	1.9	4.1	1.7	5.7
Cash and cash equivalents.....	—	230.5	—	150.1	0.1	0.1
Loans and borrowings.....	—	(850.0)	—	(916.2)	—	(892.5)
Bank overdraft	(13.9)	(14.2)	(21.4)	(51.7)	(12.4)	(144.4)
Lease liabilities	(16.8)	(112.1)	(11.5)	(108.2)	(7.3)	(123.5)
Trade and other payables	(47.9)	(145.9)	(30.8)	(161.8)	(48.7)	(75.0)
Net exposure	(75.6)	(882.8)	(61.8)	(1,083.7)	(66.7)	(1,229.7)

See “Trends and Other Key Factors Impacting our Results of Operations—Exchange Rates—Historical performance of our functional currencies against the euro and U.S. dollar.”

Sensitivity analysis

A 10% strengthening of the currencies listed below against our functional currencies as at December 31, 2022, 2023 and 2024 would have decreased equity and increased loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account any existing derivative financial instruments.

	As at December 31,		
	2022	2023	2024
	(equivalent in € millions)		
EUR	88.3	108.4	123.0
USD	7.6	6.2	6.7
Total	95.8	114.6	129.6

A 10% weakening of the above-mentioned currencies against the functional currencies of the Group as at December 31, 2022, 2023 and 2024, respectively, would have had the equal but opposite effect on the equity and loss, assuming that all other variables remain constant.

Interest rate risk

Our income and operating cash flows are substantially independent of changes in market interest rates. We are exposed to interest rate risk (in euro) through market value fluctuations of interest-bearing borrowings. As at December 31, 2022, 2023 and 2024, the interest rate profile of our interest-bearing financial instruments was:

	December 31, 2022	December 31, 2023	December 31, 2024
	6 months or less	6 months or less	6 months or less
		(€ millions)	
Interest bearing payables.....	9.3	—	—
2021 Senior Facilities Agreement	212.0	341.9	193.8
2023 and 2024 Senior Facilities Agreements	—	—	420.0
Export Credit Arrangements	—	110.4	179.4
Other long-term loans	—	—	40.5
Total	221.3	452.3	833.8

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date, without giving effect to interest rate swaps, would have increased (decreased) profit or loss by:

	Profit or loss (€ millions)	
	100 basis points increase	100 basis points decrease
December 31, 2024		
Variable rate instruments	(8.3)	8.3
	Profit or loss (€ millions)	
	100 basis points increase	100 basis points decrease
December 31, 2023		
Variable rate instruments	(4.5)	4.5
	Profit or loss (€ millions)	
	100 basis points increase	100 basis points decrease
December 31, 2022		
Variable rate instruments	(2.2)	2.2

Fair value of financial instruments

Fair value is the amount for which a financial instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction.

DERIVATIVE FINANCIAL INSTRUMENTS

As at June 30, 2025, the Group had €1.2 million of embedded derivative assets related to the 2028 Senior Secured Notes (the 2028 Notes include several call options, as well as one put option) and €5.6 million of financial derivative assets in relation with the transaction completed during October 2023 between DIGI Spain and Aberdeen plc. As at June 30, 2025, the Group had no derivative financial liabilities.

ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGMENT AND DISCRETION

We prepare our financial statements in accordance with IFRS as adopted by the EU. Certain financial reporting standards under IFRS require us to make judgments or to use our discretion in determining the values to be recorded, as described in the notes to our audited financial statements included elsewhere in this prospectus. Please see Note 2.2 ("Material Accounting Policies") included in the Financial Statements.

New or amended standards and interpretations effective for the year ended December 31, 2024

IAS 1: Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The Group has adopted Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) from 1 January 2024. The amendments were originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024. These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. Following the amendments, the Group reviewed the classification of liabilities as current and non-current and concluded that these amendments had no impact on its consolidated financial statements.

IFRS 16: Leases: Lease Liability in a Sale and Leaseback (amendments)

The Group has adopted IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments) from 1 January 2024. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. Following the amendments, the Group reviewed the sale and leaseback arrangements and concluded that these amendments had no impact on its consolidated financial statements.

INDUSTRY OVERVIEW

The following section provides selected information on telecommunication markets in Romania, Spain, Portugal, Italy and Belgium.

We have taken certain information in this summary from publicly available third-party sources, which are identified below. Such information is subject to change and cannot be verified with complete certainty. In particular, we calculated our market shares using our internal RGU records, which may be different from estimates thereof provided in such third-party sources. Also, no assurance can be given that estimates of RGU numbers of our competitors in such third-party sources are correct or the same as those contained in our competitors' internal records. Therefore, you should use caution in analyzing any such information and should not place undue reliance thereon. See "Presentation of Financial and Other Data" and "Risk Factors."

ROMANIA

Overview

Population and key economic indicators

As at January 1, 2025, Romania had a population of approximately 19.0 million (*Source: Eurostat*), 54.6% of which was urban (*Sources: Eurostat*). The Romanian population is forecasted to decrease at a CAGR (Compound Annual Growth Rate) of approximately 0.5% in the period from January 1, 2023 to January 1, 2028. The country's population is therefore expected to decrease at a similar rate, as compared with the period from January 1, 2017 to January 1, 2022, when it also decreased at a CAGR of approximately 0.6% (*Sources: Eurostat, UN (United Nations), BMI*). Nominal aggregate consumption expenditure of households in Romania in the period between 2020 and 2024 increased at a CAGR of 13.2%, from approximately €154.0 billion to approximately €252.6 billion (*Sources: EIU (Economist Intelligence Unit), National Institute of Statistics and Economic Studies*).

The table below sets out the evolution of certain key economic indicators for Romania for the periods indicated with a 31st December year-end:

Key economic indicators	2020	2021	2022	2023	2024
Real GDP growth (%).....	(3.7%)	5.5%	4.0%	2.4%	0.8% ⁽¹⁾
Unemployment rate at year end (%) ⁽²⁾	6.1%	5.6%	5.6%	5.6%	5.45%
Gross GDP (€ billion, current prices).....	221.1	242.3	281.7	324.4	353.8 ⁽¹⁾
Gross GDP per capita (€, current prices)	11,460	12,660	14,790	17,010	18,560 ⁽¹⁾
Inflation/(deflation) (% , annual average).....	2.3%	4.1%	12.0%	9.7%	5.8%

Source: Eurostat.

(1) Provisional / projected figures.

(2) Unemployment is calculated as the number of people unemployed as a percentage of the labor force based on International Labour Office's definition.

In the period from January 1, 2021 to December 31, 2024, Romania's economy showed positive real GDP (Gross Domestic Product) growth at a CAGR of 3.2% (*Source: Eurostat*). This growth slowed in 2024 due to weaker production, both in manufacturing and services, and a drought that affected agriculture production during the summer. Despite this, GDP growth is expected to grow in the coming years, 1.5% in 2025, and 2.4% in 2026. Private consumption has emerged as the main driver of future growth boosted by wage and pension increases as well as easing price pressures (*Source: OECD Economic Outlook*).

The National Bank of Romania (NBR) made two consecutive rate cuts in July and August 2024, lowering its benchmark rate from 7.0% to 6.5%. These cuts were prompted by a faster-than-expected decline in inflation and signs of slowing economic growth. Monetary policy easing is expected to continue through 2025 and in 2026, with the benchmark rate declining to below 5% by the end of 2026 as inflation approaches NBR's target. (*Source: OECD Economic Outlook*). This target is currently set at 2.5% +/- 1% (*Source: NBR*). Limits on governments spending and tax increases are projected to contribute to a reduction of the budget deficit. However defense commitments, and rising outlays on pensions and public wages will increase spending. Overall, the government budget deficit is projected to stay at 9.3% in 2025 and 2026, with the underlying primary balance improving by 0.7% of GDP over this period. (*Source: OECD Economic Outlook*).

Notwithstanding the current account deficit (-7.9% of GDP December 2023-November 2024), driven in large part by the government fiscal deficit (-7.1% of GDP over January-November 2024), the National Bank of Romania (NBR) has maintained a stable FX rate while building reserves to a level representing approximately 18.4% of GDP, or 4.7 months' worth of imports in December 2024 (liquid reserves only, therefore ex. gold) (*Source: BMI Country Risk Report*).

Recent political developments

Following a recent period of heightened political uncertainty due to the annulment of Romania's original 2024 presidential election, the country continues to demonstrate a stable democratic framework and remains firmly anchored within the EU and NATO. In an unprecedented ruling, Romania's Constitutional Court disqualified a front-running candidate following an alleged pro-Russian interference, prompting a re-run of the election. The vote, held on May 18, 2025, resulted in a victory for Nicușor Dan, an independent pro-EU candidate backed by centrist parties. Voter turnout reached 64.7% (11.6 million votes cast), reflecting a heightened public engagement. The transparent re-run and swift validation by the Constitutional Court reinforced confidence in the integrity of Romania's institutions and reaffirmed the country's commitment to democratic governance. The Dan political program has signaled a reform-driven agenda focused on digital modernization, institutional transparency, and alignment with EU regulatory standards (*Sources: BBC, The Guardian*).

The parliamentary elections on December 1, 2024 produced a fragmented legislature, with the Social Democratic Party (PSD) winning approximately 22% of the vote, followed by the national-conservative Alliance for the Union of Romanians (AUR) with 18%, and the centrist National Liberal Party (PNL) with 13% (*Source: The Guardian*). A pro-European coalition was initially formed by PSD, PNL, the liberal Save Romania Union (USR), and the Democratic Alliance of Hungarians in Romania (UDMR). However, in the following months, coalition negotiations faltered amid internal disagreements – particularly over fiscal policy, with PSD expressing reluctance to join the next coalition government. Eventually, with the support of newly elected president, the Romanian parliament passed a vote of confidence in the new coalition government formed by the four pro-European parties. The parties agreed to a rotating premiership to be held in turn by representatives of the two largest parties – PNL and PSD – with Ilie Bolojan (PLN) holding the Prime Minister position until April 2027.

While near-term volatility may introduce delays in fiscal and regulatory decision-making, Romania's long-standing institutional alignment with EU norms, stable democratic foundations, and strong investor orientation provide confidence in long-term political and policy stability.

Telecommunication Services Market

Overview

Total revenue generated by the Romanian telecommunication services market (retail and wholesale) was estimated at approximately €3.2 billion for the twelve months ended December 31, 2024 (*Source: ANCOM*). The decline in total revenue generated between 2022 and 2024 was primarily driven by a decrease in traffic within fixed telephony and lower revenue per user within mobile services. Fixed internet and data comprised the largest market segment by value, accounting for approximately 40% of revenue for the twelve months ended December 31, 2024. Mobile telecommunication services accounted for 29%. For the same period, total revenue generated by the country's retail telecommunication services market was estimated at €2.9 billion (*Source: ANCOM*).

The table below sets out the evolution of revenue for the key segments of the Romanian telecommunication services market (retail and wholesale) for the periods indicated:

Market segmentation by revenue (€ bn)	For the year ended December 31,			
	2022	2023	2024	CAGR 2022-2024
Pay TV ⁽¹⁾	0.51	0.51	0.49	(1.4%)
Fixed and mobile internet and data.....	1.20	1.28	1.29	3.3%
Mobile telecommunication services	1.17	1.08	0.94	(10.3%)
- Wholesale	0.38	0.28	0.19	(28.8%)
- Retail	0.79	0.79	0.75	(2.9%)
Fixed telephony	0.30	0.31	0.25	(9.3%)
- Wholesale	0.21	0.23	0.17	(9.0%)
- Retail	0.09	0.08	0.07	(8.7%)
Other ⁽²⁾	0.26	0.27	0.28	2.6%
Total	3.43	3.43	3.24	(3.0%)

Source: ANCOM.

(1) Includes services provided via cable TV, DTH (Direct to home), IPTV (Internet Protocol Television) and other technologies.

(2) Includes services to business customers, such as other means of data transmission, line leases, streaming, video-on-demand etc.

Competition

Major developments in the market have taken place very recently. In October 2024, the Issuer and Vodafone Romania signed a memorandum of understanding with OTE, whereby the Issuer and Vodafone Romania agreed to acquire separate parts of TKRM's business, subject to the fulfillment of several customary conditions, including regulatory approvals. In particular, the Issuer agreed to acquire TKRM's business of providing prepaid mobile telecommunications as well as certain assets, including certain spectrum licenses, telecommunications towers and associated equipment (the "**TKRM Business and Assets Acquisition**"). The TKRM Business and Assets Acquisition was completed on October 1, 2025.

The RCC cleared the TKRM Business and Assets Acquisition in July 2025, subject to certain commitments undertaken by the Issuer, according to which the Issuer must (i) integrate and actively use the acquired spectrum in accordance with the applicable license terms; (ii) maintain, for at least 36 months from closing and through their contractual terms, the existing co-location agreements between Orange and TKRM for the acquired mobile base stations on current commercial terms, and thereafter remain available to negotiate continuation under certain limited conditions; (iii) invest €25 million within 36 months from closing to improve mobile internet service quality and refrain from any intentional actions that could reduce the overall quality of 4G and 5G services; (iv) preserve, for at least 36 months from closing, the TKRM prepaid contracts on agreed commercial terms, limit price increases to exceptional objective circumstances, refrain from actively targeting those prepaid clients, and ensure the availability of prepaid mobile services to all interested clients for at least 36 months from the date of the decision; and (v) publish and submit to the RCC an updated MVNO wholesale offer.

The table below provides a comparison of the segments of the Romanian telecommunication services market, prior to the acquisition of TKRM's business by Issuer and Vodafone Romania:

Services provided per operator	DIGI	Telekom Romania	Orange	Vodafone
Pay TV				
- Cable TV	✓		✓	✓
- DTH.....	✓		✓	
- Other ⁽¹⁾			✓	✓
Fixed internet and data.....	✓		✓	✓
Mobile telecommunication services				
- Mobile telephony.....	✓	✓	✓	✓
- Mobile internet and data.....	✓	✓	✓	✓
Fixed-line telephony	✓		✓	✓

Source: ANCOM.

(1) Includes services provided via IPTV and other technologies.

Given the breadth of services offered, the main providers also have to compete with companies offering alternative technologies to telephony services, such as Zoom, Teams, WhatsApp, Webex, Google Hangouts and Facebook Messenger, as well as with companies offering alternative platforms that make TV and entertainment content available to customers, such as OTT platforms Netflix, HBO Max, Disney Plus, Amazon Prime, Sky Showtime, Apple TV, and Google Play, along with other services which allow legal or illegal downloading of movies and television programs.

Of the three key providers, Orange Romania and Vodafone Romania are a part of much large international telecommunication groups. The revenues from Romanian operations represented low single digits of such groups' total revenue for the year ended December 31, 2024. In contrast, for DIGI, Romanian operations represented approximately 57% of total revenue for the same period (*Sources: Group and peer reporting*).

Pay TV market

According to ANCOM, the number of video retransmission providers has contracted as operators consolidate and smaller players withdraw from the market. Romania's Pay TV sector is led by DIGI, followed by Orange (who acquired the fixed network business of Telekom in Romania, including Pay TV, as well as convergent mobile RGUs in 2020) and Vodafone (who acquired UPC Romania in 2019). These companies' expansion efforts have been driven by technological upgrades to their networks. This yielded greater transmission speeds and an improved ability to offer multiple services over a single connection (*Source: BMI*).

As at December 31, 2024, there were approximately 7.8 million subscribers to Pay TV services in Romania. Therefore, the penetration rate of Pay TV services for dwellings was 81.7%. Also, the tendency of users to migrate to cable retransmission

services (+188,000 subscribers) to the detriment of satellite/DTH services (-138,000 subscribers) has persisted (*Source: ANCOM*).

The tables below set out the evolution of Pay TV subscribers by technology and the market segmentation of Pay TV per provider:

Pay TV subscribers segmentation (m)	As at December 31,			CAGR 2022-2024
	2022	2023	2024	
Cable TV.....	6.60	6.80	7.00	3.0%
DTH.....	1.20	0.90	0.80	(18.4%)
IPTV	0.09	0.07	0.04	(33.3%)
Total	7.89	7.77	7.84	(0.3%)
<i>Penetration rate (% of dwellings)</i>	<i>81.9%</i>	<i>81.5%</i>	<i>81.7%</i>	

Source: ANCOM.

Pay TV market share	As at December 31, 2024 (%)
DIGI.....	74.8%
Orange	13.3%
Vodafone	9.2%
Other	2.7%
Total	100.0%

Source: ANCOM. Note: By number of subscribers.

Cable TV

Cable TV subscribers are concentrated in urban areas, where cable accounted for a 93% share of total Pay TV connections as at December 31, 2024, an increase from 84.8% as at June 30, 2019. There were 3.3 million digital cable TV subscribers as at December 31, 2024 in Romania, compared with approximately 3.0 million digital cable TV subscribers as at June 30, 2022. The number of customers subscribed to the analog platform reached approximately 3.7 million - a majority of the Cable TV market as at December 31, 2024. In February 2025, Orange Romania announced a gradual shutdown of analog television starting with March 2025, thus becoming the second Romanian operator, after Vodafone Romania, to do so. However, Vodafone's process of stopping the analog service proved difficult to complete. Digi has declared no similar plans. As at December 31, 2024, approximately 65.0% of their cable TV customers were subscribed to the analog package (*Source: ANCOM, Company reports*).

DTH

As at December 31, 2024, there were approximately 0.8 million DTH subscribers in Romania. The services are more widespread in rural areas and small towns with limited or no cable TV coverage. However, the DTH market decreased at a CAGR of 18.4% in the period from December 31, 2022 to December 31, 2024 and is expected to give further way over time to competing alternatives (*Source: ANCOM*).

Fixed internet and data market

As at December 31, 2024, Romania had approximately 6.8 million subscribers connected to the Internet via a fixed line. Therefore, the penetration rate of fixed internet and data in the country was approximately 83% for all households (measured as a percentage of households subscribed to a service out of the total number of households). (*Source: ANCOM*)

The table below sets out the dynamics of the structure of the total number of fixed internet connections, depending on the access mode used for connection:

Fixed internet market shares per technology	As at December 31 (%)		
	2022	2023	2024
FTTH (Fiber-to-the-Home).....	70.0%	75.0%	79.0%
Coaxial cable	10.0%	10.0%	9.0%
FTTB (Fiber-to-the-Building).....	9.0%	7.0%	6.0%
SIM	6.0%	5.0%	4.0%
DSL.....	4.0%	2.0%	1.0%
Other	1.0%	1.0%	1%
Total	100%	100%	100%

Source: ANCOM. Note: According to the number of connections.

FTTx was the most widely used technology on the Romanian market as at December 31, 2024. Romania has high rates of data usage via fixed lines, with an average of 251.0 GB of data per month per fixed connection in 2024, while the European average stands at 370.0 GB. Given the high usage via fixed lines, the risk of substitution of fixed internet traffic by mobile internet traffic in the Romanian market is relatively low, with average mobile data usage per SIM card amounting to 11.6 GB per month in the same period, compared to the European average of 15.0 GB (*Source: International Telecommunication Union*). Mobile data was provided to Romanian customers to a large extent via a post-paid model constituting 94% of all mobile data provided to Romanian customers (*Source: ANCOM*). According to tests performed in 2024, the average download speed of fixed internet provided by Orange Romania reached 434 Mbps. For DIGI and Vodafone Romania, the figures were 255 Mbps and 246 Mbps respectively (*Source: Netograf*).

The table below sets out information on fixed internet market shares in Romania, as at December 31, 2024, according to the number of fixed internet connections:

Fixed internet market shares per operator	As at December 31, 2024 (%)
DIGI.....	71.9%
Orange	16.0%
Vodafone	10.3%
Other	1.8%
Total	100%

Source: ANCOM. Note: According to the number of connections.

Mobile telephony

As at December 31, 2024, the mobile telephony market had an active SIM penetration rate of 119% and the number of mobile telephony users was 24.1 million, out of which 22.8 million were active. Despite the overall decrease in the number of SIM cards, the amount of post-paid users rose as the Romanian mobile market has grown increasingly reliant on this type of services, which as December 31, 2024 represented approximately 70.1% of the total mobile telephony market, having grown at a 14% CAGR over the previous 2 years, from 54.2% at the end of 2022. The shift in behavior has been reflected in the offering of DIGI, who operated solely within the post-paid segment prior to the TKRM Business and Asset Acquisition, when it acquired the TKRM pre-paid business (*Source: ANCOM*).

The table below showcases the dynamics of all subscribers of prepaid cards for the last three years:

Mobile telephony market by user type (m)	As at December 31,			CAGR 2022-2024
	2022	2023	2024	
Total user with valid prepaid cards, of which:	27.5	26.7	24.1	(6.0%)
Total active users, of which:	23.5	23.6	22.8	(2.0%)
- post-paid users, of which:	14.9	15.9	16.9	7.0%
- individuals	11.7	12.6	13.6	8.0%

Mobile telephony market by user type (m)	As at December 31,			CAGR 2022-2024
	2022	2023	2024	2024
- legal entities.....	3.2	3.3	3.4	3.0%
- users based on prepaid cards, of which:	12.5	10.7	7.2	(24.0%)
- users based on "active" prepaid cards.....	8.6	7.6	5.8	(18.0%)
<i>Penetration rate of "active" SIM cards per 100 inhabitants (%)</i>	<i>123%</i>	<i>124%</i>	<i>119%</i>	<i>(2.0%)</i>

Source: ANCOM.

The table below sets out market shares of the main mobile service providers:

Mobile telephony market per operator and type	As at December 31, 2024 (%)		
	total	pre-paid	post-paid
DIGI.....	28.2%	-	37.9%
Orange:	34.8%	50.5%	29.3%
Vodafone:	24.7%	34.3%	21.5%
Telekom Romania.....	12.3%	15.2%	11.3%
Total	100%	100%	100%

Source: ANCOM. Note: According to the number of active mobile internet connections.

Mobile internet

Throughout 2024, the number of active mobile internet connections saw a slight increase of 1%, while the number of 5G connections increased by 53%, reaching 3.5 million. Simultaneously, 4G technology remained dominant in 2024 (93% of mobile internet traffic), whilst 5G contributed 4% to mobile internet traffic, overtaking 3G network traffic (below 3%). The penetration rate of 5G (calculated as percentage of active mobile connections) rose from 2% as at June 30, 2022 to 18% as at December 31, 2024 (*Source: ANCOM*).

This table portrays the market shares of the main mobile internet providers:

Mobile internet market per operator and type	As at December 31, 2024 (%)	
	pre-paid	post-paid
DIGI.....	-	37.6%
Orange:	59.5%	29.4%
Vodafone:	26.0%	21.4%
Telekom Romania.....	14.5%	11.6%
Total	100%	100%

Source: ANCOM. Note: According to the number of active mobile internet connections

Fixed-line telephony market

The fixed-line telephony market in Romania was liberalized in 2003 when Romtelecom (now part of the Orange group) lost its monopoly. As at December 31, 2024, Orange had a penetration rate of 14.9% (as a percentage of the total number of households). As at the same date, there were approximately 1.72 million access fixed-lines and 1.3 million subscribers in Romania. According to BMI, the Romanian fixed-line telephony market will continue to shrink, evidenced by the number of subscribers which as at June 30, 2022 was 49.2% higher, standing at 1.94 million (*Source: ANCOM*).

This table showcases the market shares of the main fixed telephony providers:

	As December 31, 2024	at
Fixed telephony market shares per operator		
	(%)	
DIGI.....	59.3%	
Orange	26.0%	
Vodafone	14.4%	
Other	0.3%	
Total	100%	

Source: ANCOM. Note: According to the number of subscribers.

SPAIN

Overview

As of January 1, 2025, Spain had a population of approximately 49.3 million (*Source: Instituto Nacional de Estadística*).

Despite a declining birth rate and an aging demographic profile, Spain's population is expected to grow modestly over the coming decades (0.76% CAGR over the next 13 years), primarily driven by net immigration. The number of households reached approximately 19.7 million as of January 1, 2025, based on main residences only, and reaching approximately 26.3 million when accounting also second and unoccupied residences, reflecting continued urbanization and demographic shifts (*Source: Instituto Nacional de Estadística*).

Household consumption has shown consistent growth in recent years. In 2024, final aggregate consumption expenditure increased by 4.4%, with average household spending reaching €34,044 and average per capita spending rising to €13,626. Between 2019 and 2024, household consumption expenditure grew at a CAGR of approximately 2.4% (*Source: INE Household Budget Survey*).

In 2024, real GDP growth moderated slightly due to global trade tensions and tighter monetary conditions but remained above the EU average. Key growth drivers included household consumption, public investment under the EU Recovery and Resilience Facility, and a resilient tourism sector. In 2025, growth is expected to ease slightly to 2.6% amid softening external demand and the onset of fiscal consolidation. Inflation stabilized around 2.8% as at December 2024, and unemployment held steady at approximately 10.6% as at December 2024 (*Sources: BMI Research and Eurostat 2025*).

The euro remained relatively stable against major currencies during this period. As of July 21, 2025, the euro traded at USD 1.1634, reflecting modest appreciation compared to prior years (*Source: Bloomberg*).

The table below sets out the evolution of certain key economic indicators for Spain for the periods indicated:

	As at and for the year ended December 31,				
Key economic indicators	2020	2021	2022	2023	2024
Real GDP growth/contraction (%).....	(10.9)%	6.7%	6.2%	2.7%	3.2%
Unemployment rate (%; annual average) ⁽¹⁾	15.5%	14.9%	13.02%	12.2%	11.4%
Gross GDP (€ billion; current prices)	1,129	1,235	1,374	1,498	1,592
Gross GDP per capita (€, current prices)	23,850	26,090	28,750	30,970	32,590
Inflation/deflation (%; annual average)	(0.3)%	3.0%	8.3 %	3.4%	2.9%

Source: Eurostat, BMI.

(1) Unemployment is calculated as the number of people unemployed as a percentage of the entire Spanish population.

Political Developments

Spain is currently governed by a coalition led by Prime Minister Pedro Sánchez, leader of the Spanish Socialist Workers' Party (PSOE), who has been in office since June 2018. Following the July 2023 general elections, Mr. Sánchez successfully

formed a new government in 2024 with the support of the left-wing platform Sumar and several regional parties. This coalition has demonstrated resilience and adaptability in navigating a fragmented political landscape.

Despite challenges of a more fragmented coalition, the government has made notable progress in several areas. Under the Recovery and Resilience Plan, Spain has advanced key reforms in digitalization, green energy, education, and labour markets, supported by EU funding. Initiatives such as the Digital Spain Agenda 2025, the Artificial Intelligence Strategy, and the 5G cybersecurity law have positioned Spain as a leader in digital transformation within the EU. For example, Digital Spain Agenda 2025 aims to provide 100% coverage for 100 Mbps broadband and prepare 100% of the radio spectrum for 5G by 2025.

The government has also maintained macroeconomic stability, with GDP growth outperforming the EU average and inflation easing toward target levels. Employment has continued to rise, and Spain has made progress in reducing its public deficit while maintaining social protections.

While political tensions remain—particularly around regional autonomy and judicial reform—the administration has emphasized dialogue, institutional modernization, and inclusive growth. Looking ahead, Spain is expected to continue leveraging EU support to strengthen its economic and social resilience, with a focus on sustainable development and innovation.

Telecommunication Market Overview

Overview

The Spanish telecommunications market has experienced steady growth across key service segments in recent years, supported by a large and digitally engaged population. As shown in the table below, the total number of lines across broadband, fixed-line, mobile telephony, mobile internet and Pay TV services increased from approximately 169.5 million in 2022 to 182.2 million in 2024, representing a compound annual growth rate (CAGR) of 3.7%. These figures are well above European averages, as evidenced by fixed broadband penetration of 94.8% vs 84.9%.

Growth was particularly strong in broadband and mobile telephony, with broadband lines growing at a CAGR of 5.2% and mobile telephony at 5.1%, reflecting rising demand for high-speed connectivity and mobile data services. In contrast, fixed-line telephony continued its structural decline, decreasing at a CAGR of -0.8% over the same period. These trends underscore the ongoing shift toward mobile-first and data-centric consumption patterns in Spain’s telecom landscape.

The table below sets out the evolution of lines for the key segments of the Spanish telecommunication services market (retail and wholesale) for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	CAGR
	2022	2023	2024	2025	2022-2024
	(millions of lines)				
Broadband.....	21.7	22.5	24.0	28.5	5.2%
Wholesale.....	5.1	5.2	5.5	9.5	3.8%
Retail.....	16.6	17.3	18.5	19.0	5.6%
Fixed-line Telephony.....	18.0	17.9	17.7	17.5	(0.8)%
Mobile Telephony.....	67.6	71.0	74.7	76.2	5.1%
Mobile Internet.....	51.1	53.0	53.7	55.5	3.5%
Pay TV.....	11.1	10.5	11.1	11.4	(0.0)%
Total	169.5	174.9	182.2	189.1	3.7%

Source: CNMC.

Recent Developments

In September 2023, Saudi Telecom Company (STC) announced the acquisition of a 9.9% stake in Telefónica, becoming its largest shareholder and signaling a long-term strategic interest in the Spanish telecom sector. In 2024 Zegona Communications, a UK-based telecommunications investment firm, acquired Vodafone Spain. Furthermore, in 2024 the merger between MásMóvil and Orange Spain was completed, resulting in the creation of MasOrange, now the largest operator in Spain by customer base. This consolidation marked a significant shift in the competitive landscape. Additionally, in early

2025, Vodafone Spain and MasOrange entered into an agreement to establish a fiber company (FiberCo) in Spain, aiming to improve wholesale access to fiber across the country.

Competition

In Spain, DIGI is a leading provider of mobile, fixed internet, and data services, ranking as the fourth-largest operator (after MasOrange, Telefonica and Vodafone Spain) across the key segments of mobile, fixed broadband, and fixed telephony. Since December 2024, DIGI has also expanded into Pay TV services, further strengthening their multi-play offering. (Source: Group and peer reporting; CNMC – Comisión Nacional de los Mercados y la Competencia, Spanish Regulator).

The table below provides a comparison of the segments of the Spanish telecommunication services market:

	DIGI	MasOrange	Telefónica	Vodafone Spain
Pay TV	✓ ⁽¹⁾	✓	✓	✓
Fixed internet and data.....	✓	✓	✓	✓
Mobile telecommunication services				
Mobile telephony	✓	✓	✓	✓
Mobile internet and data	✓	✓	✓	✓
Fixed-line telephony	✓	✓	✓	✓

Sources: Group and peer reporting; CNMC.
 (1) Pay TV service launched in December 2024.

All major competitors offer convergent or multi-play packages that bundle fixed and/or mobile telecommunications with entertainment services. As a result, the Spanish telecom market is characterized by high service parity, with all key players offering a comprehensive suite of telecom products.

In addition to traditional telecom operators, DIGI faces growing competition from over-the-top (OTT) service providers such as WhatsApp, Facebook Messenger, and Google Meet, which offer alternative communication platforms. Similarly, streaming services like Netflix, HBO Max, Amazon Prime Video, and Disney+ compete directly with traditional Pay TV offerings. Other platforms—both legal and illegal—also provide access to downloadable or on-demand entertainment content, further fragmenting the media consumption landscape.

As DIGI’s Pay TV service offering is still in its early stages, having launched in December 2024, its current market impact remains limited. However, it represents a strategic step toward offering a fully integrated service portfolio and enhancing customer retention through bundled offerings.

Fixed internet & data market

Spain continues to rank among the most advanced and competitive fixed internet markets in Europe, supported by extensive fiber deployment and a robust digital infrastructure (Source: European Commission). As of March 2025, the country had approximately 19.1 million fixed retail broadband subscriptions, reflecting sustained growth throughout 2024 and into 2025. This expansion has been driven by ongoing investment in fiber networks and national digital transformation initiatives (Source: CNMC).

The Spanish fixed retail broadband market is primarily dominated by four major operators: MasOrange, Telefónica (Movistar), Vodafone Spain, and DIGI. MasOrange and Telefónica lead in fiber-to-the-home (FTTH) coverage, while DIGI

has rapidly gained market share through attractive pricing strategies and accelerated network rollout. Together, these four players account for the vast majority of the market.

The table below summarizes the retail fixed broadband market share in Spain as of March 31, 2025:

Fixed retail broadband market share	As at March 31, 2025
	(%)
DIGI.....	11.05%
MasOrange.....	37.12%
Telefónica (Movistar)	31.35%
Vodafone Spain	13.84%
Others.....	6.64%
Total	100.0%

Sources: CNMC. Based on # of number of lines.

By the end of 2024, FTTH accesses accounted for 88.46% of all installed broadband technologies, representing a one percentage point increase over the previous year. The total reached 74.05 million FTTH accesses, compared to 69.66 million the year before (in each case, based on the number of passed homes), marking an annual growth rate of 6.3%, compared to 8.3% the previous year (*Source: CNMC*).

Meanwhile, HFC accesses closed the year with a total of 5.37 million connections, representing 7.27% of all installed accesses. All of these corresponded to nodes equipped with DOCSIS 3.x technology, which enables speeds exceeding 100 Mbps. It is worth noting that operators who have traditionally provided broadband services over HFC networks are gradually migrating accesses to FTTH technology (*Source: CNMC*).

Looking ahead, Spain’s fixed broadband market is expected to continue evolving, shaped by trends such as market consolidation, infrastructure sharing, and the rollout of symmetrical gigabit services. These developments are likely to further enhance competition, service quality, and digital inclusion across the country.

In the fixed network segment, significant developments are reshaping the market structure in terms of infrastructure access. In early 2025, Vodafone Spain and MasOrange reached an agreement to create a fiber company (FiberCo) in Spain, aiming to increase wholesale access across Spain. This joint venture is expected to enhance network efficiency and promote greater competition. Additionally, Digi Spain sold a portion of its FTTH infrastructure to Macquarie Capital backed Onivia.

Mobile telephony and internet market

Mobile telephony

Spain has one of the largest and most competitive mobile telecommunications markets in Europe. As of March 2025, the country had approximately 62 million mobile subscribers (excluding machine to machine or “M2M”), corresponding to a penetration rate of 126.5 lines per 100 inhabitants. The market remains predominantly post-paid, with over 85.47% of total

lines under post-paid contracts (vs 14.53% pre-paid), reflecting strong customer loyalty and the popularity of bundled service offerings. (Sources: CNMC).

The market is currently led by four main operators: MasOrange, Telefónica (Movistar), Vodafone Spain, and DIGI. As of early 2025, Movistar, Vodafone, and MasOrange collectively held approximately 86% of the mobile market, while DIGI and Mobile Virtual Network Operators (MVNOs) accounted for the remaining 14%.

The table below presents the mobile telephony market share in Spain as of March 31, 2025:

Mobile Telephony market share	As at March 31, 2025
	(%)
DIGI.....	10.22%
MasOrange.....	40.99%
Telefónica (Movistar)	25.87%
Vodafone Spain	18.7%
Others.....	4.22%
Total	100.0%

Sources: CNMC. Based on # of subscribers.

While DIGI initially entered the Spanish market as a Mobile Virtual Network Operator (MVNO), it is evolving into a fully integrated telecommunications provider. By the end of 2024, DIGI had surpassed 6 million mobile lines (Source: CNMC), positioning itself as a significant challenger to the incumbent operators. Its rapid growth has been driven by competitive pricing, targeted marketing, and a strong presence in underserved segments.

MVNOs continue to contribute to market diversity and price competition, although their relative share has declined as DIGI transitioned out of the MVNO category. These operators typically focus on niche segments, offering flexible and low-cost plans tailored to specific demographics such as immigrant communities, students, and budget-conscious users. Their presence helps maintain downward pressure on prices and encourages innovation in service offerings.

Mobile internet

The mobile market has also seen a steady increase in data usage and 5G adoption. All major operators have accelerated their 5G rollouts, with Telefónica now offering 5G services in over 1,250 municipalities. MasOrange and Vodafone have also made significant progress in expanding their 5G networks, enhancing coverage and service quality.

In 2024, three MNO network operators (MasOrange, Movistar and Vodafone) offered mobile internet services using 5G mobile communication standards. By December of 2024, 31,007 active 5G base stations were in operation, representing a significant 30.8% increase over the number reported the previous year (Source: CNMC). DIGI started offering mobile internet services as an MNO in 2025. The table below presents the mobile internet market share in Spain as of March 31, 2025:

Mobile Internet market share	As at March 31, 2025
	(%)
DIGI.....	11.14%
MasOrange.....	39.48%
Telefónica (Movistar)	24.83%
Vodafone Spain	20.59%
Others.....	3.96%
Total	100.0%

Sources: CNMC. Based on # of subscribers.

Fixed-line telephony market

As of March 2025, the Spanish fixed-line telephony market comprised approximately 18.02 million lines, reflecting a modest increase compared to previous years (*Source: CNMC*). Despite the long-term decline in traditional voice services, fixed telephony remains relevant, particularly as part of bundled service offerings that include internet, television, and mobile services.

The major fixed telephony providers in Spain are Telefónica (Movistar), Vodafone Spain, MasOrange, and DIGI. These operators collectively represent approximately 95% of the total fixed-line market, maintaining their dominance through infrastructure ownership and convergent service strategies.

The table below sets out information on fixed-line telephony market share in Spain, compared to principal competitors, as at March 31, 2025:

Fixed-line telephony market	As at March 31, 2025
	(%)
DIGI.....	3.7%
MasOrange.....	34.43%
Telefónica (Movistar)	42.03%
Vodafone Spain	15.75%
Others.....	4.09%
Total	100.0%

Sources: CNMC. Based on # of lines.

While the market continues to evolve toward IP-based voice services and fiber-based infrastructure, fixed-line voice remains a key component of convergent service packages, particularly in rural areas and among older demographics.

PORTUGAL

Overview

As at January 1, 2025, Portugal had a population of approximately 10.7 million (*Source: Eurostat*).

The table below sets out the evolution of certain key economic indicators for Portugal for the periods indicated:

Key economic indicators	As at and for the year ended December 31,				
	2020	2021	2022	2023	2024
Real GDP growth/contraction (%).....	(8.2)%	5.6%	7.0%	2.6%	1.9%
Unemployment rate (%; annual average) ⁽¹⁾	4.5%	4.4%	4.1%	4.4%	4.4%
Gross GDP (€ billion; current prices).....	201	216	244	268	285
Gross GDP per capita (€, current prices)	19,360	20,800	23,300	25,330	26,700
Inflation/deflation (%; annual average)	(0.1)%	0.9%	8.1%	5.3%	2.7%

Source: Eurostat, BMI.

(1) Unemployment is calculated as the number of people unemployed as a percentage of the entire Portuguese population.

Telecommunication Market Overview

The telecommunications sector in Portugal is currently undergoing a phase of consolidation, shaped by evolving market dynamics and recent regulatory interventions. A notable development in this context was the acquisition of NOWO by DIGI. Historically dominated by three major operators—MEO, NOS, and Vodafone—the market is now experiencing heightened competitive pressure as operators pursue strategies aimed at expanding infrastructure, optimizing operational efficiency, and delivering bundled service offerings across fixed, mobile, broadband, and Pay TV segments.

Through the acquisition of NOWO, DIGI has significantly strengthened its position in the Portuguese market, gaining access to a broader fixed broadband and Pay TV customer base, as well as inheriting an established fixed network infrastructure in certain regions of the country. This transaction marks a strategic shift for Digi, enabling it to accelerate its convergence strategy and compete more effectively with incumbent operators.

The table below provides a comparison of the segments of the Portuguese telecommunication services market:

	DIGI	MEO	NOS	Vodafone
Pay TV	✓	✓	✓	✓
Fixed internet and data.....	✓	✓	✓	✓
Mobile telecommunication services				
Mobile telephony	✓	✓	✓	✓
Mobile internet and data	✓	✓	✓	✓
Fixed-line telephony	✓	✓	✓	✓

Sources: ANACOM.

Pay TV market

As of the end of the second quarter of 2025, the subscription TV signal distribution service (STVS) in Portugal recorded approximately 4.7 million subscribers. This represents an increase of 40 thousand subscribers compared to the same period in 2024. At the end of the reporting period, optical fibre (FTTH/B) remained the predominant technology, supporting 68.2% of total subscriptions. Cable TV accounted for 24.5%, satellite TV (DTH) for 6.2%, and ADSL for the remaining 1.2%.

As of June 30, 2025, MEO was the operator with highest share of pay TV subscribers in Portugal (41.9%), followed by NOS (35.8%), Vodafone (19.4%) and DIGI Portugal and NOWO (2.7%). MEO and Vodafone were the operators that gained the most subscribers in net terms compared to the 6-month period ended December 31, 2024.

Fixed internet & data market

In the fixed broadband market, the penetration rate among residential households in Portugal reached 89.3 per 100 households in the second quarter of 2025. Optical fibre (FTTH/B) remained the primary driver of growth, representing 70.6% of total fixed broadband accesses, an increase of 3.2 percentage points compared to the same quarter of the previous year. Over the last twelve months, the number of FTTH/B-supported accesses increased by 220 thousand, corresponding to a year-on-year growth rate of 7.0%.

As at June 30, 2025, the market structure remained concentrated among four main providers. MEO held the largest share of fixed broadband subscribers at 41.0%, followed by NOS with 33.4%, Vodafone with 21.8%, and Grupo DIGI/NOWO with 3.0%. Compared to the same period in 2024, the market share of MEO and NOS decreased by 0.2 percentage points, while Vodafone's share decreased by 0.1 percentage points. MEO was the provider that acquired the most customers in net terms during the same period.

Mobile telephony market

As of June 30, 2025, Portugal had approximately 18.3 million authorized mobile accesses, of which 13.5 million, or 74.0%, were actively used. When excluding accesses via PCs, tablets, pens, and routers, the number of mobile accesses stood at 12.8 million, according to data from ANACOM (Autoridade Nacional de Comunicações), the national communications authority. Compared to the end of the second quarter of 2024, the number of active subscribers decreased by 105,000, representing a decrease of 0.8% year-on-year growth. This decrease was primarily driven by the reduction of post-paid and hybrid plans, which decreased by 17.8% year-on-year and accounted for 23.3% of all active mobile accesses. The number of subscriptions to postpaid and hybrid plans increased by 5.9%.

Mobile penetration in Portugal remains among the highest in Europe. As of the end of the second quarter of 2025, there were 169.9 mobile accesses per 100 inhabitants. When considering only accesses with actual usage and excluding machine-to-machine (M2M) connections, the penetration rate stood at 125.7 per 100 inhabitants.

MEO continues to be the main provider with 36.0% of active mobile accesses with actual usage (excluding M2M), followed by NOS (31.0%) and Vodafone (27.7%). Grupo DIGI/NOWO and Lycamobile follow with shares of 3.1% and 2.1%, respectively. Compared to the same period last year (2Q 2025), the shares of NOS and Lycamobile increased by 0.8 and 0.3 percentage points respectively, while the shares of MEO and Vodafone decreased by 1.7 and 0.5 percentage points respectively.

Following the 5G auction, ANACOM issued at the end of 2021 titles supporting rights of use for frequencies (RUF) to six operators: Dense Air, DIGI Portugal, MEO, NOS, NOWO and Vodafone. Meanwhile, following the acquisition by DIGI Portugal of NOWO, ANACOM approved, on 21 January 2025, the transfer of the rights of use for the radio spectrum assigned to NOWO in the 3.6 GHz band, as part of the 5G auction, to DIGI Portugal (*Source: ANACOM*).

At the end of the second quarter of 2025, 36.2% of mobile service users and 42.9% of mobile Internet users were using the 5G mobile network. The number of mobile Internet users using 5G totaled 4.6 million (+58.6% compared with 2Q2024), of which 98.8% had access via mobile phone. The penetration rate of 5G mobile Internet access reached 43.2 per 100 inhabitants (*Source: ANACOM*).

ITALY

Overview

As at January 1, 2025, Italy had a population of approximately 58.9 million (*Source: Eurostat*).

The table below sets out the evolution of certain key economic indicators for Italy for the periods indicated:

Key economic indicators	As at and for the year ended December 31,				
	2020	2021	2022	2023	2024
Real GDP growth / contraction (%).....	(8.9)%	8.9%	4.8%	0.7%	0.7%
Unemployment rate (% , annual average) ⁽¹⁾	5.2%	5.3%	4.6%	4.4%	3.8%
Gross GDP (€ billion, current prices).....	1,670.0	1,842.5	1,998.1	2,131.4	2,192.2
Gross GDP per capita (€, current prices)	28,100	31,160	33,860	36,130	37,180
Inflation / deflation (% , annual average)	(0.1)%	1.9%	8.7%	5.9%	1.1%

Source: Eurostat.

(1) Unemployment is calculated as the number of people unemployed as a percentage of the entire Italian population.

The Romanian population in Italy was approximately 1.1 million as at January 1, 2024. As at the same date, Romanians formed the largest group of foreigners in the country, representing approximately 20.4% of Italy's total foreign population of approximately 5.3 million (*Source: ISTAT*).

Mobile Telecommunication Market Overview

As at December 31, 2024, Italy had 78.7 million active mobile subscriptions (excluding “machine-to-machine” mobile SIMs) (*Source: AGCOM*), representing 133% of total population. In Western Europe, Italy's mobile user base was the second largest behind Germany, with a unique mobile penetration rate of 89.0% as at December 31, 2024 (*Source: GSMA*). The market was also characterized by a high percentage of pre-paid customers at 90.5% as of December, 2024, 3% higher of December 2020.

Italy has four mobile telecommunication service providers: Fastweb + Vodafone, TIM (a former state monopoly), Wind Tre and Iliad. As of December 2024, these four players have a combined market share of 88.0% (*Source: AGCOM*), a reduction from 88.5% excluding Fastweb in December 2019.

Since Iliad's entry in 2018 with attractive offers including large amounts of data, the market has responded with significant adjustments in the mobile offering. Consequently, the average daily data traffic per SIM card has increased by 200% from 0.3GB / Day to 0.9GB / Day during January 2020 to December 2024 (*Source: AGCOM*).

Price pressure has remained high as a result of intensified competition, and there have been several attempts at in-market consolidation. In 2023, Iliad attempted to merge with Vodafone Italy but its offer was rejected by the latter. In December 2024, Swisscom completed acquisition of Vodafone Italy to create a fully converged operator under the brand Fastweb + Vodafone. In February 2025, Poste Italiane, owner of Poste Mobile (an MVNO), built a 24.8% stake in TIM.

DIGI operates as an MVNO in Italy. Italy's first MVNOs were launched in mid-2007, and there are 9.8 million MVNO subscribers (excluding “machine-to-machine” mobile SIMs) in Italy as of December 2024, as compared to 8.6 million in September 2018, resulting in a combined market share of 12.0% as of December 2024. Major operators include Poste Mobile and CoopVoce.

BELGIUM

Overview

As at January 1, 2025, Belgium had a population of approximately 11.9 million (*Source: Eurostat*).

The table below sets out the evolution of certain key economic indicators for Belgium for the periods indicated:

Key economic indicators	As at and for the year ended December 31,				
	2020	2021	2022	2023	2024
Real GDP growth / contraction (%).....	(4.8)%	6.2%	4.3%	1.2%	1.0%
Unemployment rate (%; annual average) ⁽¹⁾	3.4%	3.8%	3.4%	3.4%	3.5%
Gross GDP (€ billion, current prices).....	463.8	506.0	563.7	596.2	614.0
Gross GDP per capita (€, current prices)	40,190	43,680	48,260	50,610	51,810
Inflation / deflation (%; annual average)	0.4%	3.2%	10.3%	2.3%	4.3%

Source: Eurostat.

(1) Unemployment is calculated as the number of people unemployed as a percentage of the entire Belgian population.

Mobile Telecommunication Market Overview

As at December 31, 2023, Belgium had 11.6 million active mobile subscriptions (excluding “machine-to-machine” mobile SIMs). In the past 5 years, the number of SIM cards for individuals with active use of data (excluding M2M) grew by 15%. 11.8% of SIM cards are pre-paid, 88.2% post-paid. 47% of postpaid SIM cards are offered in bundles with a fixed service. (*Source: BIPT*).

Belgium has three mobile telecommunication service providers: Proximus, Telenet, Orange Belgium, with DIGI entering in December 2024 as the fourth MNO. In 2024, Proximus and Orange Belgium have increased their market share 1.5 pp and 0.1 pp respectively, while Telenet lost 1.5pp of market share. (*Source: BIPT*).

MWingz was founded on 6 December 2019 as a joint venture between Proximus and Orange Belgium. Its goal is to plan, build, and operate a shared mobile access network, allowing both operators to share active and passive elements of their Radio Access Networks.

Demand for mobile data connectivity in Belgium continues to rise. At the same time, the usage of mobile data via these SIM cards has greatly increased. The average monthly mobile data usage among residential users has more than tripled over the same period, rising from 3 GB per month in 2019 to 10.1 GB in 2024 (*Source: BIPT*).

Demand for mobile calls also remain high. Belgian MNOs have combined total calls of 20.2bn call minutes in 2024, which translates to 148 minutes / month / active SIM card.

Access to the 5G network is now almost universally available, although only 17.9% of the mobile network operators' data traffic passes through 5G (*Source: BIPT*).

Fixed broadband market

Belgium is emerging as a steadily advancing fixed broadband market in Western Europe, supported by a mix of legacy cable infrastructure and expanding fibre deployments. As of 2024, Belgium had approximately 5.13 million active fixed broadband subscriptions, reflecting consistent growth from 4.73 million in 2020 (*Source: BIPT*).

The European Commission points out in its report that despite the improvements over previous years, Belgium is still lagging behind regarding optical fibre coverage (25% versus a 64% average). As with 5G, fibre deployment is expected to accelerate and Belgium is expected to catch up its delay in the coming years (*Source: BIPT*).

The Belgian fixed broadband market is primarily served by three major operators, Proximus, Telenet, and Orange Belgium, with DIGI entering the market in Dec 2024. DIGI Fiber is available first in the Cureghem or Kuregem district of Brussels and will gradually be activated in other areas of the country's capital and simultaneously expand also to other Belgian cities.

As of 2025, Proximus and Telenet dominate the fixed broadband landscape. Proximus has been actively expanding its FTTP coverage through initiatives like Fiberklaar and Unifiber, while Telenet continues to leverage its extensive hybrid fibre-coaxial (HFC) network, gradually upgrading to DOCSIS 3.1 and 4.0 standards.

Since January 2023 Telenet and Orange Belgium have a long-standing reciprocal wholesale access agreement, which allows each operator to use the other's fixed infrastructure to deliver broadband and bundled services.

In July 2024, Proximus and Telenet, together with their joint ventures Fiberklaar and Wyre, signed a memorandum of understanding (MoU) to coordinate the rollout of fibre and cable networks in Flanders. The agreement is designed to reduce

overbuild between Proximus' fibre deployments and Telenet's HFC upgrades, while ensuring faster, more cost-efficient gigabit connectivity across the region. Both parties committed to exploring reciprocal network access and wholesale arrangements.

In 2025, an MoU was signed between Proximus and Orange Belgium to enhance fixed-line cooperation across 1.4m homes in Wallonia with the aim to further reduce fibre overbuild in Belgium and access Orange Belgium's cable infrastructure in rural areas. According to the MoU, Unifiber, Proximus' fibre JV, will continue rolling out FTTH to 600,000 premises in medium-density areas and will open its network to Orange Belgium customers, boosting utilization. Both operators will independently roll out FTTH to an additional 100,000 premises each, with reciprocal access to each other's networks. In rural areas covering 600,000 premises, Proximus will wholesale access from Orange Belgium's cable network, avoiding the need for additional fibre capex.

BUSINESS

Investors should read this section in conjunction with the more detailed information contained in this prospectus including the financial and other information appearing in “Summary Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Where stated, financial information in this section has been extracted from the Financial Statements.

OVERVIEW

Introduction

We are a fast-growing European telecom challenger, with strong presence in our core countries Romania and Spain, historic presence in Italy and recently launched operations in Portugal and Belgium.

- **Romania.** We offer a comprehensive suite of fixed and mobile telecommunication services to our customers in Romania. Our fixed services in the country include pay TV (cable TV and DTH), fixed internet and data and fixed-line telephony. As at June 30, 2025, our fixed network in Romania (which is the country’s largest FTTH network) covered 95.1% of all dwellings (*Sources: Group Reporting, ANCOM*). As at the same date, we estimate that our network of approximately 9,000 mobile base stations (which is the largest number of mobile base stations among all mobile operators in the country) covered 99.45% (outdoor voice coverage) of Romania’s population. According to ANCOM, we have the widest population coverage among all mobile operators in the country. In October 2025, we further enhanced our mobile network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see “Recent Developments—TKRM Business and Assets Acquisition”). In addition, all of Romania is within the footprint of our DTH signal.
- **Spain.** In Spain, we offer IPTV, fixed internet and data and fixed-line telephony services through our own FTTH network and based on wholesale indirect access agreements through the SOTA Network and the fixed network of Telefónica. We provide mobile telecommunication services in the country as an MVNO through Telefónica’s mobile network. Since January 2025, we have also been providing mobile telecommunication services as an MNO via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica. As at June 30, 2025, our own fixed network and the SOTA Network (which we sold to a consortium led by Macquarie Capital in 2024, but continue to maintain and operate to provide our services) together covered 46.6% of all dwellings in the country (*Sources: Group Reporting, Spanish National Institute of Statistics*).
- **Portugal.** We have been developing our own network in Portugal since 2021, when we acquired certain spectrum licenses. In addition, on October 25, 2024, we acquired NOWO, Portugal’s fourth largest telecom operator. Since November 2024, we have been offering a full range of telecommunication services under the DIGI brand, including cable TV and IPTV, fixed internet and data, fixed-line telephony and mobile telecommunication services. We also continue servicing customers not yet migrated to the DIGI platform under the NOWO brand. We offer fixed services through our own FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country covered 36.3% of all dwellings (*Sources: Group reporting; INE*). As at the same date, our mobile telecommunication services covered 98.7% (outdoor voice coverage) of Portugal’s population. Additionally, we provide mobile telecommunication services as an MVNO (under the NOWO brand) through the mobile network of MEO, a subsidiary of Altice Portugal.
- **Italy.** In Italy, we provide mobile telecommunication services as an MVNO through the mobile network of Vodafone Italy. We have also started a roll-out of our fixed network in the country, which is currently in an early development stage.
- **Belgium.** On July 16, 2025, we completed a series of transactions to consolidate all our existing operations in Belgium into the Issuer’s direct subsidiary, DIGI Belgium. We originally expanded into the country in December 2024, by introducing fixed and mobile service offerings through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investment on an equity basis. We expect to consolidate DIGI Belgium’s results in our financial statements in the future. See “Recent Developments—DIGI Belgium Consolidation”. Our current offerings in the country include fixed internet and data and fixed-line telephony on our own network, and mobile telecommunication services on our own network and through a national roaming services agreement with Proximus.

As at June 30, 2025, we had 29.8 million RGUs in all our jurisdictions, including 18.8 million in Romania, 9.7 million in Spain, 0.8 million in Portugal and 0.5 million in Italy. In addition, as at June 30, 2025, DIGI Belgium had approximately 62,000 RGUs.

We have historically generated strong revenue streams and robust Adjusted EBITDA. Our revenues were €1,492.8 million, €1,690.4 million, €1,924.3 million and €2,083.0 million for the years ended December 31, 2022, 2023, 2024 and the twelve months ended June 30, 2025, respectively. For the twelve months ended June 30, 2025, we generated

€1,145.4 million, €857.7 million, €46.8 million and €33.3 million of revenues (after intersegment eliminations) in Romania, Spain, Portugal and Other (which includes revenues from our operations in Italy, as well as certain immaterial revenues generated in other jurisdictions), respectively. This represented 55.0%, 41.2%, 2.2%, and 1.6%, respectively, of our consolidated revenues for that period. Our Adjusted EBITDA was €509.6 million, €595.3 million, €684.5 million and €690.6 million for the years ended December 31, 2022, 2023, 2024 and the twelve months ended June 30, 2025, respectively. For the twelve months ended June 30, 2025, we generated €549.8 million, €174.6 million, €(35.1) million and €1.3 million of Adjusted EBITDA in Romania, Spain, Portugal and Other, respectively. This represented 79.6%, 25.3%, (5.1)%, and 0.2%, respectively, of our Adjusted EBITDA for that period.

We offer the following principal types of services:

- **fixed:**
 - **pay TV**, which includes cable TV, IPTV and DTH. Cable TV is our original line of business and is currently offered in Romania and Portugal. We also offer IPTV services in Spain and Portugal and DTH services in Romania. As at June 30, 2025, we had 6.2 million RGUs for pay TV services, of which 6.0 million, 0.1 million and 0.1 million in Romania, Spain and Portugal, respectively.
 - **fixed internet and data**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 7.4 million RGUs for fixed internet and data services, of which 5.0 million, 2.3 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed internet and data services in selected cities in Italy and Belgium, but their roll-out is an early development stage.
 - **fixed-line telephony**, which is offered in Romania, Spain and Portugal. As at June 30, 2025, we had 1.7 million RGUs for fixed-line telephony services, of which 0.8 million, 0.7 million and 0.1 million in Romania, Spain and Portugal, respectively. We also offer fixed-line telephony services in selected cities in Belgium, but their roll-out is in an early development stage.
- **mobile:** we provide **mobile telecommunication services** in all our jurisdictions. As at June 30, 2025, we had 14.5 million RGUs for mobile telecommunication services, of which 7.0 million, 6.6 million, 0.4 million and 0.5 million in Romania, Spain, Portugal and Italy, respectively. We also had approximately 62,000 mobile RGUs in Belgium.

For the twelve months ended June 30, 2025, our fixed services generated €1,042.0 million of revenues (after intersegment eliminations), or 50.0% of our consolidated revenues for that period, whilst our mobile services generated €860.5 million of revenues (after intersegment eliminations), or 41.3% of our consolidated revenues for that period. Other revenues for the twelve months ended June 30, 2025 (which include sales of handsets and other CPE, sale of electricity, green certificates, as well as advertising revenues) was €180.4 million (after intersegment eliminations), or 8.7% of our consolidated revenues.

Key Strengths

We consider our key strengths to include the following:

- **Leadership in core markets with robust RGUs growth to gain market share.** We are the leading provider of pay TV services (by number of subscribers), fixed internet and data services (by number of connections), fixed-line telephony services (by number of subscribers) and post-paid mobile telecommunication services (by number of connections) in Romania, our original home jurisdiction and most mature market (*Sources: Group reporting; ANCOM*). Despite the high level of penetration achieved in prior years, our RGUs in the country continued to increase from 15.5 million as at December 31, 2022 to 18.8 million as at June 30, 2025. In addition to Romania, we have recently made strategic investments in Spain, Portugal and Belgium to capture market share and gain leadership positions. As a result, we are currently one of the fastest growing telecom operators in our second main jurisdiction, Spain, with a 11.1% market share of fixed internet and data services, a 10.2% market share of mobile telephony services, and a 11.1% market share of mobile internet services, all as at March 31, 2025 (*Source: CNMC*). Our Spanish RGUs doubled from 4.9 million as at December 31, 2022 to 9.7 million as at June 30, 2025. In Portugal and Belgium, we have launched operations through direct investments in spectrum licenses and infrastructure to promote RGUs growth. We are focused on increasing market penetration in all these markets through further expansion and cross-selling multiple service offerings to our current and prospective subscribers. Capitalizing on high-quality fixed and mobile infrastructure and competitive pricing, we have achieved substantial, mainly organic, growth which led to an increase of our total RGUs across all business lines and jurisdictions from 0.7 million as at December 31, 2002 to 29.8 million as at June 30, 2025.
- **Attractive core markets with steady structural evolution.** Our main markets are Romania and Spain. Both economies have been experiencing strong positive developments in recent years and their respective telecommunication services markets have been growing steadily. Romania, our original home and largest market, has a large and dynamic economy, with real GDP growth of 4.0% and 2.4% in 2022 and 2023, respectively.

Although at a slower pace, Romania's real GDP still grew at the rate of 0.8% in 2024 (*Source: Eurostat*). The aggregate consumption expenditure of households in Romania in the period between January 1, 2020 and January 1, 2025 increased at a CAGR of 13.2%, from approximately €154.0 billion to approximately €252.6 billion (*Source: EIU (Economist Intelligence Unit) National Institute of Statistics and Economic Studies*). Spain, our second largest market, has experienced real GDP growth at the rate of 6.2%, 2.7% and 3.2% in 2022, 2023 and 2024, respectively (*Source: Eurostat*) and the aggregate consumption expenditure of households in Spain in the period between January 1, 2021 and January 1, 2025 increased at a CAGR of 8.7%, from approximately €620.7 billion to approximately €865.1 billion (*Source: INE Household Budget Survey*). The telecommunication and entertainment industries in both countries have benefited from this evolution, with a steady subscriber growth across all business lines. With respect to pay TV, there were 7.8 million in Romania as at December 31, 2023 and December 31, 2024 and 10.5 million and 11.1 million subscribers in Spain as at the same dates, respectively. As regards fixed internet and data, there were 6.6 million and 6.8 million subscribers in Romania and 17.3 million and 18.5 million subscribers in Spain as at December 31, 2023 and December 31, 2024, respectively. Finally, the mobile telecommunication services market accounted for 26.7 million and 24.1 million subscribers in Romania and 71.0 million and 74.7 million subscribers in Spain as at December 31, 2023 and December 31, 2024, respectively (*Sources: ANCOM; Instituto Nacional de Estadística, Global Data; CNMC*). This steady structural evolution in our core jurisdictions has supported our efforts to increase RGUs through disruptive investments and market share gains.

- Advanced fixed and mobile infrastructure with extensive coverage in core markets.** We offer our services through technologically advanced infrastructure with extensive coverage of our core markets. In Romania, our own fixed network covered 95.1% of dwellings as at June 30, 2025 (*Sources: Group reporting; ANCOM*). Almost the entirety of this network is FTTH and has been upgraded to GPON or comparable technology. As a result, we are currently able to offer transmission speeds of up to 1,000 Mbps for internet and data services (up to 10 Gbps in selected major cities, which is the fastest available to residential users). In addition, as at June 30, 2025, we had approximately 9,000 mobile base stations in Romania and our mobile telecommunication services covered 99.45% (outdoor voice coverage) of the country's population, which is the widest population coverage among all mobile operators. This network will increase by approximately 500 mobile base stations acquired as part of the TKRM Business and Assets Acquisition (see "*Recent Developments—TKRM Business and Assets Acquisition*"). We offer 2G/4G voice and data services countrywide and 5G voice and data services in certain cities. In Spain, our fixed services are offered through our own FTTH network and wholesale indirect access through the SOTA Network and the Telefonica NEBA network. Our technologically advanced fiber network offers 100% GPON and for 93% XGSPON in our own network and the SOTA Network, which is the largest XGSPON footprint in Spain, and together covered 46.6% of dwellings as at June 30, 2025 (*Sources: Group reporting; National Institute of Statistics*). These networks enable transmission speeds of up to 10 Gbps for internet and data services to most customers. Our mobile telecommunication services are offered as an MNO using Telefónica's advanced mobile network based on the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement, as well as our own spectrum. We expect to deploy approximately 5,000 mobile base stations in Spain in the next three years to further enhance our mobile telecommunications services. In Portugal, our fixed services are offered through our own GPON FTTH and HFC networks, as well as through limited third-party networks. As at June 30, 2025, our fixed network in the country covered 36.3% of all dwellings (*Sources: Group reporting; INE*). As at the same date, our 2G/4G/5G mobile telecommunications services covered 98.7% of Portugal's population (*Sources: Group reporting; National Institute of Statistics*) and were provided via approximately 4,300 mobile base stations.
- Leading commercial proposition for customers.** Our technical capabilities, wide network coverage and multiple service offerings enable us to provide customers with a wide range of services at competitive prices. Our ability to offer multiple services is a central element of our strategy and allows us to attract new customers who wish to benefit from our varied product offerings, to expand the uptake of our service offerings within our existing customer base and increase customer loyalty by offering multiple services at cost-effective prices. For example, we have a flexible customer proposition in Romania, which includes a comprehensive cable TV offering (with premium content), superfast fixed internet and data (at speeds of 500 Mbps, 1,000 Mbps, and, in certain larger cities, 10 Gbps), fixed-line telephony and mobile packages (with solutions offering various call minutes allowances and generous mobile traffic of up to 200 GB per month at 4G/5G speeds).
- Robust financial performance.** Our business has consistently generated strong revenue streams. For the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, our revenues were €1,492.8 million, €1,690.4 million, €1,924.3 million and €2,083.0 million, respectively. We have historically had robust Adjusted EBITDA and a prudent approach to capital expenditure (defined as cash outflows for the acquisition of tangible, intangible assets, subscriber acquisition costs, subsidiaries and programme assets). Our Adjusted EBITDA was €509.6 million, €595.3 million, €684.5 million and €690.6 million for the years ended

December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively. Our total capital expenditure was €560.1 million, €729.7 million, €885.1 million and €862.5 million for the same periods, respectively. This represented 37.5%, 43.2%, 46.0% and 41.4% of our revenues for the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively. In addition, we have historically maintained prudent capital and liquidity structures with a ratio of total net debt ex-operating leases to Adjusted EBITDA ex-operating leases of 2.4x, 2.5x, 2.4x and 2.8x for the years ended December 31, 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively, and a ratio of Adjusted EBITDA ex-operating leases to net interest expense ex-operating leases of 10.9x, 10.0x, 11.6x and 9.3x, respectively, for the same periods.

- **Highly experienced management team.** Our senior management team is made up of professionals who have, on average, more than 20 years of experience in the telecommunication industry and with the Group. Our controlling shareholder, Mr. Zoltán Teszári, has been, and continues to be, involved in all key management decisions in relation to the Group since its foundation in 1992. Our Chief Executive Officer, Mr. Serghei Bulgac, joined the Group in 2003 as its Chief Financial Officer and became the Chief Executive Officer in 2015. The majority of other members of our experienced management team have also been with us for a long time. These key individuals have made significant contributions to our transformation from a small cable TV business in Romania to a leading provider of telecommunication services in our core markets. We believe that the collective industry knowledge and leadership capabilities of our senior management team will enable them to continue a successful execution of our strategy.

Strategy

Our mission is to provide customers with high-quality telecommunications services at competitive prices. Specific components of our strategy include the following:

- **Continue the focus on Romania and Spain, while accelerating development in other existing markets and exploring additional expansion opportunities.** We intend to continue focusing on our main markets in Romania and Spain. Our advanced fixed network in Romania allows us to efficiently deliver multiple services in the areas already covered and we believe there is scope for a further increase in uptake of our fixed services in these areas. We also see the potential for further growth of our mobile telecommunication services, as we believe that the Romanian mobile market still offers opportunities for us to expand. As regards to Spain, we believe that our development has achieved significant momentum in that country, which continues to present attractive future growth opportunities for our business. We expect our Spanish operations to continue gaining prominence supported by our investments in the build-up of high-quality own infrastructure and strategic partnering with Telefónica, which provides us access to their advanced mobile network. In addition to these main markets, we will continue the roll-out of our fiber optic networks in Portugal, Italy and Belgium (where we are also aiming to develop a market-leading mobile offering) and we are regularly monitoring attractive opportunities to enter additional markets.
- **Continue developing advanced fixed networks.** The quality of our fixed networks has been the primary driver for the organic growth in our RGUs. These networks allow us to offer a wide range of advanced services to customers at competitive prices, while maintaining low infrastructure operating expenses. In particular, our Romanian fixed network is predominantly fiber-based and is faster and more cost-effective than traditional networks operated by our competitors. In Spain, Portugal, Belgium and certain Italian cities, we are building fully fiber optic networks from the ground up and use advanced technologies to deliver premium, yet cost-effective services. We intend to continue developing cutting-edge fixed networks in all our jurisdictions, which we believe allows us to leverage our service capabilities, while maintaining competitive pricing, to attract and retain customers across all our fixed offerings.
- **Further grow our mobile business.** In Romania, our mobile telecommunication services cover 99.45% (outdoor voice coverage) of the population. We believe that our dense fixed network, an extensive network of mobile base stations and existing 2G, 4G and 5G licenses provide a solid foundation for further development of our mobile telecommunication infrastructure and offerings in this core market. In Spain, we operate as an MNO using Telefónica's advanced mobile network based on the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement, as well as our own spectrum. We intend to further strengthen our position of a fully integrated telecommunications provider in Spain by developing our own mobile network, primarily based on the spectrum licenses acquired through competition-enhancing remedies approved by the European Commission and the Spanish authorities in the context of the 2024 combination between Orange Spain and MasMovil into MasOrange and the spectrum shared with Telefónica. In Portugal, we are aiming to further increase our mobile network coverage, currently at 98.7% (outdoor voice coverage) of the population, in various regions, including islands and indoor spaces. In Belgium, our strategy is to develop DIGI Belgium into the fourth

national mobile services provider. We currently offer mobile services in the country through our own network and through a national roaming services agreement with Proximus. We plan on expanding our network and expect to deploy approximately 600 mobile base stations by the end of 2025.

- ***Explore strategic options to improve the capital structure and long-term financing position of our subsidiaries.*** Our operations are geographically diversified and are at different stages of their respective development cycles. We have individual strategic plans for each of our jurisdictions and will continue to carefully monitor strategic opportunities to improve the capital structure and long-term financing position of our subsidiaries there. We remain open to further strategic opportunities in our existing markets with a view of a long-term value creation across the Group (such as the recent arrangements with a consortium of infrastructure funds led by Aberdeen in relation to DIGI Andalucia or a disposal of the SOTA Network to a consortium led by Macquarie Capital in Spain, the acquisition of NOWO in Portugal or the joint venture arrangements with Citymesh in Belgium). We regularly monitor any such opportunities, while assessing their attractiveness relative to other strategic alternatives available to us. We carefully plan any related activities, including by reference to expected synergies with our existing operations, level of regulatory support and availability of third-party financing. In particular, we will continue to evaluate strategic financing options for our steadily growing business in Spain. Any such opportunities will ensure that we maintain control of DIGI Spain and will be considered by reference to the long-term objectives of our overall business and our existing Group-level financing arrangements.

HISTORY

Our Development in Romania

Our cable TV business was started in 1992 by a group of Romanian individuals, including Mr. Zoltán Teszári, when they founded TVS Holding Brasov to build cable networks and offer cable TV services in Timisoara and Brasov, two major Romanian cities.

In 1996, Mr. Teszári merged certain assets of his Bucharest-based cable TV network company, Kappa, with Analog CATV to form Romania Cable Systems S.A. (“RCS”).

In 1997, RCS established an internet and data subsidiary, Romania Data Systems S.A. (“RDS”).

In 2001, RDS began rolling out residential internet services over RCS’ cable network, and, by 2002, it had grown to become the leading ISP in Romania in terms of revenue. It started offering limited fixed-line telephony services to business and international customers in 2003, immediately following the liberalization of the Romanian fixed-line telephony market. In 2004, after completing an interconnection agreement with Telekom Romania, it launched mass-market fixed-line telephony services.

In 2004, we launched DTH services in Romania under the brand name “**DIGI.**”

In 2005, RCS merged with TVS Holding Brasov and RDS to form the Issuer.

In 2007, we launched 3G mobile telecommunication services in Romania under the brand name “**DIGI Mobil.**” Thereafter, we have acquired additional frequency blocks in various bandwidths in order to expand our capacity and develop our 3G and 4G networks.

In 2017 and 2018, we undertook a major re-branding exercise aimed at increasing our “**DIGI**” brand recognition. See “—Marketing.”

In 2019, we launched 5G mobile telecommunication services in certain Romanian cities based on our existing 3,700 MHz license.

In 2022, we launched fixed internet services with transmission speeds of up to 10 Gbps in major cities in Romania, the fastest speed available to residential users in the Romanian market.

In 2025, we acquired the prepaid business of TKRM, which includes pre-paid clients, the prepaid top-up and distribution infrastructure, all employees of TKRM primarily allotted to the pre-paid business, as well as various other assets related to the pre-paid business, telecommunications towers, the associated equipment, as well as the right to collocate equipment on additional telecommunications towers. We also acquired the rights of use over 42 MHz in the 900 MHz, 1,800 MHz, 2,100 MHz and 2,600 MHz radio frequency bands.

Expansion to Other Jurisdictions

We began our international expansion in 1998 by acquiring small to medium networks in Hungary. We also expanded into other Central and Eastern European countries. However, since then we have divested our subsidiaries in all of those non-core jurisdictions and terminated operations there. In particular, we sold our Hungarian business in 2022 for an aggregate consideration of €625 million.

Spain

We launched MVNO services in Spain in 2008 initially targeting the large local Romanian community. In 2018, we started offering fixed internet and data and fixed-line telephony. In the period that followed, we have continued our expansion and established ourselves as a key player in the Spanish telecommunications market. In particular, we acquired mobile spectrum licenses, which had been transferred to DIGI Spain as part of the conditions approved by the European Commission and the Spanish authorities in the context of the combination between Orange and MasMovil to form MasOrange. We currently offer fixed internet and data, pay TV, fixed-line telephony and mobile services. In addition, in 2025 we launched our MNO services, after concluding a National Roaming Agreement and a RAN Sharing and Spectrum Sharing Agreement with Telefónica, both of which have an initial term until the end of 2040.

Italy

We launched MVNO services in Italy in 2010. Since then, we have enhanced our offering by launching fixed internet and data FTTH services.

Portugal

In 2021, as part of a public auction, we acquire the frequency user rights in the 900 MHz (2x5 MHz), 1,800 MHz (2x5 MHz), 2.6 GHz (2x5 MHz FDD and 25 MHz TDD), 3.6 GHz (40MHz) bands in Portugal.

In October 2024, we acquired NOWO Communications S.A. (“**NOWO**”), Portugal’s fourth largest mobile and fixed telecom operator. We launched commercial operations in Portugal in November 2024 and currently offer a full range of telecommunication services in the country, including fiber optic broadband internet, mobile voice and data on 2G, 4G and 5G networks, television and fixed telephony. To support this expansion, we developed a modern fiber optic infrastructure and a national mobile network from scratch.

Belgium

Our Belgian business is structured through a joint venture with Citymesh, which in June 2022 has been awarded the new entrant package spectrum and 5G spectrum frequency user rights as part of an auction organized by the Belgian Institute for Postal Services and Telecommunications in the 700 MHz, 900 MHz, 1,800 MHz, 2,100 MHz and 3,600 MHz frequency bands.

In December 2024, we launched commercial operations in Belgium, including fiber optic broadband internet, fixed-line telephony, as well as mobile voice and data services. We offer mobile services in Belgium through our own network and through a national roaming agreement in Belgium with Proximus. See “*Material Contracts—MVNO, Roaming, Spectrum Sharing and Interconnection Agreements—Belgian MVNO Agreement.*”

IPO

In 2017, Digi Communications N.V., the holding company of the Group, conducted an IPO on the Regulated Market of the Bucharest Stock Exchange. Class A and Class B ordinary shares were created, and the latter were offered to (i) the public in Romania and (ii) certain institutional and professional investors. The IPO was carried out to allow certain minority shareholders to sell their shares on the market. The aggregate proceeds received by such shareholders amounted to approximately €207.0 million. For details of our current shareholding structure, see “*Principal Shareholders.*”

AREAS OF OPERATIONS

We operate in Romania, Spain, Italy, Portugal and Belgium.

The table below sets out our current business lines available in each of our geographies:

	Pay TV	Fixed Internet and Data	Fixed-line Telephony	Mobile Telecommunication Services
Romania	✓ ⁽¹⁾	✓	✓	✓
Spain.....	✓ ⁽¹⁾⁽³⁾	✓ ⁽³⁾	✓ ⁽³⁾	✓ ⁽⁷⁾
Italy.....	—	✓	—	✓ ⁽⁴⁾
Portugal	✓ ⁽¹⁾⁽²⁾	✓ ⁽²⁾	✓ ⁽²⁾	✓ ⁽⁵⁾
Belgium ⁽⁸⁾	—	✓	✓	✓ ⁽⁶⁾

(1) Includes RGUs for cable TV, IPTV and DTH services, as applicable.

(2) Through own GPON FTTH and HFC networks, as well as through limited third-party networks.

(3) Through own XGSPON FTTH network, the SOTA Network and through Telefónica’s network.

(4) As an MVNO.

(5) Through own network and an MVNO (under the NOWO brand).

(6) Through own network and through a national roaming services agreement.

- (7) As an MNO, using our own mobile network and Telefónica's mobile network, via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Agreement with Telefónica.
- (8) Through a joint venture with Citymesh.

PRODUCTS AND SERVICES

Business Lines

We have four business lines: (1) pay TV (which includes cable TV, IPTV and DTH); (2) fixed internet and data; (3) fixed-line telephony and; (4) mobile telecommunication services. Pay TV, fixed internet and fixed-line telephony comprise our three fixed-line offerings.

To customers in Romania whose homes or businesses are covered by our fixed network, we offer our branded cable TV, fixed internet and data and fixed-line telephony products, either individually or in combination. In Spain, we offer fixed internet and data and fixed-line telephony services through own XGSPON FTTH network, through the SOTA Network and through Telefónica's fiber network. Starting from December 2024, we offer Pay TV services to our fixed internet customers. In Portugal, we offer Pay TV, fixed internet and data and fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks. In Belgium, we offer fixed broadband internet and fixed-line telephony services over FTTH networks.

We offer mobile telecommunication services in Romania through our own network, which shares the backbone of our fixed infrastructure in the country. In Spain, we offer mobile telecommunication services as an MNO from January 2025, using our own mobile network and Telefónica's mobile network, via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica, both valid until the end of 2040. In addition, we are developing our own mobile telecommunication network to provide mobile telecommunication services to our customers. In Portugal, we offer mobile telecommunication services through our own network and as an MVNO (under the NOWO brand) through the mobile telecommunication network of MEO, a subsidiary of Altice Portugal. In Belgium, we offer mobile telecommunication services through our own network and through a national roaming services agreement with Proximus. We also offer mobile telecommunication services in Italy as an MVNO.

Finally, we offer DTH services to customers in Romania.

The table below sets out the number of RGUs per business line and per geographic segment as at June 30, 2025:

	Romania	Spain	Portugal (thousand)	Italy	Total RGUs per service
Fixed Services	11,812	3,079	369	—	15,260
<i>of which</i>					
Pay TV ⁽¹⁾	5,957	90	127	—	6,174
Fixed Internet and Data ⁽²⁾ ..	5,026	2,266	144	— ⁽⁴⁾	7,436
Fixed-line Telephony ⁽³⁾	829	723	98	—	1,650
Mobile Services	7,009	6,587	420	512	14,528
Total RGUs per country⁽⁵⁾	18,821	9,666	789	512	29,788

(1) Includes RGUs for cable TV, IPTV and DTH services, as applicable.

(2) Includes residential and business RGUs.

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

(4) While we offer fixed internet and data services in Italy, as of June 30, 2025, our fixed internet and data services are limited to selected locations in Italy and are offered to a limited number of customers.

(5) Does not include RGUs in Belgium. We started our operations in Belgium in December 2024 through a joint venture with Citymesh. As of the date of this prospectus, we are not consolidating these operations and we report our investments on an equity basis. We expect to consolidate DIGI Belgium's results in our financial statements in the future. As of June 30, 2025, we had approximately 62,000 mobile services RGUs in Belgium. See "—Acquisitions and disposals and joint ventures—Joint ventures."



Pay TV

We offer cable TV, IPTV and DTH services.

Our cable TV services consist of distributing local and international programming content through fixed networks. We offer cable TV services throughout Romania and in Portugal.

Our IPTV services consist of distributing local and international programming content through a internet protocol over a network infrastructure, which may include delivery by a broadband connection. We offer IPTV services in Spain and Portugal.

Our DTH services consist of distributing local and international programming content via satellite transmission primarily to rural or small-town residential subscribers, who receive our services through satellite dish receivers and set-top boxes installed in their homes. We offer this legacy service only in Romania. In order to do so, we lease from Intelsat certain transponders installed on satellites operated by Intelsat and Telenor.

As at June 30, 2025, we had approximately 6.0 million pay TV RGUs in Romania, approximately 127,000 pay TV RGUs in Portugal and approximately 90,000 pay TV RGUs in Spain. As at the same date, we covered approximately 23.7 million homes passed in these countries, collectively. As at June 30, 2025, we were the largest pay TV operator in Romania by number of RGUs (*Source: Group and peer reporting, ANCOM*). We are also a leading DTH operator in Romania, which is entirely within the footprint of our signal.



Our pay TV services have historically generated stable revenues, have low maintenance and other operational costs due to our sustained investment in the fixed network and provide a stable and growing base of customers. DTH, being a legacy service represents a relatively small proportion of our pay TV revenues in Romania.

Cable TV and IPTV product packages

Our packages of cable TV and IPTV services vary from country to country.

In Romania, we offer an analog package and a digital package. Each package has a standard version and a reduced version, tailored to customers in rural areas. As at June 30, 2025, approximately 66% and 34% of our cable TV customers in Romania were subscribed to the analog package and the digital package, respectively. We believe that standard versions of our packages are attractive to customers in terms of content offered for the price. They also provide access to our own channels (other than Film NOW and DIGI 4K, our premium pay TV channels) for no additional fee. As part of the standard version of our digital package, we offer premium movie channels such as Film NOW, HBO, MAXPAK and SkyShowtime at competitive prices. This product structure is available in all of our cable TV markets in Romania, with certain local variations regarding the number and composition of channels included in each package version. The content is also available through the DIGI TV app, which allows customers to watch their favorite channels anytime, anywhere, directly on their Smart TV, tablet, or smartphone.

In Portugal, we offer a TV service with more than 80 channels, including entertainment, sports, news, and kids. The content is also available through the DIGI TV app. Additionally, NOWO offers a digital package with over 60 channels included. This package has two versions: (i) “**TV NOWO**,” which is a standard version; and (ii) “**TV NOWO FAMILIA**,” which includes certain additional channels. As part of our digital package, we offer premium channels such as DAZN and BenficaTV (sports), TVCINE (movies), HOT and VIVIDRED (adults). Embedded features include VOD, sVOD, Flashback (up to 7 days) and 500 hours of recordings.

In Spain, we launched DIGI TV, our local television service, in December 2024. DIGI TV offers over 100 channels of movies, series, sports, documentaries, entertainment, from leading international content producers. In addition, in April of 2025, DIGI Spain added the Sports Pack to DIGI TV, which includes football content (all LALIGA HYPERMOTION matches)

and themed hunting and fishing channels. DIGI TV offers features such as streaming content from the last 7 days or using up to 4 devices simultaneously.

DTH product packages

We offer “**Popular**” and “**Basic**” packages in Romania. In addition to these packages, we offer premium movie channels, such as Film NOW, HBO, MAXPAK, and an adult option, as well as an option to subscribe for certain Hungarian-language channels. Our offers have certain variations regarding the number and composition of channels included in each package. These variations are mainly driven by local demand and competition.



Fixed Internet and Data

We provide fixed internet and data services through fixed networks in all our jurisdictions, to both corporate and residential users in a variety of packages. We offer fixed internet and data access as part of our multiple service offerings, as well as on a standalone basis.

In Romania and Belgium, fixed internet and data services are provided via our own networks. In Spain, we use our own predominantly XGSPON FTTH network, the SOTA Network, as well as Telefónica’s fiber network. In Portugal, we use our own GPON FTTH and HFC networks and certain limited third-party networks.

As at June 30, 2025, we had approximately 5.0 million (business and residential), 2.3 million, and 144,000 fixed internet and data RGUs in Romania, Spain and Portugal, respectively. Business subscribers represent an important part of our fixed internet and data business in Romania, as they generate a significant part of our revenues, although they are much fewer in number than residential subscribers. We consider our fixed internet and data offering to be a premium service and a potential major growth driver for our overall business.

Fixed internet and data product packages

We offer the following packages to our residential customers:

- In Romania, our main residential offerings are “**Fiberlink 500**” and “**Fiberlink 1,000**,” which provide unlimited traffic at speeds of up to 500 Mbps and 1,000 Mbps, respectively. In Bucharest and other major cities, we also offer “**Fiberlink 2.5 Gb**” and “**Fiberlink 10 Gb**,” providing unlimited traffic at speeds of up to 2.5 Gbps and 10 Gbps, respectively. We also offer “**Fiberlink Popular**” and “**Fiberlink Popular Gigabit**” packages to certain of our rural customers, which provide unlimited traffic at speeds of up to 300 Mbps and up to 1,000 Mbps, respectively.
- In Spain, we offer the “Digi Net Fibra Smart 1Gb,” “Digi Net Pro-Digi 10Gb,” “Digi Net Fibra Smart 750Mb” and “Digi Net Fibra Smart 500Mb” packages through our own XGSPON FTTH network, which provide unlimited traffic at speeds of up to 1 Gbps, 10 Gbps, 750 Mbps and 500 Mbps, respectively. Additionally, we offer “Digi Net 300 Mb” and “Digi Net 1 Gb” packages, which run on Telefónica’s fiber network and provide unlimited traffic at speeds of up to 300 Mbps and 1 Gbps, respectively.
- In Portugal, we offer certain packages with next-generation symmetric fiber network, delivering speeds of 500 Mbps, 1 Gbps, and up to 10 Gbps. Additionally, through NOWO, we offer (i) “Net 120 Mbps,” “Net 250 Mbps” and “Net 500 Mbps” packages, which are available via our own GPON FTTH and HFC networks and provide unlimited traffic at speeds of up to 120 Mbps, 250 Mbps and 500 Mbps, respectively, and (ii) “Net 1 Gbps” package, which is only available via our own GPON FTTH network and provides unlimited traffic at speeds of up to 1 Gbps.
- In Belgium, we offer “DIGI Fiber 500Mbps,” “DIGI Fiber 1Gbps” and “DIGI Fiber 10Gbps,” which provide unlimited traffic at speeds of 500Mbps, 1Gbps and 10 Gbps, respectively. These products are available via our own XGSPON network.

We believe that our residential fixed internet and data services packages are offered at competitive prices. The differentiation between our packages is based on access speeds, which vary from entry to advanced levels. Our fixed internet and data package offerings are designed to increase the value we provide to our customers, while at the same time increasing our ARPU by leveraging our existing infrastructure.

In addition to our residential offerings, we provide certain custom premium fixed internet and data communication services to our business users in Romania.



Fixed-line telephony

As of June 30, 2025, we were the largest fixed-line telephony operator in Romania by total number of RGUs (*Sources: Group and peer reporting; ANCOM*). We also offer fixed-line telephony services in Spain through our own predominantly XGSPON FTTH network, the SOTA Network and through Telefónica's fiber network and in Portugal through our own GPON FTTH and HFC networks, as well as through limited third-party networks.

As at June 30, 2025, we had approximately 829,000 (business and residential), 723,000 and 98,000 fixed-line telephony RGUs in Romania, Spain and Portugal, respectively.

Fixed-line telephony product packages

We believe that our fixed-line telephony service offering helps increase customer retention on our networks in the jurisdictions where we offer such services.

We have two main types of packages for residential customers in Romania:

- **“Digi Tel Family”** is our basic package that targets customers who prefer a lower monthly fee. It includes unlimited free minutes for calls with our other fixed-line and mobile telecommunication subscribers and 100 minutes for calls to other national fixed networks.
- **“Digi Tel National”** is a package that includes a fixed-line telephony subscription and unlimited free minutes for calls with our other fixed-line and mobile telecommunication subscribers, as well as other national fixed-line telephony networks and 100 minutes for calls to other national mobile operators.

In addition to these residential packages, we offer a wide range of services and tariff plans for our business users in Romania, including optional, value-added services to all our fixed-line telephony customers, over POTS lines or PRI E1s or SIP, which include extended numbering, preferred numbers, short numbering, CLIP/ CLIR, call barring, call forward and call-on-hold services.

In Spain, we offer **“Digi Tel”** and **“Digi Tel 500 min”** packages to our fixed internet and data customers. We offer fixed-line telephony services under a wholesale indirect access NEBA agreement with Telefónica and via our own XGSPON FTTH network.

In Portugal, we offer a usage-based package (calculated per minute) and a comprehensive unlimited calls plan. Through NOWO, we also offer a plan including 9,000 minutes for national fixed numbers and 1,000 minutes for numbers in 50 international destinations. Customers can also subscribe to an add-on that offers 300 minutes for national mobile numbers.

In Belgium, we offer **“DIGI Tel,”** an unlimited calls plan, as an option for our fiber customers.

Mobile Telecommunication Services



In Romania, we are one of four licensed providers of mobile telecommunication services, which are offered via our own 2G, 4G and (in certain areas) 5G networks. In Spain, we provided mobile telecommunication services as an MVNO via Telefónica's network until the end of 2024, and from January 2025 we provide our mobile telecommunications services as a Mobile Network Operator (MNO), using our own mobile network and Telefónica's mobile network, via the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement with Telefónica. In Portugal, we offer mobile telecommunication services through our own network and as an MVNO (under the NOWO brand) through the network of MEO, a subsidiary of Altice. In Belgium, we offer mobile telecommunication services through our own network and through a national roaming services agreement with Proximus. We also offer mobile telecommunication services as an MVNO in Italy via Vodafone Italy's network.

Our networks cover also the entirety of Romania's population. We have frequency blocks in the bands of 800 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,600 MHz, and 3,400-3,800 MHz, certain of which have been acquired through the TKRM Business and Assets Acquisition. We are the leader in inbound mobile number porting, with approximately 5.7 million numbers ported since 2008. In 2024, approximately 726,000 mobile numbers were ported to us, the largest share of approximately 1.3 million mobile numbers ported in Romania during this period. In the first half of 2025, approximately 379,000 mobile numbers were ported to us, the largest share of approximately 637,000 mobile numbers ported in Romania during this period (Source: ANCOM).

We are also the leader in Spain in net mobile number porting, with approximately 2.6 million net numbers ported since October 2020. In 2024, more than 1.1 million mobile numbers were ported to us, resulting in more than 739,000 net numbers ported, compared to 603,000 in 2023. During the first half of 2025, 427,952 net numbers were ported, compared to 401,970 in the first half of 2024 (Source: AOPM).

As at June 30, 2025, we had approximately 7.0 million, 6.6 million, 512,000, 420,000 and 62,000 mobile RGUs in Romania, Spain, Italy, Portugal and Belgium, respectively. On October 1, 2025, we acquired through the TKRM Business and Assets Acquisition the entire prepaid business of TKRM and we expect to migrate the prepaid customer base in the period from November 2025 to March 2026.

We intend to continue increasing the coverage of our mobile telecommunication service and achieve growth in subscriber numbers and revenues.

Mobile telecommunications product packages in Romania

In Romania, we offer one post-paid general service plan, “**Digi Mobil Optim.**” Customers can choose a range of options, including unlimited minutes inside and/or outside of our network and a generous monthly mobile data allowance of up to 200 GB at 4G and 5G speeds.

We also offer mobile internet and data services on a stand-alone basis in two differently priced plans with unlimited data traffic and different speed limitations according to fair usage policy, after the consumption of 30GB or 50GB in a month.

Mobile telecommunications product packages in Spain

In Spain, we offer prepaid and post-paid tariff packages for voice, SMS and mobile data under the brand name “**Digi.**” We offer a set of customer propositions which include different data volumes that can also be combined with our fixed internet and data services, giving customers the possibility to elect the most suitable combination of services for their needs at competitive prices, including “**Digi IlimiTODO,**” an unlimited data plan.

Mobile telecommunications product packages in Italy

In Italy, we provide a range of MVNO mobile voice, messaging and data services under the brand name “**Digi Mobil.**” We have recently renewed our offering portfolio by introducing a pre-paid “**DIGI Illimitato**” package, which includes different data volumes, international calls and unlimited national voice traffic, while offering the highest quality services at affordable prices. These new products have been well received by the market and have helped both to ensure equal treatment of our existing and new customers and to strengthen our presence within the local Romanian community.

Mobile telecommunications product packages in Portugal

In Portugal, we offer voice and data mobile services through 2G, 4G, and 5G networks, with mobile internet traffic from 50 Gbps to 200 Gbps. Through NOWO, we also provide a range of MVNO mobile voice, messaging, and data services, using Altice's network. We offer five different plans in Portugal, all of which include 5,000 minutes and SMS for national fixed and mobile numbers and differ in terms of mobile data usage allowance (500MB, 1GB, 5GB, 15GB or 30GB).

Mobile telecommunications product packages in Belgium

In Belgium, we offer voice, SMS and data through 2G and 4G networks under the brand “**DIGI mobile.**” Since October 2025, we offer post-paid packages with DIGI mobile 5GB with unlimited calls to DIGI and paying voice and SMS to other networks and DIGI mobile 20GB and 30GB, including unlimited national voice and SMS.

Content



Own TV channels

We offer our proprietary TV channels through our cable TV and DTH packages, in Romania.

Our first such channel was the premium content sports channel, “DIGI Sport.” Our own channel offerings now include sports channels “DIGI Sport 1,” “DIGI Sport 2,” “DIGI Sport 3” and “DIGI Sport 4” (each, in Romania), a premium pay TV movie channel “Film NOW,” a news channel “DIGI 24,” documentary channels “DIGI World,” “DIGI Life” and “DIGI Animal World,” music channels “U Televiziune Interactiva,” “Music Channel,” “H!T Music Channel,” “Hora TV” and “DIGI 4K,” the first Ultra High Definition (“UHD”) channel in Romania, which we have been offering since December 2018.

All our own channels are broadcast in standard definition (“SD”) and high definition (“HD”) (except for “Music Channel” and “H!T Music Channel,” which are only broadcast in SD and “DIGI 4K,” which is only broadcast in UHD). Our premium sports channels own exclusive TV rights to broadcast WTA tennis tournaments, Spanish Super Cup (football), English Football League Cup (football) and Scottish Premiership (football) in Romania. In addition, we have non-exclusive rights to broadcast the following major competitions in Romania: (i) football: UEFA Champions League, UEFA Europa League, UEFA Europa Conference League, UEFA Super Cup, UEFA European Qualifiers, Romanian Leagues 1 (SuperLiga) and 2 (Liga II), Romanian Cup and Super Cup, Spanish La Liga, German Bundesliga, Italian Serie A; (ii) other sports: Moto GP, ATP tennis tournaments and Romanian Basketball League.

The table below sets out the main broadcasting rights (exclusive and non-exclusive) we have through our premium TV sport channels in Romania:

Sport	Competition	Period
Football	SuperLiga (Romanian League 1)	2024 – 2027
Football	Liga II (Romanian League 2)	2024 – 2027
Football	Romanian Cup	2024 – 2027
Football	Romanian Super Cup	2024 – 2027
Football	UEFA Champions League	2024 – 2027
Football	UEFA Super Cup	2024 – 2027
Football	UEFA European Qualifiers	2021 – 2028
Football	UEFA Europa League	2024 – 2027
Football	UEFA Europa Conference League	2024 – 2027
Football	Spanish La Liga	2024 – 2026
Football	Italian Serie A	2024 – 2027
Football	German Bundesliga	2025 – 2029
Football	English Football League Cup	2024 – 2028
Football	Scottish Premiership	2025 – 2029
Football	Spanish Super Cup	2023 – 2027
Racing	Moto GP	2024 – 2026
Tennis	WTA Tour	2024 – 2026
Tennis	ATP Tour	2024 – 2026
Basketball	Romanian Basketball League	2023 – 2026

In addition to licensing fees, some of these agreements require us to bear certain technical costs, such as costs related to up-and down-linking.

We also plan to acquire additional broadcasting rights in the future in order to renew or further upgrade our content offering. In addition to broadcasting them through our Pay TV platforms, we offer our own TV channels to certain other cable TV operators in Romania for a fee. Since 2015, our own channels include advertising, which allows for additional monetization of our channel portfolio.

Own radio channels

We also operate the following radio stations in Romania: “Pro FM,” “Digi 24 FM,” “Dance FM” and “Digi FM.”



Third-party TV channels

Separately from the channels that we own, we acquire the rights to distribute TV channels from local and international programming content providers. In the case of all international and most local providers, we down-link and retransmit these channels as originally packaged (or with subtitles or dubbed), while with certain local providers we receive the channel via terrestrial fiber transmission. As at June 30, 2025, we had distribution agreements in place with 168 content providers. In Romania, we were entitled to retransmit 274 pass-through channels. In Spain, we have distribution agreements with 60 content providers, which are entitled to retransmit 153 pass-through channels. Our pass-through channel providers assume full responsibility for programming content and ensuring compliance with applicable rules, including those on the protection of minors. The programming content generally consists of films, sports, general entertainment, documentaries, children’s programs, news and music.

Third-party TV channels are generally purchased on a per-subscriber basis or on a flat-fee basis. Prices paid for these TV channels are sometimes subject to minimum guaranteed fees that are based on a specified minimum subscriber level, with a number of agreements providing for volume discounts in the fee per subscriber as the total number of subscribers increases.

The programming content acquired is retransmitted as part of the packages offered both through our cable TV service and our DTH service. The costs are allocated on a contract-by-contract basis between cable TV subscribers and DTH subscribers.

Our most important pass-through channels in Romania are “Pro TV,” “Antena,” “Kanal D,” “HBO,” “Discovery,” “Eurosport,” “Disney,” “SkyShowtime” and “NGC.”



Multiple Offerings

A majority of our customers subscribe to two or more of our services. This is particularly true in relation to our network-based services, which use the same infrastructure in the delivery of all our services. Accordingly, we divide our customers between those who utilize our network-based services, in which we include our cable TV, IPTV, fixed internet and data, fixed-line telephony and mobile telecommunication services (network customers), and customers who subscribe to our DTH service.

As the geographical coverage of our mobile network has increased in recent years, so has the number of customers who subscribe to multiple services. In Romania, the average number of services per one residential network customer (excluding DTH customers) was 2.1 and the percentage of network customers using more than one service was approximately 75.0% of all our base subscribers in the country, in each case, as at June 30, 2025. In Spain, the average number of services per one network customer was 1.5 and the percentage of network customers using more than one service was approximately 37.0% of all our base subscribers in the country, as at the same date.

The table below sets out the percentage of network customers that subscribe to multiple services in Romania and Spain (our largest geographies), as a percentage of base subscribers as at June 30, 2025:

	Romania	Spain
Single-play.....	25%	63%
2 or more	75%	37%
<i>of which 3 or more.....</i>	34%	14%
<i>of which quad-play.....</i>	4%	1%

Although we focus on increasing the number of services to which each customer subscribes and develop our infrastructure with this objective in mind, we also analyze our business based on our four distinct business lines. We believe that customers who subscribe to multiple services are less likely to leave our services.

Electricity generation and supply



We own and operate several solar energy projects in Romania. As at June 30, 2025, these projects had an aggregate installed capacity of 15.72 MW.

Electricity generated by these projects reduces our overall electricity costs. In addition, producers of electricity from renewable sources (such as solar) which have been commissioned prior to 2016, such as the projects we developed, that are accredited by the Romanian energy regulator are entitled to receive green certificates that can be subsequently sold to suppliers and other entities that have a legal obligation to acquire them. As at June 30, 2025, we have accumulated €3.0 million of green certificates generated by our solar energy generation activities.

We also operate a small electricity supply business. Electricity supply has never been a core activity for us and starting from 2017, we have been reducing our exposure to these activities, which currently represent an immaterial part of our business.

OPERATIONS

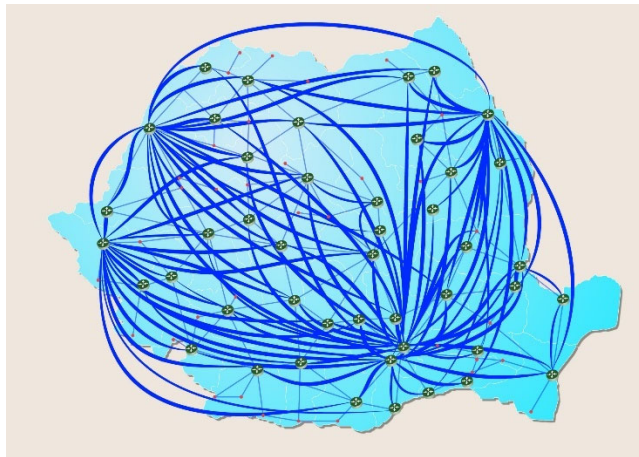
Fixed Telecommunication Services Networks

Romania

In Romania, we own and operate an advanced, fully digitalized and two-way capable fixed network. Almost all of our network provides FTTB/FTTH coverage based on GPON or a comparable technology, with a small proportion (located in rural areas composed primarily of single-family homes) being hybrid fiber-coaxial. This gives us what we believe to be the highest fiber share among similar cable operators in Europe.

We have an intercity fixed backbone network of approximately 65,000 kilometers. We have an intercity fixed backbone aerial and underground network which covers, in addition to the capital city of Bucharest, all 41 county capital cities and numerous smaller cities and towns. As at June 30, 2025, our fixed network in Romania passed a total of approximately 9.1 million homes, achieving 68.8% penetration. In addition to residential customers, we service business customers in all counties and major cities of Romania.

The map below sets out our fixed backbone network in Romania as at June 30, 2025:

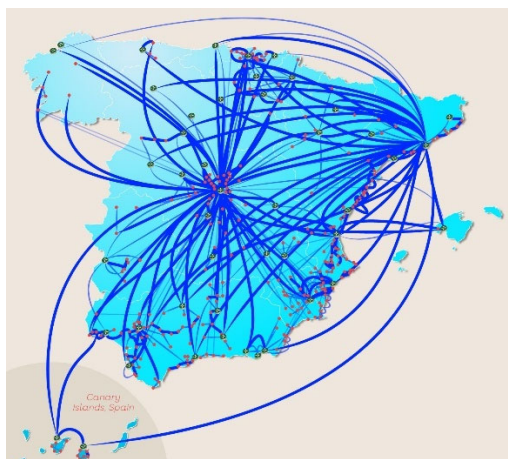


We continue to pursue technological improvements of our network, as well as expansion of our coverage. We believe that our network provides the opportunity to market attractive fixed internet and data and fixed-line telephony services, offering significant growth opportunities in terms of subscribers and revenues with limited additional investment.

Spain

In Spain, we offer our fixed internet and fixed telephony services through our own built predominantly XGSPON FTTH network and the SOTA Network we access from a consortium led by Macquarie Capital, which together pass approximately 12.4 million homes, achieving a 14.8% penetration. We have an intercity fixed backbone network of approximately 11,000 kilometers. Additionally, in certain areas, nationwide, we offer the same fixed services based on a wholesale indirect access NEBA agreement with Telefónica.

The map below sets out our fixed backbone in Spain as at June 30, 2025:



Portugal

In Portugal, we offer cable TV, fixed internet and data and fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks. We plan to continue to expand our GPON FTTH network and to upgrade NOWO's network to fiber. As at June 30, 2025, our fixed network in Portugal passed a total of approximately 2.1 million homes (including NOWO's HFC networks, of which 1.6 million represent FTTH HPs).

Italy

In Italy, we offer our fixed internet services in selected cities through our own built XGSPON FTTH network, based on an IRU agreement with FiberCop / TIM.

Belgium

In Belgium, we offer fixed internet and data and fixed-line telephony services over fiber optic.

The table below sets out the number of homes passed and percentages of dwellings covered in Romania, Spain, and Portugal as at the dates indicated:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Romania				
Number of homes passed (millions)	9.1	9.1	9.1	9.1
Percentage of dwellings covered ⁽¹⁾	95.1%	95.1%	95.1%	95.1%
Spain				
Number of homes passed (millions) ⁽²⁾	5.4	8.7	11.7	12.4
Percentage of dwellings covered ⁽¹⁾	21.0%	32.6%	43.9%	46.6%
Portugal				
Number of homes passed (millions)	-	-	-	2.1
Percentage of dwellings covered ⁽¹⁾	-	-	-	36.3%

(1) Calculated based on data by ANCOM for Romania and by the National Institute of Statistics for Spain and Portugal.

(2) Our Spanish XGSPON FTTH network is operated by us and includes HPs (homes passed) which we have constructed and that we continue to maintain (whether we have sold them or continue to own them).

Mobile Telecommunication Services Networks

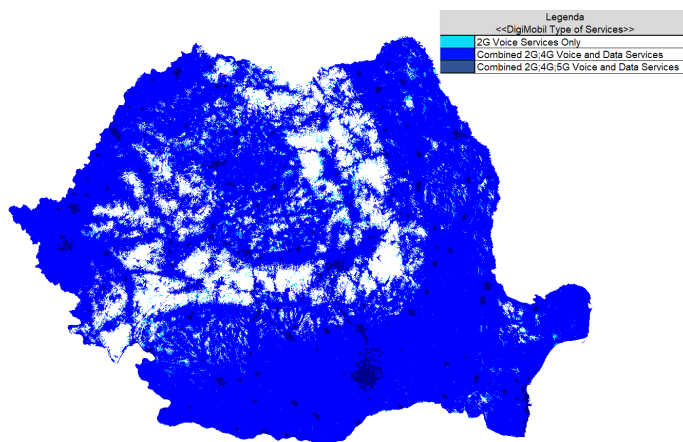
Romania

Our mobile telecommunication network in Romania is based on the equipment and solutions provided by leading vendors (Nokia and Ericsson). We lease or buy access to rooftops (or other structures), plots of land and antenna supports from a larger number of land and premises owners, typically based on long-term leases (10 to 15 years), in order to build the necessary grid of sites for the deployment of our mobile network (including the installation of base stations, antennas and other related equipment).

As at June 30, 2025, our outdoor mobile telecommunication services covered 99.45% of Romania’s population and were provided through approximately 9,000 base stations. In October 2025, we further enhanced the network with the acquisition of approximately 500 additional mobile base stations as part of the TKRM Business and Assets Acquisition (see “*Recent Developments—TKRM Business and Assets Acquisition*”).

The mobile telecommunication network is integrated with our fixed backbone to take advantage of the high available capacity and resiliency. We have designated teams of employees that undertake the high-level radio design, construction, operation, maintenance, network optimization and drive-tests of our network, for an end-to-end control of the service delivery process.

The map below sets out the territorial coverage of our own mobile telecommunication network in Romania as at June 30, 2025:



We offer 5G mobile telecommunication services in certain Romanian cities based on our existing licenses. In the context of the latest tender organized in November 2022 by the Romanian authorities, we were awarded additional spectrum resources in 2,600 MHz and 3,400-3,800 MHz frequencies, including 4 blocks of 2x5 MHz new spectrum in 2,600 MHz frequencies and of 5x10 MHz in 3,400-3,800 frequencies (the latter representing a renewal of our existing spectrum from 3,400-3,800 MHz frequencies, which will enter into force in 2026, after expiration of the existing spectrum). Additionally, we acquired certain spectrum resources in 900 MHz, 1,800 MHz, 2,100 MHz and 2,600 MHz bands from TKRM (see “*Recent Developments—TKRM Business and Assets Acquisition*”). We expect to use these new spectrum resources to continue the growth of our innovative digital communication services and implementation of new technologies in Romania.

The table below summarizes the frequency blocks in various bandwidths, which we use in Romania:

Bandwidth	Frequency blocks	Year of availability	Validity period	Additional information
900 MHz (FDD)	2x5 MHz	2012	Until 2029	
800 MHz (FDD)	2x5 MHz	2021	Until 2029	
2,600 MHz (TDD)	1x45 MHz	2015/2021	Until 2029	
2,600 MHz (FDD)	2x40 MHz	2021/2022	Until 2029	
2,100 MHz (FDD)	2x15 MHz	2021	Until 2031	Renewal of the existing license
3,400-3,800 MHz (TDD)	5x10 MHz	2022	Until 2047	
900 MHz (FDD)	2x7 MHz	2025/2026	Until 2029	5x2 owned; 2x2 rented ⁽¹⁾ ; Telekom acquisition
1,800 MHz (FDD)	2x15 MHz	2026	Until 2029	Telekom acquisition
2,100 MHz (FDD)	2x10 MHz	2025/2026	Until 2029	Telekom acquisition
2,600 MHz (FDD)	2x10 MHz	2025	Until 2029	Telekom acquisition

(1) Rented until the end of the license.

In order to minimize the potential for a system failure in our mobile telecommunication network, we have agreements in place with certain of our suppliers for technical support to help ensure continuous operation of the network.

Spain

We offer mobile telecommunication services in Spain using our own mobile network and Telefónica’s network based on the Spanish National Roaming Agreement and the Spanish RAN Sharing and Spectrum Sharing Agreement, which have

replaced the Spanish MVNO Agreement from January 2025. See “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Spanish MVNO Agreement*,” “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Spanish National Roaming Agreement, Spanish RAN Sharing and Spectrum Sharing Agreement and NEBA Agreement*.”

Additionally, in July 2024, following the approval of the relevant authorities, we purchased from Xfera Móviles, S.A. (part of MasMovil Group in Spain) the spectrum licenses for the private use of the radioelectric public domain related to certain sets of blocks of frequencies (2 x 10 MHz in the 1,800 MHz band, 2 x 10 MHz in the 2,100 MHz band and 20 MHz in the 3,500 MHz band). Since 2025, we also use an additional block of frequencies (120 MHz in the 3,500 MHz band) owned by Telefónica through the Spanish RAN Sharing and Spectrum Sharing Agreement.

The table below summarizes the frequency blocks in various bandwidths, which we use in Spain:

Bandwidth	Frequency blocks	Year of availability	Validity period
1,800 MHz (FDD)	2x10 MHz	2024	Until 2040
2,100 MHz (FDD)	2x10 MHz	2024	Until 2040
3,500 MHz (TDD)	20 MHz	2024	Until 2040
3,500 MHz (TDD) ⁽¹⁾	120 MHz	2025	Until 2040

⁽¹⁾ Owned by Telefónica (and available to DIGI Spain through the Spanish RAN Sharing and Spectrum Sharing Agreement)

Italy

We offer mobile telecommunication services in Italy using Vodafone Italy’s network based on the Italian MVNO Agreement. See “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Italian MVNO Agreement*.”

Portugal

In 2021, we were awarded radio frequencies in Portugal at a mobile spectrum auction. We launched our mobile telecommunication services on November 4, 2024, and we keep on developing the fixed and mobile networks. As at June 30, 2025, our outdoor mobile telecommunication services in Portugal covered approximately 98.7% of the country’s population through a network of approximately 4,300 base stations., with active expansion efforts underway in various regions, including islands and indoor spaces.

Additionally, as at June 30, 2025, NOWO had 40MHz of spectrum resources in the 3,600 MHz bandwidth, which has been transferred to DIGI Portugal. NOWO also offers mobile telecommunication services in Portugal using the network of MEO, a subsidiary of Altice Portugal, based on the Portuguese Mobile Wholesale Services Provision Agreement. See “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Portuguese Mobile Wholesale Services Provision Agreement*.”

The table below summarizes the frequency blocks in various bandwidths, which we have in Portugal:

Bandwidth	Frequency blocks	Year of acquisition	Validity period	Additional information
900 MHz (FDD)	2x5 MHz	2021	Until 2041	Digi Spectrum
1,800 MHz (FDD)	2x5 MHz	2021	Until 2041	Digi Spectrum
2,600 MHz (FDD)	2x5 MHz	2021	Until 2041	Digi Spectrum
2,600 MHz (TDD)	25 MHz	2021	Until 2041	Digi Spectrum
3,600 MHz (TDD)	40 MHz	2021	Until 2041	Digi Spectrum
1,800 MHz (FDD)	2x10 MHz	2021	Until 2041	NOWO Spectrum transferred to Digi
2,600 MHz (FDD)	2x5 MHz	2021	Until 2041	NOWO Spectrum transferred to Digi
3,600 MHz (TDD)	40 MHz	2021	Until 2041	NOWO Spectrum transferred to Digi

Belgium

In June 2022, DIGI Belgium, our joint venture with Citymesh won the new entrant spectrum package in the 5G auction and obtained a spectrum package in the 700 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,600 MHz and 3,600 MHz bands.

The table below summarizes the frequency blocks in various bandwidths, which we have in Belgium:

Bandwidth	Frequency blocks	Year of acquisition	Validity period
700 MHz (FDD)	2x5 MHz	2022	Until 2042
900 MHz (FDD)	2x5 MHz	2022	Until 2042
1,800 MHz (FDD)	2x15 MHz	2022	Until 2042
2,100 MHz (FDD)	2x5 MHz	2022	Until 2042
2,600 MHz (FDD)	2x15 MHz	2023	Until 2035
2,600 MHz (TDD)	1x45 MHz	2025	Until 2032
3,600 MHz (TDD)	1x50 MHz	2022	Until 2040

Our strategy is to develop DIGI Belgium to become the fourth national mobile network in the country. We currently offer mobile services in Belgium through our own network and through a national roaming services agreement with Proximus. See “*Material Contracts—MVNO, Roaming and Interconnection Agreements—Belgian MVNO Agreement.*”

DTH Operations

We manage our DTH satellite retransmission operation using the up-link infrastructure we own. International turnaround channels are received via our dishes, digitized and sent to the single turnaround center. Channels from various broadcasters are received via fiber cables and re-broadcasted. In the turnaround center, channels are then compressed, encrypted and multiplexed (thus combining few channels in a single signal).

The broadcast feed is transmitted to the geostationary satellite operated by Intelsat, which is located 35,800 km above the equator at 1 degree West longitude and to the geostationary satellite operated by Telenor on a neighboring orbital position at 0.8 degrees West. We have four large-diameter satellite dishes for up-linking signals. A dish mounted externally at subscribers’ premises receives the signal. The dish is connected to a set-top box that decodes the signal and converts it into video, sound and data information.

Most of our subscriber management activities, including call centers and services activation and deactivation, are done in-house.

Satellites and transponders

We use five high-powered transponders, two on the Intelsat satellite and three on the Telenor satellite, to transmit our DTH signal. We also use one additional transponder on the Intelsat satellite to transmit non-DTH occasional use signals. The lease agreement with Intelsat (which covers all transponders that we use) is currently valid until April 30, 2026. The number of television channels that can be broadcast to subscribers is dictated by the amount of transponder space available. Currently, we are using all our available transponder capacity. We also use simulcrypt agreements.

The five satellite transponders used for DTH signal transmission receive video, audio and data signals transmitted from our up-link facilities, convert the frequency of those signals, amplify them and retransmit them back to Earth in a manner that allows individual subscribers to receive the signals using a small satellite dish.

If, for any reason, the satellites that we currently use become unavailable for further service, we estimate that alternatives are available in the same orbital position, and more could become available later.

Set-top boxes and encryption

We use an encryption solution and smart-cards for our DTH operations supplied by Nagravision, which is a leading supplier of security solutions for the television industry. We believe the quality of the encryption technology we use is consistent with market standards.

DISTRIBUTION AND SALES



We employ four primary sales channels: (i) our own retail network or through our partners; (ii) agents providing door-to-door sales; (iii) inbound and outbound telesales; and (iv) online channels, including our own website. In Romania we also have dedicated account managers for business clients.

We differentiate marketing and sales depending on target customers. We differentiate between residential customers and business customers mainly based on the type of services they subscribe to, especially with regard to internet and data and fixed-line telephony services.

CUSTOMER SERVICE AND RETENTION



We believe that the quality of our customer service is critical to attracting and retaining customers. While we focus on providing high-quality after-sale services, we also pay particular attention to other key processes, such as monitoring the overall quality of the services provided to our customers and receiving and resolving customer queries (whether commercial, financial or technical in nature).

We also have after-sale and service teams dedicated to our various services. Our mobile telecommunication business line is serviced directly at our own retail locations in Romania and at locations of our dealers in Spain, Italy, Portugal and Belgium. We generally aim for a targeted service and we provide different contact numbers for each type of customers. Our business customers are granted special attention and they each have designated account managers.

We actively monitor our customer satisfaction and seek customer feedback in connection with our service offerings and customer service efforts and routinely provide customers with questionnaires or other requests for feedback through which they describe their level of satisfaction with our service offerings and quality of service, provide comments and requests or order additional services.

MARKETING



We believe that we enjoy strong recognition among consumers in our core markets of Romania and Spain. We generally market our services under the brand “DIGI.” We also operate own TV channels in Romania: “DIGI Animal World,” “DIGI Life,” “DIGI Sport,” “Film NOW,” “DIGI World,” “DIGI 24” and “DIGI 4K,” radio channels such as: “DIGI FM,” “Pro FM” and “DIGI 24 FM” and our own OTT platform, which we are now rebranding from DigiOnline into DIGI TV.

Our general marketing strategy aims to position us as a provider with a high quality-to-price ratio addressing the mass market. We also aim to encourage the uptake of multiple-play services by offering competitive prices for each of our services, as well as single invoices and a single point of contact for various services.

In all the markets in which we operate, we use a variety of advertising and campaigning channels to promote our services and brand names. We promote ourselves through our own TV and radio channels, as well as their well-placed websites to promote our service offerings. We also have a complex media mix featuring above-the-line and below-the-line initiatives, which include presence of our marketing materials in top-tier entertainment TV shows, sponsoring popular sports events, comedy shows and concerts and traditional OOH and TV advertising. In Spain, we also market our products through sponsorship agreements with prominent football teams. Furthermore, we have increased our focus on social media marketing, expanding our investment in targeted social media advertising while developing engaging, interactive content that connects with cultural moments and conversations relevant to our brand and audience. Promotions are addressed to both new and existing customers and focus on increasing awareness of new services and cross-selling. The campaigns also emphasize our brand and the high quality of our products at low prices. In the markets where we offer multiple services, we have actively promoted our image as an integrated telecommunications and media provider.

Customers can obtain information related to our services and products at our customer sales offices, through our call centers, and from our digital channels (website and social network platforms). We constantly update our websites and our social accounts to feature our new products and services in real-life usage moments. We interact with our audience on social media to gather further insight on how they use our technology and how we could improve our services. In each market where we operate, we maintain localised social media accounts in the respective local languages, consistently applying our established brand voice and guidelines while actively engaging with our followers and customers. We use our customers’ feedback and interactions as the foundation of our ongoing research into service and product improvements. Our continuing focus is on permanent improvement of the engagement with our customers in order to develop long-term valuable relationships and provide a top-quality customer experience.

PRICING

Our overall pricing strategy is to offer good quality products for competitive prices. This has been instrumental in delivering the RGU growth that is the cornerstone of our strategy.

Our value-for-money propositions capitalize on expert knowledge of the local market, are tailored to specific consumer groups and facilitate cross selling and customer retention.

We offer service packages at all price points, ranging from entry-level to premium subscriptions. Pricing varies depending on the number of services that the customer subscribes to and the package level they choose for each service.

BILLING

Prices for most of our services provided to residential subscribers are set in local currencies. For mobile and fixed-line telephony services to residential and business customers, as well as fixed internet and data services for business customers, our prices are set in euro. For prices not determined in the local currency, customers pay their invoices in local currency using the exchange rate from the date when the invoice was issued.

We usually bill our services on a post-paid basis. Generally, we require individual post-paid subscribers to settle their accounts on a monthly basis. Subscribers may pay in person at our retail locations or through various payment outlets or at ATMs of certain banks, on our website using e-commerce or by payment order. The terms of payment are by the end of the service month for services with flat subscription fees. Disconnection periods for non-payment vary by service and market depending on our customer relationship strategy.

For our multiple-service customers, we issue a single invoice for all services. The billing software is developed in-house and is used in all the countries where we operate.

In addition to maintaining financial information for each customer, our billing software keeps detailed, non-financial customer and contract related information. This information is used by our customer service representatives to address various issues and needs of our customers.

We believe our billing and collection systems are appropriate for our business needs, and we constantly seek to improve them. We are also aiming to improve our physical presence by increasing the number of sales/collection points and bringing them closer to clients, including in rural areas (the so called “**DIGI Boxes**”). Additionally, we send notifications (via SMS, email, our dedicated website, internet pop-up messages and TV messages for our cable TBV and DTH subscribers) to our customers alerting them of overdue invoices.

EQUIPMENT SUPPLIERS

In our pay TV business line, the principal supplier for video receivers and modulators for our cable TV services is Jiuzhou (HK) Multimedia Limited. NagraVision, Fiberhome and ZTE supply the encryption and subscriber management system.

For fixed internet and data services, principal suppliers are Cisco and Juniper for high end routers and ECI for DWDM transmissions.

The equipment for our mobile telecommunication services is provided by Nokia and Ericsson. We focus on Android-based smartphones, due to better affordability for our customers. The main producers for mobile handsets are Samsung and Xiaomi.

In our fixed-line telephony business line, the main supplier is Nokia (we also use switches supplied by Alcatel, which is currently part of Nokia).

Most of our equipment is supplied directly by its manufacturers. In nearly all cases, we believe alternate providers are readily available and only in rare occasions would replacing such providers be a lengthy process.

SERVICE SUPPLIERS

We purchase our content from both local producers and international providers. Some of our major content suppliers are Warner Bros, Columbia Pictures, Paramount Pictures, Walt Disney and Universal Studios.

Our main suppliers for global internet interconnection and IP transit services are the leading industry operators Arelion Romania, Colt Technology Services and C.C.D. Cogent Communications Deutschland GmbH.

Our main suppliers of interconnection services in telephony are major telecommunications operators present in Romania and Europe. These include Orange, Vodafone, Telekom Romania, Arelion Sweden, Telefónica de España, Belgacom International Carrier Services, A1 Telekom Austria, Telecom Italia Sparkle and Tata Communications.

Our supplier of DTH satellite services is Intelsat.

INTELLECTUAL PROPERTY

We own a relatively large number of trademarks including verbal trademarks (protecting words) and combined trademarks (protecting both words and images), including “RCS & RDS,” “DIGI,” “DIGI TV,” “DIGI FILM,” “DIGI SPORT,” “DIGI MOBIL,” “DIGI MOBIL 5G,” “DIGI MOBIL 5G SMART,” “DIGI LINK,” “DIGI TEL,” “DIGI NET,” “DIGI VIDEO GUARD,” “DIGI 24 HD,” “DIGI 4K,” “DIGI LIFE,” “DIGI WORLD,” “UTV,” “DIGI Oriunde,” “DIGI Online,” “DIGI PLAY,” “DIGI Energy,” “Pro FM,” “DIGI FM,” “DANCE FM,” “DIGI COMMUNICATIONS N.V.,” “ROMANIA

FURATA,” “GENERATIA DIGI SPORT” and “DIGI One Voice” These trademarks are registered for the territories in which they are used, and certain trademarks are also registered for additional territories or on a national or European basis.

In all the above cases, the protection offered by the registration of the trademarks lasts for ten years and can be extended for subsequent ten-year periods based on specific requests. We regularly renew our trademarks and register new trademarks (most of the later relate to our TV and radio broadcast activities).

We generally do not license our trademarks. As an exception, we provided certain licenses for the use of our trademarks by third parties as a post-closing covenant at the disposal of our legacy businesses. For example, in Slovakia (which market we exited in 2016), we have a trademark license agreement currently running until December 2025 (following a number of extensions).

INSURANCE

We maintain an insurance policy in respect of our critical communications equipment in data centers in Bucharest and certain key network nodes throughout Romania for the services we provide, including our up-link facilities in Bucharest. This insurance policy has an aggregate coverage of up to approximately €16.6 million equivalent as at June 30, 2025. We also maintain civil liability insurance policies and property damage insurance policies for our car fleet. Additionally, we have liability insurance for our directors.

We consider such insurance coverage to be adequate and in accordance with customary industry practice in the markets where we operate. However, we currently do not have coverage for business interruption and loss of key management personnel and a substantial part of our assets, including our assets in Spain and Portugal, is not insured.

PROPERTIES

We lease most of the principal properties upon which we operate. In Romania, we own a part of our headquarters, as well as the premises we use as production studios for certain of our own channels. Outside Romania, we lease all our principal premises. See also “—Operations—Fixed Networks—Romania,” “—Operations—Fixed Networks—Spain,” “—Operations—Fixed Networks—Portugal,” and “—Operations—Fixed Networks—Belgium” for a discussion of rights related to our networks.

The following table sets out our key properties:

Country	Location	ID	Primary Function	Owned/ leased	Size(sqm)
Romania	Bucharest	Forum 2000	Administrative (Headquarters), Data Center	Owned	8,810
Romania	Bucharest	Forum 2000	Administrative (Headquarters)	Leased	220
Romania	Bucharest	Panduri	Administrative, TV Studios, Data Center	Owned	9,683
Romania	Bucharest	N/A	Administrative	Owned	5,589
Romania	Bucharest	N/A	Warehouse	Leased	3,257
Romania	Bucharest	N/A	Warehouse	Leased	4,274
Romania	Cluj Napoca	N/A	Administrative, Data Center, Warehouse	Owned	3,386
Romania	Timisoara	N/A	Administrative, Data Center	Owned	3,393
Romania	Iasi	N/A	Administrative	Owned	850
Romania	Oradea	N/A	Administrative	Owned	3,402
Romania	Oradea	N/A	Administrative, Data Center	Owned	1,574
Romania	Oradea	N/A	Warehouse	Owned	521
Romania	Craiova	N/A	Administrative	Owned	3,829
Romania	Galati	N/A	Administrative	Owned	1,601

Country	Location	ID	Primary Function	Owned/ leased	Size(sqm)
Romania	Brasov	N/A	Administrative, Data Center, Warehouse	Owned	2,087
Romania	Targu Mures	N/A	Administrative	Owned	325
Romania	Sibiu	N/A	Administrative	Leased	636
Romania	Ramnicu Valcea	N/A	Administrative	Owned	930
Romania	Pitesti	N/A	Administrative	Owned	1,308
Romania	Constanta	N/A	Administrative	Owned	1,124
Romania	Arad	N/A	Administrative	Owned	1,151
Spain	Madrid	N/A	Administrative (Headquarters)	Leased	8,870
Spain	Madrid	N/A	Warehouse	Leased	14,009
Spain	Madrid	N/A	Administrative	Leased	6,582
Spain	Barcelona	N/A	Warehouse	Leased	2,986
Spain	Málaga	N/A	Warehouse	Leased	1,985
Spain	Valladolid	N/A	Warehouse	Leased	1,677
Spain	Las Palmas de Gran Canaria	N/A	Warehouse	Leased	1,600
Spain	Tarragona	N/A	Warehouse	Leased	1,434
Spain	Salamanca	N/A	Warehouse	Leased	1,419
Spain	Badajoz	N/A	Warehouse	Leased	1,400
Spain	Bilbao	N/A	Warehouse	Leased	1,310
Portugal	Lisbon	N/A	Administrative (Headquarters)	Leased	2,225
Portugal	Cacém	N/A	Warehouse	Leased	1,834
Portugal	Faro	N/A	Warehouse	Leased	1,224
Portugal	Guarda	N/A	Warehouse	Leased	1,050
Portugal	Leiria	N/A	Warehouse	Leased	900
Portugal	Porto- Lamela a Park	N/A	Warehouse	Leased	1,474
Portugal	Porto- Leça do Balio	N/A	Warehouse	Leased	5,985
Portugal	Palmela	N/A	Administrative, Data Center	Owned	4,080
Portugal	Lisbon	N/A	Administrative	Leased	1,560
Portugal	Estarreja	N/A	Administrative, Data Center	Leased	352
Italy	Milan	N/A	Administrative (Headquarters)	Leased	720

Country	Location	ID	Primary Function	Owned/ leased	Size(sqm)
Italy	Torino	N/A	Warehouse, Administrative	Leased	1,748
Italy	Cesano Boscone	N/A	Warehouse	Leased	414
Italy	Basiano	N/A	Warehouse	Leased	620

EMPLOYEES

As at June 30, 2025, we had 26,001 employees. Most of our workforce consists of full-time employees. The table below sets out an overview of our employees by country, as at the dates indicated:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Country				
Romania.....	14,889	13,872	13,599	13,552
Spain.....	6,126	7,700	9,385	10,620
Italy.....	78	172	284	308
Portugal	—	405	1,180	1,521
Total.....	21,093	22,149	24,448	26,001

The table below sets out the allocation of our employees per department, as at the dates indicated:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Department				
Customer Service.....	1,192	2,381	2,669	3,195
Administrative, Purchasing, Logistics	1,848	1,925	2,926	2,935
Technical	7,761	5,725	6,064	6,579
Sales and marketing.....	5,593	4,678	5,242	5,723
Construction	4,063	6,799	6,900	6,921
Media.....	636	641	647	648
Total.....	21,093	22,149	24,448	26,001

Our employees in Romania, Italy and Portugal are not members of any trade union. In Romania, the employees that are being transferred to the Group as part of the TKRM Business and Assets Acquisitions are also party to a collective bargaining agreement. In Spain, employees are represented by trade unions in multiple cities (including Alicante, Almeria, Barcelona, Bilbao, Burgos, Castellón, Coruña, Guipuzcoa, Granada, Leon, Lleida, Logroño, Madrid, Malaga, Murcia, Oviedo, and Zaragoza) and we generally maintain an ongoing, positive and constructive relationship with these workers' representatives. Additionally, in July 2025 we concluded the negotiations for the first national collective bargaining contract for our employees in Spain (applicable to DIGI Spain Telecom and DIGI Spain Sales Force S.L.U.), which may also trigger negative consequences, such as the few isolated strikes which were carried out in limited areas in Spain (See *“Risk Factors—Some of our employees are unionized. Failure to sustain a good working relationship with employee representatives, including workers' unions, could harm our business”*). In Belgium, we operate under a formal employee representation framework, which includes a works council, a committee for prevention and protection in the workplace, a workers' delegation and direct consultation mechanisms on all matters concerning employee well-being, in compliance Belgian legislation.

ENVIRONMENTAL MATTERS AND ESG

We are subject to a large number of environmental laws and regulations. These laws and regulations govern, among other things, the management and disposal of hazardous materials, air emissions and water discharge, the clean-up of contaminated sites and health and safety matters. We are also required to obtain environmental permits, licenses and/or authorizations or provide prior notification to the appropriate authorities when building parts of our network, importing electronic equipment or opening new shops. As a result of these activities or operations at our sites, we could incur significant costs, including fines, penalties and other sanctions, clean-up costs and third-party claims for property damage or personal injuries, as a result of violations of, or liabilities under, environmental laws and regulations. See *“Risk Factors—Risks Relating to Legal and Regulatory Matters and Litigation—Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of our operations, could result in substantial fines, additional compliance costs or various sanctions or court judgments.”*

Our business activities, while focused on providing essential connectivity services, create both positive contributions and potential impacts on the environment, society, and the economy. We take a proactive approach to identifying, assessing, and managing these impacts in line with the principles of double materiality, considering both the effects of its operations on people and the planet, and the financial implications of sustainability risks and opportunities on its business performance.

Our assessment in the context of the preparation of the consolidated sustainability statement of the Parent for the year ended December 31, 2024, which was prepared in accordance with the Corporate Sustainability Reporting Directive's ("CSRD") European Sustainability Reporting Standards ("ESRS"), confirmed that our most material matters are concentrated around climate change mitigation and adaptation, energy use, waste management, workforce well-being, diversity and inclusion, consumer privacy and digital inclusion, and strong governance practices including anti-corruption and data protection. We believe that addressing these topics is central to maintaining the trust of our customers, employees, investors, and regulators. We have embedded sustainability considerations into decision-making processes, directed investments toward energy efficiency, network resilience, and recycling initiatives, and strengthened policies on ethics, data security, and labor standards to ensure that growth remains responsible, inclusive, and aligned with EU sustainability objectives.

The following sections provide further information on the action the Group is taking to manage the impacts, risks and opportunities in selected thematic chapters of the ESRS.

Climate Change (ESRS E1)

We are taking concrete steps to reduce our climate impact and build network resilience. Key actions include installing photovoltaic panels on telecom sites, replacing conventional lighting with solar-powered LEDs, introducing cold-aisle containment systems and high-efficiency cooling in data centers, and rolling out smart meters to monitor energy use in real time. We have recently performed our first climate risk and vulnerability assessment, aligning with IPCC scenarios, and we began laying the groundwork for a formal climate transition plan with quantitative GHG reduction targets.

Resource Use & Circular Economy (ESRS E5)

To address waste and resource efficiency, we expanded our "Digi Corner" program to all stores, enabling customers to return old devices and batteries for proper recycling. We repaired and reused network equipment wherever possible, reducing the need for new resources. Partnerships with certified waste management operators ensured that electronic waste, cabling, and packaging were recycled or safely treated. Internally, selective collection was reinforced across offices and warehouses to increase recycling rates.

Own Workforce (ESRS S1)

We prioritize employee well-being and retention by improving health and safety protocols, delivering trainings to staff, and implementing diversity and inclusion measures. We recently reinforced our anti-harassment policies, supported work-life balance initiatives. Field technicians benefited from upgraded protective equipment and safe working procedures, reducing incident rates.

Workers in the Value Chain (ESRS S2)

Recognizing our role in shaping supply chain practices, we are developing a Supplier Code of Conduct to be implemented in near future, which will include labor, human rights, and environmental standards.

Consumers and End-Users (ESRS S4)

We advanced our data protection systems, expanded cybersecurity monitoring, and ensured that customers are informed about privacy practices. We enhanced accessibility by maintaining affordable prices, extending network coverage in underserved areas, and offering inclusive services. Editorial policies for TV and radio content were reinforced to distinguish clearly between factual information and opinion, promoting informed public discourse.

Business Conduct (ESRS G1)

We maintained a strict anti-bribery and anti-corruption policy, provided training to employees on ethical conduct, and reinforced its whistleblower mechanism to allow safe reporting of concerns. We continued to operate with political neutrality, refraining from lobbying activities, and focused on strengthening compliance and internal control systems to prevent misconduct.

COMPLIANCE MATTERS

Compliance Framework

We have implemented various corporate governance policies and procedures in order to develop a culture focused on integrity and business ethical behavior.

Our code of conduct (the "**Code of Conduct**") summarizes the principles and standards that must guide the Group's, actions. According to the Code of Conduct, the Group shall conduct its business with fairness, honesty, integrity and respect for the interests of its stakeholders in a wide variety of social, political and economic environments. The Code of Conduct

includes, among other things, internal rules regarding the management of confidential information, the public disclosure of data, financial and accounting information, general rules on insider trading, fair competition, the management of conflict of interest, compliance with the laws and regulations, the working environment, health and safety, ethics at work, relevant environmental matters. The Code of Conduct's provisions are mandatory for the Group's employees and the board members. The effectiveness of, and compliance with, the Code of Conduct and the other compliance policies are assessed through internal controls and procedures put in place by the Group, as well as through systematic and ad hoc financial and operational audits in addition to internal investigations, in order to detect, investigate and sanction (if confirmed) any alleged misconduct. We are currently taking steps to put in place further extended tools to enhance compliance with the Code of Conduct. A copy of the Code of Conduct is available on our website.

Our comprehensive compliance framework (the “**Compliance Framework**”) is completed by additional key policies, which include the following:

- the **Directors Conflict of Interest Policy**, which is part of our Compliance Framework since 2017 and is applicable to the Group's directors, together with corresponding provisions in the articles of association of the Issuer and the Audit Committee Terms of Reference. Any potential conflict or incident shall be solved by members of the Audit Committee who are not in a situation of conflict of interest or by the independent non-executive Directors who are not in a situation of conflict of interest, in accordance with the corporate governance rules of DIGI;
- the **Insider Trading Policy**, whose purpose is to ensure that all employees comply with rules on insider dealing and do not abuse nor place themselves under suspicion of abusing inside information that they may be thought to have, including in periods leading up to an announcement of the Group's results. The Insider Trading Policy aims at promoting compliance with the relevant obligations and restrictions under applicable securities laws, and beyond those imposed by law;
- the **Whistleblowing Policy**, which sets out the framework under which any employee or any other stakeholder can report concerns or complaints about any activity of a general, operational or financial nature, which in their opinion infringes applicable law, regulation or any generally accepted by the Group practice and may have significant negative impact on the Group's operations. In July 2023, we adopted the revised version of the Whistleblowing Policy, to align the policy's provisions to the current legislation, following the repeal of the House for Whistleblowers Act (*Wet huis voor klokkenluiders*). The revised version of the policy provides general guidelines applicable to the Group and specifies that subsequent procedures will be adopted by the Group's subsidiaries based on local applicable law;
- the **Anti-Bribery, Anti-Corruption and Business Ethics Policy**, which sets standards regarding business ethics and measures in order to prevent corruption, requires compliance with all applicable anti-corruption laws and regulations, bans bribery and corruption in any form and allows engagement only with business partners with high integrity standards. In July 2023, we adopted the revised version of the policy, which contains additional provisions regarding politically exposed persons, facilitation payments, conflict of interests and donations and sponsorships. This revised version provides a clearer focus on anti-bribery, to cater for our ISO 37001:2016 Anti-Bribery Certification, which received for the first time in 2021 and which confirms that our anticorruption and business ethics procedures are in line with international good practices.

We have a long-standing practice of including anti-corruption and anti-money laundering terms in employment and services agreements that we sign with our employees, directors and individual subcontractors.

Key business ethics principles included in the Anti-Bribery, Anti-Corruption and Business Ethics Policy are the following: (a) the prohibition of the offer, payment, solicitation or acceptance of bribes (whether directly or indirectly) to public officials, business partners and any third parties; (b) the prohibition of the offer or acceptance of gifts or hospitality to or from public officials and the allowance of only reasonable and proportionate offers or acceptance of gifts and hospitality from other third parties in the normal course of business; (c) prohibition of facilitation payments; and (d) the prohibition of political contributions and inappropriate corporate social responsibility contributions made on behalf of the Group.

The Issuer has implemented an electronic Gifts and Hospitality Register where all employees with access to IT systems must record all gifts and hospitality provided to or received from business partners. The analysis of the recordings is done by the Compliance Department in real time, each employee who makes a recording is notified by e-mail that the recording will be analyzed by the Compliance Department, and subsequently will be informed about the result and the measures to be taken in relation to the received/offered gift/ hospitality service.

Prior to any engagement with a business partner, the Group takes certain steps to address issues, which have a potential to create a conflict of interests or lead to unethical behavior. These steps include: (1) risk-based due diligence (Know Your Partner) checks as per the thresholds mentioned below; (2) making the potential business

partner aware of the Digi Group's anti-corruption and business ethics principles and the existing reporting channel for concerns about corruption or business ethics; (3) ensuring that the potential business partner is encouraged to adhere to the Group's anti-corruption and business ethics principles or implement equivalent rules and procedures; and (4) ensuring that a set of anti-corruption, anti-money laundering and conflict of interests provisions is included in the relevant agreements.

The Anti-Bribery, Anti-Corruption and Business Ethics Policy requires any individual within the Group to report any suspected violations thereof to the Compliance Department.

In line with this Policy and with Due Diligence Guidance, beginning with 2020, we conduct Know Your Partner (KYP) checks and we have established the appropriate risk-based due diligence for selected Business Partners with whom the Issuer concludes contracts or purchase orders in amount of and exceeding €25,000 (this threshold which was initially €100,000 and during 2022 was lowered to €25,000 in order to extend the number of partners and/or transactions covered by KYP checks). We implemented appropriate measures to reduce the potential identified risks, for example by carrying out a complete Legal Entity Partner Due Diligence Form, by inserting Anti-Corruption and Business Ethics Clauses or by requesting additional information or documents to clarify identified risks. In addition to the due diligence process performed at the initiation of the business relationship, the monitoring of business partners involving the reassessment of business partners from the perspective of compliance risks is carried out annually.

In addition, in order to promote compliance by every employee, director or contractor with our Compliance Framework, we have also implemented the following initiatives:

- a. we have established a centralized electronic procurement system, providing for prior approvals of any procurement activities by the Group's legal, accounting and internal control functions, as well as top management review and approval of major transactions and arrangements;
 - b. we seek to carefully account for, and monitor, any incoming and outgoing payments (including seeking to ensure that all such payments are properly documented); and
 - c. we require that any interactions with government officials be conducted in compliance with all applicable laws.
- the **Anti-Money Laundering Policy**, which requires compliance with all applicable laws and regulations regarding anti-money laundering and terrorism financing. This policy prohibits money laundering and terrorism financing in any form and provides for a set of rules and procedures to be followed, which include those relating to: (a) reporting cash transactions, when necessary, to our Compliance Department; (b) appropriate, risk-based due diligence procedures applicable to customers and business partners; and (c) reporting any suspicious activity involving the Group, a customer or a business partner to our Compliance Department. Pursuant to this policy, terrorism financing includes conducting any business relationship with individuals or entities that: (i) appear on the sanctions list published by the Financial Action Task Force (FATF); (ii) are identified or sanctioned as terrorist individuals or entities in any publication of the European Parliament or Council; and/or (iii) are located in countries subject to the European Union's international sanctions regime;
 - the **Personnel Conflict of Interests Policy**, which sets forth the conduct expected from the Group's officers, directors, employees and contractors to ensure that all reasonable measures are taken to avoid and/or manage any actual, potential or perceived conflict of interests related to personal financial interest, family member interest or previous, current or potential involvement in any external activity that might be in conflict with the Group's interests.

The Group uses an electronic format of Conflict of Interest disclosure regarding family members, external activities and transactional conflict. Annually, an Annual Conflict of Interests Campaign is launched within the Issuer and other Romanian subsidiaries, based on risk-oriented approach. The aim of this campaign is to recognize the changes in the cases that were previously declared, as well as the omissions to declare the three types of real/potential conflicts of interest implemented by the company and to identify, based on a mixed analysis, measures to reduce the risks derived from confirmed cases of conflict of interest;

- the **Donations and Sponsorships Policy**, which sets the guidelines for donations and sponsorships within our Group. The Donations and Sponsorship policy defines acceptable and unacceptable types of donations and sponsorships (such as those related to the political sector or those that could negatively impact the Group's image and reputation) and provides general eligibility criteria and rules for the approval process. This policy also emphasizes that approved donations and sponsorships must be transparent, documented and must not be used as a mean of violating anti-corruption, anti-bribery or money laundering regulations;

- the **Non-Retaliation Policy**, which incentivizes whistleblowers to report observed irregularities and includes the Group's commitment to sanction any form of harassment, intimidation, discrimination, or retaliation against genuine whistleblowers; and
- the **Related Parties Transactions Policy and Procedure**, which been prepared in accordance with the Dutch Corporate Governance Code and the Dutch Civil Code (*Burgelijk Wetboek*). The purpose of these corporate documents is to establish the necessary measures regarding the declaration, qualification, approval and reporting of the related parties' transactions, in order to ensure the protection of our and our stakeholders' interests, as well as to comply with the applicable legal provisions.

Our Policies are applied through detailed internal procedures. In addition to our Compliance Department, in order to comply with the legal provisions and the Group's policies and procedures, every department, business unit and employee is responsible for identifying potential risks that may result in violation of the Compliance Framework and for preventing these risks, if possible. Managers of departments and business units should report on relevant issues to the Compliance Department. Should any serious irregularity be identified, our internal procedures and documents require such irregularities to be reported promptly to the top management.

We constantly reinforce our compliance efforts. Our Compliance Framework is reviewed and updated on a regular basis by the Compliance Department to identify key compliance risks and any necessary mitigating measures. Where appropriate, our existing policies are modified to incorporate the requirements of local law and may be further supplemented by detailed internal procedures.

Compliance Department

In order to promote compliance by every employee, director or contractor of the Group with our Compliance Framework, we have established, at the Parent's level a designated global compliance function, comprised of individuals representing the parent company's Legal, Compliance and Internal Audit ("**Digi's Compliance Group**").

At the same time, a Compliance Department has been established within the Issuer, including two Compliance Officers led by a Compliance Manager (also performing the function of Digi's Group Compliance Officer).

Both structures are responsible for implementing and monitoring the implementation of the Compliance Framework at the Group's level and also in Romania; providing advice to employees, directors and contractors in respect of their conduct, including how to implement and follow the Compliance Framework; investigating potential violations of the Compliance Framework and, where violations are substantiated, recommending appropriate remediation steps; and periodically reviewing the Compliance Framework. In addition, our Compliance Group has an advisory role for the Issuer's Compliance Department.

Compliance Training and Communication

The Compliance Department supports all employees to act with integrity and to proactively avoid potential violations by implementing a compliance training program tailored by needs (which is structured according to separate themes, such as Code of Conduct, anti-corruption and bribery, know your partner, conflict of interest) as well as communication campaigns, for example the internal communication messages on receiving or offering gifts with the occasion of Winter and Easter Holidays or the contest organized on anticorruption themes to celebrate the International Anticorruption Day.

The Compliance Training Program has been launched in 2020 and has since been continuously improved, offering both targeted training sessions for specific departments within the Romanian subsidiaries of the Group and comprehensive organization-wide courses for all positions deemed at high risk of corruption exposure. In addition to the ongoing Compliance Induction and Anti-Corruption Rules trainings within the Group, both of which are permanent courses, the training program has recently extended to include:

- the online training "Code of Conduct – what is it and why is it needed," launched in December 2023, which aims at providing a clear understanding of what constitutes the appropriate workplace conduct and good business ethics. The training material highlights the definition and the benefits of the Code of Conduct, and is presenting the content of the Code of Conduct, so that, based on the provided information, the trainees can be able to answer to a 5-question quiz. Initially, the training targeted managers, but starting with 2024 it was extended to employees without coordination role. This training was also implemented in the Italian subsidiary of the Group and is currently considered for deployment in other subsidiaries as well;
- a new training on "Conflict of Interest," which has been launched by the Compliance Department in September 2024, and aims at helping employees understand, recognize, and prevent conflicts of interests at the workplace. The training also focuses on how to respond appropriately and maintain transparency when such conflicts arise. The course delivery method was designed in two forms: in class training for Bucharest based managers and online 15' reading course for employees in high-risk departments followed by a test;

- a new training program, “Know Your Partner & Due Diligence Essentials”, which was launched in October 2025 and is aimed at strengthening employees’ understanding of due diligence and its importance in supporting ethical and compliant business practices. The training covers four main topics: the definition and relevance of due diligence, its key objectives, the process and related responsibilities, as well as ethical considerations, and it is addressed to all employees involved in procurement. The training is available both as in-class session for employees working in Bucharest and as a short online module for others. Through this initiative, we aim at promoting a culture of transparency, responsibility, and integrity in all business relationships.

Compliance Risk Assessment

In 2024, the Compliance Department reviewed the effectiveness of the implemented compliance program, based on the Compliance Risk Assessment (“CRA”) started in 2022. The CRA ensures the identification and assessment, in a realistic manner, of the compliance risks and necessary mitigating controls. Starting with 2024 the CRA was extended within the other subsidiaries of the Group, with the support of the compliance functions locally appointed. The CRA will be annually reviewed and updated. The CRA did not identify any material adverse findings or breach of our compliance policies and procedures.

ISO 37001:2016 Anti-Bribery Certification (SR ISO 37001:2017)

Since July 2021, the Issuer has been certified in terms of ISO 37001:2016. This accreditation certifies that the measures and procedures implemented in the field of Anticorruption and Business Ethics by the Compliance Department are in line with international good practices, and that the Anti-Bribery Management System is applied in compliance with the ISO 37001:2016 Standard. The certification was maintained in 2025, without the auditors issuing additional recommendations.

LITIGATION AND LEGAL PROCEEDINGS

Our operations and properties are subject to regulation and control by various independent regulators and government authorities that exercise considerable discretion, and we are involved in various litigation and administrative proceedings with such authorities in the countries where we operate. Similarly, we encounter disputes with our partners and/or competitors in the ordinary course of business that can ultimately lead to litigations. Due to the nature of these proceedings, their results are uncertain. We believe that, except as set forth below, no member of the Group is or, in the 12 months preceding the date of this prospectus, has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened, of which we are aware) which may have or have had a significant effect on the Group’s financial position or profitability. See also note 22 to the Interim Financial Statements.

Legal proceedings against Electrica Distribuție Transilvania Nord

In 2015, Electrica Distribuție Transilvania Nord S.A. (the incumbent electricity distributor from the North-West of Romania) challenged the concession agreement we had concluded with the local municipality from Oradea regarding the use of an area of land for the development of an underground cable trough, arguing that the tender whereby we had obtained the concession had been carried out in violation of law. Furthermore, Electrica Distribuție Transilvania Nord S.A. claims that the cable trough is intended to include electricity distribution wires that would breach its alleged exclusive right to distribute electricity in the respective area. The claims brought by Electrica Distribuție Transilvania Nord S.A. were dismissed for lack of prosecution on March 28, 2023.

Investigation by the Romanian National Anti-Corruption Agency

In 2009, the Issuer entered into a joint venture with Bodu S.R.L. (the “JV”) with respect to an events hall in Bucharest. This venue enjoys a good location in the city and is relatively close to the Issuer’s headquarters. We believed at the time that the property would have been very helpful to the development of our media business and, potentially, other businesses and desired to acquire the venue from Bodu S.R.L. However, Bodu S.R.L. only agreed to a joint venture arrangement, making certain representations concerning future economic benefits of its joint development, which we accepted in good faith. At the time when the Issuer 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”).

In 2013, certain individuals within Antena Group (with which we had several ongoing litigations at the time) blackmailed Mr. Ioan Bendei (who at the time was a member of the board of directors of the Issuer and was a director of Integrasoft S.R.L. (see below)) threatening to report him (and us) to the prosecuting authorities. They alleged that our investment into the JV represented a means to extend an unlawful bribe to Mr. Dumitru Dragomir in exchange for his alleged assistance with granting to us content rights to Romania’s national football competitions administered by the PFL and to certain subsequent modifications to the payment terms of content rights awarded through an auction process in 2008. Mr. Ioan Bendei reported the blackmailers to the prosecutors, which resulted in the General Manager of Antena Group being convicted of blackmail and incarcerated. However, Antena Group’s allegations against Mr. Ioan Bendei were also brought to the attention of the Romanian National Anti-Corruption Agency (the “DNA”).

By 2015, the JV became virtually insolvent, as initial expectations on its prospects had failed to materialize. In 2015, in order to recover the €3.1 million 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, the Issuer entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, the Issuer 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, the Issuer 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 the Issuer'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. On June 7, 2017, the DNA indicted Mr. Ioan Bendei on the charges of bribery and accessory to money laundering. On July 25, 2017, the DNA indicted the Issuer on the charges of bribery and money laundering, Integrasoft S.R.L. on the charge of accessory to money laundering, Mr. Mihai Dinei (a member of the board of directors of the Parent) on the charges of accessory to bribery and accessory to money laundering and Mr. Alexandru Oprea (a former Chief Executive Officer and President of the board of directors of the Parent) on the charges of accessory to bribery. On July 31, 2017, the DNA indicted Mr. Serghei Bulgac (the current Chief Executive Officer and President of the board of directors of the Issuer) on the charges of money laundering. During the DNA's investigation, the Parent offered as a bond two real estate assets valued at approximately €3.1 million (which equals our investment into the JV pre-2016 acquisition) that were attached by the DNA; those assets are not material to our business.

The DNA initiated criminal proceedings in the Bucharest Tribunal on August 22, 2017. The merits hearing at the Bucharest Tribunal was held on October 2, 2018, and on January 15, 2019, the 2019 Judgment was issued:

- dismissing the bribery related allegations against the Issuer and its past and current directors on the basis that they had become time-barred;
- convicting the Issuer of money laundering and (a) ordering it to pay a criminal fine of approximately RON1.25 million; (b) confiscating €3.1 million of our original investment in the JV and RON655,124 as alleged unlawful profits derived by the Issuer from the JV; and (c) maintaining seizure of the attached two real estate assets;
- convicting Integrasoft S.R.L. of being an accessory to money laundering and ordering it to pay a criminal fine of approximately RON 700,000;
- cancelling (a) the original 2009 joint venture agreement (along with all subsequent amendments thereto); (b) the 2015 settlement agreement (along with all subsequent amendments thereto); and (c) the 2016 purchase by the Issuer of the events hall's real estate and business;
- convicting Mr. Ioan Bendei of being an accessory to money laundering (in his capacity as a director of Integrasoft S.R.L.) and sentencing him to four years' imprisonment;
- acquitting Messrs. Serghei Bulgac, Mihai Dinei and Alexandru Oprea of all charges; and
- convicting Mr. Dumitru Dragomir and a director of Bodu S.R.L. of unlawfully receiving the bribes allegedly paid through the JV investments (which, owing to different limitations periods, had not yet become time-barred).

We believe that the convictions and related sanctions in the 2019 Judgment were erroneous and not supported by the evidence provided to the court and notices of appeal against the 2019 Judgment were filed to the Bucharest Court of Appeal on behalf of the Issuer, Integrasoft S.R.L. and Messrs. Ioan Bendei, Serghei Bulgac and Mihai Dinei on January 16, 2019. On November 1, 2021, the Bucharest Court of Appeal has overturned the 2019 Judgment and ordered to proceed with a full re-trial of the factual matters and legal issues in this case while it maintained the court-mandated security interest over two real estate assets with a total carrying value of €3.5 million. On July 1, 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as ungrounded the arguments of the Issuer, Integrasoft S.R.L. and their current and former officers noted above. An appeal against this decision was partially granted by the High Court of Cassation and Justice on June 20, 2023. The court decided that some of the evidence used by the DNA must be removed from the court file and that the DNA has to decide whether it requests the continuation of the trial under these circumstances. On October 10, 2023, the High Court of Cassation and Justice ruled definitively on the applications submitted in the preliminary chamber and ordered the file to be sent to the Bucharest Court of Appeal and the start of the trial on the merits.

We believe that all criminal offences for which we and/or Integrasoft S.R.L. and/or current or former members of our management have been charged have become time-barred (as the case prosecutor also acknowledged in the proceedings before of the Bucharest Court of Appeal), which should preclude all criminal liability of such persons and limiting the Issuer's exposure to the non-time barred monetary charges, which amount to an exposure of less than €4 million. This position is also supported by a submission made by the case prosecutor in the proceedings before the Bucharest Court of Appeals.

As of the date of this prospectus, the case remains under re-trial before the Bucharest Court of Appeal, with several court hearings scheduled. Pending the re-trial, the 2019 Judgment neither is, nor will be, final or enforceable.

Investigation by the Romanian Competition Council

In May 2025, the Romanian Competition Council opened an investigation into the Issuer's alleged abuse of dominance in the retail markets for TV retransmission, fixed internet access, and fixed telephony services, with conduct dating back to at least 2015. The inquiry focuses on alleged exclusionary practices, including unfair trading conditions in the retail market for mobile telecommunications services, and targeted discounts or selective offers in markets where the Issuer is dominant. The investigation is at an early stage, and any assessment of potential outcomes is uncertain. Antitrust investigations before the Romanian Competition Council typically take two to three years, depending on the complexity of the case.

MATERIAL CONTRACTS

MVNO, Roaming, Spectrum Sharing and Interconnection Agreements

Spanish National Roaming Agreement, Spanish RAN Sharing and Spectrum Sharing Agreement and NEBA Agreement

DIGI Spain and Telefónica are party to (i) a national roaming agreement (the “**Spanish National Roaming Agreement**”); and (ii) a network and spectrum sharing agreement (“**Spanish RAN Sharing and Spectrum Sharing Agreement**”). Both agreements have a minimum duration of 16 years and are in force from January 1, 2025 to December 31, 2040. Under the Spanish RAN Sharing and Spectrum Sharing Agreement, the parties have agreed, among other things, to share the mobile spectrum they hold in Spain in the 3,500 MHz frequency band. These agreements have replaced, since January 1, 2025, the previous mobile communication network and infrastructure agreement (the “**Spanish MVNO Agreement**”), based on which Telefónica provided DIGI Spain access to its radio spectrum and mobile communication network and infrastructure.

Additionally, DIGI Spain has entered into a new wholesale access agreement with Telefónica for the fixed broadband network for bitstream services (the “**NEBA Agreement**”), for a period of 10 years, which may be extended.

Under the Spanish National Roaming Agreement, DIGI Spain shall pay to Telefónica fees which are subject to periodic revisions and are based on actual network usage generated by its customers on Telefónica’s network, as well as certain assumptions.

Additionally, under the Spanish RAN Sharing and Spectrum Sharing Agreement, DIGI Spain shall pay to Telefónica, for each calendar month, certain fixed and variable fees, subject to periodic revisions, depending on the services provided by Telefónica. Such fees include: (i) a monthly RAN Sharing Fee, calculated by reference to a number of macro nodes pre-agreed with Telefónica, as adjusted by a conventional multiplier; (ii) an instalment-based consideration payable for a number of pre-agreed macro nodes that will be made available by Telefónica (the “**RAN IRU Price**”) and (iii) in addition to the RAN IRU Price, should Telefónica decide to upgrade, in whole or in part, the currently active macro nodes made available to DIGI Spain, a consideration equal to 50% of the investment cost to upgrade such macro nodes.

Italian MVNO Agreement

DIGI Italy is party to an agreement with Vodafone Italy, granting it access to Vodafone Italy’s radio spectrum frequencies and mobile communication network and infrastructure (the “**Italian MVNO Agreement**”).

The Italian MVNO Agreement is valid until February 1, 2028. Following the expiration of the initial term, the agreement may be automatically renewed on a yearly basis.

Under the Italian MVNO Agreement, DIGI Italy shall pay Vodafone Italy certain variable fees based on the number of active SIMs that use DIGI Italy’s mobile services.

Belgian MVNO Agreement

On August 25, 2023, we entered into an agreement for wholesale of national roaming in Belgium with Proximus (the “**Belgian MVNO Agreement**”). Under the Belgian MVNO, Proximus provides to DIGI Belgium wholesale of mobile services, in order to enable DIGI Belgium to provide retail services to its users. Additionally, DIGI Belgium uses the Proximus network as exclusive complementary network to the DIGI network in Belgium. DIGI Belgium shall exclusively obtain national roaming services in Belgium from Proximus.

The Belgian MVNO Agreement has an initial term of five years. After the initial term expires, DIGI Belgium may request Proximus to extend the contractual period for a minimum term an additional two years.

Under the Belgian MVNO, DIGI Belgium provided to Proximus a financial guarantee in the amount of €250,000, which covers an amount equal to three months of average invoiced amount under the Belgian MVNO Agreement and that may be re-evaluated and adjusted from time to time. The financial guarantee shall be maintained during the whole period of the Belgian MVNO.

Portuguese Mobile Wholesale Services Provision Agreement

On January 20, 2016, NOWO entered into an agreement with MEO – Serviços de Comunicações e Multimédia, S.A. (“**MEO**”), a subsidiary of Altice Portugal, for the provision of mobile wholesale services, including mobile network services, supplementary services and functionalities, delivery of terminal equipment and SIM cards, technical and operational support.

The Portuguese Mobile Wholesale Services Provision Agreement is valid until March 31, 2028.

Under the Portuguese Mobile Wholesale Services Provision Agreement, NOWO shall pay MEO certain variable fees based on the number of active SIMs that use NOWO mobile services.

Portuguese Interconnection Agreements

On November 23, 2023, DIGI Portugal entered into an agreement on interconnection of public electronic communications networks with Vodafone Comunicações Pessoais S.A. (the “**Vodafone Interconnection Agreement**”), valid

until December 31, 2025. At the end of the initial term, it will be automatically renewed for successive period of 1 (one) year if neither party expressly declares otherwise three months prior to the termination of each renewal period.

On December 20, 2023, DIGI Portugal entered into with NOS Comunicações, S.A. an agreement on physical and logical interconnection of the public communications networks of the parties with NOS Comunicações, S.A. (the “**NOS Interconnection Agreement**”). The purpose of the NOS Interconnection Agreement is to allow interpersonal communications between users of the services provided by both parties, as well as to ensure interoperability. The NOS Interconnection Agreement was concluded for an initial period of one year, until December 31, 2024, being automatically renewed for successive periods of one year. Both parties to the NOS Interconnection Agreement may terminate the agreement with a 180 days notice period.

Telecom Italia Mobile Roaming Agreement

In 2008, we have entered into an agreement with Telecom Italia for an indefinite period of time, which is still in force. Pursuant to this agreement, our clients can use Telecom Italia’s network while travelling in Italy to use specific mobile services (voice, SMS, data).

Interconnection and IP-related Agreements

We have entered into various domestic and international interconnection agreements for our fixed-line and mobile telephony operations, as well as certain IP-transit or related agreements with other providers of electronic telecommunications services. Our interconnection agreements generally have indefinite terms and may be terminated in the event of a material breach (predominantly, subject to a cure period) or the commencement of liquidation or insolvency proceedings. Our main suppliers for global internet interconnection currently are Colt Telecom, CDD Cogent Communications, Lumen Technology. Our main suppliers of interconnection services for fixed-line and mobile telephony are Telekom Romania, Orange Romania, Vodafone Romania, Arelion Sweden, Telecom Italia Sparkle S.p.A., Belgacom International Carrier Services, A1 Telekom Austria, Tata Communications and Telefónica Spain.

Lease Agreements

Network Lease Agreements with Energy Distribution Companies

We have entered into various agreements with the main power distribution companies in the countries in which we provide our services, which regulate the use of the overhead power line poles as support for our communications networks.

Netcity Lease Agreement

We have several agreements in place with Netcity Telecom, the company that holds the concession in Bucharest for the underground sewerage service for the installation of electronic communications networks. The agreements were concluded in 2020 and extended until 2027, envisaging the provision of dark fiber services and tube rental services (for transport and connections).

SOTA Network Wholesale Services Agreement

On September 5, 2024, Digi SPAIN has entered into a wholesale access bitstream services agreement (the “**WSA**”) with the investment vehicle of the consortium led by Macquarie Capital under which the latter provides wholesale access bitstream services to Digi Spain over the SOTA Network.

The initial duration of the WSA is of 25 years, starting on the date of the WSA, and shall be automatically extended for periods of 5 years, except in case DIGI Spain expresses its intention not to extend it with 18 months in advance of the expiry of the first 25 years period and 12 months in advance of the expiry of any subsequent extension period.

Romanian Operational Arrangements

On November 28, 2019, the Issuer entered into the Romanian Operational Arrangements with the Network Owners (ATTP, DCS and AKTA). Closing under the Romanian Operational Arrangements occurred on July 24, 2020. Under the Romanian Operational Arrangements, the Network Owners have assigned to the Issuer the operation of their fixed electronic communications networks, which are predominantly located in rural parts of Romania and, as at the date of this prospectus, collectively cover approximately 12 million RGUs for TV, fixed internet and data, and fixed-line telephony (the “**Romanian Rural Networks**”).

The Issuer uses the Romanian Rural Networks to provide its services to such customers and expects to capitalize on synergies offered by its existing infrastructure in the country. As part of that arrangement, it pays the Network Owners a periodic fee linked, among other things, to the number of underlying RGUs. As part of the Romanian Operational Arrangements, the Issuer also acquired certain B2B clients from ATTP Telecommunications S.R.L.

The Romanian Operational Arrangements were effective for an initial period of three years, which was extended by each of the relevant parties for one subsequent three-year period. Upon the expiration of the Romanian Operational Arrangements

(six years from closing), the Network Owners will be entitled to require the Issuer to purchase, and the Issuer will be entitled to require the Network Owners to sell, the Romanian Rural Networks. If the Network Owners exercise their put, or the Issuer exercises its call, the purchase price will be set-off against the amount of fee payments made in the prior six years. The maximum aggregate consideration payable by the Issuer to the Network Owners under the above arrangements (subject to a set-off of fee payments discussed above) is approximately €77.0 million.

Colocation Agreements

On June 1, 2023, DIGI Portugal entered into an agreement for cession of space (colocation) for the placement of equipment in technical rooms with IP Telecom (the “**IP Colocation Agreement**”). As part of DIGI Portugal’s expansion strategy, IP Telecom provides DIGI Portugal with space for equipment and associated energy consumption in technical rooms operated by IP Telecom. The IP Colocation Agreement was concluded for five years, being renewed automatically for successive periods of one month until either party terminates it.

Intelsat Satellite Agreement

We lease satellite capacity from Intelsat on the basis of a master service agreement effective until April 30, 2026 (the “**Intelsat Agreement**”). Under the Intelsat Agreement, we have leased five transponders to transmit our DTH signal, operated by Intelsat and Telenor (and an additional transponder for the transmission of non-DTH signal), with an aggregate total capacity of 198 MHz. The contract allows us to further reduce the number of dedicated transponders.

If Intelsat decides to (i) take a satellite out of commercial service at its orbital location and not replace such satellite, or (ii) replace a satellite without providing any replacement service, the Intelsat Agreement will be automatically terminated on the date the satellite is taken out of commercial service or redeployed. Intelsat is also entitled to manage satellite capacity (i.e., change beam pointing, move, replace, relocate or reconfigure satellites), subject to a reasonable written notice, and we have agreed to operate on either side of polarization and across the entire frequency band. In addition, Intelsat may require bank guarantees for payments due under the Intelsat Agreement and certain separate service contracts.

Agreements with key suppliers of our internet, data, mobile and fixed-line telephony businesses

Xiaomi

On March 16, 2023, we entered into a framework sales agreement with Romania Xiaomi Communication Technology S.R.L. (“**Xiaomi Romania**”), pertaining to the supply of equipment to the sales points for clients. Under the agreement, Xiaomi Romania shall sell to the Issuer mobile telecommunication devices and associated equipment, which is commercialized by the Issuer anywhere in the United Kingdom, the European Union and EFTA. The agreement was initially entered for a one year period and was subsequently extended for two years, until March 15, 2026.

Huawei

We entered into certain agreements with Huawei Tech. Investment Co. Ltd. and certain other companies in the Huawei group (collectively, “**Huawei**”) to purchase handsets, tablets, switches, hard disks, routers, storage systems, as well as related equipment and services. Products and services are supplied on the basis of separate orders with specific pricing terms. We typically purchase equipment from Huawei as and when needed for our business and maintain low inventories.

Our main supply agreement concluded with Huawei is the frame sales contract no.00F6421505210A dated November 6, 2015, which is valid until December 31, 2026 and under which either party is entitled to terminate the contract: (i) in the event of failure by the other party to perform any of its obligations under this contract representing a fundamental breach of the contract, which is not remedied within the term notified by the party entitled to terminate the contract (such term not to be less than 30 days from the written notice sent by the party entitled to terminate the contract), or (ii) in the event the other party ceases or threatens to cease to carry on its principle business, or (iii) in the event of dissolution or material changes to the other party’s ownership or control which affects the ability to perform its duties under the agreement, or (iv) if the other party passes a resolution, or any competent court makes an order, that the affected party shall be dissolved or if a trustee in bankruptcy, liquidator, receiver, or manager on behalf of a creditor or similar officer is appointed, or (v) if an obligation of either Party under the contract is delayed or prevented by force majeure or fortuitous case for more than 60 days from the date of the occurrence of such event.

ZTE

On September 1, 2021, we entered into an equipment sales contract with ZTE Corporation for the acquisition of the following fixed network equipment: optical line terminal (OLT), GPON OLT Line card, GPON Optical Network Terminal (ONT), and Broadband Home Gateway. This agreement is valid until October 20, 2026.

On April 23, 2024, we entered into an equipment sales contract for telecommunications equipment with ZTE Espana S.L.U. for the acquisition of telecommunications equipment. This agreement is valid until December 31, 2025, subject to any extension.

Nokia

On November 30, 2006 and February 6, 2007, we entered into two framework agreements for the supply of equipment, software and services with certain companies in the Nokia group. Under these agreements, we purchase various equipment from the Nokia group, such as radio access network components for our mobile network in Romania and related services, as well as other equipment (including fixed-line telephony equipment), software and services, through a series of purchase orders.

On March 15, 2022, DIGI Spain entered into an agreement with Nokia Spain, S.A. (“**Nokia Spain**”) pursuant to which Nokia Spain and/or its affiliates shall supply telecommunications equipment and materials, license software, and provide DIGI Spain with various integration, training, and maintenance services in connection with the IP Multimedia Subsystem (the “**IMS Solution**”), a cloud-native solution for delivering multimedia services like voice, video, and messaging over IP networks. The IMS Solution includes the following services: (i) Voice over LTE (VoLTE) and Voice over Wi-Fi (VoWiFi), (ii) Voice over Broadband (VoBB), (iii) a multi-country solution for VoLTE, with a dedicate support for Italy, (iv) an evolved packet data gateway (ePDG) ePDG and Authentication, Authorization and Accounting (AAA) servers, (v) activation of certain licenses, as well as (vi) short to long number conversion based on location. The agreement had an initial term of three years and, upon expiration, it has been (and shall continue to be) automatically renewed for additional one year periods, unless either party notifies in writing its intention not to renew the agreement or any of its extensions.

On August 19, 2024, DIGI Spain entered into an additional agreement with Nokia Spain for the supply of hardware and software license, as well as the provision of certain services, upon issuance of the corresponding purchase orders by DIGI Spain. The agreement has an initial term of four years and, upon expiration, it shall be automatically renewed for additional one year periods, unless either party notifies in writing its intention not to renew the agreement or any of its extensions.

Key Content

Licensing Agreements for Broadcasting Rights

In order to provide content for our own DIGI Sport channels, we acquire broadcasting rights in relation to various sports events (including one-off events) and competitions and related content, including broadcasting rights for (i) Romanian Superleague for the 2024–2027 seasons, pursuant to a media rights assignment agreement entered into with Ead.Ro Interactive S.R.L. (“**EAD**”) on July 12, 2024, (ii) the Primera and Segunda División for the 2021 - 2026 period, pursuant to the assignment agreement concluded with EAD on March 15, 2024, and (iii) football competitions organized by UEFA for the 2024 – 2027 period, pursuant to the media rights agreement entered into with UEFA on April 27, 2024.

For a list of principal sports competitions, for which we have acquired certain broadcasting rights, as well as the relevant licensed territories, see “*Business—Products and Services—Content—Own TV Channels*.” The remaining contractual value of licensing fees under these agreements was €109 million as of 30 June 2025. In addition to licensing fees, some of these agreements require us to bear certain technical costs, such as costs related to up- and down-linking as well as related TV production costs.

On August 14, 2024, we concluded a mutual sublicensing agreement with Clever Media Network, each party granting the other broadcasting rights for sports competitions and programs. The agreement is valid until July 1, 2027.

Additionally, we entered a cable and DTH license agreement with HBO Romania S.R.L., the latter granting us a non-exclusive license to distribute certain channels during the term of the agreement on our cable systems and DTH television system. The agreement is valid until December 31, 2026.

Programming Agreements

Pro TV Agreements

On July 15, 2013, we entered into an agreement with Pro TV S.A. (“**Pro TV**”) for the retransmission of certain TV and radio channels. The term of this agreement currently expires on January 31, 2026.

Antena Group

On June 15, 2018, we entered into a settlement agreement with Antena TV Group S.A. and Antena 3 S.A., which terminated all existing legal proceedings between us and waived all claims in relation thereto. On the basis of this settlement agreement, we obtained broadcasting rights to (and undertook to broadcast) the following channels: Antena 1, Antena Stars, Happy Channel, Zu TV and Antena 3. The agreement granting DIGI broadcasting rights is valid until January 15, 2027.

Disney

We entered into distribution and associated on-demand content with March 24, 2021, respectively October 23, 2024, pursuant to which Walt Disney Company Portugal TF (“**Disney**”), pursuant to which Disney grants a license to distribute a portfolio of linear television channels (such as, for example, Disney, FOX, National Geographic or Baby TV), together with

selected VOD and non-linear content via services such STB, TV Everywhere or On Demand services. The first agreement, successively amended, will expire on December 31, 2027, while the second agreement will expire on November 1, 2027.

Other programming agreements

We also carry multiple other local and international TV channels on our platform. Certain of these TV channels are “must-carry” channels, while others are only available on a pay tv or a premium-pay TV basis. The majority of these agreements have generally been concluded for a duration of two to three years, with different expiration dates. Upon expiration, these agreements may automatically extend, can be renegotiated or terminated.

INDUSTRY REGULATION

GENERAL

We are subject, in the various jurisdictions in which we operate, to a combination of national and European Union regulations. Legislation on electronic communications and audiovisual media services in our countries of operation is generally harmonized with the relevant European Union directives applicable to the sector.

These directives include: (i) the Directive on Privacy and Electronic Communications, (ii) the Audiovisual Media Services Directive, (iii) the EU Regulation 2016/679 on data protection (the “**GDPR**”), (iv) Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 (the “**European Electronic Communications Code**”), (v) the Directive 2019/790 on copyright and related rights in the Digital Single Market (the “**Digital Single Market Directive**”), (vi) the EU Delegated Regulation 2021/654 supplementing the European Electronic Communications code by setting a single maximum Union-wide mobile voice termination rate and a single maximum Union-wide fixed voice termination rate the EU (the “**Single Maximum Termination Rate Regulation**”), (vii) Regulation 2022/2065 on a Single Market For Digital Services (the “**Digital Services Act**”), (viii) the EU Regulation (EU) 2024/1689 laying down harmonized rules on artificial intelligence (the “**AI Act**”).

ROMANIA

Electronic Communications Networks and Services

The provision of electronic communication services and networks in Romania is primarily regulated by Government Emergency Ordinance No. 111 of December 14, 2011 on electronic communications, as amended (the “**Framework Ordinance**”).

The Framework Ordinance is supplemented by secondary legislation, which generally consists of norms issued by the regulatory authorities in the sector, as well as government decisions and norms issued by governmental bodies with incidental powers in the sector, such as ANCOM, the RCC, the NAC, the Ministry of Health and the National Supervisory Authority for Personal Data Processing.

The primary legislation for electronic communication services and networks in Romania also includes Law No. 159/2016 regarding the physical infrastructure of electronic communications networks and the establishment of certain measures to reduce the cost of installation of electronic communications networks, entered into force on July 28, 2016 (the “**Access Law**”).

Relevant Regulatory Authorities

The regulatory authorities in the field of electronic communication services and networks are the Ministry of Economy, Digitalisation, Entrepreneurship and Tourism and ANCOM.

The Ministry of Economy, Digitalisation, Entrepreneurship and Tourism is, among others, responsible for developing and implementing government policies and strategies in electronic communications services and digitalisation sectors. In this capacity, it establishes and develops national policies, strategies, and regulations for the development and harmonization of activities within the Government’s overall policy in the electronic communications sector.

ANCOM is an autonomous public institution under the control of the Romanian Parliament. ANCOM is in charge of applying the national policies and strategies in electronic communications, audio-visual communications and postal services and managing financial resources for the sector, as well as:

- regulating the activity in these fields;
- drafting and updating the general authorization regime for operators to provide electronic communication networks and/or services (the “**General Authorization**”);
- monitoring and managing the use of telephone numbers and issuing licenses for assigning telephone numbers and authorizing customers to use these numbers (“**Numbering License**”);
- monitoring and managing the use of radio frequencies by, among other things, issuing licenses for the use of radio frequencies (the “**Spectrum Licenses**”), broadcasting licenses and any ancillary technical authorizations;
- establishing (subject to legal or regulatory ceilings, floors and other applicable criteria) and collecting fees and tariffs payable by operators, such as the tariff for monitoring services by ANCOM, the contribution for universal service and fees due in connection with Spectrum Licenses;
- acting as the decision-making authority in the resolution of disputes between operators;
- monitoring and controlling the application of the regulations applicable to the sector as well as the obligations set out in the various licenses, authorizations and permits, and applying any related sanctions; and

- promoting and monitoring the level of competition in the sector by defining the relevant markets and carrying out market analysis, assessing whether an operator has significant market power and imposing specific restrictions and obligations on operators having significant market power.

General Authorization

In order to obtain access to the General Authorization regime, a company is generally required to file a notification with ANCOM, except where it intends to provide interpersonal communications services that do not rely on numbering, at the latest on the commencement date of the activity.

The notification is made using a standardized form and contains, among other things, identifying information, contact persons, and a brief description of the networks and services. Within seven days from the date of submission of the notification, ANCOM issues a standardized certificate attesting that the operator has notified the intention to provide public electronic communications networks or publicly available electronic communications services. Access to the General Authorization regime begins on the estimated date specified by the operator in the notification submitted to ANCOM. If no date is specified, access begins on the date the complete notification is submitted to ANCOM. The access to the General Authorization regime is granted for an indefinite period of time and is non-transferable.

The General Authorization may be suspended or withdrawn by ANCOM in compliance with the principles of objectivity and proportionality, and only after following a consultation procedure, in the event that the operator fails to fulfil its obligations under the General Authorization regime. The withdrawal or suspension may also take place, without a consultation procedure, in cases of urgent circumstances requiring prompt intervention to protect public order and national security.

Once an operator obtains access to the General Authorization regime, it is bound by the obligations currently set out in the Framework Ordinance, as well as the ANCOM Decision 70 of February 9, 2023, and has a number of rights, which include: (i) the right to install facilities on third-party properties by entering into agreements in accordance with the Access Law; (ii) the right to negotiate and conclude interconnection and access agreements; (iii) the opportunity to be designated by ANCOM to provide different elements of universal service; and (iv) the right to use radio frequencies, numbering resources and technical resources under certain conditions.

The main obligations under the General Authorization regime include the following:

- paying the annual monitoring tariff due by all operators and determined by ANCOM, which is calculated as the ratio between (i) the total amount collected by ANCOM as annual monitoring tariff from all operators (which is computed in accordance with a specific formula provided by the Framework Ordinance), less (a) the monitoring tariff paid by former operators prior to the date when the monitoring tariff is set for each operator and (b) the monitoring tariffs paid for the previous years, at the end of the month prior to the one when the monitoring tariff is calculated and (ii) the aggregate turnover of the operators from the previous year and, respectively, from the months in which former operators were active. The monitoring tariff calculated with the application of the above formula is calculated as a percentage of up to 2% of the turnover of the operator from the previous year. If certain conditions are met, the provider may request that only the revenues derived from provision of electronic communications networks and services and postal services be taken into account for the purpose of calculating the monitoring tariff. Pursuant to ANCOM's communication, the tariff shall not be collected for the year 2025;
- obligations regarding the negotiation of interconnection and access agreements;
- permitting the sharing of premises and facilities by operators, to the extent authorized by ANCOM;
- obtaining all licenses, permits and authorizations required by environmental protection and construction legislation and observing all urban planning requirements;
- legal processing of personal data;
- enabling legal interception of communications;
- ensuring continuity of service, preventing and eliminating harmful interferences and providing access to networks and services for public usage in exceptional circumstances such as major disasters;
- obligations regarding the usage of spectrum and telephone numbers; and
- reporting certain information to ANCOM within specified timeframes, such as information regarding the services/networks provided and the area where it operates; information regarding quality parameters of the services; copies of certain contracts including contracts for installation of facilities on third-party property, access and interconnection contracts and satellite access contracts; any amendments to the information provided to ANCOM in the notification for the General Authorization, and copies of financial statements.

ANCOM may set out specific rights and obligations for operators of particular types of networks or services on a non-discriminatory, proportional and transparent basis.

The General Authorization is a prerequisite for obtaining other authorizations needed in order to provide our services, such as Spectrum Licenses or a Numbering License.

We hold a General Authorization, renewed by ANCOM in June 2024, which entitles us to provide the following telecommunication services: (i) public electronic communication networks, including (a) terrestrial public networks with fixed access or limited mobility, (b) public cellular mobile radio networks and (c) public networks with access through satellite; and (ii) electronic communication services for the public, including (a) telephony services for the public, (b) leased lines services, (c) data transmission services, (d) internet access services, (e) retransmission of linear audiovisual programs to end users and (f) machine-to-machine services, and (g) other electronic communications services.

The General Authorization also entitles us to (i) access public and/or private properties with the purpose of providing electronic communications services (including building, installation, maintenance, replacement and relocation of electronic communication networks); (ii) negotiate and conclude interconnection agreements; and (iii) negotiate and conclude access agreements.

Interconnection

Interconnection is regulated by the Framework Ordinance. In addition to the general obligations applicable to all operators, ANCOM imposes upon operators with significant market power in the electronic communications sector one or more specific obligations, including certain transparency obligations regarding interconnection tariffs and contracts, maximum interconnection tariffs for call termination services, the obligation to grant interconnection services to other providers, prohibitions against discriminatory behavior (including publication of a reference offer) and requirements for separate accounting.

If ANCOM considers there to be a lack of effective competition in a particular market, it may impose on operators the obligation to apply cost-oriented tariffs. Such obligations must be proportional and well-grounded and must be preceded by public consultation and consultation at the European Union level.

Vertically integrated operators which have been designated as having significant power on the wholesale market must notify ANCOM, at least three months in advance, of any intention to transfer all or a substantial part of their assets to a third party or to incorporate a new entity aimed at providing equivalent access services to retail operators. Also, in order to ensure effective and non-discriminatory access to the network for third parties, such undertakings may offer commitments, which must be sufficiently detailed, regarding the access conditions to be applied for a certain period following the implementation of the planned measures.

Within 12 months from the date of receipt of this notification, ANCOM must assess the effect of the planned measures and, where appropriate, of the commitments offered, and to impose, maintain, modify or withdraw one or more of the obligations, or to require, in whole or in part, compliance with the commitments offered, as the case may be.

According to the Single Maximum Termination Rate Regulation, from January 1, 2024, the maximum interconnection tariff for call termination services in the public phone network of the operators with significant market power (*i.e.*, the Issuer, Orange Romania and Vodafone Romania) is set to 0.2 eurocents per minute, exclusive of VAT, for call termination services at mobile points. From January 1, 2022, the maximum interconnection tariff for call termination services in the public phone network of the operators with significant market power (including the Issuer, Orange Romania and Vodafone Romania) is set to 0.07 eurocents per minute, exclusive of VAT, for call termination services at fixed points.

Specific obligations of the Issuer regarding interconnection

Pursuant to ANCOM Decision 2849 of August 6, 2007, we were made subject to several obligations in relation to the interconnection of our fixed-line telephony network, including (i) a maximum tariff for our interconnection services, which cannot exceed 1.15 eurocents/minute, exclusive of VAT (whereas the interconnection tariffs charged at the time were generally higher); (ii) obligations to publish the tariffs and technical means for interconnection-related services and facilities; and (iii) other obligations which will facilitate third-party access to our network, reduce our ability to negotiate the terms of the interconnection agreements and make it impossible for us to refuse entering into this type of agreement.

In August 2008, ANCOM decided that we are an operator with significant power in the market for call termination services at fixed points in our public phone network and imposed on us certain transparency, non-discrimination, tariff control, interconnection and access obligations, as well as limitations of our ability to negotiate interconnection agreements, similar to those imposed through ANCOM Decision 2849 described above. This decision has been repealed by ANCOM Decision 643/2008 (subsequently superseded by ANCOM decision 89/2012), under which we were re-confirmed as operator with significant power in the market for call termination services at fixed points in our public phone network and similar obligations to those mentioned above have been imposed on us.

In addition, we have an obligation under Decision 89/2012 to apply cost-oriented tariffs, determined on the basis of a long-term calculation model for incremental costs prepared by ANCOM. On July 1, 2012, the maximum interconnection tariff for call termination services at fixed points in our public phone network became 0.67 eurocents per minute, exclusive of VAT.

In 2012, through ANCOM Decision 106/2012, we were re-confirmed as an operator with significant power in the market for call termination services at mobile points in our public phone network and certain obligations were re-confirmed for us, such as, an obligation to publish (i) an interconnection reference offer, mentioning at least the set of minimum interconnection services established by the decision and the conditions (including tariff arrangements) for provision of these services; and (ii) a standard interconnection agreement intended to offer beneficiaries necessary information regarding interconnection options and capabilities and related tariffs. We are also obliged, to the extent technically possible, to supplement the interconnection capacity upon request of the beneficiary. There is no obligation for the beneficiary to pay for additional capacities which it does not need or which it has not requested.

We are required to periodically update the reference offer and the standard interconnection agreement and notify ANCOM in relation to any such updates or amendments. We are also required to provide certain minimum interconnection services and to notify beneficiaries in advance in case of modifications in the network or removal of switches. The decision also provides for further limitations to our negotiating power on interconnection agreements.

Pursuant to Decision 106/2012, we were required to apply cost-oriented tariffs, determined on the basis of a long-term calculation model for incremental costs prepared by ANCOM.

On July 1, 2021, the Single Maximum Termination Rate Regulation entered into force, establishing the maximum interconnection tariff for call termination services in the public telephone network. With regard to call termination services at mobile points, as of January 1, 2024, a 0.2 eurocent maximum interconnection tariff applies, without any exceptions. With regard to call termination services at fixed points, as of January 1, 2022 a 0.07 eurocent maximum interconnection tariff applies, without any exceptions.

Specific interconnection obligations of other operators

In 2009, Vodafone Romania, Orange Romania and Telekom Romania were designated as operators with significant power in the market for call termination services at mobile points in their public phone network and were re-confirmed in that position by ANCOM in 2012 and, respectively, 2018.

As a consequence, the abovementioned operators have an obligation to publish interconnection reference offers (standard offers applicable to all beneficiaries that desire to enter into interconnection agreements with these operators), as well as standard interconnection agreements. They also have an obligation to apply cost-oriented tariffs, determined on the basis of a long-term calculation model for incremental costs prepared by ANCOM.

Telekom Romania has been designated as having significant market power in several interconnection markets and has the obligation to publish an interconnection reference offer (a standard offer applicable to all operators that desire to enter into an interconnection agreement with Telekom Romania containing a list of applicable tariffs. ANCOM also designated Telekom Romania as having significant market power in the market for unbundled access, full or shared, by broadband internet and fixed-line telephony service providers to the local fixed-line telephone loop. As such, Telekom Romania has, among other things, an obligation to publish an access reference offer (a standard offer applicable to all operators that desire to enter into agreements with Telekom Romania with respect to access to the local loop) and to apply cost-oriented tariffs to access services on the basis of calculation models or methods approved by ANCOM. Operators have the option to choose between full access to the local loop (*i.e.*, exclusive for any types of services) and shared access (*i.e.*, Telekom Romania will continue to use low frequencies for provision of telephony services, and the operator will be able to use the free frequencies for broadband internet services).

In 2008, Telekom Romania was designated as an operator with significant power in the market for call termination services at fixed points in its public phone network and was re-confirmed in that position by ANCOM in 2012 and, respectively, in 2018.

In 2014, Telekom Romania was designated as an operator with significant power in the market for national commuted transit of calls in public telephone networks and in 2018 it was also designated as an operator with significant power in the market for call termination services at mobile points in its public phone network.

Currently, the rates set out in the Single Maximum Termination Rate Regulation apply, as detailed in the preceding sections (- *Interconnection* - and - *Specific obligations of the Issuer regarding interconnection* -).

Television and Radio Services

Regulatory framework

Our core activity consists of providing subscription television services in the form of cable TV and DTH services.

We also broadcast several channels for which we determine the editorial content: sports channels (DIGI Sport 1, DIGI Sport 2, DIGI Sport 3 and DIGI Sport 4), a premium pay TV movie channel (FILM NOW), a news channel (DIGI 24), documentary channels (DIGI World, DIGI Life and DIGI Animal World) and music channels (U Televiziune Interactiva, Music Channel, H!T Music Channel).

Furthermore, since June 11, 2019, the DIGI 24 channel is operated by Campus Media TV S.R.L., a company in which the Issuer holds 90% of the share capital, together with Integrasoft S.R.L which holds 10% of the share capital.

Starting with December 2018, we are also offering to our customers Digi 4K, the first ultra high-definition (“UHD”) channel in Romania, by which we broadcast sport content and documentary programs. We also own an interest in Hora TV music channel.

We have also been operating terrestrial and satellite radio stations in Romania. In November 2015 we launched DIGI FM, a national radio station with satellite and terrestrial frequencies. In May, 2021, we launched in Bucharest Digi 24 FM, a news radio station. We also operate Dance FM radio stations in Bucharest, Cluj-Napoca and Targu Mures.

In Romania, our cable TV, DTH and radio services are principally regulated by Audiovisual Law No. 504 of July 11, 2002 as amended (the “**Audiovisual Law**”) and Copyright Law No. 8 of March 14, 1996, republished (the “**Copyright Law**”).

Regulatory authorities

The Romanian regulatory authorities in the audio-visual sector are:

- ANCOM, which is responsible for regulating and overseeing the infrastructure and media for the broadcasting and retransmission of audiovisual programming; and
- The NAC, which is responsible for regulating and overseeing (i) programming content, including the content of the programming offered by broadcasters and the programming offered by distributors; (ii) the issuance of retransmission authorizations and the procedure for such issuance; (iii) the issuance of norms for the implementation of the Audiovisual Law in its field of competence; and (iv) the promotion of competition in the sector.

Licenses

A General Authorization, together with retransmission authorizations and retransmission endorsements issued by the NAC is required to provide cable TV and DTH services.

For radio air-broadcasting, operators must also obtain Spectrum Licenses and authorizations for assigning frequencies, and technical authorizations must be issued by ANCOM for an operator to use terrestrial broadcasting stations.

Providers of “video on demand” services must also obtain broadcasting endorsements issued by the NAC.

We hold all relevant material licenses that are necessary for the Issuer to perform its activities, and the Issuer works to prolong all licenses which it holds. In the telecommunications and media sector licenses are generally not exclusive. Any private operator meeting specific requirements set by the law can be granted necessary licenses and permitting to perform telecommunications and media activities in Romania. However, once granted and as long as the operator ensures compliance with regulatory requirements, any license can be freely exploited by such operator.

The table below sets out our current material licenses in Romania, the type of service for which the license is granted, whether the license was obtained through a public tender and the year until which the license is valid.

Licence	Service Type	Public Tender	Valid Until
<u>TV carriage business</u>			
Numerous (approx. 40) retransmission endorsements issued by the NAC—this number varies over time	Cable	No	N/A
A4069.2/02.07.2024	DTH	No	N/A
A8481/02.07.2024	OTT-Digi Online	No	N/A
FS-LCX 03/2005—Spectrum License issued by the ANCOM	Satellite—DTH	No	2030
<u>Electronic communications services</u>			
Certificate no SC-DEASRN-B55/10.01.2014	Internet	No	N/A (until further change)
<u>TV and Radio broadcast business</u>			
<i>Licenses issued by the NAC:</i>			
S-TV 273.8/07.12.2010—Digi 24	TV	No	2028
S-TV 254.13/06.10.2009—FILM NOW	TV	No	2034
S-TV 216.10/20.03.2008—Digi Life.....	TV	No	2026

License	Service Type	Public Tender	Valid Until
S-TV 238.12/18.11.2008—Digi World	TV	No	2027
S-TV 302.8/30.10.2012—Digi Animal World	TV	No	2030
S-TV 246.11/28.04.2009—DIGI Sport 1	TV	No	2027
S-TV 348.1/10.07.2018—DIGI Sport 2	TV	No	2027
S-TV 349.1/10.07.2018—DIGI Sport 3	TV	No	2027
S-TV 350.1/10.07.2018—DIGI Sport 4	TV	No	2027
S-TV 352.1/30.10.2018—DIGI 4K	TV	No	2027
S-TV 84.8/16.03.2004—U Televiziune Interactiva	TV	No	2031
S-TV 269.7/12.10.2010—Hora TV	TV	No	2029
S-TV 286.5/27.09.2011—H!T MUSIC CHANNEL	TV	No	2029
S-TV 228.8/22.05.2008—MUSIC CHANNEL	TV	No	2026
31 local licenses (terrestrial)—Pro FM Network	Radio	No	linked to the licenses issued by ANCOM
R460.15/03.05.2004(terrestrial)—Digi FM Network	Radio	No	linked to the licenses issued by ANCOM
R428.13/26.04.2004(terrestrial)—Dance FM Network ...	Radio	No	linked to the licenses issued by ANCOM
R635.11/18.01.2005(terrestrial)—Dance FM Network ...	Radio	No	linked to the licenses issued by ANCOM
R650.11/20.01.2005(terrestrial)—Dance FM Network ...	Radio	No	linked to the licenses issued by ANCOM
R633.11/17.01.2005(terrestrial)—Digi 24 FM	Radio	No	2033
S-R 06.16/11.07.1996(satellite)—Pro FM	Radio	No	2032
S-R 10.16/23.09.1997(satellite)—Digi FM	Radio	No	2025
<i>Licenses issued by ANCOM:</i>			
Over 70 licenses issued by the ANCOM for the Pro FM, DIGI FM, Digi 24 FM and Dance FM radio stations (per city)		No	Valid for 9 years (different expiry dates)
FS-SNG 01/2012 (radio frequencies)	Radio Broadcasting TV events	No	2027
<u>Telephony business</u>			
MT-CEL 01/2007 (radio frequencies 2100 MHz)	Mobile telephony	Yes	2031
MT-CEL 04/2013 (radio frequencies 900 MHz and 1,800 MHz)	Mobile telephony	Yes	2029
FX- CFM 04/2015 (radio frequencies 3600 MHz)	Mobile telephony	Yes	2047
MT-CEL 05/2013 (radio frequencies 800 MHz and 2600 MHz)	Mobile telephony	Yes	2029
FS-SNG 01/2012 (radio frequencies)	Fixed telephony	No	2027
<u>Online & SVOD platforms</u>			
SMAC 010.1/19.12.2013—Digi Online	Online / mobile	No	N/A ⁽²⁾
SMAC 012.1/02.09.2014—Digi Play	Online / mobile	No	N/A ⁽¹⁾

Satellite Spectrum License

We obtained the Satellite Spectrum License on February 22, 2005 and last amended it on February 21, 2025 for the use of the spectrum in order to supply electronic communications via satellite at the national level. The Satellite Spectrum License allows us to install and operate a satellite communication station for the satellite up-link and down-link of sound and TV broadcasting programming. The Satellite Spectrum License is valid until February 21, 2030. The Satellite Spectrum License covers the frequency bands 13.750-14.000 GHz and 17.300-18.400 GHz for the satellite up-link, 11.700-12.500 GHz for the

satellite radio service (down-link), and 12.500-12.750 GHz for the satellite down-link. The frequency bands 13.750-14.000 GHz and 17.300-18.400 GHz are subject to shared use between civil and governmental systems.

We have also obtained the Satellite Spectrum License FS-SNG 01/2012, issued on May 28, 2012 and valid until May 28, 2027. The Satellite Spectrum License covers the frequency bands 13.750-14.000 GHz for the satellite up-link and 12.500-12.750 GHz for the satellite down-link. The frequency band 13.750-14.000 GHz is subject to shared use between civil and governmental systems. We use this license for portable satellite communications stations destined for occasional and temporary transmissions to studios (*i.e.*, portable stations mounted on cars).

Under the Audiovisual Law, a broadcaster is required to obtain an analog or digital audiovisual license, an audiovisual decision and an analog or digital broadcasting license as well as, generally, for terrestrial broadcasting, a technical authorization. No such audiovisual or broadcasting license or audiovisual decision is required for a service distributor (defined as a person who establishes and offers to the public a programming offer by way of retransmission, based on contractual relations with broadcasters or other distributors).

We act as a broadcaster as regards the transmission of our own channels and as a service distributor for the retransmission of our channels, as well as other channels. Therefore, we submit to rules and regulations applying to both activities. See “—*Retransmission licenses*,” “—*Broadcasting endorsement*” and “—*Audiovisual License and related authorizations*.”

Retransmission licenses

The retransmission by service distributors of unaltered programming can only be done on the basis of a retransmission endorsement issued by the NAC. To obtain a retransmission endorsement, distributors must notify the NAC of their programming offerings and file supporting documentation. Any change in the programming offerings must also be approved, in advance, by the NAC. The NAC may withdraw the retransmission endorsement (i) if the distributor retransmits programming without having the required rights; (ii) if ANCOM withdraws the distributor’s right to provide electronic communication networks or services; or (iii) upon request of the holder of the retransmission endorsement. Retransmission endorsements are non-transferable, but if the holder intends to transfer its electronic communication network, the transferor and transferee must submit requests to the NAC for the cancellation and issuance of a new retransmission endorsement.

Currently, we have approximatively 40 retransmission endorsements for cable TV covering over 3,000 localities throughout Romania. We also hold a general retransmission endorsement for DTH No. 4069.2 of July 2, 2024 which covers 145 channels we currently retransmit (including radio channels).

Other than the retransmission endorsement, the retransmission of programming is in principle not subject to any authorization or licensing procedure in Romania if it was originally broadcast by broadcasters under Romanian jurisdiction, under the jurisdiction of any of the European Union member states or under the jurisdiction of a state with which Romania has entered into a free retransmission agreement. Distributors which retransmit programming broadcasted by such broadcasters must notify the NAC of the jurisdiction in which the respective broadcaster is located and file any agreement regarding the retransmission with the NAC. In all other cases (*i.e.*, if the broadcaster is located in any other jurisdiction), a program-specific retransmission authorization must be obtained from the NAC. The NAC may temporarily restrict the free retransmission of a programming broadcasted from a European Union member state only in certain very limited circumstances.

Retransmission authorizations may be requested by any interested person having editorial responsibility for the programming and such authorizations relate to the content of the programming rather than to the distributor. Therefore, once the retransmission authorization has been obtained for a particular program, any distributor having a retransmission endorsement may retransmit such program without an additional authorization. The NAC is required to publish annually a list of programming as to which it has granted a retransmission authorization.

Broadcasting endorsement

Under NAC Decision 320/2012 regarding on-demand audio-visual services, all providers wishing to provide such services must notify the NAC of their intention to provide such services at least seven days before beginning broadcasting, or in the case of operators already providing such services at the time of adoption of NAC Decision 320/2012 (as was our case), by September 3, 2012.

Based on the notification, the NAC issues a broadcasting endorsement, which entitles the applicant to start providing on-demand audio-visual services mentioned in the broadcasting endorsement. The broadcasting endorsement is non-transferable.

We currently provide such services through DIGI Play, a video on demand service, as per Broadcasting Endorsement No. SMAC 012 issued by the NAC on September 2, 2014 and through DIGI Online, a mixed audiovisual service (containing the video on demand service), as per Broadcasting Endorsement No. SMAC 010 issued by the NAC on December 19, 2013. In addition, for linear programs made available via DIGI Online, NAC issued a retransmission endorsement No. A8481/02.07.2024.

Audiovisual licenses and related authorizations

For broadcasting our own TV and radio channels we are required to obtain an analog or digital audiovisual license, an audiovisual decision (issued by NAC) and, for radio channels, in addition to NAC licenses, we are also required to hold broadcastings licenses and a technical authorization issued by ANCOM.

Television

For satellite broadcasting of the FILM NOW channel, we obtained the Audiovisual License No. S-TV 254.13 of October 6, 2009 valid until 2034, and the audiovisual authorization decision No. 1641.1-3 of September 13, 2016.

In relation to the DIGI Sport 1 channel, we obtained the Audiovisual License No. S-TV 246.11 of April 28, 2009 issued on July 24, 2024, by the NAC for broadcasting via satellite in Romania and Central and South-Eastern Europe states and the Audiovisual Authorization Decision for satellite broadcasting No. 1623.1-6 of July 22, 2014 issued on July 23, 2018, both valid until July 9, 2027.

On July 10, 2018, the NAC also issued separate licenses for DIGI Sport 2, DIGI Sport 3 and DIGI Sport 4, which are all valid until July 9, 2027. As of December 2018, we are also offering a new channel, Digi 4K, the first ultra high-definition channel in Romania, for which we hold the NAC license S-TV 352.1 of October 30, 2018 and the Audiovisual Authorization Decision for satellite broadcasting 2188.0 valid until November 27, 2027.

For the DIGI 24 channel, we have obtained the Audiovisual License No. S-TV 273.9 of December 7, 2010, which was assigned on June 11, 2019 to Campus Media TV S.R.L. (the corresponding amended version of the license was issued on December 5, 2019 by NAC and is valid until December 9, 2028). DIGI 24 is a themed news channel broadcasting nationally.

We also have a range of documentary channels, broadcasted via satellite: (i) DIGI Animal World, covered by Audiovisual License No. S-TV 302.8 of October 30, 2012, and the corresponding Audiovisual Authorization Decision No. 1856.0-6 of January 10, 2013, valid until 2031, (ii) DIGI Life, covered by Audiovisual License No. S-TV 216.10 of March 20, 2008 and the corresponding Audiovisual Authorization Decision No. 1479.1-7 of October 2, 2012, valid until June 18, 2026 and (iii) DIGI World, covered by Audiovisual License No. S-TV 238.12 of November 18, 2008 and the corresponding Audiovisual Authorization Decision No. 1568.2-7 of October 2, 2012, valid until February 5, 2027.

We broadcast the following music channels:

- U Televiziune Interactiva, covered by Audiovisual License No. S-TV 84.8 of March 16, 2004 and the corresponding Audiovisual Authorization No. 737.4-2 of September 13, 2016 valid until October 21, 2031;
- Music Channel, covered by Audiovisual License No. S-TV 222.8 of May 22, 2008 and the corresponding Audiovisual Authorization No. 1470.2-3 of June 09, 2016 valid until May 28, 2026; and
- H!T Music Channel, covered by Audiovisual License No. S-TV 286.5 of September 27, 2011 and the corresponding Audiovisual Authorization No. 1805.1-3 of June 09, 2016 valid until December 14, 2029.

Radio

For satellite broadcast of DIGI FM we have obtained License No. S-R 10.16 of September 23, 1997, the latest amended version was issued on July 2, 2024 by the NAC, and the Audiovisual Authorization Decision No. 270.2-4 of November 10, 2015, initially valid until September 15, 2025 and subsequently extended for a period of nine years. For terrestrial broadcast of DIGI FM we have obtained License No. R460.15 of May 3, 2004, the latest amended version was issued on July 2, 2024 by the NAC. Also, 41 audiovisual authorization decisions for local stations were issued in connection with this license.

Pro FM is broadcasted via satellite under License No. S-R 06.16 of July 11, 1996, the latest amended version was issued on July 2, 2024 by the NAC, and the Audiovisual Authorization Decision No. 201.3-5 of June 14, 2016, valid until December 19, 2032. Also, with respect to terrestrial broadcast of Pro FM, we hold thirty-one local audiovisual authorization licenses. These licenses are valid as at the date of this prospectus.

In addition to DIGI FM and Pro FM, we also broadcast Dance FM and Digi 24 FM. Digi 24 FM is broadcast only in the Bucharest area, through the Terrestrial Spectrum License No. R633.11 of January 17, 2005. The latest amended version was issued on July 2, 2024 by the CNA, and the Audiovisual Authorization Decision No. 1141.3-5 of September 13, 2016. This license is valid until May 21, 2033.

Dance FM is broadcast in Bucharest, through the Terrestrial Spectrum License No. R428.13 of April 26, 2004, the latest amended version was issued on July 2, 2025 by the NAC, and the Audiovisual Authorization Decision No. 961.2-5 of September 13, 2016, valid until October 18, 2032. Dance FM is additionally broadcast in the Targu Mures and Cluj-Napoca areas through the Terrestrial Spectrum Licenses No. R635.11 of January 18, 2005 and No. R650.11 of January 20, 2005 respectively, the latest amended version of such licenses was issued on July 2, 2024 by the CNA, and the Audiovisual Authorization Decisions for the broadcast of Dance FM No. 1149.2-7 of September 13, 2016 for Cluj-Napoca and No. 1160.2-6 of September 13, 2016 for Targu Mures, which are valid until June 16, 20233 and July 14, 2033 respectively.

Other relevant provisions for the audiovisual sector

The Audiovisual Law sets out certain rules applicable to retransmission of programming, including the following:

- At least 25% of all programs retransmitted by a distributor must come from broadcasters located within the Romanian jurisdiction. The entity retransmitting that programming must pay applicable copyright fees for such retransmission. In applying this provision, the NAC has established a “must carry” obligation for retransmission of state-owned local channels, certain regional channels and the international channel TV5. In order to reach the 25% quota, apart from the broadcasters located within the Romanian jurisdiction for which the “must carry” obligation applies, the distributor must retransmit programs free for retransmission from other broadcasters in the Romanian jurisdiction chosen in the reverse order of their ratings.
- All distributors must include in their offerings the programs of the state-owned Romanian Television Company (with the exception of those programs which are not addressed to the Romanian public) as well as programs for which an obligation of retransmission has been established by the international treaties to which Romania is a party.
- All distributors must take over and transmit to users the complementary services associated with the programme services mentioned above, namely the accessibility services ensuring appropriate access for users with disabilities, the data enabling the provision of connected television services, as well as the electronic programme guide, where these have been made available by the broadcaster.
- Distributors have an obligation to include in their program offerings, at the local and regional levels, at least two regional programs and two local programs, where such exist; the relevant programs to be included in the offerings shall be determined by the reverse order of their rating.
- Distributors have an obligation to ensure retransmission (free of charge) of programming in the national minority language in those municipalities in which national minorities represent more than 20% of the population, priority being given to domestically produced programmes or, as the case may be, to producers holding a license obtained under the Audiovisual Law.

The NAC also requires broadcasters to reserve at least 50% of their air time for European origin programming content.

In the case of channels operating under the “on-demand audio-visual” system, operators must ensure that at least 20% of their catalogue is formed of European programs, except for informative, sports and teleshopping programs.

“On-demand audio-visual” programs should promote shall allocate at least 30% of their catalogues to European works and shall also ensure the promotion of such works. The percentage of 30% shall be calculated based on the titles included in the service catalogue, with each television series season being deemed equivalent to one title. Promotion may be achieved by facilitating access to such works, including through a dedicated section for European works accessible from the service’s home page, enabling the search of European works via the service’s search tool, using European works in the service’s promotional campaigns, ensuring a minimum percentage of European works are promoted from the service’s catalogue, or by employing banners or similar tools.

Romania does not have specific price control legislation for the cable TV market. Operators are free to set prices according to the competitive environment and in line with their own strategy.

Sanctions in the audiovisual sector

Generally, breaches of the Audiovisual Law constitute administrative offenses. Certain of the more serious administrative offenses are punishable by fines of up to RON 200,000. Other less serious administrative offenses are punishable by fines of up to RON 100,000. In the event of repeated breaches, the NAC may decide to apply one of the following sanctions: (i) impose an obligation on the broadcaster to broadcast the text of the sanctioning decision; or (ii) reduce to half the term of validity of the audio-visual license together with the sanction mentioned at (i) above. In all cases, the breach may also result in the suspension of the offending activity. Also, if the broadcasted content is repeatedly inappropriate (such as promoting hate, violence, and actions against the state or terrorism) the license could be cancelled altogether.

Some breaches of the Audiovisual Law constitute criminal offenses punishable by imprisonment or criminal fines; these may also result in the confiscation of the assets used for or resulting from such breach.

We have not always paid the fees and tariffs due to ANCOM in a timely manner and we have sometimes been sanctioned for such delays in payment. ANCOM could impose a number of sanctions as a result of any future late payments, including significant fines, attaching our bank accounts and terminating our licenses or general authorizations (including the General Authorization).

Copyright

The Romanian Copyright Law contains specific provisions applicable to the retransmission of protected works. The Romanian Office for Copyright (the “**ORDA**”) is the governmental body that monitors compliance with copyright legislation.

Rights of authors include, among others, the right to authorize or prohibit the broadcasting or retransmission of works by cable, air or any other means. Holders of related rights (e.g., performing artists and producers of phonograms and audio-visual works) also have the exclusive right to authorize or prohibit the retransmission of their works. Television and radio broadcasters, as holders of related rights, have an exclusive ownership right to authorize the retransmission or re-broadcasting of their own radio or television programming by wireless, wire, cable, satellite or by any other similar means.

Except with respect to television and radio broadcasting bodies, the holders of the copyright or related rights may exercise their rights to authorize or prohibit the retransmission only through a collective administration body. Collective administration bodies are not-for-profit associations of the holders of copyright and related rights. The purpose of these bodies is the collection and distribution of royalties deriving from copyrights they manage. The creation of collective administration bodies must be endorsed by the ORDA. The amount of royalties due is established under a methodology negotiated between the collective administration bodies and the representative bodies of distributors. If the parties do not reach an agreement on the methodology, they have recourse to non-binding mediation and, subsequently, to an arbitration procedure organized by the ORDA. A collective administration body may charge distributors lump sums or percentages of royalties, calculated by reference to the income derived from the retransmission activities in which protected works are used.

Television and radio broadcasters exercise their rights regarding their own programming, irrespective of whether they are the holders of such rights or whether such rights have been assigned to them, through contracts entered into with the distributors, except where the retransmission is required by law.

The retransmission of works subject to copyright or related rights without the consent of the right holder is deemed a criminal offense punishable by up to one year imprisonment. Among other criminal offenses, the sale or rental of pirated access control devices is punishable with up to five years imprisonment. These criminal offenses are also applicable to legal persons and are punishable by fines of up to RON 1,600,000 and ancillary sanctions such as dissolution or suspension of the offending activity.

On July 5, 2011, we obtained a non-exclusive license for retransmission of videos managed by the Romanian Union of Film and Audiovisual Producers—Romanian Association for Collective Management of Audiovisual Works. On January 9, 2013, we obtained a non-exclusive license for the broadcasting on our own channels of audio works managed by the Romanian Musical Performing and Mechanical Rights Society.

Telephony and Data Transfer Services

A General Authorization is required to provide data transfer and internet access services through cable, and in addition to General Authorization, a Numbering License and a Signalling Points License are required to provide telephony services. A General Authorization, a Spectrum License, a Numbering License and a Signalling Points License are required to provide mobile voice telephony services and data transfer and internet access services through a wireless network (e.g., using the radio spectrum). The award and utilization of Spectrum Licenses are subject to a more restrictive set of requirements than the General Authorization.

Radio spectrum

Since radio frequencies are deemed limited resources, they are declared public property of the state, and their use, with the exception of free frequencies, is allowed only based on a Spectrum License, which can be granted by ANCOM to operators having a General Authorization. ANCOM issues Spectrum Licenses in accordance with the national table of allocation of frequency bands through an open, transparent and non-discriminatory procedure, generally on a competitive basis (*i.e.*, public tender). In order to promote competitiveness, ANCOM may decide to exclude certain persons from participating in the selection process for granting a Spectrum License, with prior consultation with the RCC and the public.

In the event that the rights to use radio frequencies cannot be granted under a general authorization regime and the number of rights to be granted in a given radio frequency band is limited, ANCOM shall establish measures to limit the granting of radio frequency licenses, with (i) an indication of the reasons underlying the limitation of the number of usage rights and a presentation of the considerations taken into account to maximize benefits for users and to stimulate competition; and (ii) an adequate public consultation.

ANCOM shall establish and justify the objectives to be achieved through the selection procedure organized for the granting of usage rights, also taking into account the need to meet the objectives of the national market as well as those of the internal market of the European Union.

The limitation of the number of usage rights may be periodically reassessed, at intervals of no more than 10 years, either at the initiative of ANCOM or at the justified request of an enterprise affected by the limitation measure.

Spectrum Licenses may contain network roll-out and coverage requirements and they may be granted for a specific type of network or technology.

Spectrum Licenses issued following a comparative or competitive selection process are issued for duration of 15 years with the possibility of extension for another 5 years.

By way of exception, under certain applicable provisions of Romanian law, Spectrum Licenses may be issued for a duration ranging from 20 to 25 years, without the extension option. The granting of rights under these exceptional conditions is particularly justified in the following circumstances: (i) where the frequency band is being awarded for the first time for the provision of electronic communications services over a broadband radio medium; or (ii) upon the simultaneous expiration of the rights for one or more radio frequency bands.

Spectrum Licenses awarded on a competitive or comparative basis are subject to the payment of a license fee to the State budget. The amount of the license fee (in case of comparative award), the minimal value of the license fee (in case of competitive award), as well as the applicable payment conditions are determined through a Government decision initiated by ANCOM on a case by case basis, in connection with each award of Spectrum License. The amount of the fee shall also take into account the value of the rights to use radio frequencies in possible alternative solutions for their use, taking into account the costs generated by the conditions attached to those rights, and, where possible, it also takes into account any payment methods established on the basis of the actual availability for use of the spectrum granted, which are determined in an objective, transparent, proportionate, and non-discriminatory manner before the procedure for granting rights to use the frequency spectrum begins.

Renewal of the Spectrum License awarded on a competitive or comparative basis is also subject to the payment of a license fee, for which the specific amount and the specific payment conditions are established individually, for each frequency block, by way of Government decision initiated by ANCOM. According to the Framework Ordinance, both the fee for the award and, respectively, for the renewal of the Spectrum License are established considering, among other things, the efficient allocation and use of rights and if applicable, any costs associated with meeting the authorization conditions that were imposed, in order to promote public policy objectives.

Under Romanian Government Decision No. 1113 of October 10, 2002, Spectrum Licenses are issued for a duration of fifteen years and may be renewed upon request for an additional period of 10 years.

The following types of tariffs are payable in connection with Spectrum Licenses:

- A license fee, which is a one-off payment obligation that may be payable in instalments. A license fee is charged for every Spectrum License granted through a competitive or comparative selection process. The current provisions of the Framework Ordinance do not include minimal fees computed as percentage from the turnover of the operators, the amount of such fees (in case of comparative award) and the minimal value of the license fee (in case of competitive award) being established on a case by case basis through a Government decision. Under the previously applicable regulations we paid a total license fee of \$35 million for the 2100 MHz license acquired in 2007, whereas for the 900 MHz license acquired in 2012 we paid a total license fee of €40 million. Both license fees have been paid in full in accordance with the obligations applicable at that time.
- Annual/quarterly tariffs for the use of the radio spectrum. The minimum annual tariffs for the use of Spectrum Licenses are as follows: (i) €2.3 million per each pair block of 5 MHz allocated at the national level for the 900 MHz Spectrum License; (ii) €1.2 million per each pair block of 5 MHz allocated at the national level and €0.3 million per each non-pair block of 5 MHz allocated at the national level for the 2100 MHz Spectrum License; and (iii) €0.9 million per each pair block of 5 MHz allocated at the national level and €250,000 per each non-pair block of 5 MHz allocated at the national level for the 2600 MHz Spectrum License. The annual tariffs for the usage of the spectrum are payable based on individual decisions issued by ANCOM on a quarterly basis, on the basis of the tariff matrix and computation procedure approved by ANCOM in its Decision 551/2012.

Spectrum Licenses may only be transferred with the prior consent of ANCOM and subject to certain conditions. For example, the transfer of Spectrum Licenses granted following a comparative or competitive selection process is allowed only if all the conditions taken into account at the moment of granting the license will be satisfied following the transfer. Transfer of the Spectrum License without the prior approval of ANCOM is null and void.

ANCOM may amend the terms of the Spectrum Licenses, in a proportional manner, in order to ensure efficient and rational use of the spectrum, prevent harmful interferences, ensure European Union harmonization, observe international conventions, address situations of insufficiency of radio frequencies in certain areas for the frequency bands covered by the respective Spectrum License, implement the electronic communications development strategy and radio spectrum management policy or amend the national table for the allocation of frequency bands, the promotion of competition or the avoidance of any distortion thereof. Such interventions shall be published, together with the reasoning, on ANCOM's website.

However, to our knowledge, ANCOM rarely, if ever, exercises this authority and, in any event, upon performing such amendments, ANCOM must grant the affected operators a period of time to perform the required amendments, such time period to be proportional to the qualitative and quantitative nature of the required changes, but not less than 30 days.

900 MHz and 1,800 MHz license

Following an auction process carried out in September 2012, we were awarded one double frequency block of 5 MHz of bandwidth in the 900 MHz frequency spectrum valid for a period of 15 years commencing on April 6, 2014. The license for this frequency block was issued by ANCOM on July 26, 2013 under No. MT-CEL 04/2013. As the holder of the license, we may use any technology permitted for the 900 MHz frequency band under the national table of attributing radio frequencies and in accordance with national and European Union laws.

The 900 MHz license requires compliance with certain obligations including those related to the interaction with other operators, such as, (i) awarding access to the MVNO operators; (ii) negotiating and entering into agreements with the other license holders for granting access to the emergency number 112; and (iii) negotiating and entering into national roaming agreements with the other license holders (that meet certain criteria)—this obligation is limited to three years from the signing of the roaming agreement and excludes the municipalities of Bucharest, Timisoara, Constanta, Iasi, Cluj-Napoca, Galati, Craiova, Brasov, Ploiesti, Oradea and Braila.

With regard to coverage requirements, we had the obligation to cover by April 5, 2016, 95% of the population in the localities where we may use the 900 MHz license with mobile communications services with UMTS (which we complied with), improved IMT (HSPA, HSPA+), LTE or equivalent technologies, with a direct downlink speed of at least 384 kbps, through our own radio networks, including through the 3G network in the 2100 MHz broadband.

We had to increase voice coverage using 900 MHz technology to 98% of the Romanian population by April 5, 2019 (based on ANCOM's technical criteria, which may be different from our operational measurements), and increase broadband services with direct downlink speeds of at least 1 Mbps, with a probability of indoor reception of 95% in areas inhabited by at least 60% of the population, through our own radio networks, including coverage by the 3G network in the 2100 MHz broadband, by the same date.

At the latest by April 5, 2021, we had to provide broadband services with a direct downlink speed of at least 2 Mbps with a probability of indoor reception of 95% in areas inhabited by at least 60% of the population, through our own radio networks, including coverage by the 3G network in the 2100 MHz broadband.

As we could not fulfil the coverage obligations imposed on us by April 5, 2019, ANCOM sanctioned us (as well as all other mobile telephony service providers) with an administrative fine in the amount of approximately €167,000 in December 2019. This fine had no impact on the validity of the license.

On October 1, 2025, we completed the TKRM Business and Assets Acquisition, pursuant to which we acquired from TKRM another double frequency block of 5 MHz of bandwidth in the 900 MHz frequency, as well as the right of use for another block of 2MHz in the same band, as well as three double frequency blocks of 5 MHz of bandwidth in the 1,800 MHz frequency. Pursuant to such acquisition, ANCOM amended spectrum license No. MT/CEL 04/2013 accordingly. The amended license (pursuant to the TKRM Business and Assets Acquisition) also includes a number of additional 56 white zone localities in relation to which we have coverage obligations in the 900 MHz band.

2100 MHz license

Following an auction process carried out in the second half of 2006, we were awarded a Spectrum License for the supply of a public network and of 3G mobile communication services, pursuant to License MT-CEL 01 of 2007 issued by the Romanian General Inspectorate of Communications Information Technology on January 5, 2007, as amended by ANCOM on December 10, 2021. The technologies permitted under the 2100 MHz License are any terrestrial systems capable of providing electronic communications, on the condition of complying with the European Commission's Decision No. 2012/688/EU for some frequency sub bands and CDMA Time Division Duplex ("TDD") ULTRA TDD for other sub bands. The 2100 MHz License was extended for another 10 years and is valid until December 31, 2031.

The 2100 MHz license imposes certain coverage obligations regarding population and roads to be fulfilled in three subsequent stages by December 31, 2011. By December 31, 2009, we had finalized the implementation of all coverage obligations imposed by the 2100 MHz license. This was certified by ANCOM.

On October 1, 2025, we completed the TKRM Business and Assets Acquisition, pursuant to which we acquired from TKRM two additional double frequency blocks of 5 MHz of bandwidth in the 2,100 MHz frequency, the License MT-CEL 01/2007 being amended accordingly.

800 MHz 2600 MHz license

In July 2015, we purchased 30 MHz of bandwidth in the 2600 MHz frequency spectrum from 2K Telecom for €6.6 million. The 2600 MHz license issued by ANCOM on July 26, 2013 under No. MT-CEL 05/2013 was initially awarded

to 2K Telecom following an auction process carried out in September 2012 and is valid for a period of 15 years, commencing on April 6, 2014, being last amended on December 16, 2022. As the holder of the license, we may use any technology permitted for the 2600 MHz TDD frequency band under the national table of attributing radio frequencies and in accordance with national and European Union laws.

In November 2021, following a public auction process, we were awarded frequency rights in the 800 MHz (1 block 2x5 MHz), 2600 MHz (4 blocks 2x5 MHz - FDD) and 2600 MHz (1 block 15 MHz - TDD).

In November 2022, following another public auction, ANCOM designated the Issuer as winner of the frequency rights in the 2600 MHz (4 blocks in 2x5 MHz - FDD) and 3400-3800 MHz (5 blocks in 10 MHz - TDD) bands.

On October 1, 2025 we completed the TKRM Business and Assets Acquisition, pursuant to which we acquired from TKRM two additional double frequency blocks of 5 MHz of bandwidth in the 2.600 MHz frequency, the License MT-CEL 05/2013 being amended accordingly.

3700 MHz license

Following an auction process carried out in October 2015, we were awarded five unpaired blocks of 10 MHz in the 3700 MHz bandwidth, valid for a period of ten years commencing on January 1, 2016. The license for this frequency block was issued by ANCOM on December 16, 2015 under No. FX-CFM 04/2015, last amended in April 23, 2020 and during the auction held by ANCOM in 2022 the license was renewed until 2047. As the holder of the license, we may use any technology permitted for the 3700 MHz TDD frequency band, in accordance with national and European Union laws.

Other spectrum licenses

In order to provide services to corporate customers located on the outskirts of cities, who are not immediately reachable by our fiber network, and until we can expand our fiber network to the respective locations, we sometimes use the 2.4 GHz spectrum, which has been declared free for certain applications by ANCOM. See also “—*Television and Radio Services—Licenses—Satellite Spectrum License.*”

In addition to a Spectrum License, operators of mobile telecommunication networks must obtain individual authorizations for the assignment of frequencies from ANCOM for every individual base station in their network, which is an integral part of a Spectrum License.

Equipment compliance

The radio equipment and terminals that we use in connection with our Spectrum Licenses are subject to certain regulatory requirements, including those relating to the general conformity of radio equipment and terminals, electromagnetic compliance, human exposure to electromagnetic fields, specific requirements for equipment and systems using the CDMA technology and specific terminals energy absorption rate (“SAR”) requirements. Failure to comply with these requirements constitutes breach of the obligations under the General Authorization and the Spectrum License and may result in sanctions.

We must also comply with certain technical requirements and specifications regarding the quality of the cable networks for distribution of TV and radio signals.

Numbering License

Since telephone numbers are deemed limited resources, both fixed and mobile telephony service providers having a General Authorization are required to obtain a Numbering License in order to use numbering resources from the National Numbering Plan. The Numbering License is either issued by ANCOM, or, alternatively, acquired from an existing license holder in accordance with the conditions expressly provided under ANCOM decision.

Telephone numbers are granted by ANCOM upon request, and depend on certain parameters (e.g., degree of utilization of previously allocated numbers and for certain numbers having an exceptional economic value as determined by ANCOM, following competitive or comparative selection procedures). Numbering Licenses are granted for a limited period of time (ten years) and a new Numbering License may be successively renewed for the same period.

Certain obligations may be imposed on the holder of a Numbering License regarding, among other things, the service for which the numbers may be used, obligations designed to ensure their effective, efficient and rational use, the portability of numbers and public subscribers’ registries, transfer and duration. Operators also have an obligation to submit annual reports to ANCOM regarding the degree of utilization of the numbering resources allocated. In the event ANCOM determines that the operator has not used the allotted numbering blocks during the preceding 12 months (prior to June 2013, the relevant term was nine months), it may suspend or withdraw the operator’s Numbering License with respect to the unused numbering blocks.

We have not activated all the numbers assigned to us in the legal timeframe, and this situation is known to ANCOM, as it is reflected in our reports on use of Numbering Licenses. At the end of 2019, we were notified by ANCOM with respect to the numbers we failed to activate.

Furthermore, ANCOM has imposed fees for the usage of numbering resources, depending on the type of numbers allocated. Decisions imposing such fees are issued each year by ANCOM in November for the following year.

License may be transferred only upon prior consent of ANCOM and provided certain conditions are met. However, the rights to use certain categories of numbering resources granted through numbering licenses may be transferred without prior consent of ANCOM (but this authority still needs to be notified in advance by providing certain documents to which it should reply confirming whether the relevant conditions for the transfer were or were not met) provided that certain conditions are met. In this latter case, the holder of the Numbering License must ensure the transferee observes the relevant obligations regarding the use of numbering resources.

We hold Numbering Licenses with validity periods expiring between 2025 and 2034. The numbers that we can use encompass: (i) non-geographical numbers with the “07” prefix, used for telephony services provided at mobile points; (ii) numbers with the “08” prefix, used for general telephony services, including numbers with free access for the caller, numbers for services with atypical traffic, numbers for indirect access to services and numbers for access to data transmission and internet numbers; (iii) numbers with the “03” prefix (geographical numbers, numbers independent of location and short numbers), used for telephony services provided at fixed points; (iv) short numbers (e.g., 118881); and (v) numbers with the “09” prefix (non-geographic numbers with special tariffs), used for gaming, general information and entertainment (including adult entertainment).

According to ANCOM Decision No. 144/2006 regarding the portability of numbers, all providers of electronic communications services need to implement a system ensuring the portability of numbers. On January 18, 2008, ANCOM Decision No. 3444 of 2007 on the technical and commercial conditions implementing the above decision was published in the Official Gazette of Romania. All of our interconnection agreements have been amended accordingly so as to be compliant with legal portability provisions. We currently comply with portability requirements in our business relations with other operators.

Signalling Points License

In order to provide services under our Spectrum Licenses, we also require an authorization issued by ANCOM for the use of identification, signalling and routing codes (the “**Signalling Points License**”). The Signalling Points License is issued for an indefinite duration. The Signalling Points License is issued following an open, transparent, non-discriminatory and proportional procedure, upon request, in general if it is necessary for the functioning of the network of the requesting operator. A Signalling Points License is issued to a specific operator and for a specific network and, therefore, it is generally non-assignable. In special cases, the Signalling Points License may be transferred for justified reasons and only to a person already holding a General Authorization and with the prior approval of ANCOM. The transfer may take place only if the transferee takes over entirely or partially the transferor’s network, regardless of the legal take-over method used. The grant of Signalling Points Licenses creates the obligation for operators to report to ANCOM within one month from the date of activation on the effective use of the signalling points. Operators must also inform ANCOM in the event they undergo mergers or spin-offs.

In 2003, we were granted, by ANCOM Decision No. 1363/EI of December 8, 2003, a Signalling Points License for using eight national signalling point codes and two international signalling points codes. By ANCOM Decision No. 96/EI of April 21, 2005, we were granted eight other national signalling points codes and one other international signalling points code. We have not always complied with the obligation to activate signalling points within six months since the decision granting them has been communicated to us. However, all such signalling points codes are currently activated and in use and we have not been subject to any sanctions by ANCOM for late activation of signalling points.

The additional Signalling Points License granted to us through ANCOM Decision No. 1877/EI of April 23, 2007, issued for an unlimited duration, allows us to use certain international signalling points codes on the Romanian territory, for interconnection with public electronic communications networks from outside Romania.

In 2008, through ANCOM Decision No. 893 of October 1, 2008, we obtained an additional Signalling Points License which allows us to use certain national signalling points codes for interconnection with other electronic communications networks. We had an obligation to activate a significant number of signalling points within six months from receipt of the decision. We have not timely complied with this obligation as we have experienced delays in activating certain points, while other signalling points are still inactive. By Decision No. 176/3 March 2009, the president of ANCOM approved the assignment of eight national signalling point codes from the company Netpoint S.R.L. to us, which were not activated on time. Another set of eight signalling points codes out of which 10% are still inactive, were granted to us by ANCOM Decision No. 360 of May 10, 2010.

By Decision No. 893/1 October 2008, we were permitted to use four routing numbers in the portability process and by Decision No. 177/10 March 2009, we were permitted use of two routing numbers in the portability process. According to these decisions, we were required to, and did comply with, certain related obligations, including activating the routing numbers and activating the network identification number within six months of allocation and notifying ANCOM accordingly. Pursuant to Decision No. 207/22 March 2010, we were granted a network identification number.

Data Protection Regime

Our activity in connection with personal data is governed by Romanian general and electronic communications sector-specific data protection legislation, which is generally in line with the applicable European Union directives. Sector-specific obligations include those related to the security of personal data processing, the use of traffic data only for specific limited purposes, confidentiality of communications and traffic data, invoicing, caller identity, processing of location data, and undertaking of direct marketing activities, automatic call forwarding and directories of subscribers. Following the recent entry into force of the GDPR, breaches of general data protection legislation may result in fines which could amount up to €20 million or 4% of the total worldwide turnover corresponding to the previous financial year.

The National Supervisory Authority for Personal Data Processing has issued certain warnings, provided for certain remedial measures and imposed immaterial monetary sanctions on us for breaches of general data protection legislation, especially in relation to the type of data that we process.

Following the entry into force of the GDPR, we have made and continue to make adjustments to our policies and procedures to ensure full compliance. As of the date of this prospectus, we strive to remain as compliant as possible with the GDPR in the countries where we operate, while continuing to monitor regulatory developments and adapt accordingly. However, we remain subject to the interpretation of data protection requirements by local authorities in the jurisdictions where we operate. Accordingly, we cannot provide assurance that the changes we have already implemented, as well as those we plan to implement in the future, will fully align with the way in which authorities interpret the GDPR requirements.

Sanctions in Relation to Electronic Communications Networks and Services and to Telephony Services

The December Ordinance also increased the value of the fines payable by operators for breaches of the obligations imposed on them. Thus, operators with an annual turnover of more than RON 3 million are punishable by fines of up to 5% and, in the event of repeated breaches, up to 10% of the breaching operator's turnover as per the last financial statements reported by the operator. Breaches subject to these sanctions include breaches of the obligations set out under the General Authorization, Spectrum License or Numbering License, certain obligations set out in the Framework Ordinance or any obligations set out by the regulations under the Framework Ordinance.

The December Ordinance also introduced a new fine for using radio spectrum without a license. In this case, following the latest amendments, the applicable fine is 0.1% of the turnover from the previous year and it is due for every day of using radio spectrum without a license, starting with the first day of the applicable due date (the initial fine provided by the December Ordinance was of 0.1% of the turnover from the previous year, registered at the level of the NAC branch of activity where the electronic communication activity was included).

If ANCOM becomes aware of a breach by an operator of its legal obligations, it must generally give such operator a grace period for submitting a point of view in relation to the breach, following the lapse of which it may impose sanctions. ANCOM may impose sanctions even if the operator complies with and remedies the breach within the applicable grace period. In the case of specific serious breaches, such grace period is not applicable. In the event of repeated or serious breaches (e.g., failure to pay the monitoring tariff, the tariff for the usage of the radio spectrum or the numbering tariff within a certain period as of the applicable due date or breach the obligation to submit financial statements to ANCOM within the required timeframe), ANCOM may suspend or withdraw the General Authorization, the Numbering License, the Spectrum License or the right to use technical resources of the relevant operator, as applicable.

ANCOM may also order the infringing operator to cease the offending activity and impose any measures necessary for its remedy or, in the case of access or interconnection obligations, suspend or postpone the provision of a service or a package of services, if it deems such service(s) may distort competition.

In case of certain breaches, ANCOM may apply administrative fines in an amount of up to RON 30,000 per day of delay until the breach is cured.

If an operator loses its General Authorization, it automatically loses its Spectrum Licenses and Numbering Licenses. Furthermore, any entity that has lost the right to operate a network or provide electronic communication services may not operate under another General Authorization for a period of three years from the date of the withdrawal of such rights.

Other Obligations Related to Telecommunications Services

Under applicable law, specific categories of disadvantaged persons (such as physically disabled persons) have the right to benefit from special tariffs and customer relations facilities for fixed and mobile telephony and internet. Obligations imposed by ANCOM in this respect to date are immaterial to us as they are no more onerous than the contractual obligations we normally undertake.

SPAIN

In Spain we offer mobile services as a Mobile Network Operator (MNO) (using our own mobile network and Telefonica's mobile network by means of the RAN Sharing Agreement between the parties) as well as fixed internet and data, Pay TV and fixed-line telephony services through our own XGSPON FTTH network and Telefónica's fixed line fibre network.

Electronic Communications Networks and Services

The provision of electronic communications services and networks in Spain is primarily regulated by Law 11/2022, of June 28, General Telecommunications Law (the "**Telecommunications Law**").

The Telecommunications Law is supplemented by secondary legislation, which generally consists of regulations issued by the competent authorities in the sector, as well as royal decrees and ministerial orders adopted by governmental bodies with related responsibilities. The main authorities involved in the regulation and supervision of the sector are the Secretariat of State for Telecommunications and Digital Infrastructures (SETID, under the Ministry for Digital Transformation and the Civil Service) and the National Commission on Markets and Competition (CNMC).

Spanish primary legislation also includes provisions governing the deployment of physical infrastructure for electronic communications networks and measures aimed at reducing the cost of their rollout, which transpose the requirements set out in European Union law, particularly those derived from the European Electronic Communications Code (EECC).

Relevant Regulatory Authorities

The main regulatory authorities in the field of electronic communications services and networks in Spain are the SETID and the CNMC.

The SETID is responsible, among other tasks, for developing and implementing government policies and strategies in the electronic communications and digitalisation sectors. In this capacity, it establishes and coordinates national policies, strategies, and regulations in line with the Spanish Government's overall objectives for the electronic communications sector, ensuring consistency with the European Union framework. SETID also holds responsibility to protect consumers rights in the telecommunication sector.

The CNMC is an independent public authority entrusted with regulatory and supervisory functions in the field of electronic communications, as well as other industries and also in the field of market competition. Its main competences in the telecommunication sector include:

- ensuring effective competition in the electronic communications markets by defining relevant markets, conducting market analysis, assessing whether operators hold significant market power, and imposing obligations where appropriate;
- regulating wholesale and retail market conditions, including access and interconnection obligations;
- monitoring compliance with regulatory obligations and, where necessary, imposing sanctions;
- setting and supervising conditions related to the general authorisation regime for the provision of electronic communications networks and services;
- managing and allocating numbering resources and ensuring their efficient use;
- setting and monitoring tariffs and fees linked to regulatory obligations, such as contributions to the financing of the universal service;
- resolving disputes between operators regarding access, interconnection, and other regulatory issues; and
- advising the Government and cooperating with European and international institutions on regulatory matters in the field of telecommunications.

General Authorization

In Spain, access to the general authorisation regime for the supply of electronic communications networks and services is notification-based. Pursuant to the Telecommunications Law, any natural or legal person intending to install or operate a public communications network or to provide publicly-available electronic communications services in the territory of Spain must, prior to commencing the activity, notify that intention to the "*Registro de Operadores*" (the Register of Operators).

The notification is effected by means of a standardised form and must contain, at minimum, the identifying and contact details of the operator and a short description of the networks and services to be provided (together with the other particulars specified in Article 6). At the request of the registrant, the Register must issue a standardised certificate confirming that the notification has been made. Access to the general authorisation regime takes effect on the estimated commencement date indicated by the operator in the notification (or, if no date is specified, on the date on which the complete notification is submitted).

Registration in the Register of Operators remains in force until one of the extinction or cancellation causes established in the law and its implementing rules applies. However, every three years the operator must notify to the CNMC its intention to maintain the provision of services to which its general authorization/s refers. The inscription is not transferable and any cessation, modification of activity or other prescribed change must be notified to the Register within the statutory time limits. The CNMC administers and maintains the Register and may initiate procedures to extinguish an operator's registration (for example on cessation of activity or for other statutory reasons) in accordance with administrative procedure.

The competent authorities may suspend or cancel an operator's registration or take other enforcement measures where the operator fails to comply with its obligations under the Telecommunications Law or implementing regulations. Such measures are adopted in accordance with the principles of objectivity and proportionality and subject to the applicable administrative procedure and sanctioning regime set out in the Telecommunications Law (which also contemplates urgent enforcement measures and a graduated regime of administrative sanctions for very serious, serious and minor infringements).

Once an operator has complied with the notification/registration requirement, it is bound by the obligations established in the Telecommunications Law and in its implementing regulations and benefits from the rights that the regime confers. Typical rights include (i) the right, insofar as applicable and subject to other legal regimes, to obtain occupation or use rights over public domain and to enter into agreements to deploy and install equipment on third-party property in accordance with the legal rules on access to infrastructure; (ii) the right to negotiate and conclude interconnection and access agreements with other authorised providers; (iii) the possibility of being designated, in procedures established by the SETID and the CNMC, to provide elements of the universal service; and (iv) the ability to request assignment or use of numbering resources and, where required, rights to use radio-electrical public domain (spectrum) in accordance with the procedures laid down by the Telecommunications Law.

The principal obligations applicable under Spain's General Authorization regime include (without prejudice to other specific duties contained elsewhere in law):

- submission of the annual declarations and payment of statutory fees and rates administered by the CNMC (including the general operator fee and fees related to numbering and spectrum), determined in accordance with the Telecommunications Law and its implementing regulations;
- compliance with duties concerning negotiation of interconnection and access and, where applicable, with access and interconnection obligations imposed following market analysis;
- co-operation with lawful sharing obligations for premises and infrastructure where required by law or authorisation conditions;
- obtaining all licences, permits and authorisations required under environmental, planning and building law for the installation of network facilities;
- lawful processing of personal data and compliance with data-protection obligations when handling end-user data;
- enabling lawful interception in accordance with the conditions and procedures established by law;
- measures to ensure continuity and resilience of service (including obligations to prevent and mitigate harmful interference and to provide access in exceptional circumstances such as major disasters);
- compliance with rules on the use of spectrum and numbering resources (the award, assignment and conditions of use of which are governed by the procedures in the Telecommunications Law); and
- reporting duties to the Register and to the competent authorities within specified timeframes (for example, notification of the services and networks deployed, changes to the information provided in the original notification, renewal, quality-of-service data, certain contractual documentation and periodic financial information).

The SETID and the CNMC may, on a non-discriminatory, proportionate and transparent basis, establish specific rights and obligations for operators of particular categories of networks or services. Finally, registration under the General Authorization regime is a prerequisite for obtaining other statutory rights where required (for example, assignment of numbering resources or the grant of exclusive or privative rights to use spectrum).

DIGI Spain holds several General Authorization, issued by CNMC, for the following services: Full MNVO, fixed telephone service, fixed networks provider, data transmission, Broadcast Broadband TV and mobile network provider through its subsidiary DSMN.

Interconnection

Interconnection in Spain is governed by the Telecommunications Law and by the regulatory framework and decisions adopted by the CNMC. The CNMC may, following the market-analysis procedure established by the Telecommunications

Law, designate one or more operators as having significant market power (SMP) in a given reference market and impose on those operators' specific obligations aimed at securing effective competition and access. Typical remedies applicable to SMP operators include transparency requirements in relation to interconnection tariffs and contracts (including the publication of a reference offer), obligations to provide interconnection and access services to other providers, non-discrimination duties, accounting-separation and related cost-accounting obligations, and the setting of maximum or cost-oriented wholesale tariffs where justified by the market analysis.

Where the CNMC concludes, on the basis of its market analysis, that there is a lack of effective competition in a particular market (including termination markets), it may require that operators apply cost-oriented tariffs. Any such obligations must be proportionate, adequately justified and imposed in accordance with the procedures prescribed by the Telecommunications Law, which envisage public consultation and (where required by EU rules) notification and coordination with the European institutions and other national regulatory authorities.

The Telecommunications Law includes tailored provisions applicable to vertically integrated operators designated as having SMP. Such undertakings must notify the CNMC of any planned transfer of all or a substantial part of the assets concerned or of any intention to incorporate a new entity intended to provide equivalent access services to retail operators. In order to secure effective and non-discriminatory access for third parties, the operator may offer binding or non-binding commitments that detail the access conditions that will apply for a defined period following the implementation of the proposed transaction or structural change. The CNMC will assess the effects of the notified measures and any offered commitments and, within the statutory term provided by the Telecommunications Law, may impose, maintain, modify or withdraw one or more specific obligations or give binding effect to the commitments offered (in whole or in part).

Finally, as regards wholesale termination tariffs, Spain (like all Member States) is subject to the Commission's delegated regulation establishing single maximum Union-wide voice-call termination rates. That delegated act establishes a glide-path for mobile termination and fixes a Union-wide ceiling for fixed termination; in particular the EU regulation sets the single maximum mobile voice termination rate to reach €0.002 (0.2 eurocents) per minute by 1 January 2024 and establishes the Union-wide fixed voice termination rate (as set out in the delegated regulation). The CNMC remains responsible for supervising compliance with those Union-wide rules by all the Spanish operators, and, in the absence of EU-level caps (or where national circumstances so require), for imposing cost-oriented termination rates in accordance with the criteria set out in the Telecommunications Law and applicable EU rules.

Universal Service Obligations (USO)

The concept of Universal Service is defined in the EU Universal Service Directive (Directive 2002/22/EC) as the provision of a defined minimum set of services to all end-users at an affordable price, administered in a transparent, non-discriminatory and competitively neutral manner and no more burdensome than necessary for the type of universal service defined by the Member State. In Spain, the provisions of EU law are implemented and updated by the Telecommunications Law, which defines the scope and rules for the Universal Service and empowers the Government to determine, by Royal Decree, the specific services that form part of the Universal Service and the terms for the designation of the provider(s).

In practice, and as currently implemented, the principal components of Spain's Universal Service include at least: (i) a connection to the public electronic communications network from a fixed location with broadband capacity (the Telecommunications Law currently sets a minimum downstream speed of 10 Mbps for that access); and (ii) voice communication services provided via a fixed underlying connection. The regulatory framework also contemplates affordability measures (including the possibility of a social tariff or "abono social") and accessibility obligations for vulnerable users.

The procedure for designating the operator(s) responsible for delivering the Universal Service is governed by the Telecommunications Law and secondary rules. The Telecommunications Law contemplates a public-tendering regime to appoint the designated provider(s) (to be regulated by Royal Decree), and permits voluntary offers by operators; where no voluntary candidate or successful tender emerges, the competent authority may proceed to designate an operator by administrative act in accordance with the statutory procedure. In recent practice the Ministry (acting through SETID for operational matters) and the CNMC have coordinated the designation process; for example, by ministerial order Telefónica de España, S.A.U. has been designated to provide the Universal Service for specified periods (the designation currently extends until 31 December 2026 following the most recent administrative acts).

The Universal Service in Spain is financed through a national compensation mechanism. The Telecommunications Law and implementing practice require that the net cost of Universal Service provision be calculated and approved by the CNMC on an annual basis and that contributions to that cost be borne by operators above a statutory turnover threshold. In particular, operators with annual revenues above €100 million (which includes DIGI Spain) are required to contribute to the Fondo Nacional del Servicio Universal (FNSU).

Audio-visual Media Services

The principal Spanish sources governing radio and television broadcasting and content distribution are the General Audiovisual Communication Law (Law 13/2022) and the transposed provisions of the EU Audiovisual Media Services Directive (AVMSD), together with applicable copyright legislation. Policy, registration and implementation tasks are undertaken by SETID (for administrative and policy matters) while the CNMC supervises economic and market-compliance issues (quotas, financing obligations, certain sanctions).

In Spain, DIGI TV service consists in a platform offering access to third-party linear channels, and some audiovisual on-demand media services (VoD). For such, we have been registered as a platform operator that retransmits third-party linear channels and provides VoD in the State Register of audiovisual service providers established under Law 13/2022, managed by SETID. Also, given the retransmission relies on electronic communications networks the corresponding authorisation under the Telecommunications Law have also been obtained and registered with the CNMC.

Additionally, retransmission of third-party linear channels requires that the platform operator holds or documents valid rights to retransmit each channel (via direct-contractual authorisation from the rights-holders or by means of appropriate collective-rights licences where applicable). DIGI Spain has signed licensing contracts with up to 60 rights-holders.

The General Audiovisual Communication Law enshrines a number of sectoral obligations comparable to other Member States: limited “must-carry” duties (notably in favour of public and certain local/regional services), content quotas and promotion obligations for European works (notably a minimum catalogue share for on-demand services and strengthened linear quotas for European works), obligations on accessibility and consumer protection (including expanded captioning/audio description duties), and rules limiting the exercise of exclusive rights for events of major societal importance so as to preserve free-to-air access where required, as well as meeting copyright duties. However, given that DIGI TV service in Spain is currently a mere platform offering content and channels owned by third-parties, some of these obligations are applicable only to those third-parties that hold the editorial responsibility over their channels and content.

Non-compliance with registration, rights-clearance, quota, accessibility or consumer-protection duties exposes the operator to administrative sanctions under Law 13/2022 and related rules (fines, corrective orders, temporary suspension of services and other measures). SETID and the CNMC may coordinate supervision and enforcement depending on the nature of the infringement (technical/network issues vs. market/competition or quota matters).

Network Deployment

The deployment of telecommunications networks in Spain is governed by the Telecommunications Law and complemented by Royal Decree 330/2016, which implements in Spain Directive 2014/61/EU on measures to reduce the cost of deploying high-speed networks. Together, these regulations grant extensive rights to operators to facilitate the rapid rollout of next-generation infrastructure.

The core principle of the regulation is the right of the operators to occupy public and private property to deploy their networks. This includes installing cables, antennas, equipment, and other associated resources. Operators have a legal right to access and use public domain infrastructure (such as ducts, conduits, and poles) under transparent, fair, and non-discriminatory conditions. This right of access extends to existing physical infrastructure owned by other entities, not limited to telecom operators. Under the provisions of Royal Decree 330/2016, operators can request access to any suitable infrastructure, such as the ducts of utility companies (energy, transport, water), to deploy their fibre optic cables. This deployment model is intended to reduce the costs and inefficiencies associated with duplicative civil works, accelerating network availability in exchange for a fair and reasonable fee.

In some particular cases this access obligation is materialised through regulated wholesale offers, the most significant of which is the MARCo (Wholesale Offer of Access to Registers and Conduits) from Telefónica de España. Regulated by the CNMC, MARCo obliges Telefónica to provide other operators with access to its extensive network of underground ducts, chambers, and poles. This allows alternative operators to deploy their own fibre networks by leveraging the incumbent's existing civil works infrastructure, a mechanism that has been fundamental to the competitive expansion of fibre-to-the-home (FTTH) services across Spain. DIGI Spain is adhere to the MARCo offer and is extensively using Telefónica's civil infrastructure to deploy its FTTH network.

At the municipal level, the legal framework to deploy telecommunication networks has significantly reduced bureaucratic burdens. Instead of individual licenses permits, operators can now submit a comprehensive deployment plan to the local authority which outlines the intended network rollout, providing municipalities with a clear overview of the planned works. Once the general deployment plan is approved, the enabling title for executing the actual civil works is a “declaración responsable” (responsible declaration), by means of which the operator declares under its own responsibility that the planned works comply with all applicable technical and legal regulations. This allows work to commence without waiting for explicit authorization, although the municipality retains its powers of inspection and sanction in case of non-compliance.

Spanish Market Unity Law (Law 20/2013) is also relevant to facilitate network deployments. Municipalities retain their competence to regulate works on public domain but cannot use this power to create barriers to such deployment. Any refusal to grant access must be proportionate, non-discriminatory, and justified by an overriding reason of public interest, such as public security or environmental protection. An arbitrary refusal can be challenged before the CNMC and the courts, ensuring that local ordinances do not unjustifiably obstruct the national goal of widespread high-speed connectivity.

For mobile network deployment, similar principles apply. While the installation of masts and antennas may involve specific urban planning and environmental considerations, the “*declaración responsable*” is also the standard enabling title, replacing the need for prior municipal licenses in most cases. This approach ensures that both fixed and mobile network rollouts benefit from a simplified, predictable, and pro-investment regulatory environment, fostering Spain's position as a leader in digital infrastructure.

Radio spectrum

Since radio frequencies are scarce resources, the Spanish Telecommunications law has declared that spectrum is public property of the state. Therefore, the law emphasizes that spectrum management must ensure efficient use and public benefit, for example by extending broadband coverage, enabling new technologies, preventing harmful interference, and promoting spectrum sharing where practical.

SETID is the public authority in charge of the day-to-day management of spectrum, prepares and updates the national frequency plan (the CNAF, *Cuadro Nacional de Atribución de Frecuencias*) and the technical plans for broadcast services, establishes the technical operating conditions of each band, and grants the spectrum licenses (*títulos habilitantes*) in accordance with the law.

There are different spectrum licensing mechanisms, adapted to the resource and type of service. In principle, any exclusive or limited-use spectrum requires a formal license (*concesión administrativa* or *autorización individual*), while certain shared or low-power uses may be allowed by general authorization or license-exemption. The Telecommunications Law defines three regimes: *uso común* (shared, license-exempt bands), *uso especial* (shared bands with no limit on users, under general authorization), and *uso privativo* (exclusive or limited-use, which requires a license).

General authorizations for certain spectrum uses are granted by SETID via notification; they become effective once the user registers (and pays the fee) under a ministerial order. Individual authorizations are issued case-by-case for non-commercial or very limited uses. All other exclusive-spectrum rights (especially for telecom operators) require a concession issued by Ministerial decision.

When demand must be controlled (e.g. for mobile networks), the Telecommunications Law mandates competitive procedures. If the number of licenses in a band is to be limited, SETID must hold a public tender (auction or comparative contest) following a published call for bids. These procedures are based on objective, transparent and non-discriminatory criteria. The tender itself is governed by a regulatory “*pliego*” (terms of reference) approved by Ministerial order. The tender objectives may include promoting competition, coverage or quality, efficient spectrum use, and innovation. Once decided, the award is published by SETID.

SETID also monitors spectrum use: it checks emissions to detect interference or unauthorized use, inspects compliance with license conditions, and even conducts “active protection” broadcasts on unused frequencies if needed. It also is responsible for renewal, modification or revocation of spectrum licenses, subject to the law’s procedural safeguards.

License durations are fixed by law. In the case of spectrum licenses with limited entrants (e.g. commercial cellular networks), the tender’s terms (duration and any extension rights) must be determined in the auction rules. According to the Telecommunications Law the minimum term is 20 years, and allows one single extension of 5 to 20 years beyond the initial term to allow cost amortization, at the regulator’s discretion. Any renewal or extension is conditional and subject to a formal procedure: at least two years before expiry SETID assesses whether to renew or re-auction, holding a public consultation and seeking a CNMC report. The renewal process must be open and transparent, giving all stakeholders a chance to comment and requiring public justification of any renewal decision. In practice, renewals are granted only if the incumbent has met its investment, coverage and service obligations and no new market competitor demonstrates unmet demand.

Secondary market transfers of spectrum rights are permitted under the Spanish Telecommunications Law, which explicitly allows licenses to be transferred, leased or shared (totally or partially), subject to conditions set by regulation. Any such secondary-market operation requires SETID authorization. The rules may impose conditions to prevent anti-competitive results. For instance, the law authorizes setting limits on how much spectrum one operator can hold (Spectrum Cap), or temporarily blocking trade after an award, to deter speculation. Transfers cannot violate competition law, and the CNMC must be consulted if a proposed trade might harm market structure.

Spectrum rights-holders must comply with all technical and service conditions attached to their license and are also mandated to the efficient use of the spectrum. This typically means deploying the frequencies in accordance with the national plans and meeting any coverage or quality targets set in the license. All radio facilities require prior technical approval or

declaration to ensure conformity with the license terms. Where justified, the government may also impose specific obligations, for example, build-out milestones, coverage obligations, or requirements to share passive infrastructure. The law even allows imposing active-sharing or roaming obligations in under-served areas to improve connectivity. Finally, spectrum licensees also have the obligation to pay the prescribed fees and taxes (regulatory fees and any transfer taxes) and failure to pay the spectrum reservation fee or transfer tax can lead to license extinction.

A Spectrum License naturally expires when its term runs out or when the licensee surrenders it. It can also be terminated by law in cases like the holder's death or insolvency. Also, SETID may revoke, suspend or modify a Spectrum License for cause, for example, in case of lack of efficient use, serious breach of the obligations imposed, or using the frequencies for any purpose other than the authorized service (absent a regulatory exception). Revocation follows the general administrative sanctions procedure (with notice and hearing rights).

1800 – 2100 - 3500 MHz licenses

On 11 December 2023 Digi Spain concluded a spectrum transfer agreement (the "Spectrum Transfer Agreement") with respect to the transfer from Xfera Móviles, S.A. (part of MasMovil Group) and acquisition by Digi Spain of the spectrum licenses for the private use of the radioelectric public domain related to certain sets of blocks of frequencies (2 x 10 MHz in the 1,800 MHz band, 2 x 10 MHz in the 2,100 MHz band and 20 MHz in the 3,500 MHz band) (the "Spectrum Licenses").

The Spectrum Transfer Agreement was concluded in the context of the merger control proceeding directed by the European Commission (Case M.10896 - OSP/MásMóvil/JV) for the approval of a concentration whereby Lorca JVCo Limited (MasMovil) and Orange, S.A. (Orange) have created and acquired joint control over a full function joint venture (MasOrange) comprising their respective Spanish telecommunications operators, as part of the commitments offered by such parties.

After completion of the transaction between Orange and MasMovil, on 4 July 2024 DS Mobile Networks (DSMN), an affiliate of Digi Spain, obtained from SETID the authorizations to acquire the Spectrum Licenses agreed as remedies, and on 18 October 2024 the completion of the Spectrum Transfer Agreement was accomplished, therefore DSMN acquiring full title on the Spectrum Licenses, pending for Xfera to migrate those subscribers and antennas that were using the transferred spectrum frequency blocks. From July 1, 2025 DSMN has full title and also full use of the frequency blocks under its granted Spectrum Licenses, after Xfera notifying the finalization of the technical migration process in accordance with the Spectrum Transfer Agreement.

The authorizations granted by SETID state that the acquisition of the Spectrum Licenses by DSMN imply that DSMN shall assume all the rights and obligations of the previous licensee (Xfera) arising from the frequencies subject to transfer from the moment the transfer becomes effective. Typically, this means assuming certain coverage obligations as follows:

- The 2100 MHz Spectrum License imposes certain coverage obligations on municipalities with more than 250,000 inhabitants that must be fulfilled within one year of acquiring effective use of the spectrum.
- The 3500 MHz Spectrum License imposes certain coverage obligations on municipalities with more than 250,000 inhabitants that must be fulfilled within one year of acquiring effective use of the spectrum.

The 1800 MHz Spectrum License does not impose any coverage obligations.

As the holder of the Spectrum Licenses, DIGI Spain (through its affiliate DSMN) may use any technology permitted for the frequency band under the CNAF and in accordance with national and European Union laws.

The 1800 MHz Spectrum License is valid until December 31, 2040 and it may not be further extended.

The 2100 MHz Spectrum License is valid until April 18, 2040 and it may not be further extended.

The 3500 MHz Spectrum License is valid until April 18, 2040 and it may not be further extended.

National Roaming Agreement and RAN Sharing Agreement with Telefónica

On 9 July 2024, Digi Spain, through its subsidiary DSMN entered into a national roaming agreement (the "NRA") and a RAN sharing agreement (the "RAN Sharing Agreement") with Telefónica Móviles España, S.A.U. ("Telefónica"). These agreements are intended to replace starting with January, 1 2025 the existing MVNO agreement concluded between DIGI Spain and Telefónica. Under the RAN Sharing Agreement, the parties agree to also share the mobile spectrum owned by both of them in Spain, in the 3500 MHz frequency band.

On December 27, 2024 the parties to the referred agreements obtained all the applicable regulatory approvals in order for the agreements to become effective.

Starting January 1, 2025, the NRA and the RAN Sharing Agreement have entered into force and are effective until 31st of December 2040.

Equipment compliance

The equipment that DIGI Spain uses in connection with its General Authorization and Spectrum Licenses are subject to certain regulatory requirements, including those relating to the general conformity of radio equipment and terminals, electromagnetic compliance, human exposure to electromagnetic fields. Failure to comply with these requirements constitutes breach of the obligations under the General Authorization and the Spectrum License and may result in sanctions.

Security and resilience

In Spain operators must comply with both EU and national regulations on telecoms security. At EU level, NIS2 (Directive (EU) 2022/2555) imposes strengthened cybersecurity, governance and incident-reporting duties on covered entities. This Directive is currently being transposed into Spanish law. Additionally, the European 5G Security Toolbox remains the policy reference for common mitigation measures. At Spanish national level, the Telecommunications Law coexists with a specific 5G security regime introduced by Real-Decreto-ley 7/2022 and the implementing Esquema Nacional de Seguridad de redes y servicios 5G (ENS5G) approved by Real Decreto 443/2024; together these instruments impose supplier-risk controls, technical and organisational security measures and mechanisms for periodic review.

Operational responsibilities are allocated among SETID (policy, authorisations and sectoral coordination), the national cybersecurity authorities (DSN / CCN / CNI for technical coordination and incident response). The ENS5G regime establishes institutional arrangements (including 5G security operations centres) and supervisory powers that complement the supervisory architecture foreseen in the NIS2 transposition.

Covered operators, including DIGI Spain and all other operators providing 5G services, and certain suppliers must implement proportionate, documented risk-management programmes, supply-chain controls (supplier assessment, diversification and contractual safeguards), technical security baselines and audit/conformance measures; the national 5G rules explicitly require supplier security audits, mitigation for high-risk vendors and the use of adequate assurance/certification in critical network elements. DIGI Spain has filed with SETID the corresponding risk analysis and reports regarding its supply-chain controls.

The Telecommunications Law also provides for the cooperation of operators to ensure smooth legal interception, data retention and data disclosure. Applicable regulations require operators to cooperate with the national security services, notify any events affecting the security of the service or network. Furthermore, subscribers must be notified of any event that threatens the security of the information contained in the provided service or the network.

Numbering and Signalling Points Rights

Since telephone numbers are deemed limited resources, both fixed and mobile telephony service providers having a General Authorization are required to obtain a Numbering License granted by CNMC.

Telephone numbers are granted by CNMC upon request, and depend on certain parameters (e.g., degree of utilization of previously allocated numbers and for certain numbers having an exceptional economic value as determined by CNMC, following competitive or comparative selection procedures).

Certain obligations may be imposed on the holder of a Numbering License regarding, among other things, the service for which the numbers may be used, obligations designed to ensure their effective, efficient and rational use, the portability of numbers and public subscribers' registries, transfer and duration. Operators also have an obligation to submit annual reports to CNMC regarding the degree of utilization of the numbering resources allocated. In the event CNMC determines that the operator has not used the allotted numbering blocks, it may suspend or withdraw the operator's Numbering License with respect to the unused numbering blocks.

DIGI Spain has activated and is using all the numbers that have been assigned to us.

In order to provide our electronic communication services, we also require to be assigned by CNMC with signalling and routing codes (the "Signalling Points"). The Signalling Points are assigned for an indefinite duration for as long the operator is authorized (and registered) to provide the electronic communication services for which those Signalling Points are need. The Signalling Points are issued following an open, transparent, non-discriminatory and proportional procedure, upon request, in general if it is necessary for the functioning of the network of the requesting operator. Signalling Points are issued to a specific operator and for a specific network and, therefore, they are generally non-assignable.

Data Protection Regime

Personal data processing in the Spanish electronic communications sector is primarily governed by the EU General Data Protection Regulation (GDPR), the Spanish Data Protection and Digital Rights Act (Law 3/2018), and sector-specific provisions under the Telecommunications Law. Oversight is exercised by the Spanish Data Protection Agency (AEPD), while the CNMC and SETID hold complementary responsibilities in matters concerning the confidentiality of communications and

security obligations. Breaches of the GDPR or sectoral rules may result in severe administrative sanctions, including fines of up to €20 million or 4% of annual global turnover.

Telecommunications operators must ensure that the processing of personal data—particularly traffic, location, and communications data—is limited to legitimate purposes such as service provision, billing, fraud prevention, or compliance with legal duties. Data must be deleted or anonymised once no longer necessary, and operators are required to adopt technical and organisational measures ensuring confidentiality and integrity. The appointment of a Data Protection Officer and the maintenance of internal records of processing activities are mandatory for telecommunications operators.

In the event of personal data breaches, operators must notify the AEPD within 72 hours and inform affected individuals when the risk is significant. Transfers of personal data outside the European Economic Area must rely on recognised safeguards such as Standard Contractual Clauses or approved Binding Corporate Rules. Additionally, operators must cooperate with law-enforcement and national security authorities in accordance with the Telecommunications Law, ensuring that any disclosure or interception is lawful, proportionate and duly authorised.

DIGI Spain has made and continue to make adjustments to its policies and procedures to ensure full compliance.

Sanctions in Relation to Electronic Communications Networks and Services

In Spain, the sanctioning regime applicable to electronic communications networks and services is governed primarily by the Telecommunications Law, complemented by the regulation and relevant CNMC and SETID resolutions. The Spanish framework establishes a proportional system of administrative sanctions depending on the seriousness of the infringement (classified as very serious, serious, or minor). Fines may range from up to €20,000 for minor breaches, to up to €2 million for serious breaches, and up to €20 million or 5% of the operator's annual turnover for very serious breaches.

Very serious infringements include, among others, the provision of electronic communications services without the required General Authorization, Spectrum License, or Numbering Rights; the unauthorized use of radio spectrum; the repeated or intentional breach of obligations related to public security, network integrity, or lawful interception; and the obstruction of supervision or inspection activities conducted by SETID or CNMC. Repeated infringements, or those posing serious risks to users or to national security, may additionally result in the suspension or withdrawal of the General Authorization or other licenses.

Before imposing a sanction, the competent authority must open an administrative procedure and grant the operator the opportunity to submit observations. However, in cases of urgent or repeated breaches—particularly those affecting public safety, emergency communications, or interference with spectrum use—the administration may adopt precautionary or immediate suspension measures. Operators may also be subject to daily coercive fines where non-compliance persists after an enforcement order.

Limitations to share holding and board appointments, and foreign direct investment screening

Pursuant to Royal Decree-Law 6/2000, of June 23, on urgent measures for the intensification of competition in the markets of goods and services, if an operator of fixed and/or mobile telephone services is formally declared a "main operator" (*operador principal*), neither it, nor any person or entity, if holding more than 3 per cent of the share capital or the voting rights in another main operator in the same market or sector, may exercise the corresponding voting rights in excess of said 3 per cent, nor appoint any board members, in more than one main operator (except if the CNMC authorizes otherwise, provided said authorization does not result in favoring the exchange of strategic information between main operators, nor entail the risk of coordination of their strategic behaviors). The main operator, person or entity incurring in these situations shall inform the CNMC, within one month from it taking place, of the main operator of its choice in which it intends to vote and appoint members without limitation. DIGI Spain has recently been formally declared a main operator in both the market of mobile telephone services and in the market of fixed telephone services, through a Resolution of the CNMC dated September 25, 2025 (published in the State Official Gazette of October 4).

Given the scope of their activities, DIGI Spain, DSMN and DIGI TV are all captured by Article 7 bis of Law 19/2003, of July 4, on the legal regime of capital flows and economical transactions with foreign countries, Sole Transitory Provision of Royal Decree-Law 34/2020, of 17 November and Royal Decree 571/2023, of July 4, on Foreign Investments, which provide for the governmental prior clearance of any direct or indirect investment, by non-EU/EFTA persons or entities (or by EU/EFTA entities if (i) more than 25 per cent of their share capital or voting rights pertain directly or indirectly to a non-EU/EFTA ultimate owner, or when the latter otherwise exercises control over it; or (ii) temporarily until 31 December 2026, when the investment is made in companies listed in Spain, or in unlisted companies if the value of the investment exceeds EUR 500 million), in a Spanish company operating in certain strategic sectors (amongst which, telecommunications and audiovisual) when it entails the acquisition of 10 per cent or more of its share capital, or otherwise implies the acquisition of control over it or a part thereof.

Pursuant to the aforementioned regulations, if any party acquires a stake or voting rights equal to or greater than the above thresholds or control over the relevant Spanish company, such party (i) shall be required to obtain a prior authorisation from the Spanish Council of Ministers according to Article 7 bis of Law 19/2003; and (ii) must after the acquisition file with the Spanish Ministry of Economy, Trade and Enterprise a notification regarding the takeover of the Spanish company by a foreign entity.

MANAGEMENT

DIRECTORS OF THE ISSUER

Issuer's Board of Directors

The Issuer applies a one-tier board structure. The Issuer's Board of Directors is comprised of two Executive Directors and three Non-executive Directors, one of which is an Independent Non-executive Director.

Set out below is an overview of the Issuer's Board of Directors' composition and a summary of certain provisions of the Issuer's Articles and applicable Romanian law concerning its Board of Directors as at the date of this prospectus. The latter summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by, reference to the relevant provisions of Romanian law and the Issuer's Articles.

Current composition of the Issuer's Board of Directors

At the date of this prospectus, the Issuer's Board of Directors is comprised of the Directors listed below:

Name	Age	Position
Serghei Bulgac.....	49	President (Executive Director); Chief Executive Officer
Valentin Popoviciu	51	Vice-President (Executive Director); Business Development Manager of the Group
Dan Ionita	47	Non-executive Director
Mihai Dinei.....	55	Non-executive Director
Bogdan Ciobotaru.....	47	Independent Non-executive Director

Each of the Issuer's current Directors was appointed for a period of four years by the resolution of the general meeting of the Issuer's shareholders on April 19, 2023. The business address of the Directors of the Issuer is: 75 Dr. Staicovici street, 5th district, Bucharest, Romania.

Biographical details of the Issuer's Directors

Serghei Bulgac (President and Executive Director)

Mr. Bulgac is the President of the Issuer's Board of Directors and an Executive Director. He has also served as the Chief Executive Officer of the Issuer since 2015. Prior to becoming the Chief Executive Officer, he was the Chief Financial Officer of the Issuer. Mr. Bulgac joined the Group in 2003. Prior to joining the Group, he worked as a corporate finance associate at European Privatization and Investment Corporation (EPIC) and as a research analyst at Eastbrokers, a brokerage company. Mr. Bulgac graduated from the Bucharest Academy of Economic Studies and holds an MBA degree from INSEAD. His current term as a Director of the Issuer is due to expire in April 2027.

Valentin Popoviciu (Vice-President and Executive Director)

Mr. Popoviciu is the Vice-President of the Issuer's Board of Directors and an Executive Director, a position he has held since 2015. Prior to his appointment to the Issuer's Board of Directors, Mr. Popoviciu had held the position of the Business Development Manager of the Issuer since 1999, after joining the Group in 1998 as a branch manager in our Constanta office. Mr. Popoviciu graduated from the economics faculty of the Constanta—Tomis University in 1997. His current term as a Director of the Issuer is due to expire in April 2027.

Dan Ionita (Non-executive Director)

Mr. Ionita is a Non-executive Director of the Issuer. He currently serves as CFO of the Parent, a role he also held within the Issuer between 2015 and 2019. Prior to becoming the Chief Financial Officer, Mr. Ionita held the position of Finance Manager from 2008, after joining the Issuer in 2007 as Reporting Manager. Prior to that, Mr. Ionita worked at PricewaterhouseCoopers and Arthur Andersen. Mr. Ionita graduated from the Bucharest Academy of Economic Studies in 2001, with degrees in Accounting and Information Systems. Mr. Ionita holds a diploma from the Association of Chartered Certified Accountants ("ACCA"). Mr. Ionita's current term as a Director of the Issuer is due to expire in April 2027.

Mihai Dinei (Non-executive Director)

Mr. Dinei is a Non-executive Director of the Issuer. He has been a member of the Issuer's Board of Directors since 2003 and is the former head of the Issuer's legal department. Mr. Dinei joined the Group in 1999. Prior to joining the Group, Mr. Dinei worked as a course manager and trainer at the Romanian National Institute for Administration. Mr. Dinei graduated from the Faculty of Law of the University of Bucharest in 1997. Prior to studying law, Mr. Dinei served as a professional member of the Romanian Military Navy. His current term as a Director of the Issuer is due to expire in April 2027.

Bogdan Ciobotaru (Independent Non-executive Director)

Mr. Ciobotaru is the Independent Non-executive Director of the Issuer, a position he has held since 2013. Prior to joining the Group, Mr. Ciobotaru held the position of the Head of Financing for Central and Eastern Europe, Middle East & Africa at Renaissance Capital and the position of Executive Director in the Global Capital Markets team at Morgan Stanley in London, where he worked for over ten years. Mr. Ciobotaru graduated from the Bucharest Academy of Economic Studies and holds an Executive MBA from Oxford University. Mr. Ciobotaru's current term as a Director of the Issuer is due to expire in April 2027.

Meetings and voting

The Issuer's Board of Directors can be convened at the Issuer's registered office or at the location mentioned in the convening notice, at least once at every three months, or as often as necessary, by the President of the Issuer's Board of Directors or at the request of minimum two members of the Board of Directors or of the Issuer's Chief Executive Officer.

The members of the Issuer's Board of Directors are appointed by the ordinary general meeting of shareholders, which also appoints from among such members the President of the Issuer's Board of Directors. The President of the Issuer's Board of Directors coordinates the activity of the Issuer's Board of Directors and reports to the general meeting of the Issuer's shareholders. If the President of the Issuer's Board of Directors is not present at the meeting, the Issuer's Board of Directors may empower another Director to act as the President of the Issuer's Board of Directors for the purposes of the particular meeting.

In order to pass a resolution, at least three Directors are required to be present at the meeting and vote. In addition to physical meetings, the Issuer's Board of Directors may conduct business by video-conference or teleconference, or by other means permitted by the law.

Minutes of any meeting include the participants' names, order of deliberations, resolutions taken, number of votes, and separate opinions. They are signed by the President of the Issuer's Board of Directors and at least by another Director and also by the members of the Secretariat of the Issuer's Board of Directors. When prepared, written resolutions are signed by the President of the Issuer's Board of Directors.

Committees

The Issuer's Board of Directors has established the Audit Committee (Mihai Dinei, Dan Ionita, Bogdan Ciobotaru) consisting of two Non-executive Directors, of which one member is the Independent Non-executive Director. At least one member of the Audit Committee must have financial audit background.

The Issuer's Board of Directors may establish other advisory committees consisting of at least two Directors. As at the date of this prospectus, no such additional committees have been established.

Responsibilities of the Issuer's Directors

Under Romanian law, the Issuer's Directors are obliged to exercise their mandate with loyalty, in the best interest of the Issuer, with prudence and diligence. The Issuer's Directors are liable, jointly or individually, as applicable, to the Issuer for any damage arising from their infringement of laws, of the Issuer's Articles and of the resolutions adopted by the general meetings, or from errors made by them in managing the Issuer.

The Issuer's Directors have the following principal responsibilities, among others:

- to approve the Issuer's organizational structure and operational guidelines;
- to ensure the preparation of annual audit reports and submit them for the approval of the Issuer's general meeting of shareholders;
- to ensure the preparation of annual operating reports, business plans and budgets and submit them for the approval of the Issuer's general meeting of shareholders;
- to convene the Issuer's general meeting of shareholders whenever necessary;
- to approve any agreements of the Issuer in excess of thresholds set by the general meeting of shareholders or applicable law;
- to approve any financing arrangements of the Issuer in excess of five years and any related security;
- to set out the rights, obligations and liabilities of the Issuer's employees according to the approved organizational structure;
- to approve annual production, services, research, development and investment programs of the Issuer;
- to set out and agree the Issuer's policies for environmental protection and work safety; and

- to set out the Issuer's marketing strategies.

DIRECTORS OF THE PARENT

The Parent's Board of Directors

The Parent applies a one-tier board structure. The Parent's Board of Directors is comprised of two Executive Directors and five Non-executive Directors, two of which are Independent Non-executive Directors (within the meaning of the Corporate Governance Code of the Bucharest Stock Exchange (the "**BSE Corporate Governance Code**").

Set out below is an overview of the Parent's Board of Directors' composition and a summary of certain provisions of the Parent's Articles (as defined below) concerning its Board of Directors and applicable Dutch law as at the date of this prospectus, as well as relevant information concerning the BSE Corporate Governance Code. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by, reference to the relevant provisions of Dutch law, the Parent's Articles and the BSE Corporate Governance Code as in force as at the date of this prospectus. The Parent's Articles are available in Dutch (together with an unofficial English translation) on the Parent's website.

Current composition of the Parent's Board of Directors

At the date of this prospectus, the Parent's Board of Directors is comprised of the Directors listed below:

Name	Age	Position
Zoltán Teszári	54	President (Non-executive Director)
Marius Varzaru	46	Vice-President (Non-executive Director); Managing Director of DIGI Spain
Serghei Bulgac	49	Executive Director; Chief Executive Officer
Valentin Popoviciu	51	Executive Director; Chief Strategy & Operating Officer (CSSO)
Emil Jugaru	52	Non-executive Director; Head of Sales and Customer Care Business Unit
Bogdan Ciobotaru	47	Independent Non-executive Director
Jose Manuel Arnaiz de Castro ...	65	Independent Non-executive Director

Each of the Parent's current Directors was appointed by the resolution of the General Meeting of the Parent's Shareholders (as defined below) on June 25, 2024. Mr. Teszári, Mr. Bulgac, Mr. Popoviciu, and Mr. Arnaiz de Castro were appointed for a period of four years, while Mr. Jugaru, Mr. Varzaru and Mr. Ciobotaru were appointed for a period of two years. There is no limit on Parent's Directors' reappointments. The business address of the directors of the Parent is: 75 Dr. Staicovici street, 5th district, Bucharest, Romania.

Biographical Details of the Parent's Directors

Zoltán Teszári (President and Non-Executive Director)

Mr. Teszári founded the Issuer in 1996 and is our controlling shareholder. See "*Principal Shareholders.*" Mr. Teszári has been a Director of the Parent since 2000 and his current term as the President of the Parent's Board of Directors and a Non-Executive Director is due to expire in 2028.

Marius Varzaru (Vice-President and Non-executive Director)

Mr. Varzaru has been a Non-executive Director of the Parent since 2013. Mr. Varzaru has been the Managing Director of DIGI Spain since 2008. Mr. Varzaru joined the Issuer in 2005 as a Reporting Manager and was shortly thereafter appointed the Finance Director, a position he held up until 2008. Before joining the Issuer, Mr. Varzaru worked at KPMG. Mr. Varzaru graduated from the Bucharest Academy of Economic Studies in 2001. Mr. Varzaru's current term as Vice-President of the Parent's Board of Directors and Non-executive Director of the Parent is due to expire in 2026.

Serghei Bulgac (Executive Director)

Mr. Bulgac has been a Director of the Parent since 2017 and his current term as an Executive Director of the Parent is due to expire in 2028. For Mr. Bulgac's biographical information see "*—Directors of the Issuer—Biographical details of the Issuer's Directors—Serghei Bulgac (President and Executive Director).*"

Valentin Popoviciu (Executive Director)

Mr. Popoviciu has been a Director of the Parent since 2017 and his current term as an Executive Director of the Parent is due to expire in 2028. For Mr. Popoviciu's biographical information see "*—Directors of the Issuer—Biographical details of the Issuer's Directors—Valentin Popoviciu (Vice-President and Executive Director).*"

Emil Jugaru (Non-executive Director)

Mr. Jugaru has been a Non-executive Director of the Parent since April 30, 2019. Mr. Jugaru is a graduate of the Faculty of Automation and Computers Sciences of the Polytechnic University of Bucharest. Since 1997, Mr. Jugaru has coordinated the start-up and development of the broadband Internet business line of the Issuer, actively participating in the development of Group's Internet network and services. He is currently the Head of the Sales and Customer Care Business Unit of the Issuer. Mr. Jugaru's current term as a Non-executive Director of the Parent is due to expire in 2026.

Bogdan Ciobotaru (Independent Non-executive Director)

Mr. Ciobotaru has been an Independent Non-executive Director of the Parent since 2017 and his current term as an Independent Non-executive Director of the Parent is due to expire in 2026. For Mr. Ciobotaru's biographical information see "*—Directors of the Issuer—Biographical details of the Issuer's Directors—Bogdan Ciobotaru (Independent Non-executive Director).*"

Jose Manuel Arnaiz de Castro (Independent Non-executive Director)

Mr. Arnaiz de Castro has been an Independent Non-executive Director of the Parent since 2024, when he replaced Mr. Rymaszewski. Mr. Arnaiz de Castro is a graduate of MSc Telecom & IT Engineering (Universidad Politecnica de Madrid – ETSIT). Mr. Jose Manuel Arnaiz de Castro has founded several tech-based and Telco companies since 1980 and has experience as both executive and non-executive director, including as member of advisory boards, in several companies for 40 years. Mr. Arnaiz de Castro has been a director with supervisory and non-executive duties of DIGI Spain since 2011. Mr. Arnaiz de Castro's current term as a Non-executive Director of the Parent is due to expire in 2028.

Operation of the Parent's Board of Directors

The Directors of the Parent are collectively responsible for the Parent's general affairs. The Parent's Articles divide duties of the Parent's Board of Directors among its members. The Executive Directors of the Parent are responsible for the continuity of the Parent and its business, focusing on long-term value creation thereby taking into account the interests of the Parent's stakeholders and direct the day-to-day strategy of the Parent. The Executive Directors are entrusted with managing the day-to-day affairs of the Parent and are responsible to achieve the Parent's objectives, strategy and the accompanying risk profile, the performance trend and results and for the corporate social responsibility issues relevant to the business of the Parent and its subsidiaries. The Non-executive Directors of the Parent are, *inter alia*, responsible for the supervision of the management of the Executive Directors and of the general affairs of the Parent and the business connected with it and assisting the Executive Directors by providing advice. In addition, both Executive Directors and Non-Executive Directors of the Parent perform such duties as are specifically assigned to them by the Articles. Each Director of the Parent has a duty to properly perform the duties assigned to him or her and to act in the corporate interest of the Parent. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, and other stakeholders.

An Executive Director of the Parent may not be allocated the tasks of: (i) serving as chairperson of the Parent's Board of Directors; (ii) determining the remuneration of the Executive Directors; or (iii) nominating Directors for appointment. An Executive Director of the Parent may not participate in (i) the adoption of resolutions (including any deliberations in respect of such resolutions) relating to the remuneration of Executive Directors and (ii) the appointment of the statutory auditor in the case the Parent's General Meeting has not done so.

Tasks that have not been specifically allocated fall within the power of the Parent's Board of Directors as a whole. All Directors of the Parent remain collectively responsible for proper management as a whole regardless of the allocation of tasks. The Articles provide that the Directors of the Parent are appointed by the Parent's General Meeting of Shareholders upon a binding nomination by the Class A Meeting (as defined below). The Parent's General Meeting of Shareholders may at all times deprive such a nomination of its binding character, following which the Class A Meeting shall draw up a new binding nomination. When making a nomination, the Class A Meeting takes into account that the Parent's Board of Directors shall be composed such that the requisite expertise, background, competences and—as regards the Non-executive Directors—independence are present for them to carry out their duties properly.

The Parent's General Meeting of Shareholders appoints a Director either as an Executive Director or as a Non-executive Director. The Articles provide that the Parent's General Meeting Shareholders shall appoint a President and a vice-president (the "**Vice-President**") of the Parent's Board of Directors from among its Non-executive Directors. In addition, the Articles provide that the Parent's Board of Directors may grant titles to Executive Directors including, but not limited to Chief Executive Officer and Chief Financial Officer of the Parent.

Meetings

The Non-executive Directors of the Parent meet together with the Executive Directors, unless the Non-executive Directors wish to meet without the Executive Directors being present. As a rule, the Parent's Board of Directors meets at least once every quarter and other meetings of the Parent's Board of Directors may be called at any time by (i) the President, (ii) the Vice-President or (iii) any three Directors, of which at least one is an Executive Director, acting jointly. Except when the Non-executive Directors wish to meet without the Executive Directors being present, at any meeting of the Parent's Board of Directors a quorum shall be present if all Directors have been invited and at least four members are present or represented, which must include the President. Absent Directors shall be informed immediately of the resolutions adopted in their absence. Except in emergencies, matters of the field of responsibility of an absent Director may only be discussed and decided on after the absent Director has been contacted. The Executive Directors and the Non-executive Directors may separately adopt legally valid resolutions with regard to matters that fall within the scope of their respective duties.

The Parent's Board of Directors may also adopt resolutions outside a meeting (whether physical, by videoconference or by telephone), in writing or otherwise, *provided* that the proposal concerned is submitted to all relevant Directors then in office (and in respect of whom no conflict of interest exists) and provided further that none of them objects to such decision-making process. Adoption of resolutions in writing shall be effected by written statements from all relevant Directors then in office in respect of whom no conflict of interest exists.

Voting

The Parent's Board of Directors may only adopt resolutions by the favorable vote of the majority of the votes of the relevant Directors present or represented at the meeting. In a meeting of the Parent's Board of Directors, each Director, other than the President, is entitled to cast one vote. The President is entitled to cast as many votes as can be cast by all other Directors present or represented at that meeting in respect of whom no conflict of interest (as set out below) exists.

Dutch law provides that a Director may not participate in any discussions and decision making if he or she has a (potential) personal conflict of interest in the matter being discussed. The Parent's Articles provide that if for this reason no resolution can be taken by the Parent's Board of Directors, the Parent's General Meeting of Shareholders will resolve on the matter.

Committees

The Parent's Board of Directors has established two board committees: an audit committee (the “**Parent's Audit Committee**”) and a remuneration committee (the “**Parent's Remuneration Committee**”). Those committees have a preparatory and/or advisory role to the Parent's Board of Directors. The Board of Directors of the Parent draws up rules on each committee's role, responsibilities and functioning. The committees consist of Non-executive Directors only. They report their findings to the Parent's Board of Directors, which pursuant to Dutch law remain fully responsible for all actions undertaken by such committees. The Parent's Audit Committee reports to the Non-executive Directors separately on its deliberations and findings. The President or a former Executive Director cannot chair the Parent's Audit Committee or the Parent's Remuneration Committee.

The Parent's Audit Committee

The Parent's Audit Committee consists of three members, Messrs. Jose Manuel Arnaiz de Castro (who is the chairperson of the Parent's Audit Committee and is an independent director, as required by the BSE Corporate Governance Code), Marius Varzaru, and Bogdan Ciobotaru, who are all Non-executive Directors of the Parent. The Parent's Audit Committee reports directly to the Non-executive Directors. The Parent's Audit Committee assists the Parent's Board of Directors with its oversight responsibilities regarding the quality and integrity of our Financial Statements, our compliance with legal and regulatory requirements, the auditors' qualifications and independence, internal audits and other related matters.

Terms of reference of the Parent's Audit Committee

Set out below is a summary of the terms of reference of the Parent's Audit Committee.

The Parent's Audit Committee assists, supervises, reviews, advises and challenges the Parent's Board of Directors with respect to, *inter alia*:

- the integrity and quality of the financial reporting of the Parent and its subsidiaries;
- the effectiveness of the internal risk-management and control systems;
- the provision of financial information by the Parent (including the choice of accounting policies, application and assessment of the effects of new rules, and the treatment of estimated items in the Parent's financial statements);
- compliance with recommendations and observations of the Parent's internal and external auditors;
- the role, functioning and effectiveness of the Parent's internal auditors;

- the Parent's tax policy;
- the Parent's relationship with its external auditor, including the independence and remuneration of the external auditor;
- the funding of the Parent;
- the assessment of any situation that may generate a conflict of interest in transactions involving the Parent, its subsidiaries and their respective related parties; and
- matters relating to information and communication technology.

The Parent's Audit Committee also advises the Parent's Board of Directors on its nomination to the Parent's General Meeting of Shareholders of persons for appointment as the Parent's external auditor and prepares meetings of the Parent's Board of Directors where the Parent's Report of the Board of Directors, the Annual Financial Statements, and the Company's half-yearly figures and quarterly trading updates are to be discussed.

In addition, the Parent's Audit Committee undertakes an annual assessment of the Parent's internal control system, evaluating the effectiveness of this system, the adequacy of the reports relating to risk management and internal control presented to the Parent's Audit Committee, as well as the management's responsiveness and effectiveness in dealing with identified internal control deficiencies or weaknesses.

The Parent's Audit Committee also evaluates the efficiency of the Parent's risk management system, monitor the application of statutory and generally accepted internal audit standards, as well as assesses situations of conflicts of interest in transactions entered into by the Parent and/or any of its subsidiaries with related parties.

The Parent's Audit Committee meets as often as is required for its proper functioning, but at least once a year, such meetings to be held to coincide with key dates in the financial reporting and audit cycle. The Parent's Audit Committee must meet at least once a year with the Parent's external auditor.

The Parent's Remuneration Committee

The Parent's Remuneration Committee is composed of three members: Messrs. Zoltán Teszári, Bogdan Ciobotaru and Jose Manuel Amaiz de Castro, who are all Non-executive Directors of the Parent. The Parent's Remuneration Committee assists the Parent's Board of Directors with the implementation and development of remuneration and benefits policies, including bonuses for the Parent's Directors and employees.

The Parent's Remuneration Committee is responsible for preparing the decision-making of the Non-executive Directors of the Parent regarding the determination of remuneration. In addition, the Parent's Remuneration Committee is further responsible for reporting to the Non-executive Directors of the Parent on the implementation of the remuneration in each financial year in light of corporate goals and objectives relevant to the remuneration.

Terms of reference of the Parent's Remuneration Committee

Set out below is a summary of the terms of reference of the Parent's Remuneration Committee.

The Parent's Remuneration Committee assists the Parent's Board of Directors in supervising with respect to, *inter alia*:

- drafting proposals to the Parent's Non-executive Directors for the remuneration policy to be pursued, which policy shall be adopted by the Parent's General Meeting of Shareholders;
- recommending to the Parent's Non-executive Directors and making proposals for the remuneration of each Director, within the limits of the remuneration policy. Such proposal shall, in any event, deal with: (i) the remuneration structure; and (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, the performance criteria used, the scenario analyzes that are carried out and the pay ratios within the Parent and its affiliates.

When drafting a proposal for the remuneration of the Parent's Directors, the Parent's Remuneration Committee takes note of individual Directors' views with regard to the amount and structure of their own remuneration. The Parent's Remuneration Committee asks the Directors to pay attention to the aspects as included in the remuneration policy:

- preparing the remuneration report;
- bringing to the attention of the Parent's Board of Directors, and advising it, on, any major changes in employee benefit structures throughout the Parent or its subsidiaries; and
- administering all aspects of any executive share scheme operated by or to be established by the Parent.

The Parent's Remuneration Committee meets as often as is required for its proper functioning, but at least once a year.

THE GROUP'S SENIOR MANAGEMENT TEAM

Current senior management team

In addition to the Executive Directors of the Parent, the Issuer listed above, the Group's current senior management team is as follows:

Name	Age	Position
Silviu Georgescu.....	48	Director Core Network Technologies
Mihaela Toroman.....	45	Accounts Manager and Treasurer
Emil Grecu.....	48	Director of DIGI Portugal
Catalin Neagoe.....	44	Deputy CEO of DIGI Spain
Dragos Chivu.....	53	Chief Commercial Officer of DIGI Spain
Ismael Serrano Casero	50	Chief Technical Officer of DIGI Spain
Carlos Sanz Tejedor.....	53	Chief Financial Officer of DIGI Spain
Octavian-Constantin Nedelea.....	40	Director and CFO of Digi Portugal (and its subsidiaries)
Florin Ungureanu.....	42	Managing Director of Digi Italy

Biographical Details of the Senior Management Team

Silviu Georgescu (Technical Director for IP Fixed Services, Software and Security)

Mr. Georgescu has been the Director Core Network Technologies of the Group since 2022. Mr. Georgescu joined the Issuer in 2000 as field engineer in one of the Group's cable TV networks. Mr. Georgescu graduated from the Telecommunications and Electronics faculty of the Bucharest Polytechnics University in 2000.

Mihaela Toroman (Accounts Manager and Treasurer)

Ms. Toroman has been the Group's Accounts Manager and Treasurer since 2015. Between 2010 and 2015, Ms. Toroman was a Financial Manager at the Issuer. Previously, between 2006 and 2010 she was a Controlling Manager at the Issuer. Prior to joining the Issuer, Ms. Toroman held an accountant position at Euromedia Group. Ms. Toroman graduated from Bucharest Academy of Economic Studies with a degree in Accounting and Information systems.

Emil Grecu (Managing Director of DIGI Portugal)

Mr. Grecu serves as the Managing Director of DIGI Portugal since 2021. Between 2004 and 2021, Mr. Grecu served as Technical Director for TV Services, Broadband and Energy of the Group. Mr. Grecu joined the Issuer in 1999 after graduating from Bucharest Polytechnics University. Mr. Grecu oversees the development of the Group's physical infrastructure and the operation of video services (cable TV and DTH). Mr. Grecu graduated from Bucharest Polytechnics University with a degree in Electronics and Telecommunications in 2000.

Catalin Neagoe (Deputy CEO of DIGI Spain)

Mr. Neagoe serves as the Deputy CEO of DIGI Spain since 2020. Between 2018 and 2020, Mr. Neagoe has been the Head of Fixed Telephony and Mobile Communications of the Issuer. In 2016—2018, he was Core Network Director of the Group's Telephony and Mobile Communications and in 2015—2016, he was the Voice Business Unit Technical Coordinator of the Issuer. Mr. Neagoe joined the Issuer in 2002 as a voice business unit engineer. Prior to joining the Issuer, Mr. Neagoe worked as IT Manager for the Geological Institute of Romania and the Romanian-American University. Mr. Neagoe graduated from the Information Technology Faculty of the Romanian-American University in 2003. In 2009, he received a master's degree in Business Management from the Romanian-American University.

Dragos Chivu (Chief Commercial Officer of DIGI Spain)

Mr. Chivu serves as the Chief Commercial Officer of DIGI Spain since January 2025. Between 2018 and 2024, Mr. Chivu served as the Managing Director of DIGI Italy. Before joining the Group as Managing Director and board member for DIGI Italy, he was CEO at the Romanian and Moldavian entities of Printec Group, an IT integrator specializing in banking solutions. Mr. Chivu has 20 years of telecommunications experience, working for high profile companies like Printec, Vodafone, Nokia, Telemobil and Orange. He graduated as telecommunications engineer from Polytechnic University of Bucharest and holds an MBA from the Romanian-American School of Business and Kennesaw State University.

Ismael Serrano Casero (Chief Technical Officer of DIGI Spain)

Mr. Serrano Casero has been the Chief Technical Officer of DIGI Spain since 2020. Before joining the Group in 2011, he was a Project Director at Canal de Comunicaciones Unidas, a provider of maintenance services for infrastructure in the telecommunication sector. Mr. Serrano Casero has 20 years of telecommunications experience. He graduated as

telecommunications engineer from the University of Valladolid and holders a master in telecommunications engineering from the University of Vigo.

Carlos Sanz Tejedor (Chief Financial Officer of DIGI Spain)

Mr. Sanz Tejedor serves as the Chief Financial Officer of DIGI Spain since 2021. Prior to joining the Group, Mr. Sanz Tejedor was partner at PwC. Mr. Sanz Tejedor holds a business degree from the University of San Pablo and a master in audit from IE Business School.

Octavian-Constantin Nedelea (Director and Chief Financial Officer of DIGI Portugal)

Mr. Octavian-Constantin Nedelea was appointed in 2025 as Director and Chief Financial Officer of DIGI Portugal and its subsidiaries. Mr. Nedelea joined DIGI Spain in 2020 as Director of Territorial Expansion and in 2024 he was promoted to Director of Regional Offices and General Services of DIGI Spain. Prior to that, Mr. Nedelea served as a finance manager of DIGI Italy.

Florin Ungureanu (Director of DIGI Italy)

Mr. Florin Ungureanu was appointed in 2025 as Managing Director of Digi Italy. Mr. Ungureanu is also Director of DIGI Belgium (and its subsidiaries). Previously he held the position of Managing Director of the Group's former subsidiary in Hungary.

THE PARENT'S GOVERNANCE

Corporate Governance Code of the Bucharest Stock Exchange

For the period up until December 31, 2024 the Parent applied the BSE Corporate Governance Code, in effect starting from January 4, 2016, as applied to companies listed on the Regulated Spot Market of the Bucharest Stock Exchange, with the following deviations:

1. the Parent's Directors are appointed following a nomination made by the meeting of holders of Class A shares (the "**Class A Meeting**"), instead of a nomination proposal by the nomination committee established by the Parent's Board of Directors and consisting of non-executive directors. The good corporate governance sought by the BSE Corporate Governance Code is achieved by applying this nomination procedure, as the Class A Meeting shall take into account that the Parent's Board of Directors should be composed such that the requisite expertise, background, competences and, in regard to certain non-executive directors, independence are present for them to carry out their duties properly;
2. the cash dividend distribution policy is approved by the general meeting of shareholders of the Parent (the "**Parent's General Meeting of Shareholders**"), rather than being approved at the level of the Parent's Board of Directors; this setup provides greater shareholder protection by escalating the decision to the Parent's General Meeting of Shareholders; and
3. the Parent has not yet implemented a specific policy of the assessment of the Parent's Board of Directors and has conducted only informal self-assessment processes with the involvement of the Parent's Audit Committees.

Starting with January 1, 2025, a new BSE Corporate Governance Code came into effect, embedding sustainability, strengthening board accountability, enhancing governance structures, and enforcing transparency through systematic monitoring, representing a step toward more resilient, investor-friendly corporate governance in Romania. The Parent is currently in the process of implementing the requirements of the new BSE Corporate Governance Code, however it is expected that with the exception of current deviations there will be no other material deviations from the provisions of the new BSE Corporate Governance Code.

The new BSE Corporate Governance Code (as did the previous one) requires that all companies listed on the Bucharest Stock Exchange include a statement in their annual report on their compliance with the BSE Corporate Governance Code. Any failure to comply with the provisions of the BSE Corporate Governance Code are disclosed in our annual reports, the principle applied being that of "comply or explain."

The BSE Corporate Governance Code contains a number of principles and provisions, which must be observed by companies listed on the Bucharest Stock Exchange, *inter alia*, with respect to the composition, role, functioning and compensation of the management bodies, risk management and internal control, financial reporting and disclosure.

Dutch Corporate Governance Code

As a Dutch company, the Parent is also subject to the Dutch Corporate Governance Code, the latest version of which is in force since January 1, 2023 (the "**DCGC**").

The DCGC, *inter alia*, applies to all companies, which have their statutory seat in the Netherlands and whose shares are listed on a regulated market in the EU/EEA (such as the Parent) or a comparable system outside the EU/EEA. The DCGC is based on a “comply or explain” principle. Accordingly, companies are required to disclose in their board report and the annual report filed in the Netherlands whether or not they are complying with the various rules of the DCGC that are addressed to their boards and, if they do not apply those provisions, to give the reasons for such non-application.

The DCGC contains both principles and best practice provisions for the board of directors, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. The principles and best practice provisions apply to: (i) the Parent’s Board of Directors, for example in relation to its role and composition, conflicts of interest, independence requirements for Non-executive Directors, committees and compensation; (ii) shareholders and the Parent’s General Meeting of Shareholders, for example, regarding anti-takeover protection and obligations of the Parent to provide information to our shareholders; and (iii) financial reporting, including external auditor and internal audit requirements.

We acknowledge the importance of good corporate governance. As the Parent’s shares are listed on the Regulated Spot Market of the Bucharest Stock Exchange and as its principal place of business, center of management and tax residency are located in Romania, the Parent applies the BSE Corporate Governance Code, while aiming to comply with as many principles of the DCGC as possible. In particular, the Parent does not comply with the following best practice provisions of the DCGC:

- Best practice provision 2.1.5 of the DCGC: the Parent does not currently have a diversity policy in relation to its Board of Directors. This deviation from the DCGC has existed since April 2017. The desired expertise and background of the candidates are decisive when the Parent’s Directors are appointed or reappointed. The Parent’s Directors, as well as all employees of the Group are recruited and promoted primarily based on professional achievements, experience and performance within the Group, irrespective of gender, age, origin or any other personal or social feature. Although the Parent does not currently have in place a formal diversity policy, in practice, the Parent has not, and does not intend to, discriminate between potential candidates for any available Director position.
- Best practice provision 2.1.6. of the DCGC: the Parent does not have a Diversity and Inclusion Policy. Similar to the above explanation for best practice 2.1.5 of the DCGC, the members of the Board of Directors of the Parent and all employees of the Group are recruited and promoted primarily based on professional achievements, experience and performance within the Group, irrespective of gender, age, origin or any other personal or social feature.
- Best practice provisions 2.1.7, 2.1.8 and 5.1.1. of the DCGC: the Parent has five Non-executive Directors, of which three do not meet the independence criteria contained in the DCGC. This deviation from the DCGC has existed since April 2017 and will last at least until the expiry of the mandate of the present members of the Parent’s Board of Directors. Regarding the appointment of the Non-executive Directors, the June 25, 2024 Parent’s General Meeting of Shareholders set-up a Board of Directors made up from selected individuals with most extensive experience and insight into the Group. Therefore, Mr. Zoltán Teszári was reappointed as the Non-executive Director and as the President of the Parent’s Board of Directors, while Mr. Marius Varzaru and Mr. Emil Jugaru were reappointed as Non-executive Directors. Given the particularity of the business and operations of our Group companies and the need for business continuity and internal and industry awareness, the June 25, 2024 Parent’s General Meeting of Shareholders gave priority to these functional needs. However, the articles of association of the Parent, as most recently amended on April 21, 2017 (the “**Parent’s Articles**”) and other corporate governance documents of the Parent establish clear and detailed rules regarding independent behavior and the management of any conflict of interest that any member of the Parent’s Board of Directors (any Non-executive Director in particular) is strictly required to comply with.
- Best practice provisions 2.1.9 and 5.1.3 of the DCGC: the President of the Parent’s Board of Directors does not meet the independence criteria contained in the DCGC. Mr. Teszári was reappointed as the President of the Parent’s Board of Directors by the June 25, 2024 Parent’s General Meeting of Shareholders and such appointment will last during the entire period for which Mr. Teszári will be a member of the Parent’s Board of Directors. Mr. Teszári is the principal shareholder of the Group. He is not a member of the Parent’s Audit Committee.
- Best practice provision 2.2.2 of the DCGC: the President of the Parent’s Board of Directors may be reappointed for an indefinite number of terms. For details regarding the expected applicability period of, and rationale for, the deviation, please see the explanations in relation to best practice provisions 2.1.7, 2.1.8 and 2.1.9 above.

- Best practice provision 2.1.10 of the DCGC: the report of the non-executive directors does not state the opinion of the non-executive directors regarding the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9. The report of the non-executives only states which non-executive directors are not independent under the BSE CGC.
- Best practice provisions 2.2.4, 2.2.5 and 2.3.2 of the DCGC: the Parent does not have a nomination committee. The Parent has decided not to set up a nomination committee as referred to in the DCGC, since the Class A Meeting as a whole performs the duties of a nomination committee. In addition, the rotation schedule will not be applicable to the President of the Parent's Board of Directors. The Parent has instead set up its Audit Committee and Remuneration Committee.
- Best practice provision 2.2.6, 2.2.7 and 2.2.8 of the DCGC: the Non-executive Directors of the Parent do not evaluate their own functioning, the functioning of the various committees of the Non-executive Directors and of the individual Non-executive directors of the Parent. However, due evaluation by the Audit Committee and the Remuneration Committee of the Parent of their own activity is performed on yearly basis. Also, Non-executive Directors of the Parent do not evaluate the functioning of the executive directors as a whole and that of the individual Executive Directors of the Parent. However, due evaluation of the Executive Directors' activity is performed on a yearly basis by the Audit Committee and the Remuneration Committee of the Parent.
- Best practice provision and 2.7.2 of the DCGC: there are no rules in place for the Non-executive Directors of the Parent. However, Chapter VII from the Articles includes detailed provisions and rules regarding the Board of Directors, including on the composition, remuneration, the allocation of tasks and duties among the executive Directors (the "**Executive Directors**") and the Non-executive Directors, on the decision-making process and the management of any conflict of interest.
- Best practice provision 3.1.2. of the DCGC: if share options are awarded, such share options can be exercised before three years have lapsed after they have been awarded (the minimum term required by the DCGC). The minimum term to exercise the share options is set by the Parent's General Meeting of Shareholders or board of directors' meetings, under which the share options plans are approved. The deviation was implemented mainly due to the Romanian tax provisions for the granting of stock option to employees and management.
- Best practice provision 3.3.2. of the DCGC: Non-executive Directors of the Parent who are directors in other Group companies or employees of other Group companies may be awarded remuneration in the form of share options. Any grant of shares in the Parent to Non-executive Directors as part of share option plans will need to be expressly decided by the Parent's general shareholders resolutions.
- Best practice provision 3.4.2. of the DCGC: the main elements of the agreement of an Executive Director with the Parent have not been and will not be published on the Parent's website. However, certain information is disclosed in this prospectus regarding the remuneration of Directors (see "*—Compensation for directors and managers*").
- Best practice provision 4.1.10 of the DCGC: the Parent does not make available to its shareholders the report of the Parent's General Meeting of Shareholders for comments, but instead the deed of record from of the Parent's General Meeting of Shareholders is posted on the Parent's website in a notarized form.
- Best practice provision 4.3.3 of the DCGC: the resolutions of the Parent's General Meeting of Shareholders in connection with the appointment or removal of a Director can be passed with a majority of two-thirds of the votes representing at least half of the issued share capital of the Parent (instead of an absolute majority of the votes cast as required by the DCGC). This deviation is meant to avoid vote inefficiencies or blockages upon the appointment or dismissal of any relevant Director.

CONFLICTS OF INTEREST

There are no conflicts of interest between the duties owed to the Issuer or the Parent by the directors and the senior management team listed above, and their private interests and other duties.

COMPENSATION FOR DIRECTORS AND MANAGERS

Compensation offered to our Directors and key management consists of a fixed salary and, to a greater extent, of grants or sales of shares at advantageous prices by the Group's controlling shareholder or various companies of the Group. In addition, compensation for our key management includes certain benefits, such as use of company cars.

For the year ended December 31, 2024, the aggregate remuneration of the Group's Directors and senior management was € 8.3 million.

The table below sets out the compensation paid to the Parent's Directors for the year ended December 31, 2024 (excluding approximately €55,579 paid to Mr. Rymaszewski, who is no longer a Director of the Parent):

Name	Position	Gross annual base salary	Gross annual fixed fees	Annual fringe benefits	One-year variable ⁽¹⁾
(€ thousand)					
Zoltán Teszári	President (Non-executive Director)	20.6	170.9	30.2	0.3
Marius Varzaru	Vice-President (Non-executive Director)	239.1	111.1	—	1,734.0
Serghei Bulgac	Executive Director; Chief Executive Officer	107.2	256.4	4.1	575.8
Valentin Popoviciu	Executive Director; Business Development Manager of the Group	103.1	256.4	12.2	492.0
Bogdan Ciobotaru	Independent Non-executive Director	67.0	111.1	—	—
Emil Jugaru	Non-executive Director; Head of the Group's Sales and Customer Care Business Unit	82.5	170.9	1.8	0.3
Jose Manuel Arnaiz de Castro	Independent Non-executive Director	—	47.8	—	—

(1) Includes share options vested during the year, share options and bonuses.

Stock Option Plans

On May 18, 2021, the Parent's General Meeting of Shareholders decided to grant certain stock options to the Parent's Executive Directors and to a Non-Executive Director of the Parent, in consideration of the position occupied within one subsidiary of the Parent (the "SOP 8"). 420,000 Class B shares were designated for the purposes of SOP 8. SOP 8 was approved for three years (2021, 2022 and 2023) for the Executive Directors and for one year for the Non-Executive Director. The SOP 8 2021 vested in December 2022; the SOP 8 2022 vested in August 2023; SOP 8 2023 vested in June 2024.

On January 12, 2023, the Parent's Board of Directors decided to grant certain stock options to a number of employees of one company of the Group (the "SOP 11"). 32,500 Class B shares were designated for the purpose of SOP 11. The SOP 11 vested in 2024.

On December 28, 2022, the Parent's General Meeting of Shareholders decided to grant stock options to one of the Parent's Executive Directors (the "SOP 12"). 20,000 Class B shares were designated for the purposes of SOP 12. The SOP 12 vested in 2024.

On 24 June 2024, the Parent's General Meeting of Shareholders decided to grant stock options to the Parent's Executive Directors of the Company (the "SOP 13"). 560,000 Class B shares were designated for the purposes of SOP 13. SOP 13 was approved for four years (2024, 2025, 2026 and 2027). The SOP 13 2024 vested in 2025.

On 12 August 2024, the Parent's Board of Directors decided to grant certain stock options to a director of the Issuer (the "SOP 14" and, together with the SOP 8, SOP 11, SOP 12 and SOP 13, the "Stock Option Plans"). 70,000 Class B shares were designated for the purposes of SOP 8. Option 1 of SOP 14 vested in August 2025 and Option 2 will vest starting with January 2026.

Stock options under the Stock Option Plans will typically vest not earlier than one year from their grant date and will be exercisable immediately thereafter, but not later three months after the vesting date. Stock options granted to the Directors of the Parent were subject to performance criteria which, for the year ended December 31, 2023 and December 31, 2024, included: (i) duration of employment with the Group, (ii) growth in EBITDA and in RGUs, (iii) improvement of the leverage ratio for the Group, and (iv) growth of the free cash flow of the Group in Romania. Stock options granted to employees and/or directors of Group companies (including Directors of the Parent in their capacity as executives of other Group companies) are subject to performance criteria determined by the Parent's Board of Directors.

When a stock option is exercised pursuant to the terms thereof, we expect to deliver Class B shares of the Parent, which will be either Class B shares held by the Parent as treasury shares or Class B shares purchased on the open market, or a combination thereof. No share repurchases of Class B shares of the Parent have been carried out since March 19, 2020. However, the Parent currently holds 18,360 Class B shares as treasury shares, representing 0.01% of the Parent's issued share capital.

SHARE OWNERSHIP

The Group is controlled by Mr. Zoltán Teszári, the President of the Parent's Board of Directors. See "*Principal Shareholders*."

ADDITIONAL INFORMATION RELATING TO DIRECTORS AND MANAGERS

Set out below are the directorships and partnerships held by the Directors of the Issuer and the Parent and the members of the Group's senior management (other than, where applicable, directorships held in the Parent and/or in any subsidiaries of the Parent (including the Issuer)), in the five years prior to the date of this prospectus:

Name	Current directorships/partnerships	Past directorships/partnerships
Zoltán Teszári	RCS Management S.A.	RCS Management S.A.
Marius Varzaru	—	—
Serghei Bulgac	—	U.C.R. S.R.L.
Valentin Popoviciu	—	FOTO DISTRIBUTIE S.R.L.
Emil Jugaru	Nova Intelis S.R.L.	—
Bogdan Ciobotaru	Thames Asset S.R.L.; Filbo Pay S.A.; OMRO IFN S.A.; Cube Cold Europe Midco LTD; Cube Cold Europe Midco2 LTD; Arriva International Holdings LTD; Cube Amber UK Holdings LTD; Cube Cold Europe Holdco LTD; Cube Cold Europe Topco LTD;	First Bank S.A.; Leumi Bank Romania S.A.; Qatar Solar Technologies LLC; Gulf Bridge International LLC; Ezee Fiber Texas LLC; Vimetco NV
Jose Manuel Arnaiz de Castro	Credec Group LTD; Ardohr LTD; QOOLNET SL; Yukeys SL; Gamification Investment SL; Shoutabit SL; Yavale Servicios Moviles SL, Knowee Cards SL;	Nostoc Biotechnologies SL; G5 Health Group SL; Loozend SL;
Dan Ionita	—	—
Mihai Dinei	—RCS Management S.A.;	RCS Management S.A. U.C.R. S.R.L.
Silviu Georgescu	—	—
Mihaela Toroman	—RCS Management S.A.	—
Emil Grecu	—	—
Catalin Neagoe	—	—
Dragos Chivu	— Open Communication S.R.L.	3G TELCO MARKETING CONSULTING S.R.L. —
Ismael Serrano Casero	—	—
Carlos Sanz Tejedor	—	—

Within the period of five years preceding the date of this prospectus, none of the Directors of the Issuer or the Parent or members of our senior management team:

- has had any convictions in relation to fraudulent offenses;
- has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or
- has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company

PRINCIPAL SHAREHOLDERS

As at the date of this prospectus:

Principal Shareholders of the Issuer

The issued share capital of the Issuer is RON 38,594,163, divided into 385,941,630 ordinary shares with a nominal value of RON 0.1 each. 93.6% of the Issuer's ordinary shares are owned by the Parent.

Principal Shareholders of the Parent

The authorized share capital of the Parent is €11,000,000 and is divided into:

- 100,000,000 Class A Shares with a nominal value of €0.10 each; and
- 100,000,000 Class B Shares with a nominal value of €0.01 each.

The issued share capital of the Parent is €6,810,042.52 and is divided into:

- 64,556,028 Class A Shares with a nominal value of €0.10 each; and
- 35,443,972 Class B Shares with a nominal value of €0.01 each.

RCS Management holds 89.6% of Class A Shares of the Parent (equivalent to 96.2% of Class A Shares of the Parent, adjusting for treasury shares), which represent 60.6% of the economic interest and 90.9% of the voting rights in the capital of the Parent (respectively, 60.7% and 90.9% adjusting for treasury shares). In turn, 90% of shares in the capital of RCS Management are owned by our principal shareholder, Mr. Zoltán Teszári (representing approximately 90% of voting rights in the capital of RCS Management). In addition, Mr. Zoltán Teszári directly holds 3.53% of the Parent's Class A Shares (representing 2.4% of the economic interest and 3.6% of the voting rights in the capital of the Parent).

Therefore, Mr. Zoltán Teszári directly or through RCS Management controls 90% of the Parent's Class A Shares (representing 63% of the economic interest and 94.7% of the voting rights in the capital of the Parent) and 58.9% of the Issuer's issued share capital (Mr. Zoltán Teszári also directly holds approximately 0.02% of the Issuer's share capital).

The table below sets out the shareholders who directly hold 3.0% or more of the Parent's issued Class A Shares and Class B Shares as at the date of this prospectus:

Shareholder	Interest	
	Class A Shares	Class B Shares
RCS Management ⁽¹⁾	89.6%	—
Mr. Zoltán Teszári	3.53%	—

(1) Mr. Zoltán Teszári owns 100% of voting rights in the capital of RCS Management.

RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions involving our related parties.

Save as described in Note 25 to the 2024 Annual Financial Statements and Note 25 to the 2023 Annual Financial Statements, included elsewhere in this prospectus, we had no significant related party transactions during the years ended December 31, 2024, 2023 and 2022, respectively.

During the period from December 31, 2024 until the date of this prospectus, we did not enter in any material related party transactions.

DESCRIPTION OF OTHER INDEBTEDNESS

The following descriptions are summaries of certain provisions of the documents listed below governing certain of the Group's indebtedness and do not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Intercreditor Agreement

To establish the relative rights of our creditors under certain financing arrangements, the Issuer, the Parent and any acceding subsidiary of the Parent or the Issuer (each a **"Debtor,"** and together the **"Debtors"**) entered into the Intercreditor Agreement in order to govern the relationships and relative priorities among, the following entities:

- the relevant creditor representative, on its own behalf and on behalf of the holders of the relevant Senior Secured Notes (as defined below);
- the lenders, agent and any arrangers under the Original Credit Facilities and under any other Credit Facility incurred under the terms of the Intercreditor Agreement (together the **"Credit Facility Creditors"**);
- the lenders, agent and any arrangers under the Original Pari Passu Facilities and under any other Pari Passu Facility incurred under the terms of the Intercreditor Agreement (together the **"Pari Passu Facility Creditors"**);
- any agent, trustee or other creditor representative of the creditors of any Pari Passu Liabilities or Senior Secured Liabilities (together with the Trustee, each a **"Creditor Representative"**);
- any persons that accede to the Intercreditor Agreement as counterparties to certain permitted hedging agreements (collectively, the **"Hedging Agreements;"** any persons that accede to the Intercreditor Agreement as counterparties to the Hedging Agreements are referred to in such capacity as the **"Hedge Counterparties"**);
- any third-party bank, financial institution, or professional services agency that accedes to the Intercreditor Agreement as paying agent of any Romanian Law Noteholders (the **"Romanian Law Noteholder Paying Agents"**);
- the Security Agent; and
- the creditors in respect of liabilities owed by the Parent or any of its subsidiaries (collectively, the **"Group"**) to another member of the Group (the **"Intra-Group Liabilities"**) and liabilities of the Group to the shareholders of the Parent (the **"Shareholder Liabilities"**).

On the Issue Date, the Issuer shall procure that the formalities specified in clause 21.13 of the Intercreditor Agreement are completed in relation to the Notes such that the Notes shall constitute Senior Secured Notes for the purposes of the Intercreditor Agreement. On or prior to the Issue Date, the Issuer shall procure that GLAS Trustees Limited shall also accede to the Intercreditor Agreement as a Creditor Representative.

The Intercreditor Agreement is governed by English law and sets out, among other things:

- the relative ranking of certain indebtedness of the Debtors;
- the relative ranking of certain security granted by the Debtors;
- when payments can be made in respect of certain indebtedness of the Debtors
- when enforcement actions can be taken in respect of that indebtedness;
- when enforcement actions can be taken in respect of the Collateral;
- the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events;
- turnover and equalization provisions; and
- when the Collateral may be released.

By accepting a Note, Noteholders shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement. In relation to any Romanian Law Notes, the initial Romanian Law Noteholders (the **"Initial Romanian Law Noteholders"**) shall accede as parties to the Intercreditor Agreement by an attorney in fact appointed under the terms and conditions of such Romanian Law Notes (the **"Romanian Law Noteholder Attorney"**) delivering an accession deed to the Intercreditor Agreement on their behalf substantially in the prescribed form. Until such point as a Creditor Representative is appointed on behalf of the relevant Romanian Law Noteholders, no such Romanian Law Noteholders may vote on any amendment or waiver in relation to the Intercreditor Agreement, give any instruction to the Security Agent in relation to the Intercreditor Agreement or exercise any rights through the Contracts (Rights of Third Parties) Act 1999 in relation to the Intercreditor Agreement.

The following description is a summary of certain provisions, among others, contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety, and we urge you to read that document because it, and not the description that follows, defines your rights as Noteholders.

In addition to the list of facilities agreements which were covered by the terms of the Intercreditor Agreement and listed in the summary of defined terms below, new financing arrangements of the Issuer and/or of DIGI Spain have also been added as Pari Passu Facility and their respective creditors have acceded as Pari Passu Creditors. See “—*Financial Obligations*” below for a list of the current Pari Passu Facilities.

Definitions

The following defined terms are used in this summary of the Intercreditor Agreement:

“**2015 Credit Facility Agreement**” means the up to RON1,091.2 million term loan and up to RON50.2 million revolving credit facility agreement made between, amongst others, the Issuer, the Parent, BRD-Groupe Société Générale, Citibank, N.A., London Branch, ING Bank N.V., and UniCredit Bank S.A. (formerly named UniCredit Tiriatic Bank) as lead arrangers and the Lenders under and as defined therein dated April 30, 2015. The revolving credit facility agreement under the 2015 Credit Facility Agreement was fully repaid and closed on October 26, 2016.

“**2016 RCF Facility Agreement**” means the RON135,000,000 revolving credit facility agreement between, among others, the Issuer as borrower, BRD-Groupe Société Générale S.A. and Citibank, N.A., London Branch, as mandated lead arrangers, Citibank Europe plc, UK Branch as agent and Citibank Europe plc, Romania Branch and BRD-Groupe Société Générale S.A. as lenders dated August 18, 2016. The 2016 RCF Facility Agreement was fully repaid and closed on October 26, 2016.

“**Appropriation**” means the appropriation (or similar process) of the shares in the capital of a member of the Group (other than the Parent) by the Security Agent (or any receiver or delegate) which is effected (to the extent permitted under the relevant Security Document and applicable law) by enforcement of the Collateral.

“**BRD Facility Agreements**” means the credit facility agreements entered into by, among others, the Issuer and BRD – Groupe Societe Generale SA, described under the heading “*BRD Facility Agreements*” in “*Description of Other Indebtedness—Financial Obligations*” below.

“**Citi Facilities Agreement**” means the uncommitted facility agreement, entered into between the Issuer, as borrower, and Citibank Europe Plc, Dublin—Romania Branch, described under the heading “*Citi Facilities Agreement*” in “*Description of Other Indebtedness—Financial Obligations*” below.

“**Competitive Sales Process**” means any public or private auction or other competitive sales process in which more than one bidder participates or is invited to participate (including any person that is a Creditor at the time of such invitation), which may or may not be conducted through a court or other legal proceeding and which is conducted with the advice of a Financial Adviser appointed by, or approved by, the Security Agent in accordance with the Intercreditor Agreement.

“**Credit Facility**” means the Original Credit Facility and any other credit facility evidencing Credit Facility Liabilities made available to a Debtor under a facility agreement where any: (i) agent (if any) of the lenders in respect of the credit facility (ii) arranger (if any) of the credit facility; and (iii) lender in respect of the credit facility, has acceded as a Party to the Intercreditor Agreement in its relevant capacity.

“**Credit Facility Agreement**” means a facility agreement documenting the terms of a Credit Facility.

“**Credit Facility Lender**” means each Lender, Issuing Bank and Ancillary Lender under and as defined in a Credit Facility Agreement, provided that if there is only one lender under a Credit Facility Agreement, it shall be deemed to be a Credit Facility Lender in each of its capacities as lender, issuing bank and/or ancillary lender thereunder.

“**Credit Facility Liabilities**” means the liabilities of the Debtors pursuant to the Credit Facilities.

“**Debt Documents**” means each of the Intercreditor Agreement, the Security Documents, the Senior Secured Debt Documents, any agreement evidencing the terms of the Shareholder Liabilities or the Intra-Group Liabilities and any other document designated as such by the Security Agent and the Parent as Parent.

“**Distress Event**” means the occurrence of an acceleration event under any Senior Secured Debt Document or the enforcement of any Collateral.

“**Distressed Disposal**” means a disposal of an asset of a member of the Group which is (a) being effected at the request of the Majority Senior Secured Creditors in circumstances where the Collateral has become enforceable in accordance with the terms of the Security Documents, (b) being effected by enforcement of the Collateral (including the disposal of any property of a member of the Group, the shares of which have been subject to an Appropriation) in accordance with the terms of the Security Documents or (c) being effected, after the occurrence of a Distress Event, by a Debtor to a person or persons which is, or are, not a member, or members, of the Group.

“Financial Adviser” means any (a) internationally recognized investment bank, (b) internationally recognized accountancy firm or (c) other independent professional services firm which is regularly engaged in providing valuations of businesses or assets or, where applicable, advising on competitive sales processes.

“Hedging Liabilities” means any liabilities of the Debtors pursuant to a Hedging Agreement.

“ING Facilities Agreement” means the uncommitted facility agreement between the Issuer, as borrower, and the Parent, as guarantor, and ING Bank N.V., described under the heading *“ING Facilities Agreement”* in *“Description of Other Indebtedness—Financial Obligations”* below.

“Majority Senior Secured Creditors” means, at any time, those Senior Secured Creditors the aggregate of whose unpaid principal amounts and undrawn commitments under the Senior Secured Liabilities and the amounts payable to the Hedge Counterparties in respect of the termination or close out of the Hedge Agreements (or if the relevant Hedging Agreement has not been terminated or closed out, the amounts that would be payable upon early termination (treating the relevant Debtor as the defaulting party)) at that time aggregate to more than 50% of the total aggregate amount of all such unpaid amounts at that time.

“Non-Distressed Disposal” means a disposal of an asset which is subject to the Collateral to a person or persons outside of the Group, or by one member of the Group to another member of the Group including by way of a permitted reorganization (an *“Intra-Group Disposal”*) where (i) two directors of the Parent certify for the benefit of the Security Agent that the disposal and, if the disposal is of charged property, the release of Collateral is not prohibited under the Senior Secured Debt Documents (provided that such certificate has been provided to the relevant Creditor Representative(s) and the relevant Creditor Representative(s) have not objected to such certificate within five business days of receipt of such certificate) or the Creditor Representative in respect of each Senior Secured Creditor authorizes the release and (ii) that disposal is not a Distressed Disposal.

“Noteholder” means a Pari Passu Noteholder or a Senior Secured Noteholder.

“Original Credit Facilities” means the facilities entered into pursuant to the 2016 Senior Facilities Agreement.

“Original Note Liabilities” means any liabilities of the Debtors pursuant to the terms and conditions of the 2023 Notes and the 2023 Notes Indenture.

“Original Pari Passu Facilities” means the facilities provided for in the 2015 Credit Facility Agreement, the 2016 RCF Facility Agreement, the Citi Facilities Agreement, the ING Facilities Agreement and the BRD Facility Agreement.

“Pari Passu Creditors” means the Pari Passu Facility Creditors, each Creditor Representative in relation to any Pari Passu Liabilities, each Pari Passu Noteholder and (in its capacity as creditor of a Security Agent Claim corresponding to the Pari Passu Liabilities) the Security Agent.

“Pari Passu Facilities” means the Original Pari Passu Facilities and any other credit facility evidencing Pari Passu Facility Liabilities made available to a Debtor under a credit facility agreement where any: (i) agent (if any) of the lenders in respect of the credit facility (ii) arranger (if any) of the credit facility; and (iii) lender in respect of the credit facility, has acceded as a Party to the Intercreditor Agreement in its relevant capacity (including, for the avoidance of doubt, the facilities provided under the 2019 UniCredit Equipment Financing Agreement and the 2019 Bridge Facilities Agreement).

“Pari Passu Facility Liabilities” means the liabilities of the Debtors under the Pari Passu Facilities.

“Pari Passu Finance Document” means any documentation in relation to any Pari Passu Liabilities.

“Pari Passu Liabilities” means the Pari Passu Facility Liabilities and the Pari Passu Note Liabilities.

“Pari Passu Note Indenture” means any note indenture, trust deed or other document governing or otherwise setting out the terms of any debt security which creates or evidences any Pari Passu Liabilities.

“Pari Passu Note Liabilities” means the liabilities of the Debtors under or in connection with Pari Passu Notes (provided that, in the case of Romanian Law Notes, only if the Romanian Law Note Designation Conditions have been satisfied).

“Pari Passu Noteholder” means any registered holder from time to time of any Pari Passu Notes.

“Pari Passu Notes” means any senior secured notes, debt securities or other debt instruments issued or to be issued by the Issuer or the Parent under a Pari Passu Note Indenture.

“Required Senior Secured Creditors” means, in relation to any proposed amendment, waiver, matter, step or action (the **“Proposed Action”**):

- if the Proposed Action is prohibited by the terms of any Senior Secured Note Indenture, the relevant Senior Secured Note Trustee (acting upon instruction from the requisite percentage of Senior Secured Noteholders, as specified in the relevant Senior Secured Note Indenture);

- if the Proposed Action is prohibited by the terms of any Credit Facility Agreement, the Creditor Representative of the relevant Credit Facility Lenders (acting upon instruction from the requisite percentage of such Credit Facility Lenders, as specified in the relevant Credit Facility Agreement);
- if the Proposed Action is prohibited by the terms of any Pari Passu Finance Document, the Creditor Representative of the relevant Pari Passu Creditors (acting upon instruction from the requisite percentage of such Pari Passu Creditors, as specified in the relevant Pari Passu Finance Documents); and
- if the Proposed Action is prohibited by the terms of any Hedging Agreement, each relevant Hedge Counterparty.

“Romanian Law Note Designation Conditions” means the following conditions:

- the Romanian Law Noteholder Attorney acceding the Initial Romanian Law Noteholders to the Intercreditor Agreement by delivering an accession deed substantially in the prescribed form and English law and Romanian law legal opinions in relation to such accession in form and substance satisfactory to the Security Agent being delivered to the Security Agent;
- the relevant Romanian Law Notes incorporate the terms of the Intercreditor Agreement and providing that such terms shall prevail where inconsistent with the terms of the Romanian Law Notes; and
- the Romanian Law Noteholder Paying Agent acceding to the Intercreditor Agreement by delivering an accession deed substantially in the prescribed form.

“Romanian Law Noteholder” means a Noteholder of Romanian Law Notes.

“Romanian Law Notes” means any Romanian law governed debt securities issued by the Parent or the Issuer.

“Secured Parties” means the Security Agent, any receiver of the Collateral or delegate appointed by the Security Agent and each of the Senior Secured Creditors from time to time but, in the case of each Senior Secured Creditor, only if it (or, in the case of a Senior Secured Noteholder or Pari Passu Noteholder, its Creditor Representative) is a party or has acceded to the Intercreditor Agreement in the appropriate capacity.

“Security Documents” means the documents entered into on or before the Issue Date in respect of the Collateral and any other document entered into by any Debtor creating or expressed to create any security interest over all or any part of its assets in respect of the obligations of any of the Debtors under any of the Debt Documents.

“Senior Lender” means a lender under a Credit Facility or a Pari Passu Facility.

“Senior Secured Creditors” means the Credit Facility Creditors, the Hedge Counterparties, the Senior Secured Noteholders, the Pari Passu Noteholders, the Pari Passu Facility Creditors, the Creditor Representatives and, in its capacity as a parallel debt creditor, the Security Agent.

“Senior Secured Debt Document” means any documentation in relation to any Senior Secured Liabilities.

“Senior Secured Discharge Date” means the first date on which all the Senior Secured Liabilities are discharged in full to the satisfaction of the relevant Creditor Representative(s) and each Hedge Counterparty (in the case of its Hedging Liabilities), whether or not as the result of an enforcement, and the Senior Secured Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

“Senior Secured Liabilities” means the Credit Facility Liabilities, the Senior Secured Note Liabilities, the Pari Passu Liabilities and any Hedging Liabilities.

“Senior Secured Note Indenture” means the indenture governing the terms of the Notes and any other note indenture, trust deed or other document governing or otherwise evidencing the terms of any debt security which creates or evidences any Senior Secured Note Liabilities (including, following the completion of the formalities specified in clause 21.13 of the Intercreditor Agreement (the **“Required Formalities”**) on the Issue Date (including, without limitation, the designation notice and accession to the Intercreditor Agreement of the Trustee), the Indentures).

“Senior Secured Note Liabilities” means the Original Note Liabilities and the liabilities of the Debtors under or in connection with the Senior Secured Notes (in the case of Romanian Law Notes, only if the Romanian Law Note Designation Conditions have been satisfied), including, for the avoidance of doubt (following the completion of the Required Formalities on the Issue Date), the liabilities under or in connection with the Notes.

“Senior Secured Note Trustee” means the Trustee and in relation to any Senior Secured Notes other than the Notes, any entity acting as note trustee in respect of any issue of such Senior Secured Notes which has acceded to the Intercreditor Agreement as a Senior Secured Note Trustee (including, in relation to any Romanian Law Notes, the relevant Romanian Law Noteholder Paying Agent).

“**Senior Secured Noteholder**” means the Noteholders and any other registered holder from time to time of any Senior Secured Notes.

“**Senior Secured Notes**” means the Notes and any other senior secured notes, debt securities or other debt instruments issued or to be issued by the Parent or the Issuer under a Senior Secured Note Indenture.

Additional Indebtedness

The Intercreditor Agreement permits any member of the Group to incur new, or increase any existing, borrowing liabilities and/or guarantee liabilities in respect of any such new or increased borrowing liabilities and/or to refinance, replace or otherwise restructure any borrowing liabilities and/or guarantee liabilities in whole or in part, including, without limitation, by way of the incurrence of *Pari Passu* Liabilities and/or additional Credit Facility Liabilities and/or additional Hedging Liabilities and/or additional Senior Secured Note Liabilities, in each case, to the extent not otherwise prohibited by the Senior Secured Debt Documents (“**Additional Indebtedness**”).

Additional Indebtedness may, at the option of the Parent, rank *pari passu* with or junior to any then-existing liabilities (but not senior to the Senior Secured Liabilities), benefit from all or any of the Collateral on a *pari passu* or junior basis (but not senior to the Senior Secured Liabilities), may be incurred on a secured or unsecured basis subject to the provisions of the Intercreditor Agreement, and (where applicable) be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Documents.

Subject to compliance with any additional requirements in any Senior Secured Debt Document, each party to the Intercreditor Agreement shall be required (at the cost of the Parent) to enter into (and each Creditor Representative and the Security Agent is irrevocably authorized and instructed by each party (other than the Debtors), each Secured Party and each Senior Secured Creditor to enter into) any amendment to or replacement of the Intercreditor Agreement and/or any Transaction Security Document (including for the purpose of reflecting the terms of any Additional Indebtedness in the Intercreditor Agreement and/or any Transaction Security Document) and/or take such other action as is required by the Parent in order to enable such Additional Indebtedness to be incurred including, subject to the terms of the Intercreditor Agreement and the other Senior Secured Debt Documents, making any changes to, the taking of, or the release followed by an immediate retaking of, any guarantee or Collateral.

The Security Agent shall not be required to execute a release of any asset from any existing Collateral unless the Parent has confirmed in writing to the Security Agent that it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to the Additional Indebtedness) that it is either not possible to implement the Additional Indebtedness on terms satisfactory to the Parent by granting additional Collateral and/or amending the terms of the existing Security Documents.

In addition, no Collateral may be amended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of Collateral of at least equivalent ranking over the same assets) in connection with any Additional Indebtedness unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of Collateral of at least equivalent ranking over the same assets), the Parent delivers to the Security Agent one of the following:

- a solvency opinion from a Financial Adviser, in form and substance reasonably satisfactory to the Security Agent, confirming the solvency of the relevant member of the Group and its subsidiaries, taken as a whole, after giving effect to such release and any transactions related to such release and retaking; or
- a certificate from the board of directors or chief financial officer of that member of the Group (acting in good faith), which confirms the solvency of that member of the Group granting such Collateral after giving effect to such release and any transactions related to such release and retaking; and
- in addition to (i) or (ii) above, an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to such release and any transactions related to such release and retaking, the Collateral created under the Security Documents so released and retaken is valid and perfected Collateral not otherwise subject to any limitation or imperfection, in equity or at law, that such Collateral was not otherwise subject to immediately prior to such release and retaking.

Under the terms of the Intercreditor Agreement each Secured Party and each Senior Secured Creditor will agree that it shall co-operate in a timely and reasonable manner with the Parent, the Issuer and their respective subsidiaries and each Creditor Representative in order to facilitate any Additional Indebtedness (including by way of, at the request and cost of the Parent, executing any document or agreement and/or giving instructions to any person).

Ranking, Priority and Collateral

The Intercreditor Agreement provides that the liabilities owed by the Debtors to the Senior Secured Creditors shall rank in right and priority of payment *pari passu* and without any preference between them.

The parties to the Intercreditor Agreement agree that the Collateral shall rank and secure the Senior Secured Liabilities and fees, costs and expenses of the Creditor Representatives (but only to the extent that such Collateral is expressed to secure those liabilities) *pari passu* and without any preference between them.

Under the Intercreditor Agreement, all proceeds from enforcement of the Collateral shall be applied as provided below under “—*Application of Proceeds*.”

The parties to the Intercreditor Agreement agree that the Intra-Group Liabilities and the Shareholder Liabilities are postponed and subordinated to the liabilities owed by the Debtors to the Senior Secured Creditors. The Intercreditor Agreement does not purport to rank any of the Intra-Group Liabilities or the Shareholder Liabilities as between themselves.

Permitted Payments

The Intercreditor Agreement permits, *inter alia*, payments to be made in respect of the Senior Secured Liabilities at any time in accordance with, and subject to the provisions of, the relevant Senior Secured Debt Documents, provided that, following the occurrence of a Distress Event, no member of the Group or Romanian Law Noteholder Paying Agent may make (and no Senior Secured Creditor nor Romanian Law Noteholder Paying Agent may receive) payments of the Senior Secured Liabilities (other than certain amounts payable to the Creditor Representatives and, in the case of Hedging Liabilities, the exercise of certain set-off or netting rights) except in accordance with the enforcement proceeds waterfall described below under “—*Application of Proceeds*”), other than any distribution or dividend out of any Debtor’s unsecured assets (pro rata to each unsecured creditor’s claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

The Intercreditor Agreement does not prevent any payment by any Debtor in the ordinary course of business (other than payments of borrowing liabilities or guarantee liabilities) or any payment to lenders in respect of any other indebtedness permitted to be incurred under the Senior Secured Debt Documents if at the time of payment (i) no acceleration event has occurred in respect of the Credit Facilities, the *Pari Passu* Facilities, the Senior Secured Notes or the *Pari Passu* Notes or the Majority Senior Secured Creditors has consented to such payment and (ii) such payment is not prohibited under the terms of any other Senior Secured Debt Document or the consent of the Required Senior Secured Creditors has been obtained.

The Intercreditor Agreement provides that any payments made between a creditor or Debtors and a Romanian Law Noteholder shall be made via the relevant Romanian Law Noteholder Paying Agent.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if, at any time prior to the Senior Secured Discharge Date, any creditor or Romanian Law Noteholder Paying Agent receives or recovers:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is not either:
 - a. a payment permitted under the Intercreditor Agreement; or
 - b. made in accordance with the provisions described in “—*Application of Proceeds*” below;
- (ii) other than as provided in the Intercreditor Agreement, any amount by way of set-off in respect of any of the liabilities owed to it (or with respect to any Romanian Law Notes, owed to the Romanian Law Noteholders) which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) notwithstanding paragraphs (i) and (ii) above, and other than as provided in the Intercreditor Agreement, any amount:
 - a. on account of, or in relation to, any of the liabilities:
 - i. after the occurrence of a Distress Event; or
 - ii. as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an insolvency event in respect of that member of the Group); or
 - b. by way of set-off in respect of any of the liabilities owed to it after the occurrence of a Distress Event, other than, in each case, any amount received or recovered in accordance with the provisions described under “—*Application of Proceeds*” below;
- (iv) the proceeds of any enforcement of any Collateral except in accordance with the provisions described under “—*Application of Proceeds*” below; or

- (v) other than as provided in the Intercreditor Agreement, any distribution or payment of, or on account of or in relation to, any of the liabilities owed by any member of the Group which is not in accordance with the provisions described under “—*Application of Proceeds*” below and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Group,

that creditor or Romanian Law Noteholder Paying Agent will:

- (A) in relation to receipts and recoveries not received or recovered by way of set-off:
 - a. hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
 - b. promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- (B) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Payments by the Trustee

Notwithstanding any provision in the Intercreditor Agreement to the contrary, the Trustee shall only have an obligation to turn over or repay amounts received or recovered under the Intercreditor Agreement by it (i) if it had actual knowledge that the receipt or recovery is an amount received in breach of a provision of the Intercreditor Agreement and (ii) to the extent that, prior to receiving that knowledge, it has not distributed that amount to the Noteholders in accordance with the provisions of the Indentures. For this purpose (i) “actual knowledge” of the Trustee shall be construed to mean the Trustee shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an obligation on it to make any payment or prohibit it from making any payment unless a responsible officer of the Trustee has received, not less than two business days’ prior to the date of such payment, a written notice that such payments are required or prohibited by the Intercreditor Agreement; and (ii) “responsible officer” when used in relation to the Trustee means any person who is an officer within the corporate trust and agency department of the Trustee, including any director, associate director, vice president, assistance vice president, senior associate, assistant treasurer, trust officer, or any other officer of the Trustee who customarily performs functions similar to those performed by such officers, or to whom any corporate trust matter is referred because of such individual’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Intercreditor Agreement. A similar protection exists for any trustees of any Pari Passu Notes and any Romanian Law Noteholder Paying Agents pursuant to the Intercreditor Agreement.

Enforcement

Instructions to enforce—consultation

Subject to the next paragraph below, before giving any instructions to the Security Agent to enforce the Collateral or to refrain or cease from enforcing the Collateral or to take any other enforcement action, the Creditor Representatives (and, if applicable, any relevant Hedge Counterparties) shall consult with each other Creditor Representative, each other Hedge Counterparty and the Security Agent in good faith about the instructions to be given by the Majority Senior Secured Creditors for a period of up to 15 days (or such shorter period as each Creditor Representative and the Security Agent shall agree) (the “**Consultation Period**”), and following the expiry of a Consultation Period, the Majority Senior Secured Creditors shall be entitled to give any instructions to the Security Agent to enforce the Collateral or to refrain or cease from enforcing the Collateral or to take any other enforcement action.

No Creditor Representative or Hedge Counterparty shall be obliged to consult in accordance with the immediately preceding paragraph and the Majority Senior Secured Creditors shall be entitled to give any instructions to the Security Agent to enforce the Collateral or take any other enforcement action prior to the end of a Consultation Period (in each case, provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Senior Secured Debt Documents) if:

- (i) the Collateral has become enforceable as a result of an insolvency event; or
- (ii) the Majority Senior Secured Creditors or any Creditor Representative determines in good faith (and notifies each other Creditor Representative, each Hedge Counterparty and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the Collateral could reasonably be expected to have a material adverse effect on:
 - a. the Security Agent’s ability to enforce any of the Collateral; or
 - b. the realization proceeds of any enforcement of the Collateral.

Enforcement Instructions

The Security Agent may refrain from enforcing the Collateral unless instructed otherwise by the Majority Senior Secured Creditors and for the avoidance of doubt; the Security Agent may disregard any instructions from any other person to enforce the Collateral.

Subject to the Collateral having become enforceable in accordance with its terms the Majority Senior Secured Creditors may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Collateral as they see fit.

The Security Agent is entitled to rely on and comply with instructions given in accordance with the above paragraphs.

Manner of Enforcement

If the Collateral is being enforced as described under “—*Enforcement Instructions*” above, the Security Agent shall enforce the Collateral in such manner (including, without limitation, the selection of any administrator (or any analogous officer in any jurisdiction) of any Debtor to be appointed by the Security Agent) as the Majority Senior Secured Creditors shall instruct or, in the absence of any such instructions, as the Security Agent sees fit, in each case in accordance with applicable law and the terms of the relevant Security Documents and subject to the requirements described below under “—*Distressed Disposals—Fair Value*.”

Exercise of Voting Rights

Subject to the third paragraph below, each creditor (other than each Creditor Representative and each arranger of a Credit Facility or Pari Passu Facility) agrees (to the fullest extent permitted by law at the relevant time) with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

Subject to the next paragraph, the Security Agent shall give instructions for the purposes of the paragraph above in accordance with any instructions given to it by the Majority Senior Secured Creditors provided that any such instructions have been given in accordance with the provisions described above under “—*Enforcement Instructions*.”

Nothing in the preceding paragraphs entitles any party to exercise or require any Senior Secured Creditor to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for (or change the basis for accrual of) any payment of or reschedule any of the liabilities owed to that Senior Secured Creditor.

Application of Proceeds

The Intercreditor Agreement provides that, subject to certain exceptions, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document or in connection with the realization or enforcement of all or any part of the Collateral shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

- firstly, in discharging any sums on a pro rata basis owing to the Security Agent (other than as creditor under the parallel debt), any receiver or any delegate and in payment of certain amounts to the Creditor Representatives for their own account (to the extent the relevant Collateral secures such amounts);
- secondly, in discharging all costs and expenses on a pro rata basis incurred by any Senior Secured Creditor in connection with any realization or enforcement of the Collateral taken in accordance with the terms of the Intercreditor Agreement or certain actions taken at the request of the Security Agent under the Intercreditor Agreement;
- thirdly, in payment or distribution to each Creditor Representative under a Credit Facility on its own behalf and on behalf of the Credit Facility Creditors for which it is the Creditor Representative, each Senior Secured Note Trustee on its own behalf and on behalf of the Senior Secured Noteholders for which it is the Senior Secured Note Trustee (or in the case of any Romanian Law Noteholders comprising Senior Secured Noteholders, to each relevant Romanian Law Noteholder Paying Agent on its own behalf and on behalf of such Romanian Law Noteholders), each Creditor Representative in respect of any Pari Passu Liabilities on its own behalf and on behalf of the Pari Passu Creditors for which it is the Creditor Representative (or in the case of any Romanian Law Noteholders comprising Pari Passu Noteholders, to each relevant Romanian Law Noteholder Paying Agent on its own behalf and on behalf of such Romanian Law Noteholders); and the Hedge Counterparties, for application towards the discharge of (except to the extent covered by any permitted cash cover) the Credit Facility Liabilities (in accordance with the terms of the relevant Credit Facility Agreement) on a pro rata basis between Credit Facility Liabilities under separate facility agreements, the Senior Secured Note Liabilities (in accordance with the terms of the relevant Senior Secured Note Indenture), (except to the extent covered by any permitted cash cover) the Pari Passu Liabilities (in accordance with

the terms of the relevant Pari Passu Finance Documents) on a pro rata basis between Pari Passu Liabilities under separate facility agreements and/or note indentures; and the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty), on a pro rata basis;

- fourthly, if none of the Debtors is under any further actual or contingent liability under any Senior Secured Debt Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and
- lastly, the balance, if any, in payment or distribution to the relevant Debtor.

Non-distressed Disposals

If a disposal of an asset is a Non-Distressed Disposal, the Security Agent is irrevocably authorized and required (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, other Secured Party or Debtor) (i) to release (or procure the release of) the Collateral or any other claim (relating to a Debt Document) over that asset, (ii) where that asset consists of shares in the capital of a member of the Group, to release the Collateral or any other claim (relating to a Debt Document) over any asset of that member of the Group, any subsidiary of that member of the Group and any asset of any such subsidiary (including, without limitation, any guarantee liability or other liabilities); and (iii) to execute and deliver or enter into any release of the Collateral or any claim described in (i) and (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable, provided that, in the case of a Non-Distressed Disposal of Collateral which is an Intra-Group Disposal:

- (i) to the extent legally possible, such Intra-Group Disposal is made subject to the existing security interest over such Collateral; or
- (ii) to the extent that it is not legally possible for the Intra-Group Disposal to be made subject to the existing security interests over such Collateral, on or before the date of which any release referred to above is effected, (at the cost of the Parent or any other Debtor), security interests over such Collateral of at least equivalent ranking are retaken over the assets which are the subject of that Intra-Group Disposal, and the Parent delivers to the Security Agent:
 - a. a solvency opinion from a Financial Adviser, in form and substance reasonably satisfactory to the Security Agent, confirming the solvency of that member of the Group and its subsidiaries, taken as a whole, after giving effect to such Intra-Group Disposal and any transactions related to such release and retaking; or
 - b. a certificate from the board of directors or chief financial officer of that member of the Group (acting in good faith), which confirms the solvency of that member of the Group granting such security interests over such Collateral after giving effect to such Intra-Group Disposal and any transactions related to such release and retaking; and
 - c. in addition to (a) or (b) above, an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to such Intra-Group Disposal and any transactions related to such release and retaking, the security interests over such Collateral created under the Security Documents so released and retaken are valid and perfected security interests not otherwise subject to any limitation or imperfection, in equity or at law, that such security interests were not otherwise subject to immediately prior to such release and retaking.

If a member of the Group is designated as an Unrestricted Subsidiary in accordance with the terms of any Debt Document and two directors of the Parent certify for the benefit of the Security Agent that such member of the Group has been so designated and that such designation is not prohibited by the Senior Secured Debt Documents (provided that such certificate has been provided to the relevant Creditor Representative(s) and the relevant Creditor Representative(s) have not objected to such certificate within five business days of receipt of such certificate), the Security Agent is irrevocably authorized and obliged (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor or Debtor) (i) to release the Collateral or any other claim (relating to a Debt Document) over that member of the Group's assets; (ii) where that asset consists of shares in the capital of a subsidiary of that member of the Group, to release the Collateral or any other claim (relating to a Debt Document) over any asset of that member of the Group, any subsidiary of that member of the Group and any asset of any such subsidiary (including, without limitation, any guarantee liability or other liabilities); and (iii) to execute and deliver or enter into any release of the Collateral or any claim described in clause (i) or (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable or as requested by the Parent.

Distressed Disposals

Facilitation of Distressed Disposals and Appropriation

The Intercreditor Agreement provides that if a Distressed Disposal or an Appropriation is being effected, the Security Agent is irrevocably authorized and required (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, other Secured Party or Debtor):

- (i) to release the Collateral or any other claim over the asset which is the subject of that Distressed Disposal or Appropriation and execute and deliver or enter into any release of that Collateral or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is the subject of that Distressed Disposal or Appropriation consists of shares in the capital of a Debtor, to release (or procure the release of) that Debtor and any subsidiary of that Debtor from all or any part of:
 - a. its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - b. any Collateral granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
 - c. any other claim of any shareholder of the Parent, any intra-group lender or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant Creditor Representatives, creditors and Debtors;
- (iii) if the asset which is the subject of that Distressed Disposal or Appropriation consists of shares in the capital of any holding company of a Debtor (other than where such holding company is a Debtor, in which case paragraph (ii) above shall apply), to release (or procure the release of) that holding company and any subsidiary of that holding company from all or any part of:
 - a. its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - b. any Collateral granted by any subsidiary of that holding company over any of its assets; and
 - c. any other claim of any shareholder, any intra-group lender or another Debtor over the assets of that holding company and any subsidiary of that holding company, on behalf of the relevant Creditor Representatives, creditors and Debtors;
- (iv) if the asset which is the subject of that Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the provisions described under “—*Security Agent's actions*” below) decides to dispose of all or any part of the liabilities, or the intra-group receivables, owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
 - a. if the Security Agent (acting in accordance with the provisions described under “—*Security Agent's actions*” below) does not intend that any transferee of those liabilities or intra-group receivables (the “**Transferee**”) will be treated as a Senior Secured Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or intra-group receivables on behalf of the relevant creditors and Debtors, provided that notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Senior Secured Creditor or a Secured Party for the purposes of the Intercreditor Agreement; or
 - b. if the Security Agent (acting in accordance with the provisions described under “—*Security Agent's actions*” below) does intend that the Transferee will be treated as a Senior Secured Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Senior Secured Creditors, and all or part of the intra-group receivables and any other liabilities, on behalf of, in each case, the relevant Creditor Representatives, creditors and Debtors;
- (v) if the asset which is the subject of that Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the holding company of a Debtor (the “**Disposed Entity**”) and the Security Agent (acting in accordance with the provisions described under “—*Security Agent's actions*” below) decides to transfer to another Debtor (the “**Receiving Entity**”) all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the intra-group receivables, to execute and deliver or enter into any agreement to:
 - a. agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or intra-group receivables on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

- b. (provided the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Secured Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or intra-group receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or intra-group receivables are to be transferred.

Notwithstanding the foregoing, in no event shall any Senior Secured Notes Proceeds Loan be released or if such release or transfer shall have the effect of limiting the guarantee liabilities of the Issuer under any Senior Secured Note or Pari Passu Note or Senior Secured Note Indenture or Pari Passu Note Indenture that is not concurrently released without the consent of the relevant Noteholders.

Proceeds of Distressed Disposals and Debt Disposals

The net proceeds of each Distressed Disposal and a disposal of liabilities pursuant to paragraph (iv) under “—*Facilitation of Distressed Disposals and Appropriation*” above shall be paid, or distributed, to the Security Agent for application in accordance with the provisions described under “—*Application of Proceeds*” above as if those proceeds were the proceeds of an enforcement of the Collateral and, to the extent that any disposal of liabilities pursuant to paragraph (iv)(b) under “—*Facilitation of Distressed Disposals and Appropriation*” or Appropriation has occurred, as if the disposal of those liabilities, or any reduction in the secured obligations resulting from that Appropriation, had not occurred.

Fair Value

In the case of a Distressed Disposal or a disposal of liabilities pursuant to paragraph (iv)(b) under “—*Facilitation of Distressed Disposals and Appropriation*” above, effected by, or at the request of, the Security Agent (acting in accordance with the provisions described under “—*Security Agent’s actions*” below, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price). The Intercreditor Agreement provides that each party thereto agrees that the obligation of the Security Agent will be satisfied if such Distressed Disposal or disposal of liabilities is made:

- pursuant to a Competitive Sales Process;
- pursuant to any process or proceeding approved or supervised by or on behalf of any court of law where there is a determination of value by or on behalf of the court or by a receiver; or
- where a Financial Adviser selected by the Security Agent has delivered an opinion that the consideration in respect of such Distressed Disposal or disposal of liabilities is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement.

The Security Agent may engage, or approve the engagement of, pay for and rely on the services of a Financial Adviser subject to usual limitations of liability, including that the liability of the Financial Adviser may be limited to the amount of its fees in respect of its engagement (or a multiple of such fees).

Security Agent’s actions

For the purposes of the provisions described under “—*Facilitation of Distressed Disposals and Appropriation*,” and “—*Fair Value*” above, the Security Agent shall act (i) in the case of an Appropriation or if the Distressed Disposal is being effected by way of enforcement of the Collateral, in accordance with the provisions described under “—*Enforcement Instructions—Manner of enforcement*” above and (ii) in any other case, on the instructions of the Majority Senior Secured Creditors or, in the absence of any such instructions, as the Security Agent sees fit.

Security held by other Senior Secured Creditors

Subject to certain exceptions, if any Collateral is held by a Senior Secured Creditor other than the Security Agent in respect of any Senior Secured Liabilities, then such Senior Secured Creditor may only enforce that Collateral in accordance with instructions given by the Majority Senior Secured Creditors in accordance with the Intercreditor Agreement.

Amendment

Required consents

Subject to the next paragraph and certain other exceptions set out in the Intercreditor Agreement, the Intercreditor Agreement may be amended or waived only with the consent of the Parent and the Required Senior Secured Creditors.

An amendment or waiver that has the effect of changing or which relates to turnover of receipts, redistribution, Non-Distressed Disposals, Distressed Disposals, application of proceeds, the amendments clause, provisions relating to instructions to the Security Agent or the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of the Parent and the Creditor Representatives, the Credit Facility Lenders, the lenders of any Pari Passu Facility, each

Hedge Counterparty (to the extent that the amendment or waiver would adversely affect that Hedge Counterparty), each Senior Secured Note Trustee on behalf of the Senior Secured Noteholders for which it is the Senior Secured Note Trustee, each Creditor Representative on behalf of the Pari Passu Noteholders for which it is the Creditor Representative and the Security Agent.

Amendments and Waivers: Security Documents

Subject to the next paragraph and to the provisions described under “—*Exceptions*” below and unless the provisions of any Debt Document expressly provide otherwise, the Security Agent may, if authorized by the Required Senior Secured Creditors, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Security Documents which shall be binding on each party.

Subject to the third paragraph of the provisions described under “—*Exceptions*” below, any amendment or waiver of, or consent under, any Security Document or any other Debt Document which has the effect of changing or which relates to (i) the nature or scope of the charged property, (ii) the manner in which the proceeds of enforcement of the Collateral are distributed or (iii) the release of any Collateral, shall not be made without the prior consent of the Senior Secured Creditors.

Effectiveness

Any amendment, waiver or consent given in accordance with the Intercreditor Agreement is binding on all parties and the Security Agent may effect, on behalf of any Senior Secured Creditor, any amendment, waiver or consent permitted by the Intercreditor Agreement.

Exceptions

Subject to the third and fourth paragraphs below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any party other than (i) in the case of a Senior Secured Creditor (other than any Creditor Representative or an arranger), in a way which affects or would affect Senior Secured Creditors of that party’s class generally or (ii) in the case of a Debtor, to the extent consented to by the Parent under the provisions described under the first paragraph under “—*Amendments and Waivers: Security Documents*” above, the consent of that party is required.

Subject to the third and fourth paragraphs of this section, an amendment, waiver or consent which relates to the rights or obligations of a Creditor Representative, an arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under the Intercreditor Agreement) or a Hedge Counterparty may not be effected without the consent of that Creditor Representative or, as the case may be, that arranger, the Security Agent or that Hedge Counterparty.

Neither the two preceding paragraphs above nor the second paragraph of the provisions described above under “—*Amendments and Waivers: Security Documents*” shall apply to any release of Collateral, claim or liabilities or to any consent, which, in each case, the Security Agent gives in accordance with the provisions described above under “—*Non-Distressed Disposals*,” “—*Distressed Disposals*” or “—*Additional Indebtedness*.”

The Intercreditor Agreement may be amended by each Creditor Representative and the Security Agent without the consent of any other party to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant Debt Documents.

If any Senior Secured Note Trustee (or Creditor Representative in relation to any Pari Passu Notes) ceases to act as trustee in relation to the relevant Senior Secured Notes or the relevant Pari Passu Notes for any reason and any successor or other person which is appointed or acts as trustee in respect of the Senior Secured Notes or the Pari Passu Notes becomes a party to the Intercreditor Agreement, the Security Agent shall make such changes to the terms of the Intercreditor Agreement relating to the rights and duties of that trustee and any other party as are required by that trustee without the consent of any other party provided that such changes would not have a material adverse effect on the other parties.

In addition to the above, the Intercreditor Agreement may be amended without the consent of the Noteholders in certain circumstances set out further in “*Description of the Notes—Certain Covenants—Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements*” below.

Security Agency/Parallel Debt Provisions

The Intercreditor Agreement contains customary provisions setting out the basis of appointment, discretions and related provisions regarding the Security Agent together with parallel debt / joint and several creditorship provisions which will be secured by the Collateral.

Equalization

The Intercreditor Agreement provides that if, for any reason (including due to mandatory orders of distribution of proceeds provided by applicable law), any Senior Secured Liabilities remain unpaid after the enforcement date (including any Senior Secured Liabilities that remain unpaid after any distribution of proceeds upon enforcement, bankruptcy or liquidation

of the Issuer under the laws of Romania) and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the enforcement, bankruptcy or liquidation date bore to the aggregate exposures of all the Senior Secured Creditors at the enforcement, bankruptcy or liquidation date, the Senior Secured Creditors will (excluding in relation to Senior Secured Liabilities owed directly to Creditor Representatives, arrangers, Senior Secured Note Trustees, Romanian Law Noteholder Paying Agents and the Security Agent in their capacity as such) (subject to the provisions described above under “—*Payments by the Trustee*”) make such payments among themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Noteholders Purchase Option

Some or all of the Senior Secured Noteholders and the Pari Passu Noteholders (each, a “**Purchasing Noteholder**”) may, after a Distress Event, by giving not less than 10 days’ notice to the Security Agent, require the transfer to them (or to a nominee or nominees), subject to certain conditions set out in the Intercreditor Agreement and in the relevant Debt Documents, of all, but not part, of the rights, benefits and obligations in respect of the Credit Facility Liabilities and Pari Passu Facility Liabilities (collectively, the “**Senior Lender Liabilities**”) at a price equal to the aggregate of (i) any amounts provided as cash cover by the Purchasing Noteholders for certain letters of credit, (ii) all of the relevant Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the relevant Debt Documents if the relevant Senior Lender Liabilities were being prepaid by the relevant Debtors on the date of that payment, and (iii) all costs and expenses (including legal fees) incurred by the relevant Creditor Representative(s) and/or the relevant lenders as a consequence of giving effect to that transfer, as well as satisfactory indemnities to the relevant lenders.

Unless otherwise agreed by a Hedge Counterparty, the Purchasing Noteholders may only require a transfer as described in the preceding paragraph if, at the same time, they require a Hedge Transfer (as defined below) and if, for any reason, a Hedge Transfer cannot be made no transfer as described in the preceding paragraph may be required to be made.

Senior Lenders’ Purchase Option

Some or all of the Senior Lenders (each, a “**Purchasing Lender**”) may, after a Distress Event, by giving not less than 10 days’ notice to the Security Agent, require the transfer to them (or to a nominee or nominees), subject to certain conditions set out in the Intercreditor Agreement and in the relevant Debt Documents, of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Note Liabilities and Pari Passu Note Liabilities (collectively, the “**Senior Note Liabilities**”) at a price equal to the aggregate of (i) all of the relevant Senior Note Liabilities at that time (whether or not due), including all amounts that would have been payable under the relevant Debt Documents if the relevant Senior Note Liabilities were being prepaid by the relevant Debtors on the date of that payment, and (ii) all costs and expenses (including legal fees) incurred by the relevant Creditor Representative(s) and/or the relevant noteholders as a consequence of giving effect to that transfer, as well as satisfactory indemnities to the relevant noteholders.

Unless otherwise agreed by a Hedge Counterparty, the Purchasing Lenders may only require a transfer as described in the preceding paragraph if, at the same time, they require a Hedge Transfer (as defined below) and if, for any reason, a Hedge Transfer cannot be made no transfer as described in the preceding paragraph may be required to be made.

Multiple Purchase Option Notices

Where both the Purchasing Noteholders and the Purchasing Lenders deliver a purchase notice to the Security Agent following the occurrence of a Distress Event, whoever delivers their notice to the Security Agent first, will have the right to purchase the liabilities of the other.

Hedge Transfer

The Purchasing Noteholders or the Purchasing Lenders (as the case may be) may, by giving not less than ten days’ notice to the Security Agent, require a transfer to the Purchasing Noteholders or the Purchasing Lenders (as applicable) (or a nominee or nominees of the Purchasing Noteholders or the Purchasing Lenders (as applicable)) of each Hedging Agreement, together with all rights and benefits in respect of the Hedging Liabilities owed by the Debtors to each Hedge Counterparty and all the obligations owed by any Hedge Counterparty to the Debtors under or in connection with the Hedging Agreements owed by each Hedge Counterparty to the Debtors (a “**Hedge Transfer**”), subject to certain conditions (including compliance with any conditions relating to that transfer contained in the Hedging Agreements), at a price equal to the aggregate of the Hedging Purchase Amount (as defined in the Intercreditor Agreement and based on the amount payable in the event of an early termination in which the Debtor is the defaulting party) in respect of the hedging transactions under the relevant Hedging Agreement at that time plus all costs and expenses, as well as satisfactory indemnities to the Hedge Counterparties. The Purchasing Noteholders or the Purchasing Lenders (as the case may be) and any Hedge Counterparty may agree (in respect of the relevant Hedging Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer

required pursuant to the Intercreditor Agreement above shall not apply to such Hedging Agreement or to the Hedging Liabilities and hedge counterparty obligations under such Hedging Agreement.

Financial Obligations

2028 Senior Secured Notes

On February 5, 2020, the Issuer issued €400.0 million in aggregate principal amount of 2028.

The 2028 Senior Secured Notes bear the interest at the rate of 3.25% per annum, which is payable semi-annually, and mature on February 5, 2028.

The 2028 Senior Secured Notes are unconditionally guaranteed by the Parent, DIGI Spain and are secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.

On or about the Issue Date, we intend to redeem the entire aggregate principal amount of the 2028 Senior Secured Notes outstanding. See “*Use of Proceeds*” and “*Capitalization*.”

Covenants

The 2028 Senior Secured Notes contain certain restrictive covenants, including, among other things, limitations on our ability to incur or guarantee additional indebtedness; make investments or other restricted payments; sell assets and subsidiary stock; enter into certain transactions with affiliates; create liens; consolidate, merge or sell all or substantially all of our assets; enter into agreements that restrict our restricted subsidiaries’ ability to pay dividends; sell or issue capital stock of restricted subsidiaries; engage in any business other than a permitted business; and impair the security interests with respect to the collateral securing the 2028 Senior Secured Notes. Each of these covenants is subject to certain exceptions and qualifications.

2025 Spanish Senior Facilities Agreement

On March 28, 2025, the Parent and the Issuer, as original guarantors and DIGI Spain, as borrower, entered into a senior facilities agreement with a syndicate of lenders including ING Bank N.V., Banco Santander, S.A., and Banco Bilbao Vizcaya Argentaria, S.A., among others. Banco Santander, S.A. acts as facility agent and sustainability coordinator. The agreement provides for three main facilities: Facility A, Facility B, and Facility C, as well as the possibility to establish additional Accordion Facilities. The total commitments under the 2025 Spanish Senior Facilities are €275,000,000.

On October 17, 2025, the 2025 Spanish Senior Facilities Agreement was amended and restated, effective on or before the Issue Date, to, among other things (i) release and discharge the Issuer and the Parent from the guarantees granted by each of them under the 2025 Spanish Senior Facilities Agreement, (ii) to release the transaction security securing the liabilities under the agreement and (iii) restrict the ability of DIGI Spain to repay indebtedness to its direct or indirect shareholders or to issue dividends, redeem shares or make other capital distributions to such persons if and while a default is continuing or would occur as a result of such payment or transaction.

Facility A is a euro-denominated term loan facility, the proceeds of which are to be applied towards refinancing existing indebtedness. Facility B is a euro-denominated term loan facility intended for capital expenditure on the Group’s fiberoptic network and related infrastructure in Spain, as well as associated personnel costs. Facility C is a euro-denominated revolving credit facility for general corporate and working capital purposes. The agreement also allows for the establishment of one or more Accordion Facilities, which are additional term loan facilities that may be made available under the agreement, subject to lender participation and certain restrictions, including a maximum aggregate commitment of €100 million for all Accordion Facilities.

The facilities were available for drawdown subject to satisfaction of certain conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, and evidence of repayment and cancellation of existing indebtedness. The agreement specifies the mechanics for utilization, including minimum drawdown amounts and the process for submitting utilization requests.

Repayment of Facility A and Facility B is structured in scheduled quarterly installments, with the final repayment due on the respective termination dates. Facility C loans are to be repaid on the last day of their respective interest periods, with the possibility of refinancing maturing loans with new drawings. Voluntary prepayment and cancellation of commitments are permitted, subject to minimum amounts and notice requirements.

Interest on the loans is calculated based on EURIBOR plus an applicable margin, with provisions for rate switching and fallback mechanisms if EURIBOR is unavailable. The agreement includes provisions for tax gross-up, indemnities, increased costs, and other standard protections for the lenders.

The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1. These covenants are tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness for non-obligor subsidiaries, dividend distributions, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law. The agreement was originally subject to the terms of the Intercreditor Agreement, which regulates the ranking and enforcement of security and guarantees on a *pari passu* basis with other Senior Secured Creditors. On October 17, 2025, DIGI Spain resigned as a Debtor under the Intercreditor Agreement and the indebtedness under the agreement will cease to be subject to the terms of the Intercreditor Agreement on or prior to the Issuance Date.

2024 Senior Facilities Agreement

On June 3, 2024, the Parent, as parent and original guarantor, the Issuer, as the company and borrower, and DIGI Spain as original guarantor, entered into a senior facility agreement with ING Bank N.V. as arranger and ING Bank N.V., London Branch as facility agent. The 2024 Senior Facilities Agreement was amended and restated on September 12, 2024 and on December 5, 2024, it was further amended to increase the commitments to €220.0 million and transfer part of the existing commitments to certain new lenders. With effect from 5 December 2024, the existing lender (ING Bank NV) has syndicated the facilities to new lenders (*i.e.*, Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe plc Dublin – Romanian Branch, ING Bank NV Amsterdam, Bucharest Branch, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and UniCredit Bank S.A.).

The agreement provides for a euro-denominated term loan facility, the proceeds of which are to be applied by each borrower towards the refinancing of the existing notes of the group. The total commitments under the 2024 Senior Facilities Agreement were initially €150,000,000 and have been increased to €220,000,000 on December 5, 2024.

The 2024 Senior Facilities Agreement was amended on October 15, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less Digi Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

The facility was available for drawdown subject to satisfaction of certain conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, the original financial statements, unaudited quarterly consolidated management accounts for the accounting quarter ending on December 31, 2023, a business plan summary, a group structure chart, and evidence that all fees, costs, and expenses due from the obligors have been or will be paid. The agreement specifies the mechanics for utilization, including that only one loan may be requested in each utilization request, the currency of the loan must be euro, and the minimum amount of any proposed loan must be €3,000,000 or, if less, the available facility.

Repayment of the loans is structured in monthly installments, with the borrower required to repay the loans made to it in accordance with the repayment schedule set out in Schedule 12 of the agreement. Any amount of any loan remaining outstanding on the termination date must be repaid in full on that date. No borrower may reborrow any part of the facility which is repaid.

Interest on the loans is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes provisions for tax gross-up, indemnities, increased costs, and other standard lender protections.

The facility is guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1. These covenants are tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness of non-obligor subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a *pari passu* basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2023 Senior Facilities Agreement

On April 21, 2023, the Issuer, as borrower, the Parent and DIGI Spain, as guarantors, entered into a senior facilities agreement with ING Bank N.V., BRD-Groupe Société Générale S.A., Citibank Europe PLC (Dublin – Sucursala Romania), Raiffeisen Bank S.A., and UniCredit Bank S.A. as arrangers and original lenders, and ING Bank N.V., London Branch as facility agent. The agreement provides for two euro-denominated facilities totaling €250,000,000, comprising a €150,000,000 term loan (Facility A) and a €100,000,000 revolving credit facility (Facility B), with the option to establish additional incremental facilities up to €250,000,000.

On April 9, 2025, by way of an Incremental Facility Notice, the Issuer requested the establishment of the incremental facility, pursuant to which an Incremental Facility of €200,000,000 was established by ING Bank NV Amsterdam, Bucharest Branch, UniCredit Bank S.A., Banca Transilvania S.A., BRD – Groupe Société Générale S.A., Raiffeisen Bank S.A., Citibank Europe Plc, Dublin – Sucursala România and Intesa Sanpaolo Romania S.A. as Incremental Facility Lenders.

The 2023 Senior Facilities Agreement was amended on October 15, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less Digi Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

Facility A is intended for refinancing existing notes and capital expenditure, while Facility B is available for capital expenditure, investments, and general corporate and working capital purposes. Drawdowns are subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, evidence of repayment of existing facilities, and payment of all fees and expenses. Unutilized commitments are cancelled at the end of the respective availability periods.

Facility A is repayable in monthly instalments of 2.5% of the outstanding amount, beginning September 30, 2024, with the balance due on December 31, 2027. Facility B is a revolving facility, with all outstanding loans due on the termination date, subject to extension options. Interest is calculated based on EURIBOR plus an applicable margin, with default interest accruing at 2% per annum above the normal rate. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and lender protections.

The facilities are guaranteed by the Parent, with additional group members required to accede as guarantors in certain circumstances. Security is provided under Romanian and Spanish law and is subject to an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other senior secured creditors.

The agreement contains financial covenants requiring the Parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. It also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness of non-obligor subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement. It also provides for the transfer of commitments, rights, and obligations by novation, with security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2025 EKN Covered Export Credit Facility Agreement

On March 27, 2025, the Issuer, as borrower, and the Parent and DIGI Spain, as guarantors, entered into a €35,406,665 EKN-covered export credit facility agreement with Citibank N.A., London Branch and Citibank Europe PLC, UK Branch, acting as lenders, agent, and ECA agent. The facility is structured as a euro-denominated term loan, the proceeds of which are to be applied towards payment of the EKN premium and financing or reimbursement of amounts payable to the exporter under purchase agreements for eligible imported goods and services, up to 85% of the value of such goods and services.

The 2025 EKN Covered Export Credit Facility Agreement was amended on October 10, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less DIGI Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

The facility is available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, and evidence of payment of down payments, and payment of all fees, costs, and expenses due from the borrower. The agreement specifies the mechanics for utilization, including minimum drawdown amounts and the process for submitting utilization requests.

Repayment is structured in scheduled installments, with the final repayment due on the termination date. Voluntary prepayment and cancellation of commitments are permitted, subject to minimum amounts and notice requirements.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for rate switching and fallback mechanisms if EURIBOR is unavailable. The agreement includes provisions for tax gross-up, indemnities, increased costs, and other standard protections for the lenders.

The facility is guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1. These covenants are tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2025 EKN Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by Exportkreditnämnden (or the Swedish Export Credits Guarantee Board) (“EKN”). To the extent EKN would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness, by non-obligor subsidiaries, negative pledge, arm’s length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors.

2025 Finnvera Covered Export Credit Facility Agreement

On March 27, 2025, the Issuer., as borrower, and the Parent and DIGI Spain, as guarantors, entered into a €19,359,675.98 Finnvera-covered export credit facility agreement with Citibank N.A., London Branch and Citibank Europe PLC, UK Branch, acting as lenders, agent, and Finnvera as the ECA. The facility is structured as a euro-denominated term loan, the proceeds of which are to be applied towards payment of (i) the Finnvera premium, (ii) the financing or reimbursement of amounts payable to the exporter under purchase agreements for eligible imported goods and services, up to 85% of the value of such goods and services, and (iii) the financing or reimbursements of amounts payable or paid in respect of local costs up to the an aggregate maximum amount equal to 100% of the local costs and 40% of the eligible imported goods and services.

The 2025 Finnvera Covered Export Credit Facility Agreement was amended on October 10, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent’s group less Digi Spain’s group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

The facility is available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, evidence of down payments, and payment of all fees, costs, and expenses due from the borrower. The agreement specifies the mechanics for utilization, including minimum drawdown amounts and the process for submitting utilization requests.

Repayment is structured in scheduled installments, with the final repayment due on the termination date. Voluntary prepayment and cancellation of commitments are permitted, subject to minimum amounts and notice requirements.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for rate switching and fallback mechanisms if EURIBOR is unavailable. The agreement includes provisions for tax gross-up, indemnities, increased costs, and other standard protections for the lenders.

The facility is guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1. These covenants are tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2025 Finnvera Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by Finnvera plc (“Finnvera”). To the extent Finnvera would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligors subsidiaries, negative pledge, arm’s length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors.

2024 Finnvera Covered Export Credit Facility Agreement

On April 22, 2024 the Issuer, as borrower, the Parent and DIGI Spain, as guarantors, entered into a Finnvera-covered export credit facility agreement with Citibank N.A., London Branch, Citibank Europe PLC, and Citibank, N.A., London Branch (as ECA Agent). The agreement provides for a single euro-denominated term loan facility with total commitments amounting to €35,740,176.37.

The 2024 Finnvera Covered Export Credit Facility Agreement was amended on October 10, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less DIGI Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

The facility is intended for the payment of the Finnvera premium and the financing or reimbursement of amounts payable to the exporter under purchase agreements for eligible imported goods and services, up to 85% of the value of such goods and services, as well as the financing or reimbursement of local costs, up to the lower of 100% of local costs and 40% of the eligible imported goods and services value.

The facility is available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, evidence of payment of down payments, and payment of all fees, costs, and expenses due from the borrower. The facility must be drawn in euro, and the minimum amount for each loan is €1,000,000 or, if less, the available facility. Unutilized commitments are cancelled at the end of the availability period.

Repayment is structured in scheduled instalments, with the borrower required to repay the facility in equal instalments at six-month intervals following the end of the availability period. If the first repayment date falls during the availability period, the borrower must repay the lesser of all outstanding loans or 1/8th of the total commitments, with subsequent repayments adjusted accordingly. Any amounts outstanding on the termination date must be repaid in full.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and other lender protections.

The facility is guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2024 Finnvera Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by Finnvera. To the extent Finnvera would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligors subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2024 EKN Covered Export Credit Facility Agreement

On May 14, 2024, the Issuer, as borrower, the Parent and DIGI Spain, as guarantors, entered into an EKN-covered export credit facilities agreement with Citibank, N.A., London Branch, Citibank Europe PLC, and Citibank, N.A., London Branch (UK Branch) as ECA Agent. The agreement provides for two euro-denominated term loan facilities with total commitments amounting to €81,418,481, allocated as follows: Facility A – €46,076,092 and Facility B – €35,342,389.

The 2024 EKN Covered Export Credit Facility Agreement was amended on October 10, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less DIGI Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

Facility A is intended for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Romanian purchase agreements for eligible goods and services, up to 85% of the Romanian purchase agreement value. Facility B is for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Portuguese purchase agreements for eligible imported goods and services, up to 85% of the Portuguese purchase agreement value.

The facilities are available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, evidence of payment of down payments, and payment of all fees, costs, and expenses due from the borrower. Each facility must be drawn in euro, and the minimum amount for each loan is €1,000,000 or, if less, the available facility. Unutilized commitments for each facility are cancelled at the end of the respective availability period.

Repayment of each facility is structured in eight equal instalments, with repayments due at six-month intervals following the end of the relevant availability period. If the first repayment date falls during the availability period, the borrower must repay the lesser of all outstanding loans or 1/8th of the total commitments for that facility, with subsequent repayments adjusted accordingly. Any amounts outstanding on the termination date must be repaid in full.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and other lender protections.

The facilities are guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2024 EKN Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by EKN. To the extent EKN would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligor subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2024 Additional Export Credit Facilities Agreement

On October 22, 2024, the Issuer, as borrower, the Parent and DIGI Spain, as guarantors, entered into an EKN-covered export credit facilities agreement with ING Bank N.V. as arranger, lender, agent, and ECA agent. The agreement provides for four euro-denominated term loan facilities, with total commitments amounting to approximately €61,922,818, allocated as follows: Facility A – €46,090,467, Facility B – €10,186,058, Facility C – €3,458,369, and Facility D – €2,187,924.

The 2024 Additional Export Credit Facility Agreement was amended on October 15, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less DIGI Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

Facility A is intended for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Belgian purchase agreements for eligible goods and services, up to 85% of the Belgian purchase agreement value. Facility B is for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Romanian purchase agreements for eligible imported goods and services, up to 85% of the Romanian purchase agreement value. Facility C is for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Portuguese purchase agreements for eligible imported goods and services, up to 85% of the Portuguese purchase agreement value. Facility D is for the payment of the EKN premium and the financing or reimbursement of amounts payable to the exporter under Spanish purchase agreements for eligible imported goods and services, up to 85% of the Spanish purchase agreement value, and for the financing or reimbursement of local costs, up to the lower of 85% of local costs and 40% of the Spanish purchase agreement value.

The facilities are available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, and evidence of payment of down payments and fees. Each facility must be drawn in euro, and the minimum amount for each loan is €1,000,000 or, if less, the available facility. Unutilized commitments for each facility are cancelled at the end of the respective availability period.

Repayment of each facility is structured in eight equal instalments, with repayments due at six-month intervals following the end of the relevant availability period. If the first repayment date falls during the availability period, the borrower must repay the lesser of all outstanding loans or 1/8th of the total commitments for that facility, with subsequent repayments adjusted accordingly. Any amounts outstanding on the termination date must be repaid in full.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and other lender protections.

The facilities are guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2024 Additional Export Credit Facility Agreement benefits from an export credit guarantee granted by EKN. To the extent EKN would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligor subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2023 Finnvera Covered Export Credit Facility Agreement

On April 24, 2023, the Issuer, as borrower, the Parent, and DIGI Spain, as guarantors, entered into a Finnvera-covered export credit facility agreement with ING Bank N.V. as arranger, lender, agent, and ECA agent. The agreement provides for a single euro-denominated term loan facility with total commitments amounting to €72,765,583.29.

The 2023 Finnvera Covered Export Credit Facility Agreement was amended on October 15, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less Digi Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

The facility is intended for the payment of the Finnvera premium and the financing or reimbursement of amounts payable to the exporter under purchase agreements for eligible imported goods and services, up to 85% of the value of such goods and services, as well as the financing or reimbursement of local costs, up to the lower of 100% of local costs and 40% of the eligible imported goods and services value.

The facility is available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, and evidence of payment of down payments and fees. The facility must be drawn in euro, and the minimum amount for each loan is €1,000,000 or, if less, the available facility. Unutilized commitments are cancelled at the end of the availability period.

Repayment is structured in scheduled instalments, with the borrower required to repay the facility in equal instalments at six-month intervals following the end of the availability period. If the first repayment date falls during the availability period, the borrower must repay the lesser of all outstanding loans or 1/6th of the total commitments, with subsequent repayments adjusted accordingly. Any amounts outstanding on the termination date must be repaid in full.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and other lender protections.

The facility is guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than

4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2023 Finnvera Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by Finnvera. To the extent Finnvera would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligors subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a pari passu basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

2023 EKN Covered Export Credit Facility Agreement

On April 24, 2023, the Issuer, as borrower, the Parent and DIGI Spain, as guarantors, entered into an EKN-covered export credit facility agreement with ING Bank N.V. as arranger, lender, agent, and ECA agent. The agreement provides for two euro-denominated term loan facilities, with total commitments amounting to €59,917,177.92, allocated as follows: Facility A – € 25,765,384.05 and Facility B – €34,151,793.87.

The 2023 EKN Covered Export Credit Facility Agreement was amended on October 15, 2025 to, among other things, (i) release and discharge DIGI Spain from the guarantee granted by it under such agreement (ii) allow DIGI Spain and its subsidiaries to incur debt directly in a ratio of maximum 3.5 times their consolidated EBITDA and create security for these purposes, and (iii) include an additional covenant that the Parent's group less DIGI Spain's group must incur debt in a ratio of maximum 3.5 times their consolidated EBITDA.

Facility A is intended for the payment of the EKN premium and the financing or reimbursement of amounts payable or paid to the exporter under Romanian purchase agreements in respect of eligible goods and services, up to an aggregate maximum amount equal to 85% of the Romanian purchase agreement value. Facility B is for the payment of the EKN premium and the financing or reimbursement of amounts payable or paid to the exporter under Portuguese purchase agreements in respect of eligible goods and services, up to an aggregate maximum amount equal to 85% of the Portuguese purchase agreement value and the local costs up to the lower of 100% of the local costs and 40% of the eligible imported goods and services.

The facilities are available for drawdown subject to satisfaction of conditions precedent, including delivery of constitutional documents, board resolutions, legal opinions, evidence of payment of down payments, and payment of all fees, costs, and expenses due from the borrower. Each facility must be drawn in euro, and the minimum amount for each loan is €1,000,000 or, if less, the available facility. Unutilized commitments for each facility are cancelled at the end of the respective availability period.

Repayment of each facility is structured in six equal instalments, with repayments due at six-month intervals following the end of the relevant availability period. If the first repayment date falls during the availability period, the borrower must repay the lesser of all outstanding loans or 1/6th of the total commitments for that facility, with subsequent repayments adjusted accordingly. Any amounts outstanding on the termination date must be repaid in full.

Interest is calculated based on EURIBOR plus an applicable margin, with provisions for changes to the calculation of interest if EURIBOR is unavailable. The agreement includes standard provisions for tax gross-up, indemnities, increased costs, and other lender protections.

The facilities are guaranteed by the Parent and may be guaranteed by additional group members in the future. The agreement contains financial covenants requiring the parent to ensure that, on the last day of each accounting quarter, the ratio of consolidated total net indebtedness to EBITDA is less than 3.50:1, and the ratio of EBITDA to net total interest is more than 4.25:1, tested quarterly and calculated in accordance with pre-IFRS 16 accounting principles. Furthermore, the lender under the 2023 EKN Covered Export Credit Facility Agreement benefits from an export credit guarantee granted by EKN. To the extent EKN would make payments under the guarantee to any lender it would have the right to be subrogated in the rights of any lender under the facilities agreement.

The agreement also includes a range of affirmative and negative covenants, including restrictions on disposals, acquisitions, mergers, the incurrence of financial indebtedness by non-obligors subsidiaries, negative pledge, arm's length transactions, change of business, and maintenance of insurance. Events of default include non-payment, breach of financial covenants, breach of other obligations, cross-default, insolvency, and other customary events, subject to materiality thresholds and grace periods.

The agreement is governed by English law and is subject to the terms of an intercreditor agreement, which regulates the ranking and enforcement of security and guarantees on a *pari passu* basis with other Senior Secured Creditors. The agreement also provides for the transfer of commitments, rights, and obligations by novation, with the security and guarantees maintained for the benefit of new lenders in accordance with applicable law.

ING Facilities Agreement

On November 4, 2013, the Issuer entered into the ING Facilities Agreement in order to consolidate the Group's existing credit facilities with ING Bank N.V. into a single facility for working capital purposes. The ING Facilities Agreement was amended several times, including on April 17, 2025.

On October 13, 2025, the lender under the ING Facilities Agreement has agreed to release and discharge DIGI Spain from the guarantee granted by it under such agreement.

The ING Facilities Agreement provides for uncommitted facilities available in EUR, USD and RON with total amount of €50,504,857.16 split as follows: (i) up to €11,000,000 an overdraft facility, (ii) up to €39,504,857.16 facility 1 for letters of guarantee, (iii) up to €9,000,000 facility 2 for documentary letters of credit, and (iv) up to €5,000,000 for term loans.

The interest rate for the overdraft facility, for drawings in euro and U.S. dollars, is one-month EURIBOR or LIBOR, respectively, plus 3.75% per annum, and for drawings in RON, is one-month ROBOR plus 2.5% per annum. The interest rate for the letters of guarantee may be 1%, 1.25% or 2.25% per annum depending on the tenor and purpose thereof.

As at June 30, 2025, we had the following outstanding balances under the ING Facilities Agreement: (1) €6.5 million or equivalent under the overdraft facility; (2) €4.2 million under the short term loan and (3) letters of guarantee issued under Facilities 1 and 2 in the amount of €35.3 million and RON8.1 million.

The ING Facilities Agreement is guaranteed by the Parent and is secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.

The ING Facilities Agreement contains substantially the same financial and restrictive covenants and undertakings as the 2024 Senior Facilities Agreement. The ING Facilities Agreement also provides for customary events of default, which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods, as appropriate.

The indebtedness under the ING Facilities Agreement is repayable on demand by the lender, but the Issuer has a 90-day period to repay such indebtedness.

Citi Facilities Agreement

On October 25, 2013, the Issuer entered into the Citi Facilities Agreement to consolidate the Group's existing uncommitted credit facilities with Citibank Europe Plc, Dublin – Romania Branch into a single uncommitted facility for working capital purposes. The Citi Facilities Agreement provides for: (i) an up to RON159.0 million or equivalent multicurrency uncommitted overdraft, letters of bank guarantees and letters of credit facilities; and (ii) an up to €13.0 million uncommitted letters of guarantee facility.

On October 13, 2025 the lender under the Citi Facilities Agreement has released and discharged DIGI Spain from the guarantee granted by it under such agreement.

The interest for the overdraft is 4.0% per annum plus one month EURIBOR, LIBOR or ROBOR, as applicable, payable on the last business day of each calendar month.

The fees payable for letters of credit issued in connection with RON denominated amounts is 0.8% per annum, payable at the beginning of each three month period in advance. The fees payable for the issuance of letters of credit for USD denominated amounts is 0.8% per annum, payable in advance.

The interest for the short term loans is 4.0% per annum plus LIBOR for the relevant period, payable at the maturity of each drawing.

The fees payable for letters of bank guarantees issued in connection with RON denominated amounts with a tenor of less than 12 months is 1% per annum (but not less than USD 70), payable in advance, for bid and performance bonds, and 1.6% per annum (but not less than USD 70), payable in advance, for other types of bank guarantees such as lease payment guarantees, custom guarantees or other payment guarantees, and for bank guarantees with a tenor of more than 12 months, 1.8% per annum (but not less than USD 70), payable at the beginning of each three-month period in advance for bid and performance bonds, and 2.8% per annum (but not less than USD 70) payable at the beginning of each three month period in advance for other types of bank guarantees. The fees payable for the issuance of letters of bank guarantee issued in connection with € denominated amounts with a tenor of less than 12 months is 1% per annum (but not less than USD 70), payable in advance, for bid and performance bonds, and 1.6% per annum (but not less than USD 70), payable in advance, for other types of bank guarantees, and for bank guarantees with a tenor of more than 12 months, 1.8% per annum (but not less than USD 70), payable at the

beginning of each three month period in advance for bid and performance bonds, and 2.8% per annum (but not less than USD 70) payable at the beginning of each three month period in advance for other types of bank guarantees.

As at June 30, 2025, we had the following outstanding balances under the Citi Facilities Agreement: (1) €27.2 million or equivalent under the overdraft facility and (2) letters of guarantee issued under the letters of guarantee facility in the amount of €0.7 million, US\$0.4 million and RON2.4 million.

The Citi Facilities Agreement is guaranteed by the Parent and is secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.

There are no material covenants under the Citi Facilities Agreement. The Citi Facilities Agreement also provides for customary events of default, which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods, as appropriate.

The indebtedness under the Citi Facilities Agreement is repayable on demand by the lender.

BRD Facility Agreements

On July 13, 2015, the Issuer and BRD – Groupe Societe Generale S.A. entered into a credit agreement establishing a revolving, committed ceiling initially for issuing bank guarantees, subsequently amended to include letters of credit and a factoring line. As amended (notably on May 10, 2023, March 28, 2024, July 5, 2024, October 22, 2024, and extended to June 30, 2026), the lender makes available a maximum of €70,000,000 for issuing letters of guarantee and letters of credit (with a portion of up to €25,000,000 available for guarantees with up to 36-month tenor; otherwise up to 24 months) and for a related factoring facility, all within the overall ceiling. Availability/rollovers are subject to conditions precedent, including execution of all finance documents, up-to-date corporate certificates/approvals, fee payments, and no continuing default. Pricing includes risk fees on guarantees (1.00%–1.50% p.a. by tenor) and standard L/C fees; default interest/penalties apply on unpaid amounts. The agreement includes customary representations, warranties and covenants (including negative pledge aligned to the Intercreditor Agreement), information undertakings, and change-of-control restrictions; interest/reference-rate provisions were updated from LIBOR/SOFR to EURIBOR/Term SOFR with zero floors and market-disruption fallbacks. Obligations rank at least *pari passu* and benefit on a *pari passu* basis from the security/guarantees under the Intercreditor Agreement. Events of default include non-payment, breach of obligations, cross-default/creditor actions, insolvency (with specified thresholds), unlawfulness, material adverse effect, and other customary triggers, with acceleration and enforcement rights. The agreement is governed by Romanian law, disputes fall to the courts at the bank unit's headquarters, and finance documents constitute an enforceable writ of execution under Romanian law.

On July 5, 2024, the Issuer, as borrower, and BRD – Groupe Societe Generale SA, as lender, entered into a credit facilities agreement under which the bank agreed to provide a non-revolving investment loan facility of up to €5,000,000. The proceeds are to be used for financing and refinancing the investment expenditure incurred by the Issuer for real estate acquisitions. The agreement is structured with a utilization period of three months from the execution date, during which the borrower may request disbursements subject to satisfaction of conditions precedent, including delivery of corporate approvals, execution of security documents, and submission of supporting documentation for the financed or refinanced expenses. Utilizations are made exclusively by bank transfer in euros, and the facility is repaid in equal monthly installments according to a repayment schedule, with final maturity on July 5, 2027. The interest rate is variable, calculated as 1-month EURIBOR plus a margin of 2.25% per annum, and a facility fee of 0.4% of the maximum facility amount is payable on signing, along with a non-utilization fee of 0.90% per annum on undrawn amounts during the utilization period.

The agreement includes standard representations, warranties, and covenants, including restrictions on asset disposals, negative pledge, change of control, and requirements to maintain the borrower's principal business and center of main interests in Romania. The facility is secured on a *pari passu* basis under an intercreditor agreement dated November 4, 2013, with Wilmington Trust (London) Limited as security agent, and the bank benefits from all guarantees constituted under the intercreditor agreement. Events of default include non-payment, breach of obligations, cross-default, insolvency, material adverse effect, and other customary triggers, with certain thresholds and cure periods. The agreement is governed by Romanian law, and disputes are subject to the jurisdiction of the courts at the bank's unit headquarters.

On October 22, 2024, the Issuer and BRD – Groupe Societe Generale SA entered into a new credit facilities agreement for a non-revolving investment loan facility of up to €9,200,000, intended for the financing and refinancing of real estate acquisitions. The structure, conditions precedent, utilization mechanics, and repayment terms are substantially similar to the July 2024 agreement, with a three-month utilization period and final maturity on October 22, 2027. The interest rate is again 1-month EURIBOR plus 2.25% per annum, with a facility fee of 0.4% and a non-utilization fee of 0.90% per annum. The agreement contains similar covenants, security arrangements under the intercreditor agreement, and events of default, including cross-default thresholds and requirements for prior written consent for changes of control or corporate restructurings. The agreement is governed by Romanian law and provides for the transfer of rights and obligations by the bank to third parties.

On March 28, 2024, the Issuer, as borrower, and BRD – Groupe Societe Generale SA, as lender, entered into a credit facilities agreement under which the bank agreed to provide a maximum of €11,000,000 for the acquisition and refinancing of

land and the construction of administrative buildings in Bucharest. The agreement sets out that the facility is available for utilization subject to satisfaction of conditions precedent, including the execution of all required financing documents, delivery of supporting documentation for the expenses to be refinanced, and evidence of ownership and absence of encumbrances on the acquired properties. The facility is to be repaid in accordance with a schedule set out in the agreement, with interest calculated at a variable rate based on EURIBOR plus a margin, and includes provisions for fees, early repayment, and payment mechanics. The agreement contains standard representations, warranties, and covenants, including restrictions on mergers, divisions, transfers of business, and restructurings without the prior written consent of the bank, except for intra-group transactions that do not affect the borrower's obligations. The borrower is required to maintain its principal business and center of main interests in Romania and to ensure that its payment obligations under the financing documents rank at least *pari passu* with other lenders under the intercreditor agreement, subject to statutory priorities. The facility is secured on a *pari passu* basis under the intercreditor agreement, with Wilmington Trust (London) Limited acting as security agent, and the bank benefits from all guarantees constituted under the intercreditor agreement. Events of default include non-payment, breach of obligations, cross-default, insolvency, material adverse effect, and other customary triggers, with certain thresholds and cure periods. The agreement is governed by Romanian law, and disputes are subject to the jurisdiction of the courts at the bank's unit headquarters. The agreement also provides for the transfer of rights and obligations by the bank to third parties and includes provisions for notices, language, and enforceability as a writ of execution under Romanian law.

On July 31, 2025, the Issuer, as borrower, and BRD – Groupe Societe Generale SA, as lender, entered into a credit facilities agreement under which the lender agreed to provide a non-revolving investment loan of up to €5,700,000 to finance/refinance real estate acquisitions. The facility is available for 12 months subject to conditions precedent, including execution of financing documents and delivery of supporting documentation evidencing ownership and absence of encumbrances. Repayment is in equal monthly installments with final maturity no later than 36 months; interest is a variable rate of 1-month EURIBOR plus a 2.25% margin, with a 3% default margin, and fees include a 0.4% facility fee and a 0.90% p.a. non-utilization fee; voluntary early repayment is permitted on notice. The agreement includes customary representations, warranties, and covenants, including restrictions on disposals, a negative pledge aligned with the intercreditor framework, and change-of-control limitations. The facility benefits *pari passu* from the security package under the Intercreditor Agreement. Events of default include non-payment, breach, unauthorized use of proceeds, cross-default (€35,000,000), insolvency and creditor processes (€7,500,000 thresholds), material adverse effect, and other customary triggers. The agreement is governed by Romanian law with disputes subject to the courts at the bank unit's headquarters and provides for transfers by the bank, notices and language provisions, and enforceability as a writ of execution.

The BRD Facility Agreements are secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.

On October 6, 2025 the lender under the BRD Facilities Agreements has released and discharged DIGI Spain from the guarantee granted by it under such agreement.

UniCredit Overdraft Facility Agreement

On December 15, 2015, the Issuer entered into the up to €2.0 million UniCredit Overdraft Facility Agreement. As at June 30, 2025, the outstanding amount was nil.

UniCredit Medium-Term Committed Loan Agreement

On October 10, 2023, UNICREDIT BANK S.A., as lender, and the Issuer, as borrower, entered into a medium-term committed loan agreement for a total amount of €10,000,000, with the proceeds to be used for financing the general expenses of the company. The facility is available for utilization within one month from the signing date, subject to the borrower submitting a drawdown request and fulfilling suspensive conditions, including providing a recent certificate from the Trade Register regarding the borrower's legal status and a corporate resolution authorizing the loan and the signatory. The loan is to be repaid in equal monthly installments, with the first payment due in the month following the drawdown and final maturity on December 2, 2025. Interest is calculated at a rate of EURIBOR 3M plus 2.5% per annum, with interest payable monthly on the first business day of each month, and default interest set at EURIBOR 3M plus 5% per annum. A granting fee of 0.8% of the total loan amount is payable on signing, while no prepayment, non-utilization, or management fees apply. The agreement does not require collateral and includes standard covenants, such as the obligation to provide annual and semi-annual financial statements and quarterly management reports within specified timeframes. Certain provisions of the borrower's syndicated facilities agreement dated April 21, 2023, are incorporated by reference, including those relating to interest calculation, obligations, and events of default, with the syndicated agreement prevailing in case of discrepancies. The agreement is executed in both Romanian and English, with the Romanian version prevailing in case of conflict, and is effective upon application of the last electronic signature.

Lease liabilities

As at June 30, 2025, we had (i) finance lease liabilities of €64.6 million and (ii) operating lease liabilities of €441.5 million. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Adoption of IFRS 16*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Accounting Policies Requiring Management Judgment and Discretion—IFRS 16: Leases.*”

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description of the Notes under the subheading “—*Certain Definitions*.” In this section, (1) the term “**Issuer**” refers only to DIGI Romania S.A. and not to any of its Subsidiaries, except for the purposes of financial data determined on a consolidated basis and (2) the term “**Parent**” refers only to Digi Communications N.V. and not to any of its Subsidiaries (including the Issuer).

The Issuer issued €600.0 million aggregate principal amount of 4.625% senior secured notes due 2031 (the “**Notes**”) under an indenture (the “**Indenture**”) among the Issuer, as issuer, the Parent, as third party security provider, GLAS Trustees Limited, as trustee (the “**Trustee**”), Wilmington Trust (London) Limited, as security agent (the “**Security Agent**”), Citibank, N.A., London Branch, as principal paying agent (the “**Principal Paying Agent**”), registrar (the “**Registrar**”) and transfer agent. The Issuer issued the Notes in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”). See “*Notice to Investors*.” The Indenture is not required to be, nor will it be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the “**TIA**”), and the Indenture will not be subject to or incorporate by reference the provisions of the TIA. Consequently, the holders of Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including, among others, those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the holders of Notes of certain relationships between it and us.

As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee the Issuer’s obligation under the Notes and the Indenture pursuant to the terms of the Indenture.

As the Issuer is a joint stock company organized under the laws of Romania, certain provisions of Romanian law provide for the possibility of noteholders’ meetings (*adunarea obligatarilor*) and noteholders’ representatives (*reprezentantul obligatarilor*) in relation to its notes issuances. In light of this, on the Issue Date, the initial meeting of the holders (*adunarea obligatarilor*) of the Notes (the “**Initial Meeting**”) in accordance with applicable Romanian law was held to approve certain initial resolutions (the “**Initial Meeting Resolutions**”), the forms of which are set out in Annex A to this prospectus. The Initial Meeting Resolutions are, in general terms, intended to (i) approve the Indenture, the Notes and the related documents in relation to the Offering, including where such documents differ from, or are supplementary to, provisions of Romanian law, and (ii) facilitate the exercise or performance following the Issue Date by relevant persons (including the Issuer, the Trustee, the Noteholders’ Representative (as defined below) and holders of the Notes or book-entry interests therein) of the rights, duties, powers, authorities or discretions customarily required of, permitted by or granted to them under such documents and/or pursuant to customary practices in relation to such documents. The Initial Meeting Resolutions also appointed the Trustee as the noteholders’ representative (*reprezentantul obligatarilor*) in relation to the Notes for purposes of applicable Romanian law (the “**Noteholders’ Representative**”) and require it, in that capacity, to accede to and thereby assume certain obligations under the Indenture. Each holder who accepts a Note on the Issue Date, and each person who purchases or otherwise acquires a beneficial interest in a Note on or prior to the Issue Date, will be deemed, by its acceptance or purchase or other acquisition thereof to have irrevocably: (a) instructed the Issuer to procure that the Initial Meeting is held; (b) agreed to the holding of the Initial Meeting and waived the convening formalities in relation thereto; (c) appointed the Trustee as its proxy to: (i) attend such Initial Meeting (to be held at the offices of Weil, Gotshal & Manges (London) LLP, located at 110 Fetter Lane, London, EC4A 1AY, United Kingdom, on the Issue Date starting at the time specified in Annex A to this prospectus), (ii) appoint, from among its representatives, officers or employees, the Chairman (and the Issuer appointed an employee of the Issuer to act as a technical secretary for such Initial Meeting) and one to three secretaries of such Initial Meeting and (iii) cast a vote in favour of the Initial Meeting Resolutions, the forms of which are set out in Annex A to this prospectus, at such Initial Meeting; and (d) accepted and agreed to the Initial Meeting Resolutions as set out in Annex A to this prospectus.

The following description is a summary of the material provisions of the Notes and the Indenture and certain provisions of Romanian law (and the Initial Meeting to be held pursuant thereto to adopt the Initial Meeting Resolutions) and also refers to the Intercreditor Agreement and the Security Documents. It does not restate those documents and those provisions of Romanian law or the Initial Meeting Resolutions in their entirety. We urge you to read the Indenture, the Security Documents, the Intercreditor Agreement, those provisions of Romanian law and the Initial Meeting Resolutions because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the Security Documents and the Intercreditor Agreement are available as set forth below under “—*Additional Information*.” Certain defined terms used in this description but not defined below under “—*Certain Definitions*” have the meanings assigned to them in the Indenture.

The Notes were issued in registered form. The Issuer, the Trustee, the Noteholders’ Representative and the Paying Agent will be entitled to treat the registered holder of a Note as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes

The Notes:

- are general, senior obligations of the Issuer, secured by first-ranking security interests in the Collateral as described below under “—*Security*,” along with its obligations as a borrower or a guarantor (as applicable) under the 2023 Senior Facilities Agreements, the 2024 Senior Facilities Agreement, the Export Credit Facilities Agreements, the Citi Facilities Agreement, the ING Facilities Agreement, the BRD Facility Agreements and certain Hedging Obligations (subject, in each case, to any Permitted Collateral Liens and to limitations under applicable law);
- rank senior in right of payment to all existing and any future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- rank *pari passu* in right of payment with all existing and any future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- are effectively senior to all existing and any future unsecured Indebtedness of the Issuer to the extent of the value of the Collateral securing the Notes;
- are effectively subordinated to all existing and any future Indebtedness of the Issuer that is secured by property or assets of the Issuer that do not form part of the Collateral, to the extent of the value of the assets securing such Indebtedness; and
- are structurally subordinated to any existing or future Indebtedness of subsidiaries of the Issuer that do not guarantee the Notes.

The Guarantees

As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee the Issuer’s obligation under the Notes and the Indenture pursuant to the terms of the Indenture.

Each Guarantee will, upon its issuance:

- be a general, senior obligation of the relevant Guarantor, secured by first-ranking security interests in the Collateral as described below under “—*Security*,” along with such Guarantor’s obligations as a borrower or a guarantor (as applicable) under the 2023 Senior Facilities Agreements, the 2024 Senior Facilities Agreement, the Export Credit Facilities Agreements, the Citi Facilities Agreement, the ING Facilities Agreement, the BRD Facility Agreements and certain Hedging Obligations (subject, in each case, to any Permitted Collateral Liens and to limitations under applicable law);
- rank senior in right of payment to all existing and any future Indebtedness of the relevant Guarantor that is expressly subordinated in right of payment to such Guarantee;
- rank *pari passu* in right of payment with all existing and any future Indebtedness of the relevant Guarantor that is not subordinated in right of payment to such Guarantee;
- be effectively senior to all existing and any future unsecured Indebtedness of the relevant Guarantor to the extent of the value of the Collateral securing such Guarantee;
- be effectively subordinated to all existing or future Indebtedness of the relevant Guarantor that is secured by property or assets of such Guarantor that do not form part of the Collateral, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all obligations of such Guarantor’s subsidiaries that do not guarantee the Notes.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law or otherwise to reflect limitations under applicable law or capital maintenance regulations. See “*Risk Factors—The Guarantee may be limited by applicable laws or subject to certain limitations or defenses.*”

As at June 30, 2025, the Issuer and its consolidated subsidiaries had total debt of €2,064.9 million (consisting of, among other items, €400.0 million of indebtedness under the 2028 Senior Secured Notes, €717.5 million of borrowings under the Senior Facilities, €191.2 million of borrowings under the Export Credit Facilities, €51.0 million of borrowings under the DIGI Andalucía Facility Agreement and €441.5 million of operating lease liabilities), of which €1,370.2 million was debt secured by the Collateral and €51.0 million (representing the aggregate principal amount outstanding under the DIGI Andalucía Facility

Agreement) was debt secured by assets that did not form part of the Collateral. The Issuer and its Subsidiaries are also subject to substantial other obligations incurred in the ordinary course of business.

As at June 30, 2025, on an *as adjusted* basis after giving effect to the Transactions, the Issuer and its consolidated subsidiaries would have had total debt of € 2,095.5 million (consisting of, among other items, indebtedness under the Notes, €592.5 million of borrowings under the Senior Facilities, €191.2 million of borrowings under the Export Credit Facilities, €51.0 million of borrowings under the DIGI Andalucía Facility Agreement and €441.5 million of operating lease liabilities), of which €1,198.0 million would have been debt secured by the Collateral and €51.0 million (representing the aggregate principal amount outstanding under the DIGI Andalucía Facility Agreement) would have been debt secured by assets that did not form part of the Collateral.

As at June 30, 2025, on an *as adjusted* basis after giving effect to the Transactions, the Issuer's Subsidiaries would have had an aggregate of €271.0 million in the principal amount of external debt outstanding. The Issuer's Subsidiaries generated (on a combined basis and after intercompany eliminations) 47.7% of our consolidated revenues and 17.6% of our consolidated Adjusted EBITDA for the twelve months ended June 30, 2025.

As at the Issue Date, all of the Issuer's Subsidiaries are "**Restricted Subsidiaries**." However, under the circumstances described below under the definition of "**Unrestricted Subsidiaries**," the Issuer will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Principal, Maturity and Interest

On the Issue Date, the Issuer issued €600.0 million aggregate principal amount of Notes in this Offering.

The Notes shall be in denominations of €100,000 or integral multiples of €1,000 in excess thereof. The Notes will mature on October 29, 2031.

The Notes will bear interest at a rate per annum of 4.625% on the principal amount thereof. Interest on the Notes is payable semi-annually from the most recent interest payment date to which interest has been paid, on April 29 and October 29 of each year. Interest is payable to holders of record on each Note in respect of the principal amount thereof outstanding as at the Business Day immediately preceding the relevant interest payment date. Interest will first be paid on the Notes on April 29, 2026.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

The rights of holders of beneficial interests in the Notes to receive payments of interest on the Notes are subject to applicable procedures of the book-entry depository and Euroclear or Clearstream.

The Issuer may issue additional Notes ("**Additional Notes**") under the Indenture from time to time after this Offering having the same terms as the Notes (other than the issue date, issue price and, possibly, initial interest payment date and interest accrual date), including, without limitation, as to waivers, amendments, redemptions and offers to purchase, except as otherwise provided in the Indenture. Any issuance of Additional Notes will be subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain Covenants—Limitation on Indebtedness.*" The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture; *provided* that Additional Notes shall be issued under a separate CUSIP or ISIN unless the Additional Notes are issued pursuant to a "qualified reopening" of the original Notes or are otherwise treated as part of the same "issue" of debt instruments as the original Notes for U.S. federal income tax purposes.

Methods of Receiving Payment on the Notes

Principal, premium, interest and Additional Amounts (as defined below in "*—Additional Amounts*"), if any, on the Global Notes (as defined in "*—Transfer and Exchange*") will be payable at the specified office or agency of one or more paying agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of, or held by, a nominee of Euroclear or Clearstream, as the case may be, will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, premium, interest and Additional Amounts, if any, on Definitive Registered Notes (as defined in "*—Transfer and Exchange*") will be payable at the specified office or agency of one or more paying agents. In addition, interest on Definitive Registered Notes may be paid by wire transfer to the person entitled thereto as of the close of business on the record date immediately preceding the interest payment date for such interest as shown on the register for the Definitive Registered Notes.

Paying Agent and Registrar for the Notes

The Issuer will maintain a paying agent for the Notes in London (the “**Principal Paying Agent**”). The initial paying agent will be Citibank, N.A., London Branch.

The Issuer will maintain a registrar and a transfer agent with respect to the Notes. The initial registrar and transfer agent will be Citibank, N.A., London Branch. The Registrar will maintain a register reflecting ownership of the Global Notes and Definitive Registered Notes outstanding from time to time. The Register shall be the Register of the Notes as required under article 177 para.1 of the Romanian Company Law.

Upon notice to the Trustee, the Issuer may change any paying agent, registrar or transfer agent and the Issuer may act as the paying agent; *provided, however*, that in no event may the Issuer act as paying agent or appoint a paying agent in any jurisdiction where the paying agent would be obliged to withhold or deduct tax in connection with any payment made by it in relation to the Notes unless another paying agent is located in a jurisdiction where it is not obliged to withhold or deduct tax. For so long as the Notes are listed on Euronext Dublin and its rules so require, the Issuer will publish a notice of any change of paying agent, registrar or transfer agent in a newspaper having a general circulation in Ireland (expected to be the *Irish Times*) or on the website of the Euronext Dublin, <https://www.euronext.com/en/markets/dublin>.

Transfer and Exchange

The Notes sold within the United States to “qualified institutional buyers” pursuant to Rule 144A under the U.S. Securities Act will, in each case, initially be represented by one or more global notes in registered form without interest coupons attached (the “**Rule 144A Global Notes**”). The Notes sold outside the United States to investors that are not U.S. persons pursuant to Regulation S under the U.S. Securities Act will, in each case, initially be represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Global Notes**”). The Rule 144A Global Notes together with the Regulation S Global Notes are referred to herein as the “**Global Notes**.” Each Global Note will represent an integral number of Notes (with each Note in the amount of €100,000). The Global Notes were deposited on the Issue Date with, or on behalf of, a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

During the 40-day distribution compliance period applicable to book-entry interests in the Regulation S Global Notes, such book-entry interests may be transferred only to persons that are not U.S. Persons under Regulation S under the U.S. Securities Act or to persons whom the transferor reasonably believes are “qualified institutional buyers” within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions and any applicable securities laws of any state of the United States or any other jurisdiction.

Ownership of interests in the Global Notes (the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through direct or indirect participants therein. Ownership of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “—*Transfer Restrictions*.” In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the Rule 144A Global Note, or the “**Rule 144A Book-Entry Interests**,” may be transferred to a person who takes delivery in the form of Book-Entry Interests through Euroclear or Clearstream in the Regulation S Global Note denominated in the same currency, or the “**Regulation S Book-Entry Interests**” in respect of that currency, but only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

All Global Notes will be exchanged by the Issuer for Definitive Registered Notes if (and only if) Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depository and a qualified successor depository is not appointed by the Issuer within 120 days. Definitive Registered Notes may not be issued in any other circumstances, including following an event of default. In the unlikely event that Definitive Registered Notes are to be issued, each Definitive Registered Note issued will represent an integral number of Notes (with each Note in the amount of €100,000) and its issuance will require receipt by the applicable Registrar of instructions and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Notice to Investors*.”

Subject to the restrictions on transfer referred to above, Definitive Registered Notes may be transferred or exchanged, in whole or in part, in integral multiples of €100,000 principal amount to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Issuer is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date; or
- (4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Noteholders' Representative and the Paying Agent will be entitled to treat the holder of a Note as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Optional Redemption

Optional Redemption prior to October 29, 2027

At any time prior to October 29, 2027, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 104.625% of the principal amount of the Notes redeemed, *plus*, in each case, accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the date of redemption (subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date), with the Net Cash Proceeds from an Equity Offering; *provided* that:

- (1) at least 50% of the aggregate principal amount of the Notes issued under Indenture (including any Additional Notes) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 120 days of the date of the closing of such Equity Offering.

At any time prior to October 29, 2027, upon not less than 10 nor more than 60 days' notice, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof *plus* the Applicable Redemption Premium for the Notes *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the redemption date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, at any time prior to October 29, 2027, upon not less than 10 nor more than 60 days' notice, the Issuer may redeem during each twelve-month period commencing with October 29, 2025 up to 10% of the original principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes so redeemed *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the redemption date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Except pursuant to the preceding three paragraphs and “—*Optional Redemption for Taxation Reasons*,” the Notes will not be redeemable at the Issuer's option prior to October 29, 2027.

Optional Redemption on or after October 29, 2027

On or after October 29, 2027, the Issuer may redeem all or part of the Notes, upon not less than 10 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount) *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on of the following years:

Year	Redemption Price
2027	102.31250%
2028	101.15625%
2029 and thereafter	100.00000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes called for redemption on the applicable redemption date.

If and for so long as the Notes are listed on Euronext Dublin and the rules of that exchange so require, the Issuer shall publish any notice of redemption referred to above in Ireland in the manner described below in “—*Notices*.”

Any redemption pursuant to this “*Optional Redemption*” section may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent.

Notwithstanding the foregoing, in connection with any tender offer for the Notes at a price of at least 100.000% of the principal amount of the Notes tendered, *plus* accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date, if holders of the Notes of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such holders, the Issuer or (with the approval of the Issuer) such third-party will have the right upon not less than 10 nor more than 60 days’ notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part following such purchase at a price equal to the price offered to each other holder of the Notes in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Selection and Notice

If less than all of the Notes are to be redeemed at any time and the Notes are represented by Global Notes, the Notes to be redeemed shall be selected in accordance with the customary procedures of the relevant clearing systems (and any such partial redemption shall be reflected in the records of Euroclear and Clearstream as a pool factor).

If less than all of the Notes are to be redeemed at any time and the Notes are represented by Definitive Registered Notes, the Paying Agent or Registrar will select Notes for redemption on a *pro rata* basis (or based on a method that most nearly approximates a *pro rata* selection), subject to adjustments so as to ensure that no Definitive Registered Note outstanding after such redemption represents more or less than an integral number of Notes (with each Note in the amount of €100,000) and unless otherwise required by law or applicable stock exchange. Neither the Paying Agent nor the Registrar, as applicable, shall be liable for any selections made by it in connection with this paragraph. In such circumstances, the particular Notes to be redeemed will be selected, unless otherwise provided herein, not less than 10 nor more than 60 days prior to the redemption date by the Paying Agent or the Registrar from the outstanding Notes not previously called for redemption. In such circumstances, the Paying Agent or the Registrar will promptly notify the Issuer (with a copy to the Trustee) in writing of the Notes selected for redemption.

If the Notes are represented by Global Notes held on behalf of Euroclear or Clearstream, notice of redemption will be delivered electronically by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in accordance with the applicable procedures of Euroclear and Clearstream, and if represented by Definitive Registered Notes, will be mailed by first class mail to each holder of Definitive Registered Notes representing Notes selected for redemption at their registered addresses, in each case at least 10 days but not more than 60 days before the redemption date, except that redemption notices may be electronically delivered or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Except as provided under “*Optional Redemption*,” notices of redemption may not be conditional.

If less than all of the Notes are to be redeemed at any time and the Notes are represented by Global Notes, the notice of redemption will state the aggregate principal amount of the Notes (and the aggregate principal amount of the Notes represented by each Global Note) to be redeemed. If less than all of the Notes are to be redeemed at any time and the Notes are represented by Definitive Registered Notes, each notice of redemption that relates to a Definitive Registered Note representing Notes selected for redemption will state the portion of the aggregate principal amount of Notes represented by that Definitive Registered Note that is to be redeemed, and that a new Definitive Registered Note in aggregate principal amount equal to the unredeemed portion of the original Definitive Registered Note will be issued in the name of the holder of the original Definitive Registered Note upon cancellation of the original Definitive Registered Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

If and for so long as the Notes are listed on Euronext Dublin and the rules of that exchange so require, the Issuer shall publish such notice in Ireland in the manner described below in “—*Notices*” and send a copy of such notice to Euronext Dublin.

Optional Redemption for Taxation Reasons

The Issuer or its successors, if any, may, at its option, redeem all, but not part, of the Notes at any time upon giving not less than 10 nor more than 60 days’ notice to the holders thereof, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of redemption (a “**Tax Redemption Date**”) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all

Additional Amounts (see “—*Additional Amounts*”) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer or its successors determines in good faith that, as a result of:

- (1) any official change in, expiration of, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Tax Jurisdiction (as defined below in “—*Additional Amounts*”) affecting taxation which is announced and becomes effective in such jurisdiction on or after the issuance of the Notes on the Issue Date (or, if the Relevant Tax Jurisdiction was not a Relevant Tax Jurisdiction on the Issue Date, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction under the Indenture); or
- (2) any official change in, expiration of, or amendment to, any existing official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment is announced and becomes effective with general applicability in such jurisdiction on or after the issuance of the Notes on the Issue Date (or, if the Relevant Tax Jurisdiction was not a Relevant Tax Jurisdiction on the Issue Date, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction under the Indenture),

the Issuer, its successors or any Guarantor (each, a “**Payer**”) are, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts on the Notes or the relevant Guarantee, as applicable, and the Payer cannot avoid such obligation by taking commercially-reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new paying agent in accordance with “—*Paying Agent and Registrar for the Notes*” or, in respect of a payment under a Guarantee, payment through another Guarantor or the Issuer). Notice of redemption for taxation reasons will be given in accordance with the procedures described below under “—*Selection and Notice*.”

Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payer would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due. Prior to the giving of any notice of redemption described in this paragraph, the Issuer or its successors shall deliver to the Trustee and the Principal Paying Agent (a) an Officers’ Certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Payer taking commercially-reasonable measures available to it and (b) a written opinion of independent tax counsel of recognized standing to the effect that the circumstances referred to above exist. The Trustee and the Principal Paying Agent will accept such Officers’ Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders.

Notwithstanding the foregoing, the Issuer or its successors may not redeem the Notes under this provision if the Relevant Tax Jurisdiction (as defined below in “—*Additional Amounts*”) changes under the Indenture and the Payer is obligated to pay Additional Amounts as a result of a change in the laws (or any regulations or rulings promulgated hereunder), or any change in any official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings, of the then current Relevant Tax Jurisdiction which, at the time the latter became the Relevant Tax Jurisdiction under the Indenture, was publicly announced as being or having been formally proposed.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions “—*Repurchase at the Option of Holders—Change of Control*” and “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.” The Issuer and its Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Additional Amounts

All payments made by a Payer on the Notes and any Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, assessments, duties, levies or other governmental charges of whatever nature (including penalties, interest and any liabilities with respect thereto) (each a “**Tax**” and collectively “**Taxes**”) imposed or levied by, or on behalf of, (1) any jurisdiction where such Payer is organized, engaged in business (where such Tax is imposed by reason of the Payer being engaged in business) or otherwise considered to be a resident for tax purposes, (2) any jurisdiction from or through which a payment on the Notes is made, or (3) any political subdivision or governmental authority of any of the foregoing having the power to tax (the “**Relevant Tax Jurisdiction**”), unless the withholding or deduction of such Taxes is then required by law.

If any deduction or withholding for, or on account of, any Taxes of any Relevant Tax Jurisdiction is at any time required to be made from any payments under the Notes and any Guarantee, including payment of principal, redemption price, interest or premium, the Payer will pay (to the extent lawful) to each holder of a Note such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by such holder (including the Additional Amounts) after such deduction or withholding will be not less than the amounts which such holder would have received in respect of such payments

in the absence of such withholding or deduction; *provided* that the Payer will not be required to make any payment of Additional Amounts for or on account of:

- (1) any Tax that would not have been imposed but for the existence of any present or former connection between such holder or beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder or beneficial owner, if the relevant holder or beneficial owner is an estate, trust, partnership, limited liability company or corporation) and the Relevant Tax Jurisdiction, including such holder or beneficial owner being or having been a citizen, domiciliary or resident thereof or being or having been engaged in trade or business therein or having or having had a permanent establishment or dependent agent therein; but excluding, in each case, any connection arising solely from the acquisition, ownership, holding or disposition of such Notes or the receipt of any payment in respect thereof or the exercise or enforcement of any rights under the Indenture or the Notes;
- (2) any tax that would not have been imposed but for the presentation of a Note for payment (where presentation is required) on a date more than 30 days after (i) the date on which such payment on such Note became due and payable or (ii) the date on which payment thereof is duly provided for, whichever occurs later (except to the extent that the holder would have been entitled to Additional Amounts had such Note been presented at the latest on the last day of such 30-day period);
- (3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, similar assessment or similar governmental charge;
- (4) any Tax that is payable otherwise than by withholding or deduction from payment on (or in respect of) the Notes and any Guarantee;
- (5) any Tax that is imposed or withheld by reason of the failure by the holder of the Note to comply with a written request addressed or otherwise provided to the holder (and made at a time which would enable such holder acting reasonably to comply with that request and, in any case, made at least 60 days before such withholding or deduction would be payable by the Payer) to provide timely and accurate certification, information, documents or other evidence concerning the nationality, residence or identity of the holder or beneficial owner of the Note, or to make any valid and timely declaration or similar claim or satisfy any certification information or other reporting requirement relating to such matters, in each case which is required by a statute, treaty, regulation or administrative practice of the Relevant Tax Jurisdiction as a precondition to exemption from all or part of such Tax;
- (6) any Tax imposed pursuant to section 1471(b) of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable) or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law or regulation implementing an intergovernmental agreement relating thereto; or
- (7) any combination of any of the items above.

Such Additional Amounts will also not be payable where, had the beneficiary, settlor, member, partner or shareholder of the relevant holder or the beneficial owner of the Note held such Notes directly, it would not have been entitled to payment of Additional Amounts by reason of clauses (1) to (7) inclusive above.

If the Payer will be obligated to pay Additional Amounts with respect to any payment made on the Notes and the Guarantees, the Payer will provide the Trustee, the Noteholders' Representative (if other than the Trustee) and the Principal Paying Agent at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Payer shall notify the Trustee and the Noteholders' Representative (if other than the Trustee) promptly thereafter) an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the paying agent to pay Additional Amounts to holders on the relevant payment date. The Payer will promptly provide the Trustee and the Noteholders' Representative (if other than the Trustee) with documentation reasonably satisfactory to them evidencing the payment of Additional Amounts.

The Payer will make all required withholding and deduction and will remit the full amount required to be deducted or withheld to the Relevant Tax Jurisdiction in accordance with applicable law. The Payer will use all commercially reasonable efforts to provide the Trustee and the Noteholders' Representative (if other than the Trustee) with an official Tax receipt of the Relevant Tax Jurisdiction (or a certified copy thereof) evidencing the payment of the Taxes so withheld or deducted by the Payer. Upon request, copies of such documentation will be made reasonably promptly available to the paying agents, as applicable, or if, notwithstanding the Payer's effort to obtain receipts, receipts are not obtained, other evidence of payment by the Payer.

The Payer will pay all present and future stamp duty, stamp, issue, registration, transfer, court or documentary Taxes or any other excise or property Taxes, charges or similar levies which are imposed by a Relevant Tax Jurisdiction or Taxes which

arise from the execution, delivery, performance or registration of the Notes, the initial resale thereof by the Initial Purchaser and the enforcement of the Indenture, the Notes, the Guarantees and/or any related agreement following the occurrence of an Event of Default.

All references in this “*Description of the Notes*” to principal, premium and interest on the Notes or any other payment under, or with respect to, any of the Notes include Additional Amounts which were or would be payable by the Payer in respect thereof.

Guarantees

As of the Issue Date, the Notes are only obligations of the Issuer and are not guaranteed. Following the Issue Date, Restricted Subsidiaries of the Issuer may guarantee the Issuer’s obligation under the Notes and the Indenture pursuant to the terms of the Indenture.

The obligations and liabilities of the Guarantors under their Guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, maintenance of Capital Stock, or similar laws, regulations or defenses affecting the rights of creditors generally, such as those relating to bankruptcy, insolvency, liquidation, moratorium ad-hoc mandate, preventive concordat or reorganization) or other considerations under applicable laws.

Although the Issuer has revenue-generating operations of its own, its ability to meet its obligations, including its obligations under the Notes, may nevertheless be impaired if its Subsidiaries are unable to distribute, loan or otherwise advance cash to it when (and in such amounts as may be) required to assist the Issuer in meeting such obligations. None of the Issuer’s Subsidiaries will guarantee the Notes on the Issue Date. Claims of creditors of any non-Guarantor Subsidiaries that do not guarantee the Notes, including claims of trade creditors, claims of secured creditors, claims of creditors holding debt and guarantees issued by those Subsidiaries and claims of preferred stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer, including holders of the Notes. The Notes therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that do not guarantee the Notes. Any right of the Issuer to receive assets of any such non-Guarantor Subsidiary upon such non-Guarantor Subsidiary’s bankruptcy, liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will accordingly also be structurally subordinated to the claims of such non-Guarantor Subsidiary’s creditors, except to the extent that the Issuer is itself recognized as a creditor of such non-Guarantor Subsidiary, in which case the claims of the Issuer would still be subordinated in right of payment to any security over the assets of such non-Guarantor Subsidiary, any debt of such non-Guarantor Subsidiary ranking senior in right of payment to the claims held by the Issuer and any debt of such non-Guarantor Subsidiary that is mandatorily preferred by law. Even where the Issuer is itself recognized as a creditor of a non-Guarantor Subsidiary, the claims of the Issuer may be reduced, limited or extinguished as a result of applicable insolvency rules (such as the doctrine of equitable subordination or the rules regarding the potential avoidance of transactions concluded with related parties within a certain hardening period). Accordingly, in the event of a bankruptcy, liquidation or reorganization of any such non-Guarantor Subsidiary, such non-Guarantor Subsidiary may need to pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Issuer, and, even otherwise, recovery by the Issuer may be significantly less than the amount of its claim(s). Although the Indenture limits the incurrence of Indebtedness and the issuance of Disqualified Stock or Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness or Disqualified Stock or Preferred Stock under the Indenture. See “—*Certain Covenants—Limitation on Indebtedness.*”

Release of Guarantees

A Guarantee of a Guarantor will be released under any one or more of the following circumstances:

- (1) upon legal defeasance or covenant defeasance of the Notes or satisfaction and discharge of the Indenture as provided below under the captions “—*Legal Defeasance and Covenant Defeasance*” and “—*Satisfaction and Discharge*;”
- (2) upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; and
- (3) as described under “—*Amendment, Supplement and Waiver.*”
- (4) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination), to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, in each case, in a transaction that is otherwise permitted by the Indenture;
- (5) in connection with any sale, disposition, exchange or other transfer of Capital Stock of such Guarantor, as applicable, to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted

Subsidiary, in each case, in a transaction that is otherwise permitted by the Indenture if such Guarantor, as applicable, ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

- (6) upon the release of the guarantee or security or the discharge of the Indebtedness that gave rise to the obligation to guarantee the Notes, so long as no other Indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed by such Guarantor in a manner that would require the granting of a guarantee as provided below under “—*Limitations on Guarantees of Indebtedness by Restricted Subsidiaries*;”
- (7) upon the designation of such Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (8) in connection with a Permitted Reorganization; and
- (9) in accordance with the provisions of the Intercreditor Agreement and any Additional Intercreditor Agreement.

No release and discharge of a Guarantee will be effective against the Trustee or the holders of Notes until the Issuer shall have delivered to the Trustee an Officers’ Certificate stating that all conditions precedent provided for in the Indenture relating to such release and discharge have been satisfied and that such release and discharge is authorized and permitted under the Indenture and the Trustee shall be entitled to rely on such Officers’ Certificate absolutely and without further inquiry. At the request and expense of the Issuer, the Trustee will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Guarantee. None of the Issuer, any Guarantor or the Trustee will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Security

The Collateral

The Notes are secured from the Issue Date by liens and security interest granted by the Parent in favor of the Security Agent on an equal and ratable first-priority basis (subject to any Permitted Collateral Liens) over those of its assets listed below:

- (a) pursuant to Romanian law Security Documents, all of the Capital Stock it holds in the Issuer and certain of its bank accounts in Romania; and
- (b) pursuant to Dutch law Security Documents, all Dutch bank accounts, including any new bank accounts. It is noted that the Dutch law Security Documents were entered into on November 4, 2013, and October 26, 2016, through which, respectively, a first ranking and second ranking right of pledge over the Dutch bank account that the Parent maintained in the Netherlands at that time was granted in favor of the Security Agent. On October 5, 2017, a release letter was entered into between the Parent and the Security Agent, in which the Security Agent confirmed that due to the closing of the Dutch bank account: (i) the security created pursuant to the Dutch Law Security Documents has been terminated by operation of law and (ii) the Parent is irrevocably and unconditionally released and discharged from all undertakings, liabilities and obligations, whether actual or contingent and whether past, present or future incurred or owing pursuant to the Dutch law Security Documents to the extent relating to the Dutch bank account, including any powers of attorney granted in connection therewith. The Parent remains under the obligation to pledge any future bank accounts it may open in the Netherlands in favor of the Security Agent securing the obligations of the Issuer and any guarantors under the Notes, any guarantees and the Indenture or any applicable parallel debt, and on or around the date of this prospectus, the Parent entered into a Dutch agreement of deed of pledge over bank accounts pursuant to which it is obliged to pledge any future bank account it may open in the Netherlands.

The Notes are also secured from the Issue Date by liens and security interest granted by the Issuer in favor of the Security Agent on an equal and ratable first-priority basis (subject to any Permitted Collateral Liens) over those of its assets listed below:

- (a) pursuant to Spanish law Security Documents, 100% of the issued Capital Stock of DIGI Spain; and
- (b) pursuant to Romanian law Security Documents, subject to certain exclusions, all present and future movable assets of the Issuer including bank accounts, trade receivables, intragroup receivables, insurance receivables, inventories, movable tangible property (including installations, networks, machinery, equipment, vehicles, furniture and other similar assets), intellectual property rights, insurance and proceeds related to any of the foregoing.

Any other additional security interests that may in the future be created to secure obligations under the Notes, the Guarantees and the Indenture would also constitute Collateral.

Subject to certain conditions, including compliance with the covenants described under “—*Certain Covenants—Limitation on Liens*” and “—*Certain Covenants—Impairment of Security Interest*,” the Parent and the Issuer are permitted to pledge the Collateral in connection with future issuances of Indebtedness, including any Additional Notes, or Indebtedness of the Issuer’s Restricted Subsidiaries, in each case as permitted under the Indenture and on terms consistent with the relative priority of such Indebtedness.

No appraisals of any Collateral have been prepared by or on behalf of the Parent, the Issuer, the Security Agent or the Trustee in connection with the issuance of the Notes and the Guarantees thereof. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes and any other indebtedness that is secured on a *pari passu* basis with the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time or at all.

Security Documents and Enforcement of Liens

The Parent, the Issuer and the Security Agent, as applicable, have entered into Security Documents which define the terms of the security interests that secure payment and performance when due of all of the obligations of the Issuer and the Guarantors under the Notes, the Indenture and the Guarantees, as applicable. The Security Documents in respect of the Romanian, Spanish and Dutch law security interests that secures the Notes (see “—*The Collateral*”) were initially entered into (and in certain cases, subsequently amended or confirmed) in relation to other financing arrangements and will remain in effect (other than certain amendments to be made thereto, or confirmations to be made in respect thereof, on the Issue Date), except as otherwise permitted under the Indenture.

On the Issue Date, in connection with the issuance of the Notes, the Trustee acceded to the Intercreditor Agreement in its capacity as trustee for the Notes and the Issuer designated the Notes as “Senior Secured Notes” for purposes of the Intercreditor Agreement and make certain required confirmations under the Intercreditor Agreement, following which, the Notes and the Guarantees thereof will be deemed and treated as having been secured on a *pari passu* basis (including, *inter alia*, under the provisions of the Intercreditor Agreement relating to the application of proceeds following the enforcement of the Security Documents) with the 2023 Senior Facilities Agreements, the 2024 Senior Facilities Agreement, the Export Credit Facilities Agreements, the Citi Facilities Agreement, the ING Facilities Agreement, the BRD Facility Agreements and certain Hedging Obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement and any Additional Intercreditor Agreement. For a description of the Intercreditor Agreement, see “*Description of Other Indebtedness—Intercreditor Agreement.*”

In The Netherlands and Romania, the Intercreditor Agreement provides for the creation of “parallel debt” obligations in favor of the Security Agent. Under the terms of the Intercreditor Agreement, the parallel debt in relation to the Indenture, the Notes and the Guarantees will be in the same amount and payable at the same time as the obligations of the Issuer and the Guarantors under the Indenture, the Notes and the Guarantees (the “**Principal Obligations**”). Any payment in respect of the Principal Obligations shall discharge the corresponding parallel debt and any payment in respect of the parallel debt shall discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the parallel debt, a claim against the Issuer and/or the Guarantors, as applicable, for the full principal amount of the Notes, holders of the Notes bear risks associated with a possible insolvency or bankruptcy of the Security Agent or breach of its obligations as Security Agent toward the secured creditors. The Security Documents provide or will provide that the security interests in such jurisdictions will secure the parallel debt (and not the Indebtedness under the Notes and the Guarantees). The parallel debt mechanism has not been tested in practice in The Netherlands or Romania and there is no assurance that such a structure will be effective before courts in any of these jurisdictions as there is no judicial or other guidance as to its efficacy; therefore the ability of the Security Agent to enforce the Collateral may be restricted. See “*Risk Factors—Risks Relating to the Notes and the Guarantees—The Security Interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.*”

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Parent’s, the Issuer’s, or any Guarantor’s bankruptcy. See “*Certain Insolvency and Enforceability Considerations*” and “*Risk Factors—Risks Relating to the Notes and the Guarantees—Guarantees and related security interests may be limited by applicable law or subject to certain limitations or defenses*” and “*Risk Factors—Risks Relating to the Notes and the Guarantees—Romanian insolvency laws may not be as favorable to prospective investors as other insolvency laws.*” In addition, enforcement and validity of the security interest over the Collateral will be limited to the maximum amount required to comply with corporate benefit and other laws. As a result of these and similar limitations, the recoverable amounts with respect to the Issuer’s obligation under the Notes and any Guarantor’s obligations under its Guarantee could be significantly less than the total amounts payable with respect to the Notes and the Guarantees, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Relating to the Notes and the Guarantees—Guarantees and the related security interests may be limited by applicable law or subject to certain limitations or defenses.*”

Subject to the terms of the Security Documents and the Indenture, the Parent, the Issuer and any Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate and dispose of the Collateral and to collect, invest and dispose of any income therefrom.

In addition, the Intercreditor Agreement and applicable law may limit the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only

pursuant to public auctions or other sale procedures permitted by law or only at a price determined in accordance with legally prescribed criteria, subject to certain exceptions. See “*Description of Other Indebtedness—Intercreditor Agreement.*”

The Trustee has, and by accepting a Note, each holder of a Note will be deemed to have:

- irrevocably appointed Wilmington Trust (London) Limited (as well as any successor Security Agent appointed after the Issue Date in accordance with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement), as Security Agent, to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and any Additional Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement and each holder of a Note will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Release of Liens

The Security Agent will take any action required to release the Collateral in accordance with the provisions of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement and the relevant Security Documents under any one or more of the following circumstances:

- (1) upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes;
- (2) upon legal defeasance or covenant defeasance of the Notes or satisfaction and discharge of the Indenture as provided below under the captions “—*Legal Defeasance and Covenant Defeasance*” and “—*Satisfaction and Discharge*;”
- (3) upon release of a Guarantee (with respect to the Liens granted by such Guarantor) in accordance with the Indenture;
- (4) in connection with any disposition of Collateral, directly or indirectly, to any Person other than the Issuer or any of its Restricted Subsidiaries (but excluding any transaction subject to “—*Certain Covenants—Merger and Consolidation*”) that is not prohibited by the Indenture (with respect to the Lien on such Collateral);
- (5) as described under “—*Amendment, Supplement and Waiver*;”
- (6) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of Liens on property and assets and Capital Stock of such Restricted Subsidiary;
- (7) as described in the second paragraph under “—*Certain Covenants—Limitation on Liens*;”
- (8) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (9) in connection with a Group Collateral Release or a DIGI Spain Security Release; and
- (10) as described under “—*Certain Covenants—Impairment of Security Interest.*”

Each of these releases shall be effected by the Security Agent and, to the extent it is necessary, the Trustee without the consent of the holders of the Notes. The Indenture provides that any release of a Lien on Collateral shall be evidenced by the delivery of an Officers’ Certificate of the Issuer to the Trustee and the Security Agent, who shall acknowledge and confirm such release upon delivery of such Officers’ Certificate.

To the extent any further acts or things may be required to be done to effect the automatic release and discharge of a Lien over the relevant Collateral, the Security Agent and the Trustee are authorized to act without the consent of the holders of the Notes to give effect to the release set out in the foregoing paragraph and shall, at the expense of the Issuer, promptly execute and do all such acts and things as may be necessary to effect the release of such Lien over the relevant Collateral, failing which, the Issuer is authorized to execute and do all such acts and things on behalf of the Security Agent, the Trustee and/or the holders of the Notes.

The Security Agent may need to evaluate the impact of the potential liabilities before determining to enforce on certain Collateral. In this regard, the Security Agent may decline to enforce on the Collateral or exercise remedies available if it does not receive satisfactory indemnification and/or security from the holders of the Notes. In addition, the Security Agent’s ability

to foreclose on the Collateral on behalf of the holders of the Notes may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Liens on the Collateral.

The Indenture provides that the Security Agent shall have no liability to any of the holders of the Notes as a consequence of its performance or non-performance under the Security Documents, except for its gross negligence or willful misconduct.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs at any time, the Issuer must offer to repurchase all of the Notes pursuant to the terms set forth in the Indenture (a “**Change of Control Offer**”). In the Change of Control Offer, the Issuer will offer a “**Change of Control Payment**” in cash equal to 101% of the aggregate principal amount of Notes repurchased *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (the “**Change of Control Payment Date**”), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will provide a notice to each holder of Notes describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other laws, regulations and stock exchange rules to the extent those laws, regulations and stock exchange rules are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any laws, regulations or stock exchange rules conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable laws, regulations and stock exchange rules and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with a paying agent or another agent appointed by the Issuer an amount equal to the Change of Control Payment in respect of all Notes properly tendered and accepted for purchase;
- (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers’ Certificate stating the aggregate principal amount of Notes being purchased by the Issuer;
- (4) if the Notes are represented by Global Notes, deliver or cause to be delivered to the Principal Paying Agent the Global Notes in order to include a notation thereon to decrease the principal amount thereof by the principal amount of Notes that have been tendered to and purchased by the Issuer; and
- (5) if the Notes are represented by Definitive Registered Notes, deliver or cause to be delivered to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If the Notes are represented by Definitive Registered Notes, the Principal Paying Agent will promptly pay (by wire transfer of immediately available funds, by mail or otherwise) to each holder of Definitive Registered Notes representing Notes that were properly tendered and accepted for purchase the Change of Control Payment for such Notes, and the Trustee (or the Authenticating Agent, as applicable) will promptly authenticate and mail (or cause to be transferred by book-entry) to each such holder a new Definitive Registered Note equal in principal amount to any unpurchased portion of the Definitive Registered Note surrendered, if any; *provided* that each new Definitive Registered Note represents an integral number of Notes (with each Note in the amount of €100,000).

The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date in Ireland in the manner described below in “—*Notices*” and send a copy of such announcement to Euronext Dublin, if and for so long as the Notes are listed on Euronext Dublin and the rules of that exchange so require.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Further, under the terms of the Indenture, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

- (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; or
- (2) notice of redemption with respect to all outstanding Notes has been given pursuant to the Indenture as described above under the caption “—*Optional Redemption*,” unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

In addition, holders of the Notes should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under clauses similar to clause (e) of the definition of “Change of Control” if the outgoing directors were to approve the new directors for the purposes of that clause.

Certain Limits and Defaults

The agreements governing the Issuer’s and its Restricted Subsidiaries’ Indebtedness (including the Senior Facilities Agreements, the Export Credit Facilities Agreements, the Citi Facilities Agreement, the ING Facilities Agreement and the BRD Facility Agreements) may restrict certain events, including events that would constitute an Asset Disposition or Change of Control. The exercise by the holders of Notes of their right to require the Issuer to repurchase the Notes upon an Asset Disposition or Change of Control could cause a default under these other agreements, even if the Asset Disposition or Change of Control does not, due to the financial effect of such repurchases on the Issuer (as well as the Issuer and the other Restricted Subsidiaries). Any future credit agreements or other agreements relating to Indebtedness to which the Issuer or any Restricted Subsidiary becomes party may contain similar restrictions and provisions. Finally, the Issuer’s ability to pay cash to the holders of Notes upon a repurchase may be limited by its then existing financial resources. The Issuer’s failure to make or consummate an Asset Disposition or Change of Control Offer or pay the applicable Asset Disposition or Change of Control payment when due would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described below under the caption “—*Events of Default and Remedies*” and which, in turn would constitute a default under certain other Indebtedness. See “*Risk Factors—We may not be able to obtain the funds required to repurchase the Notes upon a change of control.*”

Certain Covenants

The Indenture contains, among others, the following covenants:

Limitation on Indebtedness

- (a) The Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided, however*, that the Issuer and any Restricted Subsidiary will be entitled to Incur Indebtedness if after giving effect to such Incurrence and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Net Leverage Ratio would not exceed 4.25 to 1.
- (b) Notwithstanding the foregoing clause (a), the Issuer and any Restricted Subsidiary will be entitled to Incur any or all of the following Indebtedness (“**Permitted Indebtedness**”):
 - (i) Indebtedness Incurred pursuant to one or more Credit Facilities in an aggregate principal amount outstanding at any time not exceeding (A) the greater of (x) €1,020.0 million and (y) 180.0% of LTM EBITDA *plus* (B) the greater of (x) €145.0 million and (y) 25.0% of LTM EBITDA under revolving Credit Facilities, *plus* (C) the greater of (x) €575.0 million and (y) 100.0% of LTM EBITDA, *plus* (D) in the case of any refinancing of Indebtedness permitted under this clause (i), or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
 - (ii) Indebtedness owed to and held by the Issuer or a Restricted Subsidiary; *provided, however*, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon, (B) if the Issuer is the obligor on such Indebtedness, such Indebtedness is unsecured, is expressly subordinated to the prior payment in full in cash of all obligations

with respect to the Notes and complies with the requirements of clause (a) of the definition of Permitted Investments and (C) if a Guarantor is the obligor on such Indebtedness, such Indebtedness is unsecured and is expressly subordinated to the prior payment in full in cash of all obligations of such Guarantor with respect to its Guarantee;

- (iii) Indebtedness representing the Notes (other than any Additional Notes) to be issued on the Issue Date and any related “parallel debt” obligations under the Intercreditor Agreement;
- (iv) Indebtedness outstanding on the Issue Date after giving effect to the Transactions subject to sub-clause (iv) of paragraph (d) below (other than Indebtedness described in clauses (i), (iii) or (xviii) of this paragraph);
- (v) Refinancing Indebtedness in exchange for or the net proceeds of which are used to refund, replace or refinance Indebtedness Incurred pursuant to clause (a) of this paragraph (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a)) or Indebtedness Incurred pursuant to sub-clauses (iii), (iv) (other than any Indebtedness which was or will be repaid as part of the Transactions), (v), (xi), (xiii), (xv) or (xvii);
- (vi) Hedging Obligations of the Issuer or any Restricted Subsidiary; *provided* that such Hedging Obligations are entered into in the ordinary course of business and not for speculative purposes;
- (vii) Obligations (a) in respect of performance, bid, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, in each case not in connection with the borrowing of money and (b) under any license, permit or other approval (or guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business;
- (viii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within ten Business Days of its Incurrence;
- (ix) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar Obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Restricted Subsidiary; *provided* that (A) in the case of a disposition, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the net proceeds (including the Fair Market Value of non-cash consideration) actually received by (or held in escrow as a collateral for such Indebtedness for later release to) the Issuer and its Restricted Subsidiaries in connection with such disposition (without giving effect to any subsequent changes in value) and (B) such Indebtedness is not reflected on the balance sheet of the Issuer or any Restricted Subsidiary (contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause);
- (x) the guarantee (A) by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any Guarantor permitted to be Incurred by any other provision of this covenant; *provided* that any such guarantee by a Restricted Subsidiary is made in accordance with the covenant described under “—*Limitations on Guarantees of Indebtedness by Restricted Subsidiaries*” and (B) by a Restricted Subsidiary that is not a Guarantor of Indebtedness of a Restricted Subsidiary that is not a Guarantor or the Issuer and that was permitted to be Incurred by any other provision of this covenant;
- (xi) Purchase Money Indebtedness Incurred by the Issuer or a Restricted Subsidiary in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause (xi) and then outstanding, does not exceed the greater of (a) €115.0 million and (b) 20.0% of LTM EBITDA; *plus*, in the case of any refinancing of Indebtedness permitted under this clause (xi) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (xii) Indebtedness in respect of (a) workers’ compensation claims or claims arising under similar legislation or regulation or self-insurance obligations Incurred in the ordinary course of business, in each case not in connection with the borrowing of money, (b) letters of credit, bankers’ acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements or any automated clearing-house transfers of funds or other fund transfer or payment processing services, in each case, incurred in the ordinary course of business;

- (xiii) Indebtedness (a) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Restricted Subsidiaries or (b) Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by, or merged, consolidated, amalgamated or otherwise combined with, the Issuer or any of its Restricted Subsidiaries; *provided, however*, with respect to this clause (xiii), that at the time of such acquisition or other transaction the aggregate amount of such Indebtedness Incurred did not exceed (1) an amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (1) and then outstanding, does not exceed the greater of (x) €145.0 million and (y) 25.0% of LTM EBITDA; *plus* (2) any additional Indebtedness to the extent that (A) (I) the Issuer or a Restricted Subsidiary would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (xiii) and the application of any proceeds thereof or (II) the Consolidated Net Leverage Ratio after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (xiii) and the application of any proceeds thereof would not be greater than it was immediately prior thereto or (B) in the case of Acquired Indebtedness, such Indebtedness is discharged within six months of Incurrence or would otherwise constitute Indebtedness not prohibited by this covenant;
- (xiv) additional Indebtedness of the Issuer or any Restricted Subsidiary (other than and in addition to Indebtedness permitted under sub-clauses (i) through (xiii) and (xv) through (xxiii)) in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) €145.0 million and (b) 25.0% of LTM EBITDA;
- (xv) Indebtedness in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Subsidiary) of the Issuer's Capital Stock (other than Disqualified Stock) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer and by the Issuer and any Guarantors from the issuance and sale (other than to a Subsidiary) of any Subordinated Shareholder Debt, in each case, subsequent to the Issue Date; *provided, however*, that (a) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under clauses (a), (b)(i), (b)(ix) or (b)(xvi) of the covenant described under the caption "*—Limitation on Restricted Payments*" and may not be designated as Excluded Contributions to the extent the Issuer or any Guarantor incurs Indebtedness in reliance thereon; and (b) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (xv) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under clauses (a), (b)(i), (b)(ix) or (b)(xvi) of the covenant described under the caption "*—Limitation on Restricted Payments*" in reliance thereon or has designated such Net Cash Proceeds as Excluded Contributions;
- (xvi) (a) Indebtedness incurred in any Qualified Receivables Financing; and (b) any Indebtedness arising in relation to the discounting or factoring (or other similar or equivalent arrangement) of receivables, bills of exchange and/or inventory (or any other receivables based financing arrangements) up to a maximum aggregate amount (in terms of the outstanding principal amount of Indebtedness at any time and excluding any amount Incurred pursuant to arrangements entered into in the ordinary course of business) of the greater of (x) €145.0 million and (y) 25.0% of LTM EBITDA;
- (xvii) (a) Indebtedness Incurred by a Spanish Restricted Subsidiary, if after giving effect to such Incurrence and the application of the proceeds thereof, on a *pro forma* basis, the Spanish Consolidated Net Leverage Ratio would not exceed 4.0 to 1; and (b) Indebtedness (1) of any Person outstanding on the date on which such Person becomes a Spanish Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) any Spanish Restricted Subsidiary or (2) Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Spanish Restricted Subsidiary or was otherwise acquired by, or merged, consolidated, amalgamated or otherwise combined with, any Spanish Restricted Subsidiary; *provided, however*, with respect to this sub-clause (b), (I) that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be Incurred (x) DIGI Spain or another Spanish Restricted Subsidiary would have been able to incur €1.00 of additional Indebtedness pursuant to sub-clause (a) after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this sub-clause (b) and the application of any proceeds thereof or (y) the Spanish Consolidated Net Leverage Ratio after giving *pro forma* effect to the incurrence of such Indebtedness

pursuant to this sub-clause (b) and the application of any proceeds thereof would not be greater than it was immediately prior thereto or (II) in the case of Acquired Indebtedness, such Indebtedness is discharged within six months of Incurrence or would otherwise constitute Indebtedness not prohibited by this covenant;

- (xviii) Permitted DIGI Andalucía Indebtedness in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) €115.0 million and (b) 20.0% of LTM EBITDA;
 - (xix) Indebtedness Incurred by the Issuer or any Restricted Subsidiary that is not a Spanish Restricted Subsidiary consisting of local lines of credit or working capital facilities at any time outstanding not exceeding the greater of (a) €115.0 million and (b) 20.0% of LTM EBITDA;
 - (xx) Indebtedness of Restricted Subsidiaries (other than Spanish Restricted Subsidiaries) that are not Guarantors; *provided* that the maximum aggregate principal amount of Indebtedness outstanding under this sub-clause (xx) does not exceed the greater of (a) €115.0 million and (b) 20.0% of LTM EBITDA;
 - (xxi) any Indebtedness arising under any unsecured, unguaranteed, financing instruments convertible into subsidies (*deudas transformables en subvenciones*); *provided* that the maximum aggregate principal amount of Indebtedness outstanding under this sub-clause (xxi) does not exceed the greater of (a) €45.0 million and (b) 7.5% of LTM EBITDA;
 - (xxii) Indebtedness under leasing, vendor financing or similar arrangements entered into in the ordinary course of business (including any such arrangements subsisting in any entity acquired pursuant to an acquisition not prohibited by the terms of the Indenture), *provided* that, with respect to vendor financing only, the maximum aggregate principal amount of Indebtedness outstanding under this sub-clause (xxii) that constitutes vendor financing does not exceed the greater of (a) €145.0 million and (b) 25.0% of LTM EBITDA; and
 - (xxiii) Indebtedness under export financing or similar arrangements entered into in the ordinary course of business (including any such arrangements subsisting in any entity acquired pursuant to an acquisition not prohibited by the terms of the Indenture), *provided* that the maximum aggregate principal amount of Indebtedness outstanding under this sub-clause (xxiii) does not exceed the greater of (a) €145.0 million and (b) 25.0% of LTM EBITDA.
- (c) Notwithstanding the foregoing, neither the Issuer nor any Guarantor will Incur any Permitted Indebtedness if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Issuer or any Guarantor unless such Indebtedness shall be subordinated to the Notes or the applicable Guarantee to at least the same extent as such Subordinated Obligations.
- (d) For purposes of determining compliance with the covenant described under this paragraph:
- (i) any Indebtedness under the Senior Facilities Agreements, the Export Credit Facilities Agreements, the Citi Facilities Agreement, the ING Facilities Agreement and the BRD Facility Agreements will be deemed to have been Incurred under clause (b)(i)(A) above and may not be reclassified;
 - (ii) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and will only be required to include the amount and type of such Indebtedness in one of the above clauses;
 - (iii) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above and may change the classification of an item of Indebtedness (or any portion thereof) to any other type of Indebtedness described above at any time; and
 - (iv) any Indebtedness that will be repaid as part of the Transactions will be deemed to have been Incurred under sub-clause (iv) of paragraph (b) above and may not be reclassified or Refinanced.
- (e) For purposes of determining compliance with any Euro-denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the EUR Equivalent determined on the date of the Incurrence of such Indebtedness; *provided, however*, that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than Euros, and such refinancing would cause the applicable Euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; and (ii) if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to Euros covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such

Indebtedness expressed in Euros will be as provided in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the EUR Equivalent, as appropriate, of the Indebtedness Refinanced, except to the extent that (1) such EUR Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the EUR Equivalent of such excess, as appropriate, will be determined on the date such Refinancing Indebtedness is Incurred. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

Limitation on Restricted Payments

- (a) The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:
 - (i) a Default shall have occurred and be continuing (or would immediately thereafter result therefrom);
 - (ii) the Issuer is not entitled to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the covenant described under “—*Limitation on Indebtedness*,” or
 - (iii) the aggregate amount of such Restricted Payment and all other Restricted Payments since October 26, 2016 would exceed the sum of (without duplication):
 - A. 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from October 1, 2016, to the end of the most recent fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit);
 - B. 100% of the aggregate Net Cash Proceeds and the fair market value (as determined in good faith by the Board of Directors or senior management of the Issuer) of any marketable securities or other property or assets received by the Issuer from the issuance or sale of its Capital Stock or otherwise contributed to the equity of the Issuer (other than Disqualified Stock or which are or the Net Cash Proceeds of which are Excluded Contributions) or of Subordinated Shareholder Debt subsequent to October 26, 2016 (other than an issuance or sale to a Subsidiary of the Issuer and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees);
 - C. the amount by which Indebtedness of the Issuer or its Restricted Subsidiaries is reduced on the Issuer’s consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Issuer) subsequent to October 26, 2016 of any Indebtedness of the Issuer or its Restricted Subsidiaries which is convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash or the Fair Market Value of other property distributed by the Issuer or any Restricted Subsidiary upon such conversion or exchange);
 - D. with respect to Investments (other than Permitted Investments) made by the Issuer and its Restricted Subsidiaries after October 26, 2016, the amount equal to the net reduction in Investments resulting from (x) payments of dividends, repayments of the principal of loans or advances or similar repurchases, repayments, redemptions, or other transfers of assets to the Issuer or any Restricted Subsidiary or from the sale of any such Investment or (y) if such Investment constituted a guarantee, an amount equal to the amount of such guarantee upon the full and unconditional release of such guarantee or (z) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of “Investment”), to the extent the amount of such Investments previously made by the Issuer or any Restricted Subsidiary in such Person was included in the calculation of the amount of Restricted Payments; and
 - E. in the event that the Issuer or any Restricted Subsidiary makes any Investment in a Person after October 26, 2016 that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Issuer’s or such Restricted Subsidiary’s existing Investment in such Person that was previously treated as a Restricted Payment less any amount included in sub-clause (D) of clause (iii) of this paragraph (a) with respect to the Issuer’s or such Restricted Subsidiary’s existing Investment in such Person.

The Issuer estimates that the amount available for making Restricted Payments under the preceding provisions as of June 30, 2025 (the most recent date as of which our consolidated financial statements are available as of the Issue Date) would have been approximately €340.0 million.

(b) The preceding provisions will not prohibit:

- (i) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock or Subordinated Shareholder Debt or otherwise contributed to the equity of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Issuer or an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees, Subordinated Shareholder Debt or the Net Cash Proceeds of which are Excluded Contributions); *provided, however*, that (A) such Restricted Payment shall be excluded from the calculation of the amount of Restricted Payments and (B) the amount of any such Net Cash Proceeds that are utilized for any Restricted Payment shall be excluded from the calculation of amounts under sub-clause (a)(iii)(B) of the preceding paragraph and may not be designated as Excluded Contributions;
- (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Issuer or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Refinancing Indebtedness of such Person; *provided, however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded from the calculation of the amount of Restricted Payments;
- (iii) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date on which a dividend is declared or a redemption notice is given, as the case may be, if at the date of its declaration or such notice, the dividend payment or redemption would have complied with the provisions of the Indenture; *provided, however*, that such dividend or redemption shall be included in the calculation of the amount of Restricted Payments;
- (iv) (a) the purchase, repurchase, redemption or other acquisition or retirement for value of Capital Stock of the Issuer from employees, former employees, directors or former directors of the Issuer or any of its Restricted Subsidiaries or their authorized representatives or permitted transferees pursuant to any equity subscription agreement, employee stock ownership agreement, or similar agreement or incentive plan, and/or (b) purchases of Capital Stock of the Issuer for contribution to any management or employee incentive plans, or advances or loans to such plans to finance such plans' purchases of Capital Stock of the Issuer; *provided, however*, that the aggregate amount of all such Restricted Payments shall not exceed €20.0 million in any calendar year (with unused amounts in any calendar year, including amounts previously carried over that remain unused, being carried over to succeeding calendar years or carried back to the immediately preceding calendar year) and that the amount of such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;
- (v) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other convertible securities to the extent that such Capital Stock represents a portion of the exercise price of such options; *provided, however*, that such Restricted Payments shall be excluded from the calculation of the amount of Restricted Payments;
- (vi) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer; *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of this covenant (as determined in good faith by the Board of Directors); *provided further, however* that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (vii) in the event of a Change of Control or an Asset Disposition, and if no Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or any Guarantor pursuant to provisions similar to those described under the caption "*—Repurchase at the Option of Holders—Change of Control*" at a purchase price not greater than 101% of the principal amount of such Subordinated Obligations, or pursuant to provisions similar to those described under the caption "*—Limitation on Sales of Assets and Subsidiary Stock*" at a purchase price not greater than 100% of the principal amount of such Subordinated Obligations, as applicable, *plus* in each case any accrued and unpaid interest thereon; *provided, however*, that prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer (or a third party to the extent permitted by the Indenture) has made a Change of Control Offer or Asset Disposition Offer, as applicable, with respect to the Notes as a result of such Change of Control or Asset Disposition and has repurchased all Notes validly tendered and not withdrawn in connection with such Change of Control Offer or Asset Disposition Offer, as the case may be; *provided further, however* that such payments, purchases,

redemptions, defeasances or other acquisitions or retirements shall from included in the calculation of the amount of Restricted Payments;

- (viii) payments pursuant to intercompany Subordinated Obligations, the Incurrence of which was permitted under paragraph (ii) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*;” *provided, however*, that no Default has occurred and is continuing or would otherwise result therefrom; *provided further, however* that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (ix) for so long as equity securities of the Parent are listed on the Bucharest Stock Exchange, amounts sufficient to enable the declaration and payment by the Parent of dividends on the Capital Stock of the Parent in any four fiscal quarter period (including the fiscal quarter in which the dividend is declared) not to exceed 20% of the Parent’s consolidated net income for the preceding four fiscal quarter period (excluding the fiscal quarter in which the dividend is declared) determined in accordance with IFRS (and, for the avoidance of doubt, without any exclusions or adjustments thereto contemplated by the definition of “Consolidated Net Income”); and *provided further* that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (x) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under the caption “—*Limitation on Indebtedness*” above; *provided, however*, that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (xi) so long as no Default or Event of Default has occurred or is continuing or would be caused thereby, other Restricted Payments in an aggregate amount not to exceed the greater of (a) €175.0 million and (b) 30.0% of LTM EBITDA; *provided, however*, that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (xii) payments pursuant to any tax sharing agreement or arrangement among the Parent and its Subsidiaries and other Persons with which the Parent or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Parent or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided, however*, that such payments will not exceed the amount of tax that the Parent and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Parent and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority and *provided further*, that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (xiii) [Reserved];
- (xiv) [Reserved];
- (xv) Restricted Payments that are made with Excluded Contributions; *provided, however*, that such payments shall be excluded from the calculation of the amount of Restricted Payments;
- (xvi) [Reserved];
- (xvii) Restricted Payments to finance Investments or other acquisitions by a Permitted Holder or any of its Affiliates which would be otherwise permitted to be made pursuant to this covenant “—*Limitation on Restricted Payments*” if made by the Issuer or a Restricted Subsidiary; *provided, however*, that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (ii) such Permitted Holder or Affiliate shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the Issuer or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Issuer or a Restricted Subsidiary (in a manner not prohibited by the covenant described under “—*Merger and Consolidation*”) in order to consummate such Investment or other acquisition, (iii) such Permitted Holder or Affiliate receives no consideration or other payment in connection with such transaction except to the extent the Issuer or such other relevant Restricted Subsidiary could have given such consideration or made such payment in compliance with this covenant “—*Limitation on Restricted Payments*”; (iv) such Restricted Payments shall be included in the calculation of the amount of Restricted Payments; and (v) any property received in connection with such transaction shall be excluded from the calculation of amounts under sub-clause (a)(iii)(B) of the preceding paragraph and sub-clause (b)(i) above and may not be designated as Excluded Contributions, in each case, up to the amount of such Restricted Payment made under this clause (xvii);
- (xviii) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, any Restricted Payment if after giving *pro forma* effect thereto the Consolidated Net Leverage Ratio does not

exceed 2.7 to 1.0; *provided, however*, that such payments shall be included in the calculation of the amount of Restricted Payments; and

- (xix) dividends, loans, advances or distributions to the Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):
 - A. the amounts required (x) for the Parent to pay any Parent Expenses or any Related Taxes; and (y) to enable the Parent (or any other company which acts as the host of any MEP, incentive scheme or similar arrangement) to:
 - (i) pay Taxes, duties or similar amounts;
 - (ii) pay fees, expenses and other costs incurred in acting as, or maintaining its existence as, a holding company of the Group and/or host of any MEP, incentive scheme or similar arrangement or arising by operation of law or in the ordinary course of administration of its business as a holding company of the Group (including remuneration payable to employees, directors and officers);
 - (iii) meet substance requirements for Tax purposes; and/or
 - (iv) to make any payment for or on or on account of Tax as a result of the existence of a fiscal unity for Dutch tax purposes; or
 - B. the amounts constituting or to be used directly or indirectly for purposes of making payments to the extent specified in paragraph (b) under “—*Limitation on Affiliate Transactions*” or in connection with Permitted Parent Transactions.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments, is permitted pursuant to the first two paragraphs of this covenant or constitutes a Permitted Investment, the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as a Permitted Investment.

Financial Calculations

When calculating the satisfaction of or availability under any Applicable Metric in the Indenture in connection with any Applicable Transaction, the date of determination of such Applicable Metric shall, at the option of the Issuer, be any Applicable Test Date. If the Issuer elects to determine any Applicable Metric as of any Applicable Test Date, it shall give *pro forma* effect to any other Applicable Transactions that have occurred up to (and including) such Applicable Test Date; *provided* that the *pro forma* calculation may exclude any non-recurring fees, costs and expenses attributable to any Applicable Transaction.

If compliance with an Applicable Metric is established in accordance with the preceding paragraph, such Applicable Metric shall be deemed to have been complied with (or satisfied) for all purposes; *provided* that (a) the Issuer may elect, in its sole discretion, to recalculate any Applicable Metric on the basis of a more recent Applicable Test Date, in which case, such date of redetermination shall thereafter be deemed to be the relevant Applicable Test Date for purposes of such Applicable Metrics; and (b) save as contemplated in clause (a) above, compliance with any Applicable Metric shall not be determined or tested at any time after the relevant Applicable Test Date for such transaction and any actions or transactions related thereto.

If any Applicable Metric for which compliance was determined or tested as of an Applicable Test Date would at any time after the Applicable Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in such Applicable Metric (or any other Applicable Metric), such Applicable Metric will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations.

If any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the Applicable Test Date would at any time after the Applicable Test Date not have been complied with or satisfied (including due to the occurrence or continuation of a Default or an Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing).

If an item of Indebtedness (or any portion thereof) is committed, incurred or issued, any Lien is committed or incurred or any other transaction is undertaken or any Applicable Metric is tested in reliance on a ratio-based basket based on the Consolidated Net Secured Leverage Ratio, the Consolidated Net Leverage Ratio, the Spanish Consolidated Net Secured

Leverage Ratio, the Spanish Consolidated Net Leverage Ratio or any other ratio based Applicable Metric, such ratios shall be calculated without regard to the Incurrence of any Indebtedness to finance the working capital needs of the Issuer and its Restricted Subsidiaries under any revolving facility, letter of credit facility or bank guarantee facility and/or other debt which is available to be re-drawn (including under Facility B under the 2023 Senior Facilities Agreement, Facility B under the 2025 Spanish Senior Facilities Agreement and any other revolving facility, any guarantee facility or any ancillary facility under the Senior Facilities Agreements) and, for the avoidance of doubt, any undrawn commitments for Indebtedness (including under a revolving facility or guarantee facility) shall be disregarded for the purposes of testing the Applicable Metric.

Limitation on Sales of Assets and Subsidiary Stock

- (a) The Issuer will not and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition, unless:
 - (i) the Issuer or such Restricted Subsidiary receives consideration at least equal to the Fair Market Value (including as to the value of all non-cash consideration), such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition, of the shares and assets subject to such Asset Disposition;
 - (ii) at least 75% of the consideration thereof received by the Issuer or such Restricted Subsidiary is in the form of (A) cash, (B) cash equivalents or (C) Additional Assets (except to the extent the Asset Disposition is a Permitted Asset Swap); and
 - (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer (or such Restricted Subsidiary, as the case may be):
 - A. (1) to prepay, repay, redeem or purchase, within one year from the later of the date of such Asset Disposition and the receipt of such Net Available Cash, (i) Indebtedness (other than any Disqualified Stock) of a Restricted Subsidiary that is not the Issuer or a Guarantor (in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer), (ii) *Pari Passu* Indebtedness (at a price of no more than 100% of the principal amount of such *Pari Passu* Indebtedness *plus* (x) any applicable prepayment, repayment or redemption premium or penalty and (y) accrued and unpaid interest to the date of such prepayment, repayment, redemption or purchase); (2) to purchase the Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par), or make an offer to all holders of Notes to purchase their Notes at a price equal to or greater than 100% of the principal amount thereof, *plus* accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); (3) to redeem the Notes as described under “—*Optional Redemption*”; or (4) to purchase the Notes in accordance with the provisions set forth below for an Asset Disposition Offer (which offer shall be deemed to be an Asset Disposition Offer for purposes thereof); *provided, further*, that in the case of clauses (1)(i), (2), (3) or (4), such Notes (and, as applicable, *Pari Passu* Indebtedness) shall not be Indebtedness owed to the Issuer or an Affiliate of the Issuer; *provided, further*, that to the extent that the aggregate amount of Notes (and, as applicable, any *Pari Passu* Indebtedness) tendered is less than the aggregate amount of Net Available Cash offered in a tender offer conducted under this sub-clause (A), the aggregate amount of the Net Available Cash offered in the tender offer would be deemed applied in accordance with this sub-clause for the purposes of paragraph (c) below and the Issuer will not be required to conduct an Asset Disposition Offer in relation to the remaining Net Available Cash, which may be used by the Issuer for any purpose not otherwise prohibited by the Indenture;
 - B. to acquire Additional Assets or to make a capital expenditure within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; *provided, however*, that any such acquisition of Additional Assets or capital expenditure made pursuant to a definitive agreement or a commitment approved by the Board of Directors that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within six months of the end of such one-year period; or
 - C. any combination of the foregoing;
- provided, however*, (i) that in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to sub-clause (A) above, the Issuer or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased or (ii) if the assets sold constitute Collateral, the Issuer shall pledge or cause the applicable Restricted Subsidiary to pledge any acquired Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as

of the Issue Date) referred to in sub-clause (B) above in favor of the Notes on a first-ranking basis (subject to Permitted Collateral Liens).

Pending the application of Net Available Cash pursuant to this paragraph, such Net Available Cash may be held as cash or invested in Cash Equivalents or applied to temporarily reduce any revolving credit Indebtedness or otherwise invested in any manner not prohibited by the Indenture.

- (b) For the purposes of the preceding paragraph, the following are deemed to be cash or cash equivalents:
 - (i) the assumption or discharge of (a) Indebtedness of the Issuer (other than Subordinated Obligations or Obligations in respect of Disqualified Stock of the Issuer) or any Restricted Subsidiary (other than Subordinated Obligations or Obligations in respect of Disqualified Stock or Preferred Stock of a Guarantor) and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition or (b) Indebtedness of a Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary are released from any obligation under such Indebtedness as a result of such Asset Disposition;
 - (ii) securities received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash within 180 days, to the extent of the cash received in that conversion;
 - (iii) Cash Equivalents; and
 - (iv) Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of (a) €145.0 million and (b) 25.0% of LTM EBITDA (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).
- (c) To the extent all or a portion of the Net Available Cash of any Asset Disposition is not applied within the timeframe set out in the first paragraph of this covenant, the Issuer will make an offer (the “**Asset Disposition Offer**”) to all holders of Notes and, to the extent the Issuer elects, to holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies at a purchase price no less than 100% of the principal amount of the Notes to be purchased and, in the case of any Pari Passu Indebtedness, at a purchase price no greater than 100% of the principal amount of such Pari Passu Indebtedness to be purchased (plus any applicable prepayment, repayment or redemption premium or penalty with respect to such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest thereon, to the date of purchase (the “**Asset Disposition Offer Amount**”), in accordance with the procedures set forth in the Indenture or the agreement governing such Pari Passu Indebtedness. The Issuer shall purchase pursuant to an Asset Disposition Offer from tendering holders of Notes and holders or lenders of any such Pari Passu Indebtedness on a *pro rata* basis that principal amount of Notes and any such Pari Passu Indebtedness equal to such unapplied Net Available Cash.
- (d) The purchase of Notes pursuant to an Asset Disposition Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the later of the one-year anniversary of the date of such Asset Disposition or the receipt of such Net Available Cash. The Issuer may, however, defer an Asset Disposition Offer until there is an aggregate amount of unapplied Net Available Cash from one or more Asset Dispositions equal to or in excess of the greater of (a) €115.0 million and (b) 20.0% of LTM EBITDA. At that time, the entire amount of unapplied Net Available Cash, and not just the amount in excess of greater of (x) €115.0 million and (y) 20.0% of LTM EBITDA, shall be applied as required pursuant to this paragraph.
- (e) Each notice of an Asset Disposition Offer, in so far as it relates to the Notes, shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the “**Asset Disposition Offer Payment Date**”). Upon receiving notice of an Asset Disposition Offer, holders of Notes may elect to tender any of their Notes in exchange for cash.
- (f) On the Asset Disposition Offer Payment Date, the Issuer will, to the extent lawful:
 - (i) accept for payment all Notes properly tendered pursuant to the Asset Disposition Offer;
 - (ii) deposit with a paying agent or another agent appointed by the Issuer funds in an amount equal to the Asset Disposition Offer Amount in respect of all Notes properly tendered and accepted for purchase;
 - (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers’ Certificate stating the aggregate principal amount of Notes being purchased by the Issuer;

- (iv) if the Notes are represented by Global Notes, deliver or cause to be delivered to the Principal Paying Agent the Global Notes in order to include a notation thereon to decrease the principal amount thereof by the principal amount of Notes that have been tendered to and accepted for purchase by the Issuer; and
- (v) if the Notes are represented by Definitive Registered Notes, deliver or cause to be delivered to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.
- (g) If the Notes are represented by Definitive Registered Notes, the Principal Paying Agent will promptly pay (by wire transfer of immediately available funds, by mail or otherwise) to each holder of Definitive Registered Notes representing Notes that were properly tendered and accepted for purchase the Asset Disposition Offer Amount for such Notes, and the Trustee (or the Authenticating Agent, as applicable) will promptly authenticate and mail (or cause to be transferred by book-entry) to each such holder a new Definitive Registered Note equal in principal amount to any unpurchased portion of the Definitive Registered Note surrendered, if any; *provided* that each new Definitive Registered Note represents an integral number of Notes (with each Note in the amount of €100,000).
- (g) To the extent holders of Notes and holders or lenders of any Pari Passu Indebtedness, which are the subject of an Asset Disposition Offer, properly tender and do not withdraw such Notes or Pari Passu Indebtedness in an aggregate principal amount exceeding the amount of unapplied Net Available Cash, the Issuer will purchase the Notes and Pari Passu Indebtedness on a *pro rata* basis (based on the aggregate principal amount of Notes and such Pari Passu Indebtedness tendered), *provided* that the Issuer may choose not to purchase any pro-rated Notes if the acceptance of such pro-rated Notes would result in a residual amount of Notes totaling less than €100,000 principal amount. To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion into such currency.
- (h) Upon completion of an Asset Disposition Offer, the amount of Net Available Cash will be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and any Pari Passu Indebtedness tendered pursuant to an Asset Disposition Offer is less than the aggregate amount of unapplied Net Available Cash, the Issuer may use any remaining Net Available Cash for any purpose not otherwise prohibited by the Indenture.
- (i) The Issuer will comply, to the extent applicable, with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes pursuant to the Asset Disposition provisions of the Indenture. To the extent that the provisions of any applicable securities laws or regulations conflict with the Asset Disposition provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Disposition provisions of the Indenture by virtue of its compliance with such securities laws or regulations. If and for so long as the Notes are listed on Euronext Dublin and its rules so require, if the Issuer offers to purchase the Notes pursuant to an Asset Disposition Offer, the Issuer will publish a notice in Ireland in the manner described under “—Notices” and send a copy of such notice Euronext Dublin.

Limitation on Affiliate Transactions

- (a) The Issuer will not, and will not permit any Restricted Subsidiary to, enter into any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (an “**Affiliate Transaction**”) involving an amount in excess of greater of (a) €30.0 million and (b) 5.0% of LTM EBITDA unless:
 - (i) the terms of the Affiliate Transaction are no less favorable to the Issuer or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm’s length dealings with a Person who is not an Affiliate (as determined in good faith by the Board of Directors or a member of senior management of the Issuer); and
 - (ii) if such Affiliate Transaction involves an amount in excess of the greater of (a) €60.0 million and (b) 10.0% of LTM EBITDA, the terms of the Affiliate Transaction are set forth in writing and a majority of the directors of the Issuer have determined in good faith that the criterion set forth in clause (i) is satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors.
- (b) The provisions of the preceding paragraph (a) will not prohibit:
 - (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
 - (ii) customary fees and compensation, employee salaries and bonuses, including grants or sales of stock, stock options and other securities, paid to, and any employee benefit arrangements and indemnity and similar

arrangements (including the payment of directors' and officers' insurance premiums) paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Board of Directors in the ordinary course of business;

- (iii) consulting fees paid by the Issuer or a Restricted Subsidiary to an Affiliate, where the Board of Directors has approved the terms thereof in good faith and deemed the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor, but in any event not to exceed €1.0 million in any fiscal year;
- (iv) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date) as well as any modifications, extensions, amendments, renewals, refinancings thereof or supplements thereto, in each case not materially adverse to the Issuer and its Restricted Subsidiaries;
- (v) the making of an Investment constituting a Permitted Investment (other than Permitted Investments described as defined in clauses (a) or (b) of the definition thereof) or Restricted Payments, in each case, in compliance with the covenant described under “—*Limitation on Restricted Payments*;”
- (vi) Management Advances, as well as any transaction pursuant to or in connection with an MEP, incentive scheme or similar arrangement (including any MEP Payment) and any waiver or transaction with respect thereto;
- (vii) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which, taken as a whole, are fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view and are on terms no less materially favorable than those that could reasonably have been obtained at such time from an unaffiliated party (in each case in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the relevant Restricted Subsidiary, as applicable);
- (viii) the issuance or sale of any Capital Stock (other than Disqualified Stock or the Net Cash Proceeds of which or other property received on the issuance of which are Excluded Contributions) of the Issuer or Subordinated Shareholder Debt or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Debt;
- (ix) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an equity interest in, or controls, such Person;
- (x) any payments or other transactions pursuant to a tax sharing agreement between the Issuer and any other Person or a Restricted Subsidiary of the Issuer and any other Person with which the Issuer or any of its Restricted Subsidiaries files a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided, however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Issuer and its Restricted Subsidiaries on a standalone basis;
- (xi) any transaction effected as part of a Qualified Receivables Financing; and
- (xii) any transaction as to which the Issuer delivers to the Trustee a letter from an Independent Qualified Party stating that the transaction is fair to the Issuer or a Restricted Subsidiary from a financial point of view, or stating that the terms of such transaction are not materially less favourable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

Limitation on Liens

The Parent, solely in respect of any of its property or assets constituting Collateral, will not, and the Issuer will not and the Issuer will not permit any Restricted Subsidiary to, directly or indirectly, incur or permit to exist any Lien of any nature whatsoever on any of its properties or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, to secure Indebtedness or other Obligations (the “**Initial Lien**”), except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens or (ii) unless all payments due under the Indenture and the Notes or any Guarantee, as the case may be, are secured on an equal and ratable basis with the Obligations so secured until such time as such Indebtedness or Obligations are no longer secured by a Lien (and if such Indebtedness or Obligations so secured is subordinated in right of payment to either the Notes or the Guarantee, on a senior basis), and (b) in the case of any property or asset that constitute Collateral, Permitted Collateral Liens.

Any such Lien created under clause (a)(ii) of the preceding paragraph in favor of the holders of Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under “—Security—Release of Liens.”

Merger and Consolidation

- (a) The Issuer shall not, in a single transaction or through a series of transactions, consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of or take any action with respect to a divestment or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer’s properties and assets to any other Person or Persons (whether or not the Issuer is the surviving Person) and the Issuer shall not permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis to any other Person or Persons.
- (b) The preceding paragraph will not apply if:
 - (i) either at the time and immediately after giving effect to any such consolidation, merger, transaction or series of transactions, (x) the Issuer shall be the continuing corporation or (y) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger, or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Issuer’s properties and assets or all or substantially all of the properties and assets of the Issuer and of the Restricted Subsidiaries on a consolidated basis, has been made (the “**Surviving Entity**”):
 - A. shall be a corporation duly organized and validly existing under the laws of The Netherlands, Romania, any other member state of the European Union (other than Bulgaria or Croatia), Norway, Switzerland, Canada, the United Kingdom, the United States, any state thereof or the District of Columbia;
 - B. expressly assumes the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement and the Security Documents, in each case as applicable, pursuant to a supplemental Indenture or other agreement in form and substance satisfactory to the Trustee, and the Notes, the Indenture, the Intercreditor Agreement and the Security Documents remain in full force and effect as so supplemented;
 - C. shall engage in a Permitted Business; and
 - D. in the case of a consolidation, merger, transaction or series of transactions involving the Issuer (an “**Issuer Reorganization**”), either (x) the Trustee and the Noteholders’ Representative (if other than the Trustee) shall have received an opinion of counsel, in form and substance satisfactory to the Trustee, confirming that, after giving effect to such Issuer Reorganization, no mandatory provisions of Romanian law (including, without limitation, any provisions of Romanian law in relation to noteholder meetings or noteholder representatives, or any comparable provisions) will conflict with the terms of the Indenture, any Guarantees, the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement in any respect that they did not, or impose any limitation on the ability of holders of the Notes, the Trustee, Noteholders’ Representative, Paying Agent, Transfer Agent, Registrar or Security Agent to exercise their respective rights or discharge their respective duties under the Indenture, any Guarantees, the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement to which they were not otherwise subject, immediately prior to such Issuer Reorganization or (y) such Issuer Reorganization, including any resulting modifications to the Indenture, any Guarantees, the Notes, the Security Documents, the Intercreditor Agreement and/or any Additional Intercreditor Agreement, shall have been undertaken with the requisite consent of holders of the Notes, given at a Meeting (which shall be binding on all holders of the Notes, whether or not present or represented at the Meeting).
 - (ii) immediately after giving effect to any such consolidation, merger, transaction or series of transactions on a *pro forma* basis (and treating any Obligation of the Issuer or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by the Issuer or any Restricted Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
 - (iii) immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis, the Consolidated Net Worth of the Issuer or the Surviving Entity, as the case may be, would be equal to or greater than that of the Issuer immediately prior to the transaction;

- (iv) immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis, the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under the Indenture) would (a) be permitted to incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under the caption “—*Limitation on Indebtedness*” or (b) have a Consolidated Net Leverage Ratio no greater than it was immediately prior to giving effect to such transaction;
 - (v) any Guarantor, unless it is the other party to the transactions described above, will have confirmed that its Guarantee will apply to such Person’s Obligations under the Indenture and the Notes;
 - (vi) the Issuer or the Surviving Entity shall have delivered to the Trustee and the Noteholders’ Representative (if other than the Trustee) an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental Indenture (if any) comply with the Indenture (after giving effect to any covenant defeasance that has occurred with respect to the Notes);
- provided, however*, that clause (iii) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Issuer (so long as no Capital Stock of the Issuer is distributed to any Person) or (B) the Issuer merging with an Affiliate of the Issuer solely for the purpose and with the sole effect of reincorporating the Issuer in The Netherlands, any other member state of the European Union (other than Bulgaria or Croatia), Norway, Switzerland, Canada, the United Kingdom, the United States, any state thereof or the District of Columbia.
- (c) In the case of a transaction described in the preceding clause (a) to which the Issuer is a party, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture and the predecessor Issuer, except in the case of a lease of all or substantially all of the assets of such predecessor Issuer’s assets, shall be released from its obligations under the Indenture.
 - (d) Except for sales or disposals in compliance with the covenant described under “—*Limitation on Sales of Assets and Subsidiary Stock*,” the Issuer will not permit any Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:
 - (i) the resulting, surviving or transferee Person (if not such Guarantor) shall be a Person organized and existing under the laws of the jurisdiction under which such Guarantor was organized or under the laws of The Netherlands, any other member state of the European Union (other than Bulgaria or Croatia), Norway, Switzerland, Canada, the United Kingdom, the United States, any state thereof or the District of Columbia; *provided, however*, that such Person shall expressly assume, by a supplemental Indenture or other agreement, each in a form satisfactory to the Trustee, all the Obligations of such Guarantor, if any, under its Guarantee, the Security Documents and the Intercreditor Agreement;
 - (ii) immediately after giving effect to such transaction or transactions on a *pro forma* basis (and treating any Indebtedness which becomes an Obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and
 - (iii) the Issuer delivers to the Trustee and the Noteholders’ Representative (if other than the Trustee) an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental Indenture, if any, complies with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer or a Guarantor, which properties and assets, if held by the Issuer or such Guarantor instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer or such Guarantor on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer or such Guarantor.

The above restrictions set forth in clause (d) above shall not apply to (1) any merger or consolidation of (a) any Guarantor or (b) any Restricted Subsidiary with or into the Issuer, (2) any consolidation or merger among Guarantors or (3) any merger or consolidation of (a) any Guarantor or (b) any Restricted Subsidiary into an Affiliate solely for the purpose of reincorporating such Guarantor or Restricted Subsidiary in another jurisdiction.

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Limitations on Guarantees of Indebtedness by Restricted Subsidiaries

- (a) The Issuer shall not permit any Restricted Subsidiary that is not a Guarantor (other than a Spanish Restricted Subsidiary that is solely guaranteeing any Indebtedness of a Spanish Restricted Subsidiary), directly or indirectly,

to guarantee, assume or in any other manner become liable for the payment of any of the Issuer's or any Guarantor's Indebtedness (other than the Notes or such Guarantor's Guarantee thereof), unless:

- (i) such Restricted Subsidiary (A) simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary on the same terms as the guarantee of such Indebtedness; and (B) with respect to any guarantee of a Subordinated Obligation by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee at least to the same extent as such Subordinated Obligation is subordinated to the Notes; and
 - (ii) such Restricted Subsidiary, subject to paragraph (b) below, waives and shall not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee.
- (b) Each additional Guarantee created for the benefit of the holders of the Notes pursuant to this covenant will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.
 - (c) Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that such guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law or any liability for the officers, directors or shareholders of such Restricted Subsidiary which, in each case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.
 - (d) Any additional Guarantee created for the benefit of the holders of the Notes pursuant to this covenant will automatically and unconditionally be released under the same conditions and circumstances that the guarantee of the other Indebtedness will be released, so long as no other Indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed by such Guarantor in a manner that would require the granting of a Guarantee as provided hereunder.

Reports

As long as any Notes are outstanding, the Issuer will furnish to the holders of the Notes and the Trustee and the Noteholders' Representative (if other than the Trustee):

- (a) an annual report within 120 days following the end of each of the Issuer's fiscal years ending after the Issue Date, in each case containing (i) consolidated audited income statements, balance sheets and cash flow statements and the related notes therefor for the Issuer for the two most recent fiscal years in accordance with IFRS together with an audit report thereon by the Issuer's independent auditors; (ii) *pro forma* income statement and balance sheet information (which need not comply with Article 11 of Regulation S-X under the Exchange Act or Annex II to the Prospectus Regulation), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year (including, without limitation, any acquisitions or dispositions, that, individually or in the aggregate when considered with all other acquisitions or dispositions that occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 25% of the Consolidated Net Income, EBITDA or Total Assets of the Issuer on a *pro forma* basis), unless *pro forma* information has been provided in a previous report pursuant to clause (b) below; *provided* that, other than in respect of individual acquisitions or dispositions exceeding such threshold, such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide such other acquired company financial information (whether or not prepared in accordance with IFRS) only to the extent available without unreasonable expense; (iii) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (iv) a description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments and (v) a description of material risk factors and material recent developments; *provided* that any item of disclosure contemplated by the foregoing that is substantially comparable and similar in scope to any corresponding items of disclosure in the annual reports published on the Issuer's website as of the Issue Date will be deemed to satisfy the Issuer's obligations under this clause (a) with respect to such item;
- (b) within 75 days following the end of the first three quarters in each fiscal year of the Issuer, quarterly reports, in each case containing the following information: (i) an unaudited condensed consolidated balance sheet as of the

end of such period and unaudited condensed statements of income and cash flow for such period, and the comparable prior year periods, each under IFRS, together with condensed footnote disclosure; (ii) *pro forma* income statement and balance sheet information (which need not comply with Article 11 of Regulation S-X under the Exchange Act or Annex II to the Prospectus Regulation), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 25% of the Consolidated Net Income, EBITDA or Total Assets of the Issuer on a pro forma basis), provided that, other than in respect of individual acquisitions or dispositions exceeding such threshold, such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide such other acquired company financial information (whether or not prepared in accordance with IFRS) only to the extent available without unreasonable expense (iii) a summary operating and financial review of the unaudited financial statements, including a discussion the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and changes in critical accounting policies; (iv) material recent developments (to the extent not previously reported pursuant to clause (c) below); and (v) any material changes to the risk factors disclosed in the most recent annual report; *provided* that any item of disclosure contemplated by the foregoing that is substantially comparable and similar in scope to any corresponding items of disclosure in the quarterly and half-year reports published on the Issuer's website as of the Issue Date will be deemed to satisfy the Issuer's obligations under this clause (b) with respect to such item and

- (c) promptly after the occurrence of a material acquisition, disposition, restructuring or change in auditors or any other material event, a report containing a description of such event;

provided, however, that the reports set forth in clauses (a) through (c) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Guarantor or non-Guarantor Subsidiaries of the Issuer.

If any of the Issuer's Subsidiaries are Unrestricted Subsidiaries as at the date of the balance sheet included in a report required by the preceding paragraph, then the quarterly and annual financial information required in such report will include (i) supplemental financial information regarding the net sales, EBITDA, Consolidated Interest Expense, cash flow from operations and Indebtedness of the Issuer and the Restricted Subsidiaries on a consolidated basis, either on the face of the financial statements or in the footnotes thereto, and (ii) a supplemental review of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries (separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer) based on the financial information specified in (i) above.

So long as the Notes are listed on Euronext Dublin, copies of the information and reports referred to in clauses (a) through (c) of the first paragraph of this covenant will be available during normal business hours upon prior request and sufficient proof of holding and identification to the Principal Paying Agent or Issuer (as applicable) at the offices of the Principal Paying Agent.

Substantially concurrently with the issuance to the Trustee, the Noteholders' Representative (if other than the Trustee) and the holders of the Notes of the reports specified above, the Issuer shall also (1) use its commercially reasonable efforts to file a press release with the appropriate internationally recognized wire services in connection with such report and (2) post such report on the Issuer's website. So long as any Notes are outstanding, no later than twenty Business Days after the delivery of the annual and quarterly reports required by this covenant, the Issuer shall hold a live quarterly conference call to discuss such reports and the results of operations for the relevant reporting period for the benefit of holders or prospective holders of Notes (or provide holders of the Notes with access to and the opportunity to participate in any public conference call, investor presentation, webcast or other event, the primary purpose of which is to discuss such reports and the results of operations); *provided* that no more than one conference call will be required in relation to any quarterly or annual period.

In addition, so long as any of the Notes are "restricted securities" (as defined in Rule 144 under the Securities Act) and during any period during which the Issuer is not subject to the reporting requirements of the Exchange Act or exempt therefrom pursuant to Rule 12g3-2(b), the Issuer will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to "qualified institutional buyers" pursuant to Rule 144A under the Securities Act, and to prospective purchasers in the United States designated by such holder or beneficial owners, upon request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Subject to compliance with the next succeeding paragraph, in the event that, and for so long as, the equity securities of the Issuer or the Parent are listed on a regulated European stock exchange (each, a "**Recognized Exchange**") and the Issuer or the Parent is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on such Recognized Exchange, for so long as they elect, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the Recognized Exchange pursuant

to such admission and disclosure standards (or the applicable standards of one or more of the equivalent regulated markets of such Recognized Exchange, as applicable). Upon complying with the foregoing requirements, and provided that such requirements require the Issuer or the Parent to prepare and file annual reports, information, documents and other reports with the Recognized Exchange, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Issuer may comply with any requirement to provide reports or financial statements under this covenant by providing any report or financial statements of the Parent so long as such reports (if an annual or quarterly report) (a) meet the requirements (including as to content and time of delivery and subject to the requirements of the applicable Recognized Exchange) of this covenant as if references to the Issuer therein were references to the Parent and (b) to the extent that material differences exist between the management, business, assets, shareholdings or results of operations or financial condition of the Parent and the Issuer and the Restricted Subsidiaries, the annual and quarterly reports shall include an explanation and an unaudited reconciliation of such material differences.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (a) Except as provided in the following paragraph, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
 - (ii) make loans or advances to, or guarantee any Indebtedness or other obligations of, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
 - (iii) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary;

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

- (b) The foregoing paragraph will not apply to encumbrances or restrictions existing on, existing under or by reason of:
 - (i) applicable law, rule, regulation or order or governmental licenses, concessions, franchises or permits;
 - (ii) the Notes, the Guarantees, the Indenture (including any Additional Notes and related guarantees), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;
 - (iii) any Credit Facility as in effect on the Issue Date which remains outstanding on the Issue Date after giving effect to the Transactions, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is (a) not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date or (b) customary in comparable financings;
 - (iv) instruments governing Subordinated Obligations permitted to be Incurred pursuant to the covenant described under the heading “—*Limitation on Indebtedness*” or other Indebtedness Incurred by the Issuer or the Restricted Subsidiaries (and if such Indebtedness is guaranteed, by the guarantors of such Indebtedness) ranking equally with the Notes (or any Guarantee), *provided* that the encumbrances or restrictions imposed by such Subordinated Obligations or other Indebtedness are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture and apply solely to the same Restricted Subsidiaries as the restrictions imposed by the Indenture;
 - (v) encumbrances or restrictions contained in any agreement in effect on the Issue Date (other than an agreement described in another clause of this paragraph), but excluding any amendments, restatements, renewals, replacements or refinancings thereof;
 - (vi) customary non-assignment provisions in leases or other agreements entered into in the ordinary course of business;
 - (vii) customary provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

- (viii) any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under the Indenture;
- (ix) any instrument governing Indebtedness permitted under paragraph (xiii) of the second paragraph of the clause headed “—*Limitation on Indebtedness*” not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (x) restrictions with respect to a Restricted Subsidiary imposed pursuant to any agreement or instrument for the direct or indirect sale or other disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;
- (xi) customary restrictions imposed on the transfer of copyrighted or patented materials;
- (xii) customary encumbrances or restrictions in connection with Purchase Money Indebtedness for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (iii) of the preceding paragraph;
- (xiii) encumbrances or restrictions existing by reason of any Lien permitted under the covenant described under the heading “—*Limitation on Liens*.”;
- (xiv) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;
- (xv) Refinancing Indebtedness; *provided*, that the instruments governing such Refinancing Indebtedness are (a) not materially more restrictive with respect to such encumbrances or restrictions than those governing the Indebtedness thereby refinanced or (b) customary in comparable financings;
- (xvi) restrictions or encumbrances arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than encumbrances or restrictions contained in any Credit Facility, the Notes or the Indenture, the related Security Documents and the Intercreditor Agreement, in each case, as in effect on the Issue Date or as is customary in comparable financings (as determined in good faith by the Issuer) or the Issuer determines that such encumbrance or restriction will not materially affect the ability of the Issuer to make principal or interest payments on the Notes as and when they become due;
- (xvii) any encumbrance or restriction effected in connection with a Qualified Receivables Financing; and
- (xviii) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces agreements containing the encumbrances or restrictions in the foregoing clauses (i) through (xvii) or this clause (xviii); *provided* that the terms and conditions of any such encumbrances or restrictions are (a) not materially more restrictive, taken as a whole, than those under or pursuant to the agreement so extended, renewed, refinanced or replaced (as determined in good faith by the Issuer) or (b) customary in comparable financings.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to list the Notes on (and to have the Notes admitted to trading on) the regulated market of Euronext Dublin as promptly as practicable following the Issue Date.

The Issuer will use its commercially reasonable efforts to maintain such listing and admission to trading for so long as the Notes are outstanding; *provided* that if at any time the Issuer determines that it is unable to obtain any such listings and admission to trading or it can no longer reasonably comply with the requirements thereof or if maintenance thereof becomes unduly onerous, it will obtain prior to the delisting of the Notes, and thereafter use its commercially reasonable efforts to maintain a listing and admission to trading of the Notes on another recognized listing exchange customarily used by European high yield issuers.

Change of Business

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business.

Covenant Suspension

Following the first day (the “**Suspension Date**”) that:

- (a) the Notes have an Investment Grade Rating from both of the Rating Agencies; and
- (b) no Default has occurred and is continuing under the Indenture, the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following captions in this Prospectus:
 - (i) “—*Limitation on Indebtedness*;”
 - (ii) “—*Limitation on Restricted Payments*;”
 - (iii) “—*Limitation on Sales of Assets and Subsidiary Stock*;”
 - (iv) “—*Limitation on Affiliate Transactions*;”
 - (v) clause (iv) of paragraph (b) under “—*Merger and Consolidation*;” and
 - (vi) “—*Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*.”

(collectively, the “**Suspended Covenants**”).

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “**Reversion Date**”) one or both of the Rating Agencies withdraws its Investment Grade Rating or downgrades the rating assigned to the Notes to below an Investment Grade Rating, then the Issuer and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events.

The period of time between the Suspension Date and the Reversion Date is referred to in this description as the “**Suspension Period**.” Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period.

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred, at the Issuer’s option, pursuant to the first paragraph of the covenant described under the caption “—*Limitation on Indebtedness*” or one of the clauses set forth in the second paragraph of the covenant described under the caption “—*Limitation on Indebtedness*” (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to the first or second paragraph of the covenant described under the caption “—*Limitation on Indebtedness*,” such Indebtedness will be deemed to have been Indebtedness outstanding on the Issue Date, so that it is classified as permitted under clause (iv) of the second paragraph of the covenant described under the caption “—*Limitation on Indebtedness*.”

Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under the covenant described under the caption “—*Limitation on Restricted Payments*” will be made as though the covenant described under the caption “—*Limitation on Restricted Payments*” had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of the covenant described under the caption “—*Limitation on Restricted Payments*” and the items specified in subclauses (a)(iii)(A) through (E) of the first paragraph of the covenant described under the caption “—*Limitation on Restricted Payments*” will increase the amount available to be made under the first paragraph thereof.

For purposes of determining compliance with the covenant described under the caption “—*Limitation on Sales of Assets and Subsidiary Stock*” the amount of Net Available Cash will be deemed to be reset to zero.

The Issuer and any Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period following a Reversion Date and to consummate the transactions contemplated thereby; *provided, however*, that (a) the Issuer and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Reversion Date and (b) the Issuer reasonably believed that such incurrence or actions would not cause or result in a Reversion Date. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief may be determined by the Issuer and shall be conclusively evidenced by a board resolution to such effect adopted in good faith by the Board of Directors. In reaching their determination, the Board of Directors may, but need not, consult with the Rating Agencies.

The Issuer will use reasonable efforts to inform the Trustee and the Noteholders’ Representative (if other than the Trustee) of any Suspension Period, provided that such notice will not be a condition for the suspension of covenants set forth above to be effective.

Impairment of Security Interest

Neither the Parent nor the Issuer will, and the Issuer will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would or could reasonably be expected to have the result of materially impairing the security interests with respect to the Collateral (it being understood that the Incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interests with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and neither the Parent nor the Issuer will, and the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; *provided* that (a) nothing in this provision shall restrict the discharge, release, use and/or disposal of the Collateral (including the cancellation of treasury shares) in accordance with the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement (including any such as may be required as a result of a successor Security Agent being appointed after the Issue Date in accordance with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement), (b) the Issuer and its Restricted Subsidiaries may undertake a Permitted Reorganization, and (c) the Parent, the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens; and *provided further*, however, that, in the case of clauses (b) and (c) above, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Issuer delivers to the Trustee and the Security Agent either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee and the Security Agent, confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release, (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting the security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee and the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Issuer and without the consent of the holders of Notes, the Security Agent may from time to time enter into one or more amendments to the Security Documents: (i) to cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with the immediately preceding paragraph) to provide for Permitted Collateral Liens, (iii) to add to the Collateral, (iv) (but subject to compliance with the immediately preceding paragraph) for purposes of undertaking a Permitted Reorganization or (v) to make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

In the event that the Issuer complies with this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the holders of the Notes.

Further Assurances

The Issuer and its Restricted Subsidiaries will, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Security Documents and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. The Issuer and its Restricted Subsidiaries will execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Issuer or a Guarantor that is permitted to share in the Collateral, the Trustee and the Security Agent shall, at the request of the Issuer, enter into with the Issuer or the relevant Guarantor and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements (an “**Additional Intercreditor Agreement**”) on substantially the same terms as the Intercreditor Agreement or an amendment

to the Intercreditor Agreement (which amendment does not adversely affect the rights of the Trustee, the Security Agent or the holders of the Notes in any material respect). In connection with the foregoing, the Issuer shall furnish to the Trustee and the Security Agent such documentation in relation thereto as it may reasonably require.

At the written direction of the Issuer and without the consent of holders of Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure defects, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by the Intercreditor Agreement or any Additional Intercreditor Agreement that may be Incurred by the Issuer or a Guarantor that is subject to the Intercreditor Agreement or Additional Intercreditor Agreement (*provided* that such amendment is consistent with the preceding paragraph and any such Indebtedness is Incurred in compliance with the terms of the Indenture), (3) add new Guarantors to the Intercreditor Agreement or any Additional Intercreditor Agreement, (4) further secure the Notes, (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens, (6) give effect to a Group Collateral Release, or (7) make any other change to any such agreement that does not adversely affect the holders of the Notes in any material respect.

The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—*Amendment, Supplement and Waiver*” or as described in the preceding paragraph, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

Each holder of a Note, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement, any Additional Intercreditor Agreement or any amendment of the Intercreditor Agreement or any Additional Intercreditor Agreement which complies with the foregoing provisions and the conditions contained therein.

Judgment Currency

Any payment on account of an amount that is payable in euro (the “**Required Currency**”) which is made to or for the account of any holder of Notes or the Trustee in lawful currency of any other jurisdiction (the “**Judgment Currency**”), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer’s or the Guarantor’s obligation under the applicable Indenture and the Notes or Guarantees, as the case may be, only to the extent of the amount of the Required Currency which such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless such holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of Notes or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Events of Default and Remedies

Each of the following is an “**Event of Default**”:

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, the Notes;
- (2) default in payment when due of the principal of or premium, if any, on the Notes;
- (3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the captions “—*Repurchase at the Option of Holders—Change of Control*,” “—*Certain Covenants—Limitation of Sales of Assets and Subsidiary Stock*,” or “—*Certain Covenants—Merger and Consolidation*,”
- (4) failure by the Issuer or any of its Restricted Subsidiaries or, solely with respect to the covenants described under the captions “—*Certain Covenants—Limitation on Liens*” and “—*Certain Covenants—Impairment of Security Interest*,” the Parent, for 60 days after written notice to the Issuer from the Trustee, the Noteholders’ Representative (if other than the Trustee and if so directed by the Trustee) or the holders of at least 30% in

aggregate principal amount of the Notes outstanding (a copy of which notice from the holders shall be delivered to the Trustee) to comply with any of the other agreements in the Indenture or the Notes;

- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture, if that default:
 - (a) is caused by a failure to pay such Indebtedness at final maturity thereof after the expiration of the grace period provided in such Indebtedness and other than by regularly scheduled required prepayment, and such failure to make any payment has not been waived or the maturity of such Indebtedness has not been extended (a “**Payment Default**”); or
 - (b) results in the acceleration of such Indebtedness prior to its express maturity;

provided that, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €80.0 million or more and has not been discharged in full or such acceleration rescinded or annulled within 20 days of such Payment Default or acceleration;

- (6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary to pay final, non-appealable judgments aggregating in excess of €80.0 million (exclusive of any amounts that an insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days;
- (7) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof) or any such Guarantor or Person acting by or on behalf of such Guarantor denies or disaffirms such Guarantor’s obligations under its Guarantee and such Default continues for 20 days after receipt of the notice specified in the Indenture;
- (8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Parent, the Issuer or any of its Significant Subsidiaries or any group of its Restricted Subsidiaries that, taken together (based on the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary; and
- (9) (i) any security interest created by the Security Documents with respect to the Collateral having a Fair Market Value of more than €20.0 million ceases to be in full force and effect (except as permitted by the terms of the Indenture and the Security Documents), or an assertion by the Issuer or any of its Restricted Subsidiaries that any Collateral having a Fair Market Value of more than €20.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture and the Security Documents), or (ii) the repudiation by the Parent, the Issuer or any of its Restricted Subsidiaries of any of their respective material obligations under the Security Documents.

In the case of an Event of Default described above in clause (8), all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 30% in principal amount of the then outstanding Notes may (and if the Trustee is so directed by such holders, shall) declare the Notes to be due and payable immediately.

Holders of the Notes may not enforce the Indenture, the Notes or the Security Documents except as provided in the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement. Except as provided in the Intercreditor Agreement and any Additional Intercreditor Agreement and subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee and/or Noteholders’ Representative in their exercise of any trust or power. The Trustee and/or Noteholders’ Representative may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, premium, interest or Additional Amounts.

The holders of a majority in aggregate principal amount of Notes then outstanding may, through a waiver given at a Meeting (which, for the avoidance of doubt, shall be binding on the holders of all the outstanding Notes) waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of principal, premium, interest or Additional Amounts on the Notes.

A holder of a Note may pursue a remedy with respect to the Indenture or the Notes only if:

- (a) the holder gives to the Trustee and the Noteholders’ Representative (if other than the Trustee) written notice of a continuing Event of Default;

- (b) the holders of at least 30% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee (or request that the Trustee direct the Noteholders' Representative) to pursue the remedy;
- (c) such holder of a Note or holders of Notes offer and, if requested, provide to the Trustee and the Noteholders' Representative indemnity (and/or security) satisfactory to each of them against any loss, liability or expense to be Incurred in compliance with such request;
- (d) the Trustee or the Noteholders' Representative (as applicable) does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity and/or security and/or prefunding; and
- (e) during such 60-day period, the holders of a majority in principal amount of the then outstanding Notes do not give the Trustee and the Noteholders' Representative (if other than the Trustee) a direction inconsistent with the request.

The Issuer is required to deliver to the Trustee and the Noteholders' Representative (if other than the Trustee) annually an Officers' Certificate regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee and the Noteholders' Representative (if other than the Trustee) an Officers' Certificate specifying such Default or Event of Default and the status thereof.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer under the Notes or the Guarantees, the Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have all of its obligations, and all obligations of the Guarantors, discharged with respect to the Notes and the Guarantees ("**Legal Defeasance**") except for:

- (1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest, premium and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the Notes concerning issuing Notes, exchange and transfer of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, and insolvency events) described under "*Events of Default and Remedies*" will no longer constitute Events of Default with respect to the applicable Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee (or such entity designated (as agent) for such purposes), in trust, for the benefit of the holders of the Notes, cash in Euros or Euro-denominated non-callable European Government Securities, or a combination thereof, in amounts as will be sufficient (without consideration of any reinvestment of interest), in the opinion of an Independent Qualified Party, to pay the principal of, or interest and premium and Additional Amounts, if any, on the outstanding Notes on the stated maturity or on the redemption date, as the case may be, and the Issuer must specify whether such Notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer has delivered to the Trustee:
 - (a) an opinion of counsel reasonably acceptable to the Trustee confirming that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling that the Issuer can rely on or (ii) since the date of the Indenture there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, neither the holders nor beneficial owners of the outstanding Notes will recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on

- the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and
- (b) an opinion of counsel in the jurisdiction of incorporation of the Issuer reasonably acceptable to the Trustee to the effect that (i) neither the holders nor beneficial owners of the outstanding Notes will recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any taxing authority thereof as a result of such Legal Defeasance;
- (3) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee:
- (a) an opinion of counsel reasonably acceptable to the Trustee confirming that neither the holders nor beneficial owners of the outstanding Notes will recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and
 - (b) an opinion of counsel in the jurisdiction of incorporation of the Issuer reasonably acceptable to the Trustee confirming that (i) neither the holders nor beneficial owners of the outstanding Notes will recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Covenant Defeasance and will be subject to tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any taxing authority thereof as a result of such Covenant Defeasance;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit under the Indenture (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowings);
 - (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than under the Indenture as permitted by clause (4)) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;
 - (6) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes being defeased over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others; and
 - (7) the Issuer must deliver to the Trustee an Officers' Certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next three succeeding paragraphs, the Notes, the Guarantees, the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Notes, the Guarantees, the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement may be waived with the consent, given at a Meeting (which shall be binding on all holders of the Notes, whether or not present or represented at the Meeting), of the holders of a majority in principal amount of the then outstanding Notes, as the case may be (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent, given at a Meeting (which shall be binding on all holders of the Notes, whether or not present or represented at the Meeting), of holders of at least 90% of the aggregate principal amount of Notes outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal amount of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "*—Repurchase at the Option of Holders*");

- (3) reduce the rate of, or change the time for payment of interest on, any Note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes, and a waiver of the payment default that resulted from such acceleration);
- (5) make any Note payable in currency other than euro;
- (6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest or premium or Additional Amounts, if any, on the Notes or to institute suit for the enforcement of any such payment;
- (7) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption “—*Repurchase at the Option of Holders*” and “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*”);
- (8) make any change in the ranking or priority of any of the Notes or any Guarantees that would materially adversely affect the holders of the Notes;
- (9) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (10) release any Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture, the Intercreditor Agreement and the Security Documents; or
- (11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding paragraphs, the convening formalities described under the caption “—*Subsequent Meetings—Procedures—Convening, Notice and Place of Meetings*” may, as contemplated therein, only be waived with the consent of holders representing all of the outstanding Notes.

Notwithstanding the preceding paragraphs, without the consent of any holder of Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of the Issuer’s or a Guarantor’s obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Issuer’s or such Guarantor’s assets, as applicable;
- (4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder;
- (5) to conform the text of the Indenture, the Notes, the Security Documents or any Guarantee to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a *verbatim* recitation of a provision of the Indenture, the Notes, the Security Documents or any Guarantee;
- (6) to add any Guarantee with respect to the Notes or to release any Guarantee with respect to the Notes in accordance with the terms of the Indenture;
- (7) to allow any Guarantor to execute a supplemental indenture and/or provide a Guarantee with respect to the Notes;
- (8) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;
- (9) to enter into additional or supplemental Security Documents; or
- (10) to release the Collateral in accordance with the terms of the Indenture, the Security Documents and the Intercreditor Agreement.

The Trustee and the Noteholders’ Representative (if other than the Trustee) will be entitled to receive and rely on an Opinion of Counsel and an Officers’ Certificate with respect to any foregoing. It is not necessary that the consent of the holders given at a Meeting approve the particular form of any proposed amendment or waiver in order for their consent to be received, but rather, it is sufficient if such consent approves the text of the resolutions setting forth the substance thereof. After an amendment, supplement or waiver becomes effective, the Issuer shall mail to the holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver and attach the Minutes of the relevant Meeting. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. The Issuer shall send amended or supplemental indentures to the holders of the Notes upon request.

Meetings of Holders and Noteholders' Representative

As the Issuer is a joint stock company organized under the laws of Romania, certain provisions of Romanian law provide for the possibility of noteholders' meetings (*adunarea obligatarilor*) and noteholders' representatives (*reprezentantul obligatarilor*) in relation to its notes issuances.

Under Romanian law, noteholders' meetings are vested with the following powers (together, the "**Romanian Law Meeting Powers**"): (a) to appoint a noteholders' representative and one or more deputies and establish the remuneration of the noteholders' representative (the "**Noteholders' Representative Appointment Power**"); (b) to carry out all acts of supervision and defence of the applicable noteholders' common interests in relation to the applicable notes or to authorize any appointed noteholders' representative in this respect (the "**Common Interests Power**"); (c) to establish a fund, which may be constituted from any interest payments due to the noteholders in respect of their notes, in order to cover the expenses necessary for the defence of the rights of the noteholders and establish at the same time the rules for the management and administration of such a fund (the "**Fund Power**"); (d) to oppose any amendment to the articles of association of the issuer or to the terms and conditions of notes, in each case which could adversely affect the rights of the noteholders (the "**Amendments Power**"); and (e) to express a position on the issue of any new bonds by the issuer (the "**Bond Opinion Power**"). A noteholders' representative appointed pursuant to an exercise of the Noteholders' Representative Appointment Power may direct the issuer of the notes to convene subsequent noteholders' meetings and may act in certain capacities on behalf of the holders of the relevant notes (including on behalf of such holders in proceedings before a Romanian court, or in discussions with the issuer of the notes, or, subject to being expressly empowered to do so at a noteholders' meeting pursuant to the exercise of the Common Interests Power, to take other actions for the supervision and defence of the noteholders' common interests).

Romanian law also requires that certain statutory minimum quorum and voting thresholds be met in connection with the exercise of these powers. Under the statutory minimum thresholds, with respect to an exercise of the Noteholders' Representative Appointment Power, the Common Interests Power and/or the Fund Power, at least a majority of the votes cast at a noteholders' meeting must be cast in favour of such exercise; *provided* that such votes cast in favor also represent at least one-third of the aggregate principal amount of the notes outstanding (which in effect permits exercise of the Noteholders' Representative Appointment Power, the Common Interests Power and/or the Fund Power with the support of as little as one-third of the aggregate principal amount of the notes outstanding). With respect to an exercise of the Amendments Power and/or the Bond Opinion Power, at least 80% of the votes cast at a noteholders' meeting must be cast in favor *provided* that a quorum of two-thirds of the notes outstanding was initially present (which in effect permits exercise of the Amendments Power and/or the Bond Opinion Power with the support of as little as 53 1/3% of the aggregate principal amount of the notes outstanding). Investors should note, however, that pursuant to the Indenture, higher quorum and voting requirements than these statutory thresholds will apply to Meetings held following the Initial Meeting.

Initial Meeting and Initial Meeting Resolutions

An Initial Meeting was held on the Issue Date in accordance with applicable Romanian law, but with convening formalities waived by holders representing all the outstanding Notes, to permit the holders of the Notes to approve the Initial Meeting Resolutions. The Initial Meeting Resolutions, among other things:

- appointed the Trustee as the Noteholders' Representative;
- authorized and instructed the Trustee, in its capacity as Noteholders' Representative, to promptly accede to the Indenture following the Initial Meeting by executing and delivering a supplemental indenture to the Indenture in the form prescribed therein for such accession, and in so doing, become subject to all the duties and become authorized to exercise all the rights, powers and discretions that are specifically imposed on or given to the Noteholders' Representative under the Indenture and the Notes, together with any other incidental rights, powers and discretions;
- further authorized and instructed and require that any successor Noteholders' Representative that may be validly appointed after the date hereof by any subsequent Meeting also accede to the Indenture in like manner, in each case promptly following its or their own appointments;
- authorized and instructed the Noteholders' Representative and any successor Noteholders' Representative to carry out all acts of supervision and defence of the common interests of any holders of Notes as set out in, and in strict compliance with, the Indenture;
- acknowledged and accepted the terms of the Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement (including in instances, such as convening, chairing, quorum and voting requirements in relation to Meetings, where such documents differ from or are supplementary to provisions of Romanian law), and sanction any future action made, given or taken by or on behalf of the Issuer, the Guarantors and the Restricted Subsidiaries, the Trustee, the Security Agent, the Agents, the Noteholders' Representative, holders of the Notes or book-entry interests therein (including, if applicable, individual holders or holders representing specified percentages of the aggregate principal amount of the

outstanding Notes) or by any other Persons or groups of Persons (all the foregoing, together, “**Relevant Persons**”) pursuant to the provisions of the Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, including any exercise or performance by any Relevant Persons of any rights, duties, powers, authorities or discretions required of, permitted by or granted to them thereunder or pursuant to customary practices in relation to any such documents;

- required that any subsequent noteholders’ meeting (*adunarea obligatarilor*) in relation to the Notes comply with the requirements in relation to Meetings provided for in the Indenture; and
- required that any fund constituted pursuant to any valid exercise of the Fund Power be held in trust by the Trustee for the benefit of the holders of the Notes.
- The full text of the Initial Meeting Resolutions is set out as Annex A to this prospectus.

Each holder of the Notes who accepts a Note on the Issue Date, and each person who purchases or otherwise acquires a beneficial interest in a Note on or prior to the Issue Date, will be deemed, by its acceptance or purchase or other acquisition thereof to have irrevocably: (a) instructed the Issuer to procure that the Initial Meeting is held; (b) agreed to the holding of the Initial Meeting and waived the convening formalities in relation thereto; (c) appointed the Trustee as its proxy to: (i) attend such Initial Meeting (to be held at the offices of Weil, Gotshal & Manges (London) LLP, located at 110 Fetter Lane, London EC4A 1AY, United Kingdom, on the Issue Date starting at the applicable time specified in Annex A to this prospectus), (ii) appoint, from among its representatives, officers or employees, the Chairman (and the Issuer appointed an employee of the Issuer to act as a technical secretary for such Initial Meeting) and one to three secretaries of such Initial Meeting and (iii) cast a vote in favour of the relevant Initial Meeting Resolutions, the form of which is set out in Annex A to this prospectus, at such Initial Meeting; and accepted and agreed to the Initial Meeting Resolutions as set out in Annex A to this prospectus.

Subsequent Meetings—General

In addition to permitting actions by or on behalf of holders of the Notes to be made, given or taken via written consent, the Indenture contains provisions for convening Meetings of the holders of the Notes following the Initial Meeting.

A Meeting may be called at any time and from time to time, at the expense of the Issuer, by either the Issuer or the Trustee (in its capacity as Noteholders’ Representative, or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the Noteholders’ Representative at the direction of the Trustee) in order to make, give or take any action by or on behalf of holders of the Notes. However, in order to be effective, the following actions by or on behalf of holders of the Notes may only be made, given or taken at a Meeting (and be embodied in and evidenced by Meeting Minutes):

- (1) any amendment, supplement or waiver to the Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement that requires the consent of the holders (see “—*Amendment, Supplement and Waiver*”);
- (2) any actions to remove the Noteholders’ Representative and/or to appoint a successor or alternative Noteholders’ Representative;
- (3) any other actions (not covered by the foregoing) pursuant to any Romanian Law Meeting Powers that seek to modify the Initial Meeting Resolutions, or which is or may be inconsistent in any respect with the substance of the Initial Meeting Resolutions or inconsistent with the provisions of the Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement (including as to the ability of the Issuer, the Trustee, the Security Agent, the Agents, the Noteholders’ Representative, individual holders of the Notes, holders of the Notes representing specified percentages of the aggregate principal amount of the outstanding Notes or any other Persons or groups of Persons to exercise or benefit from any rights, duties, powers, authorities or discretions granted to them (or the exercise of which by them was, however broadly, sanctioned) by the Initial Meeting Resolutions or under the terms of such documents);
- (4) any other actions (not covered by the foregoing) pursuant to the Fund Power or the Bond Opinion Power; and
- (5) any other actions (not covered by the foregoing) pursuant to the Common Interests Power.

The Trustee and the Noteholders’ Representative are entitled to assume that no actions by or on behalf of holders of the Notes fall under paragraphs (3) to (5) above unless the Trustee and the Noteholders’ Representative shall have received an Officers’ Certificate and an Opinion of Counsel to that effect.

Under the terms of the Indenture, the thresholds for Meetings to be quorate and consider particular proposed resolutions will, in all cases, be identical to the voting thresholds required for such resolutions to then be adopted at a quorate Meeting. With respect to actions by or on behalf of holders of the Notes that may be made, given or taken pursuant to the Indenture, the Notes and the related documents in relation to the offering of the Notes, the quorum and voting thresholds will be determined solely by reference to the consent thresholds set forth in such documents. With respect to actions by or on behalf of holders of the Notes that are made, given or taken solely pursuant to the Romanian Law Meeting Powers (and not pursuant to the terms

of the aforementioned documents), the quorum and voting threshold will generally require that a majority in aggregate principal amount of the Notes outstanding are both represented at the Meeting and vote in favour, except that actions referred to in clauses (3) and (4) of the preceding paragraph will require at least 90% in aggregate principal amount of the Notes outstanding to be both represented at the Meeting and vote in favor. (For example, proposed resolutions to rescind the Initial Meeting Resolutions would, under the terms of the Indenture, only be capable of being adopted if at least 90% in aggregate principal amount of the Notes outstanding are represented at the relevant Meeting where such resolutions have been proposed for consideration and at least 90% in aggregate principal amount of the Notes outstanding vote in favour of such resolutions). (See “—Subsequent Meetings—Procedures”).

Subsequent Meetings—Procedures

The following is a fuller summary of procedures set forth in the Indenture for Meetings following the Initial Meeting:

- *Purposes for Which Meetings May Be Called.* Following the Initial Meeting, a Meeting may be called at any time and from time to time, at the expense of the Issuer, by either the Issuer or the Trustee (in its capacity as Noteholders’ Representative, or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the Noteholders’ Representative on the direction of the Trustee) in order to make, give or take any action by or on behalf of holders of the Notes.
- *Record Date for Meeting.* Upon its convening of any Meeting following the Initial Meeting, the Issuer or the Trustee (or the Noteholders’ Representative acting at the direction of the Trustee), as applicable, will fix in advance a record date (the “**Meeting Record Date**”) for the determination of holders of the Notes entitled to participate in the Meeting, which shall be following the date of the convening notice for the Meeting and will not be a date which is more than 60 days prior to the Meeting. Promptly after any Meeting Record Date is set pursuant to this clause, the Person convening the Meeting shall cause notice of such Meeting Record Date to be given to the Issuer, the Trustee and, if a Person other than the Trustee is then acting as the Noteholders’ Representative, to the Noteholders’ Representative as well, in writing. The Persons who were holders of the Notes at such Meeting Record Date (or their duly appointed agents), and only those Persons, shall be entitled to take the relevant action or to revoke it pursuant to the applicable revocation provisions of the Indenture, whether or not such persons continue to be holders of the Notes after such Meeting Record Date.
- *Convening, Notice and Place of Meetings.* The Issuer and the Trustee (in its capacity as Noteholders’ Representative or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the Noteholders’ Representative at the direction of the Trustee) shall be entitled, by notice given in accordance with this clause, to convene a Meeting at any time. In addition, the Issuer shall, by notice given in accordance with this clause, be required to convene a Meeting promptly (and in any event, within ten Business Days) after written request that is accompanied by the text of any resolutions to be submitted to the Meeting from either the Trustee (in its capacity as Noteholders’ Representative or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the Noteholders’ Representative at the direction of the Trustee) or holders of at least 25% in aggregate principal amount of the then outstanding Notes.

The Trustee, in its capacity as Noteholders’ Representative, may at any time (or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the Trustee may at any time direct the Noteholders’ Representative to), and, if requested to do so in writing by holders of at least 25% in aggregate principal amount of the then outstanding Notes, shall (or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, shall direct the Noteholders’ Representative to) request the Issuer in writing to convene a Meeting as contemplated above on behalf of such holders.

Notices of Meeting following the Initial Meeting shall be given by the Issuer (or where the Trustee, or the Noteholders’ Representative at the direction of the Trustee has convened the Meeting, the Trustee or the Noteholders’ Representative) in the manner described below in “—Notices” and shall include: (i) the date, time and place of the Meeting, each as determined by the Issuer (or where the Trustee, or the Noteholders’ Representative at the direction of the Trustee has convened the Meeting, the Trustee) (provided that the date fixed for the Meeting shall be not less than 30 nor more than 60 days’ after the date of such notice and the place of Meeting shall be an appropriately chosen venue in London, United Kingdom); (ii) the agenda and the text of any resolutions to be submitted to the Meeting; (iii) the Meeting Record Date; (iv) the procedures to be followed by holders of Definitive Registered Notes and holders of beneficial interests in Global Notes in order to vote at or for their voting instructions to be given effect at the Meeting; and (v) such additional information (if any) as the Issuer (or where the Trustee, or the Noteholders’ Representative at the direction of the Trustee has convened the Meeting, the Trustee) shall consider appropriate for the purposes of the Meeting.

For the avoidance of doubt, if the Issuer, having been requested to call a Meeting as contemplated above, fails to give notice of such Meeting in the manner and within the timeframe contemplated above or fails to thereafter cause the Meeting to be held on the date and at the time and place contemplated by such notice, then the Trustee (in its capacity as Noteholders’ Representative or, if a Person other than the Trustee is then acting as the Noteholders’ Representative, the

Noteholders' Representative) is entitled to, and shall, call a Meeting for transaction of the intended business, such Meeting to be held on such date and at such time and place as the Trustee (in its capacity as Noteholders' Representative or, if a Person other than the Trustee is then acting as the Noteholders' Representative, the Noteholder Representative acting at the direction of the Trustee) shall determine and notify holders of the Notes.

Holders representing all of the outstanding Notes may waive any convening formalities set out above.

- *Block Voting Instructions and Forms of Proxy.* The Registrar will issue a Block Voting Instruction in relation to any Meeting following the Initial Meeting upon request from any holder, shown as such in the records of Euroclear or Clearstream, of Notes held through Euroclear and Clearstream as of the Meeting Record Date. Any registered holders of Notes as of the Meeting Record Date may also require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 72 Hours before the time fixed for the relevant Meeting. Any registered holder of Notes as of the Meeting Record Date may also obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction and a Form of Proxy cannot be outstanding simultaneously in respect of the same Notes.

Block Voting Instructions and Forms of Proxy shall be valid only if they are deposited at such place as the Issuer (or where the Trustee, or the Noteholders' Representative at the direction of the Trustee has convened the Meeting, the Trustee) shall designate or approve not less than 48 Hours before the time fixed for the relevant Meeting. The Registrar shall keep a full record of completed and executed Block Voting Instructions issued by it and completed and executed Forms of Proxy received by it and will give to the Issuer (or, as applicable, the Trustee), not less than 48 Hours before the time appointed for any Meeting, full particulars of duly completed Block Voting Instructions issued by it and Forms of Proxy received by it in respect of such Meeting. None of the Issuer, the Trustee or the Noteholders' Representative (if other than the Trustee) shall be obliged to investigate the validity of any Block Voting Instruction or Form of Proxy or the authority of any Proxy.

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Form of Proxy shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer (or where the Trustee, or the Noteholders' Representative at the direction of the Trustee has convened the Meeting, the Trustee) has not been notified in writing of such amendment or revocation by the time which is 48 Hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment.

For the avoidance of doubt, where any Notes are represented by a Global Note and/or are held within a clearing system, references to the blocking or release of Notes described under this caption "*Subsequent Meetings—Procedures*" or in any related definitions shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

- *Chairman and Secretary.* The Eligible Voters present shall elect one of themselves to take the chair (the "**Chairman**") and one to three Eligible Voters to act as secretaries, failing which the Trustee shall appoint representatives of itself or of the Noteholders' Representative or Eligible Voters as the Chairman and/or secretaries as required. The Issuer shall appoint a technical secretary from among its employees. If the Issuer fails to appoint the technical secretary, the Trustee has the right to and shall appoint one.
- *Participation.* The following may attend and speak at a Meeting: (i) Eligible Voters and their counsel; (ii) the Chairman; (iii) any representatives of the Trustee and/or the Noteholder Representative and their counsel; and (iv) any representatives of the Issuer and/or the Guarantors and their counsel. No one else may attend or speak without the consent of the Eligible Voters present, expressed by vote.
- *Quorum and Adjournment.* No business (other than choosing a Chairman and designating secretaries) may be transacted at a Meeting in the absence of quorum, unless quorum necessary for that business is present when the Meeting is called to order. At any Meeting: (i) in respect of any action by or on behalf of holders of the Notes that may be made, given or taken pursuant to this Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement, the presence of Eligible Voters entitled to vote outstanding Notes in an aggregate principal amount as would be sufficient, under the relevant provisions of such documents to make, give or take any action by or on behalf of holders of the Notes sought to be made, given or taken; and (ii) in respect of any other action by or on behalf of holders of the Notes that may be made, given or taken pursuant to any Romanian Law Meeting Powers (including the matters referred to in clauses (3) to (5) of the second paragraph under the caption "*—Subsequent Meetings—General*"), the presence of Eligible Voters entitled to vote outstanding Notes representing a majority (or, in the case of the actions referred to in clauses (3) and (4) of the second paragraph under the caption "*—Subsequent Meetings—General*" only, at least 90%) in aggregate principal amount of the Notes outstanding, shall, in each case, constitute quorum (including,

for the avoidance of doubt, to consider and adopt any related resolutions submitted or to be submitted to the Meeting).

- *Voting.* Each question submitted to a Meeting shall be decided by a poll. At any Meeting, each Eligible Voter shall have one vote for each outstanding Note in the nominal amount of €100,000 held or represented by it. Any resolution submitted to a Meeting shall be adopted if and only if: (i) in respect of any action by or on behalf of holders of the Notes that may be made, given or taken pursuant to this Indenture, the Guarantee(s), the Notes, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement, the aggregate votes in favour of such resolution represent an aggregate principal amount of outstanding Notes as would be sufficient, under the relevant provisions of such documents to make, give or take the relevant Act; provided that in instances where the relevant provisions of such documents permit a specified percentage of less than a majority of the aggregate principal amount of the outstanding Notes to take a particular action while also expressly providing that a majority (or a specified higher percentage) of the aggregate principal amount of the outstanding Notes may rescind or supersede that initial action, and the votes against such resolution at the Meeting represent an aggregate principal amount of outstanding Notes as would be sufficient to rescind or supersede that initial action had it been taken, the resolution will not be adopted regardless of any votes in favour of it; and (ii) in respect of any other action by or on behalf of holders of the Notes that may be made, given or taken pursuant to any Romanian Law Meeting Powers (including the matters referred to in clauses (3) to (5) of the second paragraph under the caption “—*Subsequent Meetings—General*”), the aggregate votes in favour of such resolution represent a majority (or, in the case of the actions referred to in clauses (3) and (4) of the second paragraph under the caption “—*Subsequent Meetings—General*” only, at least 90%) in aggregate principal amount of the Notes outstanding.
- *Effect and Publication of Passed Resolutions.* Any resolution passed at any Meeting duly held in accordance with this Section shall be binding on all holders of the Notes, whether or not present or represented at the Meeting (unless and until subsequently revoked or superseded by a resolution passed at another Meeting duly held in accordance with this Section). The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. Within 15 days of being passed, the Issuer shall give notice of the passing of any resolution to holders of the Notes in the manner described below in “—*Notices*” and file any such resolution with the Bucharest Trade Registry for the purposes of its publication with the Romanian Official Gazette, but failure to do so shall not invalidate the resolution.
- *Minutes.* Minutes shall be made of all resolutions and proceedings at every Meeting setting forth, among other things, the applicable percentage of holders of the Notes that voted in favour thereof and whether such resolutions were passed, and signed by the Chairman of that Meeting and by the secretaries (any such signed minutes, the “*Meeting Minutes*”). Until the contrary is proven, such Meeting Minutes shall be conclusive evidence of the matters in them.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and applicable Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or
 - (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such entity designated (as agent) for such purposes) as trust funds in trust solely for the benefit of holders of the Notes, cash in Euros, Euro-denominated non-callable European Government Securities, or any combination thereof, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal or premium, if any, and accrued interest to the date of maturity or redemption;
- (2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notices

All notices to holders of the Notes (while any Notes are represented by one or more Global Notes) shall be delivered to Euroclear or Clearstream, as applicable, for communication to entitled account holders or, alternatively, will be valid if published in a leading English language daily newspaper published in the City of London. It is expected that any such publication will normally be made in the *Financial Times* or the *Wall Street Journal Europe*. So long as the Notes are listed on Euronext Dublin and its rules so require, all notices to holders will also be published in *The Irish Times* or in another daily newspaper published in Ireland or on the website of Euronext Dublin, <https://www.euronext.com/en/markets/dublin>. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices to holders of the Notes for convening a Meeting will also be sent by registered mail to the address of holders of the Notes registered in the Register and by publication in the Official Gazette of Romania and a wide circulation newspaper published in the city where the Issuer's headquarters are located (in each case, at the cost of the Issuer).

Notices given by publication will be deemed given on the first date on which publication is made. Notices delivered to Euroclear or Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

Concerning the Trustee, the Noteholders' Representative and the Security Agent

GLAS Trustees Limited is the Trustee under the Indenture, and following its appointment as such in the Initial Meeting and accession in that capacity to the Indenture, is the Noteholders' Representative under the Indenture. Wilmington Trust (London) Limited is the Security Agent under the Indenture and the Security Documents.

If the Trustee becomes a creditor of the Issuer or the Guarantors, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

Except as provided in the Intercreditor Agreement, the holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Subject to such provisions, the Trustee and Noteholders' Representative will be under no obligation to exercise any such rights or powers under the Indenture at the request of any holder of Notes unless such holder has offered to the Trustee or the Noteholders' Representative (as applicable) indemnity and/or security satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors will indemnify the Trustee and the Noteholders' Representative for certain claims, liabilities and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties. The Indenture provides for the indemnification of the Security Agent and its relief from responsibility in connection with its actions in relation to the Collateral. The Security Agent will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered the Security Agent security or indemnity satisfactory to it against any loss, liability or expense.

Neither the Trustee, the Security Agent nor the Noteholders' Representative will be responsible for any unsuitability, inadequacy or unfitness of any of the Collateral as security in relation to the Notes and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Collateral as security for the Notes. Neither the Trustee, Security Agent nor the Noteholders' Representative will be responsible for any loss, expense or liability which may be suffered as a result of the Collateral being uninsured or inadequately insured.

The Indenture provides that, to the greatest extent permitted by Romanian law: no Person shall be construed as being the Noteholders' Representative for purposes of the Notes or the Indenture or capable of validly performing or exercising any duties, powers, rights and discretions conferred upon the Noteholders' Representative, whether under Romanian law, resolutions of any Meeting (including the Initial Meeting Resolutions) or under any provision of the Notes or the Indenture (including any such powers to request that the Issuer convene a Meeting, to appear on behalf of holders of the Notes in proceedings before a Romanian court, to act on behalf of holders of the Notes in discussions with the Issuer or to take such other actions relating to the supervision and defense of the common interests of holders of the Notes in relation to the Notes that a Meeting might expressly empower it to take), unless such Person (if other than the Trustee, which shall have been validly appointed and so empowered at the Initial Meeting) shall have been validly appointed and so empowered at a Meeting held in

accordance with the provisions of the Indenture and such Person (including the Trustee, following its appointment at the Initial Meeting) shall have acceded to this Indenture in the capacity of the Noteholders' Representative hereunder by executing and delivering a supplemental indenture to this Indenture in the form set provided for therein. The Indenture also provides that, to the greatest extent permitted by Romanian law, the Trustee shall have the power, on behalf of holders of the Notes, to direct each Noteholders' Representative (if other than the Trustee) that shall have acceded to the Indenture in the performance and exercise of any duties, powers, rights and discretions conferred upon it as Noteholders' Representative, whether under Romanian law, resolutions of any Meeting (including the Initial Meeting Resolutions) or under any provision of the Notes or the Indenture, and each Noteholders' Representative (if other than the Trustee) that shall have acceded to the Indenture will agree thereby that it shall perform and exercise any such duties, powers, rights and discretions on, and in accordance with, the instructions of the Trustee on behalf of holders of the Notes. In so doing, to the greatest extent permitted by Romanian law, each Person who purchases or otherwise acquires a beneficial interest in the Notes on or after the Issue Date, will be deemed, by its acceptance or purchase or other acquisition thereof, to have irrevocably agreed that the Noteholders' Representative shall be entitled to treat and be fully protected in treating all instructions given to it by the Trustee as instructions given to it by all holders of the Notes as a body. The Noteholders' Representative may resign in writing at any time, or be removed at any time with the consent, given at a Meeting, by holders of at least a majority in principal amount of the Notes outstanding, provided that a Noteholders' Representative is at all times a party to this Indenture despite such resignation or removal. Holders of at least a majority in principal amount of the Notes outstanding, by consent given at a Meeting, will be entitled to appoint an alternative or successor Noteholders' Representative at any time, subject to the foregoing.

Governing Law

The Notes and the Indenture (including the Guarantees) are governed by the laws of the State of New York (save for the arbitration provision as set out in the first paragraph under the caption "*—Consent to Jurisdiction and Service of Process*", which are governed by English law). The Intercreditor Agreement is governed by, and construed in accordance with, English law.

Consent to Jurisdiction and Service of Process

Subject to the following provisions, any suit, action or proceeding arising out of or in connection with the Indenture, the Notes and the Guarantees (including any question regarding the existence, validity or termination of any of the foregoing) or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws (a "**Dispute**") shall be referred to and finally resolved by arbitration under the LCIA Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into the Indenture with the exception of Article 9B of the Rules. There shall be three arbitrators. The claimant and the respondent shall each nominate one arbitrator. The third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators chosen by or on behalf of the parties. The seat of the arbitration shall be London, England and all hearings will be held in London. The language used in the arbitral proceedings shall be English. This arbitration clause, including its validity and scope, shall be governed by English law (for the avoidance of doubt, this is not intended to apply to the substance of any Dispute brought pursuant to this clause). Any award of the arbitration tribunal shall be final and binding on the parties and the parties waive any further or other right of appeal to the English or other courts. Any award of the arbitration tribunal may be enforced by any court of competent jurisdiction.

Notwithstanding the provisions set out above in relation to arbitration, the parties to the Indenture agree that any party (an "**Initiating Party**") may, in its sole discretion and by notice in writing to the other parties, choose instead of arbitration to submit a Dispute to any U.S. federal or state court located in the State and City of New York, Borough of Manhattan (a "**Competent Court**"), save that this option will not be exercisable if a Request for Arbitration has already been served in respect of the same Dispute. Where the Initiating Party has validly exercised its option under this Section by giving written notice to the other parties, the parties agree that the following shall apply to the Dispute. The Initiating Party shall be required to commence proceedings in the Competent Court within 60 days of giving notice of its intent to do so, during which time no other party may initiate an arbitration in respect of the same Dispute. If the Initiating Party fails to commence proceedings in the Competent Court within 60 days of giving notice in accordance with this provision, it will be deemed to have waived its right to bring proceedings in respect of the Dispute in that Competent Court. The parties each hereby (i) submit to the non-exclusive jurisdiction of any Competent Court; (ii) waive any objection to the laying of venue of any proceedings brought in such Competent Court; (iii) waive any claim that such proceedings have been brought in an inconvenient forum; and (iv) further waive the right to object with respect to such proceedings that any Competent Court does not have jurisdiction over such party. Nothing in this clause shall affect the right of an Initiating Party to seek interim relief from any competent court or tribunal.

Each of the Issuer and Guarantors will, by separate letter agreement, irrevocably appoint (1) Cogency Global Inc., 122 E 42nd Street, 18th Floor, New York, NY 10168, United States of America, as its authorized agent upon which process may be served in any suit or proceeding against it arising out of or relating to the Indenture, the Guarantees or the Notes brought in any U.S. Federal or New York State court in the Borough of Manhattan in the City, County and State of New York and arising out of, related to or based upon the transactions contemplated by the Indenture and (2) Cogency Global (UK) Limited, 6 Lloyds Avenue, Unit 4CL, London EC3N 3AX, United Kingdom, as its authorized agent upon which process may be served in any

suit or proceeding against it arising out of or relating to the Indenture, the Guarantees or the Notes or brought in England and arising out of, related to or based upon the transactions contemplated by the Indenture. Each of the Issuer and Guarantors further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect so long as any Notes are outstanding hereunder.

Additional Information

Anyone who receives this Prospectus may obtain a copy of the Indenture, the Security Documents and the Intercreditor Agreement without charge by following the instructions under the section *“Where You Can Find More Information.”*

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium or Additional Amounts, if any, on the Notes or any Guarantees will be prescribed ten years after the applicable due dates for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for the payment of interest.

Certain Definitions

“48 Hours” means, in relation to any Meeting, a period of 48 hours including all or part of a day upon which banks are open for business in London, United Kingdom and Bucharest, Romania (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

“72 Hours” means, in relation to any Meeting, a period of 72 hours including all or part of two days upon which banks are open for business London, United Kingdom and Bucharest, Romania (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of three days upon which banks are open for business in all of the places as aforesaid.

“2023 EKN Covered Export Credit Facility Agreement” means the export credit facilities agreement dated April 24, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for the following facilities: (i) a €25.8 million Facility A and (ii) a €34.2 million Facility B, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2023 Export Credit Facilities Agreements” means the 2023 Finnvera Covered Export Credit Facility Agreement and the 2023 EKN Covered Export Credit Facility Agreement.

“2023 Finnvera Covered Export Credit Facility Agreement” means the export credit facilities agreement dated April 24, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for a €72.8 million Facility A, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2023 Senior Facilities Agreement” means the senior facilities agreement dated April 21, 2023, between, among others, the Issuer, the Parent, ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, and several other financial institutions, as lenders, which as at the date of this prospectus provides for the following facilities: (i) a €150 million Facility A (term loan facility); (ii) a €100 million Facility B (revolving credit facility); (iii) a €250 million incremental facility (on a non-committed basis), as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2024 Additional Export Credit Facilities Agreement” means the export credit facilities agreement dated May 14, 2024, between, among others, the Issuer, the Parent, ING Bank N.V., as original lender, arranger, facility agent and ECA agent, which as at the date of this prospectus provides for (i) a €46.1 million Facility A; (ii) a €10.2 million Facility B; (iii) a €3.5 million Facility C; and (iv) a €2.2 million Facility D, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2024 EKN Covered Export Credit Facility Agreement” means the export credit facilities agreement dated May 14, 2024, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for the following facilities: (i) a €46.1 million Facility A and (iii) a €35.3 million Facility B, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2024 Export Credit Facilities Agreements” means the 2024 Finnvera Covered Export Credit Facility Agreement and the 2024 EKN Covered Export Credit Facility Agreement.

“2024 Finnvera Covered Export Credit Facility Agreement” means the export credit facilities agreement dated May 14, 2024, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for a €35.7 million Facility A, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2024 Senior Facilities Agreement” means the senior facilities agreement dated June 3, 2024 (as amended on December 9, 2024), between, among others, the Issuer, ING Bank N.V. as mandated lead arranger, ING Bank N.V., London Branch, as facility agent, and several other financial institutions, as lenders, which as at the date of this prospectus provides for a €220 million Facility A, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2025 EKN Covered Export Credit Facility Agreement” means the export credit facility agreement dated March 27, 2025, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides a €35.4 million term loan facility, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2025 Export Credit Facilities Agreements” means the 2025 Finnvera Covered Export Credit Facility Agreement and the 2025 EKN Covered Export Credit Facility Agreement.

“2025 Finnvera Covered Export Credit Facility Agreement” means the export credit facility agreement dated March 27, 2025, between, among others, the Issuer, the Parent, CITIBANK EUROPE PLC as original lender and facility agent, and CITIBANK N.A. as arranger and ECA agent, which as at the date of this prospectus provides for a €19.4 million term loan facility, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“2025 Spanish Senior Facilities Agreement” means the senior facilities agreement dated March 28, 2025, between, among others, DIGI Spain, the Parent and the Issuer, Banco Santander S.A. as facility agent and sustainability coordinator, and several other financial institutions, as lenders, which as at the date of this prospectus provides for the following facilities: (i) a €195.0 million Facility A (term loan facility); (ii) a €40.0 million Facility B (term loan facility); and (iii) a €40.0 million Facility C (revolving facility), as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“Acquired Indebtedness” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, (2) assumed in connection with the acquisition of assets from any Person or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary, *provided* that in the case of clauses (1) and (2) of this definition whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition, *provided, further*, that Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) above, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) above, on the date of completion of such acquisition of assets and, with respect to clause (3) above, on the date of the relevant merger, consolidation or other combination.

“Additional Assets” means:

- (a) any assets (other than Indebtedness and Capital Stock) used or useful in a Related Business, including, without limitation, property, plant or equipment used or useful in a Related Business and any subscriber agreement;
- (b) the Capital Stock of a Person that is engaged in a Related Business and that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or
- (c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary that is engaged in a Related Business.

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agents**” means each Paying Agent (including the Principal Paying Agent), Transfer Agent and Registrar and “**Agent**” means any one of them.

“**Applicable Metric**” means any financial covenant or financial ratio or Incurrence-based permission, test, basket or threshold in the Indenture (including any financial definition or component thereof and any financial ratio, test, basket or threshold or permission based on the calculation of LTM EBITDA, the Consolidated Net Secured Leverage Ratio, the Consolidated Net Leverage Ratio, the Spanish Consolidated Net Secured Leverage Ratio or the Spanish Consolidated Net Leverage Ratio), any occurrence of any Default, Event of Default or other relevant breach of the Indenture.

“**Applicable Redemption Premium**” means, with respect to any Note on any redemption date, the greater of:

- (a) 1.0% of the principal amount of the Note; and
- (b) the excess of:
 - (i) the present value at such redemption date of:
 - (x) the redemption price of such Note at October 29, 2027 (such redemption price being set forth in the table appearing below the caption “—*Optional Redemption—Optional Redemption on or after October 29, 2027*);” plus (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and October 29, 2027 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate for the at such redemption date plus 50 basis points; over
 - (ii) the outstanding principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium will not be a duty or obligation of the Trustee or any Agent.

“**Applicable Reporting Date**” means, as at any date of determination, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time):

- (a) the last day of the most recent fiscal period in respect of which a report or financial statements have been delivered pursuant to clause (a), (b) or (c) of the first paragraph of the covenant described under “—*Certain Covenants—Reports*,” with such Applicable Metric determined by reference to such report or financial statements, whichever is more recent; or
- (b) the last day of the most recently completed fiscal year, calendar year, four-quarter period or any other similar annual period, for which the Group has sufficient available information to be able to determine such Applicable Metric, with such Applicable Metric determined by reference to such available information.

“**Applicable Test Date**” means the Applicable Transaction Date or, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time), the Applicable Reporting Date prior to any Applicable Transaction Date.

“**Applicable Transaction**” means any Investment, acquisition, disposition, sale, merger, joint venture, consolidation or other business combination transaction, Incurrence, Change of Control, assumption, commitment, issuance, repayment, repurchase or refinancing of Indebtedness (including for the avoidance of doubt an additional facility under the Senior Facilities Agreements or the Export Credit Facilities Agreements), Disqualified Stock or Preferred Stock and the use of proceeds thereof, any creation of a Lien, any Restricted Payment, any Affiliate Transaction, any designation of a Restricted Subsidiary or Unrestricted Subsidiary, any Asset Disposition or any other transaction for which an Applicable Metric falls to be determined; *provided that*, if any such transaction (the “first transaction”) is being effected in connection with another such transaction (the “second transaction”), the second transaction shall also be an Applicable Transaction with respect to the first transaction.

“Applicable Transaction Date” means, in relation to any Applicable Transaction, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time):

- (a) the date of any letter, definitive agreement, instrument, put option, scheme of arrangement or similar arrangement in relation to such Applicable Transaction (unilateral, conditional or otherwise);
- (b) the date that any commitment, offer, announcement, communication or declaration (unilateral, conditional, or otherwise) with respect to such Applicable Transaction is made or received;
- (c) the date that any notice, which may be revocable or conditional, of any repayment, repurchase or refinancing of any relevant Indebtedness is given to the holders of such Indebtedness;
- (d) the date of consummation, Incurrence, payment or receipt of payment in respect of the Applicable Transaction;
- (e) any other date determined in accordance with the Indenture; or
- (f) any other date relevant to the Applicable Transaction determined by the Issuer in good faith.

“Approved Director” means any member of the Board of Directors whose election was approved by either (i) Permitted Holders who Beneficially Own 50% or more of the Voting Stock of the Issuer, measured by voting power rather than number of shares or (ii) two-thirds of the Board of Directors who are Approved Directors.

“Asset Disposition” means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Issuer or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction and Sale/Leaseback Transactions (each referred to for the purposes of this definition as a **“disposition”**), of:

- (a) any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary);
- (b) all or substantially all the assets of any division or line of business of the Issuer or any Restricted Subsidiary; or
- (c) any other assets of the Issuer or any Restricted Subsidiary other than, in the case of clauses (a), (b) and (c) above,
 - (i) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
 - (ii) for purposes of the covenant described under the caption *“Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock”* only, (x) a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by the covenant described under the caption *“Certain Covenants—Limitation on Restricted Payments”* and (y) a disposition of all or substantially all the assets of the Issuer in accordance with the covenant described under the caption *“Certain Covenants—Merger and Consolidation;”*
 - (iii) a disposition of obsolete or worn out equipment or property or equipment that is no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
 - (iv) the disposition or abandonment of intellectual property of the Issuer or any Restricted Subsidiary, in each case, that is no longer economically practicable to maintain or is no longer used or useful in the ordinary course of the business of the Issuer or any Restricted Subsidiary;
 - (v) the surrender or waiver of contract rights or the settlement, release or surrender of contractual, tort or other claims of any kind;
 - (vi) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
 - (vii) dispositions of assets in a single transaction or a series of related transactions with an aggregate Fair Market Value in any calendar year of less than the greater of (a) €90.0 million and (b) 15.5% of LTM EBITDA;
 - (viii) a disposition of cash or Cash Equivalents;
 - (ix) the creation of a Permitted Lien (but not the sale or other disposition of the property subject to such Lien);
 - (x) the disposition of equipment, inventory, consumer equipment, trading stock, communications capacity, products, services, general intangibles or other assets in the ordinary course of business;
 - (xi) the lease, assignment or sublease of any real or personal property or spectrum in the ordinary course of business;
 - (xii) the licensing or sublicensing of intellectual property or other general intangibles and licenses, sublicenses, leases or subleases of other property;
 - (xiii) foreclosure, condemnation or similar action with respect to any property or other assets;

- (xiv) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (xv) any cancellation of treasury shares held by the Issuer or a Restricted Subsidiary;
- (xvi) any disposition of any Capital Stock of a Spanish IPO Entity in connection with any DIGI Spain Equity Offering;
- (xvi) any sale, transfer or other disposition of Receivables Assets and related assets in connection with any Qualified Receivables Financing; and
- (xvii) any disposition in one or a series of related transactions of any portion of the assets (which may include Capital Stock) acquired through any acquisition after the Issue Date and permitted by the Indenture where such disposition is being undertaken in connection with any approval of such acquisition by relevant antitrust or competition authorities or pursuant to any antitrust or competition laws or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition permitted under the Indenture.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted under “*Certain Covenants—Limitation on Restricted Payments*,” the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Disposition and/or one or more of the types of Permitted Investments or Investments permitted under “*Certain Covenants—Limitation on Restricted Payments*.”

“**Attributable Debt**” in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, the Issuer’s incremental borrowing rate) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided, however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capital Lease Obligation” and *provided further*, that no Obligations of DIGI Spain in connection with any Sale/Leaseback Transaction relating any transfer of any fixed network to DIGI Andalucía shall constitute “Attributable Debt”.

“**Authenticating Agent**” means one or more authentication agents acceptable to the Issuer appointed by the Trustee to authenticate Notes.

“**Average Life**” means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

- (a) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by
- (b) the sum of all such payments.

“**Beneficial Owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as the term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “**Beneficially Owns**” and “**Beneficially Owned**” have a corresponding meaning.

“**Block Voting Instruction**” means, in relation to any Meeting, an English language document issued by the Registrar: (1) certifying: (A) that each holder, shown as such in the records of Euroclear or Clearstream, of specified Notes held through Euroclear and Clearstream as of the Meeting Record Date (each, a “Record Date Note”) or a duly authorized person on its behalf has instructed the Registrar that the votes attributable to such Record Date Notes are to be cast in a particular way (which may include abstentions) on each resolution to be put to the Meeting; and/or (B) that each registered holder of specified Notes as of the Meeting Record Date (each a “Relevant Note”) or a duly authorized person on its behalf has instructed the Registrar that the votes attributable to each Relevant Note held by it are to be cast in a particular way (which may include abstentions) on each resolution to be put to the meeting, and, in each case, that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked; (2) listing the total principal amount of the Record Date Notes and/or the Relevant Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, to abstain from voting or vote against, the resolution; and (3) authorizing a named individual or individuals as Proxies to vote in respect of the Record Date Notes and/or the Relevant Notes in accordance with such instructions.

“**Board of Directors**” means the Board of Directors of the Issuer or any committee thereof duly authorized to act on behalf of such Board.

“**BRD Facility Agreements**” means the credit facility agreements entered into by, among others, the Issuer and BRD – Groupe Societe Generale SA, described under the heading “*BRD Facility Agreements*” in “*Description of Other Indebtedness—Financial Obligations*” of this prospectus, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“**Bund Rate**” means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as at such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

- (a) “**Comparable German Bund Issue**” means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to October 29, 2027 and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to October 29, 2027; *provided* that if the period from such redemption date to October 29, 2027, is less than one year, a fixed maturity of one year shall be used;
- (b) “**Comparable German Bund Price**” means, with respect to any redemption date, the average of the Reference German Bund Dealer Quotations for such redemption date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) “**Reference German Bund Dealer**” means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and
- (d) “**Reference German Bund Dealer Quotations**” means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding such redemption date.

“**Business Day**” means each day that is not a Public Holiday.

“**Capital Lease Obligation**” means the amount of any liability under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that would, at the time the relevant determination is made, be required to be capitalized on a balance sheet prepared in accordance with IFRS; and in relation to such Indebtedness, the Stated Maturity shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty, and interest thereon shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting Officer of the Issuer to be the rate of interest implicit therein in accordance with IFRS. For purposes of the covenant described under the caption “*Certain Covenants—Limitation on Liens*,” a Capital Lease Obligation will be deemed to be secured by a Lien on the property being leased.

“**Capital Stock**” of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“**Cash Equivalents**” means:

- (a) Eligible Government Bonds;
- (b) commercial paper maturing no more than one year from the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody’s;
- (c) investments in demand and time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by any commercial bank having capital, surplus and undivided profits aggregating in excess of €500 million (or the foreign currency equivalent thereof) and having outstanding debt which is rated “B” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization;
- (d) repurchase Obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) or (b) above entered into with a bank meeting the qualifications described in clause (c) above;

- (e) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Issuer) organized and in existence under the laws of a member of the European Union or the United States with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P; and
- (f) investments in money market funds that invest 95% or more of their assets in securities of the types described in clauses (a) through (e) above.

“**Chairman**” means, in relation to any Meeting, the individual who takes the chair.

“**Change of Control**” means the occurrence of one or more of the following events:

- (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than to Permitted Holders; or
- (b) the adoption of a plan relating to the liquidation or dissolution of the Issuer other than in a transaction which complies with the covenant described under the caption “Certain Covenants—Merger and Consolidation;” or
- (c) [Reserved];
- (d) (x) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than Permitted Holders) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the outstanding Voting Stock of the Issuer (or its successor by merger or consolidation), measured by voting power rather than number of shares and (y) Permitted Holders do not Beneficially Own, directly and indirectly, in the aggregate a larger percentage of the outstanding Voting Stock of the Issuer measured by voting power rather than number of shares, than such other “person” or “group”; or
- (e) the first day on which a majority of the members of the Board of Directors are not Approved Directors.

“**Citi Facilities Agreement**” means the uncommitted facility agreement, entered into between the Issuer, as borrower, and Citibank Europe Plc, Dublin—Romania Branch, described under the heading “*Citi Facilities Agreement*” in “*Description of Other Indebtedness—Financial Obligations*” of this prospectus, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“**Clearstream**” means Clearstream Banking, a *société anonyme* as currently in effect or any successor securities clearing agency.

“**Collateral**” means the assets over which a Lien has been granted pursuant to the Security Documents to secure the Obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture or any applicable parallel debt.

“**Commodities Agreement**” means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

“**Consolidated Interest Expense**” means, for any period, the total interest expense of the Issuer and its consolidated Restricted Subsidiaries determined in accordance with IFRS, plus, to the extent not included in such total interest expense, and to the extent Incurred by the Issuer or its Restricted Subsidiaries, without duplication:

- (a) interest expense attributable to Capital Lease Obligations;
- (b) amortization of debt discount and debt issuance cost;
- (c) capitalized interest (excluding any capitalized non-cash interest expense on Subordinated Shareholder Debt);
- (d) non-cash interest expense (other than non-cash interest expense on Subordinated Shareholder Debt);
- (e) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing;
- (f) net costs or net payments pursuant to Hedging Obligations;
- (g) dividends accrued in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, in each case, held by Persons other than the Issuer or a Wholly Owned Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Issuer); *provided, however*, that such dividends will be multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issuer of such Preferred Stock (expressed as a decimal) for such period (as estimated by the chief financial officer of the Issuer in good faith);

- (h) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is guaranteed by (or secured by the assets of) the Issuer or any Restricted Subsidiary; and
- (i) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Issuer) in connection with Indebtedness Incurred by such plan or trust.

“Consolidated Net Leverage Ratio” as of any date of determination means the ratio of (i) the aggregate amount of Consolidated Total Indebtedness outstanding on such date *less* the aggregate amount of cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries on a consolidated basis on such date to (ii) LTM EBITDA; *provided* that in calculating the Consolidated Net Leverage Ratio or any element thereof, cost savings, synergies and operating expense reductions that have occurred or are reasonably expected to occur within the 18 months following the end of such four full quarter period in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (as determined in good faith by a responsible financial or accounting Officer of the Issuer) may be given *pro forma* effect (regardless of whether such cost savings, synergies and operating expense reductions could then be reflected in *pro forma* financial statements to the extent prepared), *provided, however*, that (A) any *pro forma* adjustments in respect of such cost savings, synergies and operating expense reductions shall not in aggregate exceed 15% of LTM EBITDA for such four full quarter period (prior to giving effect to any *pro forma* adjustments), (B) all such cost savings, synergies and operating expense reductions must be reasonably identifiable, expected and factually supportable in the good faith judgment of a responsible financial or accounting Officer of the Issuer and (C) no *pro forma* adjustments may be made in respect of such cost savings, synergies and operating expense reductions to the extent duplicative of expenses or charges that were added back for purposes of calculating LTM EBITDA or excluded for purposes of calculating Consolidated Net Income. In addition, and without limiting the foregoing, in calculating the Consolidated Net Leverage Ratio:

- (a) if the Issuer or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an Incurrence of Indebtedness, or both, LTM EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period (and treating the full amount under clause (b)(i) of the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*” as fully drawn);
- (b) if the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio, EBITDA and Consolidated Net Leverage Ratio for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Cash Equivalent used to repay, repurchase, defease or otherwise discharge such Indebtedness;
- (c) for purposes of the preceding paragraphs (a) and (b) and for purposes of determining compliance with the covenant described under the caption “*Certain Covenants—Limitation on Liens*,” the *pro forma* calculation of Consolidated Total Indebtedness shall not give effect to (i) any Indebtedness Incurred on any date of determination of the Consolidated Net Leverage Ratio pursuant to provisions of the second paragraph of the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*” or (ii) the discharge of any Indebtedness on the date of determination of the Consolidated Net Leverage Ratio to the extent that such discharge results from the proceeds Incurred pursuant to the provisions of the second paragraph of the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*,”
- (d) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Total Indebtedness for such period shall be reduced by an amount equal to the Consolidated Total Indebtedness directly attributable to any Indebtedness of the Issuer or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Total Indebtedness for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Issuer and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

- (e) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and
- (f) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (d) or clause (e) above if made by the Issuer or a Restricted Subsidiary during such period, EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Total Indebtedness associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting Officer of the Issuer.

“Consolidated Net Income” means, for any period, the net income of the Issuer and its consolidated Restricted Subsidiaries for such period determined in accordance with IFRS; *provided, however*, that there shall not be included in such Consolidated Net Income:

- (a) any net income of any Person if such Person is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:
 - (i) subject to the exclusion contained in clause (d) below, the Issuer’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (c) below); and
 - (ii) the Issuer’s equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary;
- (b) any net income of a Surviving Entity prior to assuming the Issuer’s obligations under the Indenture and the Notes pursuant to “—*Merger and Consolidation*;”
- (c) solely for the purpose of determining the amount available for Restricted Payments under clause (iii)(A) of paragraph (a) of the covenant described under the caption “*Certain Covenants—Limitation on Restricted Payments*,” any net income of any Restricted Subsidiary (other than a Guarantor) if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer (or any Guarantor that holds the Capital Stock of such Restricted Subsidiary, as applicable) other than restrictions that have been waived or otherwise released or restrictions permitted or not prohibited by clauses (b)(i), (b)(ii), (b)(iii), (b)(iv) and (b)(xv) of the covenant described under the caption “*Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*,” except that:
 - (i) subject to the exclusion contained in clause (d) below, the Issuer’s equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause); and
 - (ii) the Issuer’s equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;
- (d) any net after tax gain or loss realized upon the sale or other disposition of any assets of the Issuer, its consolidated Restricted Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which are not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors) and any gain or loss realized upon the sale or other disposition of any Capital Stock of any Person;

- (e) any item classified as a restructuring, extraordinary, exceptional, non-recurring, unusual or other non-operating gain or loss including the costs of and accounting for financial instruments;
- (f) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
- (g) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards;
- (h) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness and any net gain (together with any related provision for taxes on such net gain) from any write-off or forgiveness of Indebtedness;
- (i) any unrealized gain or loss in respect of Hedging Obligations and any gains associated with fair value adjustment on financial instruments;
- (j) any foreign currency transaction or translation gains or losses, net of taxes;
- (k) the cumulative effect of a change in accounting principles; and
- (l) any capitalized interest and non-cash interest expense on Subordinated Shareholder Debt,

in each case, for such period.

Notwithstanding the foregoing, for the purposes of the covenant described under the caption “*Certain Covenants—Limitation on Restricted Payments*” only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Issuer or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under clause (iii) of paragraph (a) under the covenant described under the caption “*Certain Covenants—Limitation on Restricted Payments*.”

“**Consolidated Net Worth**” means the total shareholders’ equity shown on the balance sheet of the Issuer and its consolidated Restricted Subsidiaries as of the end of the most recent fiscal quarter (or, in the case of any calculations made in the first two years following the Issue Date, the most recent fiscal half year) of the Issuer ending prior to the taking of any action for the purpose of which the determination is being made.

“**Consolidated Net Secured Leverage Ratio**” means the Consolidated Net Leverage Ratio calculated by excluding all Indebtedness other than Senior Secured Indebtedness.

“**Consolidated Total Indebtedness**” means, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis outstanding at such time; but excluding any Indebtedness Incurred under paragraphs (ii), (vi) and (xviii) of the second paragraph of the covenant described under “*—Limitation on Indebtedness*.”

“**Credit Facility**” means any debt facility (the Senior Facilities Agreements, the Export Credit Facilities Agreements, the BRD Facility Agreements, the Citi Facilities Agreement and the ING Facilities Agreement), indentures or arrangements or commercial paper facilities and overdraft facilities, to be entered into by the Issuer or its Restricted Subsidiaries, in each case with banks, insurance companies or other institutional lenders or investors providing for term loans, revolving loans, notes, performance guarantees, or letters of credit, securitization facilities, receivables facilities, or other credit facilities or extensions of credit thereunder, or any guarantees and security documents, in each case, as amended, extended, renewed, restated, supplemented, replaced or refinanced (including increasing the amount borrowed thereunder) in whole or in part from time to time, and, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing.

“**Currency Agreement**” means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

“**Default**” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“**Designated Non-Cash Consideration**” means the Fair Market Value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officers’ Certificate. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “*—Limitation on Sales of Assets and Subsidiary Stock*.”

“**DIGI Andalucia**” means DIGI Andalucia S.L.U., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain, or a successor entity thereof.

“**DIGI Andalucia Facility Agreement**” means the €84.0 million facility agreement dated May 14, 2025, between, DIGI Andalucia, as borrower, DIGI Spain, as guarantor, and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING

Bank N.V., Sucursal En España, as mandated lead arrangers, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“**DIGI Spain**” means DIGI SPAIN TELECOM, S.L.U., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain, or a successor entity thereof.

“**DIGI Spain Equity Offering**” means any public or private offering by the Issuer or another Restricted Subsidiary (which shall include an offering pursuant to Rule 144A and/or Regulation S under the U.S. Securities Act to professional market investors or similar Persons) of Capital Stock of DIGI Spain or any parent or successor entity of DIGI Spain (a “**Spanish IPO Entity**”), other than offerings (or, as applicable, portions thereof) (1) of Disqualified Stock, (2) registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offerings in other jurisdictions, or (3) to an Affiliate of the Issuer.

“**DIGI Spain Initial Public Offering**” means a DIGI Spain Equity Offering following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the Spanish IPO Entity in such offering are listed on a Spanish Stock Exchange or any other internationally recognized exchange or traded on an internationally recognized market.

“**DIGI Spain Security Release**” means a release of any security interests in the issued or authorized Capital Stock of DIGI Spain granted pursuant to the Spanish Security Documents in compliance with any requirement of or pursuant to a direction by any governmental or listing authority, or as may be in the good faith opinion of the Issuer (which shall be evidenced by a written resolution of its Board of Directors) otherwise necessary, required or desirable, in connection with a DIGI Spain Initial Public Offering.

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

- (a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;
- (b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or
- (c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset disposition” or “change of control” occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

- (a) the “asset disposition” or “change of control” provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes under the sections described under the captions “*Change of Control*” and “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” and
- (b) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; *provided, however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

“**EBITDA**” for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (a) all income tax expense of the Issuer and its consolidated Restricted Subsidiaries;
- (b) Consolidated Interest Expense;
- (c) depreciation and amortization expense of the Issuer and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period);
- (d) any reasonable expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in

connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture, or any waiver or amendment of any Indebtedness (or the refinancing thereof) (whether or not successful or consummated), in each case, as determined in good faith by the Issuer;

- (e) the minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on Capital Stock held by third parties;
- (d) all other non-cash charges of the Issuer and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) less all non-cash items of income of the Issuer and its consolidated Restricted Subsidiaries (other than accruals of revenue by the Issuer and its consolidated Restricted Subsidiaries in the ordinary course of business),

in each case for such period.

“Eligible Government Bonds” means marketable direct obligations issued by the government of any member of the European Union, Switzerland, the United States of America, any state of the United States of America, the United Kingdom or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody’s or any successor thereto.

“Eligible Voters” means, in relation to any Meeting, subject to other applicable provisions of the Indenture, any one of the following persons: (a) any Proxy specified in a Block Voting Instruction or in a Form of Proxy; (b) any holder of a Definitive Registered Note as of the Meeting Record Date who produces such Definitive Registered Note at such Meeting; provided that any holder of a Definitive Registered Note as of the Meeting Record Date that has appointed a Proxy shall not be an “Eligible Voter” except to the extent that such appointment has been revoked and the Issuer (or where the Trustee, or the Noteholders’ Representative at the direction of the Trustee has convened the Meeting, the Trustee) has been notified in writing of such revocation by the time which is 48 Hours before the time fixed for such Meeting.

“Equity Offering” means any public or private offering by the Issuer (which shall include an offering pursuant to Rule 144A and/or Regulation S under the U.S. Securities Act to professional market investors or similar Persons) of Capital Stock of the Issuer, other than offerings (or, as applicable, portions thereof) (1) of Disqualified Stock, (2) registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offerings in other jurisdictions, or (3) to an Affiliate of the Issuer.

“EUR Equivalent” means with respect to any monetary amount in a currency other than Euros, at any time for determination thereof, the amount of Euros obtained by converting such foreign currency involved in such computation into Euros at the spot rate for the purchase of Euros with the applicable foreign currency as published in *The Wall Street Journal* in the “Exchange Rates” column under the heading “Currency Trading” on the date two Business Days prior to such determination. Except as provided for in the covenant described under “—*Limitation on Indebtedness*,” whenever it is necessary to determine whether the Issuer has complied with any covenant in the Indenture or a Default has occurred and an amount is expressed in a currency other than Euros, such amount will be treated as the EUR Equivalent determined as of the date such amount is initially determined in such currency.

“Euro” or “€” means the single currency of participating states of the economic and monetary union as contemplated in the Treaty on European Union.

“Euroclear” means Euroclear Bank SA/NV, or any successor securities clearing agency.

“European Government Securities” means any security that is a direct obligation of, or obligations guaranteed by, a country that is a member of the European Union on the date of the Indenture, and the payment for which such country pledges its full faith and credit.

“European Union” means the European Union excluding any country that becomes a member of the European Union on or after the Issue Date.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended;

“Excluded Contributions” means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officers’ Certificate.

“Export Credit Facilities” means the export credit facilities established under the Export Credit Facilities Agreements.

“Export Credit Facilities Agreements” means, collectively, the 2023 Export Credit Facilities Agreements, the 2024 Export Credit Facilities Agreements, the 2024 Additional Export Credit Facilities Agreement and the 2025 Export Credit Facilities Agreements.

“Fair Market Value” means, with respect to any asset or property, the price that could be negotiated in an arm’s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be determined in good faith by the Board of Directors, whose determination will be conclusive and evidenced by a resolution of such Board of Directors. For purposes of determining the Fair Market Value of Capital Stock, the value of the Capital Stock of a Person shall be based upon such Person’s property and assets, exclusive of goodwill or any similar intangible asset.

“Fitch” means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Form of Proxy” means, in relation to any Meeting, a document in the English language available from the Registrar signed by a holder of the Notes or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorized officer and delivered to the Registrar not later than 48 Hours before the time fixed for such Meeting, appointing a named individual or individuals as Proxies to vote in respect of the Notes held by such holder.

“guarantee” means any Obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any Obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning. The term “guarantor” shall mean any Person guaranteeing any Obligation.

“Group” means the Issuer and its consolidated Subsidiaries.

“Group Collateral Release” means a release of any and all security interests in the Collateral securing any Indebtedness of the Issuer or any Restricted Subsidiary (other than the Notes and the Guarantees thereof) in accordance with the terms of the Intercreditor Agreement or pursuant to consents provided by the lenders or holders of the relevant Indebtedness.

“Guarantee” means a guarantee by a Guarantor of the Issuer’s obligations with respect to the Notes.

“Guarantor” means any Restricted Subsidiary of the Issuer that subsequent to the Issue Date guarantees the Notes pursuant to the terms of the Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodities Agreement or Currency Agreement.

“IFRS” means International Financial Reporting Standards as adopted by the European Union as in effect on December 31, 2018, or, with respect to the reporting requirements described under “*Certain Covenants—Reports*,” as in effect from time to time. Except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect from time to time (but excluding the effects of operating leases counting as financing leases under IFRS 16 (*Leases*) as in effect on the Issue Date). At any time after the Issue Date, the Issuer may make an irrevocable election to establish that “IFRS” for all purposes under the Indenture shall mean International Financial Reporting Standards as adopted by the European Union as in effect from time to time.

“Incur” means issue, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term “Incurrence” when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*:”

- (a) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;
- (b) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

- (c) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness will not be deemed to be the Incurrence of Indebtedness.

“**Indebtedness**” means, with respect to any Person on any date of determination (without duplication):

- (a) the principal in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;
- (b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;
- (c) all Obligations of such Person in connection with, and for the reimbursement of any obligor on, any letter of credit, letter of guarantee, bankers’ acceptance or similar instruments (other than Obligations with respect to such instruments securing Obligations entered into in the ordinary course of business of such Person to the extent such instruments are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the thirtieth Business Day following payment on such instruments);
- (d) payments for assets acquired or services supplied deferred for a period of over 180 days after the relevant assets were or are to be acquired or the relevant services were or are to be supplied (or, as of the date of determination, deferred for a period of over 360 days if such deferral is in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied), to the extent that these would be accounted for as indebtedness under IFRS;
- (e) the amount of all Obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with the Indenture (but excluding, in each case, any accrued dividends);
- (f) all Obligations of the type referred to in clauses (a) through (d) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee; and
- (g) all Obligations of the type referred to in clauses (a) through (d) of other Persons secured by any Lien on any property or asset of such Person (whether or not such Obligation is assumed by such Person), the amount of such Obligation being deemed to be the lesser of the fair market value of such property or assets and the amount of the Obligation so secured; and
- (h) to the extent not otherwise included in this definition, Hedging Obligations of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

if and to the extent any of the preceding items (other than obligations under clauses (c), (e), (f) and (g)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS and provided that Indebtedness which has been cash-collateralized shall not be included in any calculation of Indebtedness to the extent so cash-collateralized.

Notwithstanding the foregoing, the term “Indebtedness” will exclude (A) any deposits or prepayments received by the Issuer or a Restricted Subsidiary from a customer or subscriber for its service; (B) the amount of any liability under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that would, at the time the relevant determination is made, not be required to be capitalized on a balance sheet prepared in accordance with IFRS; (C) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter; (D) any contingent obligations in respect of workers’ compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes; (E) trade payables and accrued liabilities Incurred in the ordinary course of business; (F) Subordinated Shareholder Debt; (G) any outstanding payments under any spectrum license or other obligations under any license, permit or other approval (or Guarantees given in respect of such obligations); (H) any outstanding payments under any radio access network sharing or spectrum sharing agreements or similar arrangements (or Guarantees given in respect of such obligations); and (I) any accrued expenses, trade payables and amounts payable in respect of IRUs, including but not limited to all fiber IRUs lines, feeders or equivalents, irrespective of their accounting treatment and presentation in the financial statements as payables operating leases, financial leases or otherwise.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional Obligations as described above; *provided, however*, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

“Independent Qualified Party” means an investment banking firm, accounting firm or appraisal firm of international standing chosen in good faith by the Issuer; *provided, however*, that such firm is not an Affiliate of the Issuer.

“ING Facilities Agreement” means the credit facility agreements entered into by, among others, the Issuer and ING Bank N.V., described under the heading *“ING Facilities Agreement”* in *“Description of Other Indebtedness—Financial Obligations”* of this prospectus, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

“Intercreditor Agreement” means the intercreditor agreement originally dated November 4, 2013, between, among others, the Issuer, the Parent, the Security Agent, the lenders, agents and any arrangers under the 2023 Senior Facilities Agreements, the 2024 Senior Facilities Agreement, the Export Credit Facilities Agreements, the BRD Facility Agreements, the Citi Facilities Agreement, the ING Facilities Agreement and certain Hedging Obligations, and certain hedge counterparties, as further amended, restated or otherwise modified or varied from time to time.

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

“Investment” in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of “Unrestricted Subsidiary,” the definition of “Restricted Payment” and the covenant described under the caption *“—Certain Covenants—Limitation on Restricted Payments”*:

- (a) “Investment” shall include the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary equal to an amount (if positive) equal to (i) the Issuer’s “Investment” in such Subsidiary at the time of such redesignation less (ii) the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and
- (b) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

“Investment Grade Rating” means a rating of BBB- or better by Fitch (or its equivalent under any successor rating categories of Fitch) and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency).

“IRU” means an indefeasible right of use of or operating lease or license or payable for (a) lit or unlit (1) fiber optic cable, (2) telecommunications conduit, and/or (3) telecommunications line; and/or (b) mobile tower, whether active or inactive; or, in each case, any similar or equivalent infrastructure and/or asset or equipment.

“Issue Date” means October 29, 2025.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien, charge or security interests of any kind including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or anything analogous to any of the foregoing under the laws of any jurisdiction.

“LTM EBITDA” means EBITDA measured for the period of the most recent four full consecutive fiscal quarters (or 12 months) ending prior to the date of such determination for which internal financial statements are available, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition, Investment or any action or step in respect of any

restructuring, reorganization, new or revised contract or other similar initiative, as applicable, since the start of such four quarter period (or 12 months) and as are consistent with the applicable *pro forma* adjustments set forth in the definition of “Consolidated Net Leverage Ratio” and otherwise permitted in accordance with the Indenture.

“**Management Advances**” means loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business and in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) €15.0 million and (b) 2.5% of LTM EBITDA.

“**Meeting**” means the Initial Meeting and any subsequent meeting of holders of the Notes held in accordance with the applicable provisions of the Indenture.

“**MEP**” means any management equity plan, employee benefit scheme, incentive scheme or other similar or equivalent arrangement (in each case whether implemented or to be implemented).

“**MEP Payment**” means any payment or transaction which is, or which is to be made, entered into or used directly or indirectly (or to facilitate any such step or payment):

- (a) to make payment to a member of any MEP (including payments to members leaving any MEP) or any trust or other person in respect of any MEP, incentive scheme or similar arrangement or pay any costs and expenses properly incurred in the establishing and maintaining of any MEP, incentive scheme or similar arrangement (*provided further* that, for the avoidance of doubt, nothing in the Indenture shall prohibit any payments to, or the acquisition of shares or other interests or investments of, employees or management); and/or
- (b) for repayment or refinancing of amounts outstanding under any loan made in connection with an MEP, incentive scheme or similar arrangement or capitalization of such loans.

“**Moody’s**” means Moody’s Investors Services, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“**Nationally Recognized Statistical Rating Organization**” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62)(A) under the Exchange Act.

“**Net Available Cash**” from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other Obligations relating to such properties or assets or received in any other non-cash form), in each case net of:

- (a) all legal, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability under IFRS, as a consequence of such Asset Disposition;
- (b) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (c) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Disposition; and
- (d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“**Net Cash Proceeds**,” with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“**Obligations**” means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

“**Officer**” means the Chairman of the Board of Directors, the Chief Executive Officer or any other director of the Issuer, as the case may be.

“**Officers’ Certificate**” means a certificate signed by two Officers.

“**Opinion of Counsel**” means a written opinion from legal counsel who is acceptable to the Trustee and the Security Agent (if applicable). The counsel may be an employee of, or counsel to, the Issuer.

“Parent Expenses” means:

- (a) costs (including all professional fees and expenses) Incurred by the Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to the Notes, the Guarantees or any other Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (b) customary indemnification obligations of the Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and/or its Subsidiaries;
- (c) obligations of the Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and/or its Subsidiaries;
- (d) fees, costs and expenses payable by the Parent in connection with the Transactions;
- (e) general corporate overhead expenses, including (a) all legal, accounting and other professional fees and expenses and other operational expenses of the Parent related to the ownership or operation of the business of the Issuer or any Restricted Subsidiary (including remuneration payable to employees, directors and officers) or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, by the Parent; and
- (f) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and/or its Subsidiaries or the Parent or any other Person which holds directly or indirectly any Capital Stock or Subordinated Shareholder Debt of the Issuer, in an amount not to exceed the greater of (x) €45.0 million and (y) 7.5% of LTM EBITDA in any calendar year.

“Pari Passu Indebtedness” means Indebtedness of the Issuer or any Guarantor if such Indebtedness ranks equally in right of payment to the Notes or the Guarantees, as the case may be, and, in each case, is secured by a Lien on all or a portion of the Collateral.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of assets used or useful in a Permitted Business or a combination of such assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided that*:

- (a) at the time of entering into such and immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;
- (b) such transaction or series of transactions involve the transfer of assets (including cash or Cash Equivalents) of the Issuer and its Restricted Subsidiaries with a Fair Market Value no greater than €50.0 million;
- (c) any Person acquired through such transaction or series of transactions will, upon the consummation thereof, become a Restricted Subsidiary;
- (d) any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under *“Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.”*

“Permitted Business” means the business or businesses conducted by the Issuer and its Subsidiaries as of the Issue Date and any Related Business.

“Permitted Collateral Liens” mean (X) Liens on the Collateral that are described in one or more of clauses (a), (b), (c), (d), (e), (g), (h), (k), (l), (m), (n), (o), (p), (q), (r), (u), (w) and (x) (but only with respect to Liens under clauses (g), (h) or (x) of the definition of “Permitted Liens”) of the definition of “Permitted Liens” and that, in each case (with the exception, in the case of a Lien under clause (x) of the definition of “Permitted Liens,” of a right of pledge or set-off pursuant to the General Banking Conditions of The Netherlands Bankers’ Association (*Algemene bankvoorwaarden van de Nederlandse Vereniging voor Banken*) or similar general terms and conditions), would not materially interfere with the ability of the Security Agent to enforce the security interest in the Collateral and (Y) Liens on Collateral to secure (a) Indebtedness of the Issuer or a Restricted Subsidiary that is permitted to be incurred under sub-clauses (i), (iii), (v) (if the original Indebtedness was so secured), (vi), (x) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (xi), (xiv), (xix), (xxii) and (xxiii) of clause (b) of the covenant described under the caption *“—Certain Covenants—Limitation on Indebtedness,”* (b) Indebtedness (i) that is incurred under clause (a) of *“—Certain Covenants—Limitation on Indebtedness,”* *provided that*, in the case of this sub-clause (b)(i), after giving effect to such incurrence on such date, the Consolidated Net Secured Leverage Ratio is either equal to or less than 4.25 to 1.0 and (ii) that is incurred under sub-clause (xiii) of clause (b) of *“—Certain Covenants—Limitation on Indebtedness,”* *provided that*, in the case of this sub-clause (b)(ii), after giving effect to such incurrence on such date, the Consolidated Net Secured Leverage Ratio is

either equal to or less than 4.25 to 1.0, or no higher than immediately prior to such Incurrence, and (c) any Refinancing Indebtedness in respect of such Indebtedness referred to in each of the foregoing sub-clauses (a) and (b); *provided, however*, the Collateral securing any such Indebtedness referred to in the foregoing clause (Y) shall also secure the Notes or any Guarantees on a senior or *pari passu* basis; and *provided, further*, that the holders of Indebtedness referred to in clause (Y) above (or their duly authorized representatives) shall accede to the Intercreditor Agreement. For purposes of determining compliance with this definition, in the event that a Permitted Collateral Lien meets the criteria of one or more categories of Permitted Collateral Liens described above, the Issuer will be permitted to classify such Permitted Collateral Lien on the date of its Incurrence and reclassify such Permitted Collateral Lien at any time and in any manner that complies with this definition.

“Permitted DIGI Andalucia Indebtedness” means any Indebtedness Incurred by DIGI Andalucia, including the aggregate principal amount outstanding under the DIGI Andalucia Facility Agreement on the Issue Date.

“Permitted Holder” means Mr. Zoltán Teszári and any Related Person of Mr. Zoltán Teszári.

“Permitted Investment” means an Investment by the Issuer or any Restricted Subsidiary in:

- (a) the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary;
- (b) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;
- (c) cash and Cash Equivalents;
- (d) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business;
- (e) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (f) loans or advances to directors, officers and employees made in the ordinary course of business;
- (g) stock, Obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments;
- (h) any Person to the extent such Investment represents the non-cash portion of the consideration received for (i) an Asset Disposition (other than a Permitted Asset Swap) as permitted pursuant to the covenant described under the caption *“Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock”* or (ii) a disposition of assets not constituting an Asset Disposition;
- (i) any Investment in any Person to the extent such Investment exists on the Issue Date, and any extension, modification or renewal of any such Investments existing on the Issue Date, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the Issue Date);
- (j) any Person where such Investment was acquired by the Issuer or any of its Restricted Subsidiaries (i) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (k) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business by the Issuer or any Restricted Subsidiary;
- (l) any Person to the extent such Investments consist of Hedging Obligations;
- (m) (x) the loan or provision to subscribers and customers of equipment in the ordinary course of business; and (y) Management Advances;
- (n) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted pursuant to the covenant described under the caption *“Certain Covenants—Limitation on Liens”*;
- (o) the Notes and repurchases thereof;
- (p) any Investment to the extent made using the Capital Stock of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt of the Issuer or any Guarantor as consideration;

- (q) Investments in joint ventures and similar entities or a Related Business having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (q) that are at the time outstanding, not to exceed the greater of (a) €230.0 million and (b) 40.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *provided* that, if an Investment is made pursuant to this clause (q) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to clauses (a) or (b) of the definition of “Permitted Investment” and not this clause (q);
- (r) any other Investments by the Issuer or any of its Restricted Subsidiaries after October 26, 2016 in an aggregate amount outstanding at the time of any such Investment not to exceed the greater of (a) €290.0 million and (b) 50.0% of LTM EBITDA (net of the return in cash and Cash Equivalents thereon received after October 26, 2016 as a result of any sale, repayment, redemption, liquidation, distribution or other realization); *provided* that, any such amount used to reduce the aggregate amount of Investments made pursuant to this paragraph (r) will not be included in clause (a)(iii) of the covenant described under the caption “—*Limitation on Restricted Payments*;”
- (s) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction is not otherwise prohibited under the terms of the Indenture;
- (t) Investments in Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (t) that are at the time outstanding, not to exceed the greater of (a) €90.0 million and (b) 15.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *provided* that, if an Investment is made pursuant to this clause (q) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of “Unrestricted Subsidiary,” such Investment shall thereafter be deemed to have been made pursuant to clauses (a) or (b) of the definition of “Permitted Investment” and not this clause (t); and
- (u) any transaction to the extent constituting an Investment that is made pursuant to or in connection with a Permitted Reorganization.

“**Permitted Liens**” means, with respect to any Person:

- (a) Liens Incurred or pledges or deposits by such Person under worker’s compensation laws, unemployment insurance laws or similar legislation, or deposits made in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory Obligations of such Person or deposits of cash or Eligible Government Bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;
- (b) Liens imposed by law, such as carriers’, warehousemen’s, attorneys’, landlords’ statutory, pension plan administrators’ and mechanics’ Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, and Liens arising solely by virtue of any statutory or common law provision relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided, however*, that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer and (ii) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depository institution;
- (c) Liens for property taxes not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;
- (d) Liens in favor of issuers of surety bonds, performance bonds, bank guarantees, letters of credit or similar assurances of payment issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;
- (e) minor survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, or building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

- (f) Liens securing Purchase Money Indebtedness or Indebtedness otherwise permitted to be Incurred under clause (xi) of paragraph (b) under the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*” or other Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; *provided, however*, that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;
- (g) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);
- (h) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);
- (i) Liens securing Indebtedness or other Obligations of a Subsidiary of such Person owing to such Person or a Wholly Owned Subsidiary of such Person;
- (j) Liens securing Hedging Obligations so long as such Hedging Obligations are permitted to be Incurred under clause (vi) of paragraph (b) under the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*.”
- (k) Liens existing on the Issue Date;
- (l) Liens created for the benefit of the Notes and/or the Guarantees;
- (m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;
- (n) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;
- (o) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceeding which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired;
- (p) Liens in favor of customers or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (q) any promissory notes, checks or other contingent payment instructions issued to a supplier or in connection with other payment obligations Incurred in the ordinary course of business, to the extent that such promissory notes, checks or other contingent payment instructions constitute Liens hereunder;
- (r) any right of refusal, right of first offer, option or other agreement to sell or otherwise dispose of an asset of the Issuer or any Restricted Subsidiary;
- (s) Liens on Capital Stock or other securities (including without limitation put and call arrangements) of an Unrestricted Subsidiary or any Investment that secures only Indebtedness or other obligations of such Unrestricted Subsidiary or Investment;
- (t) other Liens securing Indebtedness Incurred by the Issuer or any Restricted Subsidiary in the ordinary course of business, which Indebtedness does not exceed the greater of (a) €145.0 million and (b) 25.0% of LTM EBITDA in the aggregate at any one time outstanding;
- (u) Liens resulting from escrow agreements entered into in connection with the disposition of assets;
- (v) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary;
- (w) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (f), (g) and (h), *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced;

- (x) any banker's lien or other lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Issuer or any Restricted Subsidiary (including, for the avoidance of doubt any lien, right of pledge or set-off pursuant to the General Banking Conditions of The Netherlands Bankers' Association (*Algemene bankvoorwaarden van de Nederlandse Vereniging voor Banken*) or similar general terms and conditions); and
- (y) Liens on Receivables Assets and related assets incurred in connection with any Qualified Receivables Financing;
- (z) Liens to secure Indebtedness (A) that is incurred under sub-clause (a) of clause (xvii) of paragraph (b) of "*Certain Covenants—Limitation on Indebtedness*;" provided that, in the case of this sub-clause (A), after giving effect to such incurrence on such date, the Spanish Consolidated Net Secured Leverage Ratio is either equal to or less than 3.75 to 1.0 and (B) that is incurred under sub-clause (b) of clause (xvii) of paragraph (b) of "*Certain Covenants—Limitation on Indebtedness*;" provided that, in the case of this sub-clause (B), after giving effect to such incurrence on such date, the Spanish Consolidated Net Secured Leverage Ratio is either equal to or less than 3.75 to 1.0, or no higher than immediately prior to such Incurrence; and
- (aa) Liens securing Permitted DIGI Andalucia Indebtedness so long as such Permitted DIGI Andalucia Indebtedness is permitted to be Incurred under clause (xviii) of paragraph (b) under the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*."

Notwithstanding the foregoing, "**Permitted Liens**" will not include any Lien described in clause (f), (g) or (h) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly from Net Available Cash pursuant to the covenant described under the caption "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*." For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness. For purposes of determining compliance with this definition, in the event that a Permitted Lien meets the criteria of one or more categories of Permitted Liens described above, the Issuer will be permitted to classify such Permitted Lien on the date of its Incurrence and reclassify such Permitted Lien at any time and in any manner that complies with this definition.

"**Permitted Parent Transactions**" means any Restricted Payments permitted by clauses (iv), (v), (vi), (vii), (viii) and (ix) of paragraph (b) under the covenant described under the caption "*Certain Covenants—Limitation on Restricted Payments*."

"**Permitted Reorganization**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any Restricted Subsidiary (a "**Reorganization**") that is made on a solvent basis; *provided that*: (1) any payments or assets distributed in connection with such Reorganization remain within the Issuer and the Restricted Subsidiaries; and (2) if any shares or other assets of an entity subject to Reorganization form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral; and (3) the Security Agent and the Trustee shall take any action necessary to effect any release of Guarantees requested by the Issuer in connection with the Reorganization, provided that, substantially concurrently with completion of the Reorganization, Guarantees are provided by such Restricted Subsidiaries as is necessary to procure that such new Guarantees will (taken as a whole together with any pre-existing Guarantees that were not released in connection with the Reorganization) have substantially similar value (as determined in good faith by the Board of Directors) to the Guarantees existing prior to the Reorganization. Promptly upon consummation of a Permitted Reorganization, the Board of Directors will file with the Trustee a copy of the resolution of the Board of Directors authorizing such Permitted Reorganization and an Officers' Certificate certifying that such Permitted Reorganization complied with the terms of the Indenture and did not result in a Default or Event of Default.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Principal**" of a Note means the principal of the Note plus the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy, other than any such person whose appointment has been revoked and in relation to whom the Issuer (or where the Trustee, or the Noteholders' Representative at the direction of the Trustee has convened the Meeting, the Trustee) has been notified in writing of such revocation by the time which is 48 Hours before the time fixed for such Meeting.

"**Public Holiday**" means a Saturday, a Sunday or a day on which banking institutions are not required to be open in Bucharest, New York City and London.

“Purchase Money Indebtedness” means Indebtedness (including Capital Lease Obligations) (i) consisting of the deferred purchase price of property, conditional sale Obligations, Obligations under any title retention agreement, other purchase money Obligations and Obligations in respect of industrial revenue bonds or similar Indebtedness, in each case where the maturity of such Indebtedness does not exceed the anticipated useful life of the asset being financed, or (ii) Incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property (real or personal), plant or equipment or other assets that are used or useful in a Permitted Business (whether through the direct purchase of such assets or the Capital Stock of any Person owning such assets); *provided, however*, that (a) any Lien arising in connection with any such Indebtedness shall be limited to the specific asset being financed or, in the case of real property or fixtures, including additions and improvements, the real property on which such asset is attached, (b) such Indebtedness is Incurred within 180 days after such acquisition of such assets and (c) the aggregate principal amount of Purchase Money Indebtedness at one time outstanding shall not exceed (x) the Fair Market Value of the acquired or constructed asset or improvement so financed or (y) in the case of an uncompleted constructed asset, the amount of the asset to be constructed, as determined on the date the contract for construction of such asset was entered into by the Issuer or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses Incurred in connection with such acquisition, construction or development).

“Qualified Receivables Financing” means any financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any Person, or grant a security interest in, any Receivables Assets in any aggregate principal amount equivalent to the Fair Market Value of such Receivables Assets of the Issuer or any of its Restricted Subsidiaries; provided that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate at the time such financing is entered into; and (c) such financing shall be non-recourse to the Issuer or any of its Restricted Subsidiaries except to the extent customary for such transactions.

“Rating Agency” means (1) each of Fitch and S&P and (2) if Fitch or S&P ceases to rate the Notes for reasons outside of the control of the Issuer, a Nationally Recognized Statistical Rating Organization selected by the Issuer as a replacement agency for Fitch or S&P, as the case may be.

“Receivables Assets” means any accounts receivable (whether now existing or arising in the future) subject to a Qualified Receivables Financing, any dedicated bank or collateral accounts solely in respect thereof and any relevant contracts and guarantees and other obligations in respect of such accounts receivable.

“Refinance” means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

“Refinancing Indebtedness” means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however*, that:

- (a) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;
- (b) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;
- (c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; and
- (d) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes, such Refinancing Indebtedness is subordinated in right of payment to the Notes at least to the same extent as the Indebtedness being Refinanced;

provided further, however that Refinancing Indebtedness shall not include (i) Indebtedness of a Subsidiary (other than a Guarantor) that Refinances Indebtedness of the Issuer or any Guarantor or (ii) Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

“Related Business” means (a) any business in which the Issuer or any of the Restricted Subsidiaries was engaged on the Issue Date, (b) the telecommunications business, including the distribution, sale and provision of mobile voice and data, fixed line voice and internet services, transit voice traffic services and other services in relation thereto, (c) the electric energy production, distribution and/or trading business; and (d) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries that are technically or strategically related, complementary, incidental, ancillary or similar to any of the foregoing businesses or are reasonable extensions or developments of such businesses.

“Related Person” with respect to any Permitted Holder means: (i) any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member, lineal descendant (including by adoption) or relative, or the estate, executor, administrator, committee, legal representatives or beneficiaries of any thereof; or (ii) any trust, corporation, partnership or other Person for which the Permitted Holder and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“Related Taxes” means:

- (a) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* that such Taxes are in fact paid) by the Parent by virtue of its:
 - (i) being incorporated or organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer’s Subsidiaries);
 - (ii) issuing or holding Subordinated Shareholder Debt;
 - (iii) being a holding company, directly or indirectly, of the Issuer or any of the Issuer’s Subsidiaries;
 - (iv) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Company’s Subsidiaries; or
 - (v) having made any payment in respect of any of the items for which the Issuer is permitted to make payments to the Parent pursuant to “*Certain Covenants—Limitation on Restricted Payments*,” or
- (b) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with the Parent or party to any tax sharing agreement, any Taxes measured by income for which the Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries.

“Restricted Payment” with respect to any Person means:

- (a) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) (other than (i) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock), (ii) dividends or distributions payable solely to the Issuer or a Wholly Owned Subsidiary and (iii) *pro rata* dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) (other than dividends or other distributions to any minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) of the Issuer) or such dividends or distributions on a basis that results in the Issuer or a Restricted Subsidiary receiving dividends or other distributions of greater value than would result on a *pro rata* basis);
- (b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Issuer held by any Person (other than by a Restricted Subsidiary) or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Issuer (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Issuer that is not Disqualified Stock);
- (c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Issuer or any Guarantor (other than (i) from the Issuer or a Restricted Subsidiary, (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund Obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement and (iii) Subordinated Shareholder Debt);
- (d) the making of any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment in the form of Capital Stock (other than Disqualified Stock) or additional Subordinated Shareholder Debt); or
- (e) the making of any Investment (other than a Permitted Investment) in any Person.

“Restricted Subsidiary” means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings Services, or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Sale/Leaseback Transaction” means an arrangement relating to property owned by the Issuer or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or a Restricted Subsidiary leases it from such Person.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Security Documents” means any instrument or document executed and delivered pursuant to the Indenture or otherwise, as the same may be amended, supplemented, or otherwise modified from time to time, and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent or the Trustee for the benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant given.

“Senior Facilities” means the senior facilities established under the Senior Facilities Agreements.

“Senior Facilities Agreements” means, collectively, the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, and the 2025 Spanish Senior Facilities Agreement.

“Senior Secured Indebtedness” means, as of any date of determination, (a) any Indebtedness that is secured by a Lien on assets other than the Collateral, (b) any Indebtedness that is secured on a *pari passu* or senior basis with the Notes or the Guarantees by a Lien on the Collateral, and (c) Indebtedness, Disqualified Stock or preferred stock of a Restricted Subsidiary of the Issuer that is not a Guarantor; but excluding, in each case, any Indebtedness Incurred under paragraphs (ii), (vi) and (xviii) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness.*”

“Significant Subsidiary” means any Subsidiary of the Issuer which meets any of the following conditions:

- (a) the Issuer’s and its other Subsidiaries’ investments in and advances to the Subsidiary exceed 5% of the total assets of the Issuer and its consolidated Subsidiaries as of the end of the most recently completed fiscal year;
- (b) the Issuer’s and its other Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 5% of the total assets of the Issuer and its consolidated Subsidiaries as of the end of the most recently completed fiscal year; or
- (c) the Issuer’s and its other Subsidiaries’ share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any noncontrolling interests exceeds 5% of the income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year.

“Spanish Consolidated Net Leverage Ratio” as of any date of determination means the ratio of (i) the aggregate amount of Spanish Consolidated Total Indebtedness outstanding on such date *less* the aggregate amount of cash and Cash Equivalents of DIGI Spain and other Spanish Restricted Subsidiaries on a consolidated basis on such date to (ii) Spanish LTM EBITDA. Calculations of Spanish Consolidated Net Leverage Ratio will be determined consistent with the applicable *pro forma* adjustments set forth in the definition of “Consolidated Net Leverage Ratio.”

“Spanish Consolidated Net Secured Leverage Ratio” means the Spanish Consolidated Net Leverage Ratio calculated by excluding all Indebtedness other than Spanish Senior Secured Indebtedness.

“Spanish Consolidated Total Indebtedness” means, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness of DIGI Spain and other Spanish Restricted Subsidiaries on a consolidated basis outstanding at such time; but excluding any Indebtedness Incurred under paragraphs (ii), (vi) and (xviii) of the second paragraph of the covenant described under “—*Limitation on Indebtedness.*”

“Spanish EBITDA” for any period means the sum of Consolidated Net Income of DIGI Spain and other Spanish Restricted Subsidiaries on a consolidated basis, determined consistent with calculations of “Consolidated Net Income” for the same period, subject to adjustments consistent with the adjustments set forth in the definition of “EBITDA” and otherwise permitted in accordance with the Indenture.

“Spanish LTM EBITDA” means Spanish EBITDA measured for the period of the most recent four full consecutive fiscal quarters (or 12 months) ending prior to the date of such determination for which internal financial statements of DIGI Spain are available, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition, Investment or any action or step in respect of any restructuring, reorganization, new or revised contract or other similar initiative, as applicable, since the start of such four quarter period (or 12 months) and as are consistent with the applicable *pro forma*

adjustments set forth in the definition of “Consolidated Net Leverage Ratio” and otherwise permitted in accordance with the Indenture.

“**Spanish Restricted Subsidiary**” means DIGI Spain or any Restricted Subsidiary that is a Subsidiary of DIGI Spain.

“**Spanish Senior Secured Indebtedness**” means, as of any date of determination, any Indebtedness that is secured by a Lien on assets of a Spanish Restricted Subsidiary, but excluding any Indebtedness Incurred under paragraph (xviii) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.”

“**Spanish Stock Exchange**” means each of the Barcelona, Bilbao, Madrid and Valencia stock exchanges.

“**Stated Maturity**” means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

“**Subordinated Funding**” means any Indebtedness of the Issuer or any Guarantor that (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other payment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Issuer or any Indebtedness meeting the requirements of this definition), (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other gross ups, or any similar amounts, (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any payment prior to the first anniversary of the Stated Maturity of the Notes, (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries and is not guaranteed by any such Subsidiary; (5) does not contain any covenants (financial or otherwise) other than a covenant to pay such Subordinated Funding at maturity and (6) pursuant to its term or other agreement, is fully subordinated and junior in right of payment to the prior payment in full in cash of the Notes.

“**Subordinated Obligation**” means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred), which is subordinate or junior in right of payment to the Notes, or a Guarantee of such Person, as the case may be, pursuant to a written agreement to that effect or pursuant to applicable law.

“**Subordinated Shareholder Debt**” means, collectively, any Subordinated Funding provided to the Issuer or any Guarantor by any Permitted Holder.

“**Subsidiary**” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other equity interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person or (ii) one or more Subsidiaries of such Person.

“**Total Assets**” means the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis determined in accordance with IFRS, as shown on the most recent consolidated balance sheet of the Issuer; *provided* that, for purposes of calculating “Total Assets” for purposes of testing the covenants under the Indenture in connection with any transaction, the total consolidated assets of the Issuer and its Restricted Subsidiaries shall be adjusted to reflect any acquisitions and dispositions of assets that have occurred during the period from the date of the applicable balance sheet through the applicable date of determination.

“**Transactions**” has the meaning given to such term in the section entitled “*Overview—The Refinancing*” of this prospectus.

“**Unrestricted Subsidiary**” means:

- (a) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and
- (b) any Subsidiary of an Unrestricted Subsidiary,

excluding, in each case, the Issuer or any Subsidiary of the Issuer through which the Issuer holds an indirect interest in the Voting Stock of the Issuer.

The Board of Directors may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary, but excluding the Issuer or any Subsidiary of the Issuer through which the Issuer holds an indirect interest in the Voting Stock of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided, however*, that either (i) the Subsidiary to be so designated has total

assets of €1,000 or less or (ii) if such Subsidiary has assets greater than €1,000, such designation would be permitted under the covenant described under the caption “*Certain Covenants—Limitation on Restricted Payments*”; and *provided, further*, the Board of Directors may not designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or the Issuer) to be an Unrestricted Subsidiary during any Suspension Period.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that immediately after giving effect to such designation (i) the Issuer could Incur €1.00 of additional Indebtedness under paragraph (a) of the covenant described under the caption “*Certain Covenants—Limitation on Indebtedness*” and (ii) no Default shall have occurred and be continuing. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the foregoing provisions.

“**Voting Stock**” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“**Wholly Owned Subsidiary**” means a Restricted Subsidiary all the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or one or more other Wholly Owned Subsidiaries.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Rule 144A Global Notes**”). The Rule 144A Global Notes were deposited, on the closing date, with, or on behalf of, a common depositary for Euroclear and Clearstream and registered in the name of the nominee of such common depositary for the accounts of Euroclear and Clearstream. The Notes sold outside the United States to non-U.S. persons under Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Global Notes**”). The Regulation S Global Note were deposited, on the closing date, with, or on behalf of, a common depositary for Euroclear and Clearstream and registered in the name of the nominee of such common depositary for the accounts of Euroclear and Clearstream. The Rule 144A Global Notes together with the Regulation S Global Notes together are referred to herein as the “**Global Notes**.”

During the 40-day distribution compliance period, Book-Entry Interests in the Regulation S Global Notes may be transferred only to non-U.S. persons under Regulation S or to persons whom the transferor reasonably believes are “qualified institutional buyers” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions and any applicable securities laws of any state of the United States or any other jurisdiction.

Ownership of interests in the Rule 144A Global Notes (the “**Restricted Book-Entry Interests**”) and ownership of interests in the Regulation S Global Notes (the “**Regulation S Book-Entry Interests**”) and, together with the Restricted Book-Entry Interests, the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream (the “**participants**”) or persons that may hold interests through such participants.

Except under the limited circumstances described below, the Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. Book-Entry Interests will be shown on, and transfers thereof will be affected only through, records maintained in book-entry form by Euroclear and/or Clearstream and/or their direct or indirect participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Notes for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the holders of the related Global Notes for all purposes under the Indenture. As such, beneficial owners of an interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, the procedures provided under the Indenture and the procedures of the participants through which they own Book-Entry Interests in order to transfer their interests, or to exercise any rights of holders of, the Notes under the Indenture.

None of the Issuer, the Paying Agent, the Transfer Agent, the Registrar, the Trustee or the Noteholders’ Representative will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

The Notes are in denominations of €100,000 or integral multiples of €1,000 in excess thereof. Each Global Note and, in the unlikely event that Definitive Registered Notes are to be issued, each Definitive Registered Note will represent an integral number of Notes (with each Note in the amount of €100,000 or integral multiples of €1,000 in excess thereof).

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered Notes in certificated form (“**Definitive Registered Notes**”) only if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary for the related Global Notes and a successor depositary is not appointed by us within 120 days.

In that event, the Registrar will issue Definitive Registered Notes representing the Notes registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear or Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

If Definitive Registered Notes representing the Notes are issued, they will be issued only upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests.

Subject to the restrictions on transfer referred to below in “—*Transfers*” and as set forth in “*Notice to Investors*,” any Definitive Registered Notes representing Notes may be transferred or exchanged; *provided* that any new Definitive Registered Note issued in connection with such transfer and exchange represents an integral number of Notes (with each such Note in the amount of €100,000). In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

To the extent permitted by law, the Issuer, the Trustee, the Noteholders’ Representative, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of any Global Note will be evidenced through registration from time to time at our registered office, and such registration is the sole means of evidencing title to the applicable Notes that Global Note represents.

So long as Notes are listed on the Official List of and the rules of the Irish Stock Exchange plc (trading as Euronext Dublin) so require, the Issuer will publish a notice of any issuance of Definitive Registered Notes representing the Notes in a newspaper having general circulation in Ireland (which is expected to be The Irish Times). Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the Paying Agent.

We will not impose fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream and/or any relevant direct or indirect participants.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof), is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry interests in such Global Note. The aggregate amount so distributed will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). Under the terms of the Indenture, if less than all of the Notes are to be redeemed at any time and the relevant Notes are represented by Global Notes, the Notes to be redeemed shall be selected in accordance with the customary procedures of the relevant clearing systems (and any such partial redemption shall be reflected in the records of Euroclear and Clearstream as a pool factor).

Payments on the Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for the account of Euroclear and Clearstream, which will distribute such payments to their respective participants, in accordance with their customary procedures, which in turn will distribute such amounts to their participants and accountholders (and through such processes to the ultimate beneficial owners of the relevant Book-Entry Interests) in accordance with their respective customary procedures.

We will make payments of any amounts owing in respect of the Global Notes without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under “*Description of the Notes—Taxation—Additional Amounts*.” If any such deduction or withholding is required to be made, then, to the extent described under “*Description of the Notes—Taxation—Additional Amounts*,” we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, each transfer agent, the Registrar and each paying agent will treat the registered holders of the Global Notes (*i.e.*, the common depositary or its nominees for Euroclear or Clearstream) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, any transfer agent, the Registrar, any paying agent or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any direct or indirect participant, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any direct or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any direct or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- any other matters relating to the actions and practices of Euroclear, Clearstream or any direct or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through Euroclear or Clearstream in euro.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Trustee, the Paying Agent, any paying agent, any transfer agent, the Registrar, the Initial Purchasers or any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Record Dates for the Global Notes

Euroclear and Clearstream have advised us that for their purposes a record date for any payment on the Global Notes will be considered the Clearing System Business Day of Euroclear or Clearstream, as applicable, immediately prior to the date for such payment, where “**Clearing System Business Day**” means Monday to Friday, inclusive, except December 25 and January 1 of each year.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, or the Indenture governing such Notes, each of Euroclear and Clearstream, at the request of the owners of Book-Entry Interests in the Global Notes, reserve the right to exchange the Global Notes representing the relevant Notes for Definitive Registered Notes and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear and Clearstream’s rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth under “*Notice to Investors*.” Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “*Notice to Investors*.”

Book-entry interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of book-entry interests in a Regulation S Global Note through Euroclear or Clearstream and only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Book-entry interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of book-entry interests in a Rule 144A Global Note through Euroclear or Clearstream only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities laws of any other jurisdiction.

During the 40-day distribution compliance period, book-entry interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of book-entry interests in a Rule 144A Global Note through Euroclear or Clearstream only upon delivery by the transferor of a written certification (in the form provided in each Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities laws of any other jurisdiction.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery through Euroclear or Clearstream in the form of a Book-Entry Interest in another Global Note as contemplated above will, upon transfer, cease to

be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under “—*Definitive Registered Notes*” above and, if required, only if the transferor first delivers to the Transfer Agent a written certificate (in the form provided in each Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Notice to Investors*.”

Information Concerning the Clearing Systems

General

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream and any direct or indirect participants through which such Book-Entry Interests are held. We have provided the following summaries of those operations and procedures of Euroclear and Clearstream solely for the convenience of investors. The operations and procedures of each clearing system are controlled by the respective clearing system and may be changed at any time. Neither the Issuer, the Initial Purchasers, nor the Trustee, the Paying Agent, the Transfer Agent or the Registrar are responsible for those operations or procedures.

Euroclear and Clearstream

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Irish Stock Exchange plc (trading as Euronext Dublin) and admitted to trading on its regulated market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream to another participant in Euroclear or Clearstream (or the reverse), will be effected in the ordinary way in accordance with their respective systems’ rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Initial Purchasers, the Trustee, any transfer agent, any registrar, the Paying Agent or any paying agent will have any responsibility for the performance by Euroclear, Clearstream or their direct or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes was made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser’s and the seller’s accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

Trustee's Powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of the Notes in such principal amounts.

Notices

For so long as the Notes are held in global form and such global form is held on behalf of Euroclear and Clearstream, notices may be given to the holders by delivery of the relevant notice to Euroclear and/or Clearstream for communication to their respective accountholders in substitution for publication as required by the Conditions provided that, for so long as the Notes are listed on the regulated market of the Irish Stock Exchanges, notices will also be given in accordance with any applicable requirements of such stock exchange. Any such notice shall be deemed to be given on the date that it is delivered to Euroclear and/or Clearstream.

TAX CONSIDERATIONS

The following summary describes certain, Romanian and United States federal income tax consequences for holders of the Notes. This discussion is not intended as tax advice to any particular investor. It is also not a complete analysis or listing of all potential Romanian and United States federal income tax consequences related to your investment in the Notes. We urge you to consult your own tax adviser regarding the specific United States federal, state, local, Romanian and other tax consequences of an investment in the Notes in your own particular factual circumstances.

ROMANIAN TAX CONSIDERATIONS

The following is a general summary of the current tax law and practice in Romania, as at the date of this prospectus, in relation to certain relevant aspects of Romanian taxation of payments made by the Issuer to the holders of the Notes.

The following summary is based on Romanian Law no. 227/2015 regarding the Romanian Fiscal Code and related Methodological Norms for the application of Law no. 227/2015 on the Fiscal Code (“**Romanian Fiscal Code**”) and relevant European Union laws. It is intended as a general guide only and is not exhaustive. It is not intended to be, nor should it be considered to be, legal or tax advice to any holder of the Notes. It does not take into account or discuss the tax laws of any country other than Romania. Tax provisions referred to below may be interpreted differently by Romanian tax authorities, governments, tribunals or courts. Romanian taxation is subject to changes that may be immediately effective and may apply retroactively, so there can be no assurance that the tax treatment described below will be obtained in practice or will continue to be available in the future.

Tax residency

The Issuer is a Romanian legal entity, which is a tax resident in Romania and its tax affairs are governed by the provisions of the Romanian Fiscal Code, which requires certain conditions to be met in order for revenues or profits to be subject to tax in Romania. In determining tax consequences in Romania, the following definitions are of importance:

- **resident:** any Romanian legal entity, any foreign legal entity having the place of effective management in Romania, any legal entity with a registered office in Romania, established according to the European regulations and any resident individual;
- **resident individual:** any individual who meets at least one of the following conditions: (i) has the domicile in Romania, (ii) the centre of the vital interests of the individual is located in Romania; (iii) the person is present in Romania for a period or several periods which, cumulated, exceeds 183 days during any period of 12 consecutive months, ending in the calendar year concerned; (iv) the individual is a Romanian citizen who is working abroad, as an officer or an employee of Romania in a foreign state;
- **Romanian legal entity:** any legal entity which has been established and operates in accordance with the Romanian legislation;
- **foreign legal entity:** any legal entity which is not a Romanian legal person and any legal entity established according to the European regulations which does not have a registered office in Romania;
- **non-resident individual:** any individual who does not fulfil the conditions to be considered a resident individual, as well as any individual as per the Romanian Fiscal Code who is a foreign citizen with diplomatic or consular status in Romania, a foreign citizen which is an officer or an employee of an international and intergovernmental body registered in Romania, a foreign citizen who is an officer or an employee of a foreign state in Romania and the members of their families;
- **non-resident:** any foreign legal entity, any non-resident individual and any other foreign entities, including collective investment undertakings in transferable securities, without legal personality, which are not registered in Romania, according to the law;
- **place of effective management (“POEM”):** the place where, unless proven otherwise, the foreign legal entity carries out operations that correspond to real and substantive economic purposes and where at least one of the following conditions is met: (i) the place where key management and commercial decisions that are necessary for the conduct of the entity’s business as a whole and/or the place where the general director and other directors who ensure the administration and control of the activity of this entity make their decisions, or (ii) at least 50% of the executive directors/members of the board of directors of the foreign legal entity are residents

The Parent is an entity duly incorporated under Dutch law, which was a tax resident in Romania starting from April 2017 according to the POEM criteria, as validated by both Romanian and Dutch tax authorities.

As of the date of this prospectus, due to the budget deficit in Romania, a second package of amendments to the Romanian Fiscal Code is under approval stages within the Romanian Parliament (the “**New Law Proposal**”). Amongst the envisaged changes are new deductibility rules related to intragroup royalties, management and consulting transactions for companies with

threshold below €50 million, increase in local taxes (including, among other things, land tax and building tax). The Issuer believes that the New Draft Law Proposal will not bring significant changes in its tax position.

Taxation of the Notes

Resident Romanian holders

As a general rule, resident holders of the Notes that are Romanian legal entities will be subject to corporate income tax (“CIT”) and should include in the CIT computation the income earned from the Notes, including interest income and gains from any disposal of the Notes and they should be subject of reporting under the corporate tax returns filing processes, with quarterly filing due by 25th day of the month following the first, second, and third quarters and an annual filing due by March 25 of the following year when interest or gains are accrued or realized. However, during the period 2021 - 2025, the deadline for submitting/paying the annual CIT is June 25 of the following year. Such corporate income tax will be applied based on the rules articulated under Romanian tax laws. The corporate income tax rate in Romania is currently 16% applicable to their taxable profits. In addition to the CIT regime, a minimum turnover tax was introduced starting with January 1, 2024. The minimum tax on turnover applies to taxpayers:

- having a turnover of more than €50 million in the previous year; and
- whose corporate income tax is lower than the minimum turnover tax, in which case they will have to pay CIT at the level of the minimum turnover tax;

In terms of calculating the turnover for the €50 million threshold, the turnover is not the "usual" accounting one from the profit and loss account but is rather represented by the total revenues of the legal entity (“VT”) out of which certain exempt revenues are deducted (“Vs”) As regards the computation of the minimum turnover tax (referred to in the Romanian Fiscal Code as “IMCA”, which stands for the Romanian abbreviation of Minimum Turnover Tax), the following formula shall apply:

- $IMCA = 1\% \times (VT - Vs - I - A)$, where the indicators have the following meaning:
 - IMCA - minimum turnover tax, determined cumulatively from the beginning of the fiscal year/amended fiscal year until the end of the quarter/calculation year.
 - VT - total revenues, determined cumulatively from the beginning of the fiscal year/amended fiscal year to the end of the quarter/calculation year, as the case may be.
 - Vs - revenues that are subtracted from total revenues, determined cumulatively from the beginning of the fiscal year/amended fiscal year to the end of the quarter/calculation year.
 - I - the value of fixed assets under construction caused by the acquisition/production of assets, recorded in the accounting records starting from January 1, 2024, respectively starting from the first day of the modified fiscal year that begins in 2024.
 - A - accounting depreciation at the level of historical cost related to assets purchased/produced starting from January 1, 2024/the first day of the modified fiscal year starting in 2024. This indicator does not include the accounting depreciation of assets included in the value of indicator I.

Romanian legal entities that meet cumulatively the following conditions as of December 31 of the previous year are taxed under the micro company regime, as percentage of total revenues: (i) have total annual revenues of to €250,000 as of January 1, 2025, and €100,000 starting with January 1, 2026, (ii) the share capital is owned by persons other than the state and administrative-territorial units; (iii) it is not under dissolution, followed by liquidation; (iv) has at least one employee; (v) has associates/shareholders that hold (direct or indirect) more than 25% of the value/number of participation titles or voting rights and is the only legal entity established by the associates/shareholders to apply the provisions of a micro-company, (vi) has submitted the annual financial statements within the deadline according to the law. If a micro-company derives revenues of more than €250,000/100,000 during a fiscal year or no longer meets the condition regarding the employee (condition d) and/or it has not submitted the annual financial statements (condition f), it owes CIT starting with the quarter in which the condition is no longer met. The tax rate applicable is 1% if the legal entity does not register income exceeding €60,000 inclusive and who do not carry out certain activities mentioned by the Romanian Fiscal Code or 3% if the legal entity generate income exceeding €60,000 or carry out certain activities mentioned by the Romanian Fiscal Code. The calculation and payment of micro-company tax should be performed quarterly, by the 25th day of the month following the quarter for which the tax is calculated.

As the Notes were issued by a Romanian resident entity and they are expected to be admitted to trading on the regulated market of the Irish Stock Exchange plc (trading as Euronext Dublin), resident Romanian individuals receiving interest income are subject to 10% income tax applicable to interest received. The income tax due on interest will be calculated, reported and paid by the individuals by 25 May of the year which follows the year when the interest is paid.

As concerns the gains from the disposal of the Notes derived by Romanian resident individuals (computed as the difference between the disposal proceeds and subscription or acquisition costs), the amounts shall be subject to:

- 10% income tax to be declared and paid by the individuals by 25 May of the year which follows the year when the transfer occurs, when the disposal of Notes is performed through non-resident brokers;
- 1% income tax to be withheld, declared and paid by the broker, when the disposal of Notes is performed through Romanian resident brokers and the Notes were acquired and disposed of in a period of at least 365 days from the date of subscription/acquisition;
- 3% income tax to be withheld, declared and paid by the broker, when the disposal of Notes is performed through Romanian resident brokers and the Notes were acquired and disposed of in a period shorter than 365 days from the date of subscription/acquisition.

Based on the New Law Proposal, the income tax applicable on gains derived from disposals performed through non-resident brokers will increase, starting 2026, from 10% to 16%, while the income tax for gains derived from disposals through Romanian resident brokers will increase from 1% to 3% and respectively from 3% to 6%.

In addition, resident individuals are liable to declare and pay health insurance contributions if the aggregated annual gross/net income from sources like investments (e.g. dividends, interest, capital gains), intellectual property rights, rent, agricultural activities, income from the association with a legal entity or income from other sources is at least equal to 6 minimum gross salaries (for the year 2025, the minimum gross salary is RON 4,050/month). The 10% health insurance contribution applies on the following thresholds:

- 6 minimum gross salaries if the individual's annual non-salary income is between 6 – 12 minimum gross salaries;
- 12 minimum gross salaries if the individual's annual non-salary income is between 12 – 24 minimum gross salaries;
- 24 minimum gross salaries if the individual's annual non-salary income is at least equal to 24 minimum gross salaries.

Non-resident holders

Romanian tax rules applicable to dispositions of Notes by non-resident holders

Gains earned by non-resident holders from disposal through “foreign capital markets” of securities issued by Romanian residents do not represent taxable income in Romania. “Securities” include corporate bonds and other forms of debentures, which are tradeable on capital markets.

The Romanian Fiscal Code does not provide a specific definition for the term “foreign capital markets.” Capital markets are usually understood to comprise primary markets (regulated markets) and secondary markets (including alternative transactional systems, other regulated systems and also over-the-counter (“**OTC**”) markets). Therefore, “foreign capital markets,” for the purposes of the Romanian Fiscal Code, should cover any transactions outside Romania on any type of capital market, including OTC. However, no assurance can be provided that a restrictive interpretation will not be given to that term by Romanian tax authorities (e.g., by limiting the exemption to securities traded on regulated capital markets).

The Romanian Fiscal Code does not impose any reporting obligations on non-resident holders of the Notes in relation to gains derived from trading therein.

For tax treatment of interest to be paid on the Notes to non-resident holders, see “—*Romanian withholding taxes on interest payments made by the Issuer on the Notes to non-resident holders*” below.

Romanian withholding taxes on interest payments made by the Issuer on the Notes to non-resident holders

Generally under Romanian tax rules, interest income received by non-resident holders of the Notes is subject to 16% withholding tax (“**WHT**”), which the Issuer, on behalf of each holder, is required to assess, withhold, declare and pay to the Romanian tax authorities.

However, the Romanian Fiscal Code provides an exemption for the interest on receivable instruments/titles issued by Romanian companies set up in accordance with the requirements of Romanian Company Law 31/1990 (as amended and supplemented), if (i) the receivable instruments / titles are issued based on an prospectus (in the Romanian language, *prospect de emisiune*) approved by the competent regulatory authority; and (ii) the interest is not paid to an affiliated person of the issuer of that receivable instrument / title.

Based on advice it has received from recognized counsel experienced in such matters, the Issuer believes that pursuant to the above exemption, no WHT should be payable in respect of interest payments made by the Issuer on the Notes to non-resident holders thereof. There are no requirements for Noteholders to satisfy in order to qualify for the exemption—i.e. no tax residency certificates are required.

Under Romanian tax rules, income (other than interest) received by non-resident holders of the Notes is subject to 16% WHT, which the Issuer, on behalf of each holder, is required to assess, withhold, declare and pay to the Romanian tax authorities. This rate can be further decreased even to nil WHT based on the applicability of the double tax treaties between country of residence of the non-resident noteholder and Romania. The applicability of the treaties is possible only if the non-resident noteholder provides its tax residency certificate valid for the year when the income is received.

Payments to non-residents in relation to penalties incurred under commercial and financial agreements, guarantees and insurance agreements are not expressly listed in the Romanian Fiscal Code as falling under the scope of Romanian WHT exemption. Similarly, the Romanian tax legislation does not provide a specific WHT rule for the reimbursement of capital under a loan agreement (i.e., the principal amount). Although no specific exemption is provided in the legislation, based on advice it has received from recognized counsel experienced in such matters, the Issuer believes that no WHT should be payable in respect of principal amount reimbursement if no income (gains) is (are) generated. If reimbursement of the principal will be made with certain gains generated, the tax treatment will be in line with the “Redemption of Notes” mentioned below.

For purposes of the WHT, the Romanian Fiscal Code defines interest as “income from receivables of any kind, with or without mortgages or profit participation clauses, and, especially, income from government securities, receivable titles or bonds, including premiums or prizes attached to such securities, receivable titles or bonds; penalties for late payment would not be considered as interest” (Article 256).

As penalties, guarantees and insurance proceeds are not specifically included in the exemption interest definition, the exemption provided by the Romanian legislation is not applicable for such payments. Therefore, 16% WHT shall be applied, unless the non-resident noteholders will provide their tax residency certificate to allow the possibility to apply the double tax treaties. Such income (if not classified as interest) may qualify under the double tax treaties either as Business Profits, Commissions or Other Income. These treaty sections may provide for WHT rates lower than 16% (even 0%), but individual analysis should be performed on a case-by-case basis.

Redemption of the Notes

The Notes can be redeemed at maturity or at certain earlier dates. “*Description of the Notes—Optional Redemption.*”

Based on advice it has received from recognized counsel experienced in such matters, the Issuer believes that repayment of principal amounts of the Notes at maturity or such early redemption date should not trigger any tax implications for non-resident holders, *provided* that the amount paid at redemption is the same as the amount paid by the holders on acquisition of the Notes. The payment of amounts attributable to accrued interest at an early redemption should be treated as interest exempt from WHT, to the extent discussed above.

As regards any other amounts (i.e., other than repayment of principal or payment of accrued interest) paid at redemption, there are no clear rules in the Romanian tax legislation to accurately determine the classification of such other amounts that might be received by the holders from redemption of the Notes. In particular, it is not clear whether such amounts would be treated as capital gains or interest for Romanian tax purposes. The classification could also be affected by the specific method of redemption (at maturity or early, and if early the relevant redemption provisions that apply).

In the event of early redemption, the Issuer reserves its right to apply the tax treatment according to the tax advice it receives at that time. However, no assurance can be provided that the Romanian tax authorities would agree with such treatment. Therefore, each holder should consult its own tax advisors in connection with the tax treatment applicable to its specific situation in the event of an early redemption or redemption at maturity.

VAT

Under Romanian VAT legislation, transactions with bonds (*i.e.* issuance, trading, redemption, related interest), including negotiations, but excluding the administration and deposit of such instruments, are exempt from VAT. Accordingly, Romanian VAT should not be applicable to either resident or non-resident holders in relation to the acquisition, receipt of interest, disposal or redemption of the Notes.

Moreover, payments to non-residents in relation to penalties incurred under financial, guarantees and insurance agreements will not be subject to any Romanian VAT.

Other Taxes and Duties

Based on advice it has received from recognized counsel experienced in such matters, the Issuer believes that no stamp duties or any similar duties are due in Romania in connection with the issue or offer of Notes or in connection with payments on the Notes or the execution, performance or delivery of the Transaction Documents, or to render them admissible in the courts of Romania.

In addition, no transfer taxes should be applicable in respect of the Offering or any payments on the Notes, except if a transferor and transferee execute an authentic deed for the transfer of the Notes.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary based on present law of certain United States federal income tax considerations relevant to the purchase, ownership and disposition of Notes. This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), U.S. Treasury Regulations promulgated thereunder (“**Treasury Regulations**”), and judicial and administrative interpretations thereof, all as in effect or proposed on the date hereof and any of which may at any time be repealed, revoked, modified or subject to differing interpretations, potentially retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. There can be no assurance that the U.S. Internal Revenue Service (the “**IRS**”) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. tax consequences of the purchase, ownership, or disposition of the Notes. This discussion addresses only U.S. Holders (as defined below) who purchase Notes in the Offering, hold Notes as “capital assets” within the meaning of Section 1221 of the Code, and use the U.S. dollar as their functional currency. This discussion is a general summary only; it is not a substitute for tax advice. This discussion is not a complete description of all U.S. federal tax considerations relating to the purchase, ownership and disposition of Notes and does not address all of the U.S. federal income tax considerations that may be relevant in light of a U.S. Holder’s particular circumstances, including tax consequences that may be applicable to prospective investors subject to special rules, such as banks, thrifts and certain other financial institutions, insurance companies, dealers in securities or currencies, securities traders that elect to mark-to-market, regulated investment companies, real estate investment trusts, tax-exempt entities, individual retirement accounts and other tax-deferred accounts, certain U.S. expatriates, investors liable for the alternative minimum tax, pass-through entities, including partnerships and S-corporations, or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction. This discussion does not address any U.S. Holders whose Existing Senior Secured Notes are redeemed using the proceeds of the Offering. It also does not address the tax treatment of U.S. Holders that will hold Notes in connection with a permanent establishment or fixed base outside of the United States. Further, this discussion does not address persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an “applicable financial statement” as defined in Section 451 of the Code. This summary does not address U.S. federal taxes other than the income tax (such as estate or gift taxes or the Medicare surtax on net investment income), nor does it address U.S. state, local, non-U.S. or other tax laws or matters. The Notes are debt in form and, if required, the Issuer intends to treat the Notes as debt for all U.S. federal income tax purposes. The following discussion assumes that treatment is correct.

EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM ITS OWN TAX ADVISORS ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF ROMANIA, THE NETHERLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of Notes that is, for purposes of U.S. federal income taxation, (i) a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust if it (x) is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust or (y) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person, or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The U.S. federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) that acquires, holds and disposes of Notes will generally depend on the status of the partners (or other beneficial owners) and the activities of the partnership. Partnerships are urged to consult their own tax advisors regarding the specific tax consequences to their partners of purchasing, owning and disposing of Notes.

Interest

The Notes were issued with no more than a de minimis amount of original issue discount (“**OID**”). Accordingly, interest on the Notes (including any tax withheld therefrom and Additional Amounts paid, if any, in respect of such withheld tax) generally will be includible in the gross income of a U.S. Holder as ordinary interest income in accordance with its regular method of tax accounting. For purposes of the U.S. foreign tax credit, the interest will be considered from sources outside the United States and generally will be considered passive category income. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits.

Each U.S. Holder should consult the sections in this prospectus entitled “*Tax Considerations—Romanian Tax Considerations—Taxation of the Notes—Non-resident holders—Romanian withholding taxes on interest payments made by the Issuer on the Notes to non-resident holders*” for a summary of Romanian withholding that may be imposed on interest payments on the Notes. Each U.S. Holder should consult its own tax advisor about its eligibility for, and the procedure for applying the income tax treaty between the United States and Romania (the “**Treaty**”). In the event any Romanian tax is withheld from a payment on the Notes, each U.S. Holder should consult its own tax advisor about its eligibility for, and the procedures for claiming, a reduced rate of Romanian withholding tax under the Treaty. Subject to applicable limitations, a U.S. Holder may

claim a deduction or a foreign tax credit only for tax withheld at the appropriate rate. The rules and calculation of foreign tax credits are very complex, and recent changes to foreign tax credits introduced additional requirements and limitations which depend on a U.S. Holder's particular circumstances. Additionally, certain Treasury Regulations (the "Foreign Tax Credit Regulations") require non-U.S. income tax laws to meet certain additional requirements in order for taxes imposed under such laws to be eligible for credit, although the IRS has provided temporary relief from the application of certain aspects of the Foreign Tax Credit Regulations until new guidance or regulations are issued. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits.

A cash basis U.S. Holder receiving stated interest in euro must include in income a U.S. dollar amount based on the spot exchange rate on the date of receipt whether or not the payment is converted to U.S. dollars. An accrual basis U.S. Holder generally must include in income a U.S. dollar amount based on the average exchange rate during the accrual period (or, for an accrual period that spans two taxable years, the partial accrual period within each taxable year).

An accrual basis U.S. Holder may elect to translate accrued interest into U.S. dollars at the spot exchange rate on the last day of the accrual period (or, for an accrual period that spans two taxable years, in the case of the first partial period, the last day of the taxable year) or, with respect to interest received within five business days of the last day of an interest accrual period, the spot exchange rate on the date of receipt. Currency translation elections apply to all debt instruments that the electing U.S. Holder holds or acquires, and they cannot be revoked without the consent of the IRS.

Upon receipt of a payment of stated interest in euro (including, upon sale of a Note, the receipt of proceeds which include accrued, unpaid interest previously included in income), U.S. Holders that have accrued interest will recognize foreign currency exchange gain or loss equal to any difference between the U.S. dollar amount accrued and the U.S. dollar value of the payment received at the spot exchange rate on the date of receipt. Foreign currency exchange gain or loss will be U.S. source ordinary income or loss.

For purposes of this discussion, the "spot exchange rate" generally means a rate that reflects a fair market rate of exchange available to the public for currency under a "spot contract" in a free market and involving representative amounts. A "spot contract" is a contract to buy or sell a currency other than the U.S. dollar on or before two business days following the date of the execution of the contract. If such a spot rate cannot be demonstrated, the IRS has the authority to determine the spot rate. The "average rate" for an accrual period (or partial period) is the average of the spot exchange rates for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by a U.S. Holder.

Sale, Redemption, Retirement or other Taxable Disposition

A U.S. Holder generally will recognize gain or loss on the sale, redemption, retirement or other taxable disposition of a Note in an amount equal to the difference between the U.S. dollar value of the amount realized (less any accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in the Note, determined in U.S. dollars. The U.S. dollar amount realized in euro will be the value of the euro received at the spot exchange rate on the date of disposition (or, if the Notes are traded on an established securities exchange and the holder is a cash basis or an electing accrual basis U.S. Holder, the settlement date). A U.S. Holder that does not determine the amount realized at the spot rate on the settlement date will recognize foreign currency exchange gain or loss to the extent there is a difference between the spot exchange rate on the disposition date and the settlement date. A U.S. Holder's adjusted tax basis in a Note generally will be the U.S. dollar value of the euro used to purchase the Note at the spot exchange rate on the purchase date (or, if the Notes are traded on an established securities exchange and the holder is a cash basis or an electing accrual basis U.S. Holder, the settlement date). U.S. Holders should consult their own tax advisors regarding the proper calculations of foreign currency exchange gain or loss recognized upon disposition of the Notes.

Gain or loss realized on disposition of a Note will generally be considered gain or loss from U.S. sources and will, except to the extent of any foreign currency exchange gain or loss, be capital gain or loss. A U.S. Holder generally will recognize foreign currency exchange gain or loss on disposition of a Note equal to the difference between the U.S. dollar value of the principal amount of the Note on the date of acquisition and the date of disposition. In addition, upon the sale, redemption, retirement or other taxable disposition of a Note, a U.S. Holder may recognize foreign currency exchange gain or loss attributable to amounts received with respect to accrued and unpaid interest as discussed above under "*Interest*." Foreign currency exchange gain or loss cannot exceed overall gain or loss realized on disposition of the Note. Any capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the disposition. The long-term capital gains of non-corporate U.S. Holders may be taxed at lower rates. Deductions for capital losses are subject to limitations. U.S. Holders should consult their own tax advisors regarding the proper calculations of foreign currency exchange gain or loss recognized upon disposition of the Notes.

If a U.S. Holder recognizes capital gain or loss and such gain or loss is subject to Romanian withholding tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to applicable conditions and limitations) against tax due on income or gain derived from other sources that is treated as derived from foreign sources in the same foreign tax credit category. Additionally, creditability of any non-U.S. taxes on disposition

gains may be further limited under the Foreign Tax Credit Regulations unless a U.S. Holder is eligible for and elects the benefits of the Treaty. The rules and calculation of foreign tax credits are very complex, and recent changes to the foreign tax credits introduced additional requirements and limitations which depend on a U.S. Holder's particular circumstances. U.S. Holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the Notes and whether any relief from Romanian withholding tax may be available under the Treaty.

Foreign currency exchange gain or loss

A U.S. Holder will have a tax basis in euro received as interest on the Notes equal to the U.S. dollar value of the euro received translated at the spot exchange rate on the date of receipt. A U.S. Holder will have a tax basis in euro received on the disposition of a Note equal to the spot exchange rate on the settlement date. Any gain or loss realized by a U.S. Holder on an exchange or other disposition of the euro generally will be U.S. source ordinary income or loss. U.S. Holders should consult their own tax advisors regarding the proper calculations and source of foreign currency exchange gain or loss recognized upon disposition of the Notes.

Reportable Transactions

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under these U.S. Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a debt instrument or foreign currency received in respect of a debt instrument to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of \$50,000 in a single taxable year, in the case of an individual holder and certain higher threshold amounts in the case of other holders. U.S. Holders subject to these reporting rules that fail to timely file a required disclosure may be subject to substantial penalties. Prospective investors should consult their own tax advisors about the possibility of becoming subject to these reporting rules.

Information reporting and backup withholding

Payments of interest and proceeds from the sale, redemption or other disposition of a Note may be reported to the IRS unless the holder establishes, if required to do so, that it is a corporation or otherwise an exempt recipient. Backup withholding tax may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. A U.S. Holder can claim a credit against its U.S. federal income tax liability for the amount of any backup withholding tax and a refund of any excess provided the required information is timely furnished to the IRS. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain non-corporate U.S. Holders are required to report information with respect to their investment in Notes not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of these information reporting requirements on their investment in Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY OF TAX CONSEQUENCES AND IS NOT TAX ADVICE WITH RESPECT TO ANY SPECIFIC INVESTOR. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

CERTAIN INSOLVENCY AND ENFORCEABILITY CONSIDERATIONS

Romania

The following is a summary of certain Romanian insolvency and enforceability considerations. It does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Romanian Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

Insolvency

Out-of-bankruptcy proceedings

Law no. 85/2014 on insolvency prevention and insolvency procedures, as amended (the “**Insolvency Code**”), the main Romanian statute governing insolvency proceedings, currently sets forth two mechanisms under which companies in financial distress may seek redress outside the judicial insolvency procedure. These mechanisms are: (i) the restructuring agreement (*acordul de restructurare*); and (ii) the preventive concordat (*concordatul preventiv*).

The restructuring agreement

The restructuring agreement is a non-contentious procedure without the parties being summoned to the trial. Such restructuring agreement is initiated at the request of any company facing financial distress (defined in the subsequent sentence) for the confirmation by the court of the approved restructuring plan proposed by the restructuring administrator (who must be a licensed insolvency practitioner) or by the debtor assisted by the restructuring administrator. The Insolvency Code defines the debtor facing financial distress as the debtor which finds itself in a state of temporary impairment of its business, giving rise to a real and serious threat to the debtor's future ability to pay its debts as they fall due, unless appropriate action is taken.

The procedure of the restructuring agreement shall be initiated within three days from the date of the minute evidencing that the restructuring plan has been approved by the creditors affected by the restructuring plan. The procedure may be initiated by the debtor by filing a request with the competent court for confirming the restructuring agreement.

The request must be submitted together with, among others, the restructuring administrator report on the debtor's financial distress, the documents attesting that the restructuring administrator is an insolvency practitioner and the valid professional insurance in place, the approved restructuring plan, the evaluation report of the debtor's assets based on which the restructuring agreement was approved and the minutes of approval. The confirmation is then approved or dismissed by the courts following a confidential procedure.

Under the Insolvency Code, for a period of maximum three years following the confirmation of the approved restructuring agreement, the restructuring administrator's mandate is to monitor the implementation of the plan and to provide a quarterly report to the creditors on the plan implementation.

The restructuring plan may propose certain measures aimed at fulfilling its objective, such as full or partial debt cut-offs, re-scheduling of payments, operational and/or corporate restructuring and liquidation of assets.

The restructuring agreement does not suspend the enforcement proceedings that can be initiated by the creditors to recover their outstanding debts (together with the interest, penalties or other expenses). During the restructuring agreement procedure, the affected creditors are prevented from initiating insolvency proceedings (before the closure of the restructuring agreement procedure).

The restructuring agreement is terminated by court's decision in case of either: (i) the fulfillment of the restructuring plan; (ii) the failure to implement the restructuring plan; or (iii) the failure of amending the restructuring plan ordered by the court.

For debtors which achieved a net turnover of up to the equivalent in lei of €500,000 in the previous year, and the restructuring agreement was voted unanimously, confirmation of the agreement by the bankruptcy judge is no longer necessary. In this case, the restructuring agreement will be authorized by an insolvency practitioner. This exception does not apply if the restructuring implies (i) contracting new financing and/or (ii) laying off more than 25% of the debtor's employees.

The preventive concordat

The preventive concordat is a procedure, endorsed by the relevant court of law, whereby a company facing financial distress proposes for the syndic judge's approval a recovery plan for its business, voted by creditors representing at least 30% of impaired claims, further to which the debtor is recovering its business and settling all or part of its affected claims. The procedure may also be requested by one or more creditors who have a certain and liquid claim, provided that the prior consent of the relevant debtor is obtained.

Under the Insolvency Code, the following entities cannot benefit from this procedure: (i) companies that have benefitted from a preventive concordat in the last three years, calculated retroactively from the date of submitting the request for the

preventive concordat procedure and where the procedure failed, (ii) companies that were convicted for certain criminal acts within the three years preceding the date of the request opening of the procedure, or (iii) companies which are insolvent.

The request for a preventive concordat is filed by the debtor (or by its creditor(s), with debtor's prior approval) with the competent court of law. The preventive concordat procedure is conducted by a concordat manager (in Romanian, "*administrator concordatar*") which is a licensed insolvency practitioner, appointed by the relevant court of law at the debtor's proposal.

The main role of the concordat manager is to prepare, together with the debtor, the recovery plan, within 60 days of being appointed. The recovery plan should contain at least the following information: (i) the identification details of the debtor and of the concordat manager, (ii) the detailed list of the debtor's assets and liabilities and their value at the date of the plan; (iii) an analysis of the debtor's economic situation, employees situation, as well as a description of the causes and level of the debtor's difficulties at the time the plan is proposed; (iv) a list of claims, identifying the creditors, grouped by category of claims; (v) claims in dispute and their treatment; (vi) a statement of reasons explaining why the recovery plan has reasonable prospects of preventing the insolvency of the debtor; (vii) the proposed recovery measures; (viii) information on how the employees' representatives will be informed and consulted and the ways in which the plan will impact the debtor's workforce; (ix) the debtor's income and expenditure budget and estimated cash flows for the duration of the recovery plan; (x) new financing, interim financing and the reasons why such are necessary for the implementation of the plan; (xi) a simulation of the distributions that would benefit the impaired creditors; (xii) the private creditor test, if reductions in the budgetary claim are proposed; and (xiii) the schedule for the payment of claims, correlated with the financial flows and the duration of the plan. The term for implementing the measures described in the recovery plan shall not exceed 48 months from the date of the court approval of the draft preventive concordat. Such term may be extended by an additional 12 months. During the first year of the concordat period, the debtor shall pay a minimum of 10% of the value of the receivables referred in the draft preventive concordat. Payments due under agreements extending beyond the 48-month term or postponed beyond this term shall be made as they fall due.

Starting with the date of the opening of the concordat procedure, an automatic and temporary suspension of the enforcement proceedings (except with respect to the salary claims) applies for a 4-month period, with the possibility to be extended up to 12 months. Such a suspension may last until (i) the preventive concordat is approved by the relevant court of law, or (ii) the closing of the concordat procedure following the non-fulfillment of the recovery plan approval, in accordance with the conditions set forth by the applicable law. The suspension of the enforcement proceedings with respect to the salary claims may be ordered by the bankruptcy judge upon request, if the debtor proves its ability to pay the amounts for which the suspension is ordered, even in installments, at least in the amount that would be covered in the enforcement proceedings.

In order to reach an agreement on the preventive concordat, the debtor, in the presence of the concordat manager, may organize one or several individual or collective negotiation sessions with its creditors. The negotiations and voting on the recovery plan shall not exceed 60 days from the date the recovery plan was initially submitted to the court (with the possibility for a 30 day extension, granted as an exception in case the negotiations are advanced and there are reasonable prospects for there to be a positive vote on the plan). Only the creditors whose receivables and claims are impaired shall vote on the recovery plan. The impaired receivables shall be divided into the following categories: (i) receivables benefiting from preferential rights (mortgages or other guarantees), (ii) salary receivables, (iii) receivables of indispensable creditors, if applicable, (iv) budgetary receivables, (v) other receivables. A recovery plan will be deemed to be accepted by a category of creditors if in that category the plan is accepted by an absolute majority of the value of the claims. In case there are sub-categories of claims within a category, the creditors shall be deemed to have voted on the restructuring plan if it is accepted by creditors representing an absolute majority of claims (calculated by value) within the category. If the debtor had a net turnover of up to €500,000 in the previous year and it does not opt for establishment of the categories of claims mentioned above, the list of claims shall individualize each claim against the debtor's assets and the plan shall be deemed to be accepted if voted by an absolute majority of the value of the claims affected. However, creditors which, directly or indirectly, control, are controlled by or are under common control with the debtor, can only vote if the preventive concordat would grant them less than what they would have received in a bankruptcy procedure.

After its approval by the creditors, the preventive concordat needs to be endorsed by the relevant court of law (at the request of the debtor) and subsequently communicated to the creditors and registered with the Romanian National Trade Register Office (in Romanian, "*Oficiul National al Registrului Comertului*").

Upon the announcement of the court decision endorsing the preventive concordat, all individual enforcement proceedings and the course of all ongoing limitation periods are suspended, to the extent that they concern or involve the receivables impaired by the recovery plan. In addition, the Insolvency Code sets forth that the interests, penalties and any other expenses related to the outstanding receivables will have the treatment agreed in the recovery plan.

Following the endorsement of the preventive concordat, the creditors whose receivables were not impaired by the recovery plan may initiate enforcement procedures against the debtor but only after notifying the debtor 30-days onward. Within this deadline, the debtor may conduct negotiations with that creditor regarding the terms and conditions of joining the

recovery plan, including by establishing conditions for granting appropriate protection, in which the creditor is obliged to participate.

The preventive concordat may be challenged by any creditor in the event of the discovery of a false statement, fraud, or fundamental error, or of decisive and previously unknown facts which led to the listing of a claim. The challenge must be (i) filed within 7 days from the date on which the creditor became aware or should have become aware of the situation giving rise to the challenge and (ii) settled within 15 days as of the challenge submission date.

As long as an endorsed preventive concordat is in force, no insolvency proceeding can be opened against the debtor at the request of a creditor whose claims and receivables are impaired.

Any creditor obtaining a writ of enforcement (in Romanian, “*titlu executoriu*”) against the debtor during the preventive concordat procedure may request to adhere to the preventive concordat or recover its receivables through any other means provided by law (e.g., enforcement with 30-days’ notice onward)..

Insolvency proceedings

Jurisdiction of Romanian courts

The Issuer is organized under the laws of Romania and has its statutory seat (*sediu social*) in Romania. Therefore, Romania is presumed to be the center of main interests (within the meaning of the Regulation (EU) 848/2015 of the European Parliament and of the Council on insolvency proceedings (the “**EU Insolvency Regulation**”)) of the Issuer in the absence of proof to the contrary. Consequently, the main insolvency proceedings in respect of the Issuer would likely be initiated in Romania while secondary proceedings could be initiated in one or more EU jurisdictions (with the exception of Denmark) in which the Issuer has an establishment.

If the Issuer does not have an establishment in any other EU member state, no court of any other EU member state will have jurisdiction to open territorial proceedings in respect of the Issuer under the EU Insolvency Regulation.

Concept of insolvency; commencement of insolvency proceedings; main steps

“**Insolvency**” is the status of a debtor’s estate characterized by the insufficiency of available funds to cover debts which are certain, due and payable. Under the Insolvency Code, insolvency is presumed (under a rebuttable presumption) to be actual if the debtor has not paid its debts towards one or more creditors for at least 60 days after their due dates. Although insolvency is presumed by law with the passing of time, this does not mean that insolvency proceedings are automatically commenced at the end of the 60 day period.

The insolvency proceedings may be opened upon the request of either (i) the debtor which is in a state of insolvency; (ii) a creditor with a receivable that is certain, due and payable for more than 60 days and, after any applicable off-set exceeds RON 50,000 or (iii) any other persons / institutions expressly provided by the law.

For employees, the receivable must exceed the value of six, national, monthly-average gross wages, per employee.

A debtor which is in a state of insolvency has the obligation to file for insolvency within 30 days of the occurrence of the state of insolvency. The debtor’s obligation to file for insolvency does not apply when the debtor is engaged in good-faith in extra-judicial negotiations with its creditors for the restructuring of its debts. In this case, the debtor must file for insolvency within five days after the date on which such negotiations have failed. If during the negotiations relating to the restructuring agreement or preventive concordat, the debtor becomes insolvent but there are significant indicators that the parties may reach an agreement within a short period of time, the debtor, in good-faith, is required to initiate the insolvency proceedings within five days after the date on which such negotiations have failed.

Failure of the debtor’s representative to observe such an obligation, for more than six months as of the mentioned term is qualified as criminal offence. The purpose of the insolvency procedure is the settlement of insolvent debtor’s liabilities (both through the debtor’s reorganization or liquidation of its patrimony). Two types of proceedings may apply, namely a insolvency proceeding or bankruptcy proceeding.

There are two types of insolvency proceedings: a general one (*procedura generala*) and a simplified one (*procedura simplificata*) applicable in limited cases (for example, for an individual performing commercial activities or for companies which, for example, have no assets).

Observation period

The first phase following the opening of the general procedure is the “observation period,” a sequence of steps aimed first at assessing whether the debtor’s business is still viable and, depending on the result of the assessment, if the reorganization procedure is to follow or if the debtor should go directly into bankruptcy. The observation period is also used for determining the causes of the debtor’s insolvency and identifying the persons which are responsible for it, preparing a list of the debtor’s

assets and collecting information about its creditors. The Insolvency Code also provides that an inventory of the debtor's assets must begin within 60 days from the opening of the procedure.

At the end of the observation period, the debtor will either be subject to a reorganization plan approved by the creditors and confirmed by the court or will enter into bankruptcy (that is, winding up and liquidation of its assets).

Debtor's divestment

The opening of insolvency proceedings can entail the termination (in whole or in part) of the debtor's right to manage its business, consisting of the right to direct its activity, manage its assets and dispose of them (including, with certain exceptions, the assets acquired after the opening of insolvency proceedings). The insolvency judge may order full or partial termination of the debtor's right of administration upon the appointment of the judicial administrator (i.e., an insolvency practitioner who will effectively manage the company during the insolvency procedure), while also specifying the conditions for the exercise of this right.

As an exception, if the debtor declares an intention to follow the judicial reorganization procedure, it may continue its operations under the supervision of the judicial administrator.

The creditors, the committee of creditors or the judicial administrator may at any time file a petition with the insolvency judge requesting termination of the Issuer's right of administration. Such petition must be justified upon the continuous losses experienced by the Issuer or the improbability of achieving a rational activity plan.

In all cases, the debtor's right of administration automatically ceases upon the entry into bankruptcy. From such date, the debtor may only carry out the activities that are necessary for the performance of liquidation operations.

Participation of the creditors in the proceeding

In order to participate in the insolvency proceeding, a creditor must file a request to register the receivable for the analysis of the judicial administrator and the court. The request must be accompanied by the documents substantiating the receivable and any security interests or other preference rights. The deadline for filing such request is established by the court but cannot exceed 45 days after the opening of the procedure. The analysis of the receivables, which includes the drafting and communication of the preliminary receivables table must be made within 20 days (or 10 days in the case of the simplified procedure) of the expiry of the deadline for filing the receivable registration request. The insolvency judge may extend the foregoing terms by 30 days. Employees' receivables are registered by the judicial administrator according to the debtor's accounting books.

Creditors admitted to participate in the procedure are registered in the table of creditors, and are generally entitled to vote on the reorganization plan (as part of the relevant class of creditors) and to participate in distributions made from the estate of the debtor, in accordance with the prescribed order of preference.

Creditors which do not register their receivable in due time are not entitled to: (i) participate in the insolvency proceedings, (ii) participate in any distribution of proceeds as a result of the procedure or (iii) unless the debtor is proven to be fraudulent or is convicted for simple or fraudulent bankruptcy, enforce their rights against the debtor after finalization of the procedure.

Receivables which arise after the opening of the insolvency proceedings do not need to be registered in the creditors' table and must be paid in accordance with their terms. Similar rules are applicable to receivables which arise after the opening of the bankruptcy proceedings.

Preferred creditors will be registered based on the request to register the receivable. If the security is assessed by the judicial administrator / liquidator at a value which is lower than the value of the receivable, the creditor will be registered with an unsecured claim with respect to the balance of the receivable. If, however, the proceeds from the liquidation of the assets over which the security is created exceed the initially assessed value of these assets, the secured creditor will be entitled to receive such additional proceeds for the account of its security up to the limit of the principal and accessories due to such creditor until the liquidation of the respective asset.

Receivables not yet due or subject to a condition precedent will be registered on a preliminary basis. Holders of conditional receivables (including receivables whose payment is conditioned upon the prior enforcement against the main debtor) are allowed to vote and participate in the distribution of proceeds only after the fulfilment of the relevant condition.

Further limitations may arise in relation to the declaration of a receivable as due and payable as a result of insolvency. For example, clauses which regard insolvency as an event of default triggering the termination or cancellation of an obligation or the loss of the benefit period or stipulating acceleration on the event of insolvency are null and void under the Insolvency Code.

Main effects of commencement of the insolvency proceedings

Stay of creditors' enforcement claims

All judicial or extra-judicial claims and enforcement proceedings of the creditors (such as enforcement claims that may be filed by a holder of the Notes against the Issuer in relation to the Collateral) aimed at recovering receivables from the debtor are automatically suspended as of the date the insolvency proceeding is opened.

The Insolvency Code permits certain exceptions to the stay of all creditors' enforcement claims. Thus, claims aimed at ascertaining the existence and / or the amount of receivables resulting after the opening of the insolvency proceeding are not suspended. For such claims, creditors may file payment requests during the observation and reorganization periods, to be analyzed by the judicial administrator in a 15-day term from the delivery of such request, in accordance with the applicable legal provisions, without it being necessary to register these claims in the table of receivables. In addition, the holder of a current, certain, due and payable receivable amounting to more than RON 50,000 that has been acknowledged by the judicial administrator or in respect of which the judicial administrator failed to take any action within the 15-day term from the delivery of the payment request made by the creditor or that has been acknowledged by the insolvency judge in accordance with the foregoing procedure and whose amount exceeds the threshold value (as set forth by law) may request the initiation of the bankruptcy procedure against the debtor, anytime during the observation period, if the debtor does not pay the relevant debt within 60 days from the date when the action was taken by the judicial administrator or by decision of the court or as of the lapse of the 15-day term from the delivery of the payment request by the creditor provided that the judicial administrator did not take any action within such term. Also, creditors secured with a mortgage over bank accounts or with cash collateral may request that the amounts of money available in the relevant accounts upon opening of the procedure be released in order to satisfy their due receivables, within five days as of the filing of such request. *Inter alia*, challenges by the debtor filed in exercising the appeal right against the creditors, commenced prior to the opening of the insolvency procedure, as well as civil actions initiated within a criminal trial and judicial actions against co-debtors and / or third-party guarantors are also exempted from the general stay.

Preferred creditors may request the court to allow the expedited enforcement of their claims, within the insolvency proceedings, if the taxes, stamp duties and other expenses related to the sale of such assets, including the expenses necessary for the conservation and administration of these assets, as well as the expenses for the remuneration of the judicial administrator, the liquidator and the other experts involved in the proceedings, are paid from the proceeds of the enforcement and if one of the following situations is applicable:

- (i) the value of the secured claim (or of the part of such claim secured with the relevant asset(s)) is equal to, or higher than, the value of the pledged asset(s), determined by a valuator according to the international valuation standards and a) the pledged asset is not of vital importance for the success of the proposed reorganization plan; or b) the pledged asset is part of a functional unit, and by its separate sale, the value of the remaining assets is not decreased; or
- (ii) the protection of the secured claim by the existence of the security is not appropriate because: a) the pledged asset is decreasing in value or there is a serious risk that it may suffer an important loss of value; b) the value of a lower-ranking secured claim decreases due to the accrual of the interest and penalties of any kind in favor of a higher ranking secured claim; or c) the pledged asset is not insured against the risk of destruction or deterioration.

Stay of all interests, penalties and expenses in relation to unsecured and secured debts

As of the date of commencement of the procedure, no interest, increment, penalties or expenses in relation to un-preferred debts, may be charged against the debtor. After the confirmation of the reorganization plan, interest, increments and penalties, as well as any expenses ancillary to the obligations incurred after the opening of the general insolvency procedure shall be paid in accordance with the acts from which they originate and the approved repayment schedule.

Secured creditors may, however, in the distribution procedure, ask for any accessory amounts accrued before and after the commencement of the procedure, provided that the proceeds from the sale of the pledged asset is sufficient to cover such additional amounts.

Annulment of "fraudulent transactions"

The judicial administrator (or the creditors' committee in case the judicial administrator fails to take action) or, a creditor holding more than 50% of the total value of registered receivables, may request the annulment of certain acts and operations concluded by the debtor to defraud its creditors within a period of up to two years before the opening of the proceedings.

In addition, the following acts may also be annulled by the insolvency judge, in order to obtain the restitution of the transferred assets or the value of the rendered performance:

- (a) transfers without consideration entered into during the two years prior to the opening of insolvency proceedings, except for humanitarian sponsorships;

- (b) operations carried out during the six months prior to the opening of insolvency proceedings, where the debtor's obligations obviously exceed the corresponding obligations of its counterparty;
- (c) acts entered into during the two years prior to the opening of insolvency proceedings in which all involved parties intended to remove assets from the debtor's estate and thus protect them from enforcement by the debtor's creditors or to otherwise affect the creditors' rights;
- (d) acts by which the debtor transferred ownership over any of its assets to a creditor for repayment of a previous debt or otherwise in the creditor's benefit, during the six months prior to the opening of insolvency proceedings, if the amount that the respective creditor would be entitled to receive in the case of bankruptcy is lower than the value of the transfer;
- (e) creating or perfecting preference rights during the six months prior to the opening of the insolvency proceedings, for a receivable which otherwise would have been unsecured;
- (f) early repayments of debts in the six months before the commencement of the insolvency proceedings, if the original due date was a date after the commencement of the proceedings; or
- (g) acts of transferring or undertaking obligations by the debtor during the two years prior to the opening of the insolvency proceedings with the intention to conceal or delay the insolvency or to defraud a creditor.

The foregoing situations are presumed to represent fraudulent operations by the debtor to the detriment of its creditors. This presumption may be rebutted by the debtor by providing evidence to the contrary.

The acts mentioned under paragraphs (d), (e) and (f) above will not be annulled provided that (i) they are executed in good faith for the performance of an agreement concluded with the creditors following extra-judicial negotiations for the restructuring of the debtor's obligations; and (ii) the respective agreement was of a nature reasonably conducive to the debtor's financial recovery and was not prejudicial to, and/or discriminatory towards any creditors. This exemption applies accordingly to the restricting agreement and the preventive concordat procedures.

Acts concluded within the two years prior to the opening of insolvency proceedings within the debtor's group or with related persons may also be annulled, provided that they were concluded *inter alia* with:

- (a) a shareholder holding more than 20% of the debtor's share capital or of the voting rights;
- (b) a director, manager or member of the supervisory board of the debtor;
- (c) any natural or legal person having a controlling position over the debtor or its activity;
- (d) a co-owner of the property which is shared with the debtor; or
- (e) the spouse or relatives up to the 4th degree of the natural persons mentioned in paragraphs (a) to (d) above.

Under the Insolvency Code, the assets transferred or their corresponding value under the annulled transactions will have to be returned to the insolvent estate by the first beneficiary (*terțul dobanditor*). The first beneficiary returning the assets will be entitled to participate to the insolvency proceeding as an unsecured ordinary creditor for the value of such assets plus, if the case, the increase of the value of the asset, provided that it concluded the initial transfer in good faith and without the intent to hinder, delay or mislead the creditors. The first beneficiary who has acted in bad faith will only be entitled to be reimbursed the paid price and to participate in the distribution of the proceeds in accordance with the rules set forth under the Insolvency Code. The subsequent beneficiary (*terțul subdobanditor*) may be required to return the assets transferred or their corresponding value only in case the second beneficiary did not pay adequate consideration for the asset and it was aware or should have been aware of the fact that the transfer was subject to annulment. Generally, the bad faith of the creditor will have to be proved. The subsequent beneficiary may re-claim from the debtor only the value of the investments made to upgrade the asset (provided that such investment had resulted in an increase of the respective asset's value) and will have rights similar to a bad-faith first beneficiary. In case the asset is returned to the insolvent estate, any security existing at the date of the transfer will be reinstated and re-registered with the relevant registers. Under the Insolvency Code, among others, receivables of first or second beneficiaries who have acted in bad-faith rank subsequent to unsecured receivables of other creditors.

Reorganization plan

The debtor, the judicial administrator and creditors holding at least 20% of the total value of receivables registered in the final table of receivables may propose a reorganization plan within 30 days of publication of the final table of receivables and with the observance of certain other deadlines. The 30-day deadline may be extended with an additional deadline of maximum 30 days by the insolvency judge, upon request of an interested party or of the judicial administrator if there are sufficient grounds for this. After the expiry of such deadline, no party may propose a reorganization plan and bankruptcy proceedings will be commenced against the debtor (in case no proposal has been filed).

Certain debtors are not allowed to propose a reorganization plan (for example, debtors who, in the five-year period preceding the request for opening insolvency proceedings had undergone another insolvency proceeding, and those which, or

the directors, managers or shareholders of which, have been convicted for certain criminal offenses within such five-year period).

Content of the plan

The reorganization plan must indicate, among other things (i) the perspectives for redressing the debtor's activity (by reference to the actual possibilities and the particularities of such activity); (ii) the schedule for the repayment of the debts; (iii) the list of the categories of receivables that are not disfavored (i.e., such receivables did not suffer any alteration in terms of amount, security or other ancillary terms, such as the rescheduling of payments to the disadvantage of the creditor, as a result of the approval of the reorganization plan, subject to certain exceptions); (iv) the treatment to be applied to the disfavored receivables; (v) whether and to what extent the debtor's liabilities shall be discharged; (vi) a presentation of what each category of creditors would receive under the reorganization plan compared to what they would receive in bankruptcy (on the basis of a valuation report prepared in accordance with the applicable provisions) and (vii) the manner in which the current receivables shall be satisfied. The reorganization plan may also provide for amendments to the constitutive documents of the debtor (which may be operated automatically without involving the debtor's corporate bodies) and/or other measures deemed adequate for its implementation (e.g., the preservation, by the debtor, of the right to manage its activity, including the right to dispose of its assets, under the supervision of the judicial administrator, the liquidation of one or more assets of the debtor, the modification or cessation of certain preference rights subject to the granting of the holder of the right of equivalent protection or guarantees, in accordance with the specific provisions of the law, and the prolongation of the due date, the modification of the interest rate, the applicable penalties or any other clauses of the relevant agreement to which the debtor is a party or of the other acts from which the obligations of the debtor originate).

Approval and confirmation of the plan

After its proposal, the reorganization plan must be approved by the creditors in the creditors' assembly and then confirmed by the insolvency judge.

For the purpose of approving the plan within the creditors' assembly, the creditors' votes are divided between five different categories of receivables: (1) preferred receivables (in which the claims of the holders of the Notes against the Issuer would be included up to the value of the Collateral granted by the Issuer); (2) employees' receivables; (3) budgetary receivables; (4) receivables held by indispensable creditors (i.e., unsecured creditors providing services, raw materials, materials and/or utility services in the absence of which the debtor would be unable to continue its activity and who cannot be replaced by any other supplier rendering similar services under the same financial conditions); and (5) other unsecured receivables (in which any claims of the holders of the Notes against the Issuer which exceed the value of the Collateral granted by the Issuer would be included). Each claim enjoys a right to vote, which the creditor will exercise within the category of claims to which that claim belongs.

A plan is deemed accepted by a category of claims if it is approved by the creditors holding the absolute majority of the amount of the claims in that category. The Insolvency Code sets out certain additional conditions for the approval of the plan, *inter alia* it requires that, if there are two or more categories of receivables, the creditors representing at least 30% of the total value of all receivables and the majority of the categories of creditors approve the plan.

Creditors which, directly or indirectly, control, are controlled by or are under common control with the debtor may vote on the reorganization plan only if (i) the repayment schedule provides that they will not recover any amount or that they will recover a lower amount on their receivable under the plan than they would in a bankruptcy proceeding and (ii) any such payments that would be granted to them would rank subsequent to receivables of unsecured creditors.

This limitation would be applicable to the Parent with respect to the vote of a reorganization plan for the Issuer.

The plan will be confirmed by the insolvency judge if (i) the majority of categories of creditors and at least one of the disfavored categories approved the plan, provided that creditors representing at least 30% of the receivables approve the plan (if there are only two or four categories, the plan is deemed accepted in cases where at least half of the categories and at least one of the disfavored categories approve the plan, provided that creditors representing at least 30% of the receivables approve the plan); (ii) each disfavored receivable that voted against the plan receives fair and equitable treatment; and (iii) the content of the reorganization plan fulfils the legal requirements (it contains the types of measures required by law).

Implementation of the plan

A duly approved and confirmed reorganization plan must be complied with by the debtor and the creditors (including those that voted against the plan) during the reorganization period. The implementation of the reorganization may not exceed five years from the date of its confirmation.

Bankruptcy procedure

Bankruptcy proceedings may be opened either directly under the simplified procedure or, in the case of a general procedure, where (i) the reorganization plan is not successful; (ii) a reorganization plan was not submitted in court at all or although submitted it was not approved by creditors/confirmed by court; (iii) in case of specific situations (e.g., lack of headquarters, lack of legal representative etc.), at the request of the debtor/creditor or as assessed by court. A liquidator is appointed by court with the purpose to liquidate debtor's patrimony. Following liquidation, the debtor shall be de registered from the Trade Registry.

Distribution of proceeds

The proceeds resulting from the sale of assets over which securities are created shall be used to cover debts, in the following order (i) taxes, stamp duties and any other expenses, costs relating to the conservation and sale of the said assets, as well as the expenditures advanced by the creditors during the enforcement proceedings, claims of the utilities suppliers incurred after the opening of insolvency proceedings and the remuneration owed (as of the distribution date) to the persons engaged for the benefit of all creditors, in accordance and subject to the applicable provisions; (ii) receivables, including principal, interest, as well as other ancillary amounts, held by preferred creditors and accrued after the opening of the insolvency procedure; and (iii) receivables, including principal, interest, as well as other ancillary amounts, held by preferred creditors and accrued any time prior to the opening of the insolvency procedure (such as the holders of the Notes, up to the value of the Collateral granted by the Issuer).

A preferred creditor will be entitled to participate in any distribution of amounts made prior to the sale of the asset which is subject to its preference cause. The amounts received from such distributions shall be deducted from those which the secured creditor would be entitled to receive as proceeds from the sale of the relevant assets, if this is necessary in order to prevent such creditor from receiving more than it would have if the pledged assets were sold prior to such distributions.

If the proceeds from the sale of the asset which is subject to its preference cause are insufficient for the full payment of the relevant preferred creditors (such as the Noteholders), then preferred creditors will have an unsecured claim for the balance of their receivable(s). They will be allowed to claim the proceeds from the sale of other unpledged assets, according to the order of priority set out below:

- (a) charges, stamp duties or any expenses related to the insolvency proceedings, including expenses with the conservation and administration of the debtor's assets, with the continuation of the debtor's activity, as well as with the remuneration of the persons involved in the proceedings;
- (b) claims arising from financings granted during the observance period in order to perform current activities or arising from financing granted during pre-insolvency proceedings, as well as the fees of the practitioner involved in such proceedings;
- (c) employees' claims;
- (d) claims (i) resulting from the continuation of the debtor's activity after the commencement of the proceedings, (ii) representing damages arising out of the unilateral termination by the judicial administrator / liquidator of agreements entered into by the debtor prior to the opening of the proceedings; (iii) of good faith third-party acquirers arising from the return of the assets to the insolvency estate in case of annulment of acts concluded by the debtor before the opening of proceedings;
- (e) budgetary claims;
- (f) receivables resulting from financings received from banks, trade receivables or rents, as well as claims of leasing companies in certain scenarios and bonds;
- (g) other non-secured receivables; and
- (h) subordinated receivables, in the following preference order: (i) claims of the bad faith third-party acquirers (whether first or second beneficiaries) that returned the asset to the insolvency estate and loans granted to the debtor by a shareholder holding at least 10% of its share capital or by a member of the economic interest group; (ii) undistributed benefits to shareholders; and (iii) receivables resulting from transactions without consideration.

Each claim will be satisfied only after the full satisfaction of the claims in the superior categories. If the amounts are not sufficient to fully satisfy the claims in one category, they will be distributed to the creditors within the respective category pro-rata with the amount of their receivables as registered in the final consolidated table of receivables. After all assets are liquidated and all the creditors are paid, the remaining amounts (if any) will be transferred to an account accessible to the shareholders.

To the extent they exceed the value of the Collateral provided by the Issuer, the receivables of the holders of the Notes against the Issuer would be included under the category of receivables set out in paragraph (f) above. The receivables held by the creditors under the 2023 Senior Facilities Agreement, as amended by the 2025 Incremental Facility Notice, the 2024 Senior Facilities Agreement, the 2023 Export Credit Facilities Agreements, the 2024 Export Credit Facility Agreement, the 2024

Additional Export Credit Facilities Agreements and the 2025 Export Credit Facilities Agreements to the extent not covered by the value of the Collateral, will be included in the category set out in paragraph (f) above.

Therefore, if the Issuer undergoes bankruptcy proceedings, the holders of the Notes may recover less than the amounts due under the Notes.

Nevertheless, this risk may be mitigated to a certain extent by the provisions of the Intercreditor Agreement setting out a contractual distribution of insolvency / bankruptcy proceeds.

Dissolution and liquidation of companies

Dissolution

Romanian companies may be dissolved, as a general rule, in a two-step process: “dissolution,” mandatorily followed by “liquidation.” There are some cases where dissolution leads directly to a company’s deregistration from the Trade Registry without liquidation.

There are seven general instances in which a company will be dissolved:

1. expiry of the period established for the life of the company;
2. impossibility of carrying out the company’s business or the fulfilment thereof;
3. nullity of the company declared by court;
4. decision of the general meeting of the shareholders (voluntary dissolution);
5. court decision, following a petition by any shareholder, for justified reasons, such as serious disputes between the shareholders that hinder the company’s operation;
6. bankruptcy; and
7. other reasons prescribed by law or by the articles of incorporation of the company.

In case of voluntary dissolution, the resolution of the general meeting of the shareholders approving the dissolution of the company is published in the Official Gazette. The creditors of the company may challenge the resolution within 30 days after the date of its publication.

In addition to the above, other dissolution cases may apply, depending on the legal form of the company. In particular, any interested person, as well as the Trade Registry, may request the court to decide upon the dissolution of a Romanian joint stock company if:

- (a) the company no longer has statutory bodies or they cannot meet;
- (b) the shareholders have disappeared or their domicile or residence is unknown;
- (c) the company no longer fulfils the conditions relating to statutory seat, including as a result of the expiration of the duration of the deed attesting the rights of use over the relevant premises or the transfer of the right of use or ownership over such premises;
- (d) the company ceased its operations (or did not resume its operation further to the expiration of the temporary inactivity period notified to the competent tax authorities and registered with the Trade Registry, provided that such has lasted for less than three years as of the date of registration with the Trade Registry);
- (e) the company did not replenish its share capital, in accordance with the applicable legal provisions;
- (f) the company did not file its annual financial statements or, as the case may be, the consolidated annual financial statements and the accounting records with the competent territorial units of the Ministry of Public Finance, within more than 60 days after the expiration of the term set forth by law;
- (g) the company did not file the statement of no activity, further to its incorporation, with the competent territorial units of the Ministry of Public Finance, within more than 60 days after the expiration of the term set forth by law;
- (h) the net assets of the company have decreased to less than half of the value of the share capital and remedial actions are not taken within the deadlines prescribed by applicable laws; or
- (i) has had less than two shareholders for a period longer than nine months.

In all cases, the dissolution must be registered with the Trade Registry.

Liquidation

As a rule, the dissolution of a company results in the opening of the liquidation procedure. The management of the company cannot undertake new operations and the operations, powers and capacity of the company will be limited to those necessary for the purposes of liquidation.

The liquidation of a company comprises all the operations undertaken for the purpose of winding up the company's business. Such operations are necessary to determine and perform an evaluation of the company's rights and liabilities, settling the company's debts and ensuring the distribution of proceeds among the shareholders. The liquidation of a company must be finalized within a year as of the date of the registration of the dissolution with the Trade Registry. Under certain circumstances, the court may extend the liquidation term in one-year increments, not more than twice.

The liquidation procedure is implemented by a liquidator appointed by the general meeting of the shareholders of the joint stock company to be liquidated, unless otherwise provided in the constitutive act or by the court, in the case of the failure to obtain a majority vote.

The liquidator has powers similar to the directors of the company and may undertake all actions necessary to finalize the liquidation. However, the liquidator may not make any distribution to shareholders until the company's creditors have been paid in full. The liquidator must prepare a liquidation balance sheet and determine the manner of distribution of the assets or proceeds resulting from the sale of the company's assets to the shareholders, taking into account, as the case might be, the provisions contained in the company's articles of incorporation. Such liquidation balance sheet and the related distribution document must be registered with the Trade Registry. In the case of joint-stock companies such documents must also be published in the Official Gazette. The shareholders may file claims with respect to the liquidation balance sheet and to the distribution document subject to the term and procedure under the applicable law.

Limitations on validity and enforceability of Romanian Collateral

Several Romanian laws may affect the validity or enforceability of the Collateral, including those related to fraudulent conveyance or similar laws, regulations or defenses affecting the rights of creditors generally. Due to these limitations, the obligations of the Issuer under the Collateral could be significantly less than the obligations with respect to the Notes, or the Issuer may have effectively no obligation under the Collateral.

Fraudulent conveyance

Romanian law also contains provisions regarding fraudulent conveyance outside of a bankruptcy scenario.

A creditor may challenge (*acțiune revocatorie*) the acts concluded by its debtor, which defraud its interests, such as those through which the debtor is creating or increasing its insolvency status. The creditor must fulfil certain requirements to be entitled to file the claim such as: (i) it must hold a receivable for a sum certain (*creanță certă*) against the debtor; and (ii) it must evidence that it suffered a damage as a result of the execution of the challenged act. An agreement with consideration (*contract cu titlu oneros*) or a payment made for the performance of such agreement may be successfully challenged only if the counterparty to that agreement or the entity receiving the relevant payment was aware that the respective debtor was creating or increasing its insolvency.

Subject to special legal provisions, the creditor may challenge the relevant act of its debtor within one year from the date he became aware of, or should have become aware of, the damage resulting from the challenged act.

If the creditor successfully challenges the relevant act, the latter becomes unenforceable (i.e., as if such act had not been concluded by the debtor) towards the creditor filing the claim, as well as towards all the other creditors entitled to challenge the same act and who intervened in the trial initiated by the first creditor.

The counterparty to the challenged act may keep the assets acquired from the debtor if it pays to the creditor an amount equal to the loss suffered by the creditor as a result of the challenged act. If this payment is not made, the court may seize the asset until the enforcement is terminated.

Parallel debt

Parallel debt structures have been used in Romania due to certain limitations of Romanian law which (i) require that the pledgee and the creditor be the same person and (ii) prescribe that the security interest cannot be held and registered on behalf of third parties who do not hold the secured claim.

The Romanian Civil Code (which entered into force in October 2011) has introduced the possibility that a movable mortgage may be created either in favor of the creditor of the secured obligation or a third party designated by it. Such third party is entitled to exercise all the rights of the relevant creditor and is bound by all of its obligations. The movable mortgage created in favor of several creditors may be registered in the name of an agent appointed by those creditors. Such agent is entitled to exercise all the rights of the creditors who appointed him. However, the nature of the agency relationship are not explained and characterized in detail under Romanian law and this new structure has not yet been tested in court.

Although the enforceability in Romania of certain rights (particularly in insolvency proceedings) of a security agent benefiting from a parallel debt was recognized in the past, there is no assurance that Romanian courts will reach a similar determination in other cases, especially where such concern parallel debt structures created after the entry into force of the Romanian Civil Code. Thus, there is a risk that a Romanian court may not recognize the claim held by the Security Agent under

the parallel debt structure and that consequently, the security interest securing the respective claim could be deemed invalid and/or unenforceable.

The Intercreditor Agreement provides for the creation of a parallel debt structure. On the basis of this structure, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Indentures and the Intercreditor Agreement. The security interest over the Collateral governed by Romanian law will directly secure the parallel debt, not the obligations under the Notes.

To the extent that the security interests in the Collateral created under the parallel debt structure are successfully challenged (including by other creditors of the Issuer), the security interest in the Collateral may be invalidated and/or unenforceable and the holders of the Notes may not recover any amounts from the enforcement of the Collateral.

Collateral dependent on the validity of the main obligation

Under Romanian law, the validity and enforceability of security interests such as the Collateral are conditional upon the validity and enforceability of the secured obligations. Therefore, to the extent the Parallel Debt claim and/or the obligations of the Parent in relation to the Notes are invalidated, the obligations of the Issuer with respect to the Collateral (to the extent these are governed by the Romanian law) would also become invalid and unenforceable.

Floating charges

Moveable mortgages perfected in accordance with Romanian law usually grant the holder of the respective security interest the right to pursue (*drept de urmarire*) the asset even if it is transferred by the mortgagor to third parties. However, in the case of a mortgage over the universality of moveable assets, Romanian law specifically provides that an asset part of the universality becomes unencumbered once it is transferred.

Upon enforcement of the mortgage over the universality of the Issuer's moveable assets, the security interest would crystallize over (and the Security Agent would be entitled to enforce against) only those assets which are part of the universality at the time of the enforcement.

Other enforcement matters

Regulated enforcement proceedings

Rules governing the enforcement of security interests over moveable assets are included in the Romanian Civil Code and the related law for its application, as well as in the Romanian Code of Civil Procedure. Since little or no authoritative interpretation, doctrine, case law or market practice exists with respect to the interpretation and application of the foregoing rules, it is not clear how certain provisions on enforcement measures set out in the two enactments should be interpreted and applied in correlation with each other. These matters may create procedural difficulties in enforcing the Collateral and may limit the ability of the Security Agent to enforce the Collateral.

Enforcement proceedings may also be protracted by other third parties (e.g., other creditors) exercising certain legal rights, including the right to challenge certain enforcement actions taken by the Security Agent.

The relevant legal provisions on enforcement cover several matters, including (i) the manner in which the assets enforced against may be sold, (ii) rules for determining the price at which they may be transferred, (iii) the conditions (very restrictive) to be met for the creditor to be able to take over or to take into administration the asset subject to enforcement and (iv) the distribution of enforcement proceeds.

Enforcement of security interests over moveable assets under the Romanian Civil Code can generally be performed through: (i) sale of the mortgaged asset and distribution of proceeds; (ii) direct takeover of the asset by the creditor on account of the secured claim (which can only happen subject to, *inter alia*, the prior approval of the mortgagor); or (iii) taking over the asset for the purpose of administering it.

Direct takeover by the secured creditor of the encumbered moveable asset on account of the secured claim can only occur if there is no applicable legal provision to the contrary and subject to the mortgagor's consent (which may be granted only after the non-performance of the secured obligations occurs) and no opposition having been filed by the persons notified in this respect in accordance with the legal requirements (e.g., certain other secured creditors or creditors benefiting from legal liens), within fifteen days from the notification. The secured claim is discharged in full following the taking over of the mortgaged asset even if such asset's value is lower than that of the secured claim.

Enforcement of security interests over moveable assets under the Romanian Code of Civil Procedure can be performed through: (i) identification and attachment of the movable assets, followed by a sale either by way of public auction, direct sale (either by the enforcement officer or by the mortgagor, with the prior approval of the secured creditor and the enforcement officer) or other means permitted by law and distribution of the sale proceeds; (ii) direct takeover of the asset by the creditor on account of the secured claim (which can only happen if, *inter alia*, the mortgaged asset could not be sold in accordance with

the foregoing item (i)); or (iii) garnishment (*poprire*), where the case, followed by a sale in accordance with item (i) above and distribution of the sale or garnished proceeds.

Enforcement through the sale of assets under the Romanian Civil Code may start only on the basis of a court decision approving the initiation of the enforcement proceedings and, in principle, does not require the involvement of an enforcement officer, while enforcement under the provisions of the Romanian Code of Civil Procedure requires the approval and involvement of authorized enforcement officers, in accordance with certain rules set out by law. The enforcement, as well as the enforcement officer's actions or failure to act, may be challenged in court.

Under the Romanian Civil Code, a junior-ranking secured creditor may object to the enforcement started by a senior ranking creditor against a movable asset which is mortgaged in favor of both creditors if there are other movable assets mortgaged in favor of the senior creditor sufficient to cover the same debt. Subject to certain conditions, the junior-ranking creditor can request that the enforcement be suspended as regards the asset which is mortgaged in its favor and continued as regards other assets indicated to the senior ranking creditor.

Distribution of enforcement proceeds

The proceeds resulting from the enforcement of security interests must firstly be used to cover the reasonable expenses made by the creditor in relation to the enforcement. The excess shall be used to pay the higher ranking creditors and those preferred on the basis of mandatory legal liens, even if their receivables are conditional.

With respect to the part of the claims exceeding the value of the Collateral, if several creditors initiate enforcement proceedings or if, prior to distributing the amount resulting from the enforcement, other creditors filed documents evidencing their receivables, the enforcement officer must distribute the proceeds from the enforcement in a mandatory order set by the Romanian Code of Civil Procedure. Claims of creditors preferred by special legislation (if any), enforcement expenses, receivables of secured or privileged creditors, wages and similar employees' receivables, tax and budget contribution receivables, bank loans and trade receivables, rents and administrative fines are some of the receivables which, while differently ranked in the order of distribution, are all preferred to ordinary unsecured receivables such as those arising from the Notes in excess of the value of the Collateral.

Noteholder Representative

In relation to the Notes, it is anticipated that GLAS Trustees Limited will, on or about the Issue Date, be appointed as the Noteholder Representative under Romanian Law. The Noteholder Representative will have certain rights and duties under Romanian Law, which may be relevant to the enforcement of the Notes. Moreover, a Noteholder will not be able to bring a claim against the Issuer if such claim has the same object as a claim brought by the Noteholder Representative on behalf of the Noteholders or if such claim is contrary to a decision of the Noteholders' Meeting. See "*Risk Factors—Risks Relating to the Notes—The Issuer may amend the economic terms and conditions of the Notes without the prior consent of all Noteholders.*"

The Netherlands

The following is a summary of certain Dutch insolvency and enforceability considerations. It does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Parent's Dutch Collateral. Although the Parent does not currently have any bank accounts in the Netherlands, any bank accounts it may open in the Netherlands in the future will be part of the Collateral, and the Parent is under the obligation to grant a right of pledge over such future Dutch bank accounts in favor of the Security Agent securing the obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture or any applicable parallel debt pursuant to the Dutch law Security Documents. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

Insolvency

The Parent is incorporated under the laws of the Netherlands. In the event of insolvency of a Dutch company having its center of main interests in the Netherlands, any insolvency proceedings relating to such company would likely be based on Dutch insolvency law. Under certain circumstances, secondary or territorial bankruptcy proceedings may be opened in the Netherlands in accordance with Dutch law against companies that are not established under Dutch law provided that such company has an establishment in the Netherlands.

The following is a brief description of certain aspects of Dutch insolvency law.

There are three primary insolvency regimes under Dutch law: the first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. In practice a suspension of payments often results in the bankruptcy of the debtor. The third, the Dutch Scheme (*Wet homologatie onderhands akkoord*) allows a debtor to offer a composition outside of formal insolvency proceedings such as

suspension of payments or bankruptcy. All three insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*).

Suspension of payments

An application for a suspension of payments can only be made by the debtor itself. Once the request for a suspension of payments is filed, a court will immediately (*dadelijk*) grant a provisional suspension of payments and appoint an administrator (*bewindvoerder*) and often also a supervisor judge (*rechter-commissaris*). A meeting of creditors is required to decide on the definitive suspension. If a draft composition (*ontwerpakkkoord*) is filed simultaneously with the application for suspension of payments, a court can order that the composition will be processed before a decision about a definitive suspension of payments. If the composition is accepted and subsequently confirmed by a court (*gehomologeerd*), the provisional suspension ends as soon as a court's decision becomes final. The definitive suspension will generally be granted unless (i) a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent, (ii) there is a valid fear that the debtor will try to prejudice the creditors during a suspension of payments or (iii) there is no prospect that the debtor will be able to satisfy its creditors in the (near) future. The requirement of the debtor having to be able to satisfy its creditors does not mean that such creditors must be paid in full. It suffices that creditors can be satisfied to some extent (for example, by receiving a percentage of their claims within the framework of a composition).

Suspension of payments has retroactive effect from midnight of the day on which the suspension of payments is declared. Furthermore, the suspension of payments is only effective with regard to unsecured non-preferential creditors. Secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in a suspension of payments to satisfy their claims as if there were no suspension of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, pursuant to Article 241a Dutch Bankruptcy Act a court may order a "cooling-off period" (*afkoelingsperiode*) for a maximum period of two months (and potentially an additional two months) during which enforcement actions by secured or preferential creditors are barred. Also in a definitive suspension of payments, a composition (*akkkoord*) may be offered to creditors. A composition will generally be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the recognized and of the admitted creditors present or represented at the meeting representing at least 50% of the amount of the recognized and of the admitted claims, and (ii) subsequently ratified (*gehomologeerd*) by a court. Under certain conditions, a court or supervisory judge (*rechter-commissaris*) (as the case may be) may derogate from this procedure. Consequently, Dutch insolvency law could preclude or inhibit the ability of the holders of the Notes to effect a restructuring. Interest payments that fall due after the date on which a suspension of payments is granted cannot be claimed in a composition.

Bankruptcy

Bankruptcy can be applied for either by the debtor itself or by a creditor, in each case if the debtor has ceased to pay its debts as they fall due. This is deemed to be the case if the debtor has at least two creditors (at least one of which has a claim that is due and payable and remains unpaid). Furthermore, the Public Prosecution Service (*Openbaar Ministerie*) can request the application of bankruptcy proceedings for reasons of public interest (*openbaar belang*). There is no legal duty for a debtor to file for its own bankruptcy. However, if the managing board of a company realizes that the company is or will be unable to pay its debts when they come due, it is required to take appropriate measures, which could include the cessation of trading, notification of creditors and the filing for either bankruptcy or a suspension of payments (as described above). Like a suspension of payments, bankruptcy has retroactive effect from 00:00 hours of the day on which the bankruptcy is declared.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. Simultaneously with the opening of the bankruptcy, a Dutch bankruptcy trustee (*curator*) and a supervisory judge (*rechter-commissaris*) are appointed. The bankruptcy trustee is charged with the administration and liquidation of the bankruptcy estate and acts under the supervision of the supervisory judge. Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor will be terminated by operation of law and all attachments on the debtor's assets will be released by operation of law. Legal proceedings to procure payment from the estate that are pending on the date of the bankruptcy order are automatically stayed.

The basic principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, creditors with collateral security (*goederenrechtelijke zekerheidsrechten*) over assets in a bankruptcy estate are able to exercise their rights as if no formal insolvency procedure has occurred and do not have to contribute to the liquidation costs.

Furthermore, certain preferred creditors (such as, but without limitation, the tax and social security authorities) will have special rights that take priority over the rights of other creditors. In general, under Dutch law, rights of mortgage and pledge rank above such other rights of priority, including the general priority right of the Dutch tax authorities on the tax debtor's

assets. However, this is subject to exceptions. Under certain circumstances, the Dutch tax authorities' priority right ranks above a non-possessory pledge on machinery and inventory (not including stock (*voorraden*)) found on the premises of the tax debtor (*bodemzaken*). In addition, a pledgee is obligated to notify the Dutch tax authorities of (i) its intention to exercise its rights under a pledge on movable property (not including stock) found on the premises of the tax debtor (*bodemzaken*) within the meaning of the Dutch Tax Collection Act (*Invoeringswet* 1990), or (ii) its intention to perform, to procure in any way the performance of, or cooperate with any legal of factual act with respect to such property which could prejudice the Dutch tax authorities' priority right to such property. Following such notification, a statutory waiting period of up to four weeks starting from the date of notification has to be observed. In the four weeks following such notification, the pledgee may not exercise its security rights in respect of such assets or perform any action with respect to such assets which could prejudice the Dutch tax authorities' priority right. During this waiting period, the Dutch tax authorities may exercise their priority right in respect of specific property for certain tax debts (*bodemvoorrecht*). Failure to notify the Dutch tax authorities, or the exercise of its security rights within the aforementioned waiting period in the manner contemplated in subclause (i) or (ii) above, may result in the pledgee having to pay to the Dutch tax authorities an amount equal to the value of the relevant assets or—in the case of an enforcement—the proceeds derived from the enforcement, provided that the amount payable shall not exceed the amount of the relevant taxes due, regardless of whether such taxes have already assessed or not. After the four-week waiting period has lapsed, or upon an earlier notification by the Dutch tax authorities that they will not exercise their priority right, a pledgee may exercise its security rights. However, the pledgee may only exercise such security rights during the four weeks following the lapse of the waiting period, or the date of the notification from the Dutch tax authorities, as the case may be. After the four-week period has ended, the aforementioned limitations are applicable again and the pledgee will only be able to exercise its security rights with respect to such property, after a new notification to the Dutch tax authorities and observance of a new waiting period.

All unsecured, pre-bankruptcy claims will have to be submitted to the bankruptcy trustee to be verified at least 14 days prior to the date of the first verification meeting. "Verification" under Dutch law means that the bankruptcy trustee determines the value of the claim and whether and to what extent the claim will be admitted in the bankruptcy proceedings for the purpose of the distribution of the proceeds. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the noteholders that are due and payable by their terms within one year of the date of the bankruptcy of the Issuer or security grantor will be accelerated and become due and payable as of that date. The valuation of claims that would not have been payable within one year from the date of the bankruptcy may be based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified (unless secured by a pledge or mortgage, in which case interest will be admitted *pro memoria*). The existence, value and ranking of any claims submitted by the noteholders may be challenged in the Dutch bankruptcy proceedings. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed. Generally, in a creditors' meeting (*verificatie vergadering*), the bankruptcy trustee, the insolvent debtor and all provisionally verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooi procedure*). Such separate court procedures could also cause payments to the holders of the Notes to be delayed compared with holders of undisputed claims.

If it is likely that there will be insufficient assets in the bankruptcy estate to distribute to the unsecured creditors, the bankruptcy judge may decide, at the request of the bankruptcy trustee, that it will not be necessary to deal with the unsecured claims and that there will not be a meeting at which claims are admitted or rejected. If the bankruptcy estate is sufficient to make a distribution to unsecured non-preferential creditors, remaining amounts after satisfaction of the secured and the preferential creditors are distributed among the positively verified unsecured non-preferential creditors, who will be satisfied on a pro rata basis.

Pursuant to Article 138 of the Dutch Bankruptcy Act (*Faillissementswet*) a composition may be offered to creditors, which shall in general be binding on unsecured non-preferential creditors if (i) it is approved by a simple majority of the unsecured non-preferential creditors present or represented at the meeting, with admitted and provisionally admitted claims representing at least 50% of the total amount of the admitted and provisionally admitted unsecured non preferential claims, and (ii) subsequently ratified (*gehomologeerd*) by the court. Under certain conditions, the supervisory judge (*rechter-commissaris*) may derogate from this procedure. The Dutch Bankruptcy Act (*Faillissementswet*) does not in itself recognize the concept of classes of creditors in liquidation compositions. Foreign creditors are, in general, not treated differently from creditors that are incorporated or residing in the Netherlands.

As mentioned above, secured creditors which have a right in rem (*goederenrechtelijke rechten*) may enforce their rights against assets of the debtor to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. As in suspension of payments proceedings, the court may order a "cooling-off period" (*afkoelingsperiode*) on the basis of Article 63a Dutch Bankruptcy Act (*Faillissementswet*) for a maximum of two months during (and potentially an additional two months) which enforcement actions by secured creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge. Furthermore the bankruptcy trustee may force a secured creditor to realize its security right by giving the creditor notice to do so within a reasonable time. A failure to take recourse by the creditor will result in the creditor forfeiting

its rights to enforce its security rights, albeit that its claim shall continue to be preferred. However, in such an event the creditor must contribute to costs of the bankruptcy which may be considerable. Any excess proceeds of enforcement and for which there is no valid security right must be returned to the bankruptcy estate and may not be off set to any unsecured claims against the debtor. Lastly, the bankruptcy trustee may force the secured creditor to hand the proceeds of certain pledged assets (*bodemzaken*) over to the bankruptcy trustee for the benefit of the Dutch tax authorities pursuant to Article 57 (3) of the Dutch Bankruptcy Act (*Faillissementswet*).

Moreover, to the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, the provision of security or an agreement pursuant to which it guarantees the performance of the obligations of a third party and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its bankruptcy trustee. This can occur if (i) the insolvent debtor performed such acts without an obligation to do so (*onverplicht*), (ii) generally the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (iii) at the time the act was performed both the insolvent debtor and (unless the act was for no consideration (*om niet*)) the party with whom or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced. For the bankruptcy trustee, knowledge of prejudice is presumed by law for certain transactions performed within a “suspect period” of one year prior to an adjudication of bankruptcy. This is applicable for certain transactions only, the most important application being in cases where the obligations of the bankrupt materially exceed those of the other party, the satisfaction of existing obligations of the bankrupt that are not yet due, and acts between the bankrupt and its counterparty when the shares in both are held (indirectly) by the same shareholder or if the bankrupt and its counterparty are part of the same group of companies.

In addition, in case of bankruptcy, the bankruptcy trustee may nullify the debtor’s performance of any due and payable obligation (including (without limitation) an obligation to provide security for any of its or a third party’s obligations) if (i) the payee (*hij die betaling ontving*) knew that a request for bankruptcy had been filed at the moment of payment, or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee with a view to give preference to the latter over the debtor’s other creditors.

The Dutch Scheme (WHOA)

With the entry into force of the Act on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*) (“**WHOA**”) on 1 January 2021, debtors have the possibility to offer a composition outside of formal insolvency proceedings. Unlike a composition in suspension of payments and in bankruptcy proceedings, a composition under the WHOA can be offered to secured creditors as well as shareholders. The WHOA provides, *inter alia*, for cross class cramdown, the restructuring of group company obligations through aligned proceedings, the termination of onerous contracts, the suspension of certain ipso facto clauses in contracts and supporting court measures. A WHOA composition may result in claims against an Issuer being compromised if the relevant majority votes in favor of such a composition and it is subsequently confirmed by the Dutch courts. A composition plan under the WHOA can extend to claims against entities that are not incorporated under Dutch law and/or are residing outside the Netherlands. Accordingly, the WHOA can affect the rights of the noteholders.

Voting on a WHOA composition plan is done in classes. A class is deemed to accept the plan if two thirds of the total amount of the debt of that class or, in the case of a class of shareholders, two thirds of the share capital of that class, participating in the vote, votes in favor. The WHOA provides for the possibility for a composition plan to be binding on a dissenting class (i.e., cross class cramdown). Under the WHOA, the court will confirm a composition plan if at least one class of creditors (other than a class of shareholders) that can be expected to receive a distribution in case of a bankruptcy of the debtor approves the plan, unless there is a statutory ground for refusal. The court can, *inter alia*, refuse confirmation of a composition plan on the basis of (i) a request by a dissenting creditor, if the value of the distribution that such creditor receives under the plan is lower than the distribution it can expect to receive in case of a bankruptcy of the debtor or (ii) a request of a dissenting creditor in a dissenting class, if the plan provides for a distribution of value that deviates from the statutory or contractual ranking and priority to the detriment of that class, unless there is a reasonable ground to do so. There is one mandatory refusal ground specifically applicable to secured financial creditors. If the composition plan entails a debt-for-equity swap to which such creditors do not want to ascribe, and these creditors do not have the right to opt for a different kind of distribution, the court will refuse confirmation of such plan at the request of such creditor.

Under the WHOA, the court may grant a stay on enforcement of a maximum of four months, with a possible extension of four months. For the duration of such moratorium, all enforcement action against the assets of (or in the possession of) the debtor is suspended unless with the court’s approval, including action to enforce security over the assets of the debtor or, in case of an undisclosed right of pledge over receivables, the collection, or notification to the debtors. Furthermore, any petitions for bankruptcy in respect of the debtor are suspended and the court may lift attachments on the debtor’s assets at the request of

the debtor or restructuring expert. The WHOA could therefore have an adverse effect on the ability of noteholders to recover payments due on the notes.

Limitations on validity and enforceability of the Dutch law Security Documents

Under Dutch law, in general, payment under a guarantee or a security document may be withheld under the doctrines of (i) the standards of reasonableness and fairness (*maatstaven van redelijkheid en billijkheid*), (ii) force majeure (*niet toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*) and (iii) the other general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such guarantee or security interest. Other general defenses include claims that a guarantee or security interest should be voided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or error (*dwalen*). Furthermore, under Dutch law, a party to an agreement may under certain circumstances suspend performance of its obligations under such agreement pursuant to the *exceptio non-adimpleti contractus* or otherwise. Other impeding factors include rights of suspension (*opschorting*), a dissolution of a contract (*ontbinding*) and set-off (*verrekening*). The enforceability of the obligations of the Parent under the Dutch law Security Documents may also be limited under the Dutch 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions and in proceedings in a Dutch court for the enforcement of a Dutch law security interest, the court may mitigate amounts due in respect of litigation, enforcement and collection costs.

Under Dutch rules on financial assistance, a public company (*naamloze vennootschap*) may not grant guarantees or collateral with a view to the acquisition of the shares in its capital by a third party. This prohibition also applies to any subsidiaries of the relevant public company (including foreign subsidiaries). It is generally assumed that a guarantee or collateral which violates Dutch financial assistance rules prohibitions is null and void. More specifically, if a guarantee or collateral partly violates financial assistance prohibitions, the guarantee or collateral will be void for that part. In addition, there is a risk that the void part will contaminate the remainder of the guarantee or collateral so that, from a Dutch law perspective, the guarantee or collateral is void in its entirety. In order to enable Dutch subsidiaries to grant guarantees or other collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Dutch rules on financial assistance, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so called “limitation language” in relation to subsidiaries incorporated or established in the Netherlands. Pursuant to such limitation language, it is agreed between the relevant parties that such guarantee or collateral is deemed not to be given to the extent the same would constitute a violation of the Dutch rules on financial assistance.

Pursuant to Dutch law it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim purported to be secured by such security interests. For that reason, the security documents pursuant to which a security interest will be granted in the assets of the Dutch subsidiaries could use a parallel debt structure, whereby the Dutch subsidiaries, as separate and independent obligations, undertake to pay to the Security Agent on behalf of the holders of the Notes offered hereby amounts equal to the amounts due by it to the other creditors. Such parallel debt structure therefore creates a separate and independent claim of the Security Agent on behalf of the holders of the Notes offered hereby which can be secured by a security interest. Consequently, the security interests are granted to the Security Agent on behalf of the holders of the Notes offered hereby in its own capacity as creditor acting in its own name pursuant to the parallel debt, and not as a representative (*vertegenwoordiger*) of the creditors. It is expressly agreed in such a parallel debt provision that the obligations of the debtor to the Security Agent on behalf of the holders of the Notes offered hereby shall be decreased to the extent that the corresponding principal obligations to the creditors are reduced (and vice versa). However, such a parallel debt structure has never been tested before a Dutch court and we cannot assure that it will mitigate or eliminate the risk of unenforceability posed by Dutch law.

A Dutch security interest can only serve as security for monetary claims (*geldvorderingen*) and be enforced upon default (*verzuim*) of the obligations secured thereby. Foreclosure on pledged property must be carried out in accordance with applicable provisions and limitations in the Dutch Civil Code and the Dutch Code of Civil Procedure.

Under Dutch law, receipt of any payment made by the Parent under a security interest may be adversely affected by specific or general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such security interest. The validity and enforceability of a security interest granted by or in, the Parent may also be successfully contested by the Parent (or their bankruptcy trustee in bankruptcy) on the basis of an ultra vires claim. The validity and enforceability of the obligations of the Dutch subsidiaries under security interest may also be successfully contested by any creditor, or by the subsidiaries’ respective bankruptcy trustee in bankruptcy when the subsidiary is in bankruptcy proceedings, if such obligation is prejudicial to the interests of any other creditor and the other requirements for voidable preference under the Dutch Civil Code and Dutch Bankruptcy Act (*Faillissementswet*) are met. As a result, the value of the security interests provided by the Parent may be limited.

Pursuant to Article 2:7 of the Dutch Civil Code, any transaction entered into by a legal entity may be nullified by the legal entity itself or its bankruptcy trustee in bankruptcy if the objects of that entity were transgressed by the transaction and the other party to the transaction knew or should have known this without independent investigation (*wist of zonder eigen onderzoek moest weten*). The Dutch Supreme Court (*Hoge Raad der Nederlanden*) has ruled that in determining whether the

objects of a legal entity are transgressed, not only the description of the objects in that legal entity's articles of association (*statuten*) is decisive, but all (relevant) circumstances must be taken into account, in particular whether the transaction is in the company's corporate interests (*vennootschappelijk belang*) and to its benefit; and whether the subsistence of the company is jeopardized by the transaction.

Dutch law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy. Pursuant to the Dutch *actio pauliana* provisions, legal acts performed by a natural or legal debtor can be challenged in or outside bankruptcy of the relevant debtor and may be nullified by the liquidator in bankruptcy or by any creditor of that debtor outside bankruptcy, if: (i) such debtor performed such acts without an obligation to do so (*onverplicht*), (ii) the concerned creditor or, in the case of bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act, and (iii) at the time the act was performed both the relevant debtor and the counterparty knew or should have known that one or more of the debtor's creditors (existing or future) would be prejudiced in their means of recovery. This is different if the act was entered into for no consideration (*om niet*), in which case such knowledge by the counterparty is not necessary for a successful challenge on the grounds of fraudulent conveyance.

The liability of the Parent under the relevant security documents, will be limited to the amount that will result in such security interest not constituting a fraudulent preference or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurances as to what standard a court will apply in making a determination of the maximum liability of the Parent. There is a possibility that the entire security interest may be set aside, in which case the entire liability may be extinguished.

If a court were to find that the granting of the security, was a fraudulent preference or conveyance or unenforceable for any other reason, the court could hold that the payment obligations under such security documents are ineffective, could void the security over the collateral, or could require the holders of the Notes to repay any amounts received with respect to the Notes or any enforcement proceeds received from enforcement of the security. In the event of a finding that a fraudulent preference or conveyance occurred, you may cease to have any claim in respect of the Issuer and would be a creditor solely of any guarantor or security provider, if applicable, under any future Guarantee or the Security Documents that have not been declared void.

In case a pre-insolvency plan has been submitted or a restructuring expert has been appointed, the debtor may submit a request to the court to sanction a legal act that was granted without a prior existing obligation to do so (*onverplicht*) as described above. Such acts could be obtaining new financing, granting security or disposing of certain assets or group companies. If the court sanctions such act, it can no longer be nullified because of fraudulent conveyance in a subsequent bankruptcy. The court will sanction such legal act in case (i) such acts were necessary to continue the enterprise of the debtor during the preparation of the pre-insolvency plan, (ii) such acts were necessary to prepare, submit for voting or confirm a pre-insolvency plan, or (iii) such acts are for the benefit of the creditors jointly, while no individual creditor's interest have been significantly negatively impacted.

The general terms and conditions of Dutch banks applicable to bank accounts held in the Netherlands often provide for a restriction on the creation of security over bank account receivables in favor of third parties. As a result, it may not be possible to create security over bank accounts held in the Netherlands unless prior consent has been obtained from the relevant account bank. Without such consent there may be no valid security over the Dutch bank accounts. In addition, also if the consent has been granted and a valid security right has been created, such security is subject to a right of pledge and right of set-off of the account bank based on the General Banking Conditions (*Algemene Bankvoorwaarden*), unless such rights of pledge and set-off have been waived by the relevant account bank.

In the event of the occurrence of certain events, the Security Agent may enforce the security interests created pursuant to the relevant security documents governed by Dutch law. A secured creditor may, in principle, enforce its security as if there are no insolvency proceedings. This is subject to limited exceptions, including that (i) the court may impose a moratorium which may not exceed four months, during which pledgees may not exercise their rights, (ii) the liquidator in bankruptcy may fix a period within which the pledgee must exercise their rights. If the pledgee does not enforce its security rights during this period, the trustee in bankruptcy will become exclusively entitled to enforcement. However, even in such a situation, the pledgee will retain its priority in respect of the proceeds but will need to contribute pro rata to the general bankruptcy costs. The same applies in situations where there is a suspension of payment, and (iii) a court may suspend, for a period not exceeding eight months, enforcement of security rights against a pledgor in relation to which statutory proceedings for the restructuring of debts (*akkoordprocedure*) have been started. In general, under Dutch insolvency law mortgages and pledges rank above other rights of priority (other than senior ranking security and other liens), including the general priority right of the Dutch tax authorities on the tax debtor's assets. However, Dutch law provides for exceptions. For example, under certain circumstances, the Dutch tax authorities' priority right ranks above a non-possessory pledge on inventory (not including stock) found on the premises of the tax debtor (*bodemzaken*). Schemes often used to interfere with these tax authorities' priority, most notably the

lease of the debtor's premises (*bodemverhuurconstructie*), have been restrained by legislation. Creditors intending to make use of this scheme, now must inform the tax authority of their intention and may not carry out the scheme during a period of four weeks after the moment the tax authorities have been informed.

Under Dutch law the following rules generally apply to the enforcement of a pledge. A pledge must be enforced in one of the following four ways, being (i) a public sale ('auction'), (ii) a private sale by the pledgee to a third party (a) either with the consent of the pledgor and any other interested party (such as the holder of a junior ranking pledge, or conservatory or executory attachment), or (b) with the approval of the competent court, (iii) accrual of the pledged asset to the pledgee ('appropriation') with the approval of the competent court for a price determined by that court, or (iv) in the event of rights of pledge on receivables, by collecting the receivables (*inning*) and having recourse against the amounts so collected. A public auction has to be effected in accordance with the applicable provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). Under Dutch law, shares in a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) may only be transferred upon foreclosure in accordance with Dutch law and the relevant pledged company's articles of association as they read at the time of foreclosure. Undisclosed rights of pledge on claims can, in principle, only be enforced (through collection of the claims) after the pledge has been disclosed to the debtor. The Security Agent or (unless it has waived such right) the relevant security provider may request the competent court to approve a private sale of the encumbered assets. In the event of pledged assets, the Security Agent and the relevant security provider may agree to an alternative enforcement procedure once the pledge has become enforceable. The Security Agent may also request the competent court to determine that the pledged assets shall accrue to it for a price determined by the court.

Spain

The following is a summary of certain Spanish insolvency and enforceability considerations. It does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Spanish Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

Insolvency proceedings

Concept and petition for insolvency

DIGI Spain is incorporated under the laws of Spain and has its corporate seat in Spain which is presumed to be the place where DIGI has its center of main interests ("COMI"). As a general rule, in the event of an insolvency of DIGI Spain, insolvency proceedings will be initiated in Spain and governed by Spanish law. The Royal Legislative Decree 1/2020 of 5 May approving the Spanish Recast Insolvency Law (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended from time to time, and in particular, but not limited to, by the law 16/2022 of 5 September 2022 for the transposition of the Directive (EU) 2019/1023 of the European Parliament and of the Council (the "**Spanish Insolvency Act**") regulates pre-insolvency and court collective insolvency proceedings, as opposed to out-of-court liquidation (which, pursuant to Spanish corporate law, is only available when the debtor has sufficient assets to meet its liabilities).

The insolvency laws of Spain may not be as favorable to your interests as creditors as the laws of the United States, the United Kingdom or other jurisdictions to which you may be familiar. The following is a brief description of certain aspects of the insolvency laws of Spain.

The insolvency and pre-insolvency proceedings described herein shall apply to companies that have their COMI in Spain which are not considered SMEs or micro enterprises. The Spanish Insolvency Act provides for special regimes applicable to SMEs (i.e., entities with less than 50 employees and with an annual turnover not exceeding €10 million) and micro enterprises (i.e., entities with less than 10 employees and less than €700,000 of annual turnover).

Pre-insolvency Regime

The debtor is obligated to file a petition for insolvency within two months of becoming aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occur. Failure to file a petition for insolvency within the statutory two-month period may lead to personal liability of the directors of the company. There is no legal duty to file for insolvency when the insolvency is imminent.

Notwithstanding the foregoing, the general duty to file for insolvency within the referred two months does not apply if the debtor who is in actual or imminent insolvency, or is likely to become insolvent, and has not been declared in insolvency notifies the applicable Court that it has initiated, or intends to imminently initiate, negotiations with its creditors to obtain support to reach a court-sanctioned restructuring plan (the "**Restructuring Plan**") in accordance with Title II (*Título II*) of the

Second Book (*Libro Segundo*) of the Spanish Insolvency Act (the “**Opening of Negotiations Communication**”). After filing, the debtor is not entitled to file another Communication for a term of one (1) year.

Effectively, by means of the Opening of Negotiations Communication, the debtor gains an additional (as from the Opening of Negotiations Communication filing) three-month period (extendable in certain circumstances for another three months) to negotiate a restructuring plan and one further month to file for the declaration of insolvency in case the plan has not yet been achieved, unless it is not insolvent at such time. During such period of time, if applicable (although these effects may become unapplicable to certain creditors during the extension if it can cause their insolvency), creditors’ petitions for mandatory insolvency will not be accepted (a petition for insolvency potentially filed by a creditor within the next month will not be processed by the court unless the debtor does not file for insolvency by the end of such month) and court or out-of-court enforcement actions, other than those arising from public law claims (with certain exceptions), over those assets or rights deemed necessary for the continuity of the debtor’s business activities, are prohibited or suspended (as applicable). Nevertheless, secured creditors shall be entitled to bring enforcement proceedings against the corresponding secured assets. However, if these secured assets are necessary for the continuity of the debtor’s business or professional activity, once enforcement proceedings have been initiated, they shall be immediately suspended until three or six months have elapsed from the date when the Opening of Negotiations Communication is filed.

The holders of security interests, even for another’s debt when the debtor of this debt is a company of the same group as the company that has made the Opening of Negotiations Communication, may initiate judicial or extrajudicial enforcement on the encumbered assets or rights. If the collateral falls on assets or rights necessary for the continuity of the debtor’s business or professional activity, once the enforcement proceedings have been initiated, they will be suspended by the judge hearing the case until three months (or, in the case of extension, six months) have elapsed from the date of filing of the Opening of Negotiations Communication.

The Opening of Negotiations Communication will not prevent the enforcement of the financial collateral subject to Royal Decree-Law 5/2005, of March 11, 2005, on urgent reforms to boost productivity and improve public contracting, nor will it affect the power of acceleration of the guaranteed obligations, for the part covered by such financial collateral.

The Opening of Negotiations Communication cannot imply acceleration of deferred creditors on a standalone basis. Creditors are entitled to trigger a third-party personal guarantee as to request repayment of a due and payable debt, although the debtor has filed the Opening of Negotiations Communication, even if such creditor is taking part in the negotiations protected by the Opening of Negotiations Communication. However, the Opening of Negotiations Communication will suspend the enforcement of guarantees or in rem security provided by any other group company not included in the Opening of Negotiations Communication when the debtor company has so requested and proves that the enforcement of the guarantee may cause the insolvency of the guarantor and the debtor itself.

Restructuring Plans

After the last reform of the Spanish Insolvency Act, all the refinancing instruments foreseen by the insolvency law for the pre-insolvency stage have been consolidated into one: Restructuring Plans.

Restructuring Plans may be implemented when a company is in a situation of likelihood of insolvency (*probabilidad de insolvencia*), meaning that the debtor foresees it will be unable to meet its payment obligations within the following two years. More far-reaching restructuring measures may also be adopted when the debtor is in a situation of imminent insolvency (*insolvencia inminente*)—i.e., when it anticipates that it will not be able to meet its obligations within the next three months—or in a state of actual insolvency (*insolvencia actual*), although in the latter case certain limitations may apply if a petition for compulsory insolvency (*concurso necesario*) has been filed by creditors.

Restructuring Plans allow for the taking of a wide range of measures affecting not only the debt, including debt write-offs, postponements, debt capitalizations, restructuring of the collateral structure, termination of agreements and different measures for debt payment (such as the conversion of debt into any other financial instrument), but also other restructuring measures over the debtor’s assets and liabilities or its equity, including mergers, demergers and other corporate transactions, potential changes in the debtor, addition or release of debtors or other obligors, divestments of assets or businesses with the prior release of guarantees and security interests, provided it is sufficient and proportionate to ensure the viability of the business and its continuation as a going concern.

The Restructuring Plans must include a minimum content set out in article 633 of the Spanish Insolvency Act and will need to be formalized in a public document (*formalizado en instrumento público*), attaching a certificate issued by either the restructuring expert (if one is appointed) or, otherwise by the debtor’s auditor, evidencing that the relevant majorities required for approval have been met (these majorities are calculated individually with respect to each debtor company, even if it belongs to a group of companies).

Any Restructuring Plans proposal must be notified to all affected creditors individually (by mail or electronically) or, if that is not possible when their identity or address are unknown, through the debtor's website or, as a last resort (if requested) by the restructuring expert when appointed, or by the applicants of the court approval (*homologación judicial*), by being published in the Spanish Public Insolvency Registry (*Registro Público Concursal*). As to syndicated claims, the Restructuring Plans proposal must be notified according to the provisions of the syndicated agreement.

Creditors affected by a Restructuring Plan approve the Restructuring Plan by classes of creditors. The Spanish Insolvency Act sets out certain criteria for the formation of classes of creditors as well as a specific judicial proceeding to approve creditors classes. In order to obtain the approval of a Restructuring Plans by a class of creditors (i) more than two thirds of the creditors (by value) of such class must support the Restructuring Plan if the relevant class is comprised of unsecured creditors; or (ii) at least three quarters of the creditors (by value) of such class must support the Restructuring Plan if the relevant class is comprised of secured creditors.

As to the rules to calculate whether the required thresholds have been reached, all creditors holding an interest in a syndicated claim will be deemed to have adhered to the Restructuring Plan (for the purposes of petitioning protection against claw back) if it is favorably voted upon by at least 75% of the liabilities represented by the syndicated claim, or a lower majority if so established in the syndicated agreement.

Under the Spanish Insolvency Act, the effects of a Restructuring Plan can be imposed on all types of creditors and claims (subject to specific and limited exceptions), such as financial claims, non-financial claims (including trade creditors), one or multiple classes of creditors and, with certain exceptions, even the debtor's shareholders. Public creditors (e.g., tax authorities and the Social Security) can only be subject to the Restructuring Plan if very strict requirements are complied with and may be only subject to limited postponements. In particular, claims held by public creditors cannot be subject to a haircut, debt-for-equity swap, change of debtor or change of governing law. According to this special regime, as a general rule, their maturity can be extended up to 12 months since the issuance of the homologation ruling and up to 6 months since the issuance of the homologation ruling if a deferral or division in instalments (*aplazamiento o fraccionamiento de pago*) of such debt has been agreed with the public administration.

Effects of Restructuring Plans

A Restructuring Plan may modify the composition, conditions or structure of the assets and liabilities of the debtor, or its net equity, including the transmissions of assets, productive units, or the entire business as a going concern, as well as any operative change, or a combination of the above.

In principle, a Restructuring Plan will not affect the validity of contracts with ongoing reciprocal obligations. However, the Spanish Insolvency Act allows for the termination of such contracts when such termination is necessary to ensure the Restructuring Plan's success. This includes the termination of senior management contracts, and trade supply agreements. Claims arising from the termination of contracts with ongoing reciprocal obligations are subject to the effects of the restructuring.

The court should sanction (*homologación*) a Restructuring Plan as long as: (a) the debtor is in a likelihood of insolvency, imminent insolvency or current insolvency, and the Restructuring Plan offers a reasonable prospect of avoiding an insolvency declaration (*concurso de acreedores*) and ensuring the debtor's viability in the short and medium term; (b) the Restructuring Plan complies with the minimum content and formal requirements established under the Spanish Insolvency Act; (c) the Restructuring Plan has been approved by all classes of affected creditors (except where a cross-class cram down needs to be sought, in which case a different rule will apply), as well as by the debtor or, if applicable, its shareholders; (d) all claims within the same class are treated equally (*paritario*); and (e) the Restructuring Plan has been notified to all affected creditors in accordance with the formalities set forth in the Spanish Insolvency Act.

In addition, the court-sanctioning request must comply with the following general rules: (a) the debtor or any affected creditor supporting the Restructuring Plan must request the court-approval; (b) if the debtor is in a state of current insolvency, the Restructuring Plan's court approval can be requested as long as there is no creditor's involuntary insolvency petition (*solicitud de concurso necesario*) admitted for processing (*admitida a trámite*); and (c) if a court has approved a Restructuring Plan, no new requests regarding the same debtor will be admitted for a period of one year as from the date when the previous Restructuring Plan was filed for court-approval.

Judicial sanctioning of a Restructuring Plan (*homologación*) may be obtained upon request by the debtor or by any creditor having entered into such Restructuring Plan, if certain majority thresholds upon the classes that the "affected debt" is divided into votes in favor, and any of the following three scenarios happen: (i) all classes vote in favor of the Restructuring Plan; (ii) at least one of the classes that votes in favour of the Restructuring Plan holds privileged debt; or (iii) at least the class that votes in favor of the Restructuring Plan is "in the money." The debtor's restructuring expert shall certify that the required

thresholds have been reached. Further, the agreement setting out the Restructuring Plan must be executed by means of a notarial deed.

The judicial sanctioning of a Restructuring Plan would be required where (i) the provisions of the Restructuring Plan are to be mandatorily applied to dissenting creditors who did not vote in favor of the Restructuring Plan or the shareholders (cram-down or cross-class-cram-down); (ii) where contracts of the debtor with third parties are to be mandatorily terminated for the benefit of the restructuring; and (iii) where the transactions envisaged under the Restructuring Plan, are to be protected from claw-back actions in the event of a subsequent insolvency of the debtor, or interim or new money injected to the debtor is to benefit of certain privileges and protections and receive the preferred ranking provided for by the Spanish Insolvency Act. Cramdown effects of homologated Restructuring Plans may be imposed on financial and non-financial debt subject to certain exceptions (*i.e.*, commercial debt).

Judicially sanctioned Restructuring Plans may be challenged by affected creditors under a specific proceeding set out by the Spanish Insolvency Act.

Concept and petition for insolvency

In Spain, insolvency proceedings are only triggered in the event of a debtor's current insolvency (*insolvencia actual*) or imminent insolvency (*insolvencia inminente*). Under the Spanish Insolvency Act, a debtor is insolvent when it becomes unable to regularly meet its obligations as they become due and payable (current insolvency) or when it is expected that it will be unable to pay its debts timely and regularly within the next three months (imminent insolvency). A petition for current insolvency may be initiated by the debtor, by any creditor (provided that (i) it has not acquired the credit within the six months prior to the filing of the petition for insolvency, for *inter vivos* acts, on a singular basis and once the credit was mature; and (ii) proof of specific circumstances is provided as explained below) or by certain other interested third parties. However, only the debtor may file a petition for insolvency on the basis of its imminent insolvency.

Voluntary insolvency

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor.

The debtor is obliged to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its current state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occurs.

Notwithstanding the foregoing, the general duty to file for insolvency within the referred two months will be suspended if the debtor files the Opening of Negotiations Communication, as explained above.

Mandatory insolvency

Insolvency is considered mandatory (*concurso necesario*) if filed by a third-party creditor. Under Article 2.4 of the Spanish Insolvency Act, a creditor can apply for a declaration of insolvency if the creditor can prove any of the following circumstances, *inter alia*, in order to show the debtor's current insolvency (creditors do not have standing to file upon imminent insolvency): (i) existence of a previous judicial or administrative declaration of insolvency of the debtor; (ii) an order of seizure or attachment has been given without assets being found; (iii) there is a generalized default on payments by the debtor; (iv) there is a seizure of assets affecting or comprising the generality of the debtor's assets; (v) there is asset stripping, "fire sale" or ruinous liquidation of the debtor's assets; or (vi) there is a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three months) prior to the filing of the relevant insolvency request.

Upon receipt of an insolvency petition by a creditor, the court may issue provisional interim measures to protect the assets of a debtor and may request a guarantee from the petitioning creditor asking for the adoption of such measures to cover damages caused by the preliminary protective measures.

The relevant debtor may oppose to the mandatory insolvency petition. In this case, the insolvency court will then summon the parties to a hearing and will finally render a court ruling either dismissing the application filed by the creditor or declaring the insolvency of the debtor.

Request of joint insolvency

The insolvency of a company forming part of a group of companies, including the parent company, does not automatically lead to the insolvency of the remaining companies of the group. As stated above, a company is insolvent when it cannot regularly meet its payment obligations as they fall due. This analysis is conducted individually at each company level.

Notwithstanding the above, creditors may apply for a joint insolvency declaration of two or more of its debtors (*acumulación de concursos*) if either: (a) the assets are commingled; or (b) they form part of the same group of companies.

Therefore, the request for the joint insolvency of two or more legal entities may only be filed by a common creditor of the relevant companies and each of the affected companies must in fact be separately insolvent. Joint insolvency may also be requested by the companies themselves provided that they form part of the same group.

As to ongoing insolvency proceedings, any of the insolvent debtors, or the insolvency administrator, as the case may be, may apply for the procedural consolidation of insolvency proceedings already declared under certain circumstances (including if the insolvent debtors form part of the same group of companies or if the assets are commingled). In addition, creditors may apply for the procedural consolidation of the insolvency proceedings of two or more of its debtors already declared if either: (a) the assets are commingled; or (b) they form part of the same group of companies, provided that a petition has not been submitted by any of the insolvent debtors or by the insolvency administrator pursuant to Article 41 of the Spanish Insolvency Act.

It is important to note that coordinated insolvency proceedings do not entail substantive consolidation. As a result, and as a general rule, a “group insolvency” does not lead to a commingling of the debtors’ assets and creditors of such group. This means that the creditors of one company of the group will not have recourse against other companies of the same group (except where cross-guarantees exist, in which case such a claim might be subordinated).

The current system is basically a procedural one, aimed at making the insolvency proceedings as time and cost efficient as possible. However, exceptionally, and for the purpose of the drafting of the insolvency report, by the insolvency administrator only, assets and liabilities amongst the companies declared insolvent may be consolidated where the estates and liabilities are so commingled, in order to avert unjustified cost and delay.

Conclusion of insolvency: proposal of agreement or liquidation

The Spanish Insolvency Act provides that insolvency proceedings conclude, as a general rule, following either the implementation of an agreement between the creditors and the debtor (the “**Company Voluntary Agreement**” or the “CVA”) or the liquidation of the debtor.

Certain effects of the insolvency

For the debtor

As a general rule, the debtor in a voluntary insolvency retains its powers to manage its business but is subject to the court appointed intervention of the insolvency receivers (*administración concursal*) (intervention regime). In case of mandatory insolvency, as a general rule and subject to certain exceptions, the debtor no longer has power over its assets, and management’s powers (including the power to dispose of assets) are conferred solely upon the insolvency receivers (suspension regime). However, the court has the power to modify this general regime subject to the specific circumstances of the case. In addition, upon the insolvency receivers’ request, the court has the power to swap the intervention regime for a suspension regime or vice versa.

Actions carried out by the debtor that breach any required supervision of the insolvency receivers may be declared null and void unless ratified by the insolvency receivers.

On contracts

A declaration of insolvency does not affect agreements with reciprocal obligations pending on performance by either the insolvent party or the counterparty (executory contracts), which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate (*con cargo a la masa*). The court can nonetheless terminate any contracts with mutual obligations at the request of the insolvency receivers (provided that management’s powers have been solely conferred upon the insolvency receivers), or the company itself (if its powers to manage its business are only subject to the intervention of the insolvency receivers), when such termination is in the interest of the estate (rejection) (*resolución del contrato en interés del concurso*) or at the request of the non-insolvent party if there has been a breach of such contract following the declaration of insolvency (except for ongoing contracts (*tracto sucesivo*) which can also be terminated on merits taking place before the declaration of insolvency). In case that the breach by the insolvent debtor takes place after the declaration of the insolvency proceedings, or termination is justified on the interest of the estate, the termination of such contracts may result in the insolvent debtor having to return, and indemnify damages to, its counterpart against the insolvency estate (*con cargo a la masa*) or, in case of termination in the interest of the insolvency proceedings, the compensation will have the character of an insolvency claim (*crédito concursal*). On the other hand, the judge may decide to cure any breach of the insolvent debtor at its request or the insolvency receivers’ request (assumption) (*mantenimiento del contrato en interés del concurso*), in which case the non-insolvent party shall be entitled to seek specific performance against the insolvency estate (pre-deductible claim from the estate). Lastly, under Article 156 of the Spanish Insolvency Act, all clauses in contracts that entitle any party to terminate an agreement based solely on the other party’s declaration of insolvency (*ipso facto* clauses) are deemed as not included in the agreement (void) and, therefore, unenforceable, except if expressly permitted by specific laws (i.e., agency laws).

Additionally, the declaration of insolvency determines that interest accrual is suspended, except (i) credit rights secured with an in rem right, in which case non-moratorium interest accrues up to the value of the security, and (ii) any wage credits in

favor of employees, which will accrue the legal interest set forth in the corresponding State Budget Act (*Ley de Presupuestos del Estado*).

On enforcement proceedings

As a general rule, the enforcement rights of unsecured creditors are suspended upon the court declaration of insolvency (with the exception of certain actions related to labor enforcement and administrative proceedings that do not concern assets necessary for the continuation of the commercial or professional activity of the debtor).

Additionally, once the insolvency proceedings are declared open, singular, judicial or extrajudicial enforcements may not be initiated, nor may administrative or tax demands for payment to be collected coercively against the assets of the debtor be continued.

The enforcement of any security over certain assets or rights that are necessary for the continuation of the commercial or professional activity of the insolvent company (*in rem* securities) may not be commenced (and the procedures already initiated before the declaration opening insolvency proceedings shall be suspended) until the earlier of: (i) a CVA being approved, provided that the CVA does not affect such right or (ii) one year having elapsed as of the declaration of the insolvency without the opening of a liquidation.

On the other hand, the enforcement of security over assets or rights that are not necessary for the continuation of the commercial or professional activity of the debtor may be initiated, or the suspension of enforcement proceedings already initiated may be lifted, if a decision of the insolvency court declaring that the relevant assets or rights are not necessary for the continuation of the debtor's activity is accompanied with the claim or incorporated into the proceedings which have been suspended.

When determining which assets or rights of the debtor are used for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets and rights. Nevertheless, shares/quota shares held by an insolvent debtor in another company whose only activity is the holding of a material asset and servicing the financing provided in connection with the acquisition of that asset, are not considered to be an asset necessary for the debtor's business activity unless the enforcement of the relevant security interest that was granted over the shares implies an early termination or amendment of the contractual relations permitting the economic exploitation of the corresponding asset.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings as such proceedings can have an effect on the insolvency estate (excluding enforcement proceedings with regard to financial collateral (as defined in Royal Decree Law 5/2005, of 11 March 2005, as amended from time to time, or collateral located in an EU Member State other than Spain, or labor and administrative enforcement proceedings in certain circumstances)). When compatible, in order to protect the interests of the debtor and creditors, the Spanish Insolvency Act extends the jurisdiction of the court dealing with insolvency proceedings, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets.

Additionally, prospective investors should also note that enforcement of any security interests will be subject to the provisions of Spanish procedural law and the Spanish Insolvency Act (where applicable), which may entail delays in the enforcement.

Commencement of the liquidation phase causes the loss of the right to start a separate enforcement process in relation to those secured lenders who did not initiate enforcement either before the declaration of insolvency or after a year since the declaration of insolvency. However, creditors regain the right to separate enforcement on the secured asset if it has not been disposed of within one year of the opening of the liquidation phase.

Finally, insolvency proceedings will not have any effects on a creditor's *in rem* rights over assets —of any kind—of the debtor that, at the time of the declaration of the insolvency proceedings, are located in a EU Member State (other than Denmark) or, if located in a state (other than an EU Member State bound by the EU Insolvency Regulation), such effects must be exclusively governed by the law of that state.

Ranking of claims (priority rules)

Creditors are required to report their claims to the insolvency receivers within one month from the day of the publication of the order in the Official State Gazette, providing original documentation to justify such claims. Based on the documentation provided by the creditors and documentation held by the debtor, the court administrators draw up a list of acknowledged creditors/ claims and classify them according to the categories established in the Spanish Insolvency Act.

Under the Spanish Insolvency Act, claims are classified in two groups:

- Estate Claims (*créditos contra la masa*): Article 242 of the Spanish Insolvency Act sets out the “estate claims” which are pre-deductible (when they become due and payable) claims from the estate (excluding those assets of the insolvent debtor subject to *in rem* security). Debt against the insolvency estate includes, among others, (i) certain amounts of the employee payroll, (ii) costs and expenses of the insolvency proceedings, (iii) certain

amounts arising from services provided by the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency of the debtor is declared (including those amounts payable as a consequence of the breach of contract by the insolvent debtor if such breach takes place after the declaration of insolvency), (iv) those that derive from the exercise of a claw back action within the insolvency proceedings of bilateral acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion, (vi) certain debts incurred by the debtor following the declaration of insolvency, (vii) in case of liquidation, the financing granted to the debtor to support a CVA if so expressed in said CVA (event if granted by specially related persons to the extent the CVA contains the maximum claims and the details of the relevant creditor), (viii) 50% of the lent funds as interim financing or new financing within the framework of a court-sanctioned restructuring plan when the credits affected by such plan represent at least fifty-one percent of the total liabilities (or more than sixty percent of the total liabilities if this interim or new financing is provided by specially related persons, after deducting their claims). These post-insolvency claims are deemed “super-senior” in the sense that they are not subject to ranking or acknowledgement and, in principle, must be paid as and when they fall due; therefore, these claims are preferred to all others, except for proceeds from collateral subject to specially privileged claims (as described below).

- Insolvency Claims (*créditos concursales*): Insolvency claims are classified as follows:
 - Specially Privileged Claims (*créditos con privilegio especial*): Creditors benefiting from special privileges, representing security over certain assets (in rem securities) up to the amount of the value of their security, provided that such security is listed in the creditors’ list (in this regard, the value of a security shall be 90% of the reasonable value—calculated as provided for in the Spanish Insolvency Act—of the secured asset minus those claims that hold higher ranking security over such asset, if any). The part of the claim exceeding the value of its security will be classified according to the nature of the claim. These claims benefiting from special privileges may entail separate enforcement proceedings, though subject to certain restrictions derived from a waiting period that may last up to one year from the date of declaration of the insolvency and certain additional limitations set forth in the Spanish Insolvency Act (such as, in case of sale and repayment set forth in the Spanish Insolvency Act depending on whether the secured asset is sold on an individual basis, or as part of a business unit on a going concern as provided in Sections 209 and seq. of the Spanish Insolvency Act). However, while any enforcement proceedings remain suspended under the Spanish Insolvency Act, the insolvency receiver has the option to pay the relevant claims against the insolvency estate under specific payment rules. As a general rule, privileged creditors are not subject to the CVA unless they give their express support by voting in favor of the CVA or, in case they do not give such express support, if creditors holding security which represent at least 60% (or 75% depending on the conditions of the CVA) of the total value of secured claims of the same class vote in favor of such CVA. In the event of liquidation, they are the first to collect payment against the assets on which they are secured.
 - Generally Privileged Claims (*créditos con privilegio general*): Creditors benefiting from a general privilege, including, among others, specific labor claims and specific claims brought by public entities or authorities are recognized for half their amount, and claims held by the creditor taking the initiative to apply for the insolvency proceedings, for up to 50% of the amount of such debt (*provided that* they are not subordinated claims). Moreover, fifty percent of the amount of the credits derived from interim financing or new financing granted within the framework of a court-sanctioned restructuring plan will also be generally privileged claims when the credits affected by such plan represent at least fifty-one percent of the total liabilities (or more than sixty percent of the total liabilities if this interim or new financing is provided by specially related persons, after deducting their claims). The holders of general privileges are not to be affected by the CVA except if they give their explicit support by voting in favor of the CVA unless creditors holding claims benefiting from general privileges which represent at least 60% (or 75% depending on the conditions of the CVA) of the total value of claims benefiting from general privileges of the same class vote in favor of such CVA. In the event of liquidation, they are the first to collect payment against assets other than those secured by a specially privileged claim after post insolvency credits/estate claims and specially privileged creditors, in accordance with the ranking established under the Spanish Insolvency Act.
 - Ordinary Claims (*créditos ordinarios*): Ordinary creditors (non-subordinated and non-privileged claims) are paid pro rata once estate claims and both generally and specially privileged claims have been paid. In order for a CVA to be deemed approved by either simple majority, 50% or 65% of the ordinary

creditors (depending on the workout measures envisaged under the CVA), of the total value of ordinary claims must vote in favor of such CVA.

- Subordinated Claims (*créditos subordinados*): Subordinated creditors (thus classified by virtue of an agreement or pursuant to law), include, among others: credits communicated late (outside the specific one-month period mentioned above); credits which are contractually subordinated vis-à-vis all other credits of the debtor; credits relating to unpaid interest claims (including default interest, regardless if these are secured or not) except for those credits secured with an in rem right up to the value of the security interest; fines; and certain claims of creditors which are “specially related parties” to the insolvent debtor, save the exceptions of interim and new financing.

In the case of a legal entity debtors, the following shall be deemed as “specially related parties”: (i) shareholders with unlimited liability (in case such shareholders are natural persons it would include any special related party to these shareholders, as described herein); (ii) limited liability shareholders holding, directly or indirectly, 10% or more of the insolvent company’s share capital (or 5% if the company is listed or has securities listed in a secondary official market) at the time when the relevant credit right arises; or (iii) directors (either *de iure* or *de facto*), insolvency liquidators and those holding general powers of attorney from the insolvent company (including those people that have held these positions during the two years prior to the insolvency declaration); and (iv) companies pertaining to the same group as the debtor and their common shareholders with the insolvent company, provided such common shareholders meet the minimum shareholding requirements set forth in (ii) above. Notwithstanding the above, creditors who have directly or indirectly capitalized their credit rights pursuant to a restructuring plan approved by the court or a CVA (even if those creditors have assumed a position on the board of directors of the debtor on account of the capitalization) shall not be considered as being in a special relationship with the debtor, in respect of credits against the debtor, as a result of the financing granted under such arrangements nor shall be deemed as shadow directors as a result of the covenants assumed by the debtor in relation to the viability plan, unless the existence of a circumstance justifying the shadow directorship is proven. Furthermore, in the absence of evidence to the contrary, assignees or awardees of claims belonging to any of the persons mentioned in this paragraph are presumed to be specially related persons to the insolvent debtor as long as the acquisition has taken place within two years prior to the insolvency proceedings being declared open.

Claims related to accrued and unpaid interest, unless and to the extent they are secured by an in rem right, are also subordinated.

Lastly, claims different from loans and acts with an analogous purpose held by shareholders and common shareholders will not be subordinated.

Subordinated creditors are second level creditors; they do not vote on the CVA (but are subject to its terms) and in the event of liquidation collect payment according to the ranking established in the Spanish Insolvency Act (once ordinary creditors have been paid in full). Thus, subordinated creditors have limited chances of collecting payment according to the ranking established in the Spanish Insolvency Act.

If the holder of a subordinated claim does not challenge such classification in due time and form (or, if challenged, when the judgment dismissing it becomes final (*firme*)), the court will release any class of security perfected over assets or rights belonging to the debtor’s estate securing the subordinated claim.

Hardening periods

There is no clawback date by operation of law. Therefore, there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings, but instead the insolvency receivers (or creditors that have asked the insolvency receiver to do so in the absence of action by the insolvency receiver) must expressly challenge those transactions, acts and payments that are considered detrimental to the insolvent debtor's estate by filing an action for rescission (*acción de reintegración*). Under the Spanish Insolvency Act, upon the declaration of insolvency, only transactions that could be deemed as having damaged (*perjudiciales*) the insolvent debtor’s estate (i.e., causing a so-called “patrimonial damage”) may be rescinded, even if there was no fraudulent intention, upon:

- (a) insolvency declaration petition and made during the two (2) years prior to the date of the insolvency declaration petition and until the declaration; or

- (b) the notice to the court regarding the initiation of negotiations or the intention to commence them and made during the two (2) years prior to such date as long as (i) a restructuring plan has not been passed or, when passed, has not been approved by the court; or (ii) the insolvency declaration takes place within the year after the end of the pre-insolvency period.

In addition, certain actions can be subject to claw back under the general regime of avoidance set forth in the Spanish Civil Code, pursuant to which the insolvency receiver or any creditor may bring an action to rescind a contract or agreement provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. The claw back period for this action is four (4) years.

The Spanish Insolvency Act does not define the meaning of “patrimonial damage.” Damage does not refer to the intention of the parties, but to the prejudicial consequences of the transaction on the insolvent debtor’s estate or the prejudice to the equality of the treatment among creditors which drives insolvency proceedings (*pars condition creditorum*). There are several “irrebuttable presumptions” expressly set forth by the Spanish Insolvency Act (i.e., free disposals and prepayment or cancellation of the company’s unsecured claims or obligations prior to them being due and where the due dates of the relevant unsecured claims or payment obligations fall after the date of declaration of insolvency), in which case such transactions are rescinded if they fall within the hardening period. In addition to the above, the Spanish Insolvency Act sets forth certain actions which are deemed to cause a “patrimonial damage” to the insolvent company, but which are “rebuttable presumptions” and therefore subject to being contested by the other party (i.e., disposals in favor of “specially related parties” (as described above), the provision of security with respect to previously existing obligations or with respect to new obligations replacing existing ones and the prepayment and cancellation of the company’s secured claims or obligations which fall due after the date of declaration of insolvency). Ordinary transactions carried out within the debtor’s ordinary course of the business cannot be rescinded, provided that they are carried out at arm’s length.

Spanish case law has ruled that damage to the estate exists when an unfair pecuniary detriment (*perjuicio patrimonial injustificado*) has been caused to the debtor’s estate. For instance, insolvency judges have considered detrimental specific payments of due and payable debts made by companies when it has been proven that, at the moment of payment, the company was already insolvent. Additionally, Spanish case law has also ruled that intragroup guarantees and security are deemed such as a transaction entered into in favor to parties that have a special relationship with the debtor (although the creditor is not a related party), so that the above mentioned rebuttable presumption of detriment applies. In such a case, Spanish case law considers that such presumption may be rebutted when the group company providing the intragroup guarantee or security has received an equivalent compensation in exchange.

In any event, fraudulent acts that have been entered into by creditors may always be rescinded and also those payments made by the debtor in respect of obligations which the debtor, at the time of payment, could not be compelled to pay.

The consequence of the insolvency court ruling for the rescission of a prejudicial act is that the parties involved in such transaction are required to return their reciprocal consideration with any accrued rents or interest and the guarantees and security interests are canceled (concerning bilateral contracts, otherwise, the only party obliged to return is the non-insolvent one). Such claims are generally regarded as claims against the estate (*créditos contra la masa*) unless in case of bad faith of the relevant creditor in which case these claims will be subordinated.

Notwithstanding the foregoing, pursuant to Article 16 of the EU Insolvency Regulation and Article 730 of the Spanish Insolvency Act, acts and transactions governed by laws other than Spanish law will not be subject to claw back actions if such act or transaction cannot be rescinded or challenged by any means and under any grounds whatsoever (i.e., not only in insolvency scenarios) under the relevant non-Spanish applicable laws. Procedurally, there is no safe harbor against a lawsuit being filed and lenders being served to appear before Spanish courts, but the lawsuit should be dismissed on the merits if lenders prove (i) that the act or transaction at issue is subject to foreign law and (ii) that such act or transaction is unavoidable under the circumstances pursuant to that foreign law.

Conclusion of insolvency

The Spanish Insolvency Act provides that insolvency proceedings conclude following either the implementation of a settlement, composition or agreement between the creditors and the debtor (the “CVA”) or the liquidation of the debtor.

CVA

Once the debtor’s assets and liabilities have been identified, the Spanish Insolvency Act encourages creditors to reach a CVA. This agreement may be proposed either by the debtor or by the creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this agreement must be honored by the debtor and respected by the creditors.

The CVA should contain proposals for write-offs and/or stays and it may also contain alternative or complementary proposals for all creditors or for certain classes of creditors (except for Public Law creditors), including conversion of debt into shares, into profit-sharing credits, convertible bonds or subordinated debt, or any financial instrument different from the original

debt. It may also include proposals for allocation of all assets or of certain assets to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the CVA.

The proposals in the CVA shall include a payment schedule and, if applicable, a viability plan.

In order for a CVA to be deemed approved by the creditors, certain majorities shall be met at the creditors' meeting pursuant to the rules set forth in the Spanish Insolvency Act. The holders of subordinated credits and those creditors considered as especially related to the debtor are not entitled to vote, but they will be bound by the terms of the CVA.

Although in principle secured creditors are not subject to an approved CVA (unless they have expressly voted in its favor) the effects of an approved CVA can be extended to secured and privileged creditors provided that the relevant CVA of creditors has been approved by certain majorities of creditors within its category pursuant to the rules set forth in the Spanish Insolvency Act.

Liquidation

Liquidation is conceived as an outcome subsidiary to settlement. It operates where a CVA is not reached or when it is decided upon by the insolvency court. The insolvent company is entitled to request the liquidation at any time and, in any event, it must file a petition for liquidation if, during the period while the CVA is in force, it becomes aware of no longer being able to meet the payment commitments and obligations undertaken after the approval of such CVA. In such case, the company will be aimed at dissolution and the directors and liquidators will be removed. Deferred credits will compulsorily fall due and credits consisting of other benefits are converted into cash credits. Debtors can request for one amendment of the CVA if (i) 2 years have elapsed since its approval; (ii) it is feasible that said CVA will be breached in absence of fraud or willful misconduct of the debtor; and (iii) the amendment is needed for the viability of the debtor.

The liquidation shall follow the special rules that the court may approve (which cannot provide for liquidation to go beyond one year or require court approval for the sale of any assets). If the court does not approve any such rules, then it shall follow the rules contained in the Spanish Insolvency Act. The insolvency administration will be required to prepare a liquidation plan that must be approved by the insolvency court. The insolvency administration is required to report quarterly on the liquidation and has one year to complete it. If the liquidation is not completed within one year, the court may appoint a different insolvency administrator. Spanish Insolvency Act encourages the sale of the business unit rather than the separate liquidation.

Fraudulent Conveyance Laws

Under Spanish law, in addition to the insolvency claw-back action, the insolvency receiver and any contemporary creditor may bring an action to rescind a contract or agreement (*acción rescisoria pauliana*) against the debtor and the third-party which is a party to such contract or agreement, provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third-party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code (*Código Civil*): (i) agreements by virtue of which the debtor transfers assets for no consideration, and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is a *iuris et de iure* presumption (i.e., it cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *iuris tantum* presumption (i.e., it is a rebuttable presumption). Pursuant to Section 1,292 of the Spanish Civil Code, payments of non-due debts made in insolvency may also be rescinded.

If the rescission action were to be upheld, the third-party would be liable to return to the debtor the consideration received under the contract to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third-party under the contract cannot be returned to the debtor, the third-party must indemnify the creditor for such damages.

Setoff

The Spanish Insolvency Act generally prohibits setoff of the credits and debts of the insolvent company once it has been declared insolvent, but such setoff can still apply when (i) the legal requirements in order to operate were met before the declaration of insolvency (even if such setoff is alleged afterwards, or the creditor communicated the existence of the claim to the insolvency administrator); or (ii) the claims and debts arise from the same legal relationship. However, setoff may be exercised by a determined creditor vis-à-vis the insolvent company if the governing law of the reciprocal credit right of the insolvent company permits it under insolvency scenarios. In addition, setoff as part of a master netting agreement (provided that it complies with the requirements of RDL 5/2005) is also permitted.

Applicable Jurisdiction

Under both European and Spanish law, the applicable jurisdiction to conduct an insolvency proceeding is the one in which the insolvent party has its “center of main interests.” This “center of main interests” is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties (although under European Union and Spanish law there is a presumption that a debtor's COMI is located where its registered address is). Insolvency proceedings conducted by the court of the “center of main interests” are considered “the principal insolvency proceedings” and have universal reach affecting all the assets of the insolvent party worldwide, with certain exceptions, such as security interests over assets located outside of Spain. If the “center of main interests” is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the “territorial insolvency proceedings”).

Other jurisdictions outside the European Union may not require a center of main interests shift in order for a Spanish company to make a filing in those jurisdictions. Nevertheless, recognition of foreign insolvency proceedings not based on the center of main interests or pursuant to a reasonable connection of an equivalent nature in Spain by means of an exequatur process should not be possible and, furthermore, any creditor could file for a non-main insolvency proceedings in Spain provided that the debtor has an establishment in Spain.

Limitations on validity and enforceability of the Spanish Collateral

General enforcement limitations under Spanish law

Any security interest granted by DIGI Spain securing the Notes might not be fully enforceable in Spain in accordance with its terms. Any remedies available to the holder of the Notes in Spain will be subject to, *inter alia*, the nature of remedies recognised by Spanish Courts, whether they assume jurisdiction over enforcement claims, their discretion and applicable mandatory provisions of Spanish law, including the Spanish Law on Civil Procedure of January 7, 2000 (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*) and the Spanish Insolvency Act.

In this respect, without limitation:

- (i) if the principal obligation is to be complied with in a jurisdiction other than Spain, it may not be enforceable in Spain to the extent that compliance therewith would be illegal under the laws of the primary jurisdiction, in which circumstances any collateral securing that principal obligation in Spain may also become unenforceable;
- (ii) Spanish law does not protect the abusive exercise of rights (i.e. against such an agreement's purpose and prejudicing third parties) or arbitrary decisions or determinations by one of the parties. Accordingly, Spanish courts may refuse to uphold the termination of an agreement based on an unreasonable, inequitable or bad faith interpretation of one of its events of default;
- (iii) in accordance with the general principles of Spanish Civil Procedural laws, the rules of evidence in any judicial proceeding cannot be modified by agreement of the parties. Accordingly, provisions in an agreement in which determinations by a party are to be deemed to be conclusive would not be upheld by a Spanish court. A determination, designation, calculation or certificate from one party as to any matter provided in the secured documents might, in certain circumstances, be held by a Spanish court not to be final, conclusive and binding, if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error despite any provision in the secured documents to the contrary;
- (iv) it may not be disregarded that the enforcement of the Spanish law security could require a judgment to be previously rendered in New York and recognized in Spain through an exequatur or an arbitral award of the LCIA (as appropriate) declaring the default or acceleration of the secured obligations and the amount due and payable thereunder;
- (v) a certified translation into Spanish by an official translator of any document not executed in Spanish will be required to make such document admissible in evidence in Spain;
- (vi) under Spanish law, nullity or termination of the principal obligation will entail nullity or termination of collateral obligations securing it;

- (vii) if existence of an obligation is dependent exclusively on the discretion of one of the parties to the contract, such obligation may not be recognized by Spanish law and enforced by Spanish courts;
- (viii) Spanish courts may not recognize an acceleration or enforcement of the principal obligation solely on the basis of a breach of an ancillary undertaking, or if they consider that such acceleration or enforcement amounted to an abuse of the claimant's rights, and consequently deny a claim to enforce collateral securing such principal obligation, or suspend such enforcement;
- (ix) enforceability of any Spanish security documents' provisions relating to application of enforcement proceeds will be subject to mandatory Spanish law requirements on the order of distributions;
- ;
- (xi) under Spanish law, claims may become time-barred or may be or become subject to the defenses of set-off or counterclaim, abuse of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress or error;
- (xii) a Spanish court may refuse to give effect to any provision in the security interest on the grounds that such provision conflicts with Spanish public order (*orden público*) or it may not grant enforcement in the event that it deems that a right has been exercised in such a manner to constitute an abuse of right;
- (xiii) under Spanish law, acts carried out in accordance with the terms of a legal provision whenever said acts seek a result which is forbidden by or contrary to law, shall be deemed to have been executed in circumvention of law (*fraude de ley*) and the provisions whose application was intended to be avoided shall apply; and
- (xiv) any insolvency limitations including those described in section "Insolvency proceedings" in Spain above.

Limitations on enforcement of the Spanish quota-share pledge

Spanish quota-share pledge

An existing first-ranking pledge over the quota-shares (*participaciones*) in the Issuer's Spanish subsidiary, DIGI Spain, will be extended and ratified in order to secure the obligations of the Issuer under the Notes and the Indenture and other financing agreements that share in the Collateral. However, any security agreements perfecting such security interests will only be executed and accepted by the Security Agent on behalf of the beneficiaries thereof on the basis of deemed authorizations in the Indenture and the Intercreditor Agreement. The holders of the Notes will not be entitled to take individual enforcement actions in respect of any security interests in Spain, which shall only be enforceable through the Security Agent in accordance with the Intercreditor Agreement.

Spanish law does not expressly regulate the possibility of creating a single global pledge to secure several obligations. Nevertheless, global real estate mortgages are regulated by article 153.bis of the Spanish Mortgage Law dated February 8, 1946 (*Decreto de 8 de febrero de 1946, por el que se aprueba la nueva redacción oficial de la Ley Hipotecaria*). Therefore, and to the extent not forbidden, there are grounds to sustain the validity of security governed by Spanish common law (*derecho común*) created to secure various obligations, but this possibility is not expressly recognised in any applicable legislation, nor has it been tested in Spanish courts so a different view from the competent courts cannot be disregarded and a court ruling might come to the conclusion any such security to be void and null.

Perfection of Spanish law security interests over moveable assets (such as quota-shares) requires the transfer of possession (*desplazamiento posesorio*) of the collateral to the secured party and the formalization of those security interests in public deeds (*documento público*). According to established legal doctrine, the beneficiaries of the security interests must expressly accept the security interest, in order to perfect it via a duly authorized representative. The powers of security agents or trustees to act on behalf of the beneficiaries of the security interests in the Spanish collateral have not been tested in Spanish courts. Therefore, it might be necessary to prove the identity of such beneficiaries from time to time, and the authority of the Security Agent and the Trustee to act on behalf of the holder of the Notes by means of a duly notarized power of attorney, which, in certain circumstances, must be apostilled or legalized. These requirements could make impossible, or cause significant delays in, enforcement of the Collateral in Spain by the Security Agent. In addition, the relevant Spanish court or other competent authority may request that the underlying transaction document and transfers documents in relation to the interests in the Notes and any other secured liabilities be notarized, apostilled or legalised, as applicable.

Finally, if enforcement of Collateral causes a change of control of DIGI Spain, the Spanish Markets and Competition National Commission (*Comisión Nacional de los Mercados y la Competencia*) must be informed. Also, if the control of DIGI Spain were acquired by a dominant operator, regulatory clearance will be required. There are also certain by-law limitations under Spanish law which prohibit transfers of shares in favor of (i) persons carrying out the same corporate purpose at the relevant company within Spain; (ii) certain persons set out in a list published by the Spanish Ministry of Foreign Affairs or the competent European Union bodies; or (iii) persons from countries with whom persons from the European Union are forbidden

to carry out commercial activities. To the extent that such persons seek to enforce the pledge of DIGI Spain shares, the transfer of shares would be invalid.

In addition to the above, in relation to enforcement of Collateral, it should be noted that there is a general principle of Spanish public law whereby the interruption of the provision of public services or services of general interest may be prevented and the assets affected to the provision of such services may benefit from a special protection against attachment or seizure, and the right to dispose of such assets as long as they are subject to the relevant public service or service of general interest may be limited. Therefore, in case that an attachment of such assets prevented or otherwise limited the provision of public services or services of general interest, such attachment might not be legally feasible.

Under Spanish law, the holders of the Notes, from time to time, shall be the beneficial holders of the Spanish law security interests and Spanish law does not expressly recognize the concept of security agent and, therefore, the security agent structure may not be recognized by Spanish courts. Therefore, when an entity acts as security agent of the actual beneficiaries of a security interest (i.e., the creditors of the secured obligations), such security agent must be duly empowered for that purpose by the relevant secured creditors at the time it acts as security agent. Since the Collateral will be executed and accepted by the Security Agent on behalf of the beneficiaries thereof and the holders of the Notes will not have any power to enforce the Collateral securing the Notes except through the Security Agent, and the authority of the Security Agent to represent them and to enforce the Collateral in their name is contained in documents governed by New York law and not in duly notarized and apostilled powers of attorney, there is some uncertainty as to whether or not a Spanish court would actually recognize holders of the Notes as secured parties, whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured or whether the Security Agent would only be able to enforce the security interest in respect of the secured parties identified and duly represented under the security document. Therefore, validity and enforceability of security interests granted in favor of the secured parties through the Security Agent, and enforcement thereof by the Security Agent, may be subject to a due and express power of attorney granted by each of the secured parties in favor of the Security Agent for such purpose, duly notarized and legalized (or, if applicable, duly apostilled in accordance with the Hague Convention of October 5, 1961).

Although it could be argued that Article 429 of the Spanish Companies Law could apply by analogy, which basically states that the representative of the syndicate of the holders of the Notes (*comisario*) may enforce any security interest on behalf of all holders of the Notes under certain circumstances, it cannot be disregarded that the Security Agent is not considered as such representative (that could be the trustee). If enforcement of the security interest is carried out by the Security Agent, it may be necessary to prove that the Security Agent is duly and expressly empowered for such purpose by means of a power of attorney granted in favor of the Security Agent by each of the Secured Parties duly notarized and, if not granted in Spain, with the apostille of The Hague Convention dated October 5, 1961 or legalized.

In the absence of powers of attorney granted by each of the Secured Parties duly notarized and, if not granted in Spain, apostilled or legalized, the Security Agent may not be able to enforce the relevant Spanish security interest on behalf of all of the secured creditors (including the holders of the Notes), and there is a risk that the Security Agent would only be able to enforce the security interest against the debt that it individually holds (if any), and not for the full amount owed to creditors for whom it may be acting as Security Agent. Further, those beneficial holders of the security who have not duly accepted the security or duly empowered (by means of notarial and apostilled powers of attorney) the Security Agent to do so may be treated, from a Spanish law perspective including without limitation in an insolvency scenario, as unsecured creditors.

In addition, the effects that might arise due to application of the Spanish Insolvency Act include, among others, that when confronted with a Spanish security in which only a security agent (or similar entity) is acting on behalf of itself and other secured creditors, the insolvency court may challenge the distribution of any enforcement proceeds amongst the different creditors made by such security agent under intercreditor agreements or provisions. Such challenge would be made on the basis that in order for a secured creditor to have a privileged claim, such secured creditor has to be the beneficiary of the security from a Spanish perspective and that the eventual intercreditor provisions may only bind the signatories to such agreement, but may not be enforced vis-à-vis third parties.

Furthermore, the relevant court or notary public before whom any Spanish security interest may be enforced might request both the notarization of the documents from which the relevant obligations arise, and the notarization of each and every one of the transfer certificates regarding each and every transfer of the Notes.

Transformation and initial public offering

In the event of a transformation of a Spanish *sociedad de responsabilidad limitada*, whose quota-shares (*participaciones*) are subject to security, into a Spanish *sociedad anónima*, such transformation shall entail a change in the pledged object. The collateral would transition from *participaciones* to *acciones*. Consequently, upon any such transformation of a Spanish *sociedad de responsabilidad limitada* whose *participaciones* have been pledged, it would be necessary to perform certain perfection requirements typically relating to the formalities associated with the transfer of possession (*desplazamiento posesorio*) such as the delivery of the share certificates (*títulos*) representing the *acciones* and/or the explicit annotation of the relevant pledge therein. It should be noted that, prior to any DIGI Spain Initial Public Offering (in the context of which a DIGI

Spain Security Release would occur), it shall be necessary to transform DIGI Spain from a Spanish *sociedad de responsabilidad limitada* to a *sociedad anónima*.

Parallel debt

The concept of “trust” and/or “parallel debt” (under, for example, the laws of the State of New York) is not recognized under Spanish law. On the contrary, guarantees/security interests to be valid and enforceable and perfected require that the beneficiary of the guarantee/ security interests and the creditor is the same person. Such guarantee/security interests cannot be held by a third party which does not hold the guaranteed/secured claim but purports to hold guarantees/security interests for the parties that do. Accordingly, the concept of “parallel debt” may be questioned under Spanish law and we are not aware of any court precedent where it has been recognized by a Spanish Court.

Financial collateral arrangements

RDL 5/2005 implements, among others, the provisions related to the special regime for security interests over cash and securities. However, in order to benefit from the provisions of RDL 5/2005: (A) the parties to the security documents must be those referred to in article 4 (mainly public entities, credit entities and financial institutions in accordance with article 1.5 of the Directive 2006/48/CE of 14 June), (B) the object of the security must consist exclusively of (i) cash, meaning money paid into an account in any currency; (ii) securities and other financial instruments as defined in the Securities Market Law and its implementing regulations and any other direct or indirect regulation over them (the quota-shares of Spanish companies in the form of *sociedades de responsabilidad limitada* would not qualify as securities or financial instruments and there is an uncertainty on whether the shares of non-listed companies in the form of Spanish *sociedad anónima* or those represented by titles may qualify as securities or financial instruments to these effects and to the extent we are aware this has not been tested before Spanish courts yet); and (iii) credit claims, meaning pecuniary claims arising out of an agreement whereby a credit institution grants credit in the form of a loan or a credit to an entity (other than consumers or a micro or small enterprises, save where the collateral take or the collateral provider of such credit claims is one of the institutions referred to in article 4.1(d) of RDL 5/2005). Therefore, the pledge over the quota-shares of Spanish companies that are *sociedades de responsabilidad limitada* will not qualify as financial collateral in accordance with RDL 5/2005 given that such shares do not qualify as eligible security pursuant to RDL 5/2005.

Only if a security qualifies as financial collateral arrangement in accordance with the requirements set out under RDL 5/2005, the relevant security can be enforced by means of direct appropriation, otherwise, the security shall be enforced through other procedures available such as judicial proceeding in accordance with Articles 681 to 698 of Spanish Law on Civil Procedure or notarial proceedings in accordance with Article 1,872 of the Spanish Civil Code, in both cases the relevant asset is required to be sold by public auction. If the sale price obtained in the public auction exceeds the outstanding secured amount, the amount of which it exceeds the outstanding secured amount must be delivered to the security provider. The judicial or notarial procedure can be a very complex and long process (which might be subject to formalities, granting of judicial powers of attorney, waiting periods, legal notice requirements, valuation of assets, material costs and expenses etc.) and the result may differ from what was expected or might not be successful.

The law regulating the enforcement of pledges through auctions organized by notaries as described in the Notary Public Law of 28 May 1862 (the “**Notarial Law**”) was significantly amended by Law 15/2015 of July 2 on voluntary jurisdiction (“**Law 15/2015**”). There is a high degree of uncertainty surrounding this legal framework given that some provisions of the Notarial Law seem to conflict with laws regarding the enforcement of pledges that were not expressly repealed by Law 15/2015. As a result, certain aspects of these types of auctions are open to interpretation. Consequently, the clauses in the pledge agreements governing auctions organized by notaries may not be enforceable in accordance with their own terms. If during the first and second auction of the foreclosure of a security interest, the pledged assets are not allocated or acquired by a third party, the secured creditor will be entitled to acquire the secured asset but, in this scenario, a Spanish court may order the secured creditor to discharge the secured debt fully as opposed to partially regardless of any provision to the contrary in the relevant security agreement.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the “**Purchase Agreement**”) dated October 22, 2025, among the Issuer and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase, the Notes from the Issuer.

The Purchase Agreement provides that the Initial Purchasers purchase all the Notes if they purchase any of them.

The Initial Purchasers offered the Notes initially at the price indicated on the cover page hereof. The Initial Purchasers may change the price at which the Notes are offered and other selling terms of the Notes at any time without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Purchase Agreement provides that the Issuer will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. None of the Issuer or any of its respective subsidiaries or other affiliates will, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell or otherwise dispose of, any debt (including, without limitation, any debt securities, loans or other instruments) of, or guaranteed by, the Issuer and having a tenor of more than one year during the period from the date of the Purchase Agreement through and including the date that is 60 days after the date of the Purchase Agreement.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under “*Notice to Investors*.”

Each Initial Purchaser has represented, warranted and agreed that it:

- (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes have not been and will not be registered under the laws of any member state of the EEA. The offering of the Notes is being made, and the Notes are being offered and issued, only to persons other than retail investors in the EEA, each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes have not been and will not be registered under the laws of any member state of the United Kingdom. The offering of the Notes is being made, and the Notes are being offered and issued, only to persons other than retail investors in the United Kingdom, each defined as a person who is one (or more) of: (i) a “retail client” as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; (ii) a “customer” within the meaning of the provisions of and any rules or regulations made under, the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a “professional client,” as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or (iii) not a “qualified investor” as defined in Article 2(e) of the UK Prospectus Regulation. . Consequently no key information document required by the UK PRIIPs Regulation for offering or selling the securities described in the attached prospectus or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

No action has been taken in any jurisdiction, including the United States, and the United Kingdom, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this prospectus or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in

compliance with any applicable rules and regulations of any such country or jurisdiction. This prospectus does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this prospectus and resale of the Notes. See “*Notice to Investors.*”

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act and other applicable law. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price that will be favorable to you. See “*Risk Factors—Risks relating to the Notes—There is no assurance that the holders of the Notes will be able to sell them.*”

Delivery of the Notes is expected to be made against payment on October 29, 2025.

Certain Initial Purchasers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that such Initial Purchasers intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

In connection with the Offering, the Stabilizing Manager may overallocate the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if begun, may be ended at any time, but it must end no later than 30 days after the Issue Date, or no later than 60 days after the date of the allotment of the Notes, whichever is earlier.

The Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Initial Purchasers or their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, or the Issuer's affiliates. Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchasers or their respective affiliates hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of positions in securities, including potentially the Notes issued. Any such positions could adversely affect future trading prices of the Notes issued. The Initial Purchasers or their respective affiliates may also receive allocations of the Notes. The Initial Purchasers and their respective affiliates may be currently advising us or other interested parties, and may advise us or other interested parties from time to time on other transactions in the future. In particular, the Initial Purchasers or their affiliates act as arrangers, lenders or other counterparties to certain of our financing arrangements, including the 2023 Senior Facilities Agreement, for which they have received, or may in the future receive, customary fees, commissions and payments. See also “*Use of Proceeds.*”

NOTICE TO INVESTORS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are being offered and sold only (i) to “qualified institutional buyers” (as defined in Rule 144A) (“QIBs”) in compliance with Rule 144A; and (ii) outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S. The terms “offshore transaction,” “U.S. person” and “United States” have the meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each person who purchases or otherwise acquires a beneficial interest in the Notes hereunder (other than the Initial Purchasers) will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A and Regulation S are used herein as defined therein):

- (1) It understands and acknowledges that the Notes have not been registered under the U.S. Securities Act or any applicable state securities law; are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A; and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.
- (2) It is not an “affiliate” (as defined in Rule 144) of the Issuer or acting on behalf of the Issuer and it is either:
 - (i) a QIB and is aware that any sale of the Notes to it will be made in reliance on Rule 144A, and the acquisition of Notes will be for its own account or for the account of another QIB; or
 - (ii) a non-U.S. person purchasing, at the time the buy order for the Notes was originated, the Notes outside the United States in an offshore transaction in accordance with Regulation S.
- (3) It acknowledges that none of the Issuer, the Parent or the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this prospectus, which prospectus has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this prospectus. It also acknowledges that (i) it has been afforded an opportunity to request from us and the Initial Purchasers and to review and has received all additional information considered by it to be necessary to verify the accuracy and completeness of the information provided to it, (ii) that it has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained in this prospectus, and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.
- (4) It is purchasing the Notes thereof for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.
- (5) It acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS AND, ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”)) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE U.S. SECURITIES ACT AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) (THE “RESALE RESTRICTION TERMINATION DATE”) ONLY (A) TO THE ISSUER, THE PARENT OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES,” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.

Each purchaser will also be deemed to have acknowledged that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (6) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
- (7) It acknowledges that the Transfer Agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
- (8) It acknowledges that the Issuer, the Parent, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
- (9) It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Parent or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this prospectus or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under “*Plan of Distribution*” and “*Overview—Important Information*.”
- (10) It represents that it is not a “retail investor” in the European Economic Area. For the purposes of this paragraph, the expression “**retail investor**” means a person who is one (or more) of the following):
 - (a) “retail client” as defined in point (11) of MiFID II;

- (b) a “customer” within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a “qualified investor” as defined in the Prospectus Regulation.
- (11) It represents that it is not a “retail investor” in the United Kingdom. For the purposes of this paragraph, the expression “**retail investor**” means a person who is one (or more) of the following:
- (a) a “retail client” as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA;
 - (b) a “customer” within the meaning of the provisions of and any rules or regulations made under, the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a “professional client,” as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
 - (c) not a “qualified investor” as defined in Article 2(e) of UK Prospectus Regulation.
- (12) It has irrevocably (1) agreed to the holding of the relevant Initial Meeting, (2) consented to and appointed the Trustee as its proxy to (a) attend such Initial Meeting (such Initial Meeting to be held in London, United Kingdom at the offices of Weil, Gotshal & Manges (London) LLP on the Issue Date and to be attended by a representative of the Trustee, acting as proxy as aforesaid, appointees of the Trustee acting as the Chairman and secretaries, and a representative of the Issuer, acting as technical secretary) and (b) cast a vote in favor of the relevant Initial Meeting Resolutions, the form of which is set out in Annex A to this prospectus, at such Initial Meeting and (3) accepted and agreed to such relevant Initial Meeting Resolutions as set out in Annex A to this prospectus.

In addition, each holder who accepts a Note on the Issue Date, and each person who purchases or otherwise acquires a beneficial interest in a Note on or prior to the Issue Date, will be deemed, by its acceptance or purchase or other acquisition thereof to have irrevocably: (a) instructed the Issuer to procure that the relevant Initial Meeting is held; (b) agreed to the holding of the relevant Initial Meeting and waived the convening formalities in relation thereto; (c) appointed the Trustee as its proxy, to: (i) attend such Initial Meeting (to be held at the offices of Weil, Gotshal & Manges (London) LLP, located at 110 Fetter Lane, London EC4A 1AY, United Kingdom, on the Issue Date starting at the applicable time specified in Annex A to this prospectus), (ii) appoint, from among its representatives, officers or employees, the Chairman (and the Issuer will appoint an employee of the Issuer to act as a technical secretary for such Initial Meeting) and one to three secretaries of such Initial Meeting and (iii) cast a vote in favor of the relevant Initial Meeting Resolutions, the forms of which is set out in Annex A to this prospectus, at such Initial Meeting; and (d) accepted and agreed to the relevant Initial Meeting Resolutions as set out in Annex A to this prospectus. See “*Description of the Notes—Meetings of Holders and Noteholders’ Representative.*”

LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for the Issuer by Weil, Gotshal & Manges (London) LLP, with respect to U.S. federal, New York, and English law, Filip & Company, with respect to Romanian law, Freshfields LLP, Amsterdam, with respect to Dutch law, and Freshfields LLP, Madrid, with respect to Spanish law.

Certain legal matters in connection with the Offering have been passed upon for the Initial Purchasers by Clifford Chance LLP, with respect to U.S. federal, New York, Dutch, and Spanish law and Clifford Chance Badea SPRL with respect to Romanian law.

INDEPENDENT AUDITORS

The audited non-statutory consolidated financial statements of the Group as at and for the year ended December 31, 2024, together with the related notes thereto and the audited non-statutory consolidated financial statements of the Group as at and for the year ended December 31, 2023, together with the related notes thereto included in this prospectus have been audited by KPMG Audit SRL, independent auditors, as stated in their reports appearing herein, which contain an emphasis of matter paragraph stating that the consolidated financial statements have been prepared by the Board of Directors for the purpose of being included in an prospectus and do not represent the Issuer's statutory consolidated financial statements, as discussed in Note 2.1 to each set of such consolidated financial statements. The audit report on the non-statutory consolidated financial statements as at and for the year ended December 31, 2023 includes a qualified opinion with respect to the corresponding figures presented in those financial statements, stating that in the auditor's view certain key inputs used by the management in its lease accounting model of the former subsidiary DIGI KFT (Hungary) as at and for the year ended December 31, 2021 could not be supported by available evidence, including lease contracts, and that it was not feasible for the auditor to quantify the financial effects of the above departure from the requirements of IFRS 16 (*Leases*) on the amounts of retained earnings as at December 31, 2022, on profit from discontinued operations, net of tax, and on net profit for the year then ended. The auditor's opinion on the audited non-statutory consolidated financial statements as at and for the year ended December 31, 2023 is modified because of the effect of this matter on the comparability of data presented as at December 31, 2023 and the corresponding data presented as at December 31, 2022.

With respect to the unaudited condensed consolidated interim financial statements of the Group as at and for the six-months period ended June 30, 2025 together with the related notes thereto included in this prospectus, the KPMG Audit SRL, independent auditors, have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their review report included herein, states that they did not audit and they do not express an opinion on that interim financial information and contains an others matters paragraph that states that the corresponding figures in the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, were not audited or subject to a review. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

KPMG Audit SRL, with its business address at DN1, Bucharest - Ploiești Road no. 89A, Sector 1, Bucharest, 013685, P.O. Box 18 - 191, is registered with the trade registry under no. J2000004439400, Fiscal Registration Code RO12997279. KPMG Audit SRL is authorized by the Authority for the Public Oversight of the Activity of the Statutory Audit (ASPAAS) from Romania and is registered in the Public Registry of Financial Auditors and Audit Firms under no. FA9.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the Initial Purchasers was furnished with a copy of this prospectus and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to this prospectus. Each person receiving this prospectus and any related amendments or supplements to this prospectus acknowledges that:

- (a) such person has been afforded an opportunity to request from us and the Initial Purchasers, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (b) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (c) except as provided pursuant to point (a) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes remain “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which the Issuer is not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, make available to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial holder of an Note, or to any prospective purchaser of an Note designated by such holder or beneficial holder, the information specified in, and meeting the requirement of Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to the Issuer, 75 Dr. Staicovici street, 5th district, Bucharest, Romania. All of the above documents will be available at the offices of the Issuer.

ENFORCEMENT OF CIVIL LIABILITIES

Overview

General

The presence of the Issuer outside of the United States and United Kingdom may limit your legal recourse against us. The Issuer is incorporated under the laws of Romania and the Parent is incorporated under the laws of the Netherlands. All of the Issuer's directors and executive officers named in this prospectus reside outside the United States and United Kingdom, principally in Romania. All or a substantial portion of the assets of the Issuer and the assets of their respective directors and executive officers are located outside the United States and United Kingdom, principally in Romania. As a result, you may not be able to effect service of process within the United States or United Kingdom upon the Issuer or their respective directors and executive officers or to enforce court judgments obtained in the United States against the Issuer or their respective directors and executive officers in jurisdictions outside the United States, including actions under the civil liability provisions of securities laws of the United States. In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions outside the United States and United Kingdom, liabilities predicated upon securities laws of the United States or United Kingdom.

The Notes and the Indentures are governed by the laws of the State of New York (save for the arbitration clauses providing for arbitration under the LCIA Rules (as defined below), which are governed by English law). The Indenture provides that (a) any suit, action or proceeding arising out of, related to, or in connection with the Indentures, the Notes or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration, also known as LCIA (the “**LCIA Rules**”), with the seat of any such arbitration in London, United Kingdom, *provided* that (b) any party to the Indenture (an “**Initiating Party**”) may, in its sole discretion and by notice in writing to the other parties, choose instead of arbitration to submit a Dispute to any U.S. federal or state court located in the State and City of New York, Borough of Manhattan, *provided further* that such notice is made before any request for arbitration has already been served in respect of the same Dispute. The Intercreditor Agreement is governed by English law and provides for an exclusive jurisdiction of English courts to settle any dispute arising out of or in connection therewith.

Romania and the Netherlands are both parties to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the “New York Convention”). Consequently, an arbitral award from an arbitral tribunal in the United Kingdom would generally be recognized and enforced in each of those jurisdictions on the basis of the rules of the New York Convention. However, it may be difficult to enforce foreign arbitral awards against us in some, or all, of those jurisdictions due to, among other things, procedural requirements of local legislation governing such enforcement or should such awards be considered contrary to local public policy.

There is no treaty between the United States and either Romania or the Netherlands providing for reciprocal recognition and enforcement of foreign court judgments in civil and commercial matters. Your rights to enforce against the Issuer may be further limited by the fact that, under Romanian Law, a Noteholder will not be able to bring a claim against the Issuer if such claim has the same object as a claim brought by the Noteholder Representative on behalf of the Noteholders or if such claim is contrary to a decision of the Noteholders' Meeting. See “*Risk Factors—Risks Relating to the Notes—A Noteholders' Representative other than the Trustee could be appointed and, if so appointed, may not comply with the provisions of the relevant Indenture or the directions of the Trustee.*”

Foreign arbitral awards

Romania

The procedure for recognition and enforcement in Romania of foreign arbitral awards is subject to special internal legislation (including ratified international conventions, such as the New York Convention), Romanian law allows an action to be brought before a court of competent jurisdiction in Romania for the recognition and enforcement of a foreign arbitral award, *provided* that the relevant conditions in respect of recognition of foreign judgments or foreign arbitral awards set out under the Romanian Civil Procedure Code are met.

For the recognition of foreign arbitral awards in Romania, the following requirements have to be met (i) the arbitration proceedings had as their object a matter that can be solved by way of arbitration under Romanian law and (ii) the award is not contrary to the Romanian private international law public order.

An award will not be recognised and/or enforced if:

- (i) the parties to the arbitration proceedings lacked the capacity to conclude the arbitration agreement;
- (ii) the arbitration agreement is invalid; and
- (iii) the party against whom the award had been issued was not properly informed on the appointment of an arbitral tribunal or on the applicable arbitration procedure;

- (iv) the appointment of the arbitral tribunal or the arbitral procedure is contrary to the arbitration agreement or (in the absence thereof) to the law of the arbitration seat
- (v) the award was issued on a matter which was not included in the arbitration agreement, or exceeds the limits thereof or contains provisions exceeding the limits of the arbitration agreement; or
- (vi) the award is not binding on the parties or it was annulled/suspended by a competent authority according to the law governing the arbitration proceedings or the law of the seat of arbitration.

The Netherlands

The Netherlands is a party of the New York Convention. Accordingly, a foreign arbitral award obtained in a state which is party to the New York Convention should be recognised and enforced by a Dutch court, subject to the qualifications provided for in the New York Convention and subject to compliance with applicable Dutch procedural requirements and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

Foreign court judgments

Romania

Under Romanian law, reciprocity is presumed to exist in fact (*de facto*) unless there is proof to the contrary; such proof is to be determined by the Romanian Ministry of Justice, in consultation with the Romanian Ministry of Foreign Affairs. Should the presumption not be observed or should it be overturned, this may deprive you of effective legal recourse for claims related to your investment in the Notes. The possible need to re-litigate in Romania a judgment obtained in a foreign court on the merits may also significantly delay the enforcement of such judgment. Under Romanian law, certain amounts (stamp duty fees) may be payable by the claimant upon the initiation of any action or proceeding in any Romanian court. These amounts in many instances depend on the amount of the relevant claim.

The procedure for recognition and enforcement in Romania of a judgment rendered by a foreign court in civil and commercial matters depends on whether the respective foreign court is (i) from a EU member state; (ii) a state that is a party to the Lugano Convention or the Hague Convention; or (iii) other states (i.e., states that are neither EU member states nor parties to the Lugano Convention or the Hague Convention).

Writ of enforcement

In Romania, enforcement proceedings may only be initiated on the basis of a writ of enforcement (*titlu executoriu*), usually a court decision or another document recognized as such under Romanian law. Enforcement proceedings may only be initiated to the extent that the creditor holds a receivable which is certain, liquid and due, and only after the initiation of the enforcement has been approved by the competent court of law. Creditor's claims which are conditioned on the occurrence of a certain event cannot be enforced, but such creditors may, under certain conditions, participate in the distribution of proceeds resulting from the enforcement.

Statute of limitations

As a general rule, any creditor that is not already in possession of a writ of enforcement must apply to the court to obtain a decision ordering payment within three years of the date of maturity of the obligation. The statute of limitations period may be extended, suspended or deemed to have restarted under certain circumstances. Special rules on the limitation periods may apply.

The Netherlands

In the Netherlands the procedure for recognition and enforcement of a judgment rendered by a foreign court in civil and commercial matters will also depend on whether the respective foreign court is (i) from an EU member state; (ii) a state that is a party to the Lugano Convention; (iii) a state that is party to another relevant treaty on recognition or enforcement (bilateral or otherwise); or (iv) other states (i.e., states that are neither EU member states nor parties to the Lugano Convention or another relevant treaty).

A final and conclusive judgment for the repayment of money against the Parent rendered by any court in the United States in a competent jurisdiction will not be directly recognized (or only subject to certain conditions) and enforced by the courts of the Netherlands.

Judgments rendered by courts of EU member states

Recognition and enforcement under EC Regulation No. 1215/2012

A final and conclusive judgment *in personam* rendered by a court from an EU member state may be recognized and enforced in Romania or the Netherlands, as applicable, *provided* that the relevant conditions set forth in EC Regulation No. 1215/2012 are met.

Under EC Regulation No. 1215/2012, an EU member state will recognize a judgment rendered in another EU jurisdiction unless, among other things:

- (i) such recognition is manifestly contrary to public policy in the EU member state in which recognition is sought;
- (ii) where it was given in default of appearance, the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable it to arrange for its defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so;
- (iii) it is irreconcilable with an earlier judgment given in a dispute between the same parties in the EU member state in which recognition is sought;
- (iv) it is irreconcilable with an earlier judgment given in another EU member state or in a third state involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in the EU member state addressed; or
- (v) in other cases expressly set out by EC Regulation No. 1215/2012, such as cases when the judgment has been rendered without the observance of the cases of exclusive jurisdiction.

In addition to the above, other conditions may be applicable with respect to specific matters under special local legislation or international conventions.

A judgment rendered in another EU jurisdiction can be enforced in Romania or the Netherlands only if: (i) it is enforceable in the state where the judgment was made; (ii) the competent enforcement authority is provided with a copy of the judgment which satisfies the conditions necessary to establish its authenticity; (iii) the competent enforcement authority is provided with an original certificate issued by the relevant state's court or other competent authority substantially in the form set out in Annex I of the Regulation No. 1215/2012, and none of the conditions above preventing the recognition of the judgment is applicable; (iv) where the judgment orders a periodic payment by way of penalty, (including but not limited to, default interest), the amount of the payment has been finally determined by the court of the state of origin; and (v) the right to enforce the final judgment is not restricted by any limitation period.

Recognition and enforcement of uncontested claims under EC Regulation No. 805/2004

In addition to and independently from the procedure provided by the EC Regulation No. 1215/2012, EC Regulation No. 805/2004 of the European Parliament and of the European Council ("EC Regulation No. 805/2004") regulates the creation of a European Enforcement Order for uncontested claims in civil and commercial matters. Under EC Regulation No. 805/2004, a claim shall be regarded as uncontested if: (i) the debtor has expressly agreed to it by admission or by means of a settlement which has been approved by a court or concluded before a court in the course of proceedings; or (ii) the debtor has never objected to it, in compliance with the relevant procedural requirements under the law of the EU member state of origin, in the course of the court proceedings; or (iii) the debtor has not appeared or been represented at a court hearing regarding that claim after having initially objected to the claim in the course of the court proceedings, provided that such conduct amounts to a tacit admission of the claim or of the facts alleged by the creditor under the law of the EU member state of origin; or (iv) the debtor has expressly agreed to it in an authentic instrument.

A judgment that has been certified as a European Enforcement Order in the EU member state of origin shall be recognized and enforced in the other EU member states without the need for a declaration of enforceability and without any possibility of opposing its recognition.

A judgment on an uncontested claim delivered in a EU member state shall, upon application at any time to the court of origin, be certified as a European Enforcement Order if: (i) the judgment is enforceable in the EU member state of origin; and (ii) the judgment does not conflict with the rules on jurisdiction as laid down in EC Regulation No. 1215/2012; and (iii) the court proceedings in the member state of origin meet the minimum requirements as set out in the EC Regulation No. 805/2004 (where the claim is deemed uncontested because the debtor has never objected to the claim or has not appeared or been represented at a court hearing as detailed above); and (iv) the judgment was given in the member state of the debtor's domicile within the meaning of EC Regulation No. 1215/2012, in cases where: (a) a claim is uncontested (where the debtor has never objected to the claim or has not appeared or been represented at a court hearing as detailed above); and (b) it relates to a contract concluded by a person (a "consumer") for a purpose which can be regarded as being outside his trade or profession; and (c) the debtor is the consumer.

The European Enforcement Order certificate shall take effect only within the limits of the enforceability of the judgment. The enforcement procedures shall be governed by the law of the EU member state of enforcement. A judgment certified as a European Enforcement Order shall be enforced under the same conditions as a judgment handed down in the EU member state of enforcement.

Enforcement shall, upon application by the debtor, be refused by the competent court in the EU member state of enforcement if the judgment certified as a European Enforcement Order is irreconcilable with an earlier judgment given in any EU member state or in a third country, provided that: (i) the earlier judgment involved the same cause of action and was between the same parties; and (ii) the earlier judgment was given in the EU member state of enforcement or fulfils the conditions necessary for its recognition in the EU member state of enforcement; and (iii) the irreconcilability was not and could not have been raised as an objection in the court proceedings in the EU member state of origin. Under no circumstances may the judgment or its certification as a European Enforcement Order be reviewed as to its substance in the EU member state of enforcement.

Judgments rendered by courts of a state party to the Hague (2005) Convention, if the Hague Convention (2005) applies

A court judgment given by the courts of a state party to the Hague (2005) Convention will not be recognised and enforced by the Romanian courts if: (i) the judgment is ineffective or unenforceable in such state; (ii) the defendant did not receive notice of the proceedings in those courts in sufficient time and in such a way to enable the defendant to arrange for their defense unless the defendant appeared and presented their case but failed to contest notice of the proceedings when it was possible to do so, or the defendant was served with process in a manner incompatible with the fundamental principles of service of process in Romania; (iii) the judgment was obtained by fraud in connection with a matter of procedure; (iv) recognition or enforcement of the judgment would be manifestly incompatible with public order in Romania including situations where the specific proceedings leading to the judgment were incompatible with Romanian fundamental principles of procedural fairness; (v) the judgment is irreconcilable with a judgment given in a dispute between the same parties in Romania; (vi) the judgment is irreconcilable with an earlier judgment involving the same cause of action and the same parties given in the courts of another state and that judgment fulfils the conditions necessary for its recognition in Romania; or (vii) the competent Romanian court is not duly presented with the documentation necessary for the recognition and enforcement of the judgment in Romania pursuant to Article 13 of the Hague Convention (2005).

The Romanian courts may refuse to enforce: (a) a judgment if, and to the extent that, the judgment awards damages, including exemplary or punitive damages, that do not compensate a party for actual loss or harm suffered; (b) a judgment or postpone the recognition or enforcement of a judgment if the judgment is the subject of review in the respective state party to the Hague (2005) Convention or if the time limit for seeking ordinary review has not expired; or (c) a judgment if, and to the extent that, the judgment was based on a ruling on a matter excluded from the scope of the Hague Convention (2005) under Article 2, paragraph 2 of the Hague Convention (2005) (including without limitation matters relating to consumers, employment, the status and legal capacity of natural persons, family law matters, maintenance obligations, insolvency, composition and analogous matters, anti-trust (competition) matters, claims for personal injury brought by or on behalf of natural persons, tort or delict claims for damage to tangible property that do not arise from a contractual relationship, rights in rem in immovable property, tenancies of immovable property, the validity, nullity, or dissolution of legal persons, the validity of decisions of corporate bodies, the validity or infringement of certain intellectual property rights and the validity of entries in public registers).

Judgments rendered by courts of a state party to the Hague Convention (2019)

A judgment given by the courts of a state party to the Hague Convention (2019), which is enforceable in that state, will not be enforced in the Romanian courts if: (i) the defendant did not receive notice of the proceedings in those courts in sufficient time and in such a way to enable the defendant to arrange for their defense unless the defendant appeared and presented their case but failed to contest notice of the proceedings when it was possible to do so, or the defendant was served with process in a manner incompatible with the fundamental principles of service of process in Romania; (ii) the judgment was obtained by fraud; (iii) recognition or enforcement of the judgment would be manifestly incompatible with Romanian public policy including situations where the specific proceedings leading to the judgment were incompatible with Romanian fundamental principles of procedural fairness; (iv) the proceedings in the respective state party to the Hague Convention (2019) were contrary to an agreement, or a designation in a trust agreement, under which the dispute in question was to be determined in a court of a state other than that state; (v) the judgment is inconsistent with a judgment given in a dispute between the same parties in Romania; (vi) the judgment is inconsistent with an earlier judgment involving the same cause of action and the same parties given in the courts of another state and that judgment fulfils the conditions necessary for its recognition in Romania.

The Romanian courts may refuse to enforce: (a) a judgment if, and to the extent that, the judgment awards damages, including exemplary or punitive damages, that do not compensate a party for actual loss or harm; (b) a judgment where proceedings involving the same cause of action and the same parties are pending before the Romanian courts in circumstances where the Romanian courts were seized first and there is a close connection between the dispute and the Romanian courts; or

(c) a judgment if the judgment is the subject of review in the respective state party to the Hague Convention (2019) or if the time limit for seeking ordinary review has not expired.

The methods of enforcement for a judgment enforceable under the Hague Convention (2019) are those available to enforce a judgment of the Romanian courts and give the court a discretion whether to allow enforcement by a particular method. The Romanian court may not exercise its discretion to enforce a judgment if the judgment debtor is subject to any insolvency or related proceedings, if there is a delay or if the Judgment debtor has any set-off or counterclaim against the judgment creditor.

Judgments rendered by courts of non-EU member states that are parties to the Lugano Convention

A similar procedure as the one described above under “—*Judgments rendered by courts of EU member states—Recognition and enforcement under EC Regulation No. 1215/2012*” is applicable in Romania, and the Netherlands to judgments rendered by courts of non-EU member states that are parties to the Lugano Convention. Such judgments are recognized in Romania and the Netherlands without any special procedure being required, but the initiation of the enforcement procedures must be approved by the competent courts in Romania and the Netherlands, as the case may be.

Judgments rendered by courts of other states

The recognition and enforcement of a final and conclusive judgment rendered by a court of a non-EU member state that is not a party to the Lugano Convention, the Hague (2005) Convention, the Hague Convention (2019) or any other relevant treaty (bilateral or otherwise) is less certain than the recognition and enforcement of a judgment rendered by a court of an EU member state or of a state that is a party to the Lugano Convention, the Hague (2005) Convention or the Hague Convention (2019). The recognition and enforcement of a final and conclusive judgment rendered by a court of a non-EU member state that is not a party to the Lugano Convention, the Hague (2005) Convention, the Hague Convention (2019) or any other relevant treaty (bilateral or otherwise) is subject to (i) in Romania, the Romanian Civil Procedure Code and (ii) in the Netherlands, the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*) and Dutch case law.

Romania

Subject to special internal legislation (including ratified international conventions) regulating the recognition and enforcement of foreign judgments on specific matters, the laws of Romania permit an action to be brought before a competent court in Romania for the recognition of a final and conclusive judgment in personam rendered by a court of a non-EU member state that is not a party to the Lugano Convention, the Hague (2005) Convention, or the Hague Convention (2019), provided that the relevant conditions in respect of recognition of foreign judgments set out under the Romanian Civil Procedure Code are met. *Inter alia*, such conditions require that: (i) the judgment is final according to the law of the state where it was rendered; (ii) the judgment was rendered by a competent court and such competence did not derive exclusively from the defendant’s presence in the country of the court’s jurisdiction or the presence of assets of the defendant located in the country of the court’s jurisdiction, which do not have a direct connection to the case in which the judgment was rendered; (iii) there is reciprocity with respect to the effects of foreign judgments, between Romania and the respective state; and (iv) where the judgment was given in default of appearance, there is evidence that the party who lost the trial was served with the summons for the court hearing where the court tried the merits of the case and with the document which instituted the court proceedings in due course and that such party was given the opportunity to defend itself and challenge the judgment.

A judgment shall not be recognized in any of the following cases:

- (i) it is manifestly contrary to the Romanian private international law public order (such incompatibility is evidenced by taking into account, in particular, the criterion of the strength of the link between the specific case and the Romanian jurisdiction, as well as the gravity of the consequences of such incompatibility) and the enforcement of such judgment would be inconsistent with or contrary to the Romanian private international law public order;
- (ii) the judgment in a matter of law where entities/individuals cannot freely dispose of their rights has been obtained with the sole purpose to avoid the applicable laws of the jurisdiction designated in accordance with the Romanian private international law public order;
- (iii) the claim has been settled between the same parties through a decision of Romanian courts (even if not final) or is pending before Romanian courts at the date when the foreign court is vested;
- (iv) the judgment is irreconcilable with a prior foreign judgment susceptible of being recognized in Romania;
- (v) the claim falls within the exclusive jurisdiction of the Romanian courts;
- (vi) the right to defense has not been observed during trial; or
- (vii) the judgment is subject to an appeal judged under the laws of the jurisdiction in which it has been given.

The recognition and enforcement of foreign judgments in administrative, customs, criminal or other public law related matters are subject to special legislation and certain conditions may need to be fulfilled.

Judgments rendered by courts in non-EU member states that are not a party to the Lugano Convention, the Hague (2005) Convention, or the Hague Convention (2019), can be enforced in Romania based on a final decision of a Romanian competent court approving the enforcement, only if: (i) the requirements mentioned above for the recognition in Romania of the respective judgment are met; (ii) the judgment is enforceable according to the law of the jurisdiction where it was made and (iii) where the judgment establishes an obligation arising from a foreign fiscal law, there exists reciprocity regarding the effects of foreign judgments in the relevant fiscal matter between Romania and the foreign jurisdiction which rendered the judgment whose recognition and enforcement is sought.

The Romanian courts cannot refuse to recognize a foreign judgment solely because the tribunal which delivered the foreign decision applied laws other than those prescribed by the Romanian private international law, except (i) where the suit relates to the civil status and capacity of a Romanian citizen and (ii) the foreign decision differs from that which would have reached under Romanian law.

Foreign decisions stipulating protective measures and those for which only a temporary enforcement is available (*hotarari date cu executare provizorie*) cannot be enforced in Romania.

A foreign decision rendered by a competent court has evidentiary force before the Romanian courts with respect to the facts which such decision ascertains, except where such facts are manifestly contrary to the Romanian private international law public order.

Enforcement may also be affected by defenses affecting the rights of creditors generally, including, by way of example, but without limitation, the limitation or extinguishment (*decadere*) of rights, claims and actions concerning the validity of the writ of execution

The laws of Romania may therefore adversely affect the ability to enforce rights under the Notes and the relevant Security in this jurisdiction or limit any amounts that you may receive

The Netherlands

With regard to recognition and enforcement of relevant judgments rendered in non-EU member states or Lugano Convention states, and if there is no other relevant treaty applicable (i.e. bilateral treaties such as the Netherlands—Suriname 1976 Agreement; or other treaties such as the Hague Convention on Choice of Court Agreements 2005 or the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters 2019, insofar applicable) in this respect in the Netherlands, recognition and enforcement are subject to Dutch national civil procedural law (“**Foreign Judgment**” by a “**Foreign Court**”). According to Article 431 of the Dutch Code of Civil Procedure, enforcement of a Foreign Judgment in the Netherlands is only possible if an international or national rule so states. In order to obtain a judgment that is enforceable against the Parent in the Netherlands, a holder of a Foreign Judgment must re-litigate its claim against the Parent with a competent court of the Netherlands and the judgment rendered by the Foreign Court must be submitted in the course of such proceedings, in which case the Dutch court will have to decide whether and to what extent it, given the circumstances of the case, will recognize the Foreign Judgment. A Dutch court will, under current practice, generally grant the same judgment without relitigation analysis on the merits if the final judgment obtained by the Foreign Court, is not rendered by default, is not subject to appeal or other means of contestation and is enforceable in the jurisdiction of such relevant Foreign Court with respect to the payment of obligations of a Dutch company under the documents expressed to be subject to the laws of the jurisdiction of such relevant Foreign Court and if:

- (i) the jurisdiction of the Foreign Court has been based on grounds which are internationally acceptable;
- (ii) the judgment by the Foreign Court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*);
- (iii) the Foreign Judgment does not contravene Dutch public policy (*openbare orde*); and
- (iv) the Foreign Judgment is not incompatible with a judgment of a court of the Netherlands given between the same parties, or with an earlier judgment of a non-Dutch court given between the same parties in a dispute involving the same cause of action and subject matter, provided that such earlier judgment fulfils the conditions necessary for it to be given binding effect in the Netherlands.

Moreover, a Dutch court may reduce the amount of damages granted by a Foreign Court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement and recognition of Foreign Judgments rendered by Foreign Courts in the Netherlands are solely governed by the provisions of the Dutch Code of Civil Procedure and Dutch national case law.

Dutch civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. Such pre-trial discovery process does not exist under Dutch law. In the event directors or other third parties are

liable towards a Dutch company, only the company itself can bring a civil action against those parties. The individual shareholders do not have the right to bring an action on behalf of the company. Only in the event that the cause for the liability of a third party to the company also constitutes a tortious act directly against a shareholder, such shareholder has an individual right of action against such third party in its own name. The Dutch Civil Code (*Burgerlijk Wetboek*) does provide for the possibility to initiate such actions collectively and a foundation or an association whose objective it is to protect the rights of a group of persons having similar interests can institute a collective action.

LISTING AND GENERAL INFORMATION

1. The Issuer is a joint stock company incorporated under the laws of Romania. The Issuer is registered with the Bucharest Trade Registry Office under registration number J1994012278401, EUID ROONRC. J1994012278401, sole registration code 5888716. The Issuer's registered office is located at 75 Dr. Staicovici Street, 5th District, Bucharest, Romania. The Issuer was incorporated on July 7, 1994. The Issuer's telephone number is +40 31 400 4440. The Issuer's LEI is 3157008PTGOXBWZDVF10.
2. The issue of the Notes was authorized by the extraordinary general meeting of shareholders of the Issuer on September 23, 2025.
3. Application has been made to the Irish Stock Exchange plc (trading as Euronext Dublin) for the Notes to be admitted to the Official List and trading on its regulated market, which is a regulated market for the purposes of MiFID II.
4. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List, or to trading on the regulated market of the Irish Stock Exchange plc (trading as Euronext Dublin), for the purposes of MiFID II.
5. The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The common codes for the Notes are as follows: 321661408 (Regulations S) and 321664385 (Rule 144A); and the ISINs for the Notes are as follows: XS3216614084 (Regulations S) and XS3216643851 (Rule 144A).
6. We have appointed GLAS Trustees Limited, as Trustee.
7. We have appointed Wilmington Trust (London) Limited, as Security Agent.
8. We have appointed Citibank, N.A., London Branch, as Paying Agent, Registrar and Transfer Agent.
9. Electronic or physical copies of the following documents will be available for inspection free of charge, during normal business hours on any weekday, at the Issuer's offices located at 75 Dr. Staicovici street, 5th District, Bucharest, Romania:
 - (a) this prospectus;
 - (b) the constitutive documents (and English translations thereof) of the Issuer;
 - (c) the Indenture; and
 - (d) the Financial Statements.

In addition, documents (a) and (d) listed above are available on the website of the Parent at www.digi-communications.ro/en/investor-relations. The information on any website referred to in this prospectus does not form part of this prospectus and has not been scrutinized or approved by the CBI.
10. Unless disclosed in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this prospectus, there has been no material adverse change in the prospects of the Issuer since December 31, 2024, which is the date of our last audited consolidated financial statements included in this prospectus, and there has been no significant change in our financial position or financial performance or the financial position or financial performance of the Issuer since June 30, 2025.
11. The Issuer has not been engaged in or, so far as they are aware, have pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had, a significant effect on the Issuer's financial position or profitability during the 12 months preceding the date of this prospectus, except as set forth in the section entitled "*Business—Litigation and Legal Proceedings*."
12. Holders of the Notes may contact the Transfer Agent with questions relating to the transfer of Notes on the books of the Registrar, which shall be maintained at the Registrar's principal office at Citigroup Centre Canada Square London E14 5LB United Kingdom.
13. The Notes are expected to generate an annual yield of 4.625%.
14. The expenses in relation to the admission of the Notes to trading on the regulated market of the Irish Stock Exchange plc (trading as Euronext Dublin) are expected to be approximately €7,240.

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DIGI ROMANIA S.A.

NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



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Independent Auditors' Report

To the shareholders of Digi Romania SA

Dr. Nicolae Staicovici street 75, Bucharest, Romania
Unique Registration Code: 5888716

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the non-statutory consolidated financial statements ("the consolidated financial statements") of Digi Romania SA ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The consolidated financial statements as at and for the year ended 31 December 2024 are identified as follows:
 - Net assets/Total equity: EUR 1,136,861 thousand
 - Net profit for the year: EUR 424,891 thousand
3. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Cost capitalisation

As at 31 December 2024:

- (i) property, plant and equipment (network): EUR 1,360,672 thousand (31 December 2023: EUR 1,111,870 thousand);
- (ii) property, plant and equipment (construction in progress): EUR 137,612 thousand (31 December 2023: EUR 296,075 thousand)

For more information, see Note 2.2 c) Accounting policies - Property, plant and equipment and investment property and Note 5 - Property, plant and equipment.

The key audit matter	How the matter was addressed in our audit
As part of the expansion of its activities, the Group incurs significant capital expenditure, mainly for the construction of the telecommunications network and construction in progress. In the year ended 31 December 2024, the additions to property, plant and equipment (network) and property, plant and equipment (construction in progress) amounted to EUR 79,759 thousand and EUR 419,752 thousand respectively. Significant judgement is required in measuring the cost of the said assets (both in terms of the initial and, where relevant, subsequent expenditure), primarily in respect of the capitalization eligibility of the related costs. Under the relevant requirements of the financial reporting framework, the property, plant and equipment cost includes all expenditure directly attributable to bringing them to the location and condition necessary for their intended use, including, among other things, the cost of any eligible employee benefits. We identified this matter as a key audit matter due to the magnitude of the amounts involved, the high number of transactions that make up the additions for each asset category in the current	Our audit procedures in this area, included, among other things: - evaluating the compliance of the accounting policies used in the determination of the cost of the assets, with the relevant requirements of the financial reporting standards; - evaluating the design and implementation of selected controls within the process of determining the costs to be capitalized, including those in respect of the review and approval of the capitalization eligibility and of the amounts capitalized; - for a sample of asset additions during the year, separately for network and construction in progress, challenging the capitalization eligibility and the amounts capitalized by, among other things: - o assessing the appropriateness of the capitalized cost categories, against the requirements of the financial reporting standards. As part of the procedure we, among other things, challenged whether the nature of the said costs reflected the nature of the underlying capital project; - o tracing the purchase price and the directly attributable expenditure (including material costs, employee benefits and others) to external invoices, internal consumption notes, internal timesheets and payroll records; - o evaluating whether any expenditure incurred subsequent to initial recognition is capitalized as part of its cost only if it is probable that future economic benefits

period, and also due to the effort and high degree of judgement required when performing audit procedures to evaluate compliance with the criteria to be met in order for the various costs to be capitalised.	associated with the asset will flow to the Group; - assessing the accuracy and completeness of the consolidated financial statements disclosures in respect of the recognition and measurement of property, plant and equipment against the relevant requirements of the financial reporting standards.
Fraud risk of bribery and corruption, including risk of non-compliance with the anti bribery and corruption laws and regulations	
For more information, see Note 2.2 j) Accounting policies – Provisions and Note 34 – Contingencies and commitments.	
The key audit matter	How the matter was addressed in our audit
As part of its business operations, the Group is party to significant transactions (acquisitions of property, plant and equipment, intangible assets including programme assets, inventories and services). Also, provision of its services relies upon licenses, authorizations and permits provided by the government and/or government-controlled entities and local authorities. It is the responsibility of the Group's management to ensure that its activities comply with the relevant provisions of laws and regulations, including those in the anti-bribery and anti-corruption space. Any non-compliance with the above may have a significant effect on the consolidated financial statements. In the normal course of its business, potential exposures can arise from various court and regulatory proceedings, including those resulting from alleged non-compliance with laws and regulations. Among other things, as described in Note 34 Contingencies and commitments to the consolidated financial statements, the Company and certain 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. Significant professional judgement is required in assessing such matters in order to determine, among other things, whether present obligation	Our audit procedures in this area, performed, where relevant, with the support from our own forensic specialists, included, among other things: - updating our understanding of the Group's processes and activities aimed to ensure compliance with the applicable legislative framework, to assess the probability of outflow of economic resources and estimate exposure amounts as a result of any failures to comply with laws and regulations; - on a sample basis, challenging the business rationale and/or the amounts for: - o transactions with government and/or government-controlled entities and local authorities; - o sponsorships, donations and transactions with related parties; - o transactions with suppliers based in higher-risk jurisdictions; - o telecommunication licenses and programme assets acquisitions. As part of the procedure, we also analyzed the counterparties' digital footprint and line of business and, where potential risks were identified, performed a detailed assessment of the legitimacy of the supplier and related acquisitions; - inspecting the registry of open legal cases and minutes of the Board of Directors' meetings to corroborate our understanding of the status of material litigation, claims and regulatory cases, and to satisfy ourselves regarding the completeness of their identification by the Group; - inspecting relevant legal documentation, decisions of the Board of Directors meetings

exists as a result of past events, the likelihood of an outflow of economic resources, and therefore, whether recognition of a provision or disclosure of contingent liabilities is required. Significant judgment is also required in measuring the amounts of related liabilities or contingent liabilities, if any, and other, broader, consequences thereof for the Group's operations.

In forming the above judgements, management also seeks support from its in-house and external legal advisers.

As the ultimate outcome of the matters is uncertain, and the positions taken by management are based on the application of their best judgement at the reporting date, and also due to the severity of potential consequences on the Group as a result of any failures to comply with anti-bribery and anti-corruption laws and regulations, this area required our increased attention in the audit and was considered to be a key audit matter.

and communications between the Group and its lawyers, including legal analyses of the identified matters and any developments through the date of our auditors' report;

- evaluating the Group's in-house and external lawyers' responses to our audit inquiry letters and making inquiries with selected members of the Board of Directors, accounting personnel and the Group's lawyers as to the nature and status of the proceedings and potential related exposures, with a particular attention paid to the DNA indictment;
- assessing the accuracy and completeness of disclosures in the consolidated financial statements in respect of actual or potential non-compliance with laws and regulations and contingent liabilities, against the relevant requirements of the financial reporting standards.

Emphasis of matter – Basis of preparation

6. We draw attention to Note 2.1 to the consolidated financial statements, which describes the basis of preparation, including the fact that the consolidated financial statements are prepared by the Board of Directors for the purpose of being included in an Offering Memorandum and do not represent the Company's statutory consolidated financial statements for the year ended 31 December 2024, which will be prepared by management and submitted to the relevant authorities at a subsequent date. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements – Public Interest Entities

15. We were appointed by the General Shareholders' Meeting on 29 May 2024 as auditors of the Company for the year ended 31 December 2024. Our total uninterrupted period of engagement is four years, covering the periods ended 31 December 2021 to 31 December 2024.
16. We confirm that:
- our audit opinion is consistent with the additional report presented to the Audit Committee, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
 - we have not provided to the Group the prohibited non-audit services ("NASS") referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is GIURCANEANU AURA STEFANA.

For and on behalf of KPMG Audit S.R.L.:



GIURCANEANU AURA STEFANA

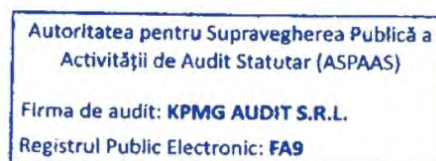
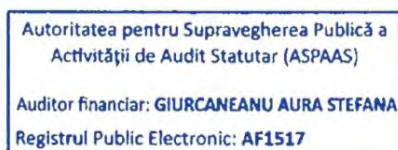
registered in the electronic public register of financial auditors and audit firms under no AF1517

Bucharest, 30 September 2025



KPMG Audit SRL

registered in the electronic public register of financial auditors and audit firms under no FA9



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GENERAL INFORMATION

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Mihai Dinei

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Registered Office:

Digi Romania S.A. former RCS & RDS S.A.

(„Company” or „Digi Romania S.A.”)

75 Dr. Nicolae Staicovici Street, district 5, Bucharest, Romania

Auditors:

KPMG Audit SRL

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,182,232	1,951,938
Right of use assets	6	480,314	395,674
Intangible assets and goodwill	8	469,763	362,679
Subscriber acquisition costs	9	59,316	58,626
Investment property	7	12,762	11,687
Equity accounted investees	10	395	1,395
Long term receivables	11	69,747	13,617
Loans to related parties	24	56,250	-
Other non-current assets		3,758	4,466
Derivative financial assets	33	14,030	3,366
Other long term assets		1,420	3,019
Deferred tax assets	29	30,328	16,035
Total non-current assets		3,380,315	2,822,502
Current assets			
Inventories	13	46,640	12,922
Programme assets	14	29,643	19,148
Trade and other receivables	15	81,010	92,759
Loans to related parties	24	31,697	18,470
Contract assets	15	98,022	94,292
Other assets	16	24,990	14,112
Derivative financial assets	33	1,263	2,768
Cash and cash equivalents	17	66,453	221,259
Total current assets		379,718	475,730
Total assets		3,760,033	3,298,232
EQUITY AND LIABILITIES			
Equity			
Share capital	18.1	11,671	11,671
Reserves	18.1	234,347	183,637
Retained earnings		777,547	435,537
Equity attributable to owners of the Company		1,023,565	630,845
Non-controlling interest	18.2	113,296	82,617
Total equity		1,136,861	713,462
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	1,019,525	1,183,650
Lease liabilities	20	376,534	312,537
Deferred tax liabilities	29	96,883	82,209
Decommissioning provision	23	15,202	11,302
Trade and other payables	21.2	44,666	71,640
Contract liabilities	25	6,161	3,428
Total non-current liabilities		1,558,971	1,664,766
Current liabilities			
Trade and other payables	21.1	555,666	562,638
Employee benefits	21.3	59,273	54,766
Loans and borrowings	19	305,202	199,814
Lease liabilities	20	102,103	77,039
Income tax payable	29	13,246	2,389
Provisions	22	7,636	614
Contract liabilities	25	21,075	22,744
Total current liabilities		1,064,201	920,004
Total liabilities		2,623,172	2,584,770
Total equity and liabilities		3,760,033	3,298,232

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

		2024	2023
	Notes		
Continuing operations			
Revenues	25	1,924,301	1,690,373
Other income	26	407,157	16,180
Operating expenses	27	(1,403,609)	(1,248,153)
Employee benefits	27	(330,031)	(287,512)
Other expenses	26	(337)	(504)
Operating profit		597,481	170,384
Finance income	28	23,028	7,658
Finance costs	28	(84,672)	(80,657)
Net finance costs		(61,644)	(72,999)
Share of loss of equity-accounted investees net of tax	10	(985)	(6,507)
Profit before taxation		534,852	90,878
Income tax expense	29	(109,961)	(1,428)
Profit from continuing operations		424,891	89,450
<i>Attributable to owners</i>		<i>416,462</i>	<i>87,833</i>
<i>Attributable to non-controlling interests</i>	18.2	<i>8,429</i>	<i>1,617</i>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(309)	(2,839)
Revaluation of land and buildings and investment property, net of tax		6,383	-
Other comprehensive income/(expense) for the year, net of income tax		6,074	(2,839)
Total comprehensive income for the year		430,965	86,611
<i>Attributable to owners</i>		<i>422,536</i>	<i>84,994</i>
<i>Attributable to non-controlling interests</i>	18.2	<i>8,429</i>	<i>1,617</i>
Earnings per share			
Basic and diluted earnings per share (amounts in EUR)	12	1.08	0.23

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are in thousand EUR, unless specified otherwise)



CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2024	2023
Cash flows from operating activities			
Profit before taxation from continuing operations	29	534,852	90,878
Adjustments for:			
Depreciation	5, 6	308,822	256,918
Amortisation	8, 9	168,362	154,405
Impairment	5, 9	8,041	13,064
Decommissioning provision	23	1,126	754
Revaluation decreases recognised in profit or loss		709	-
Interest expense	28	68,594	64,810
Interest revenue	28	(5,165)	(4,259)
Impairment of trade and other receivables	27	12,559	11,741
Reversal of provisions		(926)	(635)
Losses on derivative financial instruments	28	(9,159)	2,269
Share of loss of equity-accounted investees, net of tax	10	985	6,507
Equity settled share-based payments expense	32	337	504
Unrealised foreign exchange gain(loss)		(1,929)	1,112
Loss on sale of non-current assets	26	(384,807)	2,356
Cash flows from operations before working capital changes		702,401	600,423
Changes in:			
Increase in trade receivables, other assets and contract assets	15,16	(35,726)	(61,921)
Decrease in inventories	13	(12,411)	2,973
Increase in programme assets	14	(31,162)	(25,595)
Increase in trade payables and other current liabilities	21	15,405	8,607
Increase in contract liabilities		(1,709)	3,250
Cash flows from operations		636,798	527,737
Interest paid	19,20	(63,019)	(60,485)
Interest received		5,165	4,259
Income tax paid		(92,919)	(6,402)
Net cash flows from operating activities		486,025	465,109
Cash flow from investing activities			
Purchases of property, plant and equipment	5, 7	(620,481)	(552,597)
Purchases of intangibles	8	(65,577)	(92,716)
Purchases of investment property	7	(1,075)	0
Payments for subscriber acquisition costs		(55,309)	(58,516)
Payments for acquisition of subsidiaries, net of cash	10	(109,075)	(258)
Acquisition of equity-accounted investees, net of cash	10	0	(31)
Acquisition of associate		(2,454)	0
Loans to related parties borrowings	24	(64,480)	(13,240)
Proceeds from sale of property, plant and equipment	5,26	485,474	0
Net cash flows (used in)/from investing activities		(432,977)	(717,357)
Cash flows from financing activities			
Dividends paid to shareholders	18	(48,755)	(25,352)
Proceeds from loans and borrowings	19	825,824	330,338
Repayment of loans and borrowings	19	(873,035)	(65,405)
Transaction costs paid	19	(14,776)	(8,206)
Payment of lease liabilities	20	(125,612)	(100,200)
Proceeds from issuance of share capital and share premium from minority shareholder	18	28,500	81,000
Net cash flows (used in)/from financing activities		(207,854)	212,175
Net increase/(decrease) in cash and cash equivalents		(154,806)	(40,073)
Cash and cash equivalents at the beginning of the year	17	221,259	261,333
Cash and cash equivalents at the end of the year	17	66,453	221,259

The Consolidated statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

The Consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flow in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

During 2024, the group paid interest in total amount of EUR 79,751 (2023: EUR 63,703), of which EUR 15,990 (2023: EUR 3,084) is presented in investing activities in line Purchases of property, plant and equipment.

Compensations between the trade payable and the trade receivables amounting to EUR 18,911 (2023: EUR 8,880) and trade receivables and subscriber acquisition costs amounting EUR 6,071 (31 December 2023: EUR 5,618) were booked during the year.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Translation reserve ¹⁾	Revaluation reserve ¹	Other Reserves ¹⁾	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2024	11,671	(18,120)	9,203	192,555	435,536	630,845	82,617	713,462
Comprehensive income for the year								
Profit for the period	-	-	-	-	416,462	416,462	8,429	424,891
Foreign currency translation differences	-	(309)	-	-	-	(309)	-	(309)
Reevaluation of property, plant and equipment and investment property, net of tax (Note 5 and 7)	-	-	6,383	-	-	6,383	-	6,383
Establishment of a reserve for reinvested profit	-	-	-	44,922	(44,922)	-	-	-
Transfer of revaluation reserve (depreciation)	-	-	(287)	-	287	-	-	-
Total comprehensive income for the period	-	(309)	6,096	44,922	371,827	422,536	8,429	430,965
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions (Note 32)	-	-	-	-	337	337	-	337
Dividends distributed (Note 18)	-	-	-	-	(30,153)	(30,153)	(6,250)	(36,403)
Total contributions by and distributions to owners	-	-	-	-	(29,816)	(29,816)	(6,250)	(36,066)
Changes in ownership interests in subsidiaries								
Issuance of subsidiary share capital from minority shareholder (Note 18.2)	-	-	-	-	-	-	28,500	28,500
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	28,500	28,500
Total transactions with owners	-	-	-	-	(29,816)	(29,816)	22,250	(7,566)
Balance at 31 December 2024	11,671	(18,429)	15,299	237,477	777,547	1,023,565	113,296	1,136,861

1) Translation reserve, Reevaluation reserve and Other reserve aggregate to "Reserve" Position of the Consolidated Statement of Financial Position as at 31 December 2024

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

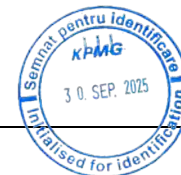
DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Share capital	Translation reserve ¹⁾	Revaluation reserve ¹⁾	Other Reserves ¹⁾	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2023	11,671	(15,281)	9,465	121,636	439,761	567,252	-	567,252
Comprehensive income for the year								
Profit for the period	-	-	-	-	87,833	87,833	1,617	89,450
Foreign currency translation differences	-	(2,839)	-	-	-	(2,839)	-	(2,839)
Establishment of a reserve for reinvested profit	-	-	-	67,553	(67,553)	-	-	-
Transfer of revaluation reserve (depreciation)	-	-	(262)	-	262	-	-	-
Total comprehensive income for the period	-	(2,839)	(262)	67,553	20,542	84,994	1,617	86,611
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions (Note 32)	-	-	-	-	504	504	-	504
Dividends distributed (Note 18)	-	-	-	-	(25,271)	(25,271)	-	(25,271)
Total contributions by and distributions to owners	-	-	-	-	(24,767)	(24,767)	-	(24,767)
Changes in ownership interests in subsidiaries								
Issuance of subsidiary share capital from minority shareholder (Note 18.2)	-	-	-	3,366	-	3,366	81,000	84,366
Total changes in ownership interests in subsidiaries	-	-	-	3,366	-	3,366	81,000	84,366
Total transactions with owners	-	-	-	3,366	(24,767)	(21,401)	81,000	59,599
Balance at 31 December 2023	11,671	(18,120)	9,203	192,555	435,536	630,845	82,617	713,462

1) Translation reserve, Reevaluation reserve and Other reserve aggregate to "Reserve" Position of the Consolidated Statement of Financial Position as at 31 December 2024

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Digi Romania S.A. Group ("the Group", or "DIGI Group") comprises Digi Romania S.A. (former RCS&RDS S.A.) and their subsidiaries. RCS&RDS S.A. has officially changed its name to Digi Romania S.A., effective 15 May 2024.

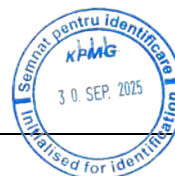
The main operations are carried by Digi Romania S.A. ("DIGI Romania"), Digi Spain Telecom SLU ("DIGI Spain"), Digi Portugal LDA (DIGI Portugal) and Digi Italy SL ("DIGI Italy").

The main shareholder of Digi Romania S.A. is DIGI Communications NV. The principal shareholder of DIGI Communications NV is RCS Management S.A. ("RCSM"), a company incorporated in Romania. The ultimate beneficial owner is Mr. Zoltan Teszari, who is the majority shareholder of RCSM. DIGI Communications NV and RCSM do not have any economic activities, except for some holding and financing activities, and their main asset is the ownership of Digi Romania S.A., respectively, DIGI Communications NV.

The Group provides telecommunication services of cable TV (television or CATV), fixed internet and data (broadband), fixed-line telephony (representing the fixed segment "CBT" cable broadband telephony), mobile telephony and internet and direct to home television ("DTH") services in Romania and Spain and mobile telephony services in Italy. In November and respectively December we started operations in Portugal and Belgium, where we acquired mobile spectrum at the 5G auction from 2021 and, respectively, 2022. This allowed the Group to expand its business on the Portuguese and Belgian market, in order to provide high quality, affordable telecommunication services. The development of our presence in the 2 new territories continued over the course of 2024. In Portugal we continued building both a fixed and a mobile network while in Belgium we signed agreements that allowed us to operate with a limited physical footprint.

Digi Spain and Sota Investments Spain OpCo S.L.U. have completed the first delivery under the transaction having as subject matter the sale by Digi Spain of a Fiber-to-the-Home ("FTTH") network in 12 provinces across Spain. The first delivery covers 4,4 million homes passed (for which the revenue is presented in notes 4 and 26, the related receivable in note 11 and the cost in note 5 and), while the development of the entire Network will take place gradually over approximately 3 years and will cover an additional number of 1,6 million homes passed. Detailed disclosures regarding the figures are provided in the relevant notes to the financial statements (notes 4, 5, 11, 13, and 26).

The largest operating company of the Group is DIGI Romania. At the end of 2024, DIGI Group had a total of 24,448 employees (2023: 22,149 employees).



2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS as adopted by the EU, in English language and EUR as presentation currency. These do not represent the Company's annual statutory consolidated financial statements and are prepared by the Board of Directors for the purpose of being included in an Offering Memorandum.

The Company is preparing its annual statutory consolidated financial statements in accordance with IFRS as adopted by EU, in Romanian language and RON as presentation currency, and is filing them with the relevant authorities. The Company will prepare and submit to the relevant authorities the statutory consolidated financial statements as at and for the year ended 31 December 2024 at a subsequent date.

(b) Consolidated financial statements

The consolidated financial statements were authorized by the Board of Directors of DIGI on 30 September 2025.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties measured at fair value, land and buildings measured at revalued amount, financial assets measured at fair value through OCI, derivative financial instruments measured at fair value and liabilities for equity share-based payments arrangements measured at fair value through profit or loss as described in the accounting policies under Note 2.2 below.

(d) Going concern assumption

In the past years the Group managed to achieve consistently strong revenue streams and cash flows from operating activities and 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 Group scrutinizes its financing structure in the most efficient way by striving to fund investments and borrowing repayment obligations as much as possible from its cash flows from operating activities.

Significant investments continue in the upcoming period, leading to capital expenditure commitments of EUR 674,7 million in 2025 and borrowing repayment obligations in 2025 amounting to EUR 305 million. In the context of the aforementioned Group's funding strategy the risk of investing and financing cash flows was mitigated by the new loans agreements signed by the company in 2025.

As described in note 35 Subsequent Events, the Group has obtained several new loan facilities totaling to EUR 613,7 million, with a range of maturities between 4 and 5 years, to refinance the existing facilities, for capital expenditures and general corporate and working capital.

The Board of Directors thoroughly analyzed the Group's forecasted cash flow from operating activities and concluded that the Group has sufficient liquidity, loan facilities and operating cash flows to fulfill its commitments.

Accordingly, the Board of Directors is of the view that the Group will continue to act as a going concern for at least twelve months from the date of approval of these consolidated financial statements and hence deemed appropriate to prepare these consolidated financial statements using the going concern assumption.

(e) Functional and presentation currency

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

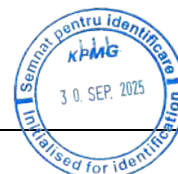
These consolidated financial statements are presented in Euro ("EUR") and all values are rounded to the nearest thousand except when otherwise indicated. The Group uses EUR as the presentation currency of the consolidated financial statements based on the following considerations:

- management analysis and reporting are prepared in EUR;
- EUR is used as a reference currency in telecommunication industry in the European Union;

The Group's Senior Secured Notes (the "Notes", "Bonds") (held by Digi Romania S.A.) are denominated in EUR. The translation into presentation currency of the financial information of each group entity with a functional currency other than EUR is described under Note 2.2 below.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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



(f) Significant estimates and judgements

In the process of applying the Group's accounting policies when preparing these consolidated financial statements, management has made the following significant judgements and estimates, including assumptions, that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

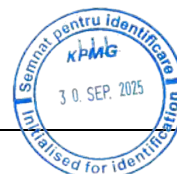
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the estimates affect that period only, and future periods, if the change affects both.

Information about critical judgements and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note	Topic	Judgements	Estimates
2.2 (a) and 10	Equity-accounted investees	X	
2.2 (a) and 30.1	NCI	X	
2.2 (c) and 5	Property, plant and equipment and Investment property	X	X
2.2 (d) and 8, 9	Intangible assets and subscriber acquisition costs		X
2.2 (c) and 5	Customer premises equipment	X	
2.2 (h), 6 and 13	Inventory write-downs to net realisable value and construction in progress	X	
2.2 (k)	Leases	X	X
2.2 (j) and 23	Provision for dismantling and restoring sites		X
5,6,7,8,9	Impairment test of non-current assets, including goodwill		X
2.2 (d) and 14	Programme assets	X	
15 and 31 (i)	Allowance for trade receivables and contract assets		X
29	Current and deferred taxes	X	X
34	Litigations	X	X
3, 19, 31 (iv), 33, 2(e)	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	X	X
3, 19, 31 (iv), 2(e)	Fair value of financial instruments, including financial assets at fair value through OCI	X	X
2.2 (e) (ii)	Supplier finance arrangements	X	
2.2 (k), 5	Sale and leaseback	X	

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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



Use of judgements

In addition to the accounting alternative methods selected by management and presented in the respective accounting policies notes, management exercises judgement in order to define the accounting policies for certain elements and transactions:

Notes	Topic	Nature of accounting judgement
2.2 (a) and 10	Equity-accounted investees	Assessment of (joint) control. Assessment of whether the Group has significant influence over an investee and whether there are joint operation and control
2.2. (a), 18 and 30.1.	NCI	Assessment of (joint) control. Assessment of whether the risks and rewards of ownership transfer to the Group or remain with the NCI. Assessment of unanimous consent, veto rights and protective rights over the relevant activities.
2.2 (c) and 5	Property, plant and equipment	Determining the costs associated with tangible assets construction and installation activities.
2.2 (c) and 7	Investment property	Determining whether a property qualifies as investment property or owner-occupied property.
5	Customer premises equipment	Determining whether equipment is 'distinct' for the purpose of IFRS 15 and whether arrangements involving equipment contain a lease for the purpose of IFRS 16.
2.2 (k)	Leases	Determination of whether changes in lease agreements represent a remeasurement or a new lease; Determining the non-cancellable lease term and assessment of the exercise or not of termination and extension. Separating the service and lease components of leases.
2.2 (d)	Acquired programme assets	Determining the timing for recognition and the appropriate presentation in the consolidated statement of financial position and consolidated statement of cash flows.
2.2 (h), 6 and 13	Inventory write-downs to net realisable value and construction in progress	The judgment used in determining the inventory write-downs to net realisable value and fixed assets in progress aged by more than one year.
29	Current and deferred taxes	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances applicable to current income tax and assessing the recovery timeline of deferred tax assets.
34	Litigations	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances.
3, 19, 31 (iv), 33, 2.2 (e)	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Initial recognition and measurement (if the case) of the NCI put option as a derivative financial liability at the present value of the redemption amount. Significant judgement in determination of whether it is in the control of the Company to avoid the contractual obligation for the issuer to deliver cash or other financial asset on the occurrence of a future event. Measurement of the NCI call option as

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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Notes	Topic	Nature of accounting judgement
		derivative financial asset at FVTPL with a corresponding reserve in equity. Judgement in respect for fixed test as well as different probabilities for the call to be exercisable or not.
3, 19, 31 (iv), 33, 2.2 (e)	Subsequent recognition of NCI put and call options	Measurement of the NCI put and call option in accordance with IFRS 9 at FVTPL. Judgement in respect of different probabilities for the put/call being to be exercisable or not.
3, 19, 31 (iv), 2.2 (e)	Fair value of financial instruments, including financial assets at fair value through OCI	Determination if the host contracts contain or not an embedded derivative at inception. Presentation for the investment in the parent company as either a financial asset or a deduction in equity.
2.2 (e) (ii), 21	Supplier finance arrangement	The group assesses how to present and account for SFAs based on the specific terms and conditions of each arrangement. There is significant judgement involved in both the presentation of liabilities under SFAs and the presentation of cash flows. Judgement might be required to assess whether a specific arrangement is dissimilar in nature to other arrangements. The judgement involved in determining the most appropriate presentation based on the specific terms of the SFA is further disclosed in note 21.
2.2 (k), 5	Sale and lease-back	Assessment of the selling price being at market price and that there is no financing element. Determining who maintains control of the assets or the right to use them affected by the ownership of the network facilities sold, considering the sale and transfer of subsequent use operation. The judgement involved in determining the most appropriate presentation is further disclosed in note 5

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Use of estimates

In preparing the Group's consolidated financial statements, management made estimates, insofar as many elements included in the consolidated financial statements cannot be measured precisely. Management revises these estimates if the underlying circumstances evolve or in light of new information or more experience. Consequently, the estimates made as at 31 December 2024 may subsequently be changed.

Notes	Topic	Key sources of estimates on future income and/or cash flows
2.2 (c) 5 and 7	Property, plant and equipment Investment property	Assessing assets' useful life according to the change in the technological, regulatory or economic environment; assessing fair value of land and buildings and investment property.
2.2 (d) and 8	Intangible assets and subscriber acquisition costs	Assessing the useful life and the recoverable value of customer-related intangibles and subscriber acquisitions costs depending on rate of customer churn.
2.2 (k)	Leases	Determination of the term of leases; Determination of the incremental borrowing rate of the lease when the implied interest rate is not identifiable in the lease.
2.2 (j) and 23	Provision for dismantling and restoring sites	Determination of the dismantling timeframe, discount rate, expected cost.
5,6,7,8,9	Impairment test of non-current assets, including goodwill - measurement of the recoverable values for the impairment tests (goodwill, property, plant and equipment and intangible assets, investments accounted for under the equity method)	Sensitivity of discount rates, perpetual growth rate and business plans assumptions which affect the expected cash flows; assessing the competitive, economic and financial environment of the countries where the Group operates.
2.2 (c), 5	Evaluation of the recoverable value for customer premises equipment	The main assumptions used in determining the purchase price used to evaluate the value of the equipment recovered from the customers' location and the reusage rate of the recovered assets.
15 and 31 (i)	Allowance for trade receivables and contract assets	Key assumptions in determining the weighted-average loss rate.
29	Measurement of the recoverable value of deferred tax assets	Assessing the deferred tax assets' recovery timeline when a tax entity reverts to profitability or when the tax legislation limits the use of tax loss carry forwards.
34	Litigations - risk of resources outflow linked to claims and litigations	Underlying assumptions of the assessment of legal and fiscal positions; identifying and releasing of uncertain legal and tax positions.
3, 19, 31 (iv), 33, 2(e)	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Determination of the initial and subsequent value of the liability associated with the transaction with abrdn is associated with significant estimation uncertainties on the occurrence of future events, not in the control of the entity.
3, 19, 31 (iv), 2.2 (e)	Fair value of financial instruments, including financial assets at fair value through OCI	Models, selection of parameters, fair value hierarchy, evaluation of non-performance risks. The call and put options fair value was determined considering the timing of the calls/puts during the length of the contract, and different agreed returns considered reasonable and market aligned for both parties, considering both the initially agreed global return of the project and the different moments and condition. Different fluctuation scenarios have been considered as well as different WACC levels,

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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Notes	Topic	Key sources of estimates on future income and/or cash flows
		using Monte-Carlo simulations.
2.2. (t), 30.1	Business combination	Estimation of fair values of asset and liabilities acquired (including provisional amounts) and fair value of purchase consideration in a business combination. Please see details in note 30.1

(g) Changes in material accounting policies

A. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The Group has adopted *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* from 1 January 2024. The amendments were originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024. These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. Following the amendments, the Group reviewed the classification of liabilities as current and non-current and concluded that these amendments had no impact on its consolidated financial statements.

B. IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The Group has adopted *IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)* from 1 January 2024. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. Following the amendments, the Group reviewed the sale and leaseback arrangements and concluded that these amendments had no impact on its consolidated financial statements.



2.2. MATERIAL ACCOUNTING POLICIES

This section describes the material accounting policies applied in the current reporting period that relate to the consolidated financial statements as a whole and the critical accounting judgements and estimates that management has identified as having a potentially material impact on the Group's consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except if mentioned otherwise. The Company prepared the consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances for all Group entities.

These consolidated financial statements do not include certain information or disclosures that, not having to be presented due to their qualitative significance, were deemed to be immaterial or of no relevance pursuant to the concepts of materiality or relevance defined in the IFRS conceptual framework, insofar as the DIGI Romania Group's consolidated financial statements, taken as a whole, are concerned.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of DIGI Romania and its subsidiaries and the Group's interest in equity-accounted investees as at 31 December 2024 and as of 31 December 2023. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in profit or loss immediately.

Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. If the business combination in effect settles a pre-existing relationship, the acquirer recognises a gain or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay the contingent consideration that meets the criteria of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

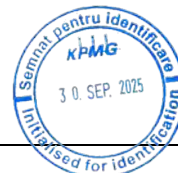
The Group accounts for all business combination under the acquisition method, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred,
- the liabilities incurred to the former owners of the acquired business,
- the equity interests issued by the group,
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

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Acquisition-related costs are expensed as incurred.

The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Subsidiaries

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interests ("NCI")

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

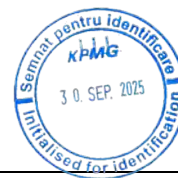
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity, unless it can be clearly demonstrated that the Group lacks the ability to exercise such influence over its investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The considerations made in determining significant influence, or joint control are similar to those necessary to determine control over subsidiaries.

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When assessing joint control, the Group assesses if the group of venturers unanimously agree on all decisions over the “relevant activities”, meaning the activities which significantly affect an investee’s returns and if each of the parties that share joint control has a veto right (e.g they can block key decisions if they do not agree).

Joint control only exists if decisions require the unanimous consent of the parties sharing control. If decisions are made by simple majority, the Group analyses the following factors:

- the directors are not agents or employees of the shareholders
- the shareholders have not retained veto rights
- there are no side agreements requiring directors vote together
- a quorum of Board members can be achieved without all members being in attendance

If control exist over the subsidiary, the arrangement is not a joint venture and is accounted under IFRS 10.

The Group’s investment in its associates and joint ventures is accounted for using the equity method. Under the equity method, these are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases. The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the associate or joint venture and the Group’s other comprehensive income includes its share of the investee’s other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. The aggregate of the Group’s share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group’s share of losses equals or exceeds its interest in an equity-accounted investee, including any other unsecured long-term receivables, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the Group does not recognise further losses unless it has obligations or has made payments on behalf of the investee.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value. Gains or losses arising on disposal of an equity-accounted investee, or the impairment of a loan to an equity accounted investee are recognized as gain or losses on financial assets or sales of subsidiaries. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Transactions eliminated on consolidation

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investees. Unrealized losses are also eliminated in the same way as unrealised gains unless the transaction provides evidence of an impairment of the transferred asset.

b) Foreign currency

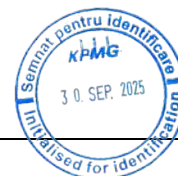
As previously stated, items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). These consolidated financial statements are presented in EUR, which is the Group’s presentation currency and all values are rounded to the nearest thousand EUR except when otherwise indicated.

Foreign currency - Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currencies using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated to the functional currencies using the exchange rates at the date when the fair value was determined.

Foreign currency differences are generally recognised in profit or loss and presented within finance costs. However, foreign currency differences arising from the translation of financial assets at fair value through OCI, are recognized in OCI, except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss.

Translation to presentation currency

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

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

On disposal of a foreign operation (in its entirety or partially such that control, significant influence or joint control is lost), accumulated exchange differences relating to it and previously recognized in equity as translation reserve are recognized in profit or loss as component of the gain or loss on disposal. The cumulative amount in the translation reserve related to that operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate, or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

Currency	2024			2023		
	Jan – 1	Average for the year	Dec – 31	Jan – 1	Average for the year	Dec – 31
RON per 1EUR	4.9746	4.9746	4.9741	4.9474	4.9465	4.9746
USD per 1EUR	1.1065	1.0821	1.0389	1.0666	1.0814	1.1065

c) Property, plant and equipment and investment property

Property, plant and equipment is carried:

- using the cost model, at purchase or construction cost less accumulated depreciation and accumulated impairment losses: network, customer premises equipment, vehicles, equipment and devices, furniture and office equipment; and
- using the fair value model, less any subsequent accumulated depreciation and subsequent accumulated impairment losses: land and buildings.

Property, plant and equipment using the cost model

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to their present location and condition necessary for their intended use. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

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The costs of internally developed Property, plant and equipment include direct material and labour costs, as well as costs relating to subcontracting the development services, and capitalized interest and borrowing costs, when applicable. The cash flow for interest paid is presented in the Statement of Cash Flows in investing activities, in line Purchase of property, plant and equipment.

Cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives. Maintenance and repair costs are expensed as incurred.

Customer premises equipment consists of: routers and modems; other mobile devices; Set-top boxes and other decoders; satellite receivers; servers and other IT equipment; cables and other network equipment.

Property, plant and equipment using the revaluation model

Fair value assessments are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The most recent revaluation of land and buildings was performed as at 31 December 2024, by an independent evaluator, using revaluation methods such as Market Approach, Income Approach and Cost Approach.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in the profit or loss. A revaluation deficit is recognized in profit or loss, except where a deficit is directly offsetting a previous surplus on the same asset in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is considered to be realized as the asset is used by the entity or when the asset is derecognized. In the first case, the amount of the reserve realised, hence transferred to retained earnings, is the difference between the depreciation based on the revalued carrying amount and the depreciation based on the original cost of the asset.

For details regarding the revaluation performed and differences recorded, please see Note 5.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives applied as at 31 December 2024 and 31 December 2023 are as follows:

	Useful life
Buildings	40-50 years
Fixed Network	up to 25 years
Mobile Radio Network (sites)	20 years
Equipment and devices	3-10 years
Customer premises equipment	5-10 years
Vehicles	6-10 years
Furniture and office equipment	3-9 years

The residual values, useful lives and the depreciation method of the assets are reviewed at each financial yearend and adjusted if appropriate. If expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

The carrying value of property, plant and equipment is tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year when the asset is derecognized.

Decommissioning

The present value of the expected cost for the decommissioning of the mobile radio network sites after their use, is included in the cost of the respective assets if the recognition criteria for a provision are met. See 2.2 j) for more information.

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. Investment property comprises of real estate property located in Hungary (residential, commercial and industrial properties, as well as land) which the Group is holding for purposes of capital appreciation.

d) Intangible assets, goodwill, programming assets and subscriber acquisition costs

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets relate mainly to software specific to our industry, developed within the group for own use purposes. Costs capitalized include the payroll costs of those employees directly associated with software development, services consumed in the development effort, as well as travel costs related to development work.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Customer relationships

Customer relationships represent the cost incurred by the Group to acquire customer contracts from other companies directly or by acquiring control of those companies.

Customer relationships acquired directly from other companies are recognized at the cost of acquisition, which is the fair value of the consideration paid. Customer relationships obtained by acquiring control of certain companies are recognized at their acquisition cost (based on fair value assessment) at the date of the acquisition and are presented separately from any residual goodwill resulting from the acquisition.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 2.2 (a). Goodwill is not amortised and is subsequently measured at cost less accumulated impairment losses, being tested at least annually for impairment. Where goodwill forms part of cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

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Programme assets

The Group is concluding multi-annual contracts for the acquisition of broadcasting rights for national and international sports competitions (“sports rights”), as well as contracts for the acquisition of film and television broadcasting rights.

When entering into such contracts, the rights acquired are classified as contractual commitments. These rights are recognised in the Consolidated Statement of Financial Position and classified as current intangible assets (programme assets) if all of the following conditions are met: a) there is no doubt that the content will be delivered as agreed in the contract b) the non-cancellable term of the contract is of maximum 12 months and c) the cost of the content rights can be reliably estimated.

They are recognised as follows:

- Sports broadcasting rights for the current season are recognized at their acquisition cost, at the opening of the broadcasting period (in average the same number of competitions are broadcasted in a year) of the related sports season. Sports rights are amortized over the broadcasting period on a straight-line basis. Any rights not expected to be utilized are written off;
- Film and television broadcasting rights are recognized at their acquisition cost, when the programme is available for screening, and are amortised over their broadcasting period.

Advance payments for sports rights related to film and television rights related to the following 3-6 months are also presented as programme assets.

Acquisitions of programme assets are presented within working capital changes, within the consolidated statement of cash flows.

Other intangible assets

Other intangible assets that are acquired by the Group are represented by mobile telephony licenses in Romania and Portugal (“radio spectrum licenses”), software and other intangible assets which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

When a radio spectrum license is granted, the authorization to use the spectrum requires an upfront payment, payable either as a single payment or in instalments, and an annual fee payable over the lifetime of the license. An asset is recognized for the amount of the upfront payment; annual fees are accounted for as operating expenses. Annual spectrum fees do not meet the criteria to be capitalized as the spectrum license can be cancelled at any time by the Group companies without any obligation of further such annual payments.

Subscriber acquisition costs

Subscriber acquisition costs represent the incremental costs for acquiring and connecting new subscribers by the Group companies, consisting of incremental commissions paid to employees or third parties for contracting new subscribers at the point at which the contracts are signed with the customers. Costs that will be incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract are expensed as they are incurred.

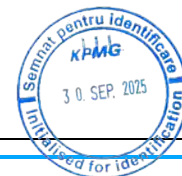
Amortisation

Intangible assets, except for goodwill, are amortized to expense their cost (with no residual value deducted) on a basis that reflects the pattern in which their future economic benefits are expected to be consumed. The straight-line basis is applied. The useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. If changes in accounting estimates occur, they are recognized prospectively.

Costs to obtain a contract are recognised for post-paid mobile services and for fixed services (Romania, Portugal) and for prepaid, post-paid mobile services and for fixed services (Spain). The amortisation periods for costs to obtain a contract are based on the minimum contractual period.

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Main categories	Amortisation period (average)
Customer relationships	7 years
Subscriber acquisition costs	2 years
Trademarks	up to 8 years
Mobile telecommunications equipment licenses and radio spectrum licenses	10 years for fixed network licenses and software licenses, server licenses, CBU licenses
	5 to 7 years for Cisco licenses, Fortinet licenses
	1 year for television software licenses
	10 to 15 years - radio spectrum licenses – the amortisation periods are the grant (contractual) periods, from the date when the networks are technically ready and the services can be marketed; in case of contract extensions, these are used to extend the amortisation period

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.1) Revenues.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Classification

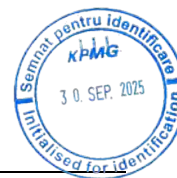
The Group classifies financial assets into the following categories: cash and cash equivalents, financial assets at amortised cost, financial assets designated at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits at banks.

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Cash and cash equivalents in the consolidated statement of cash flows comprise cash at bank and in hand and short-term deposits at banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes, mainly, trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group elected to classify irrevocably its unquoted equity investments as equity instruments designated at fair value through OCI. This category only includes equity instruments which the Group intends to hold for the foreseeable future. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

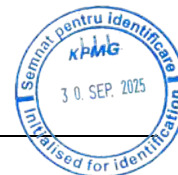
Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as interest-bearing loans and borrowings, payables, other financial liabilities, as derivatives designated as hedging instruments in an effective hedge, as appropriate or as derivative financial instruments.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, issued bonds and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, payables and other financial liabilities net of directly attributable transaction costs.

Derivatives on an interest in a subsidiary are accounted for as financial instruments unless the derivative meets the definition of an equity instrument of the entity. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Subsequent measurement

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR" method). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

After initial recognition, derivative financial liabilities are measured at FVPL.

The Group established vendor financing with suppliers and supplier finance arrangements agreements with financial institutions.

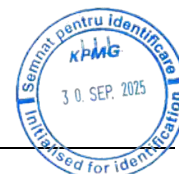
Liabilities from vendor financing agreements represents liabilities to pay for goods or services which are invoiced following a formal agreement with the supplier. In some cases, payment terms are extended in agreements between the supplier and the Group. If these agreements imply payment terms beyond one year, these are classified as non-current liabilities.

The supplier finance arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment terms with the amounts paid by the financial institutions that participate in the supplier finance arrangement structure. Generally, the Group will repay the financial institutions the full invoice amount, on the scheduled payment date as required by the supplier finance agreement.

When the payment terms are extended beyond the contractual agreement with the supplier, interest is charged by the financial institutions and the amounts are reclassified under Loans and borrowings. In such case, in the consolidated statement of cash flows corresponding cash flows are presented under financing activities. If the payment terms are not extended beyond the contractual agreement with the supplier the related cash flows are presented under operating activities.

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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(3) Derivative financial instruments

Initial recognition

The Group applied the policy choice of continuing with hedge accounting requirements of IAS 39 and all the existing hedging relationships were eligible to be treated as continuing hedging relationships. On initial designation of a derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The call option embedded in a host financial liability contract is closely related to the host contract. The exercise price of the prepayment option reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract. 'Lost interest' is the product of the principal amount prepaid, multiplied by the interest rate differential. The 'interest rate differential' is the excess of the effective interest rate of the host contract over the effective interest rate that the entity would receive at the prepayment date if it reinvested the principal amount prepaid in a similar contract for the remaining term of the host contract. This exception is conditional on the exercise price compensating the lender for loss of interest by reducing the economic loss from reinvestment risk.

Within the DIGI Andaluia SLU (former Primafati S.L.U.) transaction, the Group was granted with certain voluntary purchase call options. The derivatives, corresponding to these call options derivatives are valued initially at their fair value. The value of these call options was derived from the fair value of the shares of the underlying entity determined by independent valuation experts based on a discounted-cash-flow method.

Subsequent measurement

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The derivatives, corresponding to the call options on DIGI Andaluia SLU (former Primafati S.L.U.), are subsequently measured at fair value through profit or loss. The value of these call options is subsequently measured applying both a Monte-Carlo simulation and a Forward valuation methodology

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

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Transactions between shareholders with the Company's A shares are considered completed at the date when the transfer of ownership has been agreed upon by the parties in a written contract. Transactions with B shares are trading on the stock exchange and are considered completed at the transaction date.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. Transactions with non-controlling interest which result in surplus or deficit on the transaction are credited or debited to retained earnings. When treasury shares are cancelled the excess of cost above nominal value is debited to retained earnings.

Share and repurchase agreements related to treasury shares do not result in derecognition of the respective treasury shares and do not affect their cost.

Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share for continuing operations - as follows:

- basic earnings per share is calculated by dividing net profit for the year attributable to the equity holders of the Parent, by the weighted average number of ordinary shares outstanding during the year;
- diluted earnings per share is calculated based on the net profit. Average number of outstanding shares are adjusted by the dilutive effect of employee stock-options.

g) Impairment

Non-financial assets

The carrying amount of the non-financial assets, except inventory and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment of Customer Premises Equipment ("CPE")

At each reporting period, the Group recognizes an impairment charge equal with the carrying amount of the Customer premises equipment "CPE" held in custody by disconnected customers.

Impairment on Subscriber acquisition costs

At each reporting period, the Group recognizes an impairment charge computed as the percentage of churn applied to the carrying amount of costs to obtain.

Impairment on installation costs related to fixed network

At each reporting period, the Group recognizes an impairment charge based on the percentage of churn applied to the carrying amount of installation costs related to fixed network. The depreciation charge is adjusted in future periods in order to allocate the revised carrying amount of the fixed network, less any residual value, systematically, over the remaining useful life.

Key assumptions in the performance of impairment test

An asset's or cash generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the asset. In determining fair value less costs of disposals, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

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When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss, except for property, plant and equipment previously revalued where the revaluation was recognised in other comprehensive income. In this case the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless that asset is carried at revalued amount, in which case the reversal in excess of previous impairment loss recognised in profit or loss is treated as a revaluation increase.

After recording impairment losses or reversals the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill

Goodwill is tested, at least annually, for impairment, based on the recoverable amounts of the cash generating unit to which the goodwill has been allocated.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lower level within the Group at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized in profit or loss.

Impairment losses recognized for goodwill cannot be subsequently reversed.

Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets not held at fair value through profit or loss. 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 receivables from customers, from contract assets and other current financial assets.

For trade receivables, contract assets and other current financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrices that comprise of the grouping of customers, in accordance with similar loss patterns (namely by geography, type of service and type of customer, namely residential and business clients). The provision rates are based on the Group's observed historical credit loss experience and default rates, adjusted for specific factors referring to the debtors, such as reciprocal payments and offsets of debts. At every reporting date, the historical observed default rates are updated and changes in the forward-looking information are analysed, if the case.

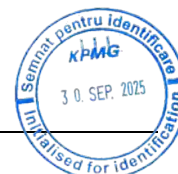
Trade receivables overdue by more than 6 months are fully impaired. The Group considers a financial asset in default when contractual payments are 60 days past due. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 15 and Note 31. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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Write-off

The gross carrying amount of a financial asset is written off when the Group exhausted all practical recovery efforts and has no reasonable expectations of recovering a financial asset. The Group has a policy of writing-off the gross carrying amount when the financial asset is 5 years past due, based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amounts written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for amounts due. The write-off represents a derecognition event. Financial assets write-offs are recognised in the Consolidated Statement of Profit or Loss on the line "operating expenses".

h) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is determined on a first-in first-out basis and it comprises all costs of purchase, costs of conversion and other costs in bringing the inventories to their current location and condition.

Net realizable value of the inventories sold is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Employee benefits

Short-term employee benefits

Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions and other post-employment benefits

Under the regulatory regimes applicable in the countries where it operates, the Group is required to make payments to national social security funds for the benefit of its employees (defined contribution plans financed on a pay-as-you go basis). The Group has no legal or constructive obligation to pay future contributions if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Its only obligation is to pay the contributions as they fall due and if it ceases to employ members of the state plan, it will have no obligation to pay the benefits earned by its own employees in previous years.

Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered.

The Group does not operate any other pension schemes or post employment benefit plans.

Accumulated paid absences accrual ("Untaken Holiday")

The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

j) Provisions

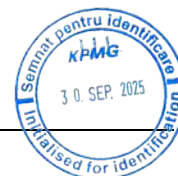
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as a finance cost.

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Decommissioning provision

The Company records a provision for decommissioning costs of its mobile telecommunication sites. Decommissioning costs are provided for at the present value of expected costs of dismantling using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at the risk-free rate. In determining the value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the site and the expected timing of those costs.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

k) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Right-of-use asset

The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices at the commencement or on modification of a contract that contains a lease component.

The group recognizes a right-of-use asset at the lease commencement date (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are adjusted for certain remeasurements of the corresponding lease liabilities and are also subject to impairment, following the same principle as the property, plant and equipment. Refer to the accounting policies in note 2.2 (c).

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rates were assessed by an external valuator.

The ranges used as incremental borrowing rates take into account:

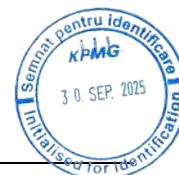
- company specific rates that reflect the credit worthiness of the company; and
- the term of the arrangement;
- the amount of funds borrowed;
- the nature and quality of the underlying asset;
- the economic environment encompassing the jurisdiction, the currency and the date at which the lease is entered into.

As the incremental borrowing rates take into account a 10-year maturity, an adjustment of the discount rates was considered in order to align them with contracts maturities using the yield spread for sovereign bonds. The incremental borrowing rates used by the Group also include inflation rate for each currency in which contracts are denominated.

The lease payments included in the measurement of the lease liability include fixed payments (including in-substance fixed payments less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for early terminating a lease unless the Group is reasonably certain not to terminate early. The variable lease

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payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms that range from 1 month up to 30 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. For these specific cases, the Group took into consideration the characteristics of the leased assets as well as the Group's estimations included in the Group's business plans. For leases where we consider it reasonably certain that the extension option will be exercised, we considered the extended lease term for the purpose of the computation of lease liabilities (on top of the non-cancellable period) with a period in the range of one to five years.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Sale and lease back

A sale and leaseback transaction is one where the Group (the seller-lessee) transfers an asset to another entity (the buyer-lessor) for consideration and leases that asset back from the buyer-lessor.

To determine how to account for a sale-and-leaseback transaction, the Group first considers whether the initial transfer of the underlying asset from the seller-lessee to the buyer-lessor is a sale under IFRS 15. If the transfer meets the requirements for a sale in IFRS 15, then the sale has occurred and the transaction is accounted for as a sale-and-leaseback transaction under IFRS 16. If the transfer does not meet the requirements for a sale in IFRS 15, then there is no sale and the transaction is accounted for as a financing arrangement under IFRS 9.

If the transaction qualifies as a sale, the seller recognizes the gain or loss on the sale of the asset. The gain or loss is measured as the difference between the sale price and the carrying amount of the asset.

The leaseback is measured at the present value of lease payments, and a right-of-use asset and lease liability are recognized on the balance sheet if the agreement qualifies under IFRS 16 or as a monthly rent if it doesn't qualify under IFRS 16.

l) Contingencies

Management applies its judgment to the fact patterns and advice it receives from its attorneys and other advisors in assessing if an obligation is probable or not or remote. This judgment application is used to determine if the obligation is recognized as a liability or disclosed as a contingent liability.

Contingent liabilities are not recognized in the accompanying consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the accompanying consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

m) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Below section summarizes how and when revenue is recognized for each category of revenue.

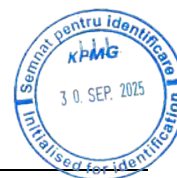
- **Revenue from services**

The Group's main sources of revenue from contracts with customers are:

- Subscription revenue from the provision of video, cable TV ("CATV") and direct-to-home ("DTH") TV;

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- Subscription revenue from the provision of internet and data communication services (fixed and mobile);
- Subscription revenue from the provision of fixed-line and mobile telephony;
- Voice traffic revenue from fixed-line and mobile telephony services;
- Interconnection;
- Supply of electricity

• **Subscription Revenue**

Video services subscriptions, pay TV fees, internet and data subscriptions, telephony subscriptions and voice minutes consumption revenues are recognised over time, based on the period when the services are provided. These revenues are collected through subscription fees that arise from the monthly billing of subscribers for these services and monthly billing of voice traffic. Revenue is recognized in the month the service is rendered. Contracts contain cancellation clauses which require payment of penalties. Revenue from penalties is recognised when the cancellation occurs.

Next to the monthly subscription fees, the Group charges separately the voice traffic which exceeds the voice minutes included in the subscription. The revenue for any additional voice traffic is recognized in the profit or loss over time, based on minutes consumed and contracted fees at the time services are provided (when the call is made).

Revenue from interconnect fees is recognised over time, when the services are performed.

Service arrangements can involve both the delivery of services and the use of a customer premises equipment ("CPE"). The Group has considered whether the CPE is 'distinct' for the purposes of IFRS 15.

The Group has analysed the relevant criteria and concluded that the CPE is not a distinct performance obligation. The following criteria were considered:

- the customer does not direct how and for what purpose they are used;
- the customer does not control the equipment, nor does it make any significant decisions about its use;
- the equipment is an input that is being used to produce the output for which the customer actually contracted the services;
- the equipment and the service are required to continually interact in order to fulfil the promise to the customer, hence the goods and services are highly interdependent, because the Group would not be able to fulfil its promise by transferring each of these goods independently;
- the Group does not sell separately the CPE to the customers.

• **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

• **Sales of mobile, CPE, CATV and DTH devices**

The Group recognizes revenue when a customer takes possession of the device. This usually occurs when the customer signs the contract. For devices sold separately (not in a bundled package), customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments, over a period of 12 months or 24 months. Where a finance component is significant this is accounted for as a reduction in revenue from sales of handsets against interest income. The discount rate used in determining the financing component is the effective interest rate at which a client could obtain financing on the free financial market for the amount required for the purchase of mobile devices at the moment of the assessment (it is estimated as the average of the effective annual interest rates from public offers for individuals).

• **Bundled services**

Certain packaged offers comprise of the subscription service and the device. For bundled services, the Group accounts for individual products or services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling

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prices. The stand-alone selling prices are determined based on the list price at which the Group sells the devices and the telecommunication, CATV, DTH services.

Where a promotional offer includes a period of free service, the respective discount is allocated proportionally to each distinct performance obligation. Payment terms are, usually, up to 30 days since the invoice is issued.

Services are delivered only after the execution of a binding contract, and not during any pre-contractual or trial period.

- **Advertising**

Revenues obtained from publicity sales on our broadcasting channels (TV & radio) are recognized over time, when the relating advertising is performed. Payment terms are, usually, between 30-90 days since the invoice is issued.

- **Supply of electricity**

Revenues from electricity production are recognized in the period when these have been delivered into the Romanian national electric grid and / or to customers. Payment terms are, usually, up to 30 days since the invoice is issued.

Revenue from sale of green certificates granted under Romania's renewable energy support scheme is recognized at a point in time, when control is transferred to the customers. Deferred green certificates are recognized at fair value, which includes for the green certificates for which trading is deferred, the assessment of the related under-absorption risk.

- **Government grants for supply of electricity**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants are recognised in profit or loss on a systematic basis as the entity recognises as expenses the costs that the grants are intended to compensate. The Group presents the grants for electricity supply under "Other income", applying a gross presentation, with a corresponding entry in "Other receivables".

- **Other Income**

In management's judgment the network development services related to the SOTA transaction (discussed in Note 5), are considered non-recurring (i.e. are not ordinary operating activities of the Group), as such, the Group recognises within other income a net gain on sale of inventory when the network development assets are transferred to, and accepted by, the customer.

- **Contract balances**

Contract assets

The contract assets primarily relate to the Group's rights to consideration for services completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group recognized contract assets for revenue from promotions, energy and sales in instalments. The revenue related to promotions is recorded by the Group based on straight-line method (divided equally during the contractual period).

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

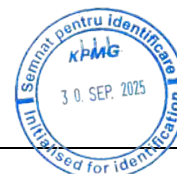
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Costs of obtaining the contract

We recognise incremental costs of obtaining the contract as non-current assets (in accordance with IFRS 15), as disclosed in Notes 2 d).

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n) Finance income and finance expense

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance expense comprises interest expense on borrowings, lease liabilities, unwinding of the discount on provisions and deferred consideration, losses on derivative financial instruments that are recognised in profit or loss. Unamortised borrowing fees are expensed upon termination of related borrowings.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

All foreign exchange gains and losses are presented in the income statement within 'finance income or cost' position.

o) Related parties

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. Related parties include individuals that are principal owners, key management personnel of Group's subsidiaries and members of the Board of Directors and members of their families, and any company that is related party to Group's entities.

p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments (when and if applicable), do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group is within the scope of the OECD Pillar Two model rules, and accounts for it as a current tax, applying the IAS 12 temporary mandatory relief to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate, in the jurisdictions in which the Group operates and the legislation is enacted.

Minimum turnover tax in Romania

Starting from the fiscal year 2024, a minimum tax on turnover has been introduced in Romania for companies paying corporate income tax if their turnover exceeds 50 million euros in the previous year. Companies with a corporate income tax lower than the minimum turnover tax, are required to pay the corporate income tax at the level of the minimum turnover tax. The minimum turnover tax is calculated as 1% from the total revenues which is then reduced by certain non-taxable items, the value of fixed assets in progress as at the start of each year and accounting depreciation based on historical cost related to assets purchased or produced as of 1 January 2024.

Digi Romania S.A. does not qualify to pay minimum turnover tax as the current income tax is currently greater.

Current tax

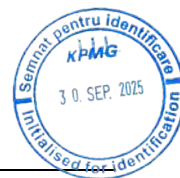
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or are recognized when their utilisation has become probable.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

r) Dividends

Dividends are recognized as distributions within equity in the period in which they are declared to shareholders (at the date of the approval by the shareholders). Dividends for the year are declared after the reporting date.

q) Share-based payment transactions

Certain members of the management team and certain employees of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted, as evidenced by their market price.

The cost of equity-settled transactions is recognized as "Salaries and related taxes" expense, together with a corresponding increase in retained earnings, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting period'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income in profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed by the Group as best estimate of the number of equity instruments that will ultimately vest. Market conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service / performance conditions.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided that the original terms of the award are met. In addition, an expense is

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recognized for any modification which increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately through profit or loss. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

s) Segment reporting

The information by operating segment is based on internal reporting to the Board of Directors, identified as “Chief Operating Decision-Maker”, as defined by IFRS 8 *Operating Segments*. The Board of Directors reviews segment information on revenue and non-current assets on a monthly basis and segment EBITDA (earnings before interest, taxes, depreciation and amortisation) on a quarterly basis.

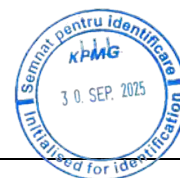
The Group considers EBITDA, a non-IFRS measure, to be the key operating performance measure of its operating segments. The method used in calculating EBITDA and its reconciliation to the line items in the statement of profit or loss and other comprehensive income is disclosed in Note 36. All other information included in the disclosure per segment is prepared under IFRSs as adopted by EU applicable to the consolidated financial statements.

The Chief Operating Decision-Maker has chosen to review geographical operating segments because the Group’s risks and rates of return are affected predominantly by the fact that it operates in different countries.

As part of our “Other” segment we reported (i) revenue from, and expenses of, our Italian and (ii) expenses of the Company.

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2.3. NEW ACCOUNTING PRONOUNCEMENTS

a) Standards Issued But Not Yet Effective And Not Early Adopted

The following amended standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of these amended standards and does not expect that they will have a significant impact on the Group's consolidated financial statements when they become effective.

- Lack of exchangeability (Amendments to IAS 21);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Standards – Volume 11.

The following standards and amendments have not been endorsed by the European Union as at 16 July 2025:

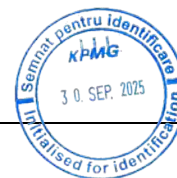
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)	Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify: • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.	The Group plans to apply the amendments from 1 January 2025. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of	<i>Settlement of liabilities through electronic payment systems</i>	The Group plans to apply the amendments from 1 January 2026. The Group expects that the

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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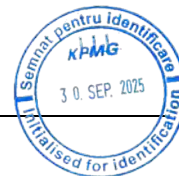


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
<i>Financial Instruments</i> (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)	There has been diversity in practice over the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment system. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised. Under the amendments, a company generally derecognises its trade payable on the settlement date. Normally this is the date, on which payment is completed. The amendments also provide an optional exception, which allows the company to derecognise its trade payable earlier than the settlement date, potentially on the date when payment is initiated and cannot be canceled. The exception is available when the company uses an electronic payment system that meets all of the following criteria: • no practical ability to withdraw, stop or cancel the payment instruction; • no practical ability to access the cash to be used for settlement as a result of the payment instruction; and • the settlement risk associated with the electronic payment system is insignificant. Companies can choose to apply the exception for electronic payments on a system-by-system basis. <i>Classification of financial</i>	amendments, when initially applied, will not have a material impact on its consolidated financial statements.

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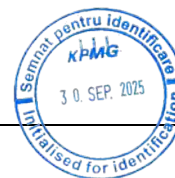


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	<i>assets with ESG-linked features</i> Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are: • not related directly to a change in basic lending risks or costs; and • are not measured at fair value through profit or loss. <i>Contractually linked instruments (CLIs) and non-</i>	

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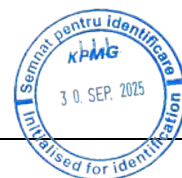


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	<i>recourse features</i> The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). <i>Disclosures on investments in equity instruments</i> The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).	
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i> (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)	The amendments enable nature-dependent electricity contracts, which are sometimes referred to as renewable power purchase agreements (PPAs), to be better reflected in the financial statements. The amendments: • Clarify the application of the own use exemption to these contracts. • Amend the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met. Introduce additional disclosure requirements to enable investors to	The Group plans to apply the amendments from 1 January 2026. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.

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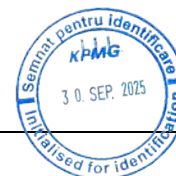


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	understand the impact of these contracts on a company's financial performance and future cash flow.	
Annual Improvements to IFRS Standards – Volume 11 (Effective for annual reporting periods on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied).	In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards¹. The amendments to IFRS 9 address: • a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and • how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9. The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. ¹IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures; IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.	The Group plans to apply the new standard from 1 January 2026 The Group expects that the amendments, when initially applied, will not a material impact on its consolidated financial statements.
IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual	IFRS 18 replaces IAS 1 <i>Presentation of Financial Statements</i>. The major changes in the requirements	The Group plans to apply the new standard from 1 January 2027. The Group is in the process

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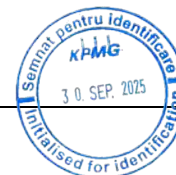


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	are summarised below. <i>A more structured statement of profit or loss</i> IFRS 18 introduces newly defined ‘operating profit’ and ‘profit or loss before financing and income tax’ subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities: operating, investing and financing. Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the ‘most useful structured summary’ of its expenses by either: • nature; • function; or • using a mixed presentation. If any operating expenses are presented by function, then new disclosures apply. <i>MPMs – Disclosed and subject to audit</i> IFRS 18 also requires some ‘non-GAAP’ measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures (“MPMs”), requiring them to be: • a subtotal of income and expenses; • used in public communications outside	of assessment of the potential impact on its financial statements resulting from the application of IFRS 18.

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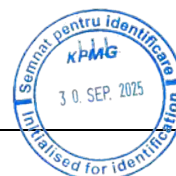


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	the financial statements; and reflective of management's view of financial performance. For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. <i>Greater disaggregation of information</i> The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so. <i>Other changes applicable to the primary financial statements</i> IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a	

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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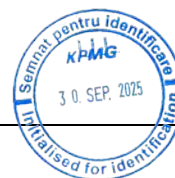


Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	new line item on the face of the balance sheet. <i>Transition</i> In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between: - the restated amounts presented applying IFRS 18; and - the amounts previously presented applying IAS 1.	
IFRS 19 Subsidiaries without Public Accountability Disclosures (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date: - it does not have public accountability; - its parent produces consolidated financial statements under IFRS Accounting Standards. A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with	The Group is currently assessing the eligibility to apply IFRS 19 and if eligible plans to apply the new standard from 1 January 2027.

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	IFRS Accounting Standards that IFRS 19 has been adopted.	



3. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment (Note 5) and Investment property (Note 7)

The fair value of property, plant and equipment recognised as a result of a business combination and of land and buildings and investment property carried under the revaluation model is the estimated amount for which property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, on the date of acquisition and respectively on the revaluation date. The fair value of items land and buildings and of investment property is based on the market approach. Market approach relies on quoted market prices for similar items when available, or on valuation models that use inputs observable or unobservable on the market (such as the income approach for certain buildings).

b) Intangible assets (Note 8)

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that contributed to the related cash flows. Main assumptions used are the churn rate, EBITDA % and the discount rate.

c) Derivatives (Note 31 and 33)

The fair value of the derivative financial instruments is based on generally accepted valuation techniques. It reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

d) Non-derivative financial assets and liabilities (Note 18.2 and 31)

Non-derivative financial assets and liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

e) Equity-settled share-based payment transactions (Note 32)

The fair value of the options granted to employees is measured using a generally accepted valuation technique, in which the main input is the market price of shares at the grant date (please refer to Note 32 for additional details). Given the short life of the options and the low volatility in the market value of the Group's shares, management estimates that the time value of the share options is not significant.

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4. SEGMENT REPORTING

31 December 2024	Romania	Spain	Portugal	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ²
Segment revenue	1,099,378	781,974	11,827	1,893,179	31,122			1,924,301
Other income	7,857	-	-	7,857	-			7,857
Inter-segment revenues	4,128	767	-	4,895	75	(4,970)		-
Segment operating expenses	(588,870)	(608,057)	(27,385)	(1,224,312)	(28,364)	4,970		(1,247,706)
Adjusted EBITDA (Note 36)	522,493	174,684	(15,558)	681,619	2,833			684,452
Depreciation, amortisation and impairment of non-current assets							(485,934)	(485,934)
Other income	-	399,300	-	399,300	-			399,300
Other expenses (Note 26)	(337)	-	-	(337)	-			(337)
Operating profit								597,481
Finance income	8,570	14,458		23,028				23,028
Inter-segment finance income	20,783	748	545	22,076	-	(22,076)		-
Finance costs	(53,424)	(26,558)	(4,571)	(84,553)	(119)			(84,672)
Inter-segment finance costs	(2,014)	(3,051)	(16,716)	(21,781)	(295)	22,076		-
Share of profit/(loss) of equity-accounted investees	(985)	-	-	(985)	-			(985)
Income tax expense	(23,949)	(99,939)	14,252	(109,636)	(325)			(109,961)
Net profit / (loss)								424,891
Additions to non-current assets	301,499	345,817	236,652	883,968	19,229			903,197
<i>Carrying amount of:</i>								
Non-current assets	1,837,740	793,386	719,887	3,351,013	28,907			3,379,920
Investments in associates and financial assets at fair value through OCI	395	-	-	395	-			395

1) Other represents, operations mainly in Italy for Segment revenue line, and operation in Italy for segment operating expenses line.

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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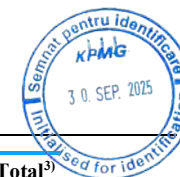
(all amounts in EUR '000, unless specified otherwise)



- 2) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.

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31 December 2023	Romania	Spain	Portugal ²	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ³⁾
Segment revenue	1,019,381	642,004	24	1,661,409	28,964			1,690,373
Other income	16,180	-	-	16,180	-			16,180
Inter-segment revenues	3,146	413	-	3,559	132	(3,691)		-
Segment operating expenses	(574,184)	(510,282)	(6,898)	(1,091,364)	(23,604)	3,691		(1,111,277)
Adjusted EBITDA (Note 36)	464,523	132,135	(6,874)	589,784	5,492			595,276
Depreciation, amortisation and impairment of non-current assets							(424,388)	(424,388)
Other expenses (Note 26)	(504)	-		(504)	-			(504)
Operating profit								170,384
Finance income	7,180	475	3	7,658	-			7,658
Inter-segment finance income	15,093	-	-	15,093	764	(15,857)		-
Finance costs	(58,091)	(24,015)	1,240	(80,866)	209			(80,657)
Inter-segment finance costs	(1,017)	(8,450)	(6,277)	(15,744)	(113)	15,857		-
Share of profit/(loss) of equity-accounted investees	(6,507)	-	-	(6,507)	-			(6,507)
Income tax expense	(13,147)	3,401	8,482	(1,264)	(164)			(1,428)
Net profit / (loss)								89,450
Additions to non-current assets	302,250	328,548	241,264	872,063	11,526			883,588
<i>Carrying amount of:</i>								
Non-current assets	1,698,854	696,089	413,676	2,808,620	12,487			2,821,107
Investments in associates and financial assets at fair value through OCI	1,395	-	-	1,395	-			1,395

1) Other represents, operations in Italy for Segment revenue line, and operation in Italy for segment operating expenses line.

2) In 2023 Portugal was included in Other. In 2024 it was presented as separate segment, so the comparatives were represented.

3) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2024	18,490	95,956	1,566,644	298,341	371,539	318,970	77,474	38,431	2,785,845
Additions	20,730	4,115	79,759 ²⁾	419,752	5,253	3,596	2,662	3,200	539,067
Acquisitions through business combinations (note 30.1)	276	333	41,629	4,119	4,227	1,502	-	314	52,400
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	3,340	408,163	(563,919)	43,418	105,361	932	2,705	-
Other transfers	-	-	-	-	-	410	0	(410)	-
Transfers from/to Right of use assets	2,314	-	-	(227)	13,782	3,837	2,105 ¹⁾	-	21,811
Transfer to inventories ⁴⁾	-	-	(4,701)	(16,604)	-	-	-	-	(21,306)
Revaluation impact - acc depn eliminated against cost	-	(8,830)	-	-	-	-	-	-	(8,830)
Revaluation increase recognised in other comprehensive income	1,722	5,540	-	-	-	-	-	-	7,262
Revaluation decrease recognised in profit or loss	-	(709)	-	-	-	-	-	-	(709)
Disposals ³⁾	-	(170)	(163,741)	(1,745)	(26)	(1,373)	(6,319)	(131)	(173,505)
Effect of movements in exchange rates	4	11	103	6	30	37	6	3	198
At 31 December 2024	43,536	99,586	1,927,853	139,723	438,222	432,338	76,860	44,113	3,202,231
Depreciation and impairment									
At 1 January 2024	-	22,512	454,774	2,266	159,108	123,125	44,343	27,780	833,908
Depreciation charge	-	2,732	122,016	0	36,542	34,807	5,120	3,013	204,230
Impairment set-up	-	-	3,070	(156)	2,400	-	-	-	5,314
Other transfers	-	-	78	-	-	34	-	(113)	-
Transfers from Right of use assets	-	-	-	-	2,764	1,383	418	-	4,565
Revaluation impact - accumulated depreciation eliminated against cost	-	(8,830)	-	-	-	-	-	-	(8,830)
Disposals ³⁾	-	(13)	(12,724)	-	(23)	(597)	(5,792)	(82)	(19,231)
Effect of movements in exchange rates	-	2	(33)	-	17	51	4	3	43
At 31 December 2024	-	16,403	567,181	2,111	200,807	158,803	44,092	30,601	1,019,999
Net book value									
At 1 January 2024	18,490	73,444	1,111,870	296,075	212,431	195,845	33,131	10,651	1,951,937

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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At 31 December 2024	43,536	83,183	1,360,672	137,612	237,415	273,535	32,767	13,512	2,182,232

¹⁾ During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

²⁾ Additions on the Network category include the amount EUR 2,773 representing the reassessment of the decommissioning asset.

³⁾ Included in Disposal is the net amount of EUR 150,538 on Network, representing the cost of the first delivery within the transaction having as subject matter the sale of a FTTH network in 12 provinces in Spain. The first delivery covers 4,412,500 homes passed, while the development of the entire Network will take place gradually over approximately 3 years and will cover an additional number of 1,587,500 homes passed. The cost of the first delivery was netted against the proceeds from sale and presented in line "Other income" in the Consolidated Statement of Profit and Loss.

⁴⁾ Included in Transfers to Inventory is an amount of EUR 21,424 representing the further development of the FTTH network in 12 provinces in Spain and subject to the next deliveries.



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	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2023	18,598	95,415	1,257,336	213,010	296,124	253,846	63,453	34,037	2,231,819
Additions	22	-	73,298 ²⁾	471,488	3,126	3,609	9,418	2,608	563,570
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	1,114	245,826	(385,624)	69,944	66,262	515	1,963	-
Other transfers	-	-	-	-	-	-	-	-	-
Transfers from/to Right of use assets	-	-	-	-	4,161	1,931	5,899 ¹	-	11,991
Disposals	(27)	(27)	(3,834) ³⁾	(29)	(323)	(4,937)	(1,486)	(31)	(10,693)
Effect of movements in exchange rates	(103)	(546)	(5,982)	(504)	(1,493)	(1,741)	(326)	(147)	(10,841)
At 31 December 2023	18,490	95,956	1,566,644	298,341	371,539	318,970	77,474	38,431	2,785,846
Depreciation and impairment									
At 1 January 2023	-	20,005	357,000	2,279	127,781	97,285	40,557	25,160	670,067
Depreciation charge	-	2,654	95,533	-	31,381	29,269	4,127	2,752	165,716
Impairment set-up	-	-	7,842	-	1,041	-	-	-	8,883
Transfers from Right of use assets	-	-	-	-	-	1,329	1,351	-	2,680
Disposals	-	(3)	(3,834)	-	(324)	(4,108)	(1,459)	(3)	(9,730)
Effect of movements in exchange rates	-	(145)	(1,767)	(13)	(770)	(649)	(234)	(129)	(3,707)
At 31 December 2023	-	22,512	454,774	2,266	159,108	123,125	44,343	27,780	833,908
Net book value									
At 1 January 2023	18,598	75,410	900,336	210,731	168,343	156,561	22,896	8,877	1,561,752
At 31 December 2023	18,491	73,444	1,111,870	296,075	212,431	195,845	33,131	10,651	1,951,938

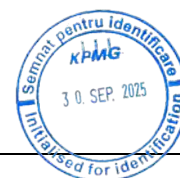
¹⁾ During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

²⁾ Additions on the Network category include the amount EUR 3,498 representing the reassessment of the decommissioning asset.

³⁾ Disposals include the amount EUR 3,834 representing the gross value of written-off assets, from the "Networks" category

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Property, plant and equipment additions

Most of the additions in 2024 relate to the triple play network, as the Group has continued to invest in expanding to new areas; continued the upgrade of the existing networks and adding new customers. Another significant portion of additions relate to continued investment in the mobile radio network coverage in Romania and the development of fixed internet and data and fixed-line telephony services in Spain. Additions in Portugal are represented by fixed and mobile internet network equipment, telecommunications equipment and vehicles.

The Group has constructions in progress incurred up to 31 December 2024 totaling EUR 137,612 (2023: 296,080). Included in this amount are capitalized borrowing costs related to the construction of network in Portugal, of EUR 15,990 (2023: EUR 3,084), calculated using an average capitalization rate of 5.1 percent (2023: 4.9 percent). Additionally capitalized borrowing cost from interest on leased assets was in amount of EUR 8,970 (2023: EUR 7,721).

Reconciliation to Cash flow statement

	31 December 2024	31 December 2023
Additions to PPE	539,067	563,570
Additions in CFS	620,481	552,597
Difference	(81,414)	10,973
<i>Out of which:</i>		
Increase / (decrease) in payables in balance	(81,414)	10,973

At 31 December 2024, the Group recognized an expense charge for written off obsolete networks of EUR 2,197 (2023: EUR 3,812) presented under the *Depreciation charge* line.

At 31 December 2024, the Group presented under the line *Impairment set-up/(reversal)* an impairment expense of EUR 1,041 (2023: EUR 1,041) for customer premises equipment, based on the quantities of recovered equipment presented in inventory warehouses with an aging of over one year and the acquisition price of each equipment at the level of the net book value of each equipment as at 31 December 2024.

At 31 December 2024, included in the *Equipment* category are assets with gross book value of EUR 29,857 (2023: EUR 18,001) still in use that reached the end of their useful lives. Their continued use is attributable to the fact that these are not technologically obsolete and also because weather conditions and specific location of the site did not lead to the wear and tear of these equipment.

Revaluation of land and buildings

At 31 December 2024, land and buildings were revalued using several methods:

The market approach, i.e., the Direct Comparison Method (DCM) was applied to some of the real estate assets (free land, properties). This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition indicated by the company's representatives and found at the time of the field valuation of the assets, as well as the information available in relation to the analysed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value. Thus, the information on the offer prices of similar goods on the secondary market or the offers to which they are exposed on the market was analysed and some adjustments were made where necessary.

The income approach, i.e., the Revenue Capitalization Method (RCM) has been applied to most real estate assets, commercial real estate (office buildings, TV studio, cashiers, etc.). The value obtained by applying the income approach has been compared with the specific market information (global values for apartment properties and unit values for commercial real estate). Thus, the value of the real estate consisting of land and construction was estimated, and the value thus obtained was allocated on the component elements of the property (land and construction). The allocation was made, generally based on the net replacement cost of the buildings, and the value of the land resulting in residual value after deducting the value of the building from the value of the real estate.

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The valuation is sensitive to its main inputs, being the sales value per sqm (which was in the range of 442 EUR/sqm to 1,906 EUR/sqm for real estates located in different cities in Romania and 35 EUR/sqm to 1,356 EUR/sqm for market values estimated for the main land plots), the estimated replacement cost per unit for buildings in Romania ranging from 200 EUR/sqm to 1.350 EUR/sqm.

Measurement of fair values

Fair value hierarchy

The fair value measurements of the real estate assets have been recognized as Level 2 fair values based on observable market sales data.

If land was measured using the cost model, the carrying amounts would be as follows:

	31 December 2024	31 December 2023
Cost	37,400	14,514
Fair value	43,537	18,490

If buildings were measured using the cost model, the carrying amounts would be as follows:

	31 December 2024	31 December 2023
Cost	91,040	83,404
Accumulated depreciation	(20,116)	(17,384)
Net carrying amount	70,924	66,020
Fair value	83,183	73,444

Collateral

For details regarding the pledges placed on the Group assets refer to Note 19 (vi).

Commitments for property, plant and equipment

For details regarding commitments for property, plant and equipment please see Note 34.

Asset sale transaction

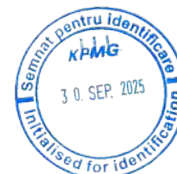
Transaction Background

On 4 April 2024 Digi Spain Telecom, S.L.U. ("Digi Spain") entered into a Asset Sale Agreement with SOTA INVESTMENTS OPCO, S.L.U. ("SOTA"), part of the Macquarie group, for the sale of a portion of its FTTH access network, alongside a Bitstream Services Agreement (WSA) with SOTA allowing DIGI continued access to the network to serve its clients. The transaction involved the sale of up to 6 million Building Units (BUs) located in 12 provinces of Spain, for a total consideration of up to EUR 750 million. The transaction was closed on 5 September 2024, following the satisfaction of all conditions precedent.

The first tranche of the sale, delivered at closing, included 4.25 million homes passed and generated EUR 384,807 of other income. This portion of the transaction has been presented as sale of property, plant and equipment in the financial statements. Related disclosures are included in Notes 4 and 26 (gain from sale), Note 11 (receivable), and Note 5 (cost of assets sold). The useful life of the underlying fiber network components had been estimated at 25 years and was amortized accordingly until the date of disposal.

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The consideration received at closing is reflected in the cash flow statement under cash flows from investing activities. The gain generated from the transaction has contributed to the increase in profit for the period, and a corresponding increase in income tax expense has been recognized in the income statement.

The remaining development of the network, comprising an additional 1.6 million homes passed, for a future consideration of EUR 200,000, is scheduled to be delivered progressively over an estimated three-year period and as it is being built is presented as inventories (Note 13).

Accounting Treatment

The Sale component of the transaction does not qualify as a business combination under IFRS because no personnel or organized business activities were transferred - only assets.

Under IFRS 15, the transfer of control was achieved as the legal ownership and physical possession were transferred, the acquirer accepts the asset and bears the risks and benefits and there is no repurchase or call option.

Under IAS 16, DIGI will derecognize the network assets from its books. The difference between sale price and book value will be recorded as profit. A receivable will be recognized under IFRS 9, discounted for payments extending over three years.

Following the transaction, future fiber network developments intended for sale will be classified as inventories under IAS 2 as these assets are no longer held for use but are developed for sale in the ordinary course of business. Revenue from the sale of such inventories will be recognized under IFRS 15.

Post sale Digi enters into the WSA (the agreement was negotiated alongside the asset sale but serves a distinct commercial objective, ensuring Digi Spain's continued ability to serve existing and future customers), where it acquires a long-term capacity service for fiber-related assets. From an accounting perspective, the payments tied to the service provision are recognized as expenses as they accrue. This agreement is not considered a lease under IFRS 16, as the long term capacity service does not represent a separable identifiable asset.

For the guarantees embedded in the transaction, there is no expected breach by either party, as there are no economic incentives for default. As a result, no provision is made for contingent liabilities in accordance with IAS 37.

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6. RIGHT OF USE ASSETS

The Group has lease contracts for various items of land, commercial spaces, network, vehicles and equipment used in its operations.

The carrying amounts of right-of-use assets recognized and the movements during the period are presented below:

	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2024	2,314	22,328	305,464	49,579	3,465	12,524	395,674
Depreciation	-	(19,708)	(74,975)	(5,341)	(379)	(4,189)	(104,592)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	2,762	1,385	418	4,565
Additions	-	25,049	128,589	23,510	-	26,763	203,911
Acquisitions through business combinations (note 30.1)	-	1,257	952	-	-	335	2,544
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	(2,314)	-	-	(13,555)	(3,837)	(2,105)	(21,811)
Effect of movement in exchange rates	-	-	21	-	-	2	23
At 31 December 2024	-	28,926	360,051	56,955	634	33,748	480,314

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks

	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2023	2,330	21,544	238,873	20,727	3,454	20,173	307,101
Depreciation	-	(17,255)	(66,588)	(3,904)	(471)	(2,984)	(91,202)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	-	1,329	1,351	2,680
Additions	(4)	18,083	133,948	36,918	1,093	(110)	189,928
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(4,161)	(1,931)	(5,899)	(11,991)
Effect of movement in exchange rates	(12)	(44)	(769)	(1)	(9)	(7)	(842)
At 31 December 2023	2,314	22,328	305,464	49,579	3,465	12,524	395,674

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks.

During the year, the Group transferred from RouA in Non-current assets the net amount of EUR 17,246 (2023: EUR 9,311)

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. INVESTMENT PROPERTY

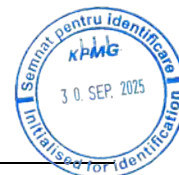
	Land	Buildings	Total
Cost			
At 1 January 2024	4,695	7,110	11,805
Acquisitions	-	508	508
Transfers from work in progress	-	64	64
Revaluation increase recognised in other comprehensive income		502	502
Revaluation impact - accumulated depreciation eliminated against cost		(117)	(117)
At 31 December 2024	4,695	8,067	12,762
Depreciation			
At 1 January 2024	-	118	118
Effect of movements in exchange rates	-	(1)	(1)
Revaluation impact - accumulated depreciation eliminated against cost		(117)	(117)
At 31 December 2024	-	-	-
Net book value			
At 1 January 2024	4,695	6,992	11,687
At 31 December 2024	4,695	8,067	12,762

	Land	Buildings	Total
Cost			
At 1 January 2023	4,721	7,149	11,870
Effect of movements in exchange rates	(26)	(39)	(65)
At 31 December 2023	4,695	7,110	11,805
Depreciation			
At 1 January 2023	-	119	119
Other transfers	-	(1)	(1)
At 31 December 2023	-	118	118
Net book value			
At 1 January 2023	4,721	7,030	11,751
At 31 December 2023	4,695	6,992	11,687

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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Investment property comprises of real estate property located in Hungary (residential, commercial and industrial properties, as well as land).

In 2024, the fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as Level 2 of the fair value hierarchy based on the inputs to the valuation technique used, specifically observable market sales data.

For valuation purposes, the comparative approach method (“DCM”) was used (market-comparison method) based on which similar properties sold or offered for sale on the market were analyzed and compared with the properties that were subject to the valuation. This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition of the assets and found at the time of the field valuation of the assets, as well as the information available in relation to the analyzed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value.

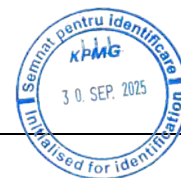
The properties valued using comparative approach are:

- residential properties and business premises located in Csango Budapest, Hungary;
- building located in Veszprem city, Hungary comprising of warehouses and related land plots;
- building located in Tengerszem Budapest, Hungary comprising of one building and two land plots;
- land plot located on Vaci ut. Street, Budapest Hungary.

The value was in the range of 514 EUR/sqm to 2,430 EUR/sqm for real estates located in different cities in Hungary and 1,898 EUR/sqm for market values estimated for the main land plot. The income approach, i.e., the Revenue Capitalization Method (“RCM”) has been applied to one real estate property – building located in Miskolc city, Hungary. The income approach was applied as the building purpose is more suitable for commercial function than as a residential property. The property was valued considering the market rent for similar properties that can be offered on the rental market. When applying the income approach, the real-estate property was considered as an investment type-asset. The value was 885 EUR/sqm.

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8. INTANGIBLE ASSETS

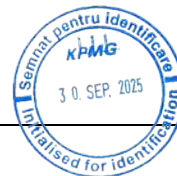
NON-CURRENT INTANGIBLE ASSETS

	Goodwill	Customer relationships	Trademarks	Licences and software¹	Total non-current intangible assets
Cost					
At 1 January 2024	51,459	147,359	2,747	440,409	641,974
Additions		3,570	-	56,263	59,833
Additions from acq of subsidiaries	24,886	14,190	1,258	68,303	108,637
Disposals	-	-	-	(268)	(268)
Effect of movement in exchange rates	(9)	(33)	-	(539)	(581)
At 31 December 2024	76,336	165,086	4,005	564,168	809,595
Accumulated amortisation					
At 1 January 2024	-	110,622	2,613	166,060	279,295
Amortisation	-	13,978	-	46,722	60,700
Effect of movement in exchange rates	-	(120)	-	(43)	(163)
At 31 December 2024	-	124,480	2,613	212,739	339,832
Net Book Value					
At 1 January 2024	51,459	36,737	134	274,349	362,679
At 31 December 2024	76,336	40,606	1,392	351,429	469,762

(1) Includes internally generated software of EUR 9,054 (2023: EUR 7,568). Addition from Portugal contains acquisition for licenses related to tangible assets in progress.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Goodwill	Customer relationships	Trademarks	Licences and software	Total non-current intangible assets
Cost					
At 1 January 2023	51,741	144,840	2,760	381,528	580,869
Additions	-	3,412	-	62,543 ⁽¹⁾	65,955
Disposals	-	-	-	(1,860)	(1,860)
Effect of movement in exchange rates	(282)	(893)	(13)	(1,802)	(2,990)
At 31 December 2023	51,459	147,359	2,747	440,409	641,974
Accumulated amortisation					
At 1 January 2023	-	97,357	2,626	124,430	224,413
Amortisation	-	13,884	-	42,553	56,436
Disposals	-	-	-	(154)	(154)
Effect of movement in exchange rates	-	(619)	(13)	(769)	(1,400)
At 31 December 2023	-	110,622	2,613	166,060	279,295
Net Book Value					
At 1 January 2023	51,741	47,483	134	257,098	356,456
At 31 December 2023	51,459	36,737	134	274,349	362,679

⁽¹⁾ Includes internally generated software of EUR 7,568(2022: EUR 7,115). Addition from Portugal contains acquisition for licenses related to tangible assets in progress.

At 31 December 2024, Customer relationships category contains fully amortized assets with a gross book value of EUR 76,865 (2023: EUR 71,822).

Except for acquisitions through business combinations the main additions of non-current intangible assets relate to acquisitions of customer relationships and licences as detailed below.

Customer relationships

The additions of Customer relationships in the period ended 31 December 2024 relate to the acquisition of customer contracts in Romania from various smaller entities for EUR 3,570 (2023: EUR 3,412).

Radio spectrum licences

During 2024, Digi did not acquire additional spectrum.

The total carrying amount of the 2600 MHz bandwidth as at 31 December 2024 is EUR 23,092 (2023: EUR 28,308). For commitments, please see note 34.

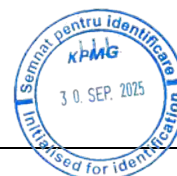
Other Software licenses

Approximately EUR 38,101 (2023: EUR 50,556) additions represent custom software licenses required for the functioning of various telecommunications hardware from vendors of the hardware (Ericsson, Nokia, Huawei etc).

The remainder additions of Licenses and Software represent various other software for purposes like office, administrative, engineering, geo-mapping, television etc.

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Reconciliation to Cash Flow statement:

	31 December 2024	31 December 2023
Additions to Intangible assets (non-current)	59,833	65,955
Additions in CFS	65,577	92,716
Difference	(5,744)	(26,761)
<i>Out of which:</i>		
Increase / (decrease) in payable balance	(5,744)	(26,761)

Impairment testing for cash-generating units containing goodwill

The Group defines cash-generating group of CGUs based on three criteria:

- country;
- infrastructure used in providing the services;
- bundling of services affecting independence of cash flows.

The Group's cash-generating group of CGUs with allocated goodwill are:

- CBT Romania;
- Portugal
- Mobile Spain;
- DTH Romania.

Goodwill allocated to Mobile Spain and DTH Romania is not material and is included in category "Other".

Goodwill	31 December 2024	31 December 2023
CBT Romania	51,132	51,134
Portugal (Note 30.1)	24,885	-
Other	318	325
Total	76,335	51,459

Recoverable amounts for the CGUs in Romania, Portugal and Spain have been determined based on discounted cashflows using cash flow projections based on financial budgets approved by the board of directors covering a five-year period (identified as value in use).

Measurement of fair values

Key assumptions used

Key assumptions used in the calculation of the recoverable amounts are revenues, EBITDA margins, discount rate, terminal value growth rate and capital expenditure.

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Weighted Average Cost of Capital

Country	Discount rate (post –tax)		Discount rate (pre –tax)	
	2024	2023	2024	2023
Romania	8.7%	8.3%	10.4%	9.9%
Portugal	6.2%	6.3%	7.8%	8.0%

The discount rate applied to the cash flows of each CGU is based on the Group's Weighted Average Cost of Capital in the respective territory (WACC). WACC is the average cost of sources of financing (debt and equity), each of which is weighted by its respective use in the market.

Terminal growth rates

The terminal growth rate for all CGUs was considered to be 2% p.a (2023: 2% p.a.).

The growth rate in perpetuity has been determined based on the long-term compounded annual growth rate in EBITDA estimated by management considering market maturity and market share in Romania and Portugal, being also in line with publicly available market expectations.

EBITDA margins

For the Romanian CBT CGU, budgeted EBITDA is based on past experience and incremental increase in future years generated from incremental increase in revenues from new subscribers to our cable Tv, internet and mobile telephony business; budgeted EBITDA for the Portugal CGU is based on past experience from the Group and growth expectation and revenue from new subscribers connected to the network.

Capital expenditure

Budgeted capital expenditure (tangible and intangible assets including programme assets) is based on past experience, forecasted growth of subscribers (new subscribers connected to the network) and other business drivers.

Revenues

Budgeted revenues are based on forecasted growth of subscribers (new subscribers connected to the network) and ARPU (Average Revenue Per Unit) levels based on experience and other business drivers.

Management believes that as at 31 December 2024 no reasonable possible change in main assumptions would result in an impairment charge (31 December 2023: no reasonable change).

Collateral

For details on the pledges placed on the Group assets refer to Note 19 (vi).

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9. SUBSCRIBER ACQUISITION COSTS

Subscriber acquisition costs	
Cost	
At 1 January 2024	341,476
Additions	61,310
Additions from acq of subsidiaries	3,784
Disposals	(4,480)
Effect of movement in exchange rates	19
At 31 December 2024	402,109
Accumulated amortisation	
At 1 January 2024	282,850
Amortisation	61,685
Impairment	2,726
Disposals	(4,423)
Effect of movement in exchange rates	(45)
At 31 December 2024	342,793
Net Book Value	
At 1 January 2024	58,626
At 31 December 2024	59,316

In 2024 SAC were recognized in relation with contracting customers in Romania (EUR 22,014), Spain (EUR 35,945), Italy (EUR 2,473) and Portugal (EUR 902).

Subscriber acquisition costs	
Cost	
At 1 January 2023	282,622
Additions	64,136
Disposals	(4,470)
Effect of movement in exchange rates	(812)
At 31 December 2023	341,476
Accumulated amortisation	
At 1 January 2023	224,610
Amortisation	59,051
Impairment	4,181
Disposals	(4,147)
Effect of movement in exchange rates	(845)
At 31 December 2023	282,850
Net Book Value	
At 1 January 2023	58,012
At 31 December 2023	58,626

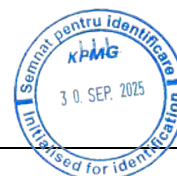
In 2023 SAC were recognized in relation with contracting customers in Romania (EUR 27,028), Spain (EUR 34,556) and Italy (EUR 2,552).

For accounting policy, please see Note 2.2 (d).

At 31 December 2024, Subscriber acquisition costs category contains fully amortized assets with a gross book value of EUR 262,143 (2023: EUR 208,640).

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10. EQUITY ACCOUNTED INVESTEEES

	Note	31 December 2024	31 December 2023
Interest in joint ventures	(A)	-	985
Interests in associates		395	410
Balance at 31 December		395	1,395

A. Joint Ventures

In 2023, Digi Romania S.A. and Citymesh NV entered into an agreement for the set-up of DIGI Communications Belgium NV to act as an operator that provides electronic communication services over mobile network. This is a joint venture in which the Group has joint control. DIGI Communications Belgium NV is not a publicly listed entity.

The contractual arrangements signed in 2022 and 2023 between Digi Romania S.A. and Citymesh NV give both parties the right to joint control, because they both act together to direct the relevant activities of the special purpose vehicles. The relevant activities are controlled through the agreement of both shareholders which collectively agree on the following:

- the funding structure and obtaining funding;
- selecting, acquiring or disposing of assets;
- selling services;
- purchasing of goods and services, as well as hiring of own employees.

In respect of control over relevant activities, there are rights specifically stipulated in the signed agreements and reserved matters to be decided by the Board of Directors and Shareholders. The relevant activities mentioned above are stipulated in the agreements and jointly agreed by both shareholders, and as such there is unanimous consent of both shareholders over those activities, indicator of joint control.

The Reserved Board matters must be decided by both shareholders, as these decisions need the agreement of one director from Digi Romania S.A. and one from Citymesh NV. The relevant activities and substantive rights are mainly represented by the decisions related to the spectrum and the approval of budgets. Also, the distribution of dividends included in the reserved shareholder matters is also a relevant activity which gives substantive rights to both joint venture partners, because these require a vote in favor by Digi Romania S.A. and a vote in favor by Citymesh NV.

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The following table summarizes the financial information of Citymesh Mobile NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in Citymesh Mobile NV.

	2024	2023
Percentage ownership interest (49%)		
Non-current assets	149,918	133,276
Current assets	4,715	8,735
Non-current liabilities ¹⁾	(102,626)	(105,422)
Current liabilities ¹⁾	(66,227)	(44,345)
Net assets (100%)	(14,220)	(7,756)
Group's share of net assets (49%)	(6,968)	(3,800)
Goodwill	-	-
Carrying amount of interest in joint venture	-	-
Operating expenses	(11,419)	(5,835)
Depreciation and amortisation	(8,882)	(7,305)
Interest expenses	(8)	43
Gain from a bargain purchase	5,067	-
Deferred and income tax	8,776	-
Loss and total comprehensive income (100%)	(6,466)	(13,097)
Loss and total comprehensive income (49%)	(3,168)	(6,418)
Group's share of total comprehensive income	-	(5,168)
Unrecognised Group share of loss carried forward²⁾	(3,168)	(1,250)

¹⁾Non-current liabilities of 98,501 EUR (2023: EUR 105,422) represent the present value of future payments in relation to the acquisition of Spectrum in the multiband frequency. Included in Current liabilities is the corresponding short-term liability, in amount of 6,920 EUR (2023: EUR 6,920).

²⁾Unrecognised Group share of loss carried forward as at 31 December 2024 is EUR 4,418.

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The following table summarizes the financial information of InSKy NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in InSKy NV.

	2024	2023
Percentage ownership interest (51%)		
Non-current assets	90,756	6,455
Current assets	13,706	1,882
Non-current liabilities	(87,610)	(155)
Current liabilities	(24,198)	(6,250)
Net assets (100%)	(7,346)	1,932
Group's share of net assets (51%)	(3,746)	985
Carrying amount of interest in joint venture	-	985
Operating expenses	(7,545)	(2,514)
Depreciation and amortisation	(3,591)	(51)
Interest expense	(2,136)	-
Financial expense	(18)	-
Deferred and income tax	4,018	-
Loss total comprehensive income (100%)	(9,272)	(2,565)
Loss and total comprehensive income (51%)	(4,729)	(1,308)
Group's share of total comprehensive income	(985)	(1,308)
Unrecognised Group share of loss carried forward¹⁾	(3,744)	-

¹⁾ Unrecognised Group share of loss carried forward as at 31 December 2024 is EUR 3,744.

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The following table summarizes the financial information of DIGI Communications Belgium NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in DIGI Communications Belgium NV.

	2024	2023
Percentage ownership interest (51%)		
Non-current assets	3,850	63
Current assets	324	95
Non-current liabilities	(29)	-
Current liabilities	(12,681)	(981)
Net assets (100%)	(8,536)	(823)
Group's share of net assets (51%)	(4,353)	(420)
Carrying amount of interest in joint venture	-	-
Revenues	41	-
Operating expenses	(10,508)	(885)
Depreciation and amortisation	(2)	-
Interest expense	(106)	-
Deferred and income tax	2,862	-
Loss total comprehensive income (100%)	(7,713)	(885)
Loss and total comprehensive income (51%)	(3,934)	(451)
Group's share of total comprehensive income	-	(31)
Unrecognised Group share of loss carried forward¹⁾	(3,934)	(420)

¹⁾Unrecognised Group share of loss carried forward as at 31 December 2024 is EUR 4,354.

The movement in Group's interest in net assets of investees during the year is presented as follows:

	2024	2023
Group's interest in net assets of investees at the beginning of the year	1,395	7,758
Increase in interest in joint venture	-	-
Share of total comprehensive income	(985)	(6,507)
Other movements	(15)	144
Carrying amount of interest in investees at the end of the year	395	1,395

11. LONG TERM RECEIVABLES

	31 December 2024	31 December 2023
Long term receivables	69,747	13,617
Total	69,747	13,617

In long term receivables as of 31 December 2024 an amount of 9,934 EUR represents the value related to instalments sales, with maturities of more than one year and also the value of discounts with maturities of more than one year (31 December 2023: EUR 11,274). In the current period we also present the impact of Spanish sale of assets in amount of EUR 57,047.

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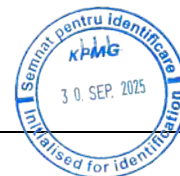
12. EARNINGS PER SHARE (EPS)

	31 December 2024	
	Total	
Net profit for the year	424,891	
Non-controlling interests	(8,429)	
Net profit attributable to equity holders of the parent	416,462	
	31 December 2023	
	Total	
Net profit for the year	89,450	
Non-controlling interests	(1,617)	
Net profit attributable to equity holders of the parent	87,833	
	2024	2023
Number of shares	385,941,622	385,941,622
Earnings per share (basic and diluted, amounts in EUR)	1.08	0.23

Several share options plans have been implemented for management and key employees. These plans are equity-settled with shares of Digi Communications NV (shareholder-settled), and the entity does not have any potentially dilutive instruments outstanding. For details, please see Note 32.

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13. INVENTORIES

	31 December 2024	31 December 2023
Merchandise and equipment	34,744	3,409
Materials and consumables	12,569	10,008
Inventory write-downs to net realisable value	(673)	(495)
Total inventories	46,640	12,922

In 2024, inventories of EUR 61,082 (2023: EUR 52,218) were recognized as an expense during the year and included in 'cost of goods sold'.

Merchandise and equipment

This category includes terminal equipment to be sold to customers and for current period part of the network subject to the Spanish extraordinary sale of assets.

Materials and consumables

This category mainly includes inventory used in the development and maintenance of the telecommunications networks, such as fiber optic cables, nodes and amplifiers.

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 19 (vi).

14. PROGRAMME ASSETS

Program assets include broadcasting rights for national and international sports competitions, as well as contracts for the acquisition of film and television broadcasting rights. The balance as of 31 December 2024 is of EUR 29,643 (31 December 2023: EUR 19,148).

Contractual obligations related to future seasons are presented as commitments in Note 34.

15. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	31 December 2024	31 December 2023
Trade receivables	52,972	58,516
Contract assets	98,022	94,292
Grants receivable for electricity supply	8,897	10,212
Other taxes receivable	5,785	7,613
Other receivables	13,258	12,379
Other receivables from related parties	98	4,039
Total trade and other receivables	179,032	187,051

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle Digi Romania S.A. to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 31 March 2025. As of the date of approval of these financial statements, the aforementioned conditions had been fulfilled, and the related amounts had been duly received.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 31.

The amount allocated to the remaining performance obligations (contract liabilities) (unsatisfied or partially unsatisfied) as of 31 December 2024 are as below. The remaining performance obligations arise from promotional campaigns. All remaining performance obligations are expected to be recognized within two years.

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	31 December 2024	31 December 2023
Unsatisfied performance obligations	18,513	25,296
Total	18,513	25,296

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 19 (x).

16. OTHER ASSETS

	31 December 2024	31 December 2023
Advances to suppliers	5,054	3,870
Prepayments (rent, insurances and other)	16,416	10,242
Other assets	3,520	-
Total other assets	24,990	14,112

17. CASH AND CASH EQUIVALENTS

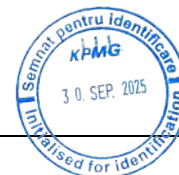
	31 December 2024	31 December 2023
Bank accounts	66,398	221,220
Petty cash	55	39
Total cash and cash equivalents	66,453	221,259

Collateral

For details regarding the pledges placed on the Group's assets and restricted cash please refer to Note 19 (x).

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18. EQUITY

18.1 Share capital and reserves

The issued and paid-up capital as at 31 December 2024 was in amount of EUR 11,671 divided into ordinary shares with voting rights at 31 December 2024 and 31 December 2023 and nominal value of one share of EUR 0.03/share.

All issued shares have been subscribed and are fully paid at 31 December 2024.

The share capital consists of cash contributions.

At 31 December 2024, there were no special rights granted in relation to the issuance or distribution of shares.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings. The reserve is disclosed net of related deferred tax.

The transfer of the revaluation reserve through depreciation to the reported result represents the surplus realized from revaluation reserves, formed by transferring corresponding amounts from the revaluation reserve of assets as they are used by the Group. The surplus realized from these revaluation reserves is distributable, while the revaluation reserve is not distributable. In the event that the surplus realized from revaluation reserves is distributed, it will be taxed to the extent that, in accordance with the applicable tax legislation at the time of the revaluation, depreciation expenses related to revalued buildings have been considered deductible expenses in the calculation of income tax, and the surplus realized from revaluation reserves has not already been included in taxable income for the calculation of income tax. As of the date of these consolidated financial statements, there is no decision to distribute the surplus realized from revaluation reserves in the balance at 31 December 2023.

Other reserves

Other reserves include the legal reserve and other statutory reserves in the amount of EUR 237,477 (31 December 2023: EUR 192,555).

Legal reserve

The Company has established the legal reserve in accordance with the provisions of the Commercial Companies Law. The legal reserve is created in accordance with the provisions of the Commercial Companies Law, according to which 5% of the annual accounting profit before tax is transferred to legal reserves until their balance reaches 20% of the Company's share capital. At 31 December 2024 and 31 December 2023, the legal reserve is in amount of EUR 1,718 and it can be distributed only at liquidation.

Reinvested profit

The reinvested profit reserve, in total amount of EUR 226,157 as at 31 December 2024 (31 December 2023: EUR 181,235), relates to the profit tax exemptions and, in particular, the non-taxation of the reinvested profit for purchasing of new equipment, electronic computers and peripheral equipment, cash registers, control and billing machines, software programs, as well as the right to use software, products and/or software purchased, including under financial and commissioned leasing contracts, used for the purpose of carrying out economic activity, in accordance with legislation in force. The amount of profit for which the reinvested profit tax exemption was granted is distributed to reserves at the end of each financial year. If distributed, the tax impact as at 31 December 2024 would be EUR 36,185 (31 December 2023: EUR 28,998).

Retained earnings

Retained earnings reserve includes retained earnings from previous periods.

Dividends

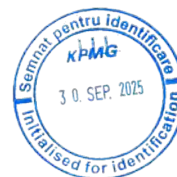
In May 2025, Digi Romania S.A. declared dividends worth EUR 29,592 from the 2024 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

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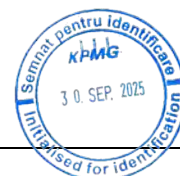
In May 2024, Digi Romania S.A. declared dividends worth EUR 30,153 from the 2023 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

In May 2023, Digi Romania S.A. declared dividends worth EUR 25,271 from the 2022 profit (with a dividend per share of RON 0.32, the equivalent of EUR 0.07).



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18.2 Non-controlling interests

The following table summarizes the consolidated financial information of DIGI Andalucia S.L.U (former Primafati S.L.U.) before intra-group eliminations which has non-controlling interest.

	31 December 2024	31 December 2023
Non-current assets	230,940	162,096
Current assets	1,094	4,627
Non-current liabilities	-	-
Current liabilities	(5,443)	(1,489)
Net assets	226,591	165,234
Net assets attributable to NCI	113,296	82,617
Revenues	3,190	507
Profit	16,858	3,234
OCI	-	-
Total comprehensive income	16,858	3,234
Profit allocated to NCI	8,429	1,617
Total comprehensive income allocated to NCI	8,429	1,617
Cash flows from operating activities	20,932	-
Cash flows from investment activities	(66,844)	(162,000)
Cash flows from financing activities	44,500	162,000
Net increase from cash flows	(1,412)	-

In 2024 non-controlling interest was computed based on 50% non-controlling of DIGI Andalucia S.L.U. (former Primafati S.L.U.) (DIGI Andalucia S.L.U is not a publicly listed entity).

Dividends distributed by Digi Andalucia S.L.U to non-controlling interests, in 2024, were in amount of EUR 6,250 (2023: nil). The dividends distributed to Digi Spain have been eliminated at consolidation.

NCI recognized in respect of DIGI Andalucia S.L.U. ("abrdn transaction")

Transaction background

The Company announced in October 2023, the completion by Digi Spain Telecom S.L.U. ("Digi Spain"), the Company's subsidiary in Spain and abrdn plc, of the first investment within the transaction having as subject matter the financing of the roll out of a FTTH network with the aim of covering up to 2.5 million homes passed in Andalucia, Spain (the "Network"), pursuant to the fulfilment of the conditions under the investment agreement concluded on 21 March 2023. This first investment covers 1.35 million homes passed, while the deployment of the entire Network will cover an additional number of 1.15 million homes passed, implying a total investment amount of up to EUR 300,000. The total investment is committed in substantially equal parts by Digi Spain and abrdn plc, potentially also involving bank financing, at the discretion of the shareholders.

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In order to structure this transaction, in September 2023 a new company with registered office in Spain was incorporated, called DIGI Andalucia S.L.U. (former Primafati S.L.U.), with Digi Spain contributing 100% of the initial share capital, amounting to EUR 3. Subsequently, on 2 October 2023, two capital increases were carried out, one for the amount of EUR 3 (3,000 shares of EUR 0,001 nominal value) subscribed and paid out by Nispero Bidco, S.A.R.L., a subsidiary of abrtn plc) and another for the amount of EUR 1,620 of share capital (809,970 shares of EUR 0,001 nominal value) subscribed and paid up by Digi Spain, and 809,970 shares of EUR 0,001 nominal value subscribed and paid up by Nispero Bidco, S.A.R.L., and EUR 160,374 of share premium, in this case with a contribution of EUR 80,187 by Digi Spain and EUR 80,187 by Nispero Bidco, S.A.R.L. Subsequently, on July 1, 2024, a share capital increase of €570 was carried out (285,000 shares with a par value of €1 each subscribed and paid up by Digi Spain Telecom, S.L.U. and 285,000 shares with a par value of €1 each subscribed and paid up by Nispero Bidco, S.A.R.L.) and €56,430 in share premium; reaching a total of €2,196 in capital and €216,804 in share premium, respectively, at the end of the 2024 financial year.

Control assessment

The contractual arrangements signed in 2023 between Digi Spain and Nispero Bidco, S.A.R.L. give Digi Spain the unconditional right to control DIGI Andalucia S.L.U. (former Primafati S.L.U.) Digi Spain has the majority of the voting rights and the power to appoint or remove the majority of the members of the Board of Directors of DIGI Andalucia S.L.U. (former Primafati S.L.U.), and based on the analysis performed, Digi Spain has:

- significant power over the investee (existing rights that give it the current ability to direct the relevant activities based on substantive rights);
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its significant power over the investee to affect the amount of the investor's return.

Although there are certain reserved matters to be decided by the Board of Directors and Shareholders of DIGI Andalucia S.L.U. (former Primafati S.L.U.), these are considered protective rights. The relevant activities of the entity (day-to-day operational management of the company, funding, annual budget and business plan, dividends distribution, etc.) are controlled by the Board of Directors, controlled by Digi Spain, as well as by the CEO and the management team, all being appointed by Digi Spain.

As this is an entity over which the Group has control, it has been consolidated following the full consolidation method. As a result of the consolidation process, an amount of EUR 113,296 representing the contribution and the profit attributable to NCI was recognized as Non-Controlling Interests (NCI) (2023: EUR 82,617).

Accounting for call and put options

Within the above transaction, Digi Spain was granted with certain voluntary purchase call options. An amount of EUR 3,336 was recorded as financial derivative asset, corresponding to the fair value of the call options on the minority investor's stake in DIGI Andalucia S.L.U. (former Primafati S.L.U.) The value of these call options was derived from the fair value of the shares of the underlying entity DIGI Andalucia S.L.U. (former Primafati S.L.U.) determined by independent valuation experts based on a discounted cash flow method, and subsequently for the value of the call options applying both a Monte-Carlo simulation and a Forward valuation methodology.

In addition, Digi Spain and the guarantor of the transaction, parent company Digi Romania S.A, have granted the minority shareholder an irrevocable and unconditional right to sell and transfer all the shares held by them in DIGI Andalucia S.L.U. (former Primafati S.L.U.), to DIGI Spain or the guarantor in the event of a material breach by Digi Spain (referred to as the 'Minority Shareholder Put Option'). This material breach event could result from various situations, including non-payment of ICO balances, change of control, transfer to a restricted person, or other special circumstances related to scenarios akin to liquidation, all of which are considered protective in nature. When an instrument includes contingent settlement provisions, the issuer does not possess an unconditional right to avoid making payments. Consequently, the instrument is classified as a financial liability, unless one of the following conditions applies:

1. The portion of the contingent settlement provision that might necessitate settlement in cash or another financial asset is not genuine.
2. The issuer can be compelled to settle in cash or another financial asset only in the event of its own liquidation (provided that liquidation is neither predetermined nor at the option of the holder).

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It's important to recognize that scenarios other than liquidation, such as insolvency (which doesn't necessarily lead to liquidation), should also be acknowledged. Therefore, neither Digi Spain nor any other Digi entity consolidating Digi Spain can avoid this triggering event.

Based on the conclusion reached above Digi is not able to avoid a material breach under all circumstances which normally would lead to classification of the written put as a liability. However, in case of a material breach and the investor wants to exercise the written put option, DIGI has two alternative courses of action:

- (i) DIGI Spain chooses to comply with the investor put option, thereby paying for the investor's shares; or
- (ii) DIGI Spain chooses not to comply with the investor put option defined in the SHA as a so-called "Failed Put". In a failed put situation, DIGI will compensate the investor for the negative impact of failing to comply with Investor put option.

Group management has concluded that activating this Failed Put mechanism is under its control and has determined that the financial liability arising from this alternative has a value which is not material and therefore has not recorded this failed put financial liability under IFRS 9 Financial Instruments.

Management has determined that the liability associated with the Failed Put mechanism is immaterial. This assessment is supported by the expectation that the assets could be sold to a third party at fair value in Spain's competitive market, thus preventing any principal loss. Considering the interest and penalties under the Failed Put mechanism, both base-case and stress-test scenarios were performed over the 25-year contractual period, incorporating fair value, homes passed, contractual interest rate, and a discount rate. In all cases, the resulting potential liability was assessed as not material, even under the most adverse stress-test assumptions.

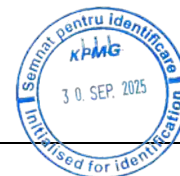
At 31 December 2024 the financial derivative assets were valued at EUR 14,030 and a gain on derivative financial instruments of EUR 10,664 was recognized in Net Finance Cost.

Summary of accounting impact in respect of Digi Andaluia S.L.U. ("abrdn transaction")

The above mentioned transaction has impacted Net assets / NCI in amount of EUR 113,296 (2023: EUR 82,617), the Proceeds from issuance of share capital and share premium from minority shareholder line from the Cash flows from financing activities in amount of EUR 28,500 (2023: EUR 81,000) and the Dividends paid to shareholders line from the Cash flows from financing activities with EUR 6,250 dividends paid to minority shareholder of Digi Andaluia.

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19. LOANS AND BORROWINGS

Long term portion		Nominal interest rate	31 December 2024	31 December 2023
Senior Secured Bonds	(i)	3.25% p.a.	400,388	850,548
2021 Senior Facilities Agreement	(ii)	3M EURIBOR + 2.225% - 2.75% p.a.	121,072	268,836
2023&2024 Senior Facilities Agreement	(v), (vi)	1M EURIBOR + 2.45% - 2.55% p.a.	368,932	-
Export Credit Facilities	(iii), (iv), (vii)	6M EURIBOR + 0.5% - 0.7% p.a.	98,664	64,266
Other long-term loans	(viii)	1M EURIBOR+2.25% p.a., 6%	30,469	-
Total long term			1,019,525	1,183,650
Current portion		Nominal interest rate	31 December 2024	31 December 2023
2021 Senior Facilities Agreement	(ii)	3M EURIBOR + 2.225% - 2.75% p.a.	68,174	68,713
2023 Senior Facilities Agreement	(v)	1M EURIBOR + 2.45% - 2.55% p.a.	44,261	-
Export Credit Facilities	(iii), (iv), (vii)	6M EURIBOR + 0.5% - 0.7% p.a.	71,961	42,559
Short portion of long-term loans	(x)	1M EURIBOR + 2.25% p.a., 5.912%	9,943	-
Short term loans and working capital facilities	(ix)	Variable linked to EURIBOR/ROBOR/LIBOR+ respective margin	110,863	88,542
Total current			305,202	199,814

For details regarding cash inflows and outflows for loans and borrowings please see the table below:

	Long term loans, including short term portion	Bonds	Short term loans	Interest payable	Total
Balance as at 1 January 2024	444,375	850,548	77,364	11,177	1,383,464
Acquisitions through business combinations (note 30.1)	-	-	5,300	-	5,300
Proceeds from borrowings	673,692	-	152,132	-	825,824
Repayment of borrowings	(292,171)	(450,000)	(130,864)	-	(873,035)
Interest expense	-	-	-	48,168	48,168
Capitalised borrowing costs (note 5)	-	-	-	15,990	15,990

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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Interest paid	-	-	-	(68,351)	(68,351)
Finance cost ⁽¹⁾	(15,379)	-	(221)	-	(15,600)
Amortisation of deferred finance costs ⁽²⁾	2,958	(160)	164	-	2,962
Effects of movements in exchange rates	1	-	4	-	5
Balance as at 31 December 2024	813,476	400,388	103,879	6,984	1,324,727
<i>Out of which:</i>					
<i>Short term</i>	194,339	-	103,879	6,984	305,202
<i>Long term</i>	619,137	400,388	-	-	1,019,525

1) In the Cashflow statement, the amount of EUR 14,776 represents finance costs paid in 2024 related to Groups' borrowings (presented in the table above).

2) The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

	Long term loans, including short term portion	Bonds	Short term loans	Interest payable	Total
Balance as at 1 January 2023	208,965	850,705	53,126	9,858	1,122,654
Proceeds from borrowings	270,516	-	59,822	-	330,338
Repayment of borrowings	(30,257)	-	(35,148)	-	(65,405)
Interest expense	-	-	-	47,746	47,746
Capitalised borrowing costs (note 5)	-	-	-	3,084	3,084
Interest paid	-	-	-	(49,511)	(49,511)
Finance cost ⁽¹⁾	(8,084)	-	(149)	-	(8,233)
Amortisation of deferred finance costs ⁽²⁾	3,244	(157)	121	-	3,208
Effects of movements in exchange rates	(10)	-	(407)	-	(417)
Balance as at 31 December 2023	444,374	850,548	77,365	11,177	1,383,464
<i>Out of which:</i>					
<i>Short term</i>	111,272	-	77,365	11,177	199,814
<i>Long term</i>	333,102	850,548	-	-	1,183,650

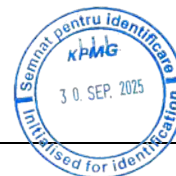
¹⁾In the Cashflow statement, the amount of EUR 8,206 represents finance costs paid in 2023 related to Groups' borrowings (presented in the table above).

²⁾The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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i) Senior Secured Notes due 2025 & 2028 (2020 Bonds)

On 5 February 2020, Digi Romania S.A. issued at par callable 1st Lien Senior Secured Notes in total amount of EUR 850,000, in two tranches: (i) EUR 450,000 2.50% senior secured notes due 2025 and (ii) EUR 400,000 3.25% senior secured notes due 2028 (collectively, the “Notes”). The call options give the Company the right (but not the obligation) to call the notes at prices set at the inception.

On 27 September 2024, Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450,000.

The gross proceeds of the Offering were used:

- (a) to redeem the entire aggregate principal amount outstanding of EUR 550,000 5.0% senior secured notes due 2023 issued by the Company (2016 Bonds) and pay redemption premium and accrued interest to holders thereof;
- (b) to prepay or repay partially the outstanding amounts under 2016 Senior Facility Agreement;
- (c) to prepay the entire aggregate principal amount 2018 Senior Facility Agreement;
- (d) to repay (without cancelling) certain overdraft facilities;
- (e) to pay costs, expenses and fees in connection with the Refinancing; and
- (f) for general corporate purposes (which may include acquisitions).

Arrangement fees

The total cost of concluding the 2020 Bonds is amortised using the effective interest method over the life of the Bonds.

As at 31 December 2024, the unamortized balance of bond issuance related fees was EUR 3,065 (2023: EUR 6,012). During the year, there were net borrowing costs recognized as a decrease in expenses in amount of EUR 161 after netting off with the amortization of the embedded derivative. For details, please see table above.

Drawings

As at 31 December 2024, the nominal balance is EUR 400,000 (EUR 400,387 presented net of borrowing fees and including fair value of embedded derivative at inception date, i.e., February 2020).

Pledges

Details on pledges are presented further in section (x).

ii) 2021 Senior Facilities Agreement Spain (“2021 SFA”)

On 26 July 2021, Digi Spain Telecom S.L.U. (“Digi Spain”), acting as borrower together with Digi Communications N.V., Digi Romania S.A., Digi Hu and Invitel, as Original Guarantors, Banco Santander S.A. and a syndicate of banks, acting as lenders, entered into a facilities agreement for an initial duration of three and a half years with the possibility of extension up to 5 years, under which Digi Spain was made available: (i) a term loan facility in a total aggregate amount of EUR 57,000; (ii) a term loan facility in a total aggregate amount of EUR 65,000; and (iii) a revolving facility in a total aggregate amount of EUR 10,000 to be used for several purposes, including CAPEX and general corporate purposes.

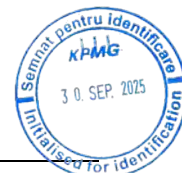
As of 27 July 2022, Digi Spain, acting as a borrower together with Digi Communications N.V. and Digi Romania S.A. as original guarantors, ING Bank N.V. as sole bookrunner and mandated lead arranger and a syndicate of banks, acting as lenders, entered into an amendment agreement to the facility agreement dated 26 July 2021 under which was made available an additional term loan facility in a total aggregated amount of EUR 128,000 for a period equal to five years, until 30 June 2027. The borrowed amount of the new term loan facility was used by Digi Spain for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, Digi Spain, acting as borrower, together with Digi Communications N.V. and Digi Romania S.A., as original guarantors, ING Bank N.V. and Banco Santander as bookrunners and mandated lead arrangers and a syndicate of banks acting as lenders, entered into an amendment agreement to the Facility Agreement dated 26 July 2021, under which it will be made available to Digi Spain, an additional term loan facility in amount of EUR 100,000, for a period equal to four years, until 30 June 2027. The borrowed amount of the new term loan facility was used by Digi Spain for the financing of capital expenditure on the fiber-optic network (and related equipment and infrastructure) in Spain and for associated personnel costs.

The interest rate under the SFA 2021 Facility A, Facility B and Facility C is composed of a margin of 2.225% per annum plus EURIBOR 3M, effective starting April 2022, for Facility D is 2.50% per annum plus EURIBOR 3M and for Facility E is 2.75 % per annum plus EURIBOR 3M.

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As at 31 December 2024, the outstanding balances were in amount of EUR 193,825 (2023: EUR 341,863).

Drawing

Term loans under the 2021 Senior Facility Agreement were used for the purposes of refinancing long-term loans of Digi Spain and investments.

Maturities

There are quarterly equal repayments of interest for the term loans. There is an 18-month grace period for principal repayment.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2021 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 4,579 (2023: EUR 4,313).

Pledges

The 2021 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

The obligations of the Group under the Bonds, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest as presented below at point x).

iii) Export Credit Facilities ("2023 ECA")

On 24 April 2023, Digi Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded two export credit facilities agreements in total amount of EUR 132,683.

As at 31 December 2024, the outstanding balances were in amount of EUR 66,238 (2023: EUR 110,396).

Drawing

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 72,766 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 59,917. By the end of the year a total amount of EUR 72,766 was withdrawn from Finnvera – ECA and EUR 59,742 from EKN – ECA.

Maturities

Finnvera – ECA shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 20 September 2023. Termination date is the date falling thirty (30) months after the first repayment date, being 20 March 2026. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

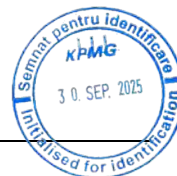
EKN – ECA consist of two facilities A and B, that shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 28 August 2023 for Facility A and 30 October 2023 for Facility B. Termination date is the date falling thirty (30) months after the first repayment date, being 28 February 2026 for Facility A and 30 April 2026 for Facility B. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 1,972 (2023: EUR 3,571).

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Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

iv) Export Credit Facilities (“2024 ECA”)

On 14 May 2024, Digi Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain as original guarantors and CITIBANK EUROPE PLC as original lender and facility agent and CITIBANK N.A. as arranger and ECA agent, have concluded two export credit facilities agreements in a total amount of EUR 116,949.

As at 31 December 2024, the outstanding balances were in amount of EUR 99,216.

Drawing

The two facilities are used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 35,740 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 81,208. By the end of the year a total amount of EUR 35,441 was withdrawn from Finnvera – ECA and EUR 78,394 from EKN – ECA.

Maturities

Finnvera – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 December 2024. Termination date is the date falling four (4) years after the starting point of credit, being 30 June 2028. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 September 2024 for Facility A and 30 August 2024 for Facility B. Termination date is the date falling four (4) years after the starting point of credit, being 31 March 2028 for Facility A and 29 February 2028 for Facility B. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 4,151.

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

v) Senior Facility Agreement (“2023 SFA”)

On 21 April 2023, Digi Romania S.A. , as borrower, Digi Communications N.V. and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, other financial institutions listed therein as original lenders have concluded a senior facility agreement (the “2023 SFA”) consisting of: (i) a term loan facility in a total aggregate amount of EUR 150,000, for a period not exceeding 31 January 2028; (ii) a revolving credit facility in a total aggregate amount of EUR 100,000, for three years from the signing of the SFA, and (iii) one or more incremental facilities not exceeding in aggregate EUR 250,000, which is not committed and which may be established and made available in accordance with the SFA.

The interest rate under the 2023 SFA Facility A is composed of a margin of 2.55% per annum plus EURIBOR 1M and for Facility B is 2.45% per annum plus EURIBOR 1M. As of 31 December 2024, the facility was fully drawn and the outstanding balances were in amount of EUR 235,000 (31 December 2023: the facility remained fully undrawn).

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Drawing

The borrowed amounts are intended to be used by Digi Romania S.A. for the purposes of debt refinancing, capital expenditure, investments, general corporate and working capital purposes.

Maturities

The Company shall repay Facility A Loan in monthly installments as per the Facility A Repayment Schedule, while Facility B Loans shall remain outstanding until voluntarily prepaid or repaid in full on the Facility B Termination Date.

Termination date is the date falling four years and nine months after the starting point of credit, being 31 January 2028 for Facility A. For Facility B, the termination date is the date falling three years after the starting point of credit, with an extension option. Thus, in April 2024, the Company extended the maturity date of Facility B by one year, to 21 January 2028.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2023 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 3,732.

Pledges

The 2023 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vi) Senior Facility Agreement (“2024 SFA”)

On 3 June 2024, Digi Romania S.A. together with Digi Communications N.V. as borrowers and original guarantors, Digi Spain Telecom S.L.U. as original guarantor, ING Bank N.V. as underwriter, mandated lead arranger, bookrunner and original lender and ING Bank N.V., London Branch as facility agent have concluded a term loan of EUR 150,000, with a maturity of 3 years after the first utilization date. The borrowed amounts may be used by Digi Communications N.V. and Digi Romania S.A. towards the refinancing of the EUR 450,000 Senior Secured Notes issued by Digi Romania, which were due in February 2025.

Senior Facility Agreement dated 3 June 2024 was amended and restated on 12 September 2024. Under this addendum was made available a term loan facility in a total aggregated amount of EUR 150,000 for a period equal to five years after the first utilization date, until 16 September 2029, to be used for general corporate purposes.

Another addendum was signed on 5 December 2024. According to it, the new lenders are Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe PLC., ING N.V. Amsterdam, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and Unicredit Bank S.A. Additionally, the total commitments increased from EUR 150,000 to EUR 220,000.

The interest rate under the SFA 2024 Facility A is composed of a margin of 2.5% per annum plus EURIBOR 1M.

As at 31 December 2024, the outstanding balances were in amount of EUR 185,000.

Drawing

The borrowed amount of the amended and restated term loan facility will be used by the borrower for general corporate purposes.

Maturities

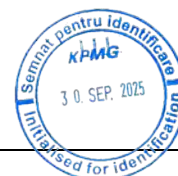
The loan requires equal monthly interest payments, with a 24-month grace period for principal repayment. Termination date is the date falling five years after the first utilization date, namely 16 September 2029.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2024 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 3,075.

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Pledges

The 2024 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vii) Export Credit Facilities (“2024 ECA”)

On 22 October 2024, Digi Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded an export credit facilities agreement in total amount of EUR 61,922.

Drawing

The facility is intended to be used with the purpose of financing the purchase of good and services for developing the Romanian, Belgian, Portuguese and Spanish telecommunications networks of the Group’s subsidiaries. By the end of the year, a total amount of EUR 13,984 was withdrawn from EKN – ECA.

Maturities

EKN – ECA consist of four facilities A, B, C and D that shall be repaid in eight (8) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 1 October 2025 for Facility A, 31 March 2025 for Facility B, 2 June 2025 for Facility C and 14 August 2025 for Facility D.

Termination date is the date falling forty-two (42) months after the first repayment date, being 1 April 2029 for Facility A, 30 September 2028 for Facility B, 2 December 2028 for Facility C and 14 February 2029 for Facility D. An interest of 6M Euribor plus a margin of 0.45% is payable at each repayment date.

As at 31 December 2024, the outstanding balances were in amount of EUR 13,984.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 2,690.

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

viii) Other long term loans

Besides the above mentioned facilities, the Group has several other long-term loans in Romania (31 December 2024: EUR 24,552; 31 December 2023: EUR 0) and in Spain (31 December 2024: EUR 5,916; 31 December 2023: EUR 0).

ix) Short term and working capital facilities

Besides the above mentioned facilities, the Group has several other short-term loans and working capital facilities (overdrafts, facilities for issuing letters of guarantees, letters of credit, etc.) in Romania (31 December 2024: EUR 49,275; 31 December 2023: EUR 47,354), in Spain (31 December 2024: EUR 30,595; 31 December 2023: EUR 12,680), in Portugal (31 December 2024: EUR 5,300).

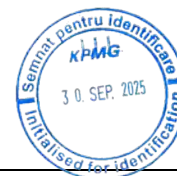
Other short-term facilities include EUR 18,711 reverse factoring arrangements (31 December 2023: EUR 17,331) and related interest expense of EUR 6,985 (31 December 2023: EUR 11,177).

x) Collateral

The obligations of the Group under the Senior Secured Notes, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest in the following:

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- (a) Certain Capital Stock that Digi Communications N.V. holds in Digi Romania S.A., which as at 31 December 2024 accounted for 93.58% of the issued Capital Stock of Digi Romania S.A., as per Trade Register;
- (b) All bank accounts of Digi Communications N.V. and Digi Romania S.A., including any new bank accounts;
- (c) 100% of the issued Capital Stock of DIGI Spain Telecom S.L.U.; and
- (d) Subject to certain exclusions, all present and future movable assets of Digi Romania S.A. including bank account moneys, trade and other receivables, intragroup receivables, inventories, movable tangible property (including networks, machinery, equipment, vehicles, furniture and other similar assets), intangible assets, intellectual property rights, insurance and proceeds related to any of the foregoing as described in the General Movable Mortgage Agreement between Digi Romania S.A. and Wilmington Trust (London) Limited.

xi) Covenants

All of the above facilities include certain financial ratios ("loan covenants"), which are calculated based on the consolidated figures of the Digi Communications N.V.

The breach of these ratios may constitute an event of default that can lead, unless waived or cured under the terms of the applicable instruments, to early repayment of indebtedness.

The Group undertakes to ensure that, at each period end, the Group leverage, computed as the ratio of Consolidated Total Net Indebtedness to EBITDA is less than 3.5 and Interest cover, computed as the ratio of EBITDA to Net Total Interest, is more than 4.25.

As at 31 December 2024, the Group is in compliance with all loan covenants from all facilities presented above.

20. LEASE LIABILITIES

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. Set out below are the carrying amounts of lease liabilities and the movements during the period ended 31 December:

	2024	2023
As at 1 January	389,576	295,600
Additions	199,225	186,036
Acquisitions through business combinations (note 30.1)	2,545	-
Interest expense	15,448	10,790
Capitalised borrowing costs (note 5)	8,970	7,721
Interest paid	(11,687)	(10,974)
Payments of principal portion of lease liabilities	(125,612)	(100,200)
Translation	172	603
As at 31 December	478,637	389,576
Current	102,103	77,039
Non-current	376,534	312,537

The maturity analysis of lease liabilities is disclosed in Note 31.

The value of interest payable as at 31 December 2024 amounts to EUR 20,871 (31 December 2023 8,140)

The following are the amounts recognised in the Consolidated statement of profit or loss:

	2024	2023
Depreciation expense of right-of-use assets	104,592	91,202
Interest expense on lease liabilities	15,448	10,790

For details on accounting policies for Leases, please see Note 2.2 k). For details about the right of use asset, please see Note 6. The ranges used as incremental borrowing rates are between 5.1% to 5.4% (2023: 5.6% to 6.6%).

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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21. TRADE AND OTHER PAYABLES

21.1 TRADE AND OTHER PAYABLES (current)

	31 December 2024	31 December 2023
Trade payables	218,358	160,916
Payables to non-current assets suppliers	165,508	244,981
Accruals	113,344	94,940
Value added tax ("VAT")	25,541	20,203
Amounts payable to related parties (Note 24)	58	57
Dividends payable (Note 24)	7,768	20,074
Other	25,089	21,468
Total trade and other payables	555,666	562,638

Included in payables to non-current suppliers, there is the short-term part of the deferred consideration payable for customer relationship acquired in amount of EUR 12,953 (31 December 2023: EUR 5,102), please see Note 8.

Other include mainly payables related to taxes.

21.2 TRADE AND OTHER PAYABLES (non-current)

	31 December 2024	31 December 2023
Payables to non-current assets suppliers	44,666	71,640

Supplier finance arrangements

Our vendors obtain factoring financing facilities from banks in order to be able to accommodate different commercial terms in relation with the Group. These do not represent financing liabilities for the Group, since liabilities arise as part of the commercial negotiations with the vendors. The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

If the payment terms are extended beyond the terms of the contractual agreement with the supplier, with more than 1 year, the financial institutions charge interest, and the amounts are reclassified as interest-bearing loans. In this case, in the consolidated statement of cash flows, the corresponding cash flows are presented under financing activities. If the payment terms are not extended beyond the terms of the contractual agreement with the supplier, with more than 1 year, the corresponding cash flows are presented within operating activities.

The terms and conditions of the supplier finance arrangements remain the same as those of the trade payables with these suppliers, except that:

- the due date has been extended to an average of 221 days after the invoice date from the original average of 85 days, and
- the acquired payables are no longer able to be offset against credit notes received from the supplier.

The supplier finance agreements are presented in the consolidated statement of cashflows under Cash flows from financing activities.

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Additional information about the Group's liabilities under supplier finance arrangement is provided in the table below:

	2024	2023
<u>Range of payment due dates</u>		
Liabilities under supplier finance arrangement	135-360 days after invoice date	
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	0-120 days after the invoice date	

<u>Carrying amount of liabilities under supplier finance arrangement</u>	2024	2023
Liabilities under supplier finance arrangement (within Payables to non-current assets suppliers in table in note 21.1)	18,711	17,331

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

Long term trade payables

The Group, has arrangements with its suppliers whereby we obtained extended payment terms (depending on the payment terms negotiated with the vendors we currently have extended payment terms up to a maximum of 3 years) therefore, we include the amount of EUR 19,016 (2023: EUR 56,967) that is subject to these arrangements within Trade and other payables (non-current), because the nature and function of these payables remains the same as those of the trade payables.

Non-current trade and other payables balance as at 31 December 2024, also comprise of the discounted future payments, in amount of EUR 25,650 (2023: EUR 14,673) over 5 years for the 50% of the license price of spectrum awarded to Digi Portugal in 2021, as well as discounted future payments related to the spectrum license acquired through the integration of Nowo in 2024, which were recognized as long-term liabilities. For details, please see Note 8.

21.3 EMPLOYEE BENEFITS LIABILITIES

	31 December 2024	31 December 2023
Wages and salaries	26,366	27,888
Social security contributions	32,907	26,878
Total	59,273	54,766

Employee benefits include all amounts regarding salaries and related taxes. Social security contributions include all the taxes paid directly by the Company, as well as those paid by the Company on behalf of its employees (for Romania).

For details on the related expenses, please see below:

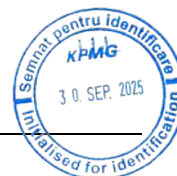
21.4 EMPLOYEE BENEFITS EXPENSES

	31 December 2024	31 December 2023
Wages and salaries	292,296	256,886
Social security contributions	37,736	30,626
Share based payments -non recurring	336	504
Total employee benefits expenses	330,368	288,016

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

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22. PROVISIONS

As at 31 December 2024, the provision for litigations amounts to EUR 7,636 (31 December 2023: EUR 614).

In all cases where the Group recognized a provision there are only low value claims with immaterial potential exposure above the amounts provided for.

23. DECOMMISSIONING PROVISIONS

Provision for decommissioning costs for the telecom sites was recognized as at 31 December 2024 in amount of EUR 15,202 (31 December 2023: EUR 11,302). Decommissioning costs are measured at the present value of internally estimated expected costs of dismantling using estimated future cash flows. The estimated cash flows were discounted using the S0225 Bloomberg RON zero curve swap, derived from observable sources for maturities between 1 and 30 years. The 6.520% rate reflects the interest rates for future periods reflected in the interest rates on the spot market for debts with different maturities, adjusted on yearly basis (2023: 6.271%).

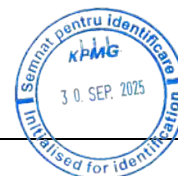
Please see below the movement table of the decommissioning provision:

	31 December 2024	31 December 2023
Opening balance	11,302	7,056
Unwinding of discount	1,126	789
Revision in estimates ^{*)}	2,773	3,498 ^{*)}
Effect of movement in exchange rates	1	(40)
Closing balance	15,202	11,302

^{*)} The increase of revision in estimates is triggered by the increase in number of sites installed in Romania and Portugal and increase of related decommissioning costs.

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24. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of DIGI and its subsidiaries (the main subsidiaries are included in Note 30); Digi Communications N.V. is the immediate parent company; RCSM is the Group's ultimate holding company. Ultimate beneficial shareholder is Mr. Zoltan Teszari.

The following tables provide the total amount of balances with related parties:

Loans to related parties

		31 December 2024	31 December 2023
Party			
Joint Ventures in Belgium	(iii)	85,074	18,241
Total		85,074	18,241

Receivables from related parties

		31 December 2024	31 December 2023
Party			
Digi Communications N.V.		18	15
Ager Imobiliare S.R.L.	(ii)	166	165
Joint Ventures in Belgium	(iii)	3,408	3,762
Other		-	326
Total		3,592	4,268

Payables to related parties

		31 December 2024	31 December 2023
Party			
Digi Communications N.V.		7,809	19,995
Other		638	136
Total		8,447	20,131
<i>Of which: dividends payable (Note 21.1)</i>		<i>7,768</i>	<i>20,074</i>

(i) Shareholder of DIGI

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

Included in Loans and Other receivables from Joint Ventures in Belgium is the updated Shareholder Loan Agreement between Digi Romania and Insky, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2026. The outstanding balance as at 31 December 2024 is EUR 55,225 (2023: EUR 80) and accrued interest of EUR 1,025 (2023: EUR 17). The Consolidated Loan Agreement between Digi Romania and Citymesh Mobile, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2025, has also been updated and the outstanding balance as at 31 December 2024 is EUR 26,795 (2023: EUR 17,460) and accrued interest of EUR 2,029 (2023: EUR 701).

Outstanding trade balances at year-end are interest free. For details regarding the guarantees and pledges between Group's companies please refer to Note 19 (vi). For the year ended 31 December 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 December 2023: nil).

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

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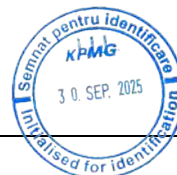
(all amounts in EUR '000, unless specified otherwise)



In 2024, DIGI Romania S.A. declared dividends in amount of EUR 30,153, from 2023 profit. In 2023, Digi Romania S.A. declared dividends in amount of EUR 25,271, from 2022 profit. For dividends distributed by the Company, please refer to Note 18.

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Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

	2024	2023
Short-term employee benefits	5,399	4,278
Share-based payments	336	504
Total	5,735	4,782

In 2024, the amount of remuneration of executive directors is EUR 5,306 (2023: EUR 4,188) and non-executive directors is EUR 93 (2023: EUR 90)

Included in key management personnel are the Board members and top management of the Group. Compensation of the Group's key management personnel include salaries.

In 2024 and 2023 several share option plans were implemented for certain members of management and employees. Several shares option plans vested in 2024 and 2023. For details, please refer to Note 32.

During 2024 and 2023, the Company distributed dividends to its shareholders. For details, please see Note 18.

Transactions with related parties

		31 December 2024	31 December 2023
Sale of services			
Digi Communications N.V.		9	10
Ager Imobiliare S.R.L.	(ii)	-	4
Fundatia Man	(ii)	169	172
Joint Ventures in Belgium	(iii)	11,686	3,780
Total		11,864	3,966

Others

<i>Sponsorships and donations</i>			
Fundatia Man	(ii)	2,243	892
Total		2,243	892

Interest income from finance agreements

<i>Loans and borrowings</i>			
Digi Communications N.V.		73	69
Joint Ventures in Belgium	(iii)	2,380	738
Total		2,453	807

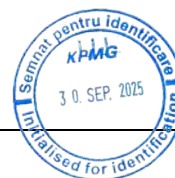
(i) Shareholder of DIGI

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

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25. REVENUES

A. Revenues streams

The Group generates revenues mainly from revenue from fixed and mobile services invoiced mainly as, subscription, traffic and interconnection.

Other sources of revenue include mainly revenues from sale of energy, green certificates, handsets and other CPE, as well as advertising revenues.

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

	2024	2023
Continuing operations		
Country		
Romania	1,099,018	1,019,380
Spain	781,974	642,004
Portugal	11,826	24
Other ⁽¹⁾	31,483	28,965
Total Revenues from continued operations	1,924,301	1,690,373
Category		
Fixed services ⁽²⁾	963,797	841,173
Mobile services	795,371	714,213
Other ⁽³⁾	165,133	134,987
Total Revenues from continued operations	1,924,301	1,690,373

¹⁾Includes mainly revenue from operations in Italy.

²⁾Includes mainly revenues from subscriptions for CATV, fixed internet and fixed telephony and DTH services.

³⁾Includes mainly revenues from sale of handsets and other CPE, energy, green certificates, as well as advertising revenues.

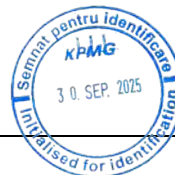
The tables below provide the split of revenues by activity:

For the year ended 31 December 2024	Romania	Spain	Portugal	Other	Total
Fixed	659,434	299,271	5,838	106	964,649
Mobile	281,148	482,337	4,421	31,066	798,972
Other	162,564	1,133	1,567	386	165,650
Total before intersegment elimination	1,103,146	782,741	11,826	31,558	1,929,271
Intersegment elimination	(4,128)	(767)	-	(75)	(4,970)
Total consolidated	1,099,018	781,974	11,826	31,483	1,924,301

For the year ended 31 December 2023	Romania	Spain	Portugal	Other	Total
Fixed	628,871	212,302	-	-	841,173
Mobile	259,141	429,669	-	29,076	717,886
Other	134,514	446	24	21	135,005
Total before intersegment elimination	1,022,526	642,417	24	29,097	1,694,064
Intersegment elimination	(3,146)	(413)	-	(132)	(3,691)
Total consolidated	1,019,380	642,004	24	28,965	1,690,373

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25. REVENUES (CONTINUED)

The table below provides the standalone and consolidated revenues in accordance to *IFRS 15 Revenue from Contracts with Customers* for the years ended 31 December 2024 and 2023.

Revenues split IFRS 15	For the year ended 31 December 2024	For the year ended 31 December 2023
Fixed	964,649	841,173
Mobile	798,972	717,886
Total telecom	1,763,621	1,559,059
Other	165,650	135,005
Total before intersegment elimination	1,929,271	1,694,064
Intersegment elimination	(4,970)	(3,691)
Total consolidated	1,924,301	1,690,373

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

Timing of revenue recognition	2024	2023
Goods transferred at a point in time	62,549	54,815
Services transferred over time	1,861,752	1,635,558
Total revenues	1,924,301	1,690,373

The transfer of goods to the customer at a point in time are presented in the first table above as part of *Other revenues*.

Revenues recognised in the year ended 31 December 2024, which were included in contract liability at the beginning of the year (of EUR 26,161) amounted to EUR 22,220. The amounts in balance as at 31 December 2024 are to be recognised gradually as revenues until 31 December 2026.

Revenues recognised in the year ended 31 December 2023, which were included in contract liability at the beginning of the year (of EUR 22,923) amounted to EUR 20,422. The amounts in balance as at 31 December 2023 are to be recognised gradually as revenues until 31 December 2025.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

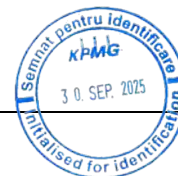
	Note	2024	2023
Receivables, which are included in 'trade and other receivables'		52,972	58,516
Contract assets		98,022	94,292
Contract liabilities (long and short-term part)		(27,236)	(26,172)

The contract assets primarily relate to the Group's services rendered and right to consideration for handsets sold in installments that are not yet billed at the reporting date. The contract assets are transferred to receivables when the right becomes unconditional. This occurs when the Group issues an invoice to the clients.

Contract liabilities primarily relate to the advance consideration received from clients for subscriptions, advance consideration for right of use contracts, as well as advance consideration for future sports competitions, for which revenue is recognized over time.

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26. OTHER INCOME AND EXPENSES

	2024	2023
Gain from sale of property, plant and equipment	384,807	-
Gain from sale of inventory	14,493	
Other income from subvention of electricity supply	7,857	16,180
Other expenses	(337)	(504)

A. Other income

For the period ended 31 December 2024, gain from sale of property, plant and equipment represents gain from sale Digi Spain's sale of a Fiber-to-the-Home (FTTH) network across 12 provinces in Spain (see notes 4 and 5). Gain from sale of inventory relates to subsequent network development specifically for sale to SOTA as discussed in note 5 and note 2.2(m).

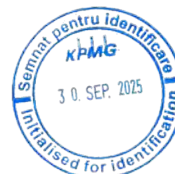
Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle Digi Romania S.A. to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 30 June 2025. At the date of these financial statements, there are no unfulfilled conditions or contingencies attached to these grants.

B. Other expenses

For the period ended 31 December 2024, similar to prior period, other expenses include expenses related to share option plans vested, which are expected to be one-time events.

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27. OPERATING EXPENSES

	2024	2023
Depreciation of property, plant and equipment (Note 5)	204,230	165,716
Amortisation of right of use asset (Note 6)	104,592	91,202
Amortisation of non-current intangible assets and programme assets (Note 8-14)	106,677	95,355
Amortisation of subscriber acquisition costs (Note 9)	61,685	59,051
Impairment of property, plant and equipment (Note 5)	5,315	8,883
Impairment of subscriber acquisition costs (Note 9)	2,726	4,181
Revaluation decrease recognised in profit or loss	709	-
Employee benefits	330,031	287,512
Costs related to content and similar expenses	192,515	167,986
Telephony expenses	408,215	372,800
Cost of materials sold	61,082	52,218
Invoicing and collection expenses	18,870	20,423
Taxes and penalties	12,711	10,631
Electricity cost and other utilities	85,246	91,332
Impairment of receivables and adjustments to inventories, net of reversals	12,560	11,739
Taxes to authorities	17,163	16,088
Other materials and subcontractors	9,118	10,632
Other services	35,313	31,647
Other operating expenses	64,882	38,269
Total	1,733,640	1,535,665

The 2023 and 2024 share option plans expenses accrued in the year are included under the caption “Salaries and related taxes”. For details, please see Note 32.

For the year ended 31 December 2024, total employee benefits expense amounted to EUR 606,191, the Group capitalized EUR 276,160 relating to continuing operations. In comparison, for 2023, total employee benefits expense stood at EUR 526,979, EUR 239,467 was capitalized. *Other services*, *Other operating expenses* and *Other materials and subcontractors' expenses* mainly include expenses related to advertisings costs, expenses related to own TV channels, settlements of contracts, network maintenance expenses and various other fees and commissions to third parties.

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28. NET FINANCE COSTS

	2024	2023
Finance income		
Interest from banks	5,165	4,259
Other financial revenues	7,199	3,399
Gain on derivative financial instruments	10,664	-
	23,028	7,658
Finance costs		
Interest expense	(53,146)	(54,020)
Interest for lease liability	(15,448)	(10,790)
Loss on derivative financial instruments (net)	(1,505)	(2,269)
Other financial expenses	(11,878)	(8,820)
Foreign exchange differences (net)	(2,695)	(4,758)
	(84,672)	(80,657)
Net Finance Costs	(61,644)	(72,999)

As at 31 December 2024, the fair value of the embedded derivative assets attached to our EUR 400,000 Senior Secured Notes is EUR 1,263 (December 2023: EUR 2,768). The fair value movement of EUR 1,505 (2023: EUR 2,269) was recognised as a loss on derivative financial instruments. For details, please see Note 33.

As at 31 December 2024, the fair value of the Digi Spain call option attached to the shareholders agreement for Digi Andalucia is EUR 14,030 (December 2023: EUR 3,366). The fair value movement of EUR 10,664 related to Digi Spain derivative, was recognized as a gain on derivative financial instruments as at 31 December 2024. For more details , please see Note 33

29. INCOME TAX

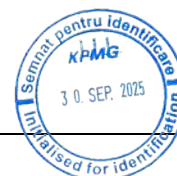
The statutory tax rate applied in Romania during 2024 and 2023 was 16%, in Spain during 2024 and 2023 was 25%, in Italy during 2024 and 2023 was 24% and in Portugal during 2024 and 2023 was 21%.

Components of income tax expense for the year ended 31 December 2024 and 2023 respectively were:

	31 December 2024	31 December 2023
Current tax expense	104,501	8,208
Deferred tax expense/ (income)	5,460	(6,780)
Tax expense	109,961	1,428

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Reconciliation of effective tax rate

Reconciliation of income tax expense at the statutory income tax rate applicable to the net result before tax to the income tax expense at the Group's effective income tax rate for the financial years 2024 and 2023 is as follows:

	2024	2024	2023	2023
Profit before tax		534,852		90,878
At statutory income tax rate of the Company	16.00%	85,576	16.00%	14,540
Effect of tax rates in foreign jurisdictions	6.46%	34,532	-2.89%	(2,623)
Tax effect of:				
Share of profit of equity-accounted investees reported, net of tax	-0.03%	(158)	-1.15%	(1,041)
Non-deductible expenses/(Tax-exempt income)	0.49%	2,595	4.03%	3,662
Tax incentives (tax credit for reinvested profit and sponsorship)	-2.40%	(12,813)	-14.70%	(13,360)
Losses for which no deferred tax asset is recognized ¹⁾	0.04%	227	0.27%	250
Effective tax expense	20.56%	109,961	1.57%	1,428

1) We estimate that we will start to recover losses in Portugal in the medium term.

Deferred taxes in the consolidated statement of financial position are:

	31 December 2024	31 December 2023
Deferred tax assets	30,328	16,035
Deferred tax liabilities	(96,883)	(82,209)

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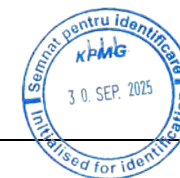


The movement in deferred tax liability for the financial year 2024 comprises the tax effect of temporary differences related to:

	31 December 2024							
	Net balance at 1 January	Recognised in profit and loss	Recognised directly in equity	Business combination (acquisition)	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment ¹⁾	(75,641)	(4,113)	(1,381)	-	(8)	(81,143)	-	(81,143)
Intangibles	(8,502)	(2,727)	-	(5,201)	(1)	(16,431)	(4,757)	(11,674)
Accounts receivable	317	411	-	-	-	728	1,330	(602)
Inventory	212	(178)	-	-	-	34	34	-
Accounts payable	687	(11,108)	-	-	-	(10,421)	-	(10,421)
Leases assets ¹⁾	(48,538)	(4,574)	-	-	-	(53,112)	-	(53,112)
Leases liabilities	51,982	9,096	-	-	1	61,079	61,079	-
Decommissioning	1,864	661	-	-	-	2,525	2,525	-
Untaken holiday	554	54	-	-	-	608	608	-
ICO share	384	(7)	-	-	(377)	-	-	-
Tax losses carried forward	10,507	7,025	-	12,047	-	29,579	29,579	-
Tax assets (liabilities) before set-off	(66,174)	(5,460)	(1,381)	6,846	(386)	(66,555)	90,397	(156,952)
Set-off of tax							(60,069)	60,069
Net tax assets (liabilities)						(66,555)	30,328	(96,883)

- 1) The Group applied Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12) from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the accounting policy, please refer to Note 2.2.

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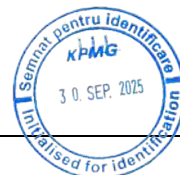
The movement in deferred tax liability for the financial year 2023 comprises the tax effect of temporary differences related to:

	31 December 2023						
	Net balance at 1 January	Recognised in profit and loss	Recognised directly in equity	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment ¹⁾	(68,480)	(7,620)	50	409	(75,641)	-	(75,641)
Intangibles	(8,736)	182	-	52	(8,502)	1,925	(10,427)
Accounts receivable	(378)	692	-	3	317	1,032	(715)
Inventory	34	178	-	-	212	212	-
Accounts payable	8	682	-	(3)	687	2,009	(1,322)
Leases assets ¹⁾	(31,450)	(17,121)	-	33	(48,538)	-	(48,538)
Leases liabilities	30,935	21,182	-	(135)	51,982	51,982	-
Decommissioning	1,090	844	-	(70)	1,864	1,864	-
Untaken holiday	494	63	-	(3)	554	554	-
ICO share	-	384	-	-	384	384	-
Tax losses carried forward	3,192	7,315	-	-	10,507	10,507	-
Tax assets (liabilities) before set-off	(73,292)	6,780	50	289	(66,174)	70,469	(136,643)
Set-off of tax					-	(54,434)	54,434
Net tax assets (liabilities)					(66,174)	16,035	(82,209)

- ¹⁾ The Group applied *Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)* from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the accounting policy, please refer to Note 2.2.

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Global minimum top-up tax

The Digi Romania S.A. Group (“the Group”, or “DIGI Group”) operates in Romania, Italy, Spain, and Portugal, all enacted new legislation to implement the global minimum top-up tax starting with 1 st January 2024.

The Digi Romania S.A. Group is subject to the top-up tax in relation to its operations in Romania where the statutory tax rate is 16 percent, but the additional tax deductions (i.e. mainly reinvested profit incentive) reduce its effective tax rate below 15 percent.

The Digi Romania S.A. Group’s assessment indicates for Romania the weighted average effective tax rate based on accounting profit is 11% for the annual financial year ended 31 December 2024. Considering the impact of specific adjustments in the Pillar Two legislation, the Digi Romania S.A. Group recognised a current income tax expense of EUR 1,957 for the year. This is included in income tax in the statement of profit or loss.

Weighted average effective tax based on accounting profit for Italy is 33%, Spain 24%, both higher then effective tax rate of 15%; while Portugal register statutory loss for year 2024.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2024		2023	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	5,834	1,400	30,715	7,371
	5,834	1,400	30,715	7,371

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2024	Expiry date	2023	Expiry date
Never expire ¹⁾	5,834	n/a	30,715	n/a
Total	5,834		30,715	

1) We estimate that we will start to recover losses in Portugal in the medium term.

Deferred tax asset in respect of the fiscal loss from Portugal was recognised in amount of EUR 26,825 (2023: EUR 5,625) which is subject to indefinitely expired period and for Spain in amount of EUR 543 (2023: EUR 422).

For statutory purposes, Digi Romania S.A. has performed several revaluations of its land and buildings. Should the statutory revaluation reserves of Digi Romania S.A be distributed to its shareholders it would become taxable, i.e. they would generate a tax liability of EUR 1,381 (2023: EUR nil), for which a deferred tax liability is recognised.

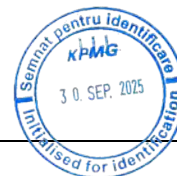
The Romanian Tax Code currently in force, defines the categories of assets for which companies may apply the tax exemption on reinvested profit as follows: technological equipment, electronic computers and peripheral equipment, cash machines, control and billing machines, software programs, and the right to use software, products and / or purchased software, including on the basis of financial leasing contracts, and commissioned, used for the purpose of development of economic activity.

The amount of the profit for which the reinvested corporate tax exemption was granted shall be distributed at the end of the financial year to reserves.

In line with IAS 12, no deferred tax was recognized in this respect as there is no intention to distribute the reinvested profits in the foreseeable future (Note 18).

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30. SUBSIDIARIES

Below are presented the subsidiaries of the Group, excluding dormant subsidiaries and subsidiaries with only intra-group transactions:

Subsidiary	Country of Incorporation	Field of activity	Legal Ownership	
			2024	2023
Digi Spain Telecom S.L.U.	Spain	Telephony	100%	100%
DIGI Andalucia SLU (former Primafati S.L.U.)	Spain	Telecom	50%+1share	50%+1share
Digi Portugal LDA. (former Digi Portugal Sociedade Unipessoal LDA.)	Portugal	Telecom	100%	100%
Nowo Communications SA	Portugal	Telecom	100%	100%
Digi Italy SL	Italy	Telephony	100%	100%
Campus Radio SRL	Romania	Advertising	100%	100%
CFO Integrator SRL	Romania	Duct Rent	100%	100%
Energia Foto SRL	Romania	Solar energy	100%	100%
Novitas SRL	Romania	Solar energy	100%	100%
Delalina SRL	Romania	Solar energy	100%	100%

Digi Communications N.V. holds 93.58% (2023: 93.58%) from Digi Romania S.A.. Digi Romania S.A. has a direct and indirect ownership of 100% (2023: 100%) from Digi Spain Telecom S.L.U., Digi Portugal LDA, Digi Italy SL, Campus Radio SRL, CFO Integrator SRL, Energia Foto SRL, Novitas SRL, Delalina SRL and 50%+1 share (2023: 100%) from DIGI Andalucia S.L.U. (former Primafati S.L.U.).

DIGI Andalucia was consolidated because the Group has power to direct the relevant activities of the entity that significantly affect their returns, has exposure, or rights, to variable returns from its involvement with the entity, and has the ability to use its power over the investees to affect the amount of the investor's returns.

30.1. ACQUISITION OF SUBSIDIARY

On 31 October 2024, Digi Portugal acquired 100% of the shares in Cabonitel. Cabonitel is a holding company which owns 100% of the shares in its operating subsidiary, Nowo. Nowo is the 4th largest Portuguese telecommunications operator offering mobile and fixed services (internet, television, mobile, and fixed voice services). It operates primarily as a low-cost alternative in the market and is known for its MVNO (Mobile Virtual Network Operator) model, meaning it does not own a mobile network infrastructure. NOWO has limited national coverage, focusing on specific regions, and has historically struggled with brand perception and customer satisfaction.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs property, plant and equipment, licenses, and other assets and liabilities, a list of customers and an organized workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Acquiring Cabonitel and its subsidiary, enables the Group to increase the presence with a faster speed in the Portugues market which leands to an increase in market share in this industry as well as reduce costs through economies of scale.

For the two months ended 31 December 2024, Cabonitel and its subsidiary contributed revenue of EUR 11,547 and loss of EUR 3,302 to the Group's results. If the acquisition had occurred on 1 January 2024, management

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estimates that consolidated revenue would have been higher by EUR 64,479 and the consolidated profit for the year would have been lower by EUR 23,569.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2024.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
Cash and cash equivalents	1,578
Trade receivables	916
Other receivables	5,576
Property, plant and equipment	52,400
Intangible assets	3,226
Subscriber acquisition costs	3,785
Trade payables	(18,947)
Loans and borrowings	(5,300)
Other payable	(34,816)
Contract liabilities	(2,772)
Provisions	(7,242)
Lease liabilities	(2,544)
Right of use assets	2,544
Mobile license	55,077
Customer relations	14,190
Deferred tax asset	6,846
Other intangibles identified in PPA	11,258
Total identifiable net assets acquired	85,775

The valuation techniques used for measuring the fair value of Customer relationship and the mobile licenses acquired was multi-period excess earnings.

The majority of the receivables is represented by telecom customers and the remainder is represented by receivables from other telecom peers. The fair value is EUR 916 while the gross amount is EUR 3,132 the difference of 2,216 representing the bad debt provision.

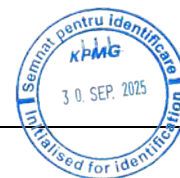
As part of the purchase price allocation (“PPA”) related to the acquisition of the subsidiary, the Group applied the requirements of IFRS 3 – Business Combinations, which allow the use of provisional values when the initial accounting is incomplete at the end of the reporting period.

Due to the technical complexity and the time constraints following the acquisition, the Group has not yet completed a detailed valuation of the acquired fixed network infrastructure, nor of the associated equipment. As a result, the values attributed to these tangible assets in the financial statements are provisional, based on management’s best estimates using available information as at the acquisition date.

The Group is currently in the process of finalizing the valuation of these assets, with the support of external specialists, and expects to complete this exercise within the 12-month measurement period allowed under IFRS 3. Any changes to the provisional fair values will be retrospectively adjusted against goodwill and other affected balances as required.

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Goodwill arising from the acquisition has been recognised as follows:

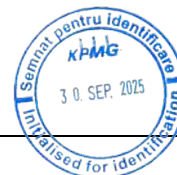
	EUR'000
Consideration transferred	110,660
Fair value of identifiable net assets	85,775
Goodwill	24,885

The goodwill is attributable mainly to the footprint of the fixed network as a similar asset would require a lot of time and effort to be rebuild, and to the skills and technical talent of the Nowo's work force and the synergies expected to be achieved from integrating Nowo into the Group's existing business. The goodwill will not be deductible for tax purposes.

The Group incurred acquisition costs of EUR 41 on legal fees, due diligence. These costs have been included in "Operating expenses".

Purchase consideration – cash outflow:

	EUR'000
Cash consideration	110,660
Less balances acquired	
Cash	3
Bank Accounts	1,582
Net outflow of cash – investing activities	(109,075)



31. FINANCIAL RISK MANAGEMENT

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

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

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

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

The Group's risk management policies are established to identify and analyze 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.

i) Credit risk

Credit risk exposure

The Group regularly monitors its customers' debts and expected credit losses are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt.

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

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications and energy) and identifying potential bad debt cases, which are suspended, in general between 10 and 30 days after the invoice due. In respect of related parties receivables which arise mainly from loans granted to the joint ventures in Belgium, management's assessment is that there is not significant risk related to these balances, as such no ECL was recorded.

The maximum exposure to credit risk at the reporting date was:

Derivative and non-derivative financial assets by category – exposure to credit risk

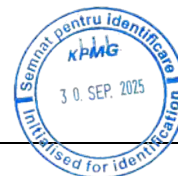
	Note	31 December 2024	31 December 2023
Trade and other receivables	15	72,015	78,508
Loans receivable from related parties	24	87,947	18,470
Other receivables from related parties	15	98	4,039
Contract assets	15	98,022	94,292
Other non-current assets		3,758	4,466
Grants for electricity supply	15	8,897	10,212
Cash and cash equivalents	17	66,453	221,259
Long term receivables	11	69,747	13,617
Total		406,937	444,863

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

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

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- **Cash & cash equivalents**

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	31 December 2024	31 December 2023
Citibank	4	50,038
ING Bank	3,288	81,652
Banca Comerciala Romana	633	109
BRD Groupe Societe Generale	33	885
Unicredit Tiriace Bank	1,025	21,237
Banco Santander	48,126	36,781
Banco La Caixa	7,303	27,669
Banco BBVA	932	702
Banco Sabadell	513	48
Novo Bank	276	-
Banco Bankinter	1,747	-
Petty Cash	52	39
Other	2,521	2,099
Total	66,453	221,259

Cash and cash equivalents are placed in financial institutions, which are considered 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 with external ratings above BBB+, according to Standard & Poor's.

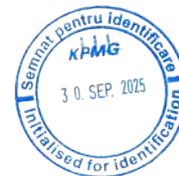
Trade and other receivables and contract assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has determined that the trade receivables do not include a significant financing component and, hence, the time value of money component is considered immaterial.

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The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for business, residential, advertising and energy customers as at 31 December 2024 and 31 December 2023.

31-December-2024	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	0%	125,261	(574)	124,687
Below 30 days	4%	30,035	(1,148)	28,887
31–90 days past due	15%	15,116	(2,324)	12,792
91–180 days past due	43%	8,656	(3,759)	4,897
181–360 days past due	79%	10,196	(8,044)	2,152
More than 360 days past due	63%	15,103	(9,584)	5,519
Total		204,367	(25,433)	178,934

31-December-2023	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	1%	128,326	(1,212)	127,114
Below 30 days	4%	30,144	(1,215)	28,929
31–90 days past due	27%	13,435	(3,658)	9,777
91–180 days past due	22%	12,771	(2,767)	10,004
181–360 days past due	70%	8,094	(5,704)	2,390
More than 360 days past due	58%	11,340	(6,542)	4,798
Total		204,110	(21,098)	183,012

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	2024	2023
Balance at 1 January	21,098	19,217
Amounts written off	(9,741)	(9,647)
Acquisitions through business combinations (note 30.1)	2,676	-
Reclassification	(148)	653
Net remeasurement of loss allowance	11,758	11,440
Translation reserve	(210)	(565)
Balance at 31 December	25,433	21,098

ii) 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 supplier finance arrangements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

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The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2024:

31 December 2024							
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,324,727	1,449,314	183,290	172,368	234,500	859,156	-
Lease liabilities	478,637	638,325	64,950	58,854	89,302	128,344	296,875
Trade and other payables and other liabilities	600,332	601,044	529,932	21,018	29,634	16,601	3,859
Total	2,403,696	2,688,683	778,172	252,240	353,436	1,004,101	300,734

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2023:

31 December 2023							
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,383,464	1,496,133	119,037	129,268	636,858	610,970	-
Lease liabilities	389,576	528,251	51,057	46,151	69,997	115,634	245,412
Trade and other payables and other liabilities	634,278	636,662	524,369	39,355	44,642	28,296	-
Total	2,407,318	2,661,046	694,463	214,774	751,497	754,900	245,412

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future. For more information, please refer to Note 2.1 (d) Going concern assumption.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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.

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

The Board of Directors actively manages the exposure to EUR and USD currency only for borrowings.

The Group's exposure to foreign currency risk was:

	31 December 2024		31 December 2023	
	USD	EUR	USD	EUR
Trade and other receivables	1,675	5,714	1,902	4,139
Cash and cash equivalents	54	71	28	150,067
Loans and Borrowings	-	(892,536)	-	(916,238)
Bank overdraft	(12,392)	(144,393)	(21,384)	(51,708)
Lease liabilities	(7,333)	(123,462)	(11,539)	(108,171)
Trade and other payables	(48,684)	(75,044)	(30,822)	(161,769)
Net exposure	(66,680)	(1,229,650)	(61,815)	(1,083,680)

The amounts presented in the table above are expressed in EUR thousands, the denomination of the basis amounts is in the currencies mentioned in the header of the table. The same presentation was applied also to comparatives which were previously presented in the originating currencies.

The following significant exchange rates applied for the year ended 31 December 2024 and 31 December 2023:

	2024	2023
Romania (RON)		
USD	4.7768	4.4958
EUR	4.9741	4.9746

Sensitivity analysis for currency risk

A 10 percent strengthening of the currencies listed above against the functional currencies of the Parent and of the subsidiaries at 31 December would have decreased profit before tax/increased the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax	Effect on profit before tax
	2024	2023
EUR	122,965	108,368
USD	6,668	6,181
Total	129,633	114,549

A 10 percent weakening of the above-mentioned currencies against the functional currencies of the Parent and of the subsidiaries at 31 December would have had the equal but opposite effect on profit or loss, on the basis that all other variables remain constant.

The effect in equity is the effect in profit or loss before tax, net of tax (16%) (excluding translation effect into presentation currency).

Exposure to 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 (USD and EUR) through market fluctuations of interest rates. The interest rates of borrowings are disclosed in Note 19 and for lease liabilities see Note 20.

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The Board of Directors performs from time-to-time ad-hoc analysis of exposure to variable rate borrowings and decides if it should change the structure of variable / fixed rate borrowings or whether to hedge through Interest Rate Swap.

At the reporting date the interest rate repricing profile of the variable rate interest-bearing financial instruments was:

	All repriced at 6 months or less	
	31 December 2024	31 December 2023
Senior Facility Agreement (2021)	193,825	341,863
Senior Facility Agreement (2023&2024)	420,000	-
Export Credit Facilities	179,438	110,396
Other long-term loans	40,516	-
Total	833,779	452,259

The Senior Facility Agreements are interest bearing. Except for the ones presented in the table above there are no other major interest-bearing financial instruments.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates, at the reporting date would have increased (decreased) profit or loss before tax by:

	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2024		
Variable rate instruments	(8,338)	8,338
	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2023		
Variable rate instruments	(4,523)	4,523

The effect in equity is the effect in profit or loss before tax, net of tax (16%).

iv) Fair values

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

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

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

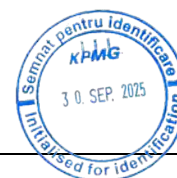
Level 2: valuation techniques with all significant inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: valuation techniques using significant inputs that are not observable or based on observable market data (i.e., unobservable inputs).

The significance of a valuation input is assessed against the fair value measurement in its entirety.

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Recurring fair value measurements

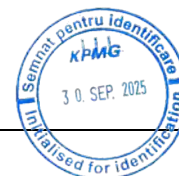
Recurring fair value measurements are those that are required or permitted by the accounting standards in the statement of financial position as at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements of financial instruments are categorised are as follows:

	Level 3
31 December 2024	
Financial derivative assets	14,030
Embedded derivatives	1,263
Total	15,293
	Level 3
31 December 2023	
Financial derivative assets	3,366
Embedded derivatives	2,768
Total	6,134

For more information, please see Note 33.

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Embedded derivatives

Redemption Options Bonds

As at 31 December 2023 and 31 December 2024, a discounted cash flow valuation technique was used in order to estimate the option-free value of the bond at this date. Main inputs were the callable bond market value, coupon, payment terms and maturity date. The fair value of the redemption option is the difference between market price of the bond and the estimated option free value. The fair value was obtained from an independent valuation specialist. The management has determined that such prices were developed in accordance with the requirements of IFRS 13.

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2024		
Embedded derivative asset	(1,122)	1,126

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2023		
Embedded derivative asset	(1,798)	1,805

Financial derivative assets

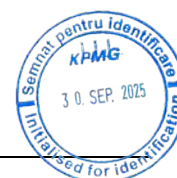
In order to perform the valuation of several call options and one put option regarding the transaction between Digi Spain and abrdn, a valuation model based on Monte-Carlo simulations was carried on by an independent evaluator. A wacc rate of 9.4% was used. A change of wacc rate with 10 bps would result in the following change of the financial derivative asset:

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2024		
Financial derivative assets	(644)	644

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2023		
Financial derivative assets	566	(566)

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A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2024 is as follows:

	Financial Derivative Assets	Embedded Derivatives
1 January 2024	3,366	2,768
Gains or (losses) recognised in profit or loss for the year	10,664	(1,505)
31 December 2024	14,030	1,263

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2023 is as follows:

	Financial Derivative Assets	Embedded Derivatives
1 January 2023	-	5,052
Gains or (losses) recognised in profit or loss for the year	-	(2,269)
Fair value at inception	3,366	-
Effect of movements in exchange rates	-	(15)
31 December 2023	3,366	2,768

The financial derivative asset and the embedded derivative are fully unrealized.

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Assets and liabilities not measured at fair value but for which the fair value is disclosed

The fair value of long-term loans and their corresponding carrying amount (excluding the interest accrued at 31 December 2024 and 2023) and fair value measurement hierarchy are presented in the table below:

31 December 2024			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 19)	1,213,864	1,225,237	
Bonds*	400,388	393,968	Level 1
Senior Facilities 2021	189,246	193,111	Level 3
Senior Facilities 2023&2024	413,193	418,843	Level 3
Export Credit Facilities	170,625	178,921	Level 3
Other long-term loans	40,412	40,394	Level 3
31 December 2023			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 19)	1,294,922	1,262,912	
Bonds*	850,548	812,142	Level 1
Senior Facilities 2021	337,549	340,750	Level 3
Export Credit Facilities	106,825	110,020	Level 3

* Fair value of bonds is disclosed at mid-market price, which includes the embedded derivative asset

The fair value of bonds is calculated on the basis of the market price while the fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR/ROBOR reset rate, after giving effect to interest rate swaps, plus the market credit spread received by the Group for financial liabilities with similar features).

Financial instruments which are not carried at fair value on the statement of financial position also include trade and other receivables, cash and cash equivalents, other interest-bearing loans and borrowings, other long-term liabilities and trade and other payables.

The carrying amounts of these financial instruments are considered to approximate their fair values, due to their short-term nature (or recognized recently carrying values for other long-term liabilities) and low transaction costs of these instruments.

v) Capital management

The Group's objectives when managing capital are to safeguard the Group's 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, the value of capital investments, the commercial offerings or the level of assets under property.

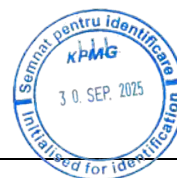
Management monitors "total net debt to EBITDA" ratio which is computed in accordance with the Senior Facilities Agreements' requirements and in accordance with the Senior Notes.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the net leverage ratios under 3.25.

The Group has complied with all externally imposed capital requirements throughout 2024 and 2023. These are set out in the Group's notes and syndicated loan agreements, as mentioned in the Note 19 xi) Covenants, above.

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vi) Climate risks

In the 2024 financial year, the Group analysed potential sustainability risks in the areas at climate change and scarcity of resources. The Group did not identify any key risks to its business model in either area and, as such, also does not currently anticipate any significant impacts from such risks on its business model or on the presentation of its results of operations or financial position.

vii) Situation in Ukraine

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

32. SHARE- BASED PAYMENTS

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.

Measurement of fair values

The fair value of the employee share purchase is measured at the fair values at grant date of the equity-settled share-based payment plans. The plans are settled with Class B shares of Digi Communications NV.

Currently, the following share option plans are in place or impacted the period ended 31 December 2024:

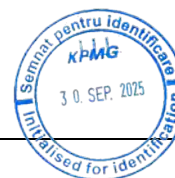
32.1 On 11 January 2023, Digi Communications NV. Board of Directors has approved the grant of a number of 32,500 stock options within the stock option program granted to the benefit of employees of the DIGI Romania, subsidiary of Digi Communications NV., S.A, pursuant to the Digi Communications NV. Stock Option Plan. The fair value at grant date was EUR 228.

32.2 On 12 august 2024, Digi Communications NV. Board of Directors has approved the grant of a number of 70,000 stock options within the stock option program granted to the benefit of employees of the DIGI Romania S.A, subsidiary of Digi Communications NV., pursuant to the Digi Communications NV. Stock Option Plan. The fair value at grant date was EUR 329.

The vesting of the options is conditional upon the fulfilment of the performance criteria, with the vesting period being set at a minimum of 1 year as at the grant date.

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For details regarding the movement of share options during the period, please see below:

	2024		2023	
Digi Communications NV Class B treasury shares	Number	WAEP*	Number	WAEP*
Outstanding as at 1 January	32,500		91,700	
Exercised during the year	(32,500)	9.23	(91,700)	8.07
Granted during the year	70,000		32,500	
Outstanding as at 31 December	70,000		32,500	

* Weighted average exercise price is average price of shares at vesting.

As at 31 December 2024 the related share option expense of EUR 336 (31 December 2023: EUR 504) is presented within *Operating expenses* in the Consolidated statement of profit or loss and other comprehensive income.

33. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2024 the Group had derivative financial assets.

	31 December 2024		31 December 2023	
	Fair value	Notional	Fair value	Notional
Derivative financial asset (see also Note 31)				
Financial derivative assets	14,030	n/a	3,366	n/a
Embedded derivatives	1,263	n/a	2,768	n/a

Embedded derivatives of EUR 1,263 relate to the bond (31 December 2023: EUR 2,768) (the 2020 Bond include several call options as well as one put option, for which the combined fair value of these embedded options was assessed and recognized a separate embedded derivative asset).

As at 31 December 2024 and 31 December 2023, a discounted cash flow valuation technique was used in order to estimate the option-free value at this date. The fair value was obtained from an independent valuation specialist.

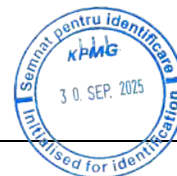
As at 31 December 2024 the Group had no derivative financial liabilities (31 December 2023: nil).

In relation with the transaction completed during October 2023 between Digi Spain and abrdn for the roll out of a FTTH Network, several call options and one put option embedded in the signed Shareholders Agreement, were analysed. Their features allow us to consider all of the options (both the call options and one put option) as American options. Therefore, in order to perform their valuation, we have implemented a valuation model based on Monte-Carlo simulations. The fair value was obtained from an independent valuation specialist.

The methodology used to obtain the value of the options included in the Shareholder Agreement has relied on a Monte-Carlo simulation, performed by an independent valuator. The valuator has simulated the value of Digi Andalusia's shares initially granted to Abrdn using a geometric Brownian motion, which is the standard for simulating these types of variables. Specifically, they have conducted 5,000 simulations. Input data at this point is represented by the value of Digi Andalusia shares granted to Abrdn (determined using the income approach), expected growth rate of the value of the shares, volatility and time period of valuation. Finally, the value of the option in each simulation will be the maximum intrinsic value throughout the entire simulation. Input data for the intrinsic value is represented by the value of Digi Andalusia shares granted to Abrdn strike prices from the Shareholder Agreement and discount factor. To obtain the total value of the option, the valuator took the average of the option value across all simulations.

At inception date, 1 October 2023, the derivative was recognised in equity, in amount of EUR 3,366. At 31 December 2024 a fair value evaluation was performed and the difference booked through profit and loss account. In 2024, the gain from valuation was EUR 10,664.

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.



34. CONTINGENCIES AND COMMITMENTS

Uncertainties associated with the fiscal and legal system

The tax legislation in Romania and other Eastern and Central Europe countries is 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.

The Group is currently involved in a number of legal proceedings, including inquiries from, or discussions with, government authorities that are incidental to their operations. In the opinion of the management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements. For the litigation described below, the Group did not recognize provisions. In all cases, the determination of the probability of successfully defending a claim against the Group involves always the subjective evaluation, therefore the outcome is inherently uncertain. The determination of the value of any future outflows of cash or other resources, and the timing of such outflows, involves the use of estimates.

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

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

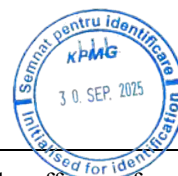
The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009¹ joint-venture agreement between Digi Romania S.A and Bodu S.R.L. with respect to the events hall in Bucharest and the broadcasting rights for Liga 1 football matches, while the presumed offences of money laundering and accessory to money laundering are alleged to have been perpetrated through Digi Romania S.A's acquisition of the Bodu S.R.L. events hall in 2016².

¹ In 2009 Digi Romania S.A. 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 Digi Romania S.A 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, Digi Romania S.A. entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, Digi Romania S.A. 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, Digi Romania S.A. 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 Digi Romania S.A.'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.

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



On 15 January 2019, the Bucharest Tribunal, convicted DIGI Romania 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 DIGI Romania of an amount of EUR 3,100 plus RON 655 thousand. The decision was overturned and thus rendered without effect by the Court of Appeal on 1st November 2021 and it maintained the seizure over (effectively blocking the sale of) the two real estate assets with a total carrying value of RON 17,3 million which was first instituted by the DNA, as guarantee (this order remained in force at 31 December 2024). Through the same judgement, Mr. Bendei Ioan (at that time member of the Board of directors of Digi Romania S.A 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 Digi Romania S.A and Bodu S.R.L., as well as all the agreements concluded between Digi Romania S.A., Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.

The first court decision was appealed. On 1 November 2021, the Bucharest Court of Appeal granted the appeals of Digi Romania S.A , Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from 15 January 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. On 1 July 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as unfounded the claims and exceptions raised by Digi Romania S.A, INTEGRASOFT S.R.L. and their current and former officers.

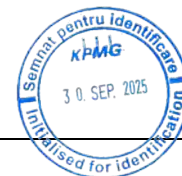
The appeal against this solution was partially granted by the High Court of Cassation and Justice on 20 June 2023. The court decided that some of the evidences used by the Romanian National Anti-Corruption Agency must be removed from the court file and that the Romanian National Anti-Corruption Agency has to decide whether it requests the continuation of the trial under these circumstances. On 10 October 2023, the High Court of Cassation and Justice ruled definitively on the applications submitted in the preliminary chamber and ordered the file to be sent to the Court of Appeal and the start of the trial on the merits. The case, which is under retrial on the merits and was pending judgment at the previous hearing, has been reinstated on the court's roll, with a hearing scheduled for 7 October 2025, in order to address the documents filed with the court after the close of the debates.

We strongly believe that Digi Romania S.A., 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.

Management's assessment, based on the facts described above and considering amongst other factors the advice of internal and external legal advisors, is that it is not probable that there will be a cash outflow in the future.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(all amounts in EUR '000, unless specified otherwise)



Material commitments

Capital commitments are presented both on a discounted and an undiscounted basis, using the weighted average cost of capital for each geographical segment.

31 December 2024						
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Undiscounted amounts						
Annual fee for spectrum license	804,075	20,702	20,702	59,169	167,828	535,674
Capital expenditure	956,076	217,023	271,459	366,604	88,915	12,075
Contractual obligations for programme assets	85,374	32,592	32,592	18,232	1,958	-
Contractual obligations for rent and energy contracts ¹	2,403,568	39,832	39,832	91,720	260,079	1,972,105
	4,249,093	310,149	364,584	535,725	518,780	2,519,855
Discounted amounts						
Annual fee for spectrum license	422,865	18,940	18,940	49,585	118,962	216,438
Capital expenditure	833,038	199,484	249,112	312,027	66,273	6,142
Contractual obligations for programme assets	74,483	29,216	29,216	14,680	1,371	-
Contractual obligations for rent and energy contracts ¹	952,538	36,162	36,162	77,232	188,697	614,285
	2,282,925	283,802	333,431	453,524	375,303	836,865
Total						
-undiscounted	4,249,093	310,149	364,584	535,725	518,780	2,519,855
-discounted	2,282,925	283,802	333,431	453,524	375,303	836,865

1) Included in material commitments for the year ended 31 December 2024, there is the WSA agreement concluded with Sota. Please see note 5 for details.

31 December 2023						
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Undiscounted amounts						
Annual fee for spectrum license	267,632	9,678	9,678	21,999	69,656	156,621
Capital expenditure	238,360	67,474	33,379	105,216	32,290	-
Contractual obligations for programme assets	15,075	2,592	8,867	2,337	1,279	-
Contractual obligations for energy contracts	2,347	2,347	-	-	-	-
	523,415	82,092	51,924	129,552	103,225	156,621
Discounted amounts						
Annual fee for spectrum license	136,484	8,741	8,741	17,981	46,436	54,585
Capital expenditure	205,622	61,862	31,193	91,026	21,541	-
Contractual obligations for programme assets	12,881	2,292	7,884	1,841	864	-
Contractual obligations for energy contracts	2,050	2,050	-	-	-	-
	357,037	74,945	47,818	110,848	68,842	54,585

The notes on pages 10 to 121 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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



Total

-undiscounted	523,415	82,092	51,924	129,552	103,225	156,621
-discounted	357,037	74,945	47,818	110,848	68,842	54,585

In addition to these commitments, which are expressed in monetary terms, the Group made certain commitments to the national regulatory authorities such as ensuring certain coverage of the population regarding fixed or mobile networks, particularly in the context of assignment of licenses and quality of service. These commitments (the part which pertains to 2021 as well as 2022 awarded licenses, as all the others are already fulfilled) will require investment expenditure in future years to roll out and enhance the networks. They are not shown in the note above if they have not been expressed in monetary terms, which is usually the case. However, all coverage commitments are capital commitments and part of it are included in the note above. The Group has accordingly agreed to meet the following conditions:

2100 MHz, 2600 MHz bands license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for inhabited zones of at least 30% of the population in Romania by the 5 April 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

800 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for 56 specific settlements by the 31 December 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

3400 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- network development obligations to install and maintain proper operation of 2000 base transmission stations with a capacity to ensure a speed of at least 100 Mbit/s / 20 Mhz in Romania in specific areas (obligation fulfilled);
- network coverage obligations of international airports in Romania with a download speed of at least 100 Mbit/s with a probability of 85% indoor reception and on demand providing car telecommunication services for airport vehicles (obligation fulfilled).

900 MHz, 1800 MHz, 2.6 GHz, 3.6 GHz bands license (Portugal)

The obligations included in the authorization to use the acquired spectrum are as follows:

- to ensure within 3 years (from the moment of entering into a national roaming agreement) that DIGI Portugal will provide a mobile coverage of 25% of the Portugal population and within a total of 6 years to reach a mobile coverage of 50% of the Portugal population (obligation fulfilled). These coverages will be considered fulfilled with the provision of a broadband service with a minimum speed of 30 Mbps;
- within 3 years of the issue of the license DIGI Portugal must offer commercial services to the public (obligation fulfilled).

700 MHz, 3600 MHz, 2600 MHz, 900 MHz, 1800 MHz and 2100 MHz bands license (Belgium)

Capital commitments in respect of the Group's share of the annual fee for spectrum licenses, representing 49% of total commitment, are included above, both on a discounted and an undiscounted basis, using an interest rate of 5.25%, which is the interest rate applied by the Belgian Institute for Postal Services and Telecommunication ("BIPT") for the spectrum licences auctioned in 2022.

1,800 MHz, 2,100 MHz and 3,500 MHz bands (Spain)

The obligations included in the authorization to use the spectrum are as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(all amounts in EUR '000, unless specified otherwise)



- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban areas of cities with more than 250,000 inhabitants;
- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban and intermediate areas of cities with more than 200,000 inhabitants.

Significant agreements with Telefónica Móviles España, S.A.U. (“Telefónica”) (Spain)

These agreements are concluded for a minimum period of 16 years and are intended to replace starting with 1 January 2025 the existing MVNO agreement concluded between DIGI Spain and Telefónica. Under the RAN Sharing Agreement, the parties agree to also share the mobile spectrum owned by them in Spain, in the 3.500 MHz frequency band. In addition, DIGI Spain has concluded a new fixed broadband bitstream wholesale agreement with Telefónica (NEBA) for a period of 10 years (with the possibility to extend such term).

Letters of guarantee and letters of credit

As at 31 December 2024, there were bank letters of guarantee and letters of credit issued in amount of EUR 86,658 mostly in favour of leasing, content and satellite suppliers and for participation to tenders (31 December 2023: EUR 56,979).

35. SUBSEQUENT EVENTS

Borrowings

Export Credit Facilities (“2025 ECA”)

Digi Romania S.A., signed in March 2025 two export credit facilities agreements in a total principal amount of EUR 54,700, with a maturity of 4 (four) years as of the starting point of each credit (i.e. the starting point of credit being 30 April 2025, respectively 30 June 2025), to be used for the expansion of the telecommunications networks of the Group’s subsidiaries in Romania and Portugal.

2025 Senior Facilities Agreement Spain

Digi Spain and Banco Santander S.A., Banco Bilbao Vizcaya Argentaria S.A., ING Bank N.V., Sucursal en España, as bookrunners and mandate lead arrangers, and a syndicate of banks acting as original lenders, have signed on 28 March 2025 a credit facility agreement for an amount of EUR 275,000, with a tenor of 5 (five) years after the date of the facilities agreement. The borrowed amounts will be used by Digi Spain, for the purposes of: (a) refinancing of the existing facilities under the facility agreement dated 26 July 2021, as further amended and restated; (b) capital expenditure in Spain; and (c) general corporate and working capital.

2025 Senior Facility Agreement Digi Andalusia

On 14 May 2025, Digi Andalusia S.L., a Group’s subsidiary in Spain, has concluded a facility agreement in a total principal amount of EUR 84,000 with Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING Bank N.V., Sucursal En España, as mandated lead arrangers, with a maturity of 7 years. The facility was contracted for supporting the investment in the FTTH network currently being deployed in Andalusia, Spain, aiming to cover 2,500,000 homes passed, made by Digi Spain and Aberdeen plc.

Senior Facility Agreement (“2023 SFA”) - Incremental Facility 2025

On April 2025, Digi Romania S.A., as borrower, Digi Communications N.V. and Digi Spain as original guarantors, ING Bank N.V., London Branch as facility agent and other financial institutions as incremental facility lenders have executed an incremental facility notice under the Senior Facilities Agreement dated 21 April 2023, pursuant to which the parties thereto established an additional facility for an amount of EUR 200,000 with a maturity of 5 years after the signing date. The borrowed amounts will be used by DIGI Romania S.A. for capital expenditure and general corporate purposes.

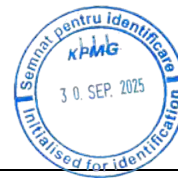
Business transactions

Telekom Transaction

In October 2024, DIGI Romania S.A. (“DIGI”) entered into a memorandum of understanding (the “MoU”) with Hellenic Telecommunications Organization S.A. (“OTE”) and Vodafone Romania S.A. (“VF”) having as subject matter the OTE divestment from Telekom Romania Mobile Communications S.A. (“TKRM”) (the “Transaction”).

DIGI ROMANIA S.A.
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(all amounts in EUR '000, unless specified otherwise)



According to the MoU, the parties intend to carry out a series of interdependent operations and transactions pursuant to which DIGI will acquire certain assets from TKRM and VF will acquire indirectly the shares held by OTE in TKRM.

The transaction was concluded on 19 September 2025 and DIGI acquired certain assets including certain spectrum licenses and telecommunications towers as well as the prepaid mobile services from TKRM for an aggregate effective consideration of EUR 40 million, and VF acquires the shares held by OTE in TKRM. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the transaction.

Restructuring of the Belgian operations

On 16 July 2025, Digi Romania and its partner Citymesh in Belgium implemented a series of corporate restructuring operations with respect to the Digi Group's affiliated companies in Belgium, with the purpose of simplifying the existing shareholding structure and consolidating Digi Group's operations in Belgium. As a result of these changes, Digi Communications Belgium N.V., which is 51% owned by Digi Romania and 49% by Citymesh, has become the sole shareholder of all other Belgian companies affiliated with Digi Group (InSky N.V. and Citymesh Mobile N.V.). In turn, Digi Communications Belgium N.V. remains owned 51% by Digi Romania and 49% by Citymesh. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the restructuring of the Belgian operations.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts in EUR '000, unless specified otherwise)



36. EBITDA

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

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

	2024	2023
Revenues	1,924,301	1,690,373
Other income	407,157	16,180
Total revenues and other income	2,331,458	1,706,553
Operating profit		70,384
Depreciation, amortisation, impairment and revaluation impact (Note 5 – 9, 14)	597,481	424,388
EBITDA	1,083,415	594,772
Adjustments for:		
Other income	(399,300)	-
Other expenses	337	5,276
Adjusted EBITDA total	684,452	59
Adjusted EBITDA total (%)	35.42%	34.88%

For the year ended 31 December 2024, EBITDA was adjusted to exclude a non-recurring gain arising from the sale of Digi Spain's Fiber-to-the-Home (FTTH) network covering 12 provinces in Spain. The transaction represented the disposal of property, plant and equipment and resulted in a one-time gain recognized in *Other income* in the consolidated statement of profit or loss.

For the year ended 31 December 2024 and 31 December 2023, *Other expenses* include expenses related to exercised share option plans granted to individuals who are not part of the recurring share option scheme. For these individuals, the option plan is expected to constitute a one-time event.

Consolidated Financial Statements for the year ended 31 December 2023 (non-statutory)

DIGI ROMANIA S.A.

NON-STATUTORY CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



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Independent Auditors' Report

To the shareholders of Digi Romania SA

Dr. Nicolae Staicovici street 75, Bucharest, Romania
Unique Registration Code: 5888716

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the non-statutory consolidated financial statements ("the consolidated financial statements") of Digi Romania SA ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The consolidated financial statements as at and for the year ended 31 December 2023 are identified as follows:
 - Net assets/Total equity: EUR 713,462 thousand
 - Net profit for the year: EUR 89,450 thousand
3. In our opinion, except for the effects on the corresponding figures of the matter described in paragraph 4 of the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU").

Basis for Qualified Opinion

4. As at 31 December 2021, the Group presented right-of-use assets amounting to EUR 55,121 thousand, lease liabilities – non-current amounting to EUR 41,507 thousand and lease liabilities – current amounting to EUR 14,184 thousand of the Company's former subsidiary, DIGI KFT (Hungary), recognized within assets held for sale and liabilities directly associated with the assets held for sale.

During the year ended 31 December 2022, the Group recognized a profit from discontinued operations, net of tax, of EUR 318,690 thousand as a result of the sale of the above mentioned subsidiary. In our view, certain key inputs used by management in its lease accounting model could not be supported by the available evidence, including lease contracts.

It was not feasible for us to quantify the financial effects of the above departure from the requirements of IFRS 16 Leases on the amounts of retained earnings as at 31 December 2022 and on the profit from discontinued operations, net of tax, and on the net profit for the year then ended. Our audit opinion on the statutory consolidated financial statements as at and for the year ended 31 December 2022 was modified accordingly. Our opinion on the current period's consolidated financial statements is also modified because of the effect of this matter on the comparability of the current period's figures and the corresponding figures.

5. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Cost capitalisation

As at 31 December 2023:

- (i) property, plant and equipment (network): EUR 1,111,870 thousand (31 December 2022: EUR 900,336 thousand);
- (ii) property, plant and equipment (construction in progress): EUR 296,075 thousand (31 December 2022: EUR 210,731 thousand)

For more information, see Note 2.2 c) Accounting policies - Property, plant and equipment and investment property and Note 5 - Property, plant and equipment.

The key audit matter	How the matter was addressed in our audit
As part of the expansion of its activities, the Group incurs significant capital expenditure, mainly for the construction of the telecommunications network and construction in progress.	Our audit procedures in this area, included, among other things: - evaluating the compliance of the accounting policies used in the determination of the cost of the assets, with the relevant requirements of the financial reporting standards;

In the year ended 31 December 2023, the additions to property, plant and equipment (network) and property, plant and equipment (construction in progress) amounted to EUR 73,298 thousand and EUR 471,488 thousand respectively. Significant judgement is required in measuring the cost of the said assets (both in terms of the initial and, where relevant, subsequent expenditure), primarily in respect of the capitalization eligibility of the related costs. Under the relevant requirements of the financial reporting framework, the property, plant and equipment cost includes all expenditure directly attributable to bringing them to the location and condition necessary for their intended use, including, among other things, the cost of any eligible employee benefits. We identified this matter as a key audit matter due to the magnitude of the amounts involved, the high number of transactions that make up the additions for each asset category in the current period, and also due to the effort and high degree of judgement required when performing audit procedures to evaluate compliance with the criteria to be met in order for the various costs to be capitalised.	- evaluating the design and implementation of selected controls within the process of determining the costs to be capitalized, including those in respect of the review and approval of the capitalization eligibility and of the amounts capitalized; - for a sample of asset additions during the year, separately for network and construction in progress, challenging the capitalization eligibility and the amounts capitalized by, among other things: - o assessing the appropriateness of the capitalized cost categories, against the requirements of the financial reporting standards. As part of the procedure we, among other things, challenged whether the nature of the said costs reflected the nature of the underlying capital project; - o tracing the purchase price and the directly attributable expenditure (including material costs, employee benefits and others) to external invoices, internal consumption notes, internal timesheets and payroll records; - o evaluating whether any expenditure incurred subsequent to initial recognition is capitalized as part of its cost only if it is probable that future economic benefits associated with the asset will flow to the Group; - assessing the accuracy and completeness of the consolidated financial statements disclosures in respect of the recognition and measurement of property, plant and equipment against the relevant requirements of the financial reporting standards.
Fraud risk of bribery and corruption, including risk of non-compliance with the anti bribery and corruption laws and regulations	
For more information, see Note 2.2 j) Accounting policies – Provisions and Note 34 – Contingencies and commitments.	
The key audit matter	How the matter was addressed in our audit
As part of its business operations, the Group is party to significant transactions (acquisitions of property, plant and equipment, intangible assets including programme assets, inventories and services). Also, provision of its services relies upon licenses, authorizations and permits provided by the government and/or government-controlled entities and local authorities.	Our audit procedures in this area, performed, where relevant, with the support from our own forensic specialists, included, among other things: - updating our understanding of the Group's processes and activities aimed to ensure compliance with the applicable legislative framework, to assess the probability of outflow of economic resources and estimate exposure amounts as a result of any failures



It is the responsibility of the Group's management to ensure that its activities comply with the relevant provisions of laws and regulations, including those in the anti-bribery and anti-corruption space. Any non-compliance with the above may have a significant effect on the consolidated financial statements.

In the normal course of its business, potential exposures can arise from various court and regulatory proceedings, including those resulting from alleged non-compliance with laws and regulations. Among other things, as described in Note 34 Contingencies and commitments to the consolidated financial statements, the Company and certain 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.

Significant professional judgement is required in assessing such matters in order to determine, among other things, whether present obligation exists as a result of past events, the likelihood of an outflow of economic resources, and therefore, whether recognition of a provision or disclosure of contingent liabilities is required. Significant judgment is also required in measuring the amounts of related liabilities or contingent liabilities, if any, and other, broader, consequences thereof for the Group's operations.

In forming the above judgements, management also seeks support from its in-house and external legal advisers.

As the ultimate outcome of the matters is uncertain, and the positions taken by management are based on the application of their best judgement at the reporting date, and also due to the severity of potential consequences on the Group as a result of any failures to comply with anti-bribery and anti-corruption laws and regulations, this area required our increased attention in the audit and was considered to be a key audit matter.

to comply with laws and regulations;

- on a sample basis, challenging the business rationale and/or the amounts for:
 - o transactions with government and/or government-controlled entities and local authorities;
 - o sponsorships, donations and transactions with related parties;
 - o transactions with suppliers based in higher-risk jurisdictions;
 - o telecommunication licenses and programme assets acquisitions.

As part of the procedure, we also analyzed the counterparties' digital footprint and line of business and, where potential risks were identified, performed a detailed assessment of the legitimacy of the supplier and related acquisitions;

- inspecting the registry of open legal cases and minutes of the Board of Directors' meetings to corroborate our understanding of the status of material litigation, claims and regulatory cases, and to satisfy ourselves regarding the completeness of their identification by the Group;
- inspecting relevant legal documentation, decisions of the Board of Directors meetings and communications between the Group and its lawyers, including legal analyses of the identified matters and any developments through the date of our auditors' report;
- evaluating the Group's in-house and external lawyers' responses to our audit inquiry letters and making inquiries with selected members of the Board of Directors, accounting personnel and the Group's lawyers as to the nature and status of the proceedings and potential related exposures, with a particular attention paid to the DNA indictment;
- assessing the accuracy and completeness of disclosures in the consolidated financial statements in respect of actual or potential non-compliance with laws and regulations and contingent liabilities, against the relevant requirements of the financial reporting standards.



Accounting for the transaction between Digi Spain and Abrdn

For more information, see Note 18.2 Non-controlling interests

The key audit matter	How the matter was addressed in our audit
As part of the Group's expansion strategy, the Group's Spanish subsidiary Digi Spain Telecom S.L.U. ("DIGI Spain") is in the process of deploying a Fibre-To-The-Home ("FTTH") network with the aim of covering 2.5 million homes passed in Andalusia, Spain. As part of the financing of the roll out of this FTTH network, Digi Spain and investment company Abrdn plc ("Abrdn") completed a transaction in October 2023 (the "transaction"). As disclosed in note 18.2 Non-controlling interests, Digi Spain and Abrdn have jointly acquired the existing FTTH network from Digi Spain, through the newly incorporated entity DIGI Andalusia S.L.U and, subsequently, leased it back to Digi Spain, on a mutually reciprocal exclusive and long-term basis. This first investment covers 1.35 million homes passed (investment amount of EUR 162 million), while the deployment of the entire FTTH network will cover an additional number of 1.15 million homes passed, implying a total investment amount of up to EUR 300 million. The investment will be committed in substantially equal parts by Digi Spain and Abrdn. As further disclosed in note 18.2 Non-controlling interests, the Group has control over the newly incorporated entity DIGI Andalusia S.L.U and therefore this entity is consolidated by the Group. The underlying shareholder agreement contains a number of call and put options which allow Digi Spain and Abrdn to respectively buy and sell part of the Abrdn's shares in DIGI Andalusia S.L.U, depending on certain requirements which need to be met to allow these options to be exercised. The recognition of the fair value of the call options resulted in a non-current derivative financial asset in amount of EUR 3.4 million. The put option for Abrdn to sell its shares in DIGI	Our audit procedures included, among other things, the following: - we inspected the relevant shareholder agreements to understand the terms and structure of the transaction and evaluated whether the terms and other information about the transaction are consistent with explanations from inquiries and other audit evidence about the business purpose (or lack thereof) of the transaction; - we determined whether the transaction has been authorised and approved in accordance with the Group's established policies and procedures; - we involved accounting specialists to verify the accounting treatment in respect of the control assessment over the newly incorporated entity DIGI Andalusia SLU by Digi Spain; - we involved financial instrument specialists to assist with the analysis of the accounting treatment of the conditional commitment to acquire the non-controlling interest's share in DIGI Andalusia SLU, as a result of the put option included in the shareholder agreement with Abrdn, and performed among other things, the following: - o we evaluated the design and implementation of the relevant controls over the accounting of the put liability; - o we inspected management's accounting analysis and challenged the assumptions and conclusions reached based on the relevant supporting documentation. - we involved valuation specialists to assess the valuation of the put and call options included in the shareholders agreement mentioned above, and our procedures included, among other things, the following: - o we inspected management's valuation report, and performed inquiries with selected members of management and the external valuation specialist to understand the models, assumptions and data used;

Andalucia S.L.U may be exercised by Abdrn should certain conditions be met. These conditions are not all in control of the Group and therefore required a detailed assessment whether the Group should record a liability in accordance with IFRS guidance (IAS 32).

As disclosed in note 18.2 Non-controlling interests, the Group has concluded that the underlying shareholder agreement details, including the mechanism of the so-called "failed put" clause, results in a financial liability under IFRS 9 Financial Instruments, with a value which is immaterial and therefore not recorded.

We identified this matter as a key audit matter due to the significance to the current year audit, including the nature and extent of audit effort needed to address the matter. This includes the extent of specialised skill and knowledge needed to apply audit procedures to address the accounting for the transaction and assess the significant judgement applied by management.

- we assessed the appropriateness of the methodology used in calculating the valuation of options;
- we performed our own sensitivity analysis to assess management's assumptions, which includes assessing the effect of reasonably possible increases or decreases in the key assumptions and the impact of changes to the valuation outcomes.
- we assessed the accuracy and completeness of the consolidated financial statements disclosures in respect of the transaction against the relevant requirements of the financial reporting standards.

Emphasis of matter – Basis of preparation

7. We draw attention to Note 2.1 to the consolidated financial statements, which describes the basis of preparation, including the fact that the consolidated financial statements are prepared by the Board of Directors for the purpose of being included in an Offering Memorandum and do not represent the Company's statutory consolidated financial statements for the year ended 31 December 2023, which will be prepared by management and submitted to the relevant authorities at a subsequent date. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements – Public Interest Entities

16. We were appointed by the General Shareholders' Meeting on 20 October 2021 as auditors of the Company for the year ended 31 December 2023. Our total uninterrupted period of engagement is four years, covering the periods ended 31 December 2021 to 31 December 2024.

17. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Group the prohibited non-audit services ("NASS") referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is GIURCANEANU AURA STEFANA.

For and on behalf of KPMG Audit S.R.L.:



GIURCANEANU AURA STEFANA

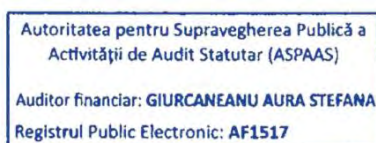
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firms under no AF1517

Bucharest, 25 September 2025



KPMG Audit SRL

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GENERAL INFORMATION

Directors:

Serghei Bulgac

Mihai Dinei

Valentin Popoviciu

Bogdan Ciobotaru

Dan Ionita

Registered Office:**Digi Romania S.A.**

75 Dr. Nicolae Staicovici Street, 5th District, Bucharest, Romania

Auditors:

KPMG Audit SRL

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DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,951,938	1,561,752
Right of use assets	6	395,674	307,101
Intangible assets and goodwill	8	362,679	356,456
Subscriber acquisition costs	9	58,626	58,012
Investment property	7	11,687	11,751
Equity accounted investees	10	1,395	7,758
Long term receivables	11	13,617	11,400
Other non-current assets		4,466	5,243
Derivative financial assets	33	3,366	-
Other long term assets		3,019	2,325
Deferred tax assets	29	16,035	2,840
Total non-current assets		2,822,502	2,324,638
Current assets			
Inventories	13	12,922	16,193
Programme assets	14	19,148	18,380
Trade and other receivables	15	92,759	75,499
Loans to related parties	15, 24	18,470	4,584
Contract assets	15	94,292	78,575
Income tax receivable	29	-	165
Other assets	16	14,112	13,985
Derivative financial assets	33	2,768	5,052
Cash and cash equivalents	17	221,259	261,333
Total current assets		475,730	473,766
Total assets		3,298,232	2,798,404
EQUITY AND LIABILITIES			
Equity			
Share capital	18.1	11,671	11,671
Reserves	18.1	183,637	115,820
Retained earnings		435,537	439,761
Equity attributable to owners of the Company		630,845	567,252
Non-controlling interest	18.2	82,617	-
Total equity		713,462	567,252
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	1,183,650	1,027,798
Lease liabilities	20	312,537	216,299
Deferred tax liabilities	29	82,209	76,131
Decommissioning provision	23	11,302	7,056
Trade and other payables	21.2	71,640	120,695
Contract liabilities	25	3,428	2,876
Total non-current liabilities		1,664,766	1,450,855
Current liabilities			
Trade and other payables	21.1	562,638	538,428
Employee benefits	21.3	54,766	45,866
Loans and borrowings	19	199,814	94,856
Lease liabilities	20	77,039	79,301
Income tax payable	29	2,389	746
Provisions	22	614	1,054
Contract liabilities	25	22,744	20,046
Total current liabilities		920,004	780,297
Total liabilities		2,584,770	2,231,152
Total equity and liabilities		3,298,232	2,798,404

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2023	2022
	Notes		
Continuing operations			
Revenues	25	1,690,373	1,492,768
Other income	26	16,180	24,672
Operating expenses	27	(1,248,153)	(1,132,031)
Employee benefits	27	(287,512)	(237,197)
Other expenses	26	(504)	(654)
Operating profit		170,384	147,558
Finance income	28	7,658	439
Finance costs	28	(80,657)	(63,359)
Net finance costs		(72,999)	(62,920)
Share of loss of equity-accounted investees net of tax	10	(6,507)	(1,075)
Profit before taxation		90,878	83,563
Income tax expense	29	(1,428)	(6,453)
Profit from continuing operations		89,450	77,110
Discontinued operations			
Profit from discontinued operations, net of tax	30. 2	-	318,690
Profit for the year		89,450	395,800
Attributable to owners		87,833	395,800
Attributable to non-controlling interests		1,617	-
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of income tax			
Reclassification of cumulative exchange differences relating to sale of foreign operations		-	19,682
Realisation of reserves from disposal of subsidiary		-	(1,580)
Items that will not be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(2,839)	2,141
Other comprehensive income/(expense) for the year, net of income tax		(2,839)	20,243
Total comprehensive income for the year		86,611	416,043
Attributable to owners		84,994	416,043
Attributable to non-controlling interests		1,617	-
Earnings per share			
Basic and diluted earnings per share (amounts in EUR)	12	0.23	1.03
Earnings per share -Continuing operations			
Basic and diluted earnings per share (amounts in EUR)	12	0.23	0.20

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(all amounts are in thousand EUR, unless specified otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2023	2022
Cash flows from operating activities			
Profit before taxation from continuing operations	29	90,878	402,253
Profit before taxation from discontinued operations	30.2		
Adjustments for:			
Depreciation	5, 6	256,918	219,560
Amortisation	8, 9	154,405	134,069
Impairment	5, 9	13,064	7,765
Decommissioning provision	23	754	462
Interest expense	28	64,810	46,936
Interest revenue		(4,259)	(110)
Impairment of trade and other receivables	27	11,741	5,862
Reversal of provisions		(635)	(5,409)
Losses on derivative financial instruments	28	2,269	3,805
Share of loss of equity-accounted investees, net of tax	10	6,507	1,075
Equity settled share-based payments expense	32	504	653
Unrealised foreign exchange gain(loss)		1,112	(1,632)
Loss on other non cash items		-	(339)
Loss on sale of non-current assets		2,356	196
Gain on sale of discontinued operations, net of tax	30.2	-	(318,690)
Cash flows from operations before working capital changes		600,423	496,456
Changes in:			
Increase in trade receivables, other assets and contract assets	15,16	(61,921)	(50,827)
Decrease in inventories	13	2,973	2,119
Increase in programme assets	14	(25,595)	(26,465)
Increase in trade payables and other current liabilities	21	8,607	48,581
Increase in contract liabilities		3,250	7,254
Cash flows from operations		527,737	477,118
Interest paid	19,20	(60,485)	(41,813)
Interest received		4,259	110
Income tax paid		(6,402)	(5,617)
Net cash flows from operating activities		465,109	429,798
Cash flow from investing activities			
Purchases of property, plant and equipment	5, 7	(552,597)	(408,816)
Purchases of intangibles	8	(92,716)	(59,259)
Purchases of investment property	7	-	(2,531)
Payments for subscriber acquisition costs	9	(58,516)	(54,492)
Payments for acquisition of subsidiaries, net of cash	10	(258)	-
Acquisition of equity-accounted investees, net of cash	10	(31)	(8,535)
Loans to related parties borrowings		(13,240)	(4,393)
Proceeds from disposal of discontinued operations, net of cash disposed	30.2	-	622,344
Proceeds from sale of property, plant and equipment		-	877
Net cash flows (used in)/from investing activities		(717,357)	85,195
Cash flows from financing activities			
Dividends paid to shareholders	18	(25,352)	(13,204)
Proceeds from loans and borrowings	19	330,338	115,838
Repayment of loans and borrowings	19	(65,405)	(281,623)
Transaction costs paid	19	(8,206)	(2,952)
Payment of lease liabilities	20	(100,200)	(91,293)
Proceeds from issuance of share capital and share premium from minority shareholder	18	81,000	-
Net cash flows (used in)/from financing activities		212,175	(273,234)
Net increase/(decrease) in cash and cash equivalents		(40,073)	241,759
Cash and cash equivalents at the beginning of the year	17	261,333	19,546
Cash and cash equivalents at the end of the year	17	221,259	261,333

The Consolidated statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

The Consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flow in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities.

Payments of dividends are presented within the cash flows from financing activities

During 2023 the group paid interest in total amount of 63,703 EUR, of which 3,084 EUR is presented in investing activities in line

Purchases of property, plant and equipment year (31 December 2022: EUR 0).

Compensations between the trade payable and the trade receivables amounting to EUR 8,880 (2022: EUR 17,689) and trade receivables and subscriber acquisition costs amounting EUR 5,618 (31 December 2022: EUR 5,124) were booked during the year.



DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(all amounts are in thousand EUR, unless specified otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Translation reserve	Revaluation reserve	Other Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
								
Balance at 1 January 2023	11,671	(15,281)	9,465	121,636	439,761	567,252	-	567,252
Comprehensive income for the year								
Profit for the period	-	-	-	-	87,833	87,833	1,617	89,450
Foreign currency translation differences	-	(2,839)	-	-	-	(2,839)	-	(2,839)
Establishment of a reserve for reinvested profit	-	-	-	67,553	(67,553)	-	-	-
Transfer of revaluation reserve (depreciation)	-	-	(262)	-	262	-	-	-
Total comprehensive income for the period	-	(2,839)	(262)	67,553	20,542	84,994	1,617	86,611
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions (Note 32)	-	-	-	-	504	504	-	504
Dividends distributed (Note 18)	-	-	-	-	(25,271)	(25,271)	-	(25,271)
Total contributions by and distributions to owners	-	-	-	-	(24,767)	(24,767)	-	(24,767)
Changes in ownership interests in subsidiaries								
Issuance of subsidiary share capital from minority shareholder (Note 18.2)	-	-	-	3,366	-	3,366	81,000	84,366
Total changes in ownership interests in subsidiaries	-	-	-	3,366	-	3,366	81,000	84,366
Total transactions with owners	-	-	-	3,366	(24,767)	(21,401)	81,000	59,599
Balance at 31 December 2023	11,671	(18,120)	9,203	192,555	435,536	630,845	82,617	713,462

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Share capital	Translation reserve	Revaluation reserve	Other Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2022		11,671	(37,104)	16,271	66,777	113,240	170,856	-	170,856
Comprehensive income for the year									
Profit for the period		-	-	-	-	395,800	395,800	-	395,800
Foreign currency translation differences		-	2,141	-	-	-	2,141	-	2,141
Establishment of a reserve for reinvested profit		-	-	-	54,859	(54,859)	-	-	-
Reclassification of cumulative exchange differences relating to sale of foreign operations		-	19,682	-	-	-	19,682	-	19,682
Realisation of reserves from sale of subsidiaries		-	-	(6,543)	-	4,963	(1,580)	-	(1,580)
Transfer of revaluation reserve (depreciation)		-	-	(263)	-	263	-	-	-
Total comprehensive income for the period		-	21,823	(6,806)	54,859	346,167	416,043	-	416,043
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Equity-settled share-based payment transactions (Note 32)		-	-	-	-	653	653	-	653
Dividends distributed (Note 18)		-	-	-	-	(20,299)	(20,299)	-	(20,299)
Total contributions by and distributions to owners		-	-	-	-	(19,646)	(19,646)	-	(19,646)
Balance at 31 December 2022		11,671	(15,281)	9,465	121,636	439,761	567,252	-	567,252

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Digi Romania S.A. Group ("the Group", or "DIGI Group") comprises Digi Romania S.A. (former RCS&RDS S.A.) and their subsidiaries. RCS&RDS S.A. has officially changed its name to Digi Romania S.A., effective 15 May 2024.

The main operations are carried by Digi Romania S.A. ("DIGI Romania"), Digi Spain Telecom SLU ("DIGI Spain"), Digi Portugal LDA (DIGI Portugal) and Digi Italy SL ("DIGI Italy").

The main shareholder of Digi Romania S.A. is DIGI Communications NV. The principal shareholder of DIGI Communications NV is RCS Management S.A. ("RCSM"), a company incorporated in Romania. The ultimate beneficial owner is Mr. Zoltan Teszari, who is the majority shareholder of RCSM. DIGI Communications NV and RCSM do not have any economic activities, except for some holding and financing activities, and their main asset is the ownership of Digi Romania S.A., respectively, DIGI Communications NV.

The Group provides telecommunication services of cable TV (cable television or CATV), fixed internet and data (broadband), fixed-line telephony representing the fixed segment "CBT" (cable broadband telephony); mobile telephony and internet, and direct to home television ("DTH") services in Romania and Spain and mobile telephony services in Italy. Recently, we expanded operations in Portugal and Belgium, where we acquired mobile spectrum at the 5G auction from 2021 and, respectively, 2022. This will allow the Group to expand its business on the Portuguese and Belgian market, in order to provide high quality, affordable telecommunication services. The development of our presence in the 2 new territories continued over the course of 2023. In Portugal we continued building both a fixed and a mobile network while in Belgium we signed agreements that will allow us to start operations with a limited physical footprint.

The largest operating company of the Group is Digi Romania S.A. At the end of 2023, DIGI Group had a total of 22,149 employees (2022: 21,313 employees).

DIGI ROMANIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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



2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS as adopted by the EU, in English language and EUR as presentation currency. These do not represent the Company's annual statutory consolidated financial statements and are prepared by the Board of Directors for the purpose of being included in an Offering Memorandum.

The Company is preparing its annual statutory consolidated financial statements in accordance with IFRS as adopted by EU, in Romanian language and RON as presentation currency, and is filing them with the relevant authorities. The Company will prepare and submit to the relevant authorities the statutory consolidated financial statements as at and for the year ended 31 December 2023 at a subsequent date.

(b) Consolidated financial statements

The consolidated financial statements were authorized by the Board of Directors of DIGI on 25 September 2025.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties measured at fair value, land and buildings measured at revalued amount, financial assets measured at fair value through OCI, derivative financial instruments measured at fair value and liabilities for equity share-based payments arrangements measured at fair value through profit or loss as described in the accounting policies under Note 2.2 below.

(d) Going concern assumption

The directors of the Company prepared the consolidated financial statements based on the assumption that the business will continue as a going concern, as the directors consider that future prospects of the business will allow the Group to obtain results and positive cash flows in the foreseeable future.

In recent years, including current year, the Group managed to achieve consistently strong local currency revenue streams and cash flows from operating activities and continued to grow the business. These results have been achieved during a period of significant investments in technological upgrades, new services and footprint expansion.

As at 31 December 2023, the Group had net current liability position of EUR 444,274 (2022: EUR 306,531) (mainly due to trade payables including employee benefits amounting to EUR 617,404 (2022: EUR 584,294) and negative working capital (trade receivables plus inventories less trade payables including employee benefits) of EUR 511,723 (2022: EUR 492,602). The negative working capital position is structural and specific to integrated telecom operators and for companies this size.

Regarding the level of receivables and payables: at 31 December 2023 trade and other receivables amounted to EUR 92,759, compared to trade and other payables and employee benefits amounting EUR 617,404 (out of which EUR 244,981 represents CAPEX suppliers); at 31 December 2022, trade and other receivables amounted EUR 75,499 compared to trade and other payables including employees' benefits amounting EUR 584,294 (out of which EUR 237,137 represented CAPEX suppliers). Also, adjusted EBITDA for the year ended 31 December 2023 amounted to EUR 595,276 compared to an Adjusted EBITDA of EUR 509,606 for the year ended 31 December 2022.

During the year ended 31 December 2023, the Group recorded a net profit of EUR 89,450 from continuing operations (31 December 2022: EUR 77,110) and generated net cash flows from operating activities of EUR 465,109 (31 December 2022: EUR 429,798).

As at 31 December 2023, the Group had an equity position of EUR 713,462 compared to EUR 567,252 as at 31 December 2022. The increase in equity position in 2023 is mainly attributable to the issuance of share capital and share premium to minority shareholder of EUR 81,000 and profit for the period.

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As at 31 December 2023, the Group's short-term borrowings comprised mainly loans from lenders of EUR 199,814 (31 December 2022: EUR 94,856). The short-term and long-term obligations are expected to be covered by the operating cash flows of the operating subsidiaries (mainly DIGI Romania and DIGI Spain). In 2023, DIGI Romania signed new loan agreements for debt refinancing, capital expenditure purposes, investments, general corporate purposes and for working capital (for details, see note 19).

Group's management tracks top line and collections trends closely, which allows Group's management as well as local management of our subsidiaries to ensure speed and flexibility to counter any unexpected events.

In the 12 months period after the date of financial statements the Group has bond maturities amounting to EUR 450,000. The Group plans to use for this purpose its own cash and to draw existing committed facilities. Anticipated proceeds from the Macquarie transactions in amount of EUR 750,000 will replace/release internal funds that would otherwise have been used for CAPEX, allowing them to be used for debt service. For more information, please see Note 35 Subsequent events, Divestment paragraph. Alternatively, the group can raise additional financing from banks or at its sole discretion reduce the CAPEX amount.

The Board of Directors has considered the following elements in determining that the use of the going concern assumption is appropriate:

- Cash flows from operations for the year ended 31 December 2023 were EUR 527,737 (2022: EUR 477,118);
- Current liabilities as at 31 December 2023 were EUR 920,004 (2022: EUR 780,297);
- Trade and other receivable and contract assets are in amount of EUR 187,051 as at 31 December 2023, compared to EUR 154,074 at 31 December 2022;
- The Group has unrestricted cash of EUR 221,259 as at 31 December 2023, compared to EUR 261,333 as at 31 December 2022, which would allow the Group to cover any urgent cash needs.
- The Group has at 31 December 2023 capital commitments that need to be met in the following 12 months from the balance sheet date amounting to EUR 134,016 (2022: EUR 150,602) and the current portion of loans and borrowings amounting to EUR 199,814 (2022: EUR 94,856).
- The availability as of 31 December 2023 of the fully undrawn EUR 100,000 and EUR 150,000 Senior Facility Agreement. On 21 April 2023, Digi Romania S.A., as borrower, Digi Communication N.V. and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, other financial institutions listed therein as original lenders have concluded a senior facility agreement (the "SFA") consisting of: (i) a term loan facility in a total aggregate amount of EUR 150,000; (ii) a revolving credit facility in a total aggregate amount of EUR 100,000 and (iii) one or more incremental facilities not exceeding in aggregate EUR 250,000. At 31 December 2023, the facility remains undrawn.
- All the available facilities described in Note 35 Subsequent events.

Accordingly, the Board of Directors is of the view that the Group will continue to act as a going concern for at least twelve months from the date of approval of these consolidated financial statements, there is no material uncertainty and hence deemed appropriate to prepare these consolidated financial statements using the going concern assumption.

(e) Functional and presentation currency

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

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

management analysis and reporting are prepared in EUR;

EUR is used as a reference currency in telecommunication industry in the European Union;

The Group's Senior Secured Notes (the "Notes", "Bonds") (held by Digi Romania) are denominated in EUR.

The translation into presentation currency of the financial information of each group entity with a functional currency other than EUR is described under Note 2.2 below.

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(f) Significant estimates and judgements

In the process of applying the Group's accounting policies when preparing these consolidated financial statements, management has made the following significant judgements and estimates, including assumptions, that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the estimates affect that period only, and future periods, if the change affects both.

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Information about critical judgements and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note	Topic	Judgements	Estimates
2.2 (a) and 10	Equity-accounted investees	X	
2.2 (a) and 30.1	NCI	X	
2.2 (c) and 5	Property, plant and equipment and Investment property	X	X
2.2 (d) and 8, 9	Intangible assets and subscriber acquisition costs		X
2.2 (c) and 5	Customer premises equipment	X	
2.2 (h), 6 and 13	Inventory write-downs to net realisable value and construction in progress	X	
2.2 (k)	Leases	X	X
2.2 (j) and 23	Provision for dismantling and restoring sites		X
5,6,7,8,9	Impairment test of non-current assets, including goodwill		X
2.2 (d) and 14	Programme assets	X	
15 and 31 (i)	Allowance for trade receivables and contract assets		X
29	Current and deferred taxes	X	X
30.2	Discontinued operations	X	
34	Litigations	X	X
3, 18, 31 (iv), 33, 2(e),	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	X	X
2.2 (e) (ii)	Supplier finance arrangements	X	

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Use of judgements

In addition to the accounting alternative methods selected by management and presented in the respective accounting policies notes, management exercises judgement in order to define the accounting policies for certain elements and transactions:

Notes	Topic	Nature of accounting judgement
2.2 (a) and 10	Equity-accounted investees	Assessment of (joint) control Assessment of whether the Group has significant influence over an investee and whether there is joint operation or joint control
2.2. (a), 18 and 30.1.	NCI	Assessment of (joint) control Assessment of whether the risks and rewards of ownership transfer to the Group or remain with the NCI. Assessment of unanimous consent, veto rights and protective rights over the relevant activities.
2.2 (c) and 5	Property, plant and equipment	Determining the costs associated with tangible assets construction and installation activities
2.2 (c) and 7	Investment property	Determining whether a property qualifies as investment property or owner-occupied property
5	Customer premises equipment	Determining whether equipment is 'distinct' for the purpose of IFRS 15 and whether arrangements involving equipment contain a lease for the purpose of IFRS 16
2.2 (k)	Leases	Determining the non-cancellable lease term and assessment of the exercise or not of termination and extension. Separating the service and lease components of leases
2.2 (d)	Acquired programme assets	Determining the timing for recognition and the appropriate presentation in the consolidated statement of financial position and consolidated statement of cash flows
2.2 (h), 6 and 13	Inventory write-downs to net realisable value and construction in progress	The judgment used in determining the inventory write-downs to net realisable value and fixed assets in progress aged by more than one year
29	Current and deferred taxes	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances applicable to current income tax and assessing the recovery timeline of deferred tax assets
34	Litigations	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances
3, 18, 31 (iv), 33, 2.2 (e),	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Initial recognition and measurement (if the case) of the NCI put option as a derivative financial liability at the present value of the redemption amount. Significant judgement in determination of whether it is in the control of the Company to avoid the contractual obligation for the issuer to deliver cash or other financial asset on the occurrence of a future event. Measurement of the NCI call option as derivative financial asset at FVTPL with a corresponding reserve in equity. Judgement in

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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Notes	Topic	Nature of accounting judgement
		respect of fixed for fixed test as well as different probabilities for the call to be exercisable or not.
3, 18, 31 (iv), 33, 2.2 (e),	Subsequent recognition of NCI put and call options	Measurement of the NCI put and call option in accordance with IFRS 9 at FVTPL. Judgement in respect of different probabilities for the put/call being to be exercisable or not.
2.2 (e) (ii)	Supplier finance arrangements	Distinguishing operating debt and financial debt; presenting amounts related to supply chain financing arrangements in the consolidated statement of financial position and in the consolidated statement of cash flows

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Use of estimates

In preparing the Group's consolidated financial statements, management made estimates, insofar as many elements included in the consolidated financial statements cannot be measured precisely. Management revises these estimates if the underlying circumstances evolve or in light of new information or more experience. Consequently, the estimates made as at 31 December 2023 may subsequently be changed.

Notes	Topic	Key sources of estimates on future income and/or cash flows
2.2 (c) 5 and 7	Property, plant and equipment Investment property	Assessing assets' useful life according to the change in the technological, regulatory or economic environment; assessing fair value of land and buildings and investment property
2.2 (d) and 8	Intangible assets and subscriber acquisition costs	Assessing the useful life and the recoverable value of customer-related intangibles and subscriber acquisitions costs depending on rate of customer churn
2.2 (k)	Leases	Determination of whether changes in lease agreements represent a remeasurement or a new lease; Determination of the term of leases; Determination of the incremental borrowing rate of the lease when the implied interest rate is not identifiable in the lease
2.2 (j) and 23	Provision for dismantling and restoring sites	Determination of the dismantling timeframe, discount rate, expected cost
5,6,7,8,9	Impairment test of non-current assets, including goodwill - measurement of the recoverable values for the impairment tests (goodwill, property, plant and equipment and intangible assets, investments accounted for under the equity method)	Sensitivity of discount rates, perpetual growth rate and business plans assumptions which affect the expected cash flows; assessing the competitive, economic and financial environment of the countries where the Group operates
2.2 (c), 5	Evaluation of the recoverable value for customer premises equipment	The main assumptions used in determining the purchase price used to evaluate the value of the equipment recovered from the customers' location and the reuse rate of the recovered assets
15 and 31 (i)	Allowance for trade receivables and contract assets	Key assumptions in determining the weighted-average loss rate
29	Measurement of the recoverable value of deferred tax assets	Assessing the deferred tax assets' recovery timeline when a tax entity reverts to profitability or when the tax legislation limits the use of tax loss carry forwards
34	Litigations - risk of resources outflow linked to claims and litigations	Underlying assumptions of the assessment of legal and fiscal positions; identifying and releasing of uncertain legal and tax positions
3, 18, 31 (iv), 33, 2(e),	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Determination of the initial and subsequent value of the liability associated with the transaction with abrdn is associated with significant estimation uncertainties on the occurrence of future events, not in the control of the entity.

(g) Changes in material accounting policies

A. Deferred Tax related to assets and liabilities arising from a single transaction

The Group has adopted *Deferred Tax related to Assets and Liabilities from a single transaction (Amendments to IAS 12)* from 1 January 2023. The amendments narrow the scope of initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at the date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group had previously accounted for deferred tax on leases and decommissioning liabilities by applying the “integrally linked” principle approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was no impact on the opening retained earnings as at 1 January 2022 as a result of this change. The main impact relates to disclosure of the deferred tax assets and liabilities recognized (see note 29).

B. Global minimum top-up tax

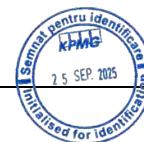
The Group has adopted the *International Tax reform – Pillar Two Model Rules (Amendments to IAS 12)* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about Pillar Two exposure (see note 29). The mandatory exception applies retrospectively.

However, because there was no legislation enacted to implement the top-up tax in any jurisdiction in which the Group operates and no related deferred tax was recognized to date, the retrospective application has no impact on the Group’s consolidated financial statements.

C. Material accounting policy information

The Group adopted the Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments did not result in any changes to accounting policies, but they impacted the accounting policy information disclosed in the consolidated financial statements.

The amendments require the disclosure of “material” rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosures of the accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the consolidated financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2.2 Material accounting policies (2022: Note 2.2 Significant accounting policies) in certain instances, if the case, in line with the amendments.



2.2. MATERIAL ACCOUNTING POLICIES

This section describes the material accounting policies applied in the current reporting period that relate to the consolidated financial statements as a whole and the critical accounting judgements and estimates that management has identified as having a potentially material impact on the Group's consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except if mentioned otherwise. The Company prepared the consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances for all Group entities.

These consolidated financial statements do not include certain information or disclosures that, not having to be presented due to their qualitative significance, were deemed to be immaterial or of no relevance pursuant to the concepts of materiality or relevance defined in the IFRS conceptual framework, insofar as the DIGI Romania Group's consolidated financial statements, taken as a whole, are concerned.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of DIGI Romania and its subsidiaries and the Group's interest in equity-accounted investees as at 31 December 2023 and as of 31 December 2022. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in profit or loss immediately. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. If the business combination in effect settles a pre-existing relationship, the acquirer recognises a gain or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay the contingent consideration that meets the criteria of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group accounts for all business combination under the acquisition method, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred,
- the liabilities incurred to the former owners of the acquired business,
- the equity interests issued by the group,
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

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Acquisition-related costs are expensed as incurred.

The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Subsidiaries

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies

Non-controlling interests ("NCI")

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

at fair value; or

at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity, unless it can be clearly demonstrated that the Group lacks the ability to exercise such influence over its investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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The considerations made in determining significant influence, or joint control are similar to those necessary to determine control over subsidiaries.

Joint control is the contractually-agreed sharing of control over an economic activity. An identified group of venturers must unanimously agree on all decisions over “relevant activities”, activities which significantly affect an investee’s returns. Each of the parties that share joint control has a veto right: they can block key decisions if they do not agree.

Joint control will only exist if decisions require the unanimous consent of the parties sharing control. If decisions are made by simple majority, the following factors are analysed:

- the directors are not agents or employees of the shareholders
- the shareholders have not retained veto rights
- there are no side agreements requiring directors vote together
- a quorum of Board members can be achieved without all members being in attendance

If control exist over the subsidiary, the arrangement is not a joint venture and is accounted under IFRS 10.

The Group’s investment in its associates and joint ventures is accounted for using the equity method. Under the equity method, these are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases. The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the associate or joint venture and the Group’s other comprehensive income includes its share of the investee’s other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. The aggregate of the Group’s share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group’s share of losses equals or exceeds its interest in an equity-accounted investee, including any other unsecured long-term receivables, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the Group does not recognise further losses unless it has obligations or has made payments on behalf of the investee.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value. Gains or losses arising on disposal of an equity-accounted investee, or the impairment of a loan to an equity accounted investee are recognized as gain or losses on financial assets or sales of subsidiaries. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Transactions eliminated on consolidation

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investees. Unrealized losses are also eliminated in the same way as unrealised gains unless the transaction provides evidence of an impairment of the transferred asset.

b) Foreign currency

As previously stated, items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). These

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consolidated financial statements are presented in EUR, which is the Group's presentation currency and all values are rounded to the nearest thousand EUR except when otherwise indicated.

Foreign currency - Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currencies using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated to the functional currencies using the exchange rates at the date when the fair value was determined.

Foreign currency differences are generally recognised in profit or loss and presented within finance costs. However, foreign currency differences arising from the translation of financial assets at fair value through OCI, are recognized in OCI, except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss.

Translation to presentation currency

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

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

On disposal of a foreign operation (in its entirety or partially such that control, significant influence or joint control is lost), accumulated exchange differences relating to it and previously recognized in equity as translation reserve are recognized in profit or loss as component of the gain or loss on disposal. The cumulative amount in the translation reserve related to that operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate, or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

Currency	2023			2022		
	Jan – 1	Average for the year	Dec – 31	Jan – 1	Average for the year	Dec – 31
RON per 1EUR	4.9474	4.9465	4.9746	4.9481	4.9315	4.9474
USD per 1EUR	1.0666	1.0814	1.1065	1.1326	1.0539	1.0666

Comparative information as at and for the year ended 31 December 2022 was derived from the statutory consolidated financial statements of the Company, prepared in accordance with IFRS as adopted by EU presented in Romanian leu.

c) Property, plant and equipment and investment property

Property, plant and equipment is carried:

- using the cost model, at purchase or construction cost less accumulated depreciation and accumulated impairment losses: network, customer premises equipment, vehicles, equipment and devices, furniture and office equipment; and

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- using the fair value model, less any subsequent accumulated depreciation and subsequent accumulated impairment losses: land and buildings.

Property, plant and equipment using the cost model

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to their present location and condition necessary for their intended use, and capitalized interest and borrowing costs, when applicable. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

The costs of internally developed Property, plant and equipment include direct material and labour costs, as well as costs relating to subcontracting the development services.

Cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives. Maintenance and repair costs are expensed as incurred.

Customer premises equipment consists of: routers and modems; other mobile devices; Set-top boxes and other decoders; satellite receivers; servers and other IT equipment; cables and other network equipment.

Property, plant and equipment using the revaluation model

Fair value assessments are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Revaluation of land and buildings was performed as at 31 December 2020, by an independent evaluator, using revaluation methods such as Market Approach, Income Approach and Cost Approach.

In the subsequent years, including as of 31 December 2023, an independent evaluator has performed an assessment to verify that the carrying amount of these assets does not differ materially from that which would be determined using fair value at the end of each reporting period. No significant differences were identified.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in the profit or loss. A revaluation deficit is recognized in profit or loss, except where a deficit is directly offsetting a previous surplus on the same asset in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is considered to be realized as the asset is used by the entity or when the asset is derecognized. In the first case, the amount of the reserve realised, hence transferred to retained earnings, is the difference between the depreciation based on the revalued carrying amount and the depreciation based on the original cost of the asset.

For details regarding the revaluation performed and differences recorded, please see Note 5.

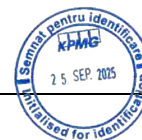
Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the carrying amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives applied as at 31 December 2023 and 31 December 2022 are as follows:



	Useful life
Buildings	40-50 years
Fixed Network	up to 25 years
Mobile Radio Network (sites)	20 years
Equipment and devices	3-10 years
Customer premises equipment	5-10 years
Vehicles	6-10 years
Furniture and office equipment	3-9 years

The residual values, useful lives and the depreciation method of the assets are reviewed at each financial year-end and adjusted if appropriate. If expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

The carrying value of property, plant and equipment is tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year when the asset is derecognized.

Decommissioning

The present value of the expected cost for the decommissioning of the mobile radio network sites after their use, is included in the cost of the respective assets if the recognition criteria for a provision are met. See 2.2 j) for more information.

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. The Group is holding its investment properties for purposes of capital appreciation.

d) Intangible assets, goodwill, programming assets and subscriber acquisition costs

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets relate mainly to software specific to our industry, developed within the group for own use purposes. Costs capitalized include the payroll costs of those employees directly associated with software development, services consumed in the development effort, as well as travel costs related to development work.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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Customer relationships

Customer relationships represent the cost incurred by the Group to acquire customer contracts from other companies directly or by acquiring control of those companies.

Customer relationships acquired directly from other companies are recognized at the cost of acquisition, which is the fair value of the consideration paid. Customer relationships obtained by acquiring control of certain companies are recognized at their acquisition cost (based on fair value assessment) at the date of the acquisition and are presented separately from any residual goodwill resulting from the acquisition.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 2.2 (a). Goodwill is not amortised and is subsequently measured at cost less accumulated impairment losses, being tested at least annually for impairment. Where goodwill forms part of cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Programme assets

The Group is concluding multi-annual contracts for the acquisition of broadcasting rights for national and international sports competitions ("sports rights"), as well as contracts for the acquisition of film and television broadcasting rights.

When entering into such contracts, the rights acquired are classified as contractual commitments. These rights are recognised in the Consolidated Statement of Financial Position and classified as program assets if all of the following conditions are met: a) there is no doubt that the content will be delivered as agreed in the contract b) the non-cancellable term of the contract is of maximum 12 months and c) the cost of the content rights can be reliably estimated.

They are recognised as follows:

Sports broadcasting rights for the current season are recognized at their acquisition cost, at the opening of the broadcasting period (in average the same number of competitions are broadcasted in a year) of the related sports season. Sports rights are amortized over the broadcasting period on a straight-line basis. Any rights not expected to be utilized are written off;

Film and television broadcasting rights are recognized at their acquisition cost, when the programme is available for screening, and are amortised over their broadcasting period.

Advance payments for sports rights related to film and television rights related to the following 3-6 months are also presented as programme assets.

Acquisitions of programme assets are presented within working capital changes, within the consolidated statement of cash flows.

Other intangible assets

Other intangible assets that are acquired by the Group are represented by mobile telephony licenses in Romania and Portugal ("radio spectrum licenses"), software and other intangible assets which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

When a radio spectrum license is granted, the authorization to use the spectrum requires an upfront payment, payable either as a single payment or in instalments, and an annual fee payable over the lifetime of the license. An asset is recognized for the amount of the upfront payment; annual fees are accounted for as operating expenses. Annual spectrum fees do not meet the criteria to be capitalized as the spectrum license can be cancelled at any time by the Group companies without any obligation of further such annual payments.

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Subscriber acquisition costs

Subscriber acquisition costs represent the incremental costs for acquiring and connecting new subscribers by the Group companies, consisting of incremental commissions paid to employees or third parties for contracting new subscribers at the point at which the contracts are signed with the customers. Costs that will be incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract are expensed as they are incurred.

Amortisation

Intangible assets, except for goodwill, are amortized to expense their cost (with no residual value deducted) on a basis that reflects the pattern in which their future economic benefits are expected to be consumed. The straight-line basis is applied. The useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. If changes in accounting estimates occur, they are recognized prospectively.

Costs to obtain a contract are recognised for post-paid mobile services and for fixed services (Romania) and for prepaid, post-paid mobile services and for fixed services (Spain). The amortisation periods for costs to obtain a contract are based on the minimum contractual period.

Main categories	Amortisation period (average)
Customer relationships	7 years
Subscriber acquisition costs	2 years
Trademarks	up to 8 years
Mobile telecommunications equipment licenses and radio spectrum licenses	10 years for fixed network licenses and software licenses, server licenses, CBU licenses
	5 to 7 years for Cisco licenses, Fortinet licenses
	1 year for television software licenses
	10 to 15 years - radio spectrum licenses – the amortisation periods are the grant (contractual) periods, from the date when the networks are technically ready and the services can be marketed; in case of contract extensions, these are used to extend the amortisation period

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.1) Revenues.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual

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cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Classification

The Group classifies financial assets into the following categories: cash and cash equivalents, financial assets at amortised cost, financial assets designated at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits at banks.

Cash and cash equivalents in the consolidated statement of cash flows comprise cash at bank and in hand and short-term deposits at banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes, mainly, trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group elected to classify irrevocably its unquoted equity investments as equity instruments designated at fair value through OCI. This category only includes equity instruments which the Group intends to hold for the foreseeable future. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is

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either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as interest-bearing loans and borrowings, payables, other financial liabilities, as derivatives designated as hedging instruments in an effective hedge, as appropriate or as derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, payables and other financial liabilities net of directly attributable transaction costs.

Derivatives on an interest in a subsidiary are accounted for as financial instruments unless the derivative meets the definition of an equity instrument of the entity. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, issued bonds and derivative financial instruments.

Subsequent measurement

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR" method). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

After initial recognition, derivative financial liabilities are measured at FVPL.

The Group established vendor financing with suppliers and supplier finance arrangements with financial institutions.

Liabilities from vendor financing agreements represents liabilities to pay for goods or services which are invoiced following a formal agreement with the supplier. In some cases, payment terms are extended in agreements between the supplier and the Group. If these agreements imply payment terms beyond one year, these are classified as non-current liabilities.

The supplier finance arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment terms with the amounts paid by the financial institutions that participate in the supplier finance arrangements structure. Generally, the Group will repay the financial institutions the full invoice amount, on the scheduled payment date as required by the supplier finance arrangements.

When the payment terms are extended beyond the contractual agreement with the supplier, interest is charged by the financial institutions and the amounts are reclassified under Loans and borrowings. In such case, in the consolidated statement of cash flows corresponding cash flows are presented under financing activities. If the payment terms are not extended beyond the contractual agreement with the supplier the related cash flows are presented under operating activities.

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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(3) Derivative financial instruments

Initial recognition

The Group applied the policy choice of continuing with hedge accounting requirements of IAS 39 and all the existing hedging relationships were eligible to be treated as continuing hedging relationships. On initial designation of a derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The call option embedded in a host financial liability contract is closely related to the host contract. The exercise price of the prepayment option reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract. 'Lost interest' is the product of the principal amount prepaid, multiplied by the interest rate differential. The 'interest rate differential' is the excess of the effective interest rate of the host contract over the effective interest rate that the entity would receive at the prepayment date if it reinvested the principal amount prepaid in a similar contract for the remaining term of the host contract. This exception is conditional on the exercise price compensating the lender for loss of interest by reducing the economic loss from reinvestment risk.

Within the DIGI Andalusia SLU transaction, the Group was granted with certain voluntary purchase call options. The derivatives, corresponding to these call options derivatives are valued initially at their fair value. The value of these call options was derived from the fair value of the shares of the underlying entity determined by independent valuation experts based on a discounted-cash-flow method.

Subsequent measurement

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The derivatives, corresponding to the call options on DIGI Andalusia SLU (previously PrimaFati), are subsequently measured at fair value through profit or loss. The value of these call options is subsequently measured applying both a Monte-Carlo simulation and a Forward valuation methodology

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Transactions between shareholders with the Company's A shares are considered completed at the date when the transfer of ownership has been agreed upon by the parties in a written contract. Transactions with B shares are trading on the stock exchange and are considered completed at the transaction date.



Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. Transactions with non-controlling interest which result in surplus or deficit on the transaction are credited or debited to retained earnings. When treasury shares are cancelled the excess of cost above nominal value is debited to retained earnings.

Share and repurchase agreements related to treasury shares do not result in derecognition of the respective treasury shares and do not affect their cost.

Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share for continuing operations - as follows:

basic earnings per share is calculated by dividing net profit for the year attributable to the equity holders of the Parent, by the weighted average number of ordinary shares outstanding during the year;

diluted earnings per share is calculated based on the net profit. Average number of outstanding shares are adjusted by the dilutive effect of employee stock-options.

g) Impairment

Non-financial assets

The carrying amount of the non-financial assets, except inventory and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment of Customer Premises Equipment ("CPE")

At each reporting period, the Group recognizes an impairment charge equal with the carrying amount of the Customer premises equipment "CPE" held in custody by disconnected customers.

Impairment on Subscriber acquisition costs

At each reporting period, the Group recognizes an impairment charge computed as the percentage of churn applied to the carrying amount of costs to obtain.

Impairment on installation costs related to fixed network

At each reporting period, the Group recognizes an impairment charge based on the percentage of churn applied to the carrying amount of installation costs related to fixed network. The depreciation charge is adjusted in future periods in order to allocate the revised carrying amount of the fixed network, less any residual value, systematically, over the remaining useful life.

Key assumptions in the performance of impairment test

An asset's or cash generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the asset. In determining fair value less costs of disposals, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss, except for property, plant and equipment previously revalued where the revaluation was recognised in other comprehensive income. In this case the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

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An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless that asset is carried at revalued amount, in which case the reversal in excess of previous impairment loss recognised in profit or loss is treated as a revaluation increase.

After recording impairment losses or reversals the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill

Goodwill is tested, at least annually, for impairment, based on the recoverable amounts of the cash generating unit to which the goodwill has been allocated.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lower level within the Group at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized in profit or loss.

Impairment losses recognized for goodwill cannot be subsequently reversed.

Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets not held at fair value through profit or loss. 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 receivables from customers, from contract assets and other current financial assets.

For trade receivables, contract assets and other current financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrices that comprise of the grouping of customers, in accordance with similar loss patterns (namely by geography, type of service and type of customer, namely residential and business clients). The provision rates are based on the Group's observed historical credit loss experience and default rates, adjusted for specific factors referring to the debtors, such as reciprocal payments and offsets of debts. At every reporting date, the historical observed default rates are updated and changes in the forward-looking information are analysed, if the case.

Trade receivables overdue by more than 6 months are fully impaired. The Group considers a financial asset in default when contractual payments are 60 days past due. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 15 and Note 31. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group exhausted all practical recovery efforts and has no reasonable expectations of recovering a financial asset. The Group has a policy of writing-off the gross carrying amount when the financial asset is 5 years past due, based on historical experience of recoveries

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of similar assets. The Group expects no significant recovery from the amounts written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for amounts due. The write-off represents a derecognition event. Financial assets write-offs are recognised in the Consolidated Statement of Profit or Loss on the line "operating expenses".

h) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is determined on a first-in first-out basis and it comprises all costs of purchase, costs of conversion and other costs in bringing the inventories to their current location and condition.

Net realizable value of the inventories sold is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Employee benefits

Short-term employee benefits

Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions and other post-employment benefits

Under the regulatory regimes applicable in the countries where it operates, the Group is required to make payments to national social security funds for the benefit of its employees (defined contribution plans financed on a pay-as-you go basis). The Group has no legal or constructive obligation to pay future contributions if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Its only obligation is to pay the contributions as they fall due and if it ceases to employ members of the state plan, it will have no obligation to pay the benefits earned by its own employees in previous years.

Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered.

The Group does not operate any other pension schemes or post employment benefit plans.

Accumulated paid absences accrual ("Untaken Holiday")

The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

j) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as a finance cost.

Decommissioning provision

The Company records a provision for decommissioning costs of its mobile telecommunication sites. Decommissioning costs are provided for at the present value of expected costs of dismantling using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at the risk-free

rate. In determining the value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the site and the expected timing of those costs.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

k) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Right-of-use asset

The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices at the commencement or on modification of a contract that contains a lease component.

The group recognizes a right-of-use asset at the lease commencement date (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are adjusted for certain remeasurements of the corresponding lease liabilities and are also subject to impairment, following the same principle as the property, plant and equipment. Refer to the accounting policies in note 2.2 (c).

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rates were assessed by an external valuator.

The ranges used as incremental borrowing rates take into account:

- company specific rates that reflect the credit worthiness of the company; and
- the term of the arrangement;
- the amount of funds borrowed;
- the nature and quality of the underlying asset;
- the economic environment encompassing the jurisdiction, the currency and the date at which the lease is entered into.

As the incremental borrowing rates take into account a 10-year maturity, an adjustment of the discount rates was considered in order to align them with contracts maturities using the yield spread for sovereign bonds. The incremental borrowing rates used by the Group also include inflation rate for each currency in which contracts are denominated.

The lease payments included in the measurement of the lease liability include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for early terminating a lease unless the Group is reasonably certain not to terminate early. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is

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a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms that range from 1 month up to 30 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. For these specific cases, the Group took into consideration the characteristics of the leased assets as well as the Group's estimations included in the Group's business plans. For leases where we consider it reasonably certain that the extension option will be exercised, we considered the extended lease term for the purpose of the computation of lease liabilities (on top of the non-cancellable period) with a period in the range of one to five years.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Sale and lease back

A sale and leaseback transaction is one where the Group (the seller-lessee) transfers an asset to another entity (the buyer-lessor) for consideration and leases that asset back from the buyer-lessor.

To determine how to account for a sale-and-leaseback transaction, the Group first considers whether the initial transfer of the underlying asset from the seller-lessee to the buyer-lessor is a sale under IFRS 15. If the transfer meets the requirements for a sale in IFRS 15, then the sale has occurred and the transaction is accounted for as a sale-and-leaseback transaction under IFRS 16. If the transfer does not meet the requirements for a sale in IFRS 15, then there is no sale and the transaction is accounted for as a financing arrangement under IFRS 9.

If the transaction qualifies as a sale, the seller recognizes the gain or loss on the sale of the asset. The gain or loss is measured as the difference between the sale price and the carrying amount of the asset.

The leaseback is measured at the present value of lease payments, and a right-of-use asset and lease liability are recognized on the balance sheet if the agreement qualifies under IFRS 16 or as a monthly rent if it doesn't qualify under IFRS 16.

l) Contingencies

Management applies its judgment to the fact patterns and advice it receives from its attorneys and other advisors in assessing if an obligation is probable or not or remote. This judgment application is used to determine if the obligation is recognized as a liability or disclosed as a contingent liability.

Contingent liabilities are not recognized in the accompanying consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the accompanying consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

m) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Below section summarizes how and when revenue is recognized for each category of revenue.

Revenue from services

The Group's main sources of revenue from contracts with customers are:

- Subscription revenue from the provision of video, cable TV ("CATV") and direct-to-home ("DTH") TV;
- Subscription revenue from the provision of internet and data communication services (fixed and mobile);
- Subscription revenue from the provision of fixed-line and mobile telephony;
- Voice traffic revenue from fixed-line and mobile telephony services;
- Interconnection;
- Advertising;
- Supply of electricity.



- **Subscription revenue**

Video services subscriptions, pay TV fees, internet and data subscriptions, telephony subscriptions and voice minutes consumption revenues are recognised over time, based on the period when the services are provided. These revenues are collected through subscription fees that arise from the monthly billing of subscribers for these services and monthly billing of voice traffic. Revenue is recognized in the month the service is rendered. Contracts contain cancellation clauses which require payment of penalties. Revenue from penalties is recognised when the cancellation occurs.

Next to the monthly subscription fees, the Group charges separately the voice traffic which exceeds the voice minutes included in the subscription. The revenue for any additional voice traffic is recognized in the profit or loss over time, based on minutes consumed and contracted fees at the time services are provided (when the call is made).

Revenue from interconnect fees is recognised over time, when the services are performed.

Service arrangements can involve both the delivery of services and the use of a customer premises equipment ("CPE"). The Group has considered whether the CPE is 'distinct' for the purposes of IFRS 15.

The Group has analysed the relevant criteria and concluded that the CPE is not a distinct performance obligation. The following criteria were considered:

- the customer does not direct how and for what purpose they are used;
- the customer does not control the equipment, nor does it make any significant decisions about its use;
- the equipment is an input that is being used to produce the output for which the customer actually contracted the services;
- the equipment and the service are required to continually interact in order to fulfil the promise to the customer, hence the goods and services are highly interdependent, because the Group would not be able to fulfil its promise by transferring each of these goods independently;
- the Group does not sell separately the CPE to the customers.

- **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

- **Sales of mobile, CPE, CATV and DTH devices**

The Group recognizes revenue when a customer takes possession of the device. This usually occurs when the customer signs the contract. For devices sold separately (not in a bundled package), customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments, over a period of 12 months or 24 months. Where a finance component is significant this is accounted for as a reduction in revenue from sales of handsets against interest income. The discount rate used in determining the financing component is the effective interest rate at which a client could obtain financing on the free financial market for the amount required for the purchase of mobile devices at the moment of the assessment (it is estimated as the average of the effective annual interest rates from public offers for individuals).

- **Bundled services**

Certain packaged offers comprise of the subscription service and the device. For bundled services, the Group accounts for individual products or services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list price at which the Group sells the devices and the telecommunication, CATV, DTH services.

Where a promotional offer includes a period of free service, the respective discount is allocated proportionally to each distinct performance obligation. Payment terms are, usually, up to 30 days since the invoice is issued. Services are delivered only after the execution of a binding contract, and not during any pre-contractual or trial period.

- **Advertising**

Revenues obtained from publicity sales on our broadcasting channels (TV & radio) are recognized over time, when the relating advertising is performed. Payment terms are, usually, between 30-90 days since the invoice is issued.

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- **Supply of electricity**

Revenues from electricity production are recognized in the period when these have been delivered into the Romanian national electric grid and / or to customers. Payment terms are, usually, up to 30 days since the invoice is issued.

Revenue from sale of green certificates granted under Romania's renewable energy support scheme is recognized at a point in time, when control is transferred to the customers. Deferred green certificates are recognized at fair value, which includes for the green certificates for which trading is deferred, the assessment of the related under-absorption risk.

- **Government grants for supply of electricity**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants are recognised in profit or loss on a systematic basis as the entity recognises as expenses the costs that the grants are intended to compensate. The Group presents the grants for electricity supply under "Other income", applying a gross presentation, with a corresponding entry in "Other receivables".

- **Contract balances**

Contract assets

The contract assets primarily relate to the Group's rights to consideration for services completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group recognized revenue from promotions, energy and sales in instalments.

The revenue related to promotions is recorded by the Group based on straight-line method (divided equally during the contractual period).

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Costs of obtaining the contract

We recognise incremental costs of obtaining the contract as non-current assets (in accordance with IFRS 15), as disclosed in Notes 2 d).

n) Finance income and finance expense

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance expense comprises interest expense on borrowings, lease liabilities, unwinding of the discount on provisions and deferred consideration, losses on derivative financial instruments that are recognised in profit or loss and reclassifications of net losses on hedging instruments previously recognised in other comprehensive income. Unamortised borrowing fees are expensed upon termination of related borrowings.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

o) Related parties

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. Related parties



include individuals that are principal owners, key management personnel of Group's subsidiaries and members of the Board of Directors and members of their families, and any company that is related party to Group's entities.

p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments (when and if applicable), do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group has determined that the global minimum top-up tax – which will be applicable under Pillar Two when the legislation will be enacted in the jurisdictions in which the Group operates – is an income tax in scope of IAS 12. The Group will account for it as a current tax when it is incurred, applying the temporary mandatory relief from deferred tax accounting for the impact of the top-up tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or are recognized when their utilisation has become probable.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

r) Dividends

Dividends are recognized as distributions within equity in the period in which they are declared to shareholders (at the date of the approval by the shareholders). Dividends for the year are declared after the reporting date.



q) Share-based payment transactions

Certain members of the management team and certain employees of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted, as evidenced by their market price.

The cost of equity-settled transactions is recognized as "Salaries and related taxes" expense, together with a corresponding increase in retained earnings, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting period'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income in profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed by the Group as best estimate of the number of equity instruments that will ultimately vest. Market conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service / performance conditions.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided that the original terms of the award are met. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately through profit or loss. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

s) Segment reporting

The information by operating segment is based on internal reporting to the Board of Directors, identified as "Chief Operating Decision-Maker", as defined by IFRS 8 *Operating Segments*. The Board of Directors reviews segment information on revenue and non-current assets on a monthly basis and segment EBITDA (earnings before interest, taxes, depreciation and amortisation) on a quarterly basis.

The Group considers EBITDA, a non-IFRS measure, to be the key operating performance measure of its operating segments. The method used in calculating EBITDA and its reconciliation to the line items in the statement of profit or loss and other comprehensive income is disclosed in Note 36. All other information included in the disclosure per segment is prepared under IFRSs as adopted by EU applicable to the consolidated financial statements.

The Chief Operating Decision-Maker has chosen to review geographical operating segments because the Group's risks and rates of return are affected predominantly by the fact that it operates in different countries.

As part of our "Other" segment we reported (i) revenue from, and expenses of, our Italian and Portugal operations and (ii) expenses of the Company.

t) Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss. Additional disclosures are provided in Note 30. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

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2.3. NEW ACCOUNTING PRONOUNCEMENTS

a) Standards Issued But Not Yet Effective And Not Early Adopted

The following amended standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of these amended standards and does not expect that they will have a significant impact on the Group's consolidated financial statements when they become effective.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Lack of exchangeability (Amendments to IAS 21);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Standards – Volume 11.

The following standards and amendments have not been endorsed by the European Union as at 16 July 2025:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current (Effective for annual periods beginning on or after 1 January 2024 Early application is permitted.)	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, has removed the requirement for a right to be unconditional and instead requires that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early).	The Group plans to apply the amendments from 1 January 2024. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : Non-Current Liabilities with Covenants (Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. Specific transition requirements apply for companies that have early-adopted the previously issued but not yet effective 2020 amendments.)	The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply <i>on or before</i> the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply <i>after</i> the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about	

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt).	
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Effective for annual periods beginning on or after 1 January 2024. Disclosure of comparative information for any reporting periods presented before, and information as at the beginning of, the annual reporting period in which the entity first applies those amendments is not required. Also, an entity is not required to disclose the information otherwise required by the amendments for any interim period presented within the annual reporting period in which the entity first applies those amendments. Early application is permitted.)	The amendments introduce additional disclosure requirements for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. The amendments apply to supplier finance arrangements (also referred to as supply chain finance, payables finance or reverse factoring arrangements) that have all of the following characteristics: • a finance provider (also referred to as the factor) pays amounts a company (the buyer) owes its suppliers; • a company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; • the company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date. However, the amendments do not apply to arrangements for financing receivables or inventory.	The Group plans to apply the amendments from 1 January 2024. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted.)	Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following:	The Group plans to apply the amendments from 1 January 2024. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	- on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction; - after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction.	
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)	Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify: - when a currency is exchangeable into another currency; and - how a company estimates a spot rate when a currency lacks exchangeability. The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.	The Group plans to apply the amendments from 1 January 2025. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)	<i>Settlement of liabilities through electronic payment systems</i> There has been diversity in practice over the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment system. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised.	The Group plans to apply the amendments from 1 January 2026. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	Under the amendments, a company generally derecognises its trade payable on the settlement date. Normally this is the date, on which payment is completed. The amendments also provide an optional exception, which allows the company to derecognise its trade payable earlier than the settlement date, potentially on the date when payment is initiated and cannot be canceled. The exception is available when the company uses an electronic payment system that meets all of the following criteria: • no practical ability to withdraw, stop or cancel the payment instruction; • no practical ability to access the cash to be used for settlement as a result of the payment instruction; and • the settlement risk associated with the electronic payment system is insignificant. Companies can choose to apply the exception for electronic payments on a system-by-system basis. <i>Classification of financial assets with ESG-linked features</i> Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an	

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	identical financial asset without such a feature. The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are: - not related directly to a change in basic lending risks or costs; and - are not measured at fair value through profit or loss. <i>Contractually linked instruments (CLIs) and non-recourse features</i> The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). <i>Disclosures on investments in equity instruments</i> The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).	
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i> (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)	The amendments enable nature-dependent electricity contracts, which are sometimes referred to as renewable power purchase agreements (PPAs), to be better reflected in the financial statements. The amendments: - Clarify the application of the own use exemption to these contracts. - Amend the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met. Introduce additional disclosure requirements to enable investors to understand the impact of these contracts	The Group plans to apply the amendments from 1 January 2026. The Group expects that the amendments, when initially applied, will not have a material impact on its consolidated financial statements.

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	on a company's financial performance and future cash flow.	
Annual Improvements to IFRS Standards – Volume 11 (Effective for annual reporting periods on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied).	In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards¹. The amendments to IFRS 9 address: • a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and • how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9. The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. ¹IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures; IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.	The Group plans to apply the new standard from 1 January 2026 The Group expects that the amendments, when initially applied, will not a material impact on its consolidated financial statements.
IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 18 replaces IAS 1 <i>Presentation of Financial Statements</i>. The major changes in the requirements are summarised below. <i>A more structured statement of profit or loss</i> IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing. Under IFRS 18, companies are no longer permitted to disclose operating expenses	The Group plans to apply the new standard from 1 January 2027. The Group is in the process of assessment of the potential impact on its financial statements resulting from the application of IFRS 18.

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either: • nature; • function; or • using a mixed presentation. If any operating expenses are presented by function, then new disclosures apply. <i>MPMs – Disclosed and subject to audit</i> IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be: • a subtotal of income and expenses; • used in public communications outside the financial statements; and • reflective of management's view of financial performance. For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. <i>Greater disaggregation of information</i> The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so. <i>Other changes applicable to the primary financial statements</i>	

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Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the consolidated financial statements
	IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet. <i>Transition</i> In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between: - the restated amounts presented applying IFRS 18; and - the amounts previously presented applying IAS 1.	
IFRS 19 Subsidiaries without Public Accountability Disclosures (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date: - it does not have public accountability; - its parent produces consolidated financial statements under IFRS Accounting Standards. A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.	The Group is currently assessing the eligibility to apply IFRS 19 and if eligible plans to apply the new standard from 1 January 2027.

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b) Standards issued and effective starting 1 January 2023 or early adopted

Standard/Interpretation	Nature of impending change in accounting policy	Impact on the consolidated financial statements
Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IFRS Practice Statement 2 <i>Making Materiality Judgments</i> (Effective for annual periods beginning on or after 1 January 2023)	The amendments to IAS 1 require companies to disclose their material accounting policy information rather than significant accounting policies.	The Group applied the amendments starting from 1 January 2023. Relevant changes were made in Note 2.2.
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (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 applied the amendments starting from 1 January 2023. There was no material impact to the Consolidated Financial statements.
Amendments to IAS 12 <i>Income Taxes</i> 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. Under the amendments, the Group recognised a separate deferred tax asset and a deferred tax liability. There was no impact on retained earnings on adoption of the amendments.



3. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment (Note 5) and Investment property (Note 7)

The fair value of property, plant and equipment recognised as a result of a business combination and of land and buildings and investment property carried under the revaluation model is the estimated amount for which property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, on the date of acquisition and respectively on the revaluation date. The fair value of items land and buildings and of investment property is based on the market approach. Market approach relies on quoted market prices for similar items when available, or on valuation models that use inputs observable or unobservable on the market (such as the income approach for certain buildings).

b) Intangible assets (Note 8)

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that contributed to the related cash flows. Main assumptions used are the churn rate, EBITDA % and the discount rate.

c) Derivatives (Note 31 and 33)

The fair value of the derivative financial instruments is based on generally accepted valuation techniques. It reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

d) Non-derivative financial assets and liabilities (Note 18 and 31)

Non-derivative financial assets and liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

e) Equity-settled share-based payment transactions (Note 32)

The fair value of the options granted to employees is measured using a generally accepted valuation technique, in which the main input is the market price of shares at the grant date (please refer to Note 32 for additional details). Given the short life of the options and the low volatility in the market value of the Group's shares, management estimates that the time value of the share options is not significant.

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4. SEGMENT REPORTING

31 December 2023	Romania	Spain	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ³⁾
Continuing operations							
Segment revenue	1,019,381	642,004	1,661,385	28,988	-	-	1,690,373
Other income	16,180	-	16,180	-	-	-	16,180
Inter-segment revenues	3,146	413	3,559	132	(3,691)	-	-
Segment operating expenses	(574,184)	(510,282)	(1,084,466)	(30,502)	3,691	-	(1,111,277)
Adjusted EBITDA (Note 36)	464,523	132,135	596,658	(1,382)	-	-	595,276
Depreciation, amortisation and impairment of non-current assets						(424,388)	(424,388)
Other expenses (Note 26)	(504)	-	(504)	-	-	-	(504)
Operating profit							170,384
Finance income	7,180	475	7,655	3	-	-	7,658
Inter-segment finance income	15,093	0	15,093	764	(15,857)	-	-
Finance costs	(58,091)	(24,015)	(82,106)	1,449	-	-	(80,657)
Inter-segment finance costs	(1,017)	(8,450)	(9,467)	(6,391)	15,857	-	-
Share of profit/(loss) of equity-accounted investees	(6,507)	-	(6,507)	-	-	-	(6,507)
Income tax expense	(13,147)	3,401	(9,746)	8,318	-	-	(1,428)
Net profit / (loss)							89,450
Additions to non-current assets	302,250	328,548	630,801	252,790²	-	-	883,588
<i>Carrying amount of:</i>							
Non-current assets	1,698,854	696,089	2,394,944	426,164	-	-	2,821,108
Investments in associates and financial assets at fair value through OCI	1,395	-	1,395	-	-	-	1,395

1) Other represents, operations in Italy for Segment revenue line, operation in Italy and Portugal for segment operating expenses line.

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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- 2) On Other line the additions on non-current assets referring to Italy are EUR 11,526.
- 3) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.



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31 December 2022	Romania	Spain	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ²⁾
Continuing operations							
Segment revenue	964,877	500,412	1,465,289	27,479	-	-	1,492,768
Other income	24,671	-	24,671	-	-	-	24,671
Inter-segment revenues	3,779	563	4,342	199	(4,541)	-	-
Segment operating expenses	(561,452)	(421,033)	(982,485)	(29,889)	4,541	-	(1,007,833)
Adjusted EBITDA (Note 36)	431,873	79,942	511,817	(2,211)	-	-	509,606
Depreciation, amortisation and impairment of non-current assets						(361,394)	(361,394)
Other expenses (Note 26)	(654)	-	(654)	-	-	-	(654)
Operating profit							147,558
Finance income	426	13	439	-	-	-	439
Inter-segment finance income	4,800	-	4,800	295	(5,095)	-	-
Finance costs	(53,893)	(7,994)	(61,887)	(1,472)	-	-	(63,359)
Inter-segment finance costs	(488)	(3,155)	(3,643)	(1,452)	5,095	-	-
Share of profit/(loss) of equity-accounted investees	(1,075)	-	(1,075)	-	-	-	(1,075)
Income tax expense	(12,721)	4,009	(8,712)	2,259	-	-	(6,453)
Net profit / (loss)							77,110
Additions to non-current assets	390,623	287,799	678,422	124,854	-	-	803,276
<i>Carrying amount of:</i>							
Non-current assets	1,652,085	482,712	2,134,797	182,083	-	-	2,316,880
Investments in associates and financial assets at fair value through OCI	7,758	-	7,758	-	-	-	7,758

- 1) Other represents, operations in Italy for Segment revenue line, operation in Italy and Portugal for segment operating expenses line. On Other line the additions on non-current assets referring to Italy are EUR 2,924.

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- 2) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.



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5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2023	18,598	95,415	1,257,336	213,010	296,124	253,846	63,453	34,037	2,231,819
Additions	22	-	73,298 ²⁾	471,488	3,126	3,609	9,418	2,608	563,570
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	1,114	245,826	(385,624)	69,944	66,262	515	1,963	-
Other transfers	-	-	-	-	-	-	-	-	-
Transfers from/to Right of use assets	-	-	-	-	4,161	1,931	5,899 ¹	-	11,991
Disposals	(27)	(27)	(3,834) ³⁾	(29)	(323)	(4,937)	(1,486)	(31)	(10,693)
Effect of movements in exchange rates	(103)	(546)	(5,982)	(504)	(1,493)	(1,741)	(326)	(147)	(10,841)
At 31 December 2023	18,490	95,956	1,566,644	298,341	371,539	318,970	77,474	38,431	2,785,846
Depreciation and impairment									
At 1 January 2023	-	20,005	357,000	2,279	127,781	97,285	40,557	25,160	670,067
Depreciation charge	-	2,654	95,533	-	31,381	29,269	4,127	2,752	165,716
Impairment set-up	-	-	7,842	-	1,041	-	-	-	8,883
Transfers from Right of use assets	-	-	-	-	-	1,329	1,351	-	2,680
Disposals	-	(3)	(3,834)	-	(324)	(4,108)	(1,459)	(3)	(9,730)
Effect of movements in exchange rates	-	(145)	(1,767)	(13)	(770)	(649)	(234)	(129)	(3,707)
At 31 December 2023	-	22,512	454,774	2,266	159,108	123,125	44,343	27,780	833,908
Net book value									
At 1 January 2023	18,598	75,410	900,336	210,731	168,343	156,561	22,896	8,877	1,561,752
At 31 December 2023	18,491	73,444	1,111,870	296,075	212,431	195,845	33,131	10,651	1,951,938

¹⁾ During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

²⁾ Additions on the Network category include the amount EUR 3.498 representing the reassessment of the decommissioning asset.

³⁾ Disposals include the amount EUR 3.834 representing the gross value of written-off assets, from the "Networks" category

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	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2022	18,126	87,090	1,041,625	118,670	247,460	211,467	47,302	30,813	1,802,554
Additions	500	632	43,427	444,371	762	771	11,194	1,053	502,710
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	0	7,724	233,887	(354,311)	55,823	54,542	31	2,304	0
Other transfers	0	0	0	5,931	(4,495)	0	0	0	1,436
Transfers from/to Right of use assets	0	0	0	(1,581)	6,731	(4,645)	6,568	0	7,073
Transfers to inventories	0	0	0	0	(8,937)	0	0	0	(8,937)
Disposals	(29)	(17)	(61,698)	(24)	(1,160)	(8,166)	(1,621)	(130)	(72,845)
Effect of movements in exchange rates	1	(14)	96	(47)	(61)	(123)	(21)	(3)	(172)
At 31 December 2022	18,598	95,415	1,257,337	213,010	296,123	253,846	63,453	34,037	2,231,819
Depreciation and impairment									
At 1 January 2022	0	17,272	337,883	(108)	107,063	83,225	34,688	22,849	602,872
Depreciation charge	0	2,763	76,712	0	28,656	24,066	5,038	2,427	139,662
Impairment set-up/(reversal)	0	0	4,172	297	1,077	0	0	0	5,546
Other transfers	0	(18)	0	2,093	(951)	0	0	0	1,124
Transfers from Right of use assets	0	0	0	0	2,063	(2,282)	2,308	0	2,089
Transfers to inventories	0	0	0	0	(8,937)	0	0	0	(8,937)
Disposals	0	(6)	(61,698)	0	(1,160)	(7,680)	(1,458)	(113)	(72,115)
Effect of movements in exchange rates	0	(6)	(69)	(3)	(30)	(44)	(19)	(3)	(174)
At 31 December 2022	0	20,005	357,000	2,279	127,781	97,285	40,557	25,160	670,067
Net book value									
At 1 January 2022	18,126	69,818	703,742	118,778	140,397	128,242	12,614	7,964	1,199,682
At 31 December 2022	18,598	75,410	900,337	210,731	168,342	156,561	22,896	8,877	1,561,752

¹⁾ Other transfers comprise of the net value of CPEs returned from customers and transfers from inventories to tangible assets.

²⁾ During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

³⁾ Additions on the Network category include the amount EUR 2,676 representing the reassessment of the decommissioning asset.

⁴⁾ Disposals include the amount EUR 3,812 representing the gross value of written-off assets of the "Network category".

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Property, plant and equipment additions

Most of the additions in 2023 relate to the triple play network, as the Group has continued to invest in expanding to new areas; continued the upgrade of the existing networks and adding new customers. Another significant portion of additions relate to continued investment in the mobile radio network coverage in Romania and the development of fixed internet and data and fixed-line telephony services in Spain. Additions in Portugal are represented by fixed and mobile internet network equipment, telecommunications equipment and vehicles.

The Group has constructions in progress incurred up to 31 December 2023 totaled EUR 296,080 (2022: 210,736). Included in this amount are capitalized borrowing costs related to the construction of network in Portugal, of EUR 10,806, calculated using an average capitalization rate of 4.9 percent.

Reconciliation to Cash flow statement

	31 December 2023	31 December 2022
Additions to PPE	563,570	502,710
Additions in CFS	552,597	408,816
Difference	10,973	93,894
<i>Out of which:</i>		
Increase in payables in balance	10,973	93,894

At 31 December 2023, the Group recognized an expense charge for written off obsolete networks of EUR 3,812 (2022: EUR 8,357) presented under the *Depreciation charge* line.

At 31 December 2023, the Group presented under the line *Impairment set-up/(reversal)* an impairment expense of EUR 1,041 (2022: EUR 1,839) for customer premises equipment, based on the quantities of recovered equipment presented in inventory warehouses with an aging of over one year and the acquisition price of each equipment at the level of the net book value of each equipment as at 31 December 2023.

At 31 December 2023, included in the *Equipment* category are assets with gross book value of EUR 18,001 (2022: EUR 7,495) still in use that reached the end of their useful lives. Their continued use is attributable to the fact that these are not technologically obsolete and also because weather conditions and specific location of the site did not lead to the wear and tear of these equipment.

Revaluation of land and buildings

At 31 December 2020, land and buildings were revalued using several methods:

The market approach, i.e., the Direct Comparison Method (DCM) was applied to some of the real estate assets (free land, properties). This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition indicated by the company's representatives and found at the time of the field valuation of the assets, as well as the information available in relation to the analysed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value. Thus, the information on the offer prices of similar goods on the secondary market or the offers to which they are exposed on the market was analysed and some adjustments were made where necessary.

The income approach, i.e., the Revenue Capitalization Method (RCM) has been applied to most real estate assets, commercial real estate (office buildings, TV studio, cashiers, etc.). The value obtained by applying the income approach has been compared with the specific market information (global values for apartment properties and unit values for commercial real estate). Thus, the value of the real estate consisting of land and construction was estimated, and the value thus obtained was allocated on the component elements of the property (land and construction). The allocation was made, generally based on the net replacement cost of the buildings, and the value of the land resulting in residual value after deducting the value of the building from the value of the real estate.

The valuation is sensitive to its main inputs, being the sales value per sqm (which was in the range of 673 EUR/sqm to 3,030 EUR/sqm for real estates located in different cities in Romania and 35 EUR/sqm to 1,365 EUR/sqm for market values estimated for the main land plots), the estimated replacement cost per unit for buildings in Romania ranging from 497 EUR/sqm to 3,024 EUR/sqm.

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As of 31 December 2023 (similar to 31 December 2022) the Company involved independent external appraisers who analyzed whether the values of the existing land and buildings fall within the market values range for comparable properties. For land, the location and type of land were analyzed, and for buildings their type and physical condition. In addition, specific market information has been analysed to verify that the accounting values are within market values range. Based on the analysis performed by the external appraisers, the Group concluded that the fair value of land and buildings does not differ significantly from their carrying amount.

Measurement of fair values

Fair value hierarchy

The fair value measurements of the real estate assets have been recognized as Level 2 fair values based on observable market sales data.

If land was measured using the cost model, the carrying amounts would be as follows:

	31 December 2023	31 December 2022
Cost	14,514	14,598
Fair value	18,490	18,598

If buildings were measured using the cost model, the carrying amounts would be as follows:

	31 December 2023	31 December 2022
Cost	83,404	83,224
Accumulated depreciation	(17,384)	(15,365)
Net carrying amount	66,020	67,859
Fair value	73,444	75,410

Collateral

For details regarding the pledges placed on the Group assets refer to Note 19 (vi).

Commitments for property, plant and equipment

For details regarding commitments for property, plant and equipment please see Note 35.

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6. RIGHT OF USE ASSETS

The Group has lease contracts for various items of land, commercial spaces, network, vehicles and equipment used in its operations. The carrying amounts of right-of-use assets recognized and the movements during the period are presented below:

	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2023	2,330	21,544	238,873	20,727	3,454	20,173	307,101
Depreciation	-	(17,255)	(66,588)	(3,904)	(471)	(2,984)	(91,202)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	-	1,329	1,351	2,680
Additions	(4)	18,083	133,948	36,918	1,093	(110)	189,928
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(4,161)	(1,931)	(5,899)	(11,991)
Effect of movement in exchange rates	(12)	(44)	(769)	(1)	(9)	(7)	(842)
At 31 December 2023	2,314	22,328	305,464	49,579	3,465	12,524	395,674

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks.

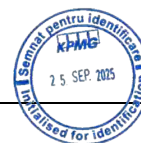
	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2022	2,326	20,698	155,481	3,037	1,088	20,624	203,254
Depreciation	-	(20,500)	(51,370)	(1,968)	-	(5,959)	(79,797)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	2,063	(2,282)	3,448	3,229
Additions	-	21,336	134,514	22,745	-	9,764	188,359
Disposals	-	(2)	-	-	-	(7)	(9)
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(5,150)	4,646	(7,705)	(8,209)
Effect of movement in exchange rates	4	12	248	-	2	8	274
At 31 December 2022	2,330	21,544	238,873	20,727	3,454	20,173	307,101

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks.

During the year, the Group transferred from RouA in Non-current assets the net amount of EUR 9,311 (2022: EUR 4,980)

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7. INVESTMENT PROPERTY

	Land	Buildings	Total
Cost			
At 1 January 2023	4,721	7,149	11,870
Effect of movements in exchange rates	(26)	(39)	(65)
At 31 December 2023	4,695	7,110	11,805
Depreciation			
At 1 January 2023	-	119	119
Other transfers	-	(1)	(1)
At 31 December 2023	-	118	118
Net book value			
At 1 January 2023	4,721	7,030	11,751
At 31 December 2023	4,695	6,992	11,687

	Land	Buildings	Total
Cost			
At 1 January 2022	4,348	4,979	9,327
Acquisitions	374	2,176	2,550
Effect of movements in exchange rates	(1)	(6)	(7)
At 31 December 2022	4,721	7,149	11,870
Depreciation			
At 1 January 2022			
Depreciation charge for the year	-	101	101
Other transfers	-	18	18
At 31 December 2022	-	119	119
Net book value			
At 1 January 2022	4,348	4,979	9,327
At 31 December 2022	4,721	7,030	11,751

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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Investment property comprises of real estate property located in Hungary (residential, commercial and industrial properties, as well as land).

In 2021, the fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as Level 2 of the fair value hierarchy based on the inputs to the valuation technique used, specifically observable market sales data.

For valuation purposes, the comparative approach method ("DCM") was used (market-comparison method) based on which similar properties sold or offered for sale on the market were analyzed and compared with the properties that were subject to the valuation. This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition of the assets and found at the time of the field valuation of the assets, as well as the information available in relation to the analyzed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value.

The properties valued using comparative approach are:

- residential properties and business premises located in Csango Budapest, Hungary;
- building located in Veszprem city, Hungary comprising of warehouses and related land plots;
- building located in Tengerszem Budapest, Hungary comprising of one building and two land plots;
- land plot located on Vaci ut. Street, Budapest Hungary.

The value was in the range of 218 EUR/sqm to 2,365 EUR/sqm for real estates located in different cities in Hungary and 1,899 EUR/sqm for market values estimated for the main land plot. The income approach, i.e., the Revenue Capitalization Method ("RCM") has been applied to one real estate property – building located in Miskolc city, Hungary. The income approach was applied as the building purpose is more suitable for commercial function than as a residential property. The property was valued considering the market rent for similar properties that can be offered on the rental market. When applying the income approach, the real-estate property was considered as an investment type-asset. The value was 672 EUR/sqm.

At 31 December 2023 (similar with 31 December 2022), based on the analysis performed by external, independent property valuers, the Group concluded that the carrying amount is situated within acceptable market ranges, therefore, no fair value gain nor fair value loss was recognized.

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8. INTANGIBLE ASSETS

NON-CURRENT INTANGIBLE ASSETS

	Goodwill	Customer relationships	Trademarks	Licences and software	Total non-current intangible assets
Cost					
At 1 January 2023	51,741	144,840	2,760	381,528	580,869
Additions	-	3,412	-	62,543 ⁽¹⁾	65,955
Disposals	-	-	-	(1,860)	(1,860)
Effect of movement in exchange rates	(282)	(893)	(13)	(1,802)	(2,990)
At 31 December 2023	51,459	147,359	2,747	440,409	641,974
Accumulated amortisation					
At 1 January 2023	-	97,357	2,626	124,430	224,413
Amortisation	-	13,884	-	42,553	56,436
Disposals	-	-	-	(154)	(154)
Effect of movement in exchange rates	-	(619)	(13)	(769)	(1,400)
At 31 December 2023	-	110,622	2,613	166,060	279,295
Net Book Value					
At 1 January 2023	51,741	47,483	134	257,098	356,456
At 31 December 2023	51,459	36,737	134	274,349	362,679

⁽¹⁾Includes internally generated software of EUR 7,568(2022: EUR 7,115). Addition from Portugal contains acquisition for licenses related to tangible assets in progress.

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	Goodwill	Customer relationships	Trademarks	Licences and software	Total non-current intangible assets
Cost					
At 1 January 2022	51,823	155,169	2,760	352,958	562,710
Additions	-	4,422	-	44,808 ⁽¹⁾	49,230
Disposals	(113)	(14,759)	-	(16,166) ⁽²⁾	(31,038)
Effect of movement in exchange rates	31	8	-	(72)	(33)
At 31 December 2022	51,741	144,840	2,760	381,528	580,869
Accumulated amortisation					
At 1 January 2022	-	98,374	2,343	107,012	207,729
Amortisation	-	13,559	284	33,672	47,515
Disposals	-	(14,759)	-	(16,118) ⁽²⁾	(30,877)
Effect of movement in exchange rates	-	183	(1)	(136)	46
At 31 December 2022	-	97,357	2,626	124,430	224,413
Net Book Value					
At 1 January 2022	51,823	56,795	417	245,946	354,981
At 31 December 2022	51,741	47,483	134	257,098	356,456

⁽¹⁾ Includes internally generated software of EUR 7,115

⁽²⁾ Includes fully amortised software and intangibles written off in amount of EUR 14,427.

At 31 December 2023, Customer relationships category contains fully amortized assets with a gross book value of EUR 71,822 (2022: EUR 71,523).

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The main additions of non-current intangible assets relate to acquisitions of customer relationships and licences as detailed below.

Customer relationships

The additions of Customer relationships in the period ended 31 December 2023 relate to the acquisition of customer contracts in Romania from various smaller entities for EUR 3,412 (2022: EUR 4,422).

Radio spectrum licences

During 2023, DIGI Romania did not acquire additional spectrum. During 2022, DIGI Romania acquired additional spectrum in the 2600 MHz bandwidth for a consideration of EUR 13,000 and equipment software of EUR 26,511.

The total carrying amount of the 2600 MHz bandwidth as at 31 December 2023 is EUR 28,308 (2022: EUR 33,711). For commitments, please see note 34.

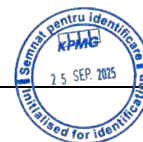
Other Software licenses

Approximately EUR 50,556 (2022: EUR 21,864) additions represent custom software licenses required for the functioning of various telecommunications hardware from vendors of the hardware (Ericsson, Nokia, Huawei etc).

The remainder additions of Licenses and Software represent various other software for purposes like office, administrative, engineering, geo-mapping, television etc.

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Reconciliation to Cash Flow statement:

	31 December 2023	31 December 2022
Additions to Intangible assets (non-current)	65,955	49,230
Additions in CFS	92,716	59,259
Difference	(26,761)	(10,029)
Out of which:		
Increase / (decrease) in payable balance	(26,761)	(10,029)

Impairment testing for cash-generating units containing goodwill

The Group defines cash-generating units (CGUs) based on three criteria:

- country;
- infrastructure used in providing the services;
- bundling of services affecting independence of cash flows.

The Group's cash-generating units ("CGUs") with allocated goodwill are:

- CBT Romania;
- Mobile Spain;
- DTH Romania.

Goodwill allocated to Mobile Spain and DTH Romania is not material and is included in category "Other".

Goodwill	31 December 2023	31 December 2022
CBT Romania	51,134	51,394
Other	325	347
Total	51,459	51,741

Recoverable amounts for the CGUs in Romania and Spain have been determined based on discounted cashflows using cash flow projections based on financial budgets approved by the board of directors covering a five-year period (identified as value in use).

Measurement of fair values

Key assumptions used

Key assumptions used in the calculation of the recoverable amounts are revenues, EBITDA margins, discount rate, terminal value growth rate and capital expenditure.

Weighted Average Cost of Capital

Country	Discount rate (post –tax)		Discount rate (pre –tax)	
	2023	2022	2023	2022
Romania	8.3%	9.2%	9.9%	11.0%
Spain	6.6%	6.4%	8.8%	8.5%

The discount rate applied to the cash flows of each CGU is based on the Group's Weighted Average Cost of Capital in the respective territory (WACC). WACC is the average cost of sources of financing (debt and equity), each of which is weighted by its respective use in the market.

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Terminal growth rates

The terminal growth rate for all CGUs was considered to be 2% p.a (2022: 2% p.a.).

The growth rate in perpetuity has been determined based on the long-term compounded annual growth rate in EBITDA estimated by management considering market maturity and market share in Romania and Spain, being also in line with publicly available market expectations.

EBITDA margins

For the Romanian CBT CGU, budgeted EBITDA is based on past experience and incremental increase in future years generated from incremental increase in revenues from new subscribers to our cable Tv, internet and mobile telephony business; budgeted EBITDA for the Spanish Mobile CGU is based on past experience and growth expectation and additional revenue from new subscribers connected to the fixed network.

Capital expenditure

Budgeted capital expenditure (tangible and intangible assets including programme assets) is based on past experience, forecasted growth of subscribers (new subscribers connected to the network) and other business drivers.

Revenues

Budgeted revenues are based on forecasted growth of subscribers (new subscribers connected to the network) and ARPU (Average Revenue Per Unit) levels based on experience and other business drivers.

Management believes that as at 31 December 2023 no reasonable possible change in main assumptions would result in an impairment charge (31 December 2022: no reasonable change).

Collateral

For details on the pledges placed on the Group assets refer to Note 19 (vi).

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9. SUBSCRIBER ACQUISITION COSTS

	Subscriber acquisition costs
Cost	
At 1 January 2023	282,622
Additions	64,136
Disposals	(4,470)
Effect of movement in exchange rates	(812)
At 31 December 2023	341,476
Accumulated amortisation	
At 1 January 2023	224,610
Amortisation	59,051
Impairment	4,181
Disposals	(4,147)
Effect of movement in exchange rates	(845)
At 31 December 2023	282,850
Net Book Value	
At 1 January 2023	58,012
At 31 December 2023	58,626

In 2023 SAC were recognized in relation with contracting customers in Romania (EUR 27,028), Spain (EUR 34,556) and Italy (EUR 2,552).

	Subscriber acquisition costs
Cost	
At 1 January 2022	229,122
Additions	60,427
Disposals	(6,944)
Effect of movement in exchange rates	17
At 31 December 2022	282,622
Accumulated amortisation	
At 1 January 2022	177,633
Amortisation	51,772
Impairment	2,220
Disposals	(6,944)
Effect of movement in exchange rates	(71)
At 31 December 2022	224,610
Net Book Value	
At 1 January 2022	51,489
At 31 December 2022	58,012

In 2022 SAC were recognized in relation with contracting customers in Romania (EUR 27,138), Spain (EUR 31,123) and Italy (EUR 2,166).

For accounting policy, please see Note 2.2 (d).

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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At 31 December 2023, Subscriber acquisition costs category contains fully amortized assets with a gross book value of EUR 198,128 (2022: EUR 164,264).

10. EQUITY ACCOUNTED INVESTEEES

	Note	31 December 2023	31 December 2022
Interest in joint ventures	(A)	985	7,461
Interests in associates		410	297
Balance at 31 December		1,395	7,758

A. Joint Ventures

In 2022, DIGI Romania S.A. and Citymesh NV entered into an agreement to jointly participate in the auction organized by the Belgian Institute for Postal Services and Telecommunication (“BIPT”) for the multiband frequency. For this purpose, two special purpose vehicles were incorporated in Belgium, Citymesh Mobile NV and InSky NV. These are joint ventures in which the Group has joint control. In March 2022, following the auction organized by the BIPT, Citymesh Mobile NV was awarded Spectrum in the multiband frequency, pursuant to the Royal Decrees of 28 November 2021, regarding the 700 MHz, 900 MHz, 1800 MHz, 2100 Mhz and 3600 MHz frequency bands. The 2600MHz Spectrum was transferred from Citymesh NV to Citymesh Mobile NV, following the “Existing Spectrum Transfer Agreement” concluded in November 2022. Neither Citymesh Mobile NV nor InSky NV are publicly listed.

In 2023, DIGI Romania S.A. and Citymesh NV entered into an agreement for the set-up of DIGI Communications Belgium NV to act as an operator that provides electronic communication services over mobile network. This is a joint venture in which the Group has joint control. DIGI Communications Belgium NV is not a publicly listed entity.

The contractual arrangements signed in 2022 and 2023 between Digi Romania S.A. and Citymesh NV give both parties the right to joint control, because they both act together to direct the relevant activities of the special purpose vehicles. The relevant activities are controlled through the agreement of both shareholders which collectively agree on the following:

- the funding structure and obtaining funding;
- selecting, acquiring or disposing of assets;
- selling services;
- purchasing of goods and services, as well as hiring of own employees.

In respect of control over relevant activities, there are rights specifically stipulated in the signed agreements and reserved matters to be decided by the Board of Directors and Shareholders. The relevant activities mentioned above are stipulated in the agreements and jointly agreed by both shareholders, and as such there is unanimous consent of both shareholders over those activities, indicator of joint control.

The Reserved Board matters must be decided by both shareholders, as these decisions need the agreement of one director from DIGI Romania S.A. and one from Citymesh NV. The relevant activities and substantive rights are mainly represented by the decisions related to the spectrum and the approval of budgets. Also, the distribution of dividends included in the reserved shareholder matters is also a relevant activity which gives substantive rights to both joint venture partners, because these require a vote in favor by DIGI Romania S.A. and a vote in favor by Citymesh NV.

The following table summarizes the financial information of Citymesh Mobile NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group’s interest in Citymesh Mobile NV.

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	2023	2022
Percentage ownership interest (49%)		
Non-current assets	133,276	136,191
Current assets	8,735	853
Non-current liabilities ¹⁾	(105,422)	(112,342)
Current liabilities ¹⁾	(44,345)	(19,360)
Net assets (100%)	(7,756)	5,342
Group's share of net assets (49%)	(3,800)	2,618
Goodwill	-	2,550
Carrying amount of interest in joint venture	-	5,168
Operating expenses	(5,835)	(347)
Depreciation and amortisation	(7,305)	(918)
Interest expenses	43	(405)
Loss and total comprehensive income (100%)	(13,097)	(1,670)
Loss and total comprehensive income (49%)	(6,418)	(818)
Group's share of total comprehensive income	(5,168)	(818)
Unrecognised Group share of loss carried forward	(1,250)	-

¹⁾Non-current liabilities of 105,422 EUR (2022: EUR 112,342) represent the present value of future payments in relation to the acquisition of Spectrum in the multiband frequency. Included in Current liabilities is the corresponding short-term liability, in amount of 6,920 EUR (2022: EUR 10,120).

The following table summarizes the financial information of InSKy NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in InSKy NV.

	2023	2022
Percentage ownership interest (51%)		
Non-current assets	6,455	436
Current assets	1,882	5,041
Non-current liabilities	(155)	-
Current liabilities	(6,250)	(980)
Net assets (100%)	1,932	4,497
Group's share of net assets (51%)	985	2,293
Carrying amount of interest in joint venture	985	2,293
Operating expenses	(2,514)	(503)
Depreciation and amortisation	(51)	-
Loss total comprehensive income (100%)	(2,565)	(503)
Loss and total comprehensive income (51%)	(1,308)	(257)
Group's share of total comprehensive income	(1,308)	(257)

The following table summarizes the financial information of DIGI Communications Belgium NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the

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recognized financial information to the carrying amount of the Group's interest in DIGI Communications Belgium NV.

	2023	2022
Percentage ownership interest (51%)		
Non-current assets	63	-
Current assets	95	-
Non-current liabilities	-	-
Current liabilities	(981)	-
Net assets (100%)	(823)	
Group's share of net assets (51%)	(420)	-
Carrying amount of interest in joint venture	-	-
Operating expenses	(885)	-
Loss total comprehensive income (100%)	(885)	-
Loss and total comprehensive income (51%)	(451)	-
Group's share of total comprehensive income	(31)	-
Unrecognised Group share of loss carried forward	(420)	-

The movement in Group's interest in net assets of investees during the year is presented as follows:

	2023	2022
Group's interest in net assets of investees at the beginning of the year	7,758	422
Increase in interest in joint venture	-	8,536
Share of total comprehensive income	(6,507)	(1,075)
Other movements	144	(125)
Carrying amount of interest in investees at the end of the year	1,395	7,758

11. LONG TERM RECEIVABLES

	31 December 2023	31 December 2022
Long term receivables	13,617	11,400
Total	13,617	11,400

In long term receivables as of 31 December 2023 an amount of EUR 11,274 (31 December 2022: EUR 9,267) represents the value related to instalments sales, with maturities of more than one year and also the value of discounts with maturities of more the one year.

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12. EARNINGS PER SHARE (EPS)

	31 December 2023	31 December 2023	31 December 2023
	Continuing operations	Discontinued operations	Total
Net profit for the year	89,450	-	89,450
Non-controlling interests	(1,617)	-	(1,617)
Net profit attributable to equity holders of the parent	87,833	-	87,833

	31 December 2022	31 December 2022	31 December 2022
	Continuing operations	Discontinued operations	Total
Net profit for the year	77,110	318,690	395,800
Non-controlling interests	-	-	-
Net profit attributable to equity holders of the parent	77,110	318,690	395,800

	2023	2022
Number of shares	385,941,622	385,941,622
Earnings per share (basic and diluted, amounts in EUR)	0.23	1.03

Several share options plans have been implemented for management and key employees. For details, please see Note 32.

13. INVENTORIES

	31 December 2023	31 December 2022
Merchandise and equipment	3,409	3,998
Materials and consumables	10,008	12,594
Inventory write-downs to net realisable value	(495)	(399)
Total inventories	12,922	16,193

In 2023, inventories of EUR 52,218 (2022: EUR 49,112) were recognized as an expense during the year and included in 'cost of goods sold'.

Merchandise and equipment

This category includes terminal equipment sold to customers. Such equipment includes mostly mobile phones.

Materials and consumables

This category mainly includes inventory used in the development and maintenance of the telecommunications networks, such as fiber optic cables, nodes and amplifiers.

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 19 (vi).

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14. PROGRAMME ASSETS

Program assets include broadcasting rights for national and international sports competitions, as well as contracts for the acquisition of film and television broadcasting rights. The balance as of 31 December 2023 is of EUR 19,148 (31 December 2022: EUR 18,380).

Contractual obligations related to future seasons are presented as commitments in Note 34.

15. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	31 December 2023	31 December 2022
Trade receivables	58,516	58,582
Contract assets	94,292	78,575
Grants receivable for electricity supply	10,212	5,969
Other taxes receivable	7,613	734
Other receivables	12,379	10,214
Other receivables from related parties	4,039	-
Total trade and other receivables	187,051	154,074

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle DIGI Romania to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 30 June 2025. As of the date of approval of these financial statements, the aforementioned conditions had been fulfilled, and the related amounts had been duly received.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 31.

The amount allocated to the remaining performance obligations (contract liabilities) (unsatisfied or partially unsatisfied) as of 31 December 2023 is as below. The remaining performance obligations arise from promotional campaigns. All remaining performance obligations are expected to be recognized within two years.

	31 December 2023	31 December 2022
Unsatisfied performance obligations	25,296	23,690
Total	25,296	23,690

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 19 (vi).

16. OTHER ASSETS

	31 December 2023	31 December 2022
Advances to suppliers	3,870	8,310
Prepayments (rent, insurances and other)	10,242	5,675
Total other assets	14,112	13,985

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17. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Bank accounts	221,220	261,284
Petty cash	39	49
Total cash and cash equivalents	221,259	261,333

Collateral

For details regarding the pledges placed on the Group's assets and restricted cash please refer to Note 19 (vi).

18. EQUITY

18.1 Share capital and reserves

The issued and paid-up capital as at 31 December 2023 was in amount of EUR 11,671 divided into ordinary shares with voting rights at 31 December 2023 and 31 December 2022 and nominal value of one share of EUR 0.03/share.

All issued shares have been subscribed and are fully paid at 31 December 2023.

The share capital consists of cash contributions.

At 31 December 2023, there were no special rights granted in relation to the issuance or distribution of shares.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings. The reserve is disclosed net of related deferred tax.

The transfer of the revaluation reserve through depreciation to the reported result represents the surplus realized from revaluation reserves, formed by transferring corresponding amounts from the revaluation reserve of assets as they are used by the Group. The surplus realized from these revaluation reserves is distributable, while the revaluation reserve is not distributable. In the event that the surplus realized from revaluation reserves is distributed, it will be taxed to the extent that, in accordance with the applicable tax legislation at the time of the revaluation, depreciation expenses related to revalued buildings have been considered deductible expenses in the calculation of income tax, and the surplus realized from revaluation reserves has not already been included in taxable income for the calculation of income tax. As of the date of these consolidated financial statements, there is no decision to distribute the surplus realized from revaluation reserves in the balance at 31 December 2023.

Other reserves

Other reserves include the legal reserve and other statutory reserves in the amount of EUR 192,555 (31 December 2022: EUR 121,636).

Legal reserve

The Company has established the legal reserve in accordance with the provisions of the Commercial Companies Law. The legal reserve is created in accordance with the provisions of the Commercial Companies Law, according to which 5% of the annual accounting profit before tax is transferred to legal reserves until their balance reaches 20% of the Company's share capital. At 31 December 2023 and 31 December 2022, the legal reserve is in amount of EUR 1,718 and it can be distributed only at liquidation.

Reinvested profit

The reinvested profit reserve, in total amount of EUR 181,235 as at 31 December 2023 (31 December 2022: EUR 113,682), relates to the profit tax exemptions and, in particular, the non-taxation of the reinvested profit for purchasing of new equipment, electronic computers and peripheral equipment, cash registers, control and billing machines, software programs, as well as the right to use software, products and/or software purchased, including under financial and commissioned leasing contracts, used for the purpose of carrying out economic activity, in accordance with legislation in force. The amount of profit for which the reinvested profit tax exemption was

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granted is distributed to reserves at the end of each financial year. If distributed, the tax impact as at 31 December 2023 would be EUR 28,998 (31 December 2022: EUR 18,189).

Retained earnings

Retained earnings reserve includes retained earnings from previous periods.

Dividends

In May 2025, Digi Romania S.A. declared dividends worth EUR 29,592 from the 2024 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

In May 2024, Digi Romania S.A. declared dividends worth EUR 30,155 from the 2023 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

In May 2023, Digi Romania S.A. declared dividends worth EUR 25,271 from the 2022 profit (with a dividend per share of RON 0.32, the equivalent of EUR 0.07).

In August 2022, Digi Romania S.A. declared dividends worth EUR 20,299 from the 2021 profit (with a dividend per share of RON 0.26, the equivalent of EUR 0.05).

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18.2 Non-controlling interests

The following table summarizes the financial information of DIGI Andalucia SLU before intra-group eliminations which has non-controlling interest.

	31 December 2023	31 December 2022
Non-current assets	162,096	-
Current assets	4,627	-
Non-current liabilities	-	-
Current liabilities	(1,489)	-
Net assets	165,234	-
Net assets attributable to NCI	82,617	-
Revenues	507	-
Profit	3,234	-
OCI	-	-
Total comprehensive income	3,234	-
Profit allocated to NCI	1,617	-
Total comprehensive income allocated to NCI	1,617	-
Cash flows from operating activities	-	-
Cash flows from investment activities	(162,000)	-
Cash flows from financing activities	162,000	-
Net increase from cash flows	0	-

In 2023 non-controlling interest was computed based on 50% non-controlling of DIGI Andalucia SLU (DIGI Andalucia SLU is not a publicly listed entity).

NCI recognized in 2023 in respect DIGI Andalucia SLU ("abrdn transaction")

Transaction background

The Company announced in October 2023, the completion by Digi Spain Telecom S.L.U. ("Digi Spain"), the Company's subsidiary in Spain and abrdn plc, of the first investment within the transaction having as subject matter the financing of the roll out of a FTTH network with the aim of covering up to 2.5 million homes passed in Andalucia, Spain (the "Network"), pursuant to the fulfilment of the conditions under the investment agreement concluded on 21 March 2023. This first investment covers 1.35 million homes passed, while the deployment of the entire Network will cover an additional number of 1.15 million homes passed, implying a total investment amount of up to EUR 300,000. The total investment is committed in substantially equal parts by Digi Spain and abrdn plc, potentially also involving bank financing, at the discretion of the shareholders.

In order to structure this transaction, in September 2023 a new company with registered office in Spain was incorporated, called DIGI Andalucia SLU, with Digi Spain contributing 100% of the initial share capital, amounting to EUR 3. Subsequently, on 2 October 2023, two capital increases were carried out, one for the amount of EUR 3 (3,000 shares of EUR 0,001 nominal value) subscribed and paid out by Nispero Bidco, S.A.R.L., a subsidiary of abrdn plc) and another for the amount of EUR 1,620 of share capital (809,970 shares of EUR 0,001 nominal value) subscribed and paid up by Digi Spain, and 809,970 shares of EUR 0,001 nominal value subscribed

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and paid up by Nispero Bidco, S.A.R.L., and EUR 160,374 of share premium, in this case with a contribution of EUR 80,187 by Digi Spain and EUR 80,187 by Nispero Bidco, S.A.R.L.

Control assessment

The contractual arrangements signed in 2023 between Digi Spain and Nispero Bidco, S.A.R.L. give Digi Spain the unconditional right to control DIGI Andalucia SLU. Digi Spain has the majority of the voting rights and the power to appoint or remove the majority of the members of the Board of Directors of DIGI Andalucia SLU, and based on the analysis performed, Digi Spain has:

- significant power over the investee (existing rights that give it the current ability to direct the relevant activities based on substantive rights);
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its significant power over the investee to affect the amount of the investor's return.

Although there are certain reserved matters to be decided by the Board of Directors and Shareholders of DIGI Andalucia SLU, these are considered protective rights. The relevant activities of the entity (day-to-day operational management of the company, funding, annual budget and business plan, dividends distribution, etc.) are controlled by the Board of Directors, controlled by Digi Spain, as well as by the CEO and the management team, all being appointed by Digi Spain.

As this is an entity over which the Group has control, it has been consolidated following the full consolidation method. As a result of the consolidation process, in 2023 an additional amount of EUR 82,617 representing the contribution and the profit attributable to NCI was recognized as Non-Controlling Interests (NCI).

Accounting for call and put options

Within the above transaction, Digi Spain was granted with certain voluntary purchase call options. An amount of EUR 3,336 is recorded as financial derivative asset, corresponding to the fair value of the call options on the minority investor's stake in DIGI Andalucia SLU. The value of these call options was derived from the fair value of the shares of the underlying entity DIGI Andalucia SLU, determined by independent valuation experts based on a discounted cash flow method, and subsequently for the value of the call options applying both a Monte-Carlo simulation and a Forward valuation methodology.

In addition, Digi Spain and the guarantor of the transaction, parent company DIGI Romania S.A., have granted the minority shareholder an irrevocable and unconditional right to sell and transfer all the shares held by them in DIGI Andalucia SLU to DIGI Spain or the guarantor in the event of a material breach by Digi Spain (referred to as the 'Minority Shareholder Put Option'). This material breach event could result from various situations, including non-payment of ICO balances, change of control, transfer to a restricted person, or other special circumstances related to scenarios akin to liquidation, all of which are considered protective in nature. When an instrument includes contingent settlement provisions, the issuer does not possess an unconditional right to avoid making payments. Consequently, the instrument is classified as a financial liability, unless one of the following conditions applies:

1. The portion of the contingent settlement provision that might necessitate settlement in cash or another financial asset is not genuine.
2. The issuer can be compelled to settle in cash or another financial asset only in the event of its own liquidation (provided that liquidation is neither predetermined nor at the option of the holder).

It's important to recognize that scenarios other than liquidation, such as insolvency (which doesn't necessarily lead to liquidation), should also be acknowledged. Therefore, neither Digi Spain nor any other Digi entity consolidating Digi Spain can avoid this triggering event.

Based on the conclusion reached above Digi is not able to avoid a material breach under all circumstances which normally would lead to classification of the written put as a liability. However, in case of a material breach and the investor wants to exercise the written put option, DIGI has two alternative courses of action:

- (i) DIGI Spain chooses to comply with the investor put option, thereby paying for the investor's shares; or

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(ii) DIGI Spain chooses not to comply with the investor put option defined in the SHA as a so-called “Failed Put”. In a failed put situation, DIGI will compensate the investor for the negative impact of failing to comply with Investor put option.

Group management has concluded that activating this Failed Put mechanism is under its control and has determined that the financial liability arising from this alternative has a value which is not material and therefore has not recorded this failed put financial liability under IFRS 9 Financial Instruments.

Management has determined that the liability associated with the Failed Put mechanism is immaterial. This assessment is supported by the expectation that the assets could be sold to a third party at fair value in Spain's competitive market, thus preventing any principal loss. Considering the interest and penalties under the Failed Put mechanism, both base-case and stress-test scenarios were performed over the 25-year contractual period, incorporating fair value, homes passed, contractual interest rate, and a discount rate. In all cases, the resulting potential liability was assessed as not material, even under the most adverse stress-test assumptions.

Summary of accounting impact

The above mentioned transaction has impacted Net assets / NCI (EUR 82,617) and the Proceeds from issuance of share capital and share premium from minority shareholder line from the Cash flows from financing activities (EUR 81,000).

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19. LOANS AND BORROWINGS

Long term portion		Nominal interest rate	31 December 2023	31 December 2022
Senior Secured Bonds (i)		2.5% & 3.25% p.a.	850,548	850,705
2021 Senior Facilities Agreement (ii)		3M EURIBOR + 2.225% p.a. 3M EURIBOR + 2.50% p.a. 3M EURIBOR + 2.75% p.a.	268,836	177,093
Export Credit Facilities (iii)		6M EURIBOR + 0.7% p.a	64,266	-
Total long term			1,183,650	1,027,798

Current portion		Nominal interest rate	31 December 2023	31 December 2022
2021 Senior Facilities Agreement (ii)		3M EURIBOR + 2.225% p.a. 3M EURIBOR + 2.50% p.a. 3M EURIBOR + 2.75% p.a.	68,713	31,872
Export Credit Facilities (iii)		6M EURIBOR + 0.7% p.a	42,559	-
Short term loans and working capital facilities (iv)		Variable linked to EURIBOR/ROBOR/LIBOR+ respective margin	88,542	62,984
Total current			199,814	94,856

For details regarding cash inflows and outflows for loans and borrowings please see the table below:

	Long term loans, including short term portion	Bonds	Short term loans	Interest payable	Total
Balance as at 1 January 2023	208,965	850,705	53,126	9,858	1,122,654
Proceeds from borrowings	270,516	-	59,822	-	330,338
Repayment of borrowings	(30,257)	-	(35,148)	-	(65,405)
Interest expense	-	-	-	47,746	47,746
Capitalised borrowing costs (note 5)	-	-	-	3,084	3,084
Interest paid	-	-	-	(49,511)	(49,511)
Finance cost ⁽¹⁾	(8,084)	-	(149)	-	(8,233)
Amortisation of deferred finance costs ⁽²⁾	3,244	(157)	121	-	3,208
Effects of movements in exchange rates	(10)	-	(407)	-	(417)
Balance as at 31 December 2023	444,374	850,548	77,365	11,177	1,383,464
<i>Out of which:</i>					

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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Short term	111,272	-	77,365	11,177	199,814
Long term	333,102	850,548	-	-	1,183,650

¹⁾In the Cashflow statement, the amount of EUR 8,206 represents finance costs paid in 2023 related to Groups' borrowings (presented in the table above).

²⁾The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

	Long term loans, including short term portion	Bonds	Short term loans	Interest	Total
Balance as at 1 January 2022	337,232	850,859	88,336	9,917	1,286,344
Proceeds from borrowings	90,000	-	25,838	-	115,838
Repayment of borrowings	(220,578)	-	(61,045)	-	(281,623)
Interest expense	-	-	-	31,718	31,718
Interest paid	-	-	-	(31,722)	(31,722)
Finance cost ⁽¹⁾	(2,952)	-	-	-	(2,952)
Amortisation of deferred finance costs ⁽²⁾	5,190	(154)	-	-	5,036
Effects of movements in exchange rates	73	-	(3)	(55)	15
Balance as at 31 December 2022	208,965	850,705	53,126	9,858	1,122,654
<i>Out of which:</i>					
Short term	31,872	-	53,126	9,858	94,856
Long term	177,093	850,705	-	-	1,027,798

¹⁾In the Cashflow statement, the amount of EUR 2,952 represents finance costs paid in 2022 related to Groups' borrowings (presented in the table above).

²⁾The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs.

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i) Senior Secured Notes due 2025 & 2028 (2020 Bonds)

On 5 February 2020, DIGI Romania SA, issued at par callable 1st Lien Senior Secured Notes in total amount of EUR 850,000, in two tranches: (i) EUR 450,000 2.50% senior secured notes due 2025 and (ii) EUR 400,000 3.25% senior secured notes due 2028 (collectively, the “Notes”). The call options give the Company the right (but not the obligation) to call the notes at prices set at the inception.

On 27 September 2024, Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450,000.

The gross proceeds of the Offering were used:

- (a) to redeem the entire aggregate principal amount outstanding of EUR 550,000 5.0% senior secured notes due 2023 issued by the Company (2016 Bonds) and pay redemption premium and accrued interest to holders thereof;
- (b) to prepay or repay partially the outstanding amounts under 2016 Senior Facility Agreement;
- (c) to prepay the entire aggregate principal amount 2018 Senior Facility Agreement;
- (d) to repay (without cancelling) certain overdraft facilities;
- (e) to pay costs, expenses and fees in connection with the Refinancing; and
- (f) for general corporate purposes (which may include acquisitions).

Arrangement fees

The total cost of concluding the 2020 Bonds is amortised using the effective interest method over the life of the Bonds.

As at 31 December 2023, the unamortized balance of bond issuance related fees was EUR 6,012 (2022: EUR 8,830). During the year, there were net borrowing costs recognized as a decrease in expenses in amount of EUR 157, after netting off with the amortization of the embedded derivative. For details, please see table above.

Drawings

As at 31 December 2023, the nominal balance is EUR 850,000 (EUR 850,548 presented net of borrowing fees and including fair value of embedded derivative at inception date, i.e., February 2020).

Pledges

Details on pledges are presented further in section (vi).

ii) 2021 Senior Facilities Agreement Spain (“2021 SFA”)

On 26 July 2021, Digi Spain Telecom S.L.U. (“Digi Spain”), acting as borrower together with Digi Communications N.V., DIGI Romania S.A., Digi Hu and Invitel, as Original Guarantors, Banco Santander S.A. and a syndicate of banks, acting as lenders, entered into a facilities agreement for an initial duration of three and a half years with the possibility of extension up to 5 years, under which Digi Spain was made available: (i) a term loan facility in a total aggregate amount of EUR 57,000; (ii) a term loan facility in a total aggregate amount of EUR 65,000; and (iii) a revolving facility in a total aggregate amount of EUR 10,000 to be used for several purposes, including CAPEX and general corporate purposes.

As of 27 July 2022, Digi Spain, acting as a borrower together with Digi Communications N.V. and DIGI Romania S.A. as original guarantors, ING Bank N.V. as sole bookrunner and mandated lead arranger and a syndicate of banks, acting as lenders, entered into an amendment agreement to the facility agreement dated 26 July 2021 under which was made available an additional term loan facility in a total aggregated amount of EUR 128,000 for a period equal to five years, until 30 June 2027. The borrowed amount of the new term loan facility was used by Digi Spain for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, Digi Spain acting as borrower, together with Digi Communications N.V. and DIGI Romania S.A., as original guarantors, ING Bank N.V. and Banco Santander as bookrunners and mandated lead arrangers and a syndicate of banks acting as lenders, entered into an amendment agreement to the Facility Agreement dated 26 July 2021, under which it will be made available to Digi Spain, an additional term loan facility in amount of EUR 100,000, for a period equal to four years, until 30 June 2027. The borrowed amount of the new term loan facility was used by Digi Spain for the financing of capital expenditure on the fiber-optic network (and related equipment and infrastructure) in Spain and for associated personnel costs.

The interest rate under the SFA 2021 Facility A, Facility B and Facility C is composed of a margin of 2.225% per annum plus EURIBOR 3M, effective starting April 2022, for Facility D is 2.50% per annum plus EURIBOR 3M and for Facility E is 2.75 % per annum plus EURIBOR 3M.

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As at 31 December 2023, the outstanding balances were in amount of EUR 341,863 (2022: EUR 212,000).

Drawing

Term loans under the 2021 Senior Facility Agreement were used for the purposes of refinancing long-term loans of Digi Spain and investments.

Maturities

There are quarterly equal repayments of interest for the term loans. There is an 18-month grace period for principal repayment.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2021 Senior Facilities Agreement. As at 31 December 2023, the unamortized balance of borrowings related fees was EUR 4,313 (2022: EUR 3,035).

Pledges

The 2021 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

The obligations of the Group under the Bonds, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest as presented below at point v).

iii) Export Credit Facilities

On 24 April 2023, DIGI Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded two export credit facilities agreements in total amount of EUR 132,683.

Drawing

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks. Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 72,766 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 59,917. By the end of the year a total amount of EUR 72,766 was withdrawn from Finnvera – ECA and EUR 59,742 from EKN – ECA.

Maturities

Finnvera – ECA shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 20 September 2023. Termination date is the date falling thirty (30) months after the first repayment date, being 20 March 2026. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 28 August 2023 for Facility A and 30 October 2023 for Facility B. Termination date is the date falling thirty (30) months after the first repayment date, being 28 February 2026 for Facility A and 30 April 2026 for Facility B. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2023, the unamortized balance of borrowings related fees was EUR 3,571.

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

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iv) Short term and working capital facilities

Besides the above mentioned facilities the Group has several other short-term loans and working capital facilities (overdrafts, facilities for issuing letters of guarantees, letters of credit, etc.) in Romania (31 December 2023: EUR 47,354; 31 December 2022: EUR 28,125), in Spain (31 December 2023: EUR 12,680; 31 December 2022: EUR 7,368).

Other short-term facilities include EUR 17,331 reverse factoring arrangements (31 December 2022: EUR 17,632) and related interest expense of EUR 11,177 (31 December 2022: EUR 9,860).

v) Collateral

The obligations of the Group under the Senior Secured Notes, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest in the following:

- (a) Certain Capital Stock that Digi Communications N.V. holds in DIGI Romania S.A., which as at 31 December 2023 accounted for 93.58% of the issued Capital Stock of DIGI Romania, as per Trade Register;
- (b) All bank accounts of Digi Communications N.V. and DIGI Romania S.A., including any new bank accounts;
- (c) 100% of the issued Capital Stock of Digi Spain Telecom S.L.U.; and
- (d) Subject to certain exclusions, all present and future movable assets of DIGI Romania S.A. including bank account moneys, trade and other receivables, intragroup receivables, inventories, movable tangible property (including networks, machinery, equipment, vehicles, furniture and other similar assets), intangible assets, intellectual property rights, insurance and proceeds related to any of the foregoing as described in the General Movable Mortgage Agreement between DIGI Romania S.A. and Wilmington Trust (London) Limited.

vi) Covenants

All of the above facilities include certain financial ratios ("loan covenants"), which are calculated based on the consolidated figures of the Digi Communications N.V.

The breach of these ratios may constitute an event of default that can lead, unless waived or cured under the terms of the applicable instruments, to early repayment of indebtedness.

The Group undertakes to ensure that, at each period end, the Group leverage, computed as the ratio of Consolidated Total Net Indebtedness to EBITDA is less than 3.5 and Interest cover, computed as the ratio of EBITDA to Net Total Interest, is more than 4.25.

As at 31 December 2023, the Group is in compliance with all loan covenants from all facilities presented above.

20. LEASE LIABILITIES

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. Set out below are the carrying amounts of lease liabilities and the movements during the period ended 31 December:

	2023	2022
As at 1 January	295,600	196,761
Additions	186,036	191,210
Interest expense	10,790	7,677
Capitalised borrowing costs (note 5)	7,721	-
Interest paid	(10,974)	(7,074)
Payments of principal portion of lease liabilities	(100,200)	(91,293)
Translation	603	(1,681)
As at 31 December	389,576	295,600
Current	77,039	79,301
Non-current	312,537	216,299

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The maturity analysis of lease liabilities is disclosed in Note 31.

The value of interest payable as at 31 December 2023 amounts to EUR 8,140 (31 December 2022: EUR 603)

The following are the amounts recognised in the Consolidated statement of profit or loss:

	2023	2022
Depreciation expense of right-of-use assets	91,202	79,797
Interest expense on lease liabilities	10,790	7,677

For details on accounting policies for Leases, please see Note 2.2 k).

For details about the right of use asset, please see Note 6.

The ranges used as incremental borrowing rates are between 5.6% to 6.6% (2022: 1.7% to 6.8%).

21. TRADE AND OTHER PAYABLES

21.1 TRADE AND OTHER PAYABLES (current)

	31 December 2023	31 December 2022
Trade payables	160,916	163,217
Payables to non-current assets suppliers	244,981	237,137
Accruals	94,940	80,348
Value added tax ("VAT")	20,203	8,915
Other payable related to investments	-	29
Amounts payable to related parties (Note 24)	57	57
Dividends payable (Note 24)	20,074	20,227
Other	21,468	28,498
Total trade and other payables	562,638	538,428

Included in payables to non-current suppliers, there is the short-term part of the deferred consideration payable for customer relationship acquired in amount of EUR 5,102 (31 December 2022: EUR 34,364), please see Note 8.

Other include mainly payables related to taxes.

21.2 TRADE AND OTHER PAYABLES (non-current)

	31 December 2023	31 December 2022
Payables to Non-current assets suppliers	71,640	120,695

Supplier finance Our vendors obtain factoring financing facilities from banks in order to be able to accommodate different commercial terms in relation with the Group. These do not represent financing liabilities for the Group, since liabilities arise as part of the commercial negotiations with the vendors. The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

If the payment terms are extended beyond the terms of the contractual agreement with the supplier, with more than 1 year, the financial institutions charge interest, and the amounts are reclassified as interest-bearing loans. In this case, in the consolidated statement of cash flows, the corresponding cash flows are presented under financing

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activities. If the payment terms are not extended beyond the terms of the contractual agreement with the supplier, with more than 1 year, the corresponding cash flows are presented within operating activities.

The terms and conditions of the supplier finance arrangements remain the same as those of the trade payables with these suppliers, except that:

- the due date has been extended to an average of 221 days after the invoice date from the original average of 85 days, and
- the acquired payables are no longer able to be offset against credit notes received from the supplier.

The supplier finance agreements are presented in the consolidated statement of cashflows under Cash flows from financing activities.

Additional information about the Group's liabilities under supplier finance arrangement is provided in the table below:

	<u>2023</u>	<u>2022</u>
<u>Range of payment due dates</u>		
Liabilities under supplier finance arrangement	135-360 days after invoice date	
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	0-120 days after the invoice date	
<u>Carrying amount of liabilities under supplier finance arrangement</u>		
Liabilities under supplier finance arrangement (within Payables to non-current assets suppliers in table in note 21.1)	17,331	17,632

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

Long term trade payables

The Group, has arrangements with its suppliers whereby we obtained extended payment terms (depending on the payment terms negotiated with the vendors we currently have extended payment terms up to a maximum of 3 years) therefore, we include the amount of EUR 56,967 (2022: EUR 101,428) that is subject to these arrangements within Trade and other payables (non-current), because the nature and function of these payables remains the same as those of the trade payables.

Non-current trade and other payables balance as at 31 December 2023, also comprise of the discounted future payments, in amount of EUR 14,673 EUR (2022: EUR 19,267) over 6 years for the 50% of the license price of spectrum awarded to Digi Portugal in 2021, which was recognized as a long-term liability. For details, please see Note 8.

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21.3 EMPLOYEE BENEFITS LIABILITIES

	31 December 2023	31 December 2022
Wages and salaries	27,888	21,561
Social security contributions	26,878	24,305
Total	54,766	45,866

Employee benefits include all amounts regarding salaries and related taxes. Social security contributions include all the taxes paid directly by the Company, as well as those paid by the Company on behalf of its employees (for Romania).

For details on the related expenses, please see below:

21.4 EMPLOYEE BENEFITS EXPENSES

	31 December 2023	31 December 2022
Wages and salaries	256,886	213,653
Social security contributions	30,626	23,545
Share based payments -non recurring	504	653
Total employee benefits expenses	288,016	237,851

22. PROVISIONS

As at 31 December 2023, the provision for litigations amounts to EUR 614 (31 December 2022: EUR 1,054).

In all cases where the Group recognized a provision there are only low value claims with immaterial potential exposure above the amounts provided for.

23. DECOMMISSIONING PROVISIONS

Provision for decommissioning costs for the telecom sites was recognized as at 31 December 2023 in amount of EUR 11,302 (31 December 2022: EUR 7,056). Decommissioning costs are measured at the present value of internally estimated expected costs of dismantling using estimated future cash flows. The estimated cash flows were discounted using the S0225 Bloomberg RON zero curve swap, derived from observable sources for maturities between 1 and 30 years. The 6.2% rate reflects the interest rates for future periods reflected in the interest rates on the spot market for debts with different maturities, adjusted on yearly basis (2022: 7.1%).

Please see below the movement table of the decommissioning provision:

	31 December 2023	31 December 2022
Opening balance	7,056	6,172
Unwinding of discount	789	462
Revision in estimates	3,498 ^{*)}	421
Effect of movement in exchange rates	(40)	1
Closing balance	11,302	7,056

^{*)} The increase of revision in estimates is triggered by the increase in number of sites installed in Romania and Portugal and increase of related decommissioning costs.

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24. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of DIGI and its subsidiaries (the main subsidiaries are included in Note 30); Digi Communications N.V. is the immediate parent company; RCSM is the Group's ultimate holding company. Ultimate beneficial shareholder is Mr. Zoltan Teszari.

The following tables provide the total amount of balances with related parties:

Loans to related parties		
	31 December 2023	31 December 2022
Party		
Joint Ventures in Belgium (iii)	18,241	4,393
Total	18,241	4,393

Receivables from related parties		
	31 December 2023	31 December 2022
Party		
Digi Communications N.V.	15	19
Ager Imobiliare S.R.L. (ii)	165	163
Joint Ventures in Belgium (iii)	3,762	-
Other	326	9
Total	4,268	191

Payables to related parties		
	31 December 2023	31 December 2022
Party		
Digi Communications N.V.	19,995	20,266
Other	136	18
Total	20,131	20,284
<i>Of which: dividends payable (Note 21)</i>	<i>20,074</i>	<i>20,227</i>

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

Outstanding trade balances at year-end are interest free. For details regarding the guarantees and pledges between Group's companies please refer to Note 19 (iii). For the year ended 31 December 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 December 2022: nil).

Related party transactions were made on terms intended to approximate those that prevail in arm's length transactions.

In 2023, DIGI Romania declared dividends in amount of RON 125 million (EUR 25,2 million equivalent), from 2022 profit. In 2022, DIGI Romania declared dividends in amount of RON 100 million (EUR 20,3 million equivalent), from 2021 profit. For dividends distributed by the Company, please refer to Note 18.

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

The notes on pages 11 to 119 are an integral part of these consolidated financial statements.

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	2023	2022
Short-term employee benefits	4,278	2,907
Share-based payments	504	653
Total	4,782	3,560

In 2023, the amount of remuneration of executive directors is EUR 4,188 in 2023 (2022: EUR 2,817) and non-executive directors is EUR 90 (2022: EUR 91)

Included in key management personnel are the Board members and top management of the Group. Compensation of the Group's key management personnel includes salaries.

In 2023 and 2022 several share option plans were implemented for certain members of management and employees. Several shares option plans vested in 2023 and 2022. For details, please refer to Note 32.

During 2023 and 2022, the Company distributed dividends to its shareholders. For details, please see Note 18.

Transactions with related parties

		31 December 2023	31 December 2022
Sale of services			
Digi Communications N.V.		10	8
Ager Imobiliare S.R.L.	(ii)	4	4
Fundatia Man	(ii)	172	391
Joint Ventures in Belgium	(iii)	3,780	97
Total		3,966	500

Purchase of services

Fundatia Man	(ii)	-	-
Total		0	0

Others

<i>Sponsorships and donations</i>			
Fundatia Man	(ii)	892	1,473
RCSM	(i)	-	2
Total		892	1,475

Interest income from finance agreements

<i>Loans and borrowings</i>			
Digi Communications N.V.		69	89
Joint Ventures in Belgium	(iii)	738	-
Total		807	89

(i) Shareholder of DIGI

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

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25. REVENUES

A. Revenues streams

The Group generates revenues mainly from revenue from fixed and mobile services invoiced mainly as, subscription, traffic and interconnection.

Other sources of revenue include mainly revenues from sale of energy, green certificates, handsets and other CPE, as well as advertising revenues.

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

	2023	2022
Continuing operations		
Country		
Romania	1,019,380	964,876
Spain	642,004	500,412
Other ⁽¹⁾	28,989	27,480
Total Revenues from continued operations	1,690,373	1,492,768
Category		
Fixed services ⁽²⁾	841,173	725,268
Mobile services	714,213	615,884
Other ⁽³⁾	134,987	151,616
Total Revenues from continued operations	1,690,373	1,492,768

¹⁾Includes revenue from operations in Italy.

²⁾Includes mainly revenues from subscriptions for CATV, fixed internet and fixed telephony and DTH services.

³⁾Includes mainly revenues from sale of handsets and other CPE, energy, green certificates, as well as advertising revenues.

The tables below provide the split of revenues by activity:

For the year ended 31 December 2023	Romania	Spain	Other	Total
Fixed	628,871	212,302	-	841,173
Mobile	259,141	429,669	29,076	717,886
Other	134,514	446	45	135,005
Total before intersegment elimination	1,022,526	642,417	29,121	1,694,064
Intersegment elimination	(3,146)	(413)	(132)	(3,691)
Total consolidated	1,019,380	642,004	28,989	1,690,373

For the year ended 31 December 2022	Romania	Spain	Other	Total
Fixed	589,091	136,177	-	725,268
Mobile	233,467	359,270	27,675	620,411
Other	146,098	5,528	4	151,630
Total before intersegment elimination	968,656	500,975	27,679	1,497,309
Intersegment elimination	(3,779)	(563)	(199)	(4,541)
Total consolidated	964,877	500,412	27,480	1,492,768

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25. REVENUES (CONTINUED)

The table below provides the standalone and consolidated revenues in accordance to *IFRS 15 Revenue from Contracts with Customers* for the years ended 31 December 2023 and 2022.

Revenues split IFRS 15	For the year ended 31 December 2023	For the year ended 31 December 2022
Fixed	841,173	725,268
Mobile	717,886	620,411
Total telecom	1,559,059	1,345,679
Other	135,005	151,630
Total before intersegment elimination	1,694,064	1,497,309
Intersegment elimination	(3,691)	(4,541)
Total consolidated	1,690,373	1,492,768

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

Timing of revenue recognition	2023	2022
Goods transferred at a point in time	54,815	50,912
Services transferred over time	1,635,558	1,441,856
Total revenues	1,690,373	1,492,768

The transfer of goods to the customer at a point in time are presented in the first table above as part of *Other revenues*.

Revenues recognised in the year ended 31 December 2023, which were included in contract liability at the beginning of the year (of EUR 22,923) amounted to EUR 20,422. The amounts in balance as at 31 December 2023 are to be recognised gradually as revenues until 31 December 2024.

Revenues recognised in the year ended 31 December 2022, which were included in contract liability at the beginning of the year (of EUR 15,732) amounted to EUR 15,078. The amounts in balance as at 31 December 2022 are to be recognised gradually as revenues until 31 December 2023.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Note	2023	2022
Receivables, which are included in 'trade and other receivables'	58,516	58,582
Contract assets	94,292	78,575
Contract liabilities (long and short-term part)	(26,172)	(22,922)

The contract assets primarily relate to the Group's services rendered and right to consideration for handsets sold in installments that are not yet billed at the reporting date. The contract assets are transferred to receivables when the right becomes unconditional. This occurs when the Group issues an invoice to the clients.

Contract liabilities primarily relate to the advance consideration received from clients for subscriptions, advance consideration for right of use contracts, as well as advance consideration for future sports competitions, for which revenue is recognized over time.

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26. OTHER INCOME AND EXPENSES

	2023	2022
Other income from subvention of electricity supply	16,180	24,672
Other expenses	(504)	(654)

A. Other income

For the period ended 31 December 2023 (similar with 2022), other income represents entirely the subvention for electricity supply.

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle DIGI Romania to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 30 June 2025. At the date of these financial statements, there are no unfulfilled conditions or contingencies attached to these grants.

B. Other expenses

For the period ended 31 December 2023, similar to prior period, other expenses include expenses related to share option plans vested, which are expected to be one-time events.

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27. OPERATING EXPENSES

	2023	2022*
Depreciation of property, plant and equipment (Note 5)	165,716	139,662
Depreciation of investment property (Note 7)	-	101
Amortisation of right of use asset (Note 6)	91,202	79,797
Amortisation of non-current intangible assets and programme assets (Note 8-14)	95,355	82,297
Amortisation of subscriber acquisition costs (Note 9)	59,051	51,772
Impairment of property, plant and equipment (Note 5)	8,883	5,546
Impairment of subscriber acquisition costs (Note 9)	4,181	2,219
Employee benefits	287,512	237,197
Costs related to content and similar expenses	167,986	154,818
Telephony expenses	372,800	332,108
Cost of materials sold	52,218	49,112
Invoicing and collection expenses	20,423	19,272
Taxes and penalties	10,631	11,219
Electricity cost and other utilities	91,332	97,831
Impairment of receivables and adjustments to inventories, net of reversals	11,739	5,862
Taxes to authorities	16,088	18,135
Other materials and subcontractors	10,632	11,318
Other services	31,647	35,140
Other operating expenses	38,269	35,822
Total	1,535,665	1,369,228

*The comparative information has been adjusted due to changes made for comparison purposes.

The 2022 and 2023 share option plans expenses accrued in the year are included under the caption “Salaries and related taxes”. For details, please see Note 32.

For the year ended 31 December 2023, total employee benefits expense amounted to EUR 526,979, the Group capitalized EUR 239,467. In comparison, for 2022, total employee benefits expense stood at EUR 424,889, EUR 187,692 was capitalized. *Other services*, *Other operating expenses* and *Other materials and subcontractors' expenses* mainly include expenses related to advertisings costs, expenses related to own TV channels, settlements of contracts, network maintenance expenses and various other fees and commissions to third parties.

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28. NET FINANCE COSTS

	2023	2022
<i>Finance income</i>		
Interest from banks	4,259	110
Other financial revenues	3,399	329
	7,658	439
<i>Finance costs</i>		
Interest expense	(54,020)	(39,257)
Interest for lease liability	(10,790)	(7,678)
Loss on derivative financial instruments (net)	(2,269)	(3,817)
Other financial expenses	(8,820)	(12,378)
Foreign exchange differences (net)	(4,758)	(229)
	(80,657)	(63,359)
Net Finance Costs	(72,999)	(62,920)

As at 31 December 2023, the fair value of the embedded derivative assets attached to our EUR 850,000 Senior Secured Notes is EUR 2,768 (December 2022: EUR 5,052). The fair value movement of EUR 2,269 (2022: EUR 3,817) was recognised as a loss on derivative financial instruments. For details, please see Note 33.

29. INCOME TAX

The statutory tax rate applied in Romania during 2023 and 2022 was 16%, in Spain during 2023 and 2022 was 25%, in Italy during 2023 and 2022 was 24% and in Portugal during 2023 and 2022 was 21%.

Components of income tax expense for the year ended 31 December 2023 and 2022 respectively were:

	31 December 2023	31 December 2022
Current tax expense	8,208	5,769
Deferred tax expense/ (income)	(6,780)	684
Tax expense on continuing operations	1,428	6,453

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Reconciliation of effective tax rate

Reconciliation of income tax expense at the statutory income tax rate applicable to the net result before tax to the income tax expense at the Group's effective income tax rate for the financial years 2023 and 2022 is as follows:

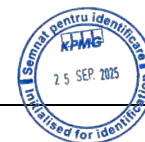
	2023	2023	2022	2022
Profit before tax from continuing operations		90,878		402,253
At statutory income tax rate of the Company	16.00%	14,540	16.00%	64,360
Effect of tax rates in foreign jurisdictions	-2.89%	(2,623)	-0.56%	(2,239)
Tax effect of:				
Share of profit of equity-accounted investees reported, net of tax	-1.15%	(1,041)	-0.04%	(172)
Non-deductible expenses/(Tax-exempt income) ^{1) 2)}	4.03%	3,662	-13.35%	(53,689)
Tax incentives (tax credit for reinvested profit and sponsorship)	-14.70%	(13,360)	-2.60%	(10,477)
Losses for which no deferred tax asset is recognized ³⁾	0.27%	250	2.16%	8,669
Effective tax expense	1.57%	1,428	1.60%	6,453

- 1) Tax-exempt income in 2022 is due to the recognition of the gain on sales of Hungarian operations, which, according to Romanian Tax Code, is non-taxable income.
- 2) In 2022, the impact of the sale of operations in Hungary on non-taxable income is 50,990 EUR.
- 3) We estimate that we will start to recover losses in Portugal in the medium term.

Deferred taxes in the consolidated statement of financial position are:

	31 December 2023	31 December 2022
Deferred tax assets	16,035	2,840
Deferred tax liabilities	(82,209)	(76,131)

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The movement in deferred tax liability for the financial year 2023 comprises the tax effect of temporary differences related to:

	31 December 2023						
	Net balance at 1 January	Recognised in profit and loss	Recognised directly in equity	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment ¹⁾	(68,480)	(7,620)	50	409	(75,641)	-	(75,641)
Intangibles	(8,736)	182	-	52	(8,502)	1,925	(10,427)
Accounts receivable	(378)	692	-	3	317	1,032	(715)
Inventory	34	178	-	-	212	212	-
Accounts payable	8	682	-	(3)	687	2,009	(1,322)
Leases assets ¹⁾	(31,450)	(17,121)	-	33	(48,538)	-	(48,538)
Leases liabilities	30,935	21,182	-	(135)	51,982	51,982	-
Decommissioning	1,090	844	-	(70)	1,864	1,864	-
Untaken holiday	494	63	-	(3)	554	554	-
ICO share	-	384	-	-	384	384	-
Tax losses carried forward	3,192	7,315	-	-	10,507	10,507	-
Tax assets (liabilities) before set-off	(73,292)	6,780	50	289	(66,174)	70,469	(136,643)
Set-off of tax	-	-	-	-	-	(54,434)	54,434
Net tax assets (liabilities)	-	-	-	-	(66,174)	16,035	(82,209)

¹⁾ The Group applied *Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)* from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the impact, please refer to Note 2.1; for the accounting policy, please refer to Note 2.2.

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The movement in deferred tax liability for the financial year 2022 comprises the tax effect of temporary differences related to:

						31 December 2022	
	Net balance at 1 January	Recognised in profit and loss	Recognised directly in equity	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment ¹⁾	(57,513)	(11,033)	50	16	(68,480)	-	(68,480)
Intangibles	(16,597)	7,862	-	(1)	(8,736)	-	(8,736)
Accounts receivable	(933)	556	-	(1)	(378)	-	(378)
Inventory	-	34	-	-	34	34	-
Accounts payable	(11)	22	-	(3)	8	8	-
Leases assets ^{1) 2)}	(13,692)	(17,756)	-	(3)	(31,450)	-	(31,450)
Lease liabilities ²⁾	13,600	17,330	-	5	30,935	30,935	-
Decommissioning	987	150	-	(47)	1,090	1,090	-
Untaken holiday	418	76	-	-	494	494	-
Tax losses carried forward	1,118	2,074	-	-	3,192	3,192	-
Tax assets (liabilities) before set-off	(72,623)	(685)	50	(34)	(73,292)	35,753	(109,044)
Set-off of tax					-	(32,913)	32,913
Net tax assets (liabilities)					(73,292)	2,840	(76,131)

¹⁾ The Group applied *Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)* from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the impact, please refer to Note 2.1; for the accounting policy, please refer to Note 2.2.

²⁾ The 2022 amount was represented to show the split between lease assets and liabilities.



Global minimum top-up tax

The Digi Romania S.A. Group (“the Group”, or “DIGI Group”) operates in Romania, Italy, Spain, and Portugal. While Romania and Italy enacted new legislation to implement the global minimum top-up tax by the end of the fiscal year 2023, Portugal and Spain did not virtually enact the Pillar Two legislation until 31 December 2023.

The Digi Romania S.A. Group expects to be subject to the top-up tax in relation to its operations in Romania where the statutory tax rate is 16 percent, but the additional tax deductions (i.e. mainly reinvested profit incentive) reduce its effective tax rate below 15 percent. The Group also estimated impact of the global minimum top-up tax triggered in Italy which is not significant for the consolidated financial statements.

However, since the newly enacted tax legislation in Romania and Italy is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

If the top-up tax had applied in 2023, then the profits relating to the Group’s operations in Romania for the year ended 31 December 2023 that would be subject to it amount to approx. EUR 8 million, with the effective tax rate applicable to those profits during 2023 being 9 percent and the global minimum tax would be amount to approx. EUR 466 thousand. Also, regarding the jurisdiction of Italy, no material top-up tax would arise in Italy if the top-up tax had applied in 2023.

Regarding the companies from Spain and Portugal, if the top-up tax had applied in 2023, then the ultimate parent-entity of the Group, RCS Management, will be liable to calculate and pay for the companies from Spain and Portugal the top-up tax under the Income Inclusion Rule.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2023		2022	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	30,715	7,371	37,178	8,669
	30,715	7,371	37,178	8,669

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2023	Expiry date	2022	Expiry date
Never expire ¹⁾	30,715	n/a	37,178	n/a
Total	30,715		37,178	

1) We estimate that we will start to recover losses in Portugal in the medium term.

Deferred tax asset in respect of the fiscal loss from Portugal was recognised in amount of EUR 5,625 (2022: EUR: nil) which is subject to indefinitely expired period and for Spain in amount of EUR 422 (2022: EUR 498).

For statutory purposes, DIGI Romania has performed several revaluations of its land and buildings. Should the statutory revaluation reserves of DIGI Romania be distributed to its shareholders it would become taxable. No deferred tax liability was recognised in this respect.

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The Romanian Tax Code currently in force, defines the categories of assets for which companies may apply the tax exemption on reinvested profit as follows: technological equipment, electronic computers and peripheral equipment, cash machines, control and billing machines, software programs, and the right to use software, products and / or purchased software, including on the basis of financial leasing contracts, and commissioned, used for the purpose of development of economic activity.

The amount of the profit for which the reinvested corporate tax exemption was granted shall be distributed at the end of the financial year to reserves.

In line with IAS 12, no deferred tax was recognized in this respect as there is no intention to distribute the reinvested profits in the foreseeable future (Note 18).

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30. SUBSIDIARIES AND DISCONTINUED OPERATION

30.1 SUBSIDIARIES

Below are presented the subsidiaries of the Group, excluding dormant subsidiaries and subsidiaries with only intra-group transactions:

Subsidiary	Country of Incorporation	Field of activity	Legal Ownership	
			2023	2022
Digi Spain Telecom S.L.U.	Spain	Telephony	100%	100%
DIGI Andalucia SLU	Spain	Telecom	50%+1 share	100%
Digi Portugal Sociedade Unipessoal LDA.	Portugal	Telecom	100%	100%
Digi Italy SL	Italy	Telephony	100%	100%
Campus Radio SRL	Romania	Advertising	100%	100%
CFO Integrator SRL	Romania	Duct Rent	100%	100%
Energia Foto SRL	Romania	Solar energy	100%	100%
Novitas SRL	Romania	Solar energy	100%	100%
Delalina SRL	Romania	Solar energy	100%	100%

The entity was consolidated because the Group has power to direct the relevant activities of the entity that significantly affect their returns, has exposure, or rights, to variable returns from its involvement with the entity, and has the ability to use its power over the investees to affect the amount of the investor's returns.

30.2 DISCONTINUED OPERATION

Disposal group held for sale

On 29 November 2021 the Group and 4iG Plc. (**4 iG Plc.**), concluded the sale and purchase agreement ("SPA") regarding the acquisition of DIGI Tavkozlesi Szolgaltato Ltd. (**Digi Hungary**) by 4iG Plc (representing the whole Hungary reportable segment of the Group). Following completion of the conditions set by the parties in the sale and purchase agreement, on 3 January 2022 (the "Closing date"), EUR 624.98 million, representing the value of the transaction, was transferred by 4iG to Digi Romania. On disposal of these subsidiaries, the cumulative amount of the exchange differences relating to the foreign operations (previously recognised in other comprehensive income and accumulated in the separate component of equity) of EUR 19,682 was reclassified from equity to profit or loss.

Analyzing the criteria of IFRS 10 regarding deconsolidation of accounts, we concluded that loss of control occurred at the closing of the sale, on 3 January 2022.

Details of income and other comprehensive income of the discontinued operations are presented in the consolidated statement of profit or loss and other comprehensive income.

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A. Effect of disposal on the financial position of the Group

	Note	31 December 2022	31 December 2021
Property, plant and equipment	5	-	247,590
Right of use assets	6	-	55,121
Intangible assets	8	-	58,374
Subscriber acquisition costs	9	-	1,474
Long term receivables		-	3,377
Total non-current assets		-	365,936
Inventories		-	4,500
Programme assets	14	-	63
Trade and other receivables		-	22,013
Contract assets		-	2,506
Income tax receivable		-	265
Other assets		-	4,285
Cash and cash equivalents		-	2,633
Total current assets		-	36,265
Total Assets held for sale		-	402,201
Lease liabilities	20	-	41,507
Decommissioning provision	23	-	1,653
Total non-current liabilities		-	43,160
Trade payables and other payables		-	48,516
Lease liabilities	20	-	14,184
Contract liability		-	13,082
Total current liabilities		-	75,782
Total liabilities directly associated with the assets held for sale		-	118,942
Net assets and liabilities		-	283,259
Consideration received, satisfied in cash		624,977	
Cash and cash equivalents disposed of		(2,633)	
Net cash inflow		622,344	

B. Results of discontinued operation

	2023	2022
Discontinued operations	-	-
Profit/(Loss) from discontinued operations, net of tax	-	-
Gain from sales of discontinued operations	-	318,690
Profit/(Loss) from discontinued operations, net of tax	-	318,690
Other comprehensive income - discontinued operations	-	-
<i>Items that are or may be reclassified to profit or loss, net of income tax</i>	-	-
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income/loss for the period	-	318,690
<i>Attributable to owners</i>	-	298,230
<i>Attributable to non-controlling interests</i>	-	20,460
Earnings per share - Discontinued operations		
Basic earnings per share	-	3.1401
Diluted earnings per share	-	3.1328

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The Gain from discontinued operations of EUR 318,690 shown in the Consolidated statement of profit or loss and other comprehensive income includes the loss from dormant entities disposed in 2022, of EUR 519.

Given that the result of operations of the Hungarian subsidiaries for the 3 days in January 2022 are not material for the financial statements as a whole, the amounts have not been included in the 2022 results.

C. Cumulative income or expense included in OCI

Except for the amount of foreign currency translation adjustment released to profit and loss on disposal, there were no cumulative income or expenses included in OCI relating to the disposal group.

31. FINANCIAL RISK MANAGEMENT

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

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

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

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

The Group's risk management policies are established to identify and analyze 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.

i) Credit risk

Credit risk exposure

The Group regularly monitors its customers' debts and expected credit losses are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt.

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

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications and energy) and identifying potential bad debt cases, which are suspended, in general between 10 and 30 days after the invoice due. In respect of related parties receivables which arise mainly from loans granted to the joint ventures in Belgium, management's assessment is that there is not significant risk related to these balances, as such no ECL was recorded.

The maximum exposure to credit risk at the reporting date was:

Derivative and non-derivative financial assets by category – exposure to credit risk

	Note	31 December 2023	31 December 2022
Trade and other receivables	15	78,508	69,530
Loans receivable from related parties	24	18,470	4,584
Other receivables from related parties	24	4,039	-
Contract assets	15	94,292	78,575
Other non-current assets		4,466	5,243
Grants for electricity supply	15	10,212	5,969
Cash and cash equivalents	17	221,259	261,333
Long term receivables	11	13,617	11,400

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Total	444,863	436,634

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

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

- **Cash & cash equivalents**

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	31 December 2023	31 December 2022
Citibank	50,038	100,260
ING Bank	81,652	1,168
Banca Comerciala Romana	109	70
BRD Groupe Societe Generale	885	347
Unicredit Tiriac Bank	21,237	131,122
Banco Santander	36,781	1,938
Banco La Caixa	27,669	21,529
Banco BBVA	702	400
Banco Sabadell	48	1,947
Petty Cash	39	48
Other	2,099	2,504
Total	221,259	261,333

Cash and cash equivalents are placed in financial institutions, which are considered 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 with external ratings above BBB+, according to Standard & Poor's Trade and other receivables and contract assets**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has determined that the trade receivables do not include a significant financing component and, hence, the time value of money component is considered immaterial.

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for business, residential, advertising and energy customers as at 31 December 2023 and 2022.

31-Dec-23	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	1%	128,326	(1,212)	127,114
Below 30 days	4%	30,144	(1,215)	28,929
31–90 days past due	27%	13,435	(3,658)	9,777
91–180 days past due	22%	12,771	(2,767)	10,004
181–360 days past due	70%	8,094	(5,704)	2,390
More than 360 days past due	58%	11,340	(6,542)	4,798
Total		204,110	(21,098)	183,012

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31-Dec-22	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	2%	106,751	(1,906)	104,845
Below 30 days	7%	32,082	(2,206)	29,876
31–90 days past due	27%	14,203	(3,771)	10,432
91–180 days past due	47%	10,681	(5,046)	5,635
181–360 days past due	51%	3,264	(1,672)	1,592
More than 360 days past due	74%	6,310	(4,616)	1,694
Total		173,291	(19,217)	154,074

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	2023	2022
Balance at 1 January	19,217	20,172
Amounts written off	(9,647)	(5,384)
Reclassification	654	(1,222)
Net remeasurement of loss allowance	11,440	5,797
Translation reserve	(566)	(146)
Balance at 31 December	21,098	19,217

ii) 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 supplier finance arrangements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2023:

	31 December 2023						
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,383,464	1,496,133	119,037	129,268	636,858	610,970	-
Lease liabilities	389,576	528,251	51,057	46,151	69,997	115,634	245,412
Trade and other payables and other liabilities	634,278	636,662	524,369	39,355	44,642	28,296	-
Total	2,407,318	2,661,046	694,463	214,774	751,497	754,900	245,412

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The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2022:

	31 December 2022						
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,122,654	1,227,381	94,550	31,632	149,660	550,420	401,119
Lease liabilities	295,600	350,969	42,406	42,790	61,654	83,740	120,379
Trade and other payables and other liabilities	659,123	659,432	495,050	43,379	65,171	55,832	-
Total	2,077,377	2,237,782	632,006	117,801	276,485	689,992	521,498

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future. For more information, please refer to Note 2.1 (d) Going concern assumption.

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iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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.

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

The Board of Directors actively manages the exposure to EUR and USD currency only for borrowings.

The Group's exposure to foreign currency risk was:

	31 December 2023		31 December 2022	
	USD	EUR	USD	EUR
Trade and other receivables	1,902	4,139	3,055	8,841
Cash and cash equivalents	28	150,067	25	230,491
Loans and Borrowings	-	(916,238)	-	(850,000)
Bank overdraft	(21,384)	(51,708)	(13,912)	(14,162)
Lease liabilities	(11,539)	(108,171)	(16,832)	(112,073)
Trade and other payables	(30,822)	(161,769)	(47,909)	(145,868)
Net exposure	(61,815)	(1,083,680)	(75,573)	(882,771)

The amounts presented in the table above are expressed in EUR thousands, the denomination of the basis amounts is in the currencies mentioned in the header of the table. The same presentation was applied also to comparatives which were previously presented in the originating currencies.

The following significant exchange rates applied for the year ended 31 December 2023 and 31 December 2022:

	2023	2022
Romania (RON)		
USD	4.4958	4.6346
EUR	4.9746	4.9474

Sensitivity analysis for currency risk

A 10 percent strengthening of the currencies listed above against the functional currencies of the Parent and of the subsidiaries at 31 December would have decreased profit before tax/increased the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax	Effect on profit before tax
	2023	2022
EUR	108,368	88,277
USD	6,181	7,557
Total	114,549	95,834

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A 10 percent weakening of the above-mentioned currencies against the functional currencies of the Parent and of the subsidiaries at 31 December would have had the equal but opposite effect on profit or loss, on the basis that all other variables remain constant.

The effect in equity is the effect in profit or loss before tax, net of tax (16%) (excluding translation effect into presentation currency).

Exposure to 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 (RON, USD and EUR) through market fluctuations of interest rates. The interest rates of borrowings are disclosed in Note 19 and for lease liabilities see Note 20.

The Board of Directors performs from time-to-time ad-hoc analysis of exposure to variable rate borrowings and decides if it should change the structure of variable / fixed rate borrowings or whether to hedge through Interest Rate Swap.

At the reporting date the interest rate repricing profile of the variable rate interest-bearing financial instruments was:

	All repriced at 6 months or less	
	31 December 2023	31 December 2022
Interest bearing payables	-	9,321
Senior Facility Agreement (2021)	341,863	212,000
Export Credit Facilities	110,396	-
Total	452,259	221,321

The Senior Facility Agreement (2020&2021) are interest bearing. Except for the ones presented in the table above there are no other major interest-bearing financial instruments.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates, after taking into consideration the effect of the Interest Rate Swap "IRS", at the reporting date would have increased (decreased) profit or loss before tax by:

	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2023		
Variable rate instruments	(4,523)	4,523
	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2022		
Variable rate instruments	(2,213)	2,213

The effect in equity is the effect in profit or loss before tax, net of tax (16%).

iv) Fair values

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

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

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

Level 2: valuation techniques with all significant inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: valuation techniques using significant inputs that are not observable or based on observable market data (i.e., unobservable inputs).

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The significance of a valuation input is assessed against the fair value measurement in its entirety.

Recurring fair value measurements

Recurring fair value measurements are those that are required or permitted by the accounting standards in the statement of financial position as at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements of financial instruments are categorised are as follows:

	Level 3
31 December 2023	
Financial derivative assets	3,366
Embedded derivatives	2,768
Total	6,134
	Level 3
31 December 2022	
Embedded derivatives	5,052
Total	5,052

Embedded derivatives

Redemption Options Bonds

As at 31 December 2022 and 31 December 2023, a discounted cash flow valuation technique was used in order to estimate the option-free value of the bond at this date. Main inputs were the callable bond market value, coupon, payment terms and maturity date. The fair value of the redemption option is the difference between market price of the bond and the estimated option free value. The fair value was obtained from an independent valuation specialist. The management has determined that such prices were developed in accordance with the requirements of IFRS 13.

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	Discount rate	
	10 bps increase	10 bps decrease

31 December 2023

Embedded derivative asset	(1,798)	1,805

	Discount rate	
	10 bps increase	10 bps decrease

31 December 2022

Embedded derivative asset	(2,230)	2,241

Financial derivative assets

In order to perform the valuation of several call options and one put option regarding the transaction between Digi Spain and abrdn, a valuation model based on Monte-Carlo simulations was carried on by an independent evaluator. A wacc rate of 9% was used. A change of wacc rate with 10 bps would result in the following change of the financial derivative asset:

	Discount rate	
	10 bps increase	10 bps decrease

31 December 2023

Financial derivative assets	566	(566)

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2023 is as follows:

	Financial Derivative Assets	Embedded Derivatives

1 January 2023

	-	5,052
Gains or (losses) recognised in profit or loss for the year	-	(2,269)
Fair value at inception	3,366	-
Effect of movements in exchange rates	0	(15)
31 December 2023	3,366	2,768

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2022 is as follows:

	Embedded Derivatives

1 January 2022

	8,857

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Gains or (losses) recognised in profit or loss for the year	(3,817)
Gains or (losses) recognised in other comprehensive income	-
Effect of movements in exchange rates	12
31 December 2022	5,052

The financial derivative asset and the embedded derivative are fully unrealized.

Assets and liabilities not measured at fair value but for which the fair value is disclosed

The fair value of long-term loans and their corresponding carrying amount (excluding the interest accrued at 31 December 2023 and 2022) and fair value measurement hierarchy are presented in the table below:

31 December 2023			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 19)	1,294,922	1,262,912	
Bonds*	850,548	812,142	Level 1
Senior Facilities 2021	337,549	340,750	Level 3
Export Credit Facilities	106,825	110,020	Level 3
31 December 2022			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 19)	1,059,670	958,524	
Bonds*	850,705	746,379	Level 1
Senior Facilities 2021	208,965	212,145	Level 3

* Fair value of bonds is disclosed at mid-market price, which includes the embedded derivative asset

The fair value of bonds is calculated on the basis of the market price while the fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR/ROBOR reset rate, after giving effect to interest rate swaps, plus the market credit spread received by the Group for financial liabilities with similar features).

Financial instruments which are not carried at fair value on the statement of financial position also include trade and other receivables, cash and cash equivalents, other interest-bearing loans and borrowings, other long-term liabilities and trade and other payables.

The carrying amounts of these financial instruments are considered to approximate their fair values, due to their short-term nature (or recognized recently carrying values for other long-term liabilities) and low transaction costs of these instruments.

v) Capital management

The Group's objectives when managing capital are to safeguard the Group's 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, the value of capital investments, the commercial offerings or the level of assets under property.

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Management monitors “total net debt to EBITDA” ratio which is computed in accordance with the Senior Facilities Agreements’ requirements and in accordance with the Senior Notes.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During 2023, the Group’s strategy, which was unchanged from 2022, was to maintain the net leverage ratios under 3.25.

The Group has complied with all externally imposed capital requirements throughout 2023 and 2022. These are set out in the Group’s notes and syndicated loan agreements, as mentioned in the Note 19 vi) Covenants, above.

vi) Climate risks

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

vii) Situation in Ukraine

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

32. SHARE- BASED PAYMENTS

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.

Measurement of fair values

The fair value of the employee share purchase is measured at the fair values at grant date of the equity-settled share-based payment plans. The plans are settled with Class B shares of Digi Communications NV. Currently, the following share option plans are in place or impacted the period ended 31 December 2023:

32.1 On 19 May 2022, Digi Communications NV. Board of Directors has approved the grant of a number of 91,700 stock options within the stock option program granted to the benefit of employees of the DIGI Romania, subsidiary of Digi Communications NV., S.A, pursuant to the Digi Communications NV. Stock Option Plan. The fair value at grant date was EUR 742.

32.2 On 11 January 2023, Digi Communications NV. Board of Directors has approved the grant of a number of 32,500 stock options within the stock option program granted to the benefit of employees of the DIGI Romania S.A, subsidiary of Digi Communications NV., pursuant to the Digi Communications NV. Stock Option Plan. The fair value at grant date was EUR 228.

For details regarding the movement of share options during the period, please see below:

	2023		2022	
Digi Communications NV Class B treasury shares	Number	WAEP*	Number	WAEP*
Outstanding as at 1 January	91,700		39,000	
Exercised during the year	(91,700)	8.07	(39,000)	7.68
* Weighted average exercise price is average price of shares at vesting.				
Granted during the year	32,500		91,700	
Outstanding as at 31 December	32,500		91,700	

As at 31 December 2023 the related share option expense of EUR 504 (31 December 2022: EUR 653) is presented within *Operating expenses* in the Consolidated statement of profit or loss and other comprehensive income.

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33. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2023 the Group had derivative financial assets.

	31 December 2023		31 December 2022	
	Fair value	Notional	Fair value	Notional
Derivative financial asset (see also Note 31)				
Financial derivative assets	3,366	n/a	-	n/a
Embedded derivatives	2,768	n/a	5,052	n/a

Embedded derivatives of EUR 2,768 relate to the bond (31 December 2022: EUR 5,052) (the 2020 Bond include several call options as well as one put option, for which the combined fair value of these embedded options was assessed and recognized a separate embedded derivative asset).

As at 31 December 2023 and 31 December 2022, a discounted cash flow valuation technique was used in order to estimate the option-free value at this date. The fair value was obtained from an independent valuation specialist.

As at 31 December 2023 the Group had no derivative financial liabilities (31 December 2022: nil).

In relation with the transaction completed during October 2023 between Digi Spain and abrdn for the roll out of a FTTH Network, several call options and one put option embedded in the signed Shareholders Agreement, were analysed. Their features allow us to consider all of the options (both the call options and one put option) as American options. Therefore, in order to perform their valuation, we have implemented a valuation model based on Monte-Carlo simulations. The fair value was obtained from an independent valuation specialist.

The methodology used to obtain the value of the options included in the Shareholder Agreement has relied on a Monte-Carlo simulation, performed by an independent valuator. The valuator has simulated the value of Digi Andaluca's shares initially granted to Abrdn using a geometric Brownian motion, which is the standard for simulating these types of variables. Specifically, they have conducted 5,000 simulations. Input data at this point is represented by the value of Digi Andaluca shares granted to Abrdn (determined using the income approach), expected growth rate of the value of the shares, volatility and time period of valuation. Finally, the value of the option in each simulation will be the maximum intrinsic value throughout the entire simulation. Input data for the intrinsic value is represented by the value of Digi Andaluca shares granted to Abrdn strike prices from the Shareholder Agreement and discount factor. To obtain the total value of the option, the valuator took the average of the option value across all simulations.

At inception date, 1 October 2023, the derivative was recognised in equity, in amount of EUR 3,366. We will perform a fair value evaluation each year and the difference will be booked through profit and loss account. In 2023, the gain or loss from valuation is null.

34. CONTINGENCIES AND COMMITMENTS

Uncertainties associated with the fiscal and legal system

The tax legislation in Romania and other Eastern and Central Europe countries is 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

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could challenge the values of transactions between related parties and adjust the fiscal result of the Company and/or its subsidiaries with additional taxable revenues/ non-deductible expenses (i.e., assess additional profit tax liability and related penalties).

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

The Group is currently involved in a number of legal proceedings, including inquiries from, or discussions with, government authorities that are incidental to their operations. In the opinion of the management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements. For the litigation described below, the Group did not recognize provisions. In all cases, the determination of the probability of successfully defending a claim against the Group involves always the subjective evaluation, therefore the outcome is inherently uncertain. The determination of the value of any future outflows of cash or other resources, and the timing of such outflows, involves the use of estimates.

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

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

The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009¹ joint-venture agreement between DIGI Romania 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 DIGI Romania's acquisition of the Bodu S.R.L. events hall in 2016².

On 15 January 2019, the Bucharest Tribunal, convicted DIGI Romania 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 DIGI Romania of an amount of EUR 3,100 plus RON 655 thousand. The decision was overturned and thus rendered without effect by the Court of Appeal on 1st November 2021 and it maintained the seizure over (effectively blocking the sale of) the two real estate assets with a total carrying value of RON 17,3 million which was first instituted by the DNA, as guarantee (this order remained in force at 31 December 2024). Through the same judgement, Mr. Bendei Ioan (at that time member of the Board of directors of DIGI Romania 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 DIGI Romania and Bodu S.R.L., as well as all the agreements concluded between DIGI Romania, Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.

The first court decision was appealed. On 1 November 2021, the Bucharest Court of Appeal granted the appeals of DIGI Romania S.A., Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from 15 January 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. On 1 July 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as unfounded the claims and exceptions raised by DIGI Romania, INTEGRASOFT S.R.L. and their current and former officers

¹ In 2009 DIGI Romania 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 DIGI Romania 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, DIGI Romania entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, DIGI Romania 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, DIGI Romania 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 DIGI Romania'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.

DIGI ROMANIA S.A.
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The appeal against this solution was partially granted by the High Court of Cassation and Justice on 20 June 2023. The court decided that some of the evidences used by the Romanian National Anti-Corruption Agency must be removed from the court file and that the Romanian National Anti-Corruption Agency has to decide whether it requests the continuation of the trial under these circumstances. On 10 October 2023, the High Court of Cassation and Justice ruled definitively on the applications submitted in the preliminary chamber and ordered the file to be sent to the Court of Appeal and the start of the trial on the merits. The evidence indicated in the conclusion from 20 June 2023 remained excluded from the file. The case, which is under retrial on the merits and was pending judgment at the previous hearing, has been reinstated on the court's roll, with a hearing scheduled for 7 October 2025, in order to address the documents filed with the court after the close of the debates.

We strongly believe that DIGI Romania, 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.

Management's assessment, based on the facts described above and considering amongst other factors the advice of internal and external legal advisors, is that it is not probable that there will be a cash outflow in the future.

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Material commitments

Capital commitments are presented both on a discounted and an undiscounted basis, using the weighted average cost of capital for each geographical segment.

	31 December 2023					
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Continuing operations – Undiscounted amounts						
Annual fee for spectrum license	267,632	9,678	9,678	21,999	69,656	156,621
Capital expenditure	238,360	67,474	33,379	105,216	32,290	-
Contractual obligations for programme assets	15,075	2,592	8,867	2,337	1,279	-
Contractual obligations for energy contracts	2,347	2,347	-	-	-	-
	523,415	82,092	51,924	129,552	103,225	156,621
Continuing operations – Discounted amounts						
Annual fee for spectrum license	136,484	8,741	8,741	17,981	46,436	54,585
Capital expenditure	205,622	61,862	31,193	91,026	21,541	-
Contractual obligations for programme assets	12,881	2,292	7,884	1,841	864	-
Contractual obligations for energy contracts	2,050	2,050	-	-	-	-
	357,037	74,945	47,818	110,848	68,842	54,585
Total						
-undiscounted	523,415	82,092	51,924	129,552	103,225	156,621
-discounted	357,037	74,945	47,818	110,848	68,842	54,585

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	31 December 2022					
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Continuing operations – Undiscounted amounts						
Annual fee for spectrum license	293,678	9,682	9,682	19,632	71,437	183,245
Capital expenditure	200,285	38,491	33,089	77,325	51,380	-
Contractual obligations for programme assets	47,125	12,567	12,567	20,256	1,735	-
Contractual obligations for energy contracts	34,524	17,262	17,262	-	-	-
	575,612	78,002	72,600	117,213	124,552	183,245
Continuing operations – Discounted amounts						
Annual fee for spectrum license	154,051	8,792	8,792	16,201	48,900	71,366
Capital expenditure	173,151	34,937	29,971	66,782	41,461	-
Contractual obligations for programme assets	39,949	11,240	11,240	16,278	1,191	-
Contractual obligations for energy contracts	29,566	14,783	14,783	-	-	-
	396,717	69,752	64,786	99,261	91,552	71,366
Total						
-undiscounted	575,612	78,002	72,600	117,213	124,552	183,245
-discounted	396,717	69,752	64,786	99,261	91,552	71,366

In addition to these commitments, which are expressed in monetary terms, the Group made certain commitments to the national regulatory authorities such as ensuring certain coverage of the population regarding fixed or mobile networks, particularly in the context of assignment of licenses and quality of service. These commitments (the part which pertains to 2021 as well as 2022 awarded licences, as all the others are already fulfilled) will require investment expenditure in future years to roll out and enhance the networks. They are not shown in the note above if they have not been expressed in monetary terms, which is usually the case. However, all coverage commitments are capital commitments and part of it are included in the note above. The Group has accordingly agreed to meet the following conditions:

2100 MHz, 2600 MHz bands license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for inhabited zones of at least 30% of the population in Romania by the 5 April 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

800 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for 56 specific settlements by the 31 December 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

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3400 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- network development obligations to install and maintain proper operation of 2000 base transmission stations with a capacity to ensure a speed of at least 100 Mbit/s / 20 Mhz in Romania in specific areas (obligation fulfilled);
- network coverage obligations of international airports in Romania with a download speed of at least 100 Mbit/s with a probability of 85% indoor reception and on demand providing car telecommunication services for airport vehicles (obligation fulfilled).

900 MHz, 1800 MHz, 2.6 GHz, 3.6 GHz bands license (Portugal)

The obligations included in the authorization to use the acquired spectrum are as follows:

- to ensure within 3 years (from the moment of entering into a national roaming agreement) that DIGI Portugal will provide a mobile coverage of 25% of the Portugal population and within a total of 6 years to reach a mobile coverage of 50% of the Portugal population (obligation fulfilled). These coverages will be considered fulfilled with the provision of a broadband service with a minimum speed of 30 Mbps;
- within 3 years of the issue of the license DIGI Portugal must offer commercial services to the public (obligation fulfilled).

700 MHz, 3600 MHz, 2600 MHz, 900 MHz, 1800 MHz and 2100 MHz bands license (Belgium)

Capital commitments in respect of the Group's share of the annual fee for spectrum licenses, representing 49% of total commitment, are included above, both on a discounted and an undiscounted basis, using an interest rate of 5.25%, which is the interest rate applied by the Belgian Institute for Postal Services and Telecommunication ("BIPT") for the spectrum licences auctioned in 2022.

Letters of guarantee and letters of credit

As at 31 December 2023, there were bank letters of guarantee and letters of credit issued in amount of EUR 56,979 mostly in favour of leasing, content and satellite suppliers and for participation to tenders (31 December 2022: EUR 63,625).

35. SUBSEQUENT EVENTS

Asset acquisition

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

As part of its proposed package of commitments, the joint-venture has agreed to divest to Digi Spain as remedy taker certain sets of blocks of frequencies (2 x 10 MHz in the 1,800 MHz band, 2 x 10 MHz in the 2,100 MHz band and 20 MHz in the 3,500 MHz band) for a consideration of EUR 120,000, which includes a conditional component of EUR 20,000 and to enter into an optional national roaming agreement at market conditions, which Digi Spain can decide to use or not. The package is pending approval from the Spanish Authorities.

Divestment

Digi Spain concluded an asset sale and purchase agreement with Sota Investments Spain OpCo, S.L.U., a company controlled by a consortium comprising Macquarie Capital, abrdn and Arjun Infrastructure Partners, leading international infrastructure investors, for the sale by DIGI Spain of a FTTH (Fiber to the Home) network in 12 provinces across the regions of Madrid, Segovia, Avila, Castilla-La Mancha, Comunidad Valenciana and Murcia, Spain (the "Network"), for a consideration of up to EUR 750,000 to be received between 2024 and 2027. The Network currently comprises approximately 4,250,000 homes passed, with the aim of comprising a total of 6,000,000 homes passed. The deployment of the rest of the Network will be carried out gradually over an estimated period of three years. The transaction is subject to closing conditions, such as foreign direct investment clearance and economic concentration merger control.

Borrowings

Senior Secured Notes due 2025 & 2028 (2020 Bonds)

On 27 September 2024, Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450,000.

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Export Credit Facilities ("2024 ECA")

On 14 May 2024, DIGI Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain as original guarantors and CITIBANK EUROPE PLC, as original lender and facility agent and CITIBANK N.A., as arranger and ECA agent, concluded two export credit facilities agreements in a total amount of EUR 116,949, to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Group's subsidiaries.

On 22 October 2024, Digi Romania S.A., as borrower, together Digi Communications N.V. and Digi Spain as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded an export credit facilities agreement in total amount of EUR 61,922, to be used with the purpose of financing the purchase of good and services for developing the Romanian, Belgian, Portuguese and Spanish telecommunications networks.

Senior Facility Agreement ("2024 SFA")

On 3 June 2024, DIGI Romania S.A., together with Digi Communications N.V. as borrowers and original guarantors, Digi Spain Telecom S.L.U. as original guarantor, ING Bank N.V. as underwriter, mandated lead arranger, bookrunner and original lender and ING Bank N.V., London Branch as facility agent have concluded a term loan of EUR 150,000, with a maturity of 3 years after the first utilization date. The borrowed amounts were used by Digi Communications N.V. and Digi Romania S.A. to refinance the EUR 450,000 Senior Secured Notes issued by Digi Romania S.A., which were due in February 2025.

Senior Facility Agreement dated 3 June 2024 was amended and restated on 12 September 2024. Under this addendum was made available a term loan facility in a total aggregated amount of EUR 150,000 for a period equal to five years after the first utilization date, until 16 September 2029, to be used for general corporate purposes.

Another addendum was signed on 5 December 2024. According to it, the new lenders are Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe PLC., ING N.V. Amsterdam, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and Unicredit Bank S.A. Additionally, the total commitments increased from EUR 150,000 to EUR 220,000.

Export Credit Facilities ("2025 ECA")

DIGI Romania S.A., signed in March 2025 two export credit facilities agreements in a total principal amount of EUR 54,766, with a maturity of 4 years as of the starting point of each credit (i.e. the starting point of credit being 30 April 2025, respectively 30 June 2025), to be used for the expansion of the telecommunications networks in Romania and Portugal.

2025 Senior Facilities Agreement Spain

Digi Spain and Banco Santander S.A., Banco Bilbao Vizcaya Argentaria S.A., ING Bank N.V., Sucursal en España, as bookrunners and mandate lead arrangers, and a syndicate of banks acting as original lenders, have signed on 28 March 2025 a credit facility agreement for an amount of EUR 275,000, with a tenor of 5 years after the date of the facilities agreement. The borrowed amounts will be used by Digi Spain, for the purposes of: (a) refinancing of the existing facilities under the facility agreement dated 26 July 2021, as further amended and restated; (b) capital expenditure in Spain; and (c) general corporate and working capital.

2025 Senior Facility Agreement Digi Andalusia

On 14 May 2025, Digi Andalusia S.L., a Group's subsidiary in Spain, has concluded a facility agreement in a total principal amount of EUR 84,000 with Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING Bank N.V., Sucursal En España, as mandated lead arrangers, with a maturity of 7 years.

The facility was contracted for supporting the investment in the FTTH network currently being deployed in Andalusia, Spain, aiming to cover 2,500,000 homes passed, made by Digi Spain and Aberdeen plc.

Senior Facility Agreement ("2023 SFA") - Incremental Facility 2025

On April 2025, DIGI Romania S.A., as borrower, Digi Communications N.V. and Digi Spain Telecom S.L.U. as original guarantors, ING Bank N.V., London Branch as facility agent and other financial institutions as incremental facility lenders have executed an incremental facility notice under the Senior Facilities Agreement dated 21 April 2023, pursuant to which the parties thereto established an additional facility for an amount of EUR 200,000 with a maturity of 5 years after the signing date. The borrowed amounts will be used by DIGI Romania S.A. for capital expenditure and general corporate purposes.

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Business transactions

Nowo Acquisition

On 31 October 2024, Digi Portugal acquired 100% of the shares in Cabonitel. Cabonitel is a holding company which owns 100% of the shares in its operating subsidiary, Nowo. Nowo is the 4th Portuguese telecommunications operator offering mobile and fixed services (internet, television, mobile, and fixed voice services). It operates primarily as a low-cost alternative in the market and is known for its MVNO (Mobile Virtual Network Operator) model, meaning it does not own a mobile network infrastructure. NOWO has limited national coverage, focusing on specific regions, and has historically struggled with brand perception and customer satisfaction.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs property, plant and equipment, licenses, and other assets and liabilities, a list of customers and an organized workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Acquiring Cabonitel and its subsidiary, enables the Group to increase the presence with a faster speed in the Portugues market which leads to an increase in market share in this industry as well as reduce costs through economies of scale.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
Cash and cash equivalents	1,578
Trade receivables	916
Other receivables	5,576
Property, plant and equipment	52,400
Intangible assets	3,226
Subscriber acquisition costs	3,785
Trade payables	(18,947)
Loans and borrowings	(5,300)
Other payable	(34,816)
Contract liabilities	(2,772)
Provisions	(7,242)
Lease liabilities	(2,544)
Right of use assets	2,544
Mobile license	55,077
Customer relations	14,190
Deferred tax asset	6,846
Other intangibles identified in PPA	11,258
Total identifiable net assets acquired	85,775

The valuation techniques used for measuring the fair value of Customer relationship and the mobile licenses acquired was multi-period excess earnings.

As part of the purchase price allocation (“PPA”) related to the acquisition of the subsidiary, the Group applied the requirements of IFRS 3 – Business Combinations, which allow the use of provisional values when the initial accounting is incomplete at the end of the reporting period.

Due to the technical complexity and the time constraints following the acquisition, the Group has not yet completed a detailed valuation of the acquired fixed network infrastructure, nor of the associated equipment. As a result, the values attributed to these tangible assets in the financial statements are provisional, based on management’s best estimates using available information as at the acquisition date.

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The Group is currently in the process of finalizing the valuation of these assets, with the support of external specialists, and expects to complete this exercise within the 12-month measurement period allowed under IFRS 3. Any changes to the provisional fair values will be retrospectively adjusted against goodwill and other affected balances as required.

Goodwill arising from the acquisition has been recognised as follows:

	EUR'000
Consideration transferred	110,660
Fair value of identifiable net assets	85,775
Goodwill	24,885

The goodwill is attributable mainly to the footprint of the fixed network as a similar asset would require a lot of time and effort to be rebuild, and to the skills and technical talent of the Nowo's work force and the synergies expected to be achieved from integrating Nowo into the Group's existing business. The goodwill will not be deductible for tax purposes.

Purchase consideration – cash outflow:

	EUR'000
Cash consideration	110,660
Less balances acquired	
Cash	3.5
Bank Accounts	1,574
Net outflow of cash – investing activities	(109,081)

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Telekom Transaction

In October 2024, DIGI Romania S.A. (“DIGI”) entered into a memorandum of understanding (the “MoU”) with Hellenic Telecommunications Organization S.A. (“OTE”) and Vodafone Romania S.A. (“VF”) having as subject matter the OTE divestment from Telekom Romania Mobile Communications S.A. (“TKRM”) (the “Transaction”). According to the MoU, the parties intend to carry out a series of interdependent operations and transactions pursuant to which DIGI will acquire certain assets from TKRM and VF will acquire indirectly the shares held by OTE in TKRM.

The transaction was concluded on 19 September 2025 and DIGI acquired certain assets including certain spectrum licenses and telecommunications towers as well as the prepaid mobile services from TKRM for an aggregate effective consideration of EUR 40 million, and VF acquires the shares held by OTE in TKRM. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the transaction.

Restructuring of the Belgian operations

On 16 July 2025, Digi Romania and its partner Citymesh implemented a series of corporate restructuring operations with respect to the Digi Group’s affiliated companies in Belgium, with the purpose of simplifying the existing shareholding structure. As a result of these changes, Digi Communications Belgium N.V. has become the sole shareholder of all other Belgian companies (InSky N.V. and Citymesh Mobile N.V). In turn, Digi Communications Belgium N.V. remains owned 51% by Digi Romania and 49% by Citymesh. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the restructuring of the Belgian operations.



36. EBITDA

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

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

	2023	2022
Continuing operations		
Revenues	1,690,373	1,492,768
Other income	16,180	24,672
Total revenues and other income	1,706,553	1,517,440
Operating profit	170,384	147,558
Depreciation, amortisation, impairment and revaluation impact (Note 5 – 9, 14)	424,388	361,394
EBITDA	594,772	508,952
Adjustments for:		
Other income	-	-
Other expenses	504	654
Adjusted EBITDA total	595,276	509,606
Adjusted EBITDA total (%)	34.88%	33.58%

Given that the result of operations of the Hungarian subsidiaries for the 3 days in January 2022 is not material for the financial statements as a whole, the amounts have not been included in the 2022 results.

For the year ended 31 December 2023 and 31 December 2022, EBITDA was adjusted to exclude non-recurring *Other income* and *Other expense*, as presented in the table above.

For the year ended 31 December 2023 and 31 December 2022, *Other expenses* include expenses related to exercised share option plans granted to individuals who are not part of the recurring share option scheme. For these individuals, the option plan is expected to constitute a one-time event.

Condensed consolidated interim Financial Statements for the six- month period ended 30 June 2025

DIGI ROMANIA S.A.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

30 June 2025



KPMG Audit SRL
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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Digi Romania SA

Dr. Nicolae Staicovici street 75, Bucharest, Romania
Unique Registration Code: 5888716

Introduction

1. We have reviewed the accompanying condensed consolidated statement of financial position of DIGI Romania S.A as at 30 June 2025, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

2. We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

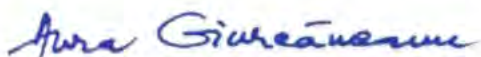
Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Other matter – corresponding figures

4. The condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period ended 30 June 2024 or any of the related notes were not audited or reviewed.

For and on behalf of KPMG Audit S.R.L.:



GIURCANEANU AURA STEFANA

registered in the electronic public register
of financial auditors and audit firms under
no AF1517

Bucharest, 14 October 2025



KPMG Audit SRL

registered in the electronic public register
of financial auditors and audit firms under
no FA9

Autoritatea pentru Supravegherea Publică a
Activităţii de Audit Statutar (ASPAAS)
Auditor financiar: **GIURCANEANU AURA STEFANA**
Registrul Public Electronic: **AF1517**

Autoritatea pentru Supravegherea Publică a
Activităţii de Audit Statutar (ASPAAS)
Firma de audit: **KPMG AUDIT S.R.L.**
Registrul Public Electronic: **FA9**

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GENERAL INFORMATION

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Mihai Dinei

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Dan Ionita

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Digi Romania S.A. former RCS & RDS S.A.

(„Company” or „Digi Romania S.A.”)

75 Dr. Nicolae Staicovici Street, district 5, Bucharest, Romania

Auditors:

KPMG Audit SRL

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DIGI ROMANIA S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(all amounts are in thousand EUR, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,287,212	2,182,232
Right of use assets	6	506,204	480,314
Intangible assets and goodwill	7	473,234	469,763
Subscriber acquisition costs	8	61,847	59,316
Investment property		12,502	12,762
Equity accounted investees		399	395
Long term receivables		76,600	69,747
Loans to related parties	13	-	56,250
Other non-current assets		3,337	3,758
Derivative financial assets	21	5,600	14,030
Other long term assets		918	1,420
Deferred tax assets	18	49,124	30,328
Total non-current assets		3,476,977	3,380,315
Current assets			
Inventories		45,981	46,640
Programme assets		7,682	29,643
Trade and other receivables	14, 19	108,043	81,010
Loans to related parties	13	138,364	31,697
Contract assets	14, 19	92,718	98,022
Other assets	9	48,868	24,990
Derivative financial assets	21	1,237	1,263
Cash and cash equivalents	19	55,466	66,453
Total current assets		498,359	379,718
Total assets		3,975,336	3,760,033
EQUITY AND LIABILITIES			
Equity			
Share capital	10	11,671	11,671
Reserves	10	220,414	234,347
Retained earnings		760,587	777,547
Equity attributable to owners of the Company		992,672	1,023,565
Non-controlling interest		116,349	113,296
Total equity		1,109,021	1,136,861
LIABILITIES			
Non-current liabilities			
Loans and borrowings	11	1,235,201	1,019,525
Lease liabilities	12	392,338	376,534
Deferred tax liabilities	18	95,611	96,883
Decommissioning provision		15,603	15,202
Trade and other payables		41,429	44,666
Contract liabilities	14	5,962	6,161
Total non-current liabilities		1,786,144	1,558,971
Current liabilities			
Trade and other payables	19	571,893	555,666
Employee benefits		62,304	59,273
Loans and borrowings	11	282,216	305,202
Lease liabilities	12	113,743	102,103
Income tax payable	18	18,267	13,246
Provisions		7,732	7,636
Contract liabilities	14	24,016	21,075
Total current liabilities		1,080,171	1,064,201
Total liabilities		2,866,315	2,623,172
Total equity and liabilities		3,975,336	3,760,033

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

DIGI ROMANIA S.A.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE
(all amounts are in thousand EUR, unless specified otherwise)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2025	2024
	Notes		
Continuing operations			
Revenues	14	1,076,815	918,101
Other income	15	35,822	3,239
Operating expenses	16	(831,706)	(660,639)
Employee benefits		(196,217)	(156,989)
Other expenses	15	(420)	(7)
Operating profit		84,294	103,705
Finance income	17	7,065	8,634
Finance costs	17	(78,272)	(43,701)
Net finance costs		(71,207)	(35,067)
Share of loss of equity-accounted investees net of tax		-	(985)
Profit before taxation		13,087	67,653
Income tax benefit (expense)	18	3,682	(9,242)
Profit from continuing operations		16,769	58,411
<i>Attributable to owners</i>		<i>11,966</i>	<i>53,788</i>
<i>Attributable to non-controlling interests</i>	10	<i>4,803</i>	<i>4,623</i>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(13,687)	(730)
Other comprehensive income/(expense) for the year, net of income tax		(13,687)	(730)
Total comprehensive income for the year		3,082	57,681
<i>Attributable to owners</i>		<i>(1,721)</i>	<i>53,058</i>
<i>Attributable to non-controlling interests</i>	10	<i>4,803</i>	<i>4,623</i>
Earnings per share			
Basic and diluted earnings per share (amounts in EUR)		0.03	0.14

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

DIGI ROMANIA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025	2024
Cash flows from operating activities			
Profit before taxation from continuing operations	18	13,087	67,653
Adjustments for:			
Depreciation	5, 6	184,222	148,151
Amortisation	7, 8	96,859	78,787
Impairment	5, 8	6,277	4,153
Decommissioning provision		401	509
Interest expense	17	53,036	35,881
Interest revenue	18	(370)	(2,249)
Impairment of trade and other receivables	16	5,644	6,456
Reversal of provisions		-	(34)
Losses on derivative financial instruments	17	8,430	(2,737)
Share of loss of equity-accounted investees, net of tax		-	985
Equity settled share-based payments expense	20	420	7
Unrealised foreign exchange gain(loss)		17,894	(2,737)
Gain on sale of non-current assets	15	(1,371)	(103)
Cash flows from operations before working capital changes		384,529	334,722
Changes in:			
Increase in trade receivables, other assets and contract assets		(70,889)	(39,543)
Decrease in inventories		4,073	1,158
Increase in programme assets		(14,194)	(12,039)
Increase in trade payables and other current liabilities		33,741	10,291
Increase in contract liabilities		2,742	1,123
Cash flows from operations		340,002	295,712
Interest paid	11, 12	(37,954)	(32,905)
Interest received		370	2,249
Income tax paid		(9,138)	(3,256)
Net cash flows from operating activities		293,280	261,800
Cash flow from investing activities			
Purchases of property, plant and equipment	5	(283,274)	(329,955)
Purchases of intangibles	7	(54,286)	(38,461)
Payments for subscriber acquisition costs	8	(33,234)	(28,668)
Payments for acquisition of subsidiaries		(1,513)	-
Loans to related parties borrowings	13	(42,310)	(12,030)
Proceeds from sale of property, plant and equipment		2,623	171
Net cash flows (used in)/from investing activities		(411,994)	(408,943)
Cash flows from financing activities			
Dividends paid to shareholders	10	(5,406)	(22,307)
Proceeds from loans and borrowings	11	474,520	207,967
Repayment of loans and borrowings	11	(278,620)	(71,128)
Transaction costs paid	11	(9,669)	(5,026)
Payment of lease liabilities	12	(73,098)	(55,928)
Net cash flows (used in)/from financing activities		107,727	53,578
Net increase/(decrease) in cash and cash equivalents		(10,987)	(93,565)
Cash and cash equivalents at the beginning of the year		66,453	221,259
Cash and cash equivalents at the end of the year		55,466	127,694

The condensed consolidated statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

The condensed consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flow in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities.

Payments of dividends are presented within the cash flows from financing activities

During the six-month period ended 30 June 2025, the group paid interest in total amount of EUR 37,954 (30 June 2024: EUR 36,676), of which EUR 0 (30 June 2024: EUR 3,771) is presented in investing activities in line Purchases of property, plant and equipment

Compensations between the trade payable and the trade receivables amounting to EUR 8,497 (30 June 2024: 0 EUR) and trade receivables and subscriber acquisition costs amounting EUR 2,645 (30 June 2024: EUR 2,891) were booked during the period.

DIGI ROMANIA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE
(all amounts are in thousand EUR, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Translation reserve ¹⁾	Revaluation reserve ¹	Other Reserve ¹⁾	Retained earnings	Total equity attributable to equity holders of the parent	Non- controlling interest	Total equity
Balance at 1 January 2025	11,671	(18,429)	15,299	237,477	777,547	1,023,565	113,296	1,136,861
Comprehensive income for the year								
Profit for the period	-	-	-	-	11,966	11,966	4,803	16,769
Foreign currency translation differences	-	(13,687)	-	-	-	(13,687)	-	(13,687)
Transfer of revaluation reserve (depreciation)	-	-	(246)	-	246	-	-	-
Total comprehensive income for the period	-	(13,687)	(246)	-	12,212	(1,721)	4,803	3,082
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions (Note 20)	-	-	-	-	420	420	-	420
Dividends distributed (Note 10)	-	-	-	-	(29,592)	(29,592)	(1,750)	(31,342)
Total contributions by and distributions to owners	-	-	-	-	(29,172)	(29,172)	(1,750)	(30,922)
Changes in ownership interests in subsidiaries								
Issuance of subsidiary share capital from minority shareholder	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(29,172)	(29,172)	(1,750)	(30,922)
Balance at 30 June 2025	11,671	(32,116)	15,053	237,477	760,587	992,672	116,349	1,109,021

1) Translation reserve, Reevaluation reserve and Other reserve aggregate to "Reserve" Position of the Condensed consolidated statement of financial position as at 30 June 2025

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

DIGI ROMANIA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE
(all amounts are in thousand EUR, unless specified otherwise)

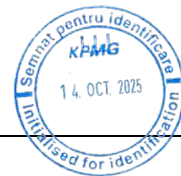
	Share capital	Translation reserve ¹⁾	Revaluation reserve ¹⁾	Other Reserve ¹⁾	Retained earnings	Total equity attributable to equity holders of the parent	Non- controlling interest	Total equity
Balance at 1 January 2024	11,671	(18,120)	9,203	192,555	435,536	630,845	82,617	713,462
Comprehensive income for the year								
Profit for the period	-	-	-	-	53,788	53,788	4,623	58,411
Foreign currency translation differences	-	(730)	-	-	-	(730)	-	(730)
Transfer of revaluation reserve (depreciation)	-	-	(131)	-	131	-	-	-
Total comprehensive income for the period	-	(730)	(131)	-	53,919	53,058	4,623	57,681
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions (Note 20)	-	-	-	-	7	7	-	7
Dividends distributed (Note 10)	-	-	-	-	(30,154)	(30,154)	(3,000)	(33,154)
Total contributions by and distributions to owners	-	-	-	-	(30,147)	(30,147)	(3,000)	(33,147)
Changes in ownership interests in subsidiaries								
Issuance of subsidiary share capital from minority shareholder	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(30,147)	(30,147)	(3,000)	(33,147)
Balance at 30 June 2024	11,671	(18,850)	9,072	192,555	459,308	653,756	84,240	737,996

1) Translation reserve, Reevaluation reserve and Other reserve aggregate to "Reserve" position of the Condensed consolidated statement of financial position as at 30 June 2024

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

DIGI ROMANIA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE

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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Digi Romania S.A. Group (“the Group”, or “DIGI Group”) comprises Digi Romania S.A. (former RCS&RDS S.A.) and their subsidiaries. RCS&RDS S.A. has officially changed its name to Digi Romania S.A., effective 15 May 2024.

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

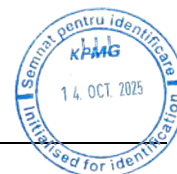
The main shareholder of Digi Romania S.A. is DIGI Communications NV. The principal shareholder of DIGI Communications NV is RCS Management S.A. (“RCSM”), a company incorporated in Romania. The ultimate beneficial owner is Mr. Zoltan Teszari, who is the majority shareholder of RCSM. DIGI Communications NV and RCSM do not have any economic activities, except for some holding and financing activities, and their main asset is the ownership of Digi Romania S.A., respectively, DIGI Communications NV.

The Group provides telecommunication services of cable TV (television or CATV), fixed internet and data, fixed-line telephony (all together “CBT”), mobile telephony and internet and direct to home television (“DTH”) services in Romania and Spain and mobile telephony services in Italy. In November 2024 and respectively December 2024 were started operations in Portugal and Belgium, where were acquired mobile spectrum at the 5G auction from 2021 and, respectively, 2022. This allowed the Group to expand its business on the Portuguese and Belgian market, in order to provide high quality, affordable telecommunication services. In Portugal continued building both a fixed and a mobile network while in Belgium were signed agreements that allowed us to operate with a limited physical footprint. In 2024 was also acquired NOWO Communications S.A, Portugal’s fourth largest mobile and fixed telecom operator. In Portugal we launched fixed and mobile services which include Pay TV (cable TV), fixed internet and data, mobile telecommunication services and fixed-line telephony. In Belgium offerings include fixed internet and data and fixed-line telephony and mobile telecommunication services as an MVNO. The development of our presence in the two new territories continued over the course of 2025.

The largest operating company of the Group is DIGI Romania. At the end of June 2025, DIGI Group had a total of 26,001 employees (31 December 2024: 24,438 employees).

DIGI ROMANIA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE

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



2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF ACCOUNTING

These interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (“IAS 34 EU”), and should be read in conjunction with the Group’s last non-statutory annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as adopted by the European Union (“IFRS”) as at and for the year ended 31 December 2024, prepared for the purpose of being included in an Offering Memorandum (“last annual financial statements”). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company’s board of directors on 14 October 2025.

2.2. NEW AND AMENDED STANDARDS FOR 2025 AND FORTHCOMING REQUIREMENTS

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025)

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.

The Group applies the amendments from 1 January 2025 and did not have a material impact on its condensed consolidated interim financial statements.

New or amended Standards and Interpretations, as endorsed by the European Union as at 16 July 2025, that are effective for annual periods beginning after 1 January 2025, not adopted by the Group

The following standards and amendments are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of these amended standards in preparing these condensed consolidated interim financial statements and does not expect that they will have a significant impact on the Group’s consolidated financial statements when they will become effective. The Group is in the process of assessment of the potential impact on its financial statements resulting from the application of IFRS 18.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- Annual Improvements to IFRS Standards – Volume 11.

The following standards and amendments have not been endorsed by the European Union as at 16 July 2025:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

For more information, please see the last annual financial statements as at 31 December 2024.

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.



3. USE OF JUDGEMENTS AND ESTIMATES AND DETERMINATION OF FAIR VALUES

Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at 31 December 2024.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment (Note 5) and Investment property

The fair value of property, plant and equipment recognised as a result of a business combination and of land and buildings carried under the revaluation model and investment property measured at fair value is the estimated amount for which property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, on the date of acquisition and respectively on the revaluation date. The fair value of items land and buildings and of investment property is based on the market approach. Market approach relies on quoted market prices for similar items when available, or on valuation models that use inputs observable or unobservable on the market (such as the income approach for certain buildings).

b) Intangible assets (Note 7)

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that contributed to the related cash flows. Main assumptions used are the churn rate, EBITDA % and the discount rate.

c) Derivatives (Note 19 and Note 21)

The fair value of the derivative financial instruments is based on generally accepted valuation techniques. It reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

d) Non-derivative financial assets and liabilities (Note 19)

Non-derivative financial assets and liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

DIGI ROMANIA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE

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

e) Equity-settled share-based payment transactions (Note 20)

The fair value of the options granted to employees is measured using a generally accepted valuation technique, in which the main input is the market price of shares at the grant date (please refer to Note 19 for additional details). Given the short life of the options and the low volatility in the market value of the Group's shares, management estimates that the time value of the share options is not significant.



DIGI ROMANIA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE

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



4. SEGMENT REPORTING

Six months ended 30 June 2025	Romania	Spain	Portugal	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ²
Segment revenue	580,313	444,688	34,956	1,059,957	16,858	-	-	1,076,815
Other income	4,650	-	-	4,650	-	-	-	4,650
Inter-segment revenues	1,177	294	-	1,471	47	(1,518)	-	-
Segment operating expenses	(305,436)	(362,307)	(58,826)	(726,569)	(15,516)	1,518	-	(740,567)
Adjusted EBITDA (Note 24)	280,704	82,675	(23,870)	339,509	1,389	-	-	340,898
Depreciation, amortisation and impairment of non-current assets							(287,356)	(287,356)
Other revenues	-	31,172	-	31,172	-	-	-	31,172
Other expenses (Note 15)	(420)	-	-	(420)	-	-	-	(420)
Operating profit								84,294
Finance income	4,127	2,938	-	7,065	-	-	-	7,065
Inter-segment finance income	9,841	358	-	10,199	-	(10,199)	-	-
Finance costs	(47,094)	(22,712)	(8,387)	(78,193)	(79)	-	-	(78,272)
Inter-segment finance costs	(664)	(358)	(8,845)	(9,867)	(332)	10,199	-	-
Share of profit/(loss) of equity-accounted investees	-	-	-	-	-	-	-	-
Income tax expense	(14,978)	(12)	18,703	3,713	(31)	-	-	3,682
Net profit / (loss)								16,769
Additions to non-current assets	164,123	169,484	88,836	422,443	15,592	-	-	438,035
<i>Carrying amount of:</i>								
Non-current assets	1,724,678	872,981	840,475	3,438,134	38,444	-	-	3,476,578
Investments in associates and financial assets at fair value through OCI	399	-	-	399	-	-	-	399

1) Other represents operations mainly in Italy for Segment revenue line, and operation in Italy for segment operating expenses line.

2) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.

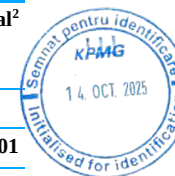
The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

DIGI ROMANIA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE
(all amounts are in thousand EUR, unless specified otherwise)

Six months ended 30 June 2024	Romania	Spain	Portugal	Total reportable segments	Other ¹	Eliminations	Reconciling item	Total ²
Continuing operations								
Segment revenue	533,946	369,021	12	902,979	15,122	-	-	918,101
Other income	3,239	-	-	3,239	-	-	-	3,239
Inter-segment revenues	899	106	-	1,005	32	(1,037)	-	-
Segment operating expenses	(284,636)	(286,286)	(4,421)	(575,343)	(12,230)	1,037	-	(586,536)
Adjusted EBITDA (Note 24)	253,448	82,841	(4,409)	331,880	2,924	-	-	334,804
Depreciation, amortisation and impairment of non-current assets							(231,092)	(231,092)
Other expenses (Note 15)	(7)	-	-	(7)	-	-	-	(7)
Operating profit								103,705
Finance income	4,312	4,322	-	8,634	-	-	-	8,634
Inter-segment finance income	10,136	-	-	10,136	-	(10,136)	-	-
Finance costs	(28,405)	(15,235)	(6)	(43,646)	(55)	-	-	(43,701)
Inter-segment finance costs	(4,367)	(1,845)	(3,811)	(10,023)	(113)	10,136	-	-
Share of profit/(loss) of equity-accounted investees	(985)	-	-	(985)	-	-	-	(985)
Income tax expense	(10,791)	294	1,319	(9,178)	(64)	-	-	(9,242)
Net profit / (loss)								58,411
Additions to non-current assets	137,800	172,803	88,669	399,272	8,387	-	-	407,659
<i>Carrying amount of:</i>								
Non-current assets	1,706,582	802,404	495,310	3,004,296	18,974	-	-	3,023,270
Investments in associates and financial assets at fair value through OCI	418	-	-	418	-	-	-	418

1) Other represents, operations in Italy for Segment revenue line, and operation in Italy for segment operating expenses line.

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.



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- 2) The review of assets and liabilities is done on a consolidated basis, therefore segment assets and segment liabilities are not regularly reported to or reviewed by management in the decision-making process, and accordingly, this information is not disclosed.



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5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2025	43,536	99,586	1,927,853	139,723	438,222	432,338	76,860	44,113	3,202,231
Additions	242	5	57,260	185,745	1,690	2,331	6,730	1,978	255,982
Transfer from construction in progress ("CIP")/reallocation (assets taken into use) ¹⁾	1,069	1	116,720	(152,252)	21,160	12,101	(64)	1,266	0
Transfers from/to Right of use assets	-	-	-	9,534	1,974	-	2,754	-	14,261
Transfer to inventories	-	-	(3,353)	(60)	-	-	-	-	(3,412)
Disposals	(177)	(16)	(65)	307	(2,981)	(142)	(7,074)	(99)	(10,246)
Effect of movements in exchange rates	(907)	(2,094)	(24,972)	(1,531)	(6,018)	(7,438)	(1,099)	(597)	(44,655)
At 30 June 2025	43,763	97,483	2,073,443	181,466	454,048	439,191	78,106	46,661	3,414,161
Depreciation and impairment									
At 1 January 2025	-	16,403	567,181	2,111	200,807	158,803	44,092	30,601	1,019,999
Depreciation charge	-	1,667	72,881	-	20,363	26,607	2,943	1,692	126,153
Impairment set-up	-	-	4,676	380	103	-	-	-	5,159
Transfers from Right of use assets ¹⁾	-	-	(94)	-	2,082	-	236	-	2,224
Disposals	-	(2)	(238)	-	(2,872)	(46)	(6,488)	(56)	(9,701)
Effect of movements in exchange rates	-	(434)	(8,156)	(48)	(3,635)	(3,343)	(739)	(528)	(16,885)
At 30 June 2025	0	17,634	636,251	2,443	216,848	182,021	40,043	31,709	1,126,949
Net book value									
At 1 January 2025	43,536	83,183	1,360,672	137,612	237,415	273,535	32,767	13,512	2,182,232
At 30 June 2025	43,763	79,848	1,437,193	179,023	237,200	257,170	38,063	14,952	2,287,212

¹⁾During the six-month period ended 30 June 2025, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

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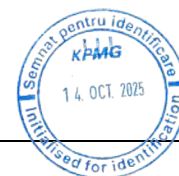


	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2024	18,490	95,956	1,566,644	298,341	371,539	318,970	77,474	38,431	2,785,845
Additions	12,482	655	45,326	192,862	1,365	1,290	1,018	1,475	256,474
Transfer from construction in progress ("CIP")/reallocation (assets taken into use) ¹⁾	-	(135)	116,817	(154,664)	10,038	26,289	149	1,506	0
Transfers from/to Right of use assets	-	-	-	5,617	(1,485)	1,594	1,454	-	7,180
Disposals	-	-	-	(2)	-	(17)	(1,415)	-	(1,434)
Effect of movements in exchange rates	(16)	(50)	(565)	(44)	(139)	(174)	(30)	(14)	(1,033)
At 30 June 2024	30,956	96,426	1,728,223	342,110	381,319	347,952	78,650	41,398	3,047,033
Depreciation and impairment									
At 1 January 2024	-	22,512	454,774	2,266	159,108	123,125	44,343	27,780	833,908
Depreciation charge	-	1,330	57,543	(100)	17,379	16,830	2,668	1,483	97,133
Impairment set-up	-	-	2,758	(21)	(13)	-	-	-	2,724
Other transfers	-	-	78	-	-	-	-	(78)	0
Transfers from Right of use assets ¹⁾	-	-	-	-	39	820	250	-	1,109
Disposals	-	-	-	-	-	(0)	(1,196)	0	(1,196)
Effect of movements in exchange rates	-	(14)	(826)	2	(78)	(86)	(22)	(12)	(1,035)
At 30 June 2024	0	23,828	514,327	2,147	176,434	140,689	46,043	29,172	932,641
Net book value									
At 1 January 2024	18,490	73,444	1,111,870	296,075	212,431	195,845	33,131	10,651	1,951,937
At 30 June 2024	30,956	72,598	1,213,896	339,963	204,885	207,263	32,607	12,225	2,114,392

¹⁾During the six-month period ended 30 June 2024, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.

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Property, plant and equipment additions

Most of the additions in 2025 relate to the triple play network, as the Group has continued to invest in expanding to new areas; continued the upgrade of the existing networks and adding new customers. Another significant portion of additions relate to continued investment in the mobile radio network coverage in Romania and the development of fixed internet and data and fixed-line telephony services in Spain. Additions in Portugal are represented by fixed and mobile internet network equipment, telecommunications equipment and vehicles.

The Group has constructions in progress incurred up to 30 June 2025 totaling EUR 179,403 (30 June 2024: 339,942). Included in this amount are capitalized borrowing costs related to the construction of network in Portugal, of EUR 0 (30 June 2024: EUR 3,771), calculated using an average capitalization rate of 0 percent (30 June 2024: 5.1 percent). Additionally capitalized borrowing cost from interest on leased assets was in amount of EUR 0 (30 June 2024: EUR 5,829).

Reconciliation to Cash flow statement

	30 June 2025	30 June 2024
Additions to PPE	255,982	256,474
Additions in CFS	283,274	329,955
Difference	(27,292)	(73,481)
<i>Out of which:</i>		
Increase / (decrease) in payables in balance	(27,292)	(73,481)

At 30 June 2025, the Group recognized an expense charge for written off obsolete networks of EUR 876 (2024: EUR 1,172) presented under the *Depreciation charge* line.

At 30 June 2025, the Group presented under the line *Impairment set-up/(reversal)* a total amount of EUR 1,067 (2024: EUR 822) for customer premises equipment, based on the quantities of recovered equipment presented in inventory warehouses with an aging of over one year and the acquisition price of each equipment at the level of the net book value of each equipment as at 30 June 2025.

At 30 June 2025, included in the *Equipment* category are assets with gross book value of EUR 39,046 (2024: EUR 27,038) still in use that reached the end of their useful lives. Their continued use is attributable to the fact that these are not technologically obsolete and also because weather conditions and specific location of the site did not lead to the wear and tear of these equipment.

Revaluation of land and buildings

At 31 December 2024, land and buildings were revalued using several methods:

The market approach, i.e., the Direct Comparison Method (DCM) was applied to some of the real estate assets (free land, properties). This method was considered appropriate due to the nature of the assets valued, which have an active market. In estimating the value, it was taken into account the physical condition indicated by the company's representatives and found at the time of the field valuation of the assets, as well as the information available in relation to the analysed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value. Thus, the information on the offer prices of similar goods on the secondary market or the offers to which they are exposed on the market was analysed and some adjustments were made where necessary.

The income approach, i.e., the Revenue Capitalization Method (RCM) has been applied to most real estate assets, commercial real estate (office buildings, TV studio, cashiers, etc.). The value obtained by applying the income approach has been compared with the specific market information (global values for apartment properties and unit values for commercial real estate). Thus, the value of the real estate consisting of land and construction was estimated, and the value thus obtained was allocated on the component elements of the property (land and construction). The allocation was made, generally based on the net replacement cost of the buildings, and the value of the land resulting in residual value after deducting the value of the building from the value of the real estate.

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The valuation is sensitive to its main inputs, being the sales value per sqm (which was in the range of 442 EUR/sqm to 1,906 EUR/sqm for real estates located in different cities in Romania and 35 EUR/sqm to 1,356 EUR/sqm for market values estimated for the main land plots), the estimated replacement cost per unit for buildings in Romania ranging from 200 EUR/sqm to 1.350 EUR/sqm.

Measurement of fair values

Fair value hierarchy

The fair value measurements of the real estate assets have been recognized as Level 2 fair values based on observable market sales data.

If land was measured using the cost model, the carrying amounts would be as follows:

	30 June 2025	30 June 2024
Cost	38,534	26,996
Fair value	43,763	30,956

If buildings were measured using the cost model, the carrying amounts would be as follows:

	30 June 2025	30 June 2024
Cost	91,046	83,924
Accumulated depreciation	(21,783)	(18,714)
Net carrying amount	69,263	65,210
Fair value	79,848	72,598

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6. RIGHT OF USE ASSETS

The Group has lease contracts for various items of land, commercial spaces, network, vehicles and equipment used in its operations.

The carrying amounts of right-of-use assets recognized and the movements during the period are presented below:

	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2025	-	28,926	360,051	56,955	634	33,748	480,314
Depreciation	-	(11,173)	(40,380)	(2,962)	(51)	(3,503)	(58,069)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	1,988	-	236	2,224
Additions	-	13,767	59,620	5,817	-	19,952	99,156
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(11,414)	-	(2,847)	(14,261)
Effect of movement in exchange rates	-	(181)	(2,580)	-	(14)	(385)	(3,160)
At 30 June 2025	-	31,339	376,711	50,384	569	47,201	506,204

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks

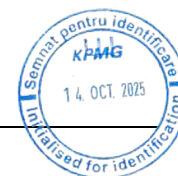
	Land	Buildings	Network ¹⁾	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2024	2,314	22,328	305,464	49,579	3,465	12,524	395,674
Depreciation	-	(9,409)	(36,477)	(2,769)	(222)	(2,141)	(51,018)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	62	790	257	1,109
Additions	-	8,272	57,740	10,266	-	8,333	84,611
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(4,286)	(1,442)	(1,452)	(7,180)
Effect of movement in exchange rates	(1)	(4)	(60)	93	(1)	(2)	25
At 30 June 2024	2,313	21,187	326,667	52,945	2,590	17,519	423,221

1) Under the “Network” category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks.

During the six-month period ended 30 June 2025, the Group transferred from RouA in Non-current assets the net amount of EUR 12,037 (30 June 2024: EUR 6,071)

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7. INTANGIBLE ASSETS

NON-CURRENT INTANGIBLE ASSETS and PROGRAMME ASSETS

Intangible assets non-current intangible asset

	Goodwill	Customer relationships	Trademarks	Licences and software ¹	Total non-current intangible assets
Cost					
At 1 January 2025	76,335	165,086	4,005	564,168	809,594
Additions	1,521	1,262	-	44,165	46,948
Disposals	(120)	-	-	-	(120)
Effect of movement in exchange rates	(1,041)	(3,466)	(49)	(7,801)	(12,358)
At 30 June 2025	76,694	162,882	3,956	600,532	844,064
Accumulated amortisation					
At 1 January 2025	-	124,480	2,613	212,738	339,831
Amortisation	-	8,008	-	30,809	38,817
Impairment	-	-	-	-	-
Disposals	-	-	-	(45)	(45)
Effect of movement in exchange rates	-	(2,721)	(49)	(5,004)	(7,774)
At 30 June 2025	0	129,767	2,564	238,498	370,829
Net Book Value					
At 1 January 2025	76,335	40,606	1,392	351,430	469,763
At 30 June 2025	76,694	33,114	1,392	362,033	473,234

(1) Includes internally generated software of EUR 5,382(30 June 2024: EUR4,335). Addition from Portugal contains acquisition for licenses related to tangible assets in progress.

At 30 June 2025, Customer relationships category contains fully amortized assets with a gross book value of EUR 76,064.

	Goodwill	Customer relationships	Trademarks	Licences and software	Total non-current intangible assets
Cost					
At 1 January 2024	51,459	147,359	2,747	440,409	641,974
Additions	-	793	-	34,291	35,084
Disposals	-	-	-	(531)	(531)
Effect of movement in exchange rates	(26)	(82)	(1)	(389)	(498)
At 30 June 2024	51,434	148,070	2,746	473,780	676,030
Accumulated amortisation					
At 1 January 2024	-	110,622	2,613	166,060	279,295
Amortisation	-	7,026	-	22,267	29,293

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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Disposals	-	-	-	(6)	(6)
Effect of movement in exchange rates	-	(67)	(1)	(106)	(174)
At 30 June 2024	0	117,581	2,612	188,216	308,409

Net Book Value

At 1 January 2024	51,459	36,737	134	274,349	362,679
At 30 June 2024	51,434	30,489	134	285,565	367,621

At 30 June 2024, Customer relationships category contains fully amortized assets with a gross book value of EUR 72,708.

Except for acquisitions through business combinations the main additions of non-current intangible assets relate to acquisitions of customer relationships and licences as detailed below.

Customer relationships

The additions of Customer relationships in the period ended 30 June 2025 relate to the acquisition of customer contracts in Romania from various smaller entities for EUR 1,262 (2024: EUR 793).

Radio spectrum licences

During 2025, DIGI Romania acquired additional spectrum in the 3400 MHz bandwidth for a consideration of EUR 15,000.

The total carrying amount of the 2600 MHz bandwidth as at 30 June 2025 is EUR 20,064 (2024: EUR 25,686). For commitments, please see note 22.

Other Software licenses

Approximately EUR 19,956 (2024: EUR 17,822) additions represent custom software licenses required for the functioning of various telecommunications hardware from vendors of the hardware (Ericsson, Nokia, Huawei etc).

The remainder additions of Licenses and Software represent various other software for purposes like office, administrative, engineering, geo-mapping, television etc.

Programme assets

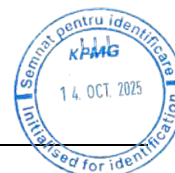
Program assets include broadcasting rights for national and international sports competitions, as well as contracts for the acquisition of film and television broadcasting rights. The balance as of 30 June 2025 is of EUR 7,682 (31 December 2024: EUR 29,643).

Contractual obligations related to future seasons are presented as commitments in Note 22.

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Reconciliation to Cash Flow statement:



	30 June 2025	30 June 2024
Additions to Intangible assets (non-current)	46,948	35,084
Additions in CFS	54,286	38,461
Difference	(7,338)	(3,377)
<i>Out of which:</i>		
Increase / (decrease) in payable balance	(7,338)	(3,377)

Impairment testing for cash-generating units containing goodwill

The Group defines cash-generating group of CGUs based on three criteria:

- country;
- infrastructure used in providing the services;
- bundling of services affecting independence of cash flows.

The Group's cash-generating group of CGUs with allocated goodwill are:

- CBT Romania;
- Portugal
- Mobile Spain;
- DTH Romania.

Goodwill allocated to Mobile Spain and DTH Romania is not material and is included in category "Other".

Goodwill	30 June 2025	30 June 2024
CBT Romania	50,242	51,434
Portugal*	26,135	-
Other	318	-
Total	76,695	51,434

* Details are disclosed in the 2024 annual financial statements (Note 30.1 Subsidiaries). Please see in 2024 Financial statements.

Recoverable amounts for the CGUs in Romania, Portugal and Spain have been determined based on discounted cashflows using cash flow projections based on financial budgets approved by the board of directors covering a five-year period (identified as value in use).

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. The Group's annual impairment testing date is 31 December. As at 30 June 2025, no indicators of impairment were identified. Accordingly, goodwill was not tested for impairment at this interim reporting date.

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8. SUBSCRIBER ACQUISITION COSTS

	Subscriber acquisition costs
Cost	
At 1 January 2025	402,109
Additions	35,949
Disposals	(2,446)
Effect of movement in exchange rates	(4,171)
At 30 June 2025	431,441
Accumulated amortisation	
At 1 January 2025	342,793
Amortisation	31,500
Impairment	1,117
Disposals	(2,375)
Effect of movement in exchange rates	(3,441)
At 30 June 2025	369,594
Net Book Value	
At 1 January 2025	59,316
At 30 June 2025	61,847

During the six-month period ended 30 June 2025, SAC were recognized in relation with contracting customers in Romania (EUR 10,784), Spain (EUR 19,986), Italy (EUR1,126) and Portugal (EUR4,053).

	Subscriber acquisition costs
Cost	
At 1 January 2024	341,476
Additions	31,490
Disposals	(2,252)
Effect of movement in exchange rates	(91)
At 30 June 2024	370,623
Accumulated amortisation	
At 1 January 2024	282,850
Amortisation	30,307
Impairment	1,430
Disposals	(2,195)
Effect of movement in exchange rates	(80)
At 30 June 2024	312,312
Net Book Value	
At 1 January 2024	58,626
At 30 June 2024	58,311

During the six-month period ended 30 June 2024, SAC were recognized in relation with contracting customers in Romania (EUR 12,314), Spain (EUR 17,979) and Italy (EUR 1,197).

For accounting policy, please see Note 2.2 (d) from 2024 Financial statements

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At 30 June 2025, Subscriber acquisition costs category contains fully amortized assets with a gross book value of EUR 288,093 (30 June 2024: EUR 234,116).



9. OTHER ASSETS

	30 June 2025	31 December 2024
Advances to suppliers	11,606	5,054
Prepayments (insurances and other)	33,813	16,416
Other assets	3,449	3,520
Total other assets	48,868	24,990

10. EQUITY

Share capital and reserves

The issued and paid-up capital as at 30 June 2025 was in amount of EUR 11,671 divided into ordinary shares with voting rights at 30 June 2025 and 31 December 2024 and nominal value of one share of EUR 0.03/share.

All issued shares have been subscribed and are fully paid at 30 June 2025.

The share capital consists of cash contributions.

At 30 June 2025, there were no special rights granted in relation to the issuance or distribution of shares.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings. The reserve is disclosed net of related deferred tax.

The transfer of the revaluation reserve through depreciation to the reported result represents the surplus realized from revaluation reserves, formed by transferring corresponding amounts from the revaluation reserve of assets as they are used by the Group. The surplus realized from these revaluation reserves is distributable, while the revaluation reserve is not distributable. In the event that the surplus realized from revaluation reserves is distributed, it will be taxed to the extent that, in accordance with the applicable tax legislation at the time of the revaluation, depreciation expenses related to revalued buildings have been considered deductible expenses in the calculation of income tax, and the surplus realized from revaluation reserves has not already been included in taxable income for the calculation of income tax. As of the date of these interim consolidated financial statements, there is no decision to distribute the surplus realized from revaluation reserves in the balance at 30 June 2025.

Other reserves

Other reserves include the legal reserve and other statutory reserves in the amount of EUR 237,477 (31 December 2024: EUR 237,477).

Legal reserve

The Company has established the legal reserve in accordance with the provisions of the Commercial Companies Law. The legal reserve is created in accordance with the provisions of the Commercial Companies Law, according to which 5% of the annual accounting profit before tax is transferred to legal reserves until their balance reaches 20% of the Company's share capital. At 30 June 2025 and 31 December 2024, the legal reserve is in amount of EUR 1,718 and it can be distributed only at liquidation.

Reinvested profit

The reinvested profit reserve, in total amount of EUR 226,157 as at 30 June 2025 (31 December 2024: EUR 226,157), relates to the profit tax exemptions and, in particular, the non-taxation of the reinvested profit for purchasing of new equipment, electronic computers and peripheral equipment, cash registers, control and billing machines, software programs, as well as the right to use software, products and/or software purchased, including

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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under financial and commissioned leasing contracts, used for the purpose of carrying out economic activity, in accordance with legislation in force. The amount of profit for which the reinvested profit tax exemption was granted is distributed to reserves at the end of each financial year. If distributed, the tax impact as at 30 June 2025 would be EUR 36,185 (31 December 2024: EUR 36,185).

Retained earnings

Retained earnings reserve includes retained earnings from previous periods.



Dividends

In May 2025, Digi Romania S.A. declared dividends worth EUR 29,592 from the 2024 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

In May 2024, Digi Romania S.A. declared dividends worth EUR 30,154 from the 2023 profit (with a dividend per share of RON 0.39, the equivalent of EUR 0.08).

During the six months 2025 Digi Andalucia S.L.U distributed dividends to non-controlling interests in amount of EUR 1,750 (six months 2024: EUR 3,000). The dividends distributed to Digi Spain have been eliminated at consolidation.

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11. LOANS AND BORROWINGS

Long term portion		Nominal interest rate	30 June 2025	31 December 2024
Senior Secured Bonds	(i)	3.25% p.a.	400,319	400,388
2021&2025 Senior Facilities Agreement	(ii), (iii), (iv)	3M EURIBOR + 2.225%- 2.75% p.a.	266,212	121,072
2023&2024 Senior Facilities Agreement	(viii), (ix)	1M EURIBOR + 2.45% - 2.55% p.a.	445,324	368,932
Export Credit Facilities	(v), (vi), (vii), (x)	6M EURIBOR + 0.5% - 0.7% p.a.	97,092	98,664
Other long-term loans	(xi)	1M EURIBOR+2.25% p.a., 6%	26,254	30,469
Total long term			1,235,201	1,019,525
Current portion		Nominal interest rate	30 June 2025	31 December 2024
2021 Senior Facilities Agreement	(ii)	3M EURIBOR + 2.225% - 2.75% p.a.	-	68,174
2023 Senior Facilities Agreement	(viii)	1M EURIBOR + 2.45% - 2.55% p.a.	44,276	44,261
Export Credit Facilities	(v), (vi), (vii), (x)	6M EURIBOR + 0.5% - 0.7% p.a.	85,114	71,961
Short portion of long-term loans	(xii)	1M EURIBOR + 2.25% p.a., 5.912%	11,041	9,943
Short term loans and working capital facilities	(xii)	Variable linked to EURIBOR/ROBOR/LIBOR+ respective margin	141,785	110,863
Total current			282,216	305,202

For details regarding cash inflows and outflows for loans and borrowings please see the table below:

	Long term loans, including short term portion	Bonds	Short term loans	Interest payable	Total
Balance as at 1 January 2025	813,477	400,387	103,879	6,984	1,324,727
Proceeds from borrowings	423,812	-	50,708	-	474,520
Repayment of borrowings	(260,515)	-	(18,105)	-	(278,620)
Interest expense	-	-	-	31,498	31,498
Interest paid	-	-	-	(32,001)	(32,001)
Finance cost ⁽¹⁾	(9,008)	-	(78)	-	(9,087)
Amortisation of deferred finance costs ⁽²⁾	7,743	(68)	95	-	7,770

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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	Long term loans, including short term portion	Bonds	Short term loans	Interest payable	Total
Effects of movements in exchange rates	(196)	-	(1,195)	-	(1,392)
Balance as at 30 June 2025	975,313	400,319	135,303	6,482	1,517,415
<i>Out of which:</i>					
<i>Short term</i>	140,431	-	135,303	6,482	282,216
<i>Long term</i>	834,882	400,319	-	-	1,235,201

1) In the Cashflow statement, the amount of EUR 9,669 represents finance costs paid during the six-month period ended 30 June 2025 related to Groups' borrowings (presented in the table above).

2) The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

i) Senior Secured Notes due 2025 & 2028 (2020 Bonds)

On 5 February 2020, Digi Romania S.A. issued at par callable 1st Lien Senior Secured Notes in total amount of EUR 850,000, in two tranches: (i) EUR 450,000 2.50% senior secured notes due 2025 and (ii) EUR 400,000 3.25% senior secured notes due 2028 (collectively, the "Notes"). The call options give the Company the right (but not the obligation) to call the notes at prices set at the inception.

On 27 September 2024 Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450,000.

The gross proceeds of the Offering were used:

- (a) to redeem the entire aggregate principal amount outstanding of EUR 550,000 5.0% senior secured notes due 2023 issued by the Company (2016 Bonds) and pay redemption premium and accrued interest to holders thereof;
- (b) to prepay or repay partially the outstanding amounts under 2016 Senior Facility Agreement;
- (c) to prepay the entire aggregate principal amount 2018 Senior Facility Agreement;
- (d) to repay (without cancelling) certain overdraft facilities;
- (e) to pay costs, expenses and fees in connection with the Refinancing; and
- (f) for general corporate purposes (which may include acquisitions).

Arrangement fees

The total cost of concluding the 2020 Bonds is amortised using the effective interest method over the life of the Bonds.

As at 30 June 2025, the unamortized balance of bond issuance related fees was EUR 2,524 (31 December 2024: EUR 3,065). During the six months period ended 30 June 2025, there were net borrowing costs recognized as a decrease in expenses in amount of EUR 68 after netting off with the amortization of the embedded derivative. For details, please see table above.

Drawings

As at 30 June 2025, the nominal balance is EUR 400,000 (EUR 400,318 presented net of borrowing fees and including fair value of embedded derivative at inception date, i.e., February 2020).

Pledges

Details on pledges are presented further in section xiii).

ii) 2021 Senior Facilities Agreement Spain ("2021 SFA")

On 26 July 2021, Digi Spain Telecom S.L.U. ("Digi Spain"), acting as borrower together with the Digi Communications N.V., Digi Romania S.A., Digi Hu and Invitel, as Original Guarantors, Banco Santander S.A. and a syndicate of banks, acting as lenders, entered into a facilities agreement for an initial duration of three and a

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half years with the possibility of extension up to 5 years, under which Digi Spain was made available: (i) a term loan facility in a total aggregate amount of EUR 57,000; (ii) a term loan facility in a total aggregate amount of EUR 65,000; and (iii) a revolving facility in a total aggregate amount of EUR 10,000 to be used for several purposes, including CAPEX and general corporate purposes.

As of 27 July 2022, Digi Spain, acting as a borrower together with Digi Communications N.V. and Digi Romania S.A. as original guarantors, ING Bank N.V. as sole bookrunner and mandated lead arranger and a syndicate of banks, acting as lenders, entered into an amendment agreement to the facility agreement dated 26 July 2021 under which was made available an additional term loan facility in a total aggregated amount of EUR 128,000 for a period equal to five years, until 30 June 2027. The borrowed amount of the new term loan facility was used by Digi Spain for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, Digi Spain, acting as borrower, together with Digi Communications N.V. and Digi Romania S.A., as original guarantors, ING Bank N.V. and Banco Santander as bookrunners and mandated lead arrangers and a syndicate of banks acting as lenders, entered into an amendment agreement to the Facility Agreement dated 26 July 2021, under which it will be made available to Digi Spain, an additional term loan facility in amount of EUR 100,000, for a period equal to four years, until 30 June 2027. The borrowed amount of the new term loan facility was used by DIGI Spain for the financing of capital expenditure on the fiber-optic network (and related equipment and infrastructure) in Spain and for associated personnel costs.

On 12 September 2024, the outstanding balances in amount of EUR 112,114 under Facility A, Facility B and Facility C were fully repaid. Also, on 31 March 2025, the outstanding balances in amount of EUR 193,825 under Facility D and Facility E under the 2021 Senior Facilities Agreement were fully repaid. Thus, the 2021 Senior Facilities Agreement were closed in 2025.

Drawing

Term loans under the 2021 Senior Facility Agreement were used for the purposes of refinancing long-term loans of Digi Spain and investments.

Maturities

There were quarterly equal repayments of interest for the term loans. There was an 18-month grace period for principal repayment.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2021 Senior Facilities Agreement. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 0 (31 December 2024: EUR 4,579).

Pledges

The 2021 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

The obligations of the Group under the Bonds, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest as presented below at point xiii).

iii) 2025 Senior Facilities Agreement Spain (“2025 SFA”)

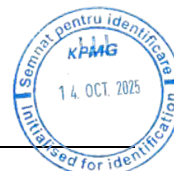
On 28 March 2025, Digi Spain and Banco Santander S.A., Banco Bilbao Vizcaya Argentaria S.A., ING Bank N.V., Sucursal en España, as bookrunners and mandate lead arrangers, and a syndicate of banks acting as original lenders, have signed a credit facility agreement for an amount of EUR 275,000, with a tenor of 5 years after the date of the facilities agreement. The borrowed amounts are used by Digi Spain, for the purposes of: (a) refinancing of the existing facilities under the facility agreement dated 26 July 2021 (presented above), as further amended and restated; (b) capital expenditure in Spain; and (c) general corporate and working capital.

The outstanding balances of the 2025 Senior Facilities Agreement amounted to EUR 220,000 as at 30 June 2025.

The interest rate under the SFA 2025 Facility A, Facility B and Facility C is composed of a margin of 2.50% per annum plus EURIBOR 3M.

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Drawing

Term loans under the 2025 Senior Facilities Agreement will be used for the purposes of refinancing long-term loans of Digi Spain, capital expenditure in Spain and general corporate and working capital.

Maturities

Termination date in relation to the 2025 SFA is the date falling sixty (60) months after the date of this Agreement, being 30 March 2030.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2025 Senior Facilities Agreement. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 3,507 under 2025 Senior Facilities Agreement.

Pledges

The 2025 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

iv) Senior Facility Agreement Digi Andalusia (“Digi Andalusia 2025 SFA”)

On 14 May 2025, Digi Andalusia S.L., a Group’s subsidiary in Spain, concluded a facility agreement in a total principal amount of EUR 84,000 with Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., ING Bank N.V., Sucursal En España, as mandated lead arrangers, with a maturity of 7 years.

The facility was contracted for supporting the investment in the FTTH (Fiber-to-the-Home) network currently being deployed in Andalusia, Spain, aiming to cover 2,500,000 homes passed, made by Digi Spain and Aberdeen plc.

The interest rate under the Digi Andalusia Facility Agreement is composed of three-month EURIBOR plus the margin set out in the table below:

From (Including)	To (Excluding)	Applicable Margin
Initial Utilisation	June 30, 2027	2.35% <i>per annum</i>
June 30, 2027	June 30, 2029	2.50% <i>per annum</i>
June 30, 2029	June 30, 2030	2.75% <i>per annum</i>
June 30, 2030	June 30, 2031	3.00% <i>per annum</i>
June 30, 2031	Termination Date	3.25% <i>per annum</i>

As at 30 June 2025, the outstanding balances were in amount of EUR 51,000.

Maturities

Termination date is the date falling seven (7) years after the signing date, being 14 May 2032.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the term of facility. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 1,281.

Pledges

The 2025 Digi Andalusia Facility Agreement is secured on assets of Digi Andalusia that do not form part of the Collateral.

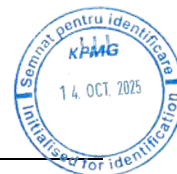
v) Export Credit Facilities (“2023 ECA”)

On 24 April 2023, Digi Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded two export credit facilities agreements in total amount of EUR 132,683.

As at 30 June 2025, the outstanding balances were in amount of EUR 44,158 (31 December 2024: EUR 66,238).

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Drawing

The two facilities were used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries. Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 72,766 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 59,917. As of 30 June 2025, the facility was fully drawn (31 December 2024: EUR 132,683).

Maturities

Finnvera – ECA shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 20 September 2023. Termination date is the date falling thirty (30) months after the first repayment date, being 20 March 2026. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 28 August 2023 for Facility A and 30 October 2023 for Facility B. Termination date is the date falling thirty (30) months after the first repayment date, being 28 February 2026 for Facility A and 30 April 2026 for Facility B. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 1,157 (31 December 2024: EUR 1,972).

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vi) Export Credit Facilities (“2024 ECA”)

On 14 May 2024, Digi Romania S.A., as borrower, together with Digi Communication N.V. and Digi Spain as original guarantors and CITIBANK EUROPE PLC as original lender and facility agent and CITIBANK N.A. as arranger and ECA agent, have concluded two export credit facilities agreements in a total amount of EUR 116,949. As at 30 June 2025, the outstanding balances were in amount of EUR 87,712 (31 December 2024: EUR 99,216).

Drawing

The two facilities are used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 35,740 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 81,208. As at 30 June 2025, the facility was fully drawn (31 December 2024: EUR 113,835).

Maturities

Finnvera – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 December 2024. Termination date is the date falling four (4) years after the starting point of credit, being 30 June 2028. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 September 2024 for Facility A and 30 August 2024 for Facility B. Termination date is the date falling four (4) years after the starting point of credit, being 31 March 2028 for Facility A and 29 February 2028 for Facility B. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

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Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 3,453 (31 December 2024: EUR 4,151).

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vii) Export Credit Facilities (“2025 ECA”)

On 27 March 2025, Digi Romania S.A. as borrower, together with Digi Communication N.V. and Digi Spain as original guarantors and CITIBANK EUROPE PLC as original lender and facility agent and CITIBANK N.A. as arranger and ECA agent concluded two export credit facilities agreements in a total principal amount of EUR 54,766, with a maturity of 4 (four) years as of the starting point of each credit (i.e. the starting point of credit being 30 April 2025, respectively 30 June 2025), to be used for the expansion of the telecommunications networks in Romania and Portugal.

As at 30 June 2025, the outstanding balances were in amount of EUR 32,585.

Maturities

Finnvera – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 December 2025. Termination date is the date falling four (4) years after the starting point of credit. An interest of 6M Euribor plus a margin of 0.55% is payable at each repayment date.

EKN – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 October 2025. Termination date is the date falling four (4) years after the starting point of credit. An interest of 6M Euribor plus a margin of 0.55% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 2,064.

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

viii) Senior Facility Agreement (“2023 SFA”)

On 21 April 2023, Digi Romania S.A., as borrower, Digi Communications N.V. and Digi Spain as original guarantors and ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, other financial institutions listed therein as original lenders have concluded a senior facility agreement (the “2023 SFA”) consisting of: (i) a term loan facility in a total aggregate amount of EUR 150,000, for a period not exceeding 31 January 2028; (ii) a revolving credit facility in a total aggregate amount of EUR 100,000, for three years from the signing of the SFA, and (iii) one or more incremental facilities not exceeding in aggregate EUR 250,000, which were not committed and which could be established and made available in accordance with the SFA.

The interest rate under the 2023 SFA Facility A is composed of a margin of 2.55% per annum plus EURIBOR 1M and for Facility B is 2.45% per annum plus EURIBOR 1M. The outstanding balances were in amount of EUR 212,500 (31 December 2024: EUR 235,000).

On 9 April 2025, Digi Romania S.A., as borrower, Digi Communications N.V. and Digi Spain as original guarantors, ING Bank N.V., London Branch as facility agent and other financial institutions as incremental facility lenders executed an incremental facility notice under the Senior Facilities Agreement dated 21 April 2023, pursuant to which the parties thereto established an additional facility for an amount of EUR 200,000 with a

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maturity of 5 years after the signing date, namely 9 April 2025. The borrowed amounts will be used by DIGI Romania S.A. for capital expenditure and general corporate purposes. As at 30 June 2025, the outstanding balance for 2025 Incremental Facility was in amount of EUR 65,000.

Drawing

The borrowed amounts were used by DIGI Romania S.A. for the purposes of debt refinancing, capital expenditure, investments, general corporate and working capital purposes.

Maturities

The Company shall repay Facility A Loan in monthly installments as per the Facility A Repayment Schedule, while Facility B Loans shall remain outstanding until voluntarily prepaid or repaid in full on the Facility B Termination Date.

Termination date is the date falling four years and nine months after the starting point of credit, being 31 January 2028 for Facility A. For Facility B, the termination date is the date falling three years after the starting point of credit, with an extension option. Thus, in April 2024, the Company extended the maturity date of Facility B by one year, to 21 January 2028.

Regarding the Incremental Facility, the Company will repay monthly equal instalments, starting month 25 after the date of signing the Incremental Facility, namely 9 April 2025. The termination date is the date falling five years after the date of signing the agreement, i.e. 9 April 2030.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2023 Senior Facilities Agreement, including 2025 Incremental Facility. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 5,122 (31 December 2024: 3,732).

Pledges

The 2023 Senior Facilities Agreement, including 2025 Incremental Facility, were unconditionally guaranteed by the Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

ix) Senior Facility Agreement (“2024 SFA”)

On 3 June 2024, Digi Romania S.A., Digi Communications N.V., as borrowers and original guarantors, Digi Spain as original guarantor, ING Bank N.V. as underwriter, mandated lead arranger, bookrunner and original lender and ING Bank N.V., London Branch as facility agent have concluded a term loan of EUR 150,000, with a maturity of 3 years after the first utilization date. The borrowed amounts may be used by Digi Communications N.V. and Digi Romania S.A. towards the repayment of the EUR 450,000 Senior Secured Notes issued by Digi Romania S.A., which were due in February 2025.

Senior Facility Agreement dated 3 June 2024 was amended and restated on 12 September 2024. Under this addendum was made available a term loan facility in a total aggregated amount of EUR 150,000 for a period equal to five years after the first utilization date, until 16 September 2029, to be used for general corporate purposes.

Another addendum was signed on 5 December 2024. According to it, the new lenders are Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe PLC., ING N.V. Amsterdam, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and Unicredit Bank S.A. Additionally, the total commitments increased from EUR 150,000 to EUR 220,000.

The interest rate under the SFA 2024 Facility A is composed of a margin of 2.5% per annum plus EURIBOR 1M. As at 30 June 2025, the outstanding balances were in amount of EUR 220,000 (31 December 2024: EUR 185,000).

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Drawing

The borrowed amounts were used by Digi Communications N.V. and Digi Romania S.A. partly for the repayment of the EUR 450,000 Senior Secured Notes issued by Digi Romania, which were due in February 2025 and the remainder for general corporate purposes.

Maturities

The loan requires equal monthly interest payments, with a 24-month grace period for principal repayment. Termination date is the date falling five years after the first utilization date, namely 16 September 2029.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2024 Senior Facilities Agreement. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 2,779 (31 December 2024: EUR 3,075).

Pledges

The 2024 Senior Facilities Agreement was unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

x) Export Credit Facilities (“2024 ECA”)

On 22 October 2024, Digi Romania S.A., as borrower, together with Digi Communications N.V. and Digi Spain as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded an export credit facilities agreement in total amount of EUR 61,922.

Drawing

The facility is intended to be used with the purpose of financing the purchase of good and services for developing the Romanian, Belgian, Portuguese and Spanish telecommunications networks of the Group’s subsidiaries.

Maturities

EKN – ECA consist of four facilities A, B, C and D that shall be repaid in eight (8) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 1 October 2025 for Facility A, 31 March 2025 for Facility B, 2 June 2025 for Facility C and 14 August 2025 for Facility D.

Termination date is the date falling forty-two (42) months after the first repayment date, being 1 April 2029 for Facility A, 30 September 2028 for Facility B, 2 December 2028 for Facility C and 14 February 2029 for Facility D. An interest of 6M Euribor plus a margin of 0.45% is payable at each repayment date.

As at 30 June 2025, the outstanding balances were in amount of EUR 26,743 (31 December 2024: EUR 13,984).

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 30 June 2025, the unamortized balance of borrowings related fees was EUR 2,319 (31 December 2024: EUR 2,690).

Pledges

The Export Credit Facilities are unconditionally guaranteed by Digi Communications N.V. on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

xi) Other long term loans

Besides the above mentioned facilities, the Group has several other long-term loans in Romania (30 June 2025: EUR 21,593; 31 December 2024: EUR 24,552) and in Spain (30 June 2025: EUR 4,662; 31 December 2024: EUR 5,916).

xii) Short term and working capital facilities

Besides the above mentioned facilities, the Group has several other short-term loans and working capital facilities (overdrafts, facilities for issuing letters of guarantees, letters of credit, etc.) in Romania (30 June 2025: EUR

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78,494; 31 December 2024: EUR 49,275), in Spain (30 June 2025: EUR 57,991; 31 December 2024: EUR 30,595), in Portugal (30 June 2025: EUR 5,300; 31 December 2024: EUR 5,300).

Other short-term facilities at 30 June 2025 include EUR 21,464 reverse factoring arrangements (31 December 2024: EUR 18,711) and related interest expense of EUR 6,482 (31 December 2024: EUR 6,985).

xiii) Collateral

The obligations of the Group under the Senior Secured Notes, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest in the following:

- (a) Certain Capital Stock that DIGI Communications NV holds in Digi Romania S.A., which as at 30 June 2025 accounted for 93.58% of the issued Capital Stock of Digi Romania S.A., as per Trade Register (31 December 2024: 93.58% of the issued Capital Stock of Digi Romania S.A.);
- (b) All bank accounts of Digi Communications N.V. and Digi Romania S.A., including any new bank accounts;
- (c) 100% of the issued Capital Stock of DIGI Spain Telecom S.L.U.; and
- (d) Subject to certain exclusions, all present and future movable assets of Digi Romania S.A. including bank account moneys, trade and other receivables, intragroup receivables, inventories, movable tangible property (including networks, machinery, equipment, vehicles, furniture and other similar assets), intangible assets, intellectual property rights, insurance and proceeds related to any of the foregoing as described in the General Movable Mortgage Agreement between Digi Romania S.A. and Wilmington Trust (London) Limited.

xiv) Covenants

All of the above facilities include certain financial ratios ("loan covenants"), which are calculated based on the consolidated figures of DIGI Communications NV.

The breach of these ratios may constitute an event of default that can lead, unless waived or cured under the terms of the applicable instruments, to early repayment of indebtedness.

The Group undertakes to ensure that, at each period end, the Group leverage, computed as the ratio of Consolidated Total Net Indebtedness to EBITDA is less than 3.5 and Interest cover, computed as the ratio of EBITDA to Net Total Interest, is more than 4.25.

As at 30 June 2025, the Group is in compliance with all loan covenants from all facilities presented above.

12. LEASE LIABILITIES

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. Set out below are the carrying amounts of lease liabilities and the movements during the six-month period ended 30 June 2025:

	2025
As at 1 January	478,638
Additions	94,808
Interest expense	12,887
Interest paid	(5,953)
Payments of principal portion of lease liabilities	(73,098)
Translation	(1,201)
As at 30 June	506,081
Current	113,743
Non-current	392,338

The maturity analysis of lease liabilities is disclosed in Note 19.

The value of interest payable as at 30 June 2025 amounts to EUR 27,805 (31 December 2024: EUR 20,871).

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The following are the amounts recognised in the Condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025:

	2025
Depreciation expense of right-of-use assets	58,069
Interest expense on lease liabilities	12,887

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms that range from 1 month up to 30 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. For these specific cases, the Group took into consideration the characteristics of the leased assets as well as the Group's estimations included in the Group's business plans. For leases where we consider it reasonably certain that the extension option will be exercised, we considered the extended lease term for the purpose of the computation of lease liabilities (on top of the non-cancellable period) with a period in the range of one to five years.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

For details about the right of use asset, please see Note 6.

The ranges used as incremental borrowing rates are between 4.5% to 4.7% (2024: 5.3% to 5.4%).

13. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of DIGI and its subsidiaries; Digi Communications N.V. is the immediate parent company; RCSM is the Group's ultimate holding company. Ultimate beneficial shareholder is Mr. Zoltan Teszari.

The following tables provide the total amount of balances with related parties:

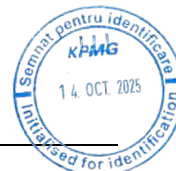
Loans to related parties			
		30 June 2025	31 December 2024
Party			
Joint Ventures in Belgium	(iii)	130,112	85,074
Total		130,112	85,074

Receivables from related parties			
		30 June 2025	31 December 2024
Party			
Digi Communications N.V.		17	18
RCSM	(i)	1	-
Ager Imobiliare S.R.L.	(ii)	176	166
Joint Ventures in Belgium	(iii)	8,829	3,408
Total		9,023	3,592

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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Payables to related parties

	30 June 2025	31 December 2024
Party		
Digi Communications N.V.	31,821	7,809
Joint Ventures in Belgium (iii)	829	-
Other	2,432	638
Total	35,082	8,447
<i>Of which: dividends payable</i>	<i>33,631</i>	<i>7,768</i>

(i) Shareholder of DIGI Communications N.V.

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

Included in Loans and Other receivables from Joint Ventures in Belgium is the updated Shareholder Loan Agreement between Digi Romania and InSky, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2026. The outstanding balance as at 30 June 2025 is EUR 89,325 (31 December 2024: EUR 55,225) and accrued interest of EUR 2,894 (31 December 2024: EUR 1,025). The Consolidated Loan Agreement between Digi Romania and Citymesh Mobile, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2025, has also been updated and the outstanding balance as at 30 June 2025 is EUR 35,005 (31 December 2024: EUR 26,795) and accrued interest of EUR 2,888 (31 December 2024: EUR 2,029).

A series of corporate restructuring operations with the purpose of consolidating Digi Group's operations in Belgium took place after 30 June 2025. For details, please see Note 23 Subsequent events.

Outstanding trade balances at year-end are interest free. For details regarding the guarantees and pledges between Group's companies please refer to Note 11. For the six-month period ended 30 June 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 December 2024: nil).

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

During six-month period ended 30 June 2025, DIGI Romania S.A. declared dividends in amount of EUR 29,592, from 2024 profit. During six-month period ended 30 June 2024, Digi Romania S.A. declared dividends in amount of EUR 30,155, from 2023 profit. For dividends distributed by the Company, please refer to Note 10.

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Short-term employee benefits	4,071	2,846
Share-based payments	420	7
Total	4,491	2,853

As at 30 June 2025, the amount of remuneration of executive directors is EUR 3,974 (30 June 2024: EUR 2,770) and non-executive directors is EUR 97 (30 June 2024: EUR 76).

Included in key management personnel are the Board members and top management of the Group. Compensation of the Group's key management personnel include salaries and share-based payments.

During the six-month period ended 30 June 2025 and 2024 several share option plans were implemented for certain members of management and employees. Several shares option plans vested in 2025 and 2024. For details, please refer to Note 20.

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During the six-month period ended 30 June 2025 and 2024, the Company distributed dividends to its shareholders.
For details, please see Note 10.



Transactions with related parties

		Six months ended 30 June 2025	Six months ended 30 June 2024
Sale of services			
Digi Communications N.V.		6	4
Ager Imobiliare S.R.L.	(ii)	-	-
Fundatia Man	(ii)	33	84
Joint Ventures in Belgium	(iii)	4,922	4,774
Total		4,961	4,862
Acquisition of services			
Fundatia Man	(ii)	252	-
Total		252	-
Others			
<i>Sponsorships and donations</i>			
Fundatia Man	(ii)	-	443
Total		-	443
Income from finance arrangements			
<i>Loans and borrowings</i>			
Digi Communications N.V.		12	34
Joint Ventures in Belgium	(iii)	5,269	827
Total		5,281	861

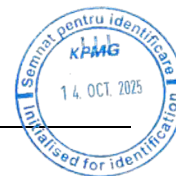
(i) Shareholder of DIGI Communications N.V.

(ii) Entities affiliated to a shareholder of the parent

(iii) Joint Venture

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14. REVENUES

A. Revenues streams

The Group generates revenues mainly from revenue from fixed and mobile services invoiced mainly as, subscription, traffic and interconnection.

Other sources of revenue include mainly revenues from sale of energy, green certificates, handsets and other CPE, as well as advertising revenues.

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

	Six months ended 30 June 2025	Six months ended 30 June 2024
Continuing operations		
Country		
Romania	580,313	533,946
Spain	444,688	369,021
Portugal	34,956	12
Other ⁽¹⁾	16,858	15,122
Total Revenues from continued operations	1,076,815	918,101
Category		
Fixed services ⁽²⁾	543,119	464,855
Mobile services	442,608	377,455
Other ⁽³⁾	91,088	75,791
Total Revenues from continued operations	1,076,815	918,101

¹⁾Includes mainly revenue from operations in Italy.

²⁾Includes mainly revenues from subscriptions for CATV, fixed internet and fixed telephony and DTH services.

³⁾Includes mainly revenues from sale of handsets and other CPE, energy, green certificates, as well as advertising revenues.

The tables below provide the split of revenues by activity:

For the six-month period ended 30 June 2025	Romania	Spain	Portugal	Other	Total
Fixed	343,824	180,901	18,646	191	543,562
Mobile	150,269	261,972	14,935	16,522	443,698
Other	87,397	2,109	1,375	192	91,073
Total before intersegment elimination	581,490	444,982	34,956	16,905	1,078,333
Intersegment elimination	(1,177)	(294)	-	(47)	(1,518)
Total consolidated	580,313	444,688	34,956	16,858	1,076,815

For the six-month period ended 30 June 2024	Romania	Spain	Portugal	Other	Total
Fixed	324,982	139,859	-	14	464,855
Mobile	134,129	229,230	-	15,125	378,484
Other	75,734	38	12	15	75,799
Total before intersegment elimination	534,845	369,127	12	15,154	919,138
Intersegment elimination	(899)	(106)	-	(32)	(1,037)
Total consolidated	533,946	369,021	12	15,122	918,101

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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The table below provides the standalone and interim consolidated revenues in accordance to *IFRS 15 Revenue from Contracts with Customers* for the six-month periods ended 30 June 2025 and 30 June 2024.

Revenues split IFRS 15	For the six-month period ended 30 June 2025	For the six-month period ended 30 June 2024
Fixed	543,562	464,855
Mobile	443,698	378,484
Total telecom	987,260	843,339
Other	91,073	75,799
Total before intersegment elimination	1,078,333	919,138
Intersegment elimination	(1,518)	(1,037)
Total consolidated	1,076,815	918,101

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

Timing of revenue recognition	Six-month period ended 30 June 2025	Six-month period ended 30 June 2024
Goods transferred at a point in time	30,638	29,968
Services transferred over time	1,046,177	888,133
Total revenues	1,076,815	918,101

The transfer of goods to the customer at a point in time are presented in the first table above as part of *Other revenues*.

Revenues recognised for the six-month period ended 30 June 2025, which were included in contract liability at the beginning of the year (of EUR 27,236) amounted to EUR 18,590. The amounts in balance as at 30 June 2025 are to be recognised gradually as revenues until 31 December 2026.

Revenues recognised for the period ended 31 December 2024, which were included in contract liability at the beginning of the year (of EUR 26,161) amounted to EUR 22,220. The amounts in balance as at 31 December 2024 are to be recognised gradually as revenues until 31 December 2025.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

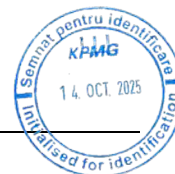
Note	30 June 2025	31 December 2024
Receivables, which are included in 'Trade and other receivables'	67,789	52,972
Contract assets	92,718	98,022
Contract liabilities (long and short-term part)	(29,978)	(27,236)

The contract assets primarily relate to the Group's services rendered and right to consideration for handsets sold in installments that are not yet billed at the reporting date. The contract assets are transferred to receivables when the right becomes unconditional. This occurs when the Group issues an invoice to the clients.

Contract liabilities primarily relate to the advance consideration received from clients for subscriptions, advance consideration for right of use contracts, as well as advance consideration for future sports competitions, for which revenue is recognized over time.

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15. OTHER INCOME AND EXPENSES

	Six months ended 30 June 2025	Six months ended 30 June 2024
Gain from sale of inventory	31,172	-
Other income from subvention of electricity supply	4,650	3,239
Other expenses	(420)	(7)

A. Other income

For the six-month period ended 30 June 2025, gain from sale of inventory relates to subsequent network development specifically for sale to SOTA. During the year ended 31 December 2024 Digi Spain Telecom, S.L.U. (“Digi Spain”) entered into a Asset Sale Agreement with SOTA INVESTMENTS OPCO, S.L.U. (“SOTA”), part of the Macquarie group, for the sale of a portion of its FTTH access network, alongside a Bitstream Services Agreement (WSA) with SOTA allowing DIGI continued access to the network to serve its clients. Details of this transaction, including its accounting treatment, are disclosed in the 2024 annual financial statements (Note 5 – Property, Plant and Equipment).

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle Digi Romania S.A. to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 30 June 2025. At the date of these financial statements, there are no unfulfilled conditions or contingencies attached to these grants.

B. Other expenses

For the six-month period ended 30 June 2025, similar to prior period, other expenses include expenses related to share option plans vested, which are expected to be one-time events.

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16. OPERATING EXPENSES

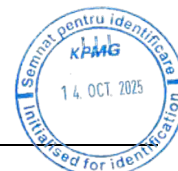
	Six months ended 30 June 2025	Six months ended 30 June 2024
Depreciation of property, plant and equipment (Note 5)	126,152	97,133
Amortisation of right of use asset (Note 6)	58,069	51,018
Amortisation of non-current intangible assets and programme assets (Note 7)	65,359	48,480
Amortisation of subscriber acquisition costs (Note 8)	31,500	30,307
Impairment of property, plant and equipment (Note 5)	5,160	2,724
Impairment of subscriber acquisition costs (Note 8)	1,116	1,430
Employee benefits	196,217	156,989
Costs related to content and similar expenses	128,240	86,531
Telephony expenses	227,508	198,311
Cost of materials sold	28,987	28,332
Invoicing and collection expenses	9,049	9,712
Taxes and penalties	10,073	5,665
Electricity cost and other utilities	58,225	38,961
Impairment of receivables and adjustments to inventories net of reversals	5,638	6,456
Taxes to authorities	11,456	8,268
Other materials and subcontractors	3,386	4,417
Other services	21,998	16,489
Other operating expenses	39,790	26,405
Total	1,027,923	817,628

The share option plans expenses accrued in the period are included under the caption “Salaries and related taxes”. For details, please see Note 20.

For the six-month period ended 30 June 2025, total employee benefits expense amounted to EUR 351,892, of which the Group capitalized EUR 155,675. In comparison, for 2024 total employee benefits expense stood at EUR 292,394, EUR 135,405 was capitalized. *Other services*, *Other operating expenses* and *Other materials and subcontractors’ expenses* mainly include expenses related to advertisings costs, expenses related to own TV channels, settlements of contracts, network maintenance expenses and various other fees and commissions to third parties.

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17. NET FINANCE COSTS

	Six months ended 30 June 2025	Six months ended 30 June 2024
<i>Finance income</i>		
Interest from banks	370	2,249
Other financial revenues	6,695	2,491
Gain on derivative financial instruments	-	3,894
	7,065	8,634
<i>Finance costs</i>		
Interest expense	(40,149)	(30,325)
Interest for lease liability	(12,887)	(5,556)
Loss on derivative financial instruments (net)	(8,430)	(1,157)
Other financial expenses	(7,053)	(5,077)
Foreign exchange differences (net)	(9,753)	(1,586)
	(78,272)	(43,701)
Net Finance Costs	(71,207)	(35,067)

As at 30 June 2025, the fair value of the embedded derivative assets attached to our EUR 400,000 Senior Secured Notes is EUR 1,237 (31 December 2024: EUR 1,263). No change was recognised for the Senior Secured Notes embedded derivative in the six-month period ended 30 June 2025 as compared to a loss of EUR 1,157 as at 30 June 2024 (for more information please see Note 11 (i)).

As at 30 June 2025, the fair value of the Digi Spain call option attached to the shareholders agreement for Digi Andalusia is EUR 5,600 (December 2024: EUR 14,030). The fair value movement of EUR 8,430 related to DIGI Spain derivative, was recognised as a loss in period on derivative financial instruments, compared to a revenue of EUR 3,894 as at June 2024. For details, please see Note 21.

18. INCOME TAX

The statutory tax rate applied in Romania during the six-month period ended 30 June 2025 was 16%, in Spain was 25%, in Italy was 24% and in Portugal was 20%. The same tax rate applied during six-month period ended 30 June 2024 except Portugal tax rate 21%.

Components of income tax expense for the six-month period ended 30 June 2025 and 30 June 2024 were:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Current tax expense	14,349	10,411
Deferred tax income	(18,031)	(1,169)
Tax (income)/expense	(3,682)	9,242

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Reconciliation of effective tax rate

Reconciliation of income tax expense at the statutory income tax rate applicable to the net result before tax to the income tax expense at the Group's effective income tax rate for the period is as follows:

		Six months ended 30 June 2025		Six months ended 30 June 2024
Profit before tax		13,087		67,653
At statutory income tax rate of the Company	16.00%	2,094	16.00%	10,824
Effect of tax rates in foreign jurisdictions	-22.41%	(2,933)	-1.51%	(1,023)
Tax effect of:				
Share of profit of equity-accounted investees reported, net of tax	0.00%	-	-0.23%	(158)
Non-deductible expenses/ (Tax-exempt income)	-10.83%	(1,418)	8.37%	5,660
Tax incentives (tax credit for reinvested profit and sponsorship)	-11.53%	(1,509)	-9.11%	(6,162)
Losses for which no deferred tax asset is recognized	0.64%	84	0.15%	100
Effective tax (income)/expense	-28.13%	(3,682)	13.66%	9,242

Deferred taxes in the condensed consolidated statement of financial position are:

	30 June 2025	31 December 2024
Deferred tax assets	49,124	30,328
Deferred tax liabilities	(95,611)	(96,883)

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The movement in deferred tax liability for the six-month period ended 30 June 2025 comprises the tax effect of temporary differences related to:

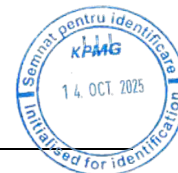
	Six-month period ended 30 June 2025					
	Net balance at 1 January 2025	Recognised in profit and loss	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(81,143)	1,650	1,919	(77,574)	-	(77,574)
Intangibles	(16,431)	73	216	(16,141)	(4,447)	(11,694)
Accounts receivable	728	56	11	796	1,330	(534)
Inventory	34	-	-	34	34	-
Accounts payable	(10,421)	237	-	(10,184)	-	(10,184)
Leases assets	(53,112)	(6,571)	66	(59,618)	-	(59,618)
Leases liabilities	61,079	8,366	(75)	69,370	69,370	-
Decommissioning	2,525	482	(45)	2,962	2,962	-
Untaken holiday	608	-	(12)	596	596	-
ICO share	-	-	-	-	-	-
Tax losses carried forward	29,579	13,737	(44)	43,272	43,272	-
Tax assets (liabilities) before set-off	(66,555)	18,031	2,036	(46,487)	113,116	(159,604)
Set-off of tax					(63,992)	63,992
Net tax assets/(liabilities)				(46,487)	49,124	(95,611)

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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The movement in deferred tax liability for the six-month period ended 30 June 2024 comprises the tax effect of temporary differences related to:



	Six-month period ended 30 June 2024					
	Net balance at 1 January 2024	Recognised in profit and loss	Effect of movement in exchange rates	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(75,641)	(3,888)	39	(79,490)	-	(79,490)
Intangibles	(8,502)	(2,016)	5	(10,513)	695	(11,207)
Accounts receivable	317	58	-	376	1,032	(656)
Inventory	212	147	-	359	359	-
Accounts payable	687	456	-	1,142	1,142	-
Leases assets	(48,538)	(2,385)	2	(50,921)	-	(50,921)
Leases liabilities	51,982	5,066	(2)	57,046	57,046	-
Decommissioning	1,864	93	(1)	1,956	1,956	-
Untaken holiday	554	-	-	554	554	-
ICO share	384	-	-	384	384	-
Tax losses carried forward	10,507	3,637	-	14,144	14,144	-
Tax assets (liabilities) before set-off	(66,174)	1,169	43	(64,962)	77,312	(142,274)
Set-off of tax					(57,302)	57,302
Net tax assets (liabilities)				(64,962)	20,010	(84,972)

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Global minimum top-up tax

The Digi Romania S.A. Group (“the Group”, or “DIGI Group”) operates in Romania, Italy, Spain, and Portugal, all enacted new legislation implemented the global minimum top-up tax starting with 1 January 2024.

The Digi Romania S.A. Group’s assessment indicates for Romania the weighted average effective tax rate based on accounting profit is 17% for the six-month period ended 30 June 2025. Considering the impact of specific adjustments in the Pillar Two legislation, the Digi Romania S.A. Group has no amount to be recognised as current income tax expense for the period.

Weighted average effective tax based on accounting profit for Spain 49%, while Italy and Portugal register statutory loss for the six-month period ended 30 June 2025.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	30 June 2025		31 December 2024	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	7,279	1,747	5,833	1,400
	7,279	1,747	5,833	1,400

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	30 June 2025	Expiry date	31 December 2024	Expiry date
Never expire ¹⁾	7,279	n/a	5,833	n/a
Total	7,279		5,833	

1) We estimate that we will start to recover losses in Portugal in the medium term.

Deferred tax asset in respect of the fiscal loss from Portugal was recognized 30 June 2025 in amount of EUR 39,621 (31 December 2024: EUR 26,825) which is subject to indefinite expiry period, for Spain 30 June 2025 in amount of EUR nil (31 December 2024: EUR 543) and for Italy 30 June 2025 in amount of EUR 116 (31 December 2024: EUR 124).

For statutory purposes, Digi Romania S.A. has performed several revaluations of its land and buildings, last being performed on 31 December 2024. Should the statutory revaluation reserves of Digi Romania S.A be distributed to its shareholders it would become taxable, i.e. they would generate a tax liability of EUR 1,381 (31 December 2023: EUR nil), for which a deferred tax liability is recognised.

The Romanian Tax Code currently in force, defines the categories of assets for which companies may apply the tax exemption on reinvested profit as follows: technological equipment, electronic computers and peripheral equipment, cash machines, control and billing machines, software programs, and the right to use software, products and / or purchased software, including on the basis of financial leasing contracts, and commissioned, used for the purpose of development of economic activity.

The amount of the profit for which the reinvested corporate tax exemption was granted shall be distributed at the end of the financial year to reserves.

In line with IAS 12, no deferred tax was recognized in this respect as there is no intention to distribute the reinvested profits in the foreseeable future (Note 10).

19. FINANCIAL RISK MANAGEMENT

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

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

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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 analyze 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.

i) Credit risk

Credit risk exposure

The Group regularly monitors its customers' debts and expected credit losses are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt.

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

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications and energy) and identifying potential bad debt cases, which are suspended, in general between 10 and 30 days after the invoice due. In respect of related parties receivables which arise mainly from loans granted to the joint ventures in Belgium, management's assessment is that there is not significant risk related to these balances, as such no ECL was recorded.

The maximum exposure to credit risk at the reporting date was:

Derivative and non-derivative financial assets by category – exposure to credit risk

	Note	30 June 2025	31 December 2024
Trade and other receivables		98,530	72,015
Loans receivable from related parties	13	138,364	87,947
Other receivables from related parties		205	98
Contract assets		92,718	98,022
Other non-current assets		3,337	3,758
Grants for electricity supply		9,308	8,897
Cash and cash equivalents		55,466	66,453
Long term receivables		76,600	69,747
Total		474,528	406,937

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

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

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- **Cash & cash equivalents**

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	30 June 2025	31 December 2024
Citibank	5	4
ING Bank	707	3,288
Banca Comerciala Romana	653	633
BRD Groupe Societe Generale	31	33
Unicredit Tiriac Bank	929	1,025
Banco Santander	24,952	48,126
Banco La Caixa	8,697	7,303
Banco BBVA	15,729	932
Banco Sabadell	361	513
Novo Bank	31	276
Banco Bankinter	30	1,747
Petty Cash	25	52
Other	3,316	2,521
Total	55,466	66,453

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

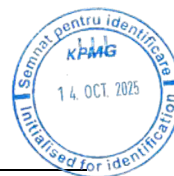
The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries with external ratings above BBB+, according to Standard & Poor's

Trade and other receivables and contract assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has determined that the trade receivables do not include a significant financing component and, hence, the time value of money component is considered immaterial.

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The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for business, residential, advertising and energy customers as at 30 June 2025 and 31 December 2024.

30 June 2025	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	0%	143,170	(102)	143,068
Below 30 days	4%	37,629	(1,327)	36,302
31–90 days past due	23%	11,357	(2,561)	8,796
91–180 days past due	50%	8,284	(4,120)	4,164
181–360 days past due	47%	9,710	(4,599)	5,111
More than 360 days past due	75%	12,513	(9,399)	3,115
Total		222,663	(22,108)	200,556

31 December 2024	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	0%	125,261	(574)	124,687
Below 30 days	4%	30,035	(1,148)	28,887
31–90 days past due	15%	15,116	(2,324)	12,792
91–180 days past due	43%	8,656	(3,759)	4,897
181–360 days past due	79%	10,196	(8,044)	2,152
More than 360 days past due	63%	15,103	(9,584)	5,519
Total		204,367	(25,433)	178,934

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	2025	2024
Balance at 1 January	25,432	21,098
Amounts written off	(6,421)	(9,741)
Acquisitions through business combinations	-	2,676
Reclassification	(2,257)	(148)
Net remeasurement of loss allowance	5,638	11,758
Translation reserve	(284)	(210)
Balance at 30 June	22,108	25,433

ii) 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 supplier finance arrangements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

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The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 30 June 2025:

30 June 2025							
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,517,417	1,657,800	172,115	160,119	341,533	933,123	50,910
Lease liabilities	506,081	664,772	75,670	61,005	87,118	135,547	305,432
Trade and other payables and other liabilities	613,322	614,443	551,764	15,568	26,658	15,982	4,471
Total	2,636,820	2,937,015	799,549	236,692	455,309	1,084,652	360,813

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2024:

31 December 2024							
	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Non derivative financial liabilities							
Loans and borrowings	1,324,727	1,449,314	183,290	172,368	234,500	859,156	-
Lease liabilities	478,637	638,325	64,950	58,854	89,302	128,344	296,875
Trade and other payables and other liabilities	600,332	601,044	529,932	21,018	29,634	16,601	3,859
Total	2,403,696	2,688,683	778,172	252,240	353,436	1,004,101	300,734

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future. Details are disclosed in the 2024 annual financial statements (Note 2.1 (d) Going concern assumption).

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates 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.

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

The Board of Directors actively manages the exposure to EUR and USD currency only for borrowings.

The Group's exposure to foreign currency risk was:

	30 June 2025		31 December 2024	
	USD	EUR	USD	EUR
Trade and other receivables	1,350	10,473	1,675	5,714
Cash and cash equivalents	34	53	54	71
Loans and Borrowings	-	(964,354)	-	(892,536)
Bank overdraft	(14,240)	(157,182)	(12,392)	(144,393)
Lease liabilities	(4,298)	(136,820)	(7,333)	(123,462)
Trade and other payables	(42,974)	(63,266)	(48,684)	(75,044)
Net exposure	(60,128)	(1,311,096)	(66,680)	(1,229,650)

The amounts presented in the table above are expressed in EUR thousands, the denomination of the basis amounts is in the currencies mentioned in the header of the table. The same presentation was applied also to comparatives which were previously presented in the originating currencies.

The following significant exchange rates applied for the six-month period ended 30 June 2025 and year ended 31 December 2024:

	30 June 2025	31 December 2024
Romania (RON)		
USD	4.3329	4.7768
EUR	5.0777	4.9741

Sensitivity analysis for currency risk

A 10 percent strengthening of the currencies listed above against the functional currencies of the Parent and of the subsidiaries at 30 June would have decreased profit before tax/increased the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax	Effect on profit before tax
	30 June 2025	31 December 2024
EUR	131,110	122,965
USD	6,013	6,668
Total	137,123	129,633

A 10 percent weakening of the above-mentioned currencies against the functional currencies of the Parent and of the subsidiaries at 30 June would have had the equal but opposite effect on profit or loss, on the basis that all other variables remain constant.

The effect in equity is the effect in profit or loss before tax, net of tax (16%) (excluding translation effect into presentation currency).

Exposure to interest rate risk

The Group's revenues and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk (USD and EUR) through market fluctuations of interest rates. The interest rates of borrowings are disclosed in Note 11 and for lease liabilities see Note 12.

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The Board of Directors performs from time-to-time ad-hoc analysis of exposure to variable rate borrowings and decides if it should change the structure of variable / fixed rate borrowings or whether to hedge through Interest Rate Swap.

At the reporting date the interest rate repricing profile of the variable rate interest-bearing financial instruments was:

	All repriced at 6 months or less	
	30 June 2025	31 December 2024
Senior Facility Agreement (2021&2025)	271,000	193,825
Senior Facility Agreement (2023&2024)	497,500	420,000
Export Credit Arrangements	191,199	179,438
Other long-term loans	37,378	40,516
Total	997,077	833,779

The Senior Facility Agreements are interest bearing. Except for the ones presented in the table above there are no other major interest-bearing financial instruments.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates, at the reporting date would have increased (decreased) profit or loss before tax by:

	Profit or loss	
	100 basis points increase	100 basis points decrease
30 June 2025		
Variable rate instruments	(10,481)	10,481
	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2024		
Variable rate instruments	(8,338)	8,338

The effect in equity is the effect in profit or loss before tax, net of tax (16%).

iv) Fair values

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

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

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

Level 2: valuation techniques with all significant inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: valuation techniques using significant inputs that are not observable or based on observable market data (i.e., unobservable inputs).

The significance of a valuation input is assessed against the fair value measurement in its entirety.

Recurring fair value measurements

Recurring fair value measurements are those that are required or permitted by the accounting standards in the statement of financial position as at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements of financial instruments are categorised are as follows:

	Level 3
30 June 2025	
Financial derivative assets	5,600

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Embedded derivatives	1,237
Total	6,837
	Level 3
31 December 2024	
Financial derivative assets	14,030
Embedded derivatives	1,263
Total	15,293



Embedded derivatives

Redemption Options Bonds

As at 30 June 2025 and 31 December 2024, a discounted cash flow valuation technique was used in order to estimate the option-free value of the bond at this date. Main inputs were the callable bond market value, coupon, payment terms and maturity date. The fair value of the redemption option is the difference between market price of the bond and the estimated option free value. The fair value was obtained from an independent valuation specialist. The management has determined that such prices were developed in accordance with the requirements of IFRS 13.

	Discount rate	
	100 bps increase	100 bps decrease
30 June 2025		
Embedded derivative asset	(1,237)	11,260

	Discount rate	
	100 bps increase	100 bps decrease
31 December 2024		
Embedded derivative asset	(1,263)	11,260

Financial derivative assets

In order to perform the valuation of several call options and one put option regarding the transaction between Digi Spain and abrdn, a valuation model based on Monte-Carlo simulations was carried on by an independent evaluator. A WACC rate of 9.8% was used. A change of wacc rate with 100 bps would result in the following change of the financial derivative asset:

	Discount rate	
	100 bps increase	100 bps decrease
30 June 2025		
Financial derivative assets	(388)	388

	Discount rate	

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	100 bps increase	100 bps decrease
31 December 2024		
Financial derivative assets	(644)	644

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the six-month period ended 30 June 2025 is as follows:

	Financial Derivative Assets	Embedded Derivatives
1 January 2025	14,030	1,263
Gains or (losses) recognised in profit or loss for the year	(8,430)	-
Effect of movements in exchange rates	-	(26)
30 June 2025	5,600	1,237

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the six-month period ended 30 June 2024 is as follows:

	Financial Derivative Assets	Embedded Derivatives
1 January 2024	3,366	2,768
Gains or (losses) recognised in profit or loss for the year	3,894	(1,157)
Effect of movements in exchange rates	-	-
30 June 2024	7,260	1,611

The financial derivative asset and the embedded derivative are fully unrealized.

Assets and liabilities not measured at fair value but for which the fair value is disclosed

The fair value of long-term loans and their corresponding carrying amount (excluding the interest accrued at 30 June 2025 and 31 December 2024) and fair value measurement hierarchy are presented in the table below:

	30 June 2025		
	Carrying amount	Fair Value	Hierarchy
Loans (Note 11)	1,375,631	1,428,329	
Bonds*	400,319	393,968	Level 1
Senior Facility Agreement (2025)	266,212	268,679	Level 3
Senior Facility Agreement (2023&2024)	489,599	529,961	Level 3
Export Credit Facilities	182,205	198,303	Level 3
Other long-term loans	37,296	37,418	Level 3
	31 December 2024		
	Carrying amount	Fair Value	Hierarchy
Loans (Note 11)	1,213,864	1,225,237	

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Bonds*	400,388	393,968	Level 1
Senior Facility Agreement (2021)	189,246	193,111	Level 3
Senior Facility Agreement (2023&2024)	413,193	418,843	Level 3
Export Credit Facilities	170,625	178,921	Level 3
Other long-term loans	40,412	40,394	Level 3

* Fair value of bonds is disclosed at mid-market price, which includes the embedded derivative asset

The fair value of bonds is calculated on the basis of the market price while the fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR/ROBOR reset rate, after giving effect to interest rate swaps, plus the market credit spread received by the Group for financial liabilities with similar features).

Financial instruments which are not carried at fair value on the statement of financial position also include trade and other receivables, cash and cash equivalents, other interest-bearing loans and borrowings, other long-term liabilities and trade and other payables.

The carrying amounts of these financial instruments are considered to approximate their fair values, due to their short-term nature (or recognized recently carrying values for other long-term liabilities) and low transaction costs of these instruments.

v) Capital management

The Group's objectives when managing capital are to safeguard the Group's 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, the value of capital investments, the commercial offerings or the level of assets under property.

Management monitors "total net debt to EBITDA" ratio which is computed in accordance with the Senior Facilities Agreements' requirements and in accordance with the Senior Notes.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During 2025, the Group's strategy, which was unchanged from 2024, was to maintain the net leverage ratios under 3.25.

The Group has complied with all externally imposed capital requirements throughout 2025 and 2024. These are set out in the Group's notes and syndicated loan agreements, as mentioned in the Note 11 xiv) Covenants, above.

vi) Climate risks

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

vii) Situation in Ukraine

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

20. SHARE- BASED PAYMENTS

The Group's Parent 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.

Measurement of fair values

The fair value of the employee share purchase is measured at the fair values at grant date of the equity-settled share-based payment plans. The plans are settled with Class B shares of Digi Communications NV.

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Currently, the following share option plans are in place or impacted the six-month period ended 30 June 2025:

On 12 august 2024, Digi Communications NV. Board of Directors has approved the grant of a number of 70,000 stock options within the stock option program granted to the benefit of employees of the DIGI Romania S.A., subsidiary of Digi Communications NV., pursuant to the Digi Communications NV. Stock Option Plan. The fair value at grant date was EUR 852.

The vesting of the options is conditional upon the fulfilment of the performance criteria, with the vesting period being set at a minimum of 1 year as at the grant date.

For details regarding the movement of share options during the periods, please see below:

	Six-month period ended 30 June 2025	
Digi Communications NV Class B treasury shares	Number	WAEP*
Outstanding as at 1 January	70,000	
Exercised during the year	-	-
Granted during the year	-	
Outstanding as at 30 June	70,000	

* Weighted average exercise price is average price of shares at vesting.

At 30 June 2025, the related share option expense of EUR 420 (30 June 2024: EUR 7) is presented within *Operating expenses* in the Condensed consolidated statement of profit or loss and other comprehensive income.

21. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2025, the Group had derivative financial assets.

	30 June 2025		31 December 2024	
	Fair value	Notional	Fair value	Notional
Derivative financial asset (see also Note 19)				
Financial derivative assets	5,600	n/a	14,030	n/a
Embedded derivatives	1,237	n/a	1,263	n/a

Embedded derivatives of EUR 1,237 relate to the bond (31 December 2024: EUR 1,263) (the 2020 Bond include several call options as well as one put option, for which the combined fair value of these embedded options was assessed and recognized a separate embedded derivative asset).

As at 30 June 2025 and 31 December 2024, a discounted cash flow valuation technique was used in order to estimate the option-free value at this date. The fair value was obtained from an independent valuation specialist.

As at 30 June 2025 and 31 December 2024, the Group had no derivative financial liabilities.

In relation with the transaction completed during October 2023 between Digi Spain and abrdn for the roll out of a FTTH Network, several call options and one put option embedded in the signed Shareholders Agreement, were analysed. Their features allow us to consider all of the options (both the call options and one put option) as American options. Therefore, in order to perform their valuation, we have implemented a valuation model based on Monte-Carlo simulations. The fair value was obtained from an independent valuation specialist.

The methodology used to obtain the value of the options included in the Shareholder Agreement has relied on a Monte-Carlo simulation, performed by an independent valuator. The valuator has simulated the value of Digi Andalusia's shares initially granted to Abrdn using a geometric Brownian motion, which is the standard for simulating these types of variables. Specifically, they have conducted 5,000 simulations. Input data at this point is represented by the value of Digi Andalusia shares granted to Abrdn (determined using the income approach), expected growth rate of the value of the shares, volatility and time period of valuation. Finally, the value of the

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option in each simulation will be the maximum intrinsic value throughout the entire simulation. Input data for the intrinsic value is represented by the value of Digi Andalusia shares granted to Abrdn strike prices from the Shareholder Agreement and discount factor. To obtain the total value of the option, the valuator took the average of the option value across all simulations.

At inception date, 1 October 2023, the derivative was recognised in equity, in amount of EUR 3,366. At 31 December 2024, the derivative was valued at EUR 14,030. At 30 June 2025, a fair value evaluation was performed and the difference booked through profit and loss account. For the six-month period ended 30 June 2025, the loss from valuation was EUR 8,430.

22. CONTINGENCIES AND COMMITMENTS

Uncertainties associated with the fiscal and legal system

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

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

The Dutch, Romanian and other Eastern and Central Europe Fiscal legislation include detailed regulations regarding transfer pricing between related parties and includes specific methods for determining transfer prices between related parties 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.

The Group is currently involved in a number of legal proceedings, including inquiries from, or discussions with, government authorities that are incidental to their operations. In the opinion of the management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements. For the litigation described below, the Group did not recognize provisions. In all cases, the determination of the probability of successfully defending a claim against the Group involves always the subjective evaluation, therefore the outcome is inherently uncertain. The determination of the value of any future outflows of cash or other resources, and the timing of such outflows, involves the use of estimates.

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

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

The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009¹ joint-venture agreement between Digi Romania S.A 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

¹ In 2009 Digi Romania S.A. 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 Digi Romania S.A 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").

The notes on pages 10 to 64 are an integral part of these condensed consolidated interim financial statements.

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accessory to money laundering are alleged to have been perpetrated through Digi Romania S.A.'s acquisition of the Bodu S.R.L. events hall in 2016².

On 15 January 2019, the Bucharest Tribunal, convicted DIGI Romania 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 DIGI Romania of an amount of EUR 3,100 plus RON 655 thousand. The decision was overturned and thus rendered without effect by the Court of Appeal on 1st November 2021 and it maintained the seizure over (effectively blocking the sale of) the two real estate assets with a total carrying value of RON 17,3 million which was first instituted by the DNA, as guarantee (this order remained in force at 30 June 2025).

Through the same judgement, Mr. Bendei Ioan (at that time member of the Board of directors of Digi Romania S.A 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 Digi Romania S.A and Bodu S.R.L., as well as all the agreements concluded between Digi Romania S.A., Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.

The first court decision was appealed. On 1 November 2021, the Bucharest Court of Appeal granted the appeals of Digi Romania S.A, Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from 15 January 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. On 1 July 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as unfounded the claims and exceptions raised by Digi Romania S.A, INTEGRASOFT S.R.L. and their current and former officers.

The appeal against this solution was partially granted by the High Court of Cassation and Justice on 20 June 2023. The court decided that some of the evidences used by the Romanian National Anti-Corruption Agency must be removed from the court file and that the Romanian National Anti-Corruption Agency has to decide whether it requests the continuation of the trial under these circumstances. On 10 October 2023, the High Court of Cassation and Justice ruled definitively on the applications submitted in the preliminary chamber and ordered the file to be sent to the Court of Appeal and the start of the trial on the merits. The case, which is under retrial on the merits and was pending judgment at the previous hearing, has been reinstated on the court's roll, with a hearing scheduled for 7 October 2025, in order to address the documents filed with the court after the close of the debates, proving that one of the defendants deceased. However, based on the decision of the General Assembly of Judges of the Bucharest Court of Appeal, by which with some exceptions, the settlement of the cases is suspended until the draft law concerning the reform of the service pensions of magistrates is withdrawn, this trial was also temporarily suspended and a new court term will be established.

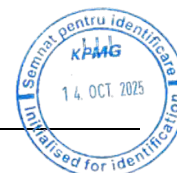
We strongly believe that Digi Romania S.A., INTEGRASOFT S.R.L. and their current and former officers have acted appropriately and in compliance with the law, and we strongly restate that we will continue to defend against all the above allegations while expecting a final solution that corresponds to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

Management's assessment, based on the facts described above and considering amongst other factors the advice of internal and external legal advisors, is that it is not probable that there will be a cash outflow in the future.

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, Digi Romania S.A. entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, Digi Romania S.A. 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, Digi Romania S.A. 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 Digi Romania S.A.'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.

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Material commitments

Capital commitments are presented both on a discounted and an undiscounted basis, using the weighted average cost of capital for each geographical segment.

	30 June 2025					
	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Undiscounted amounts						
Annual fee for spectrum license	775,306	12,634	28,735	59,169	162,329	512,439
Capital expenditure	736,058	234,046	184,272	223,700	84,840	9,200
Contractual obligations for programme assets	81,457	21,741	20,697	37,035	1,984	-
Contractual obligations for capacity and energy contracts ¹	2,365,936	42,400	45,601	88,803	261,307	1,927,825
Discounted amounts						
Annual fee for spectrum license	430,276	11,609	26,408	50,162	118,305	223,792
Capital expenditure	649,461	216,491	170,557	193,102	64,218	5,093
Contractual obligations for programme assets	69,954	19,621	18,690	30,222	1,421	-
Contractual obligations for capacity and energy contracts ¹	918,806	38,277	38,919	72,427	182,190	586,993
Total						
-undiscounted	3,958,757	310,821	279,305	408,707	510,460	2,449,464
-discounted	2,068,497	285,998	254,574	345,913	366,134	815,878

1) Included in material commitments for the six-month period ended 30 June 2025, there is the capacity agreement concluded with Sota, that allows DIGI Spain continued access to the network sold, in order to to serve its clients.

In addition to these commitments, which are expressed in monetary terms, the Group made certain commitments to the national regulatory authorities such as ensuring certain coverage of the population regarding fixed or mobile networks, particularly in the context of assignment of licenses and quality of service. These commitments (the part which pertains to 2021 as well as 2022 awarded licences, as all the others are already fulfilled) will require investment expenditure in future years to roll out and enhance the networks. They are not shown in the note above if they have not been expressed in monetary terms, which is usually the case. However, all coverage commitments are capital commitments and part of it are included in the note above. The Group has accordingly agreed to meet the following conditions:

2100 MHz, 2600 MHz bands license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for inhabited zones of at least 30% of the population in Romania by the 5 April 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

800 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

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- to provide coverage with mobile data services with at least 2 Mbps speed for 56 specific settlements by the 31 December 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

3400 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- network development obligations to install and maintain proper operation of 2000 base transmission stations with a capacity to ensure a speed of at least 100 Mbit/s / 20 Mhz in Romania in specific areas;
- network coverage obligations of international airports in Romania with a download speed of at least 100 Mbit/s with a probability of 85% indoor reception and on demand providing car telecommunication services for airport vehicles.

900 MHz, 1800 MHz, 2.6 GHz, 3.6 GHz bands license (Portugal)

The obligations included in the authorization to use the acquired spectrum are as follows:

- to ensure within 3 years (from the moment of entering into a national roaming agreement) that DIGI Portugal will provide a mobile coverage of 25% of the Portugal population and within a total of 6 years to reach a mobile coverage of 50% of the Portugal population. These coverages will be considered fulfilled with the provision of a broadband service with a minimum speed of 30 Mbps;
- within 3 years of the issue of the license DIGI Portugal must offer commercial services to the public.

700 MHz, 3600 MHz, 2600 MHz, 900 MHz, 1800 MHz and 2100 MHz bands license (Belgium)

Capital commitments in respect of the Group's share of the annual fee for spectrum licenses, representing 49% of total commitment, are included above, both on a discounted and an undiscounted basis, using an interest rate of 5.25%, which is the interest rate applied by the Belgian Institute for Postal Services and Telecommunication ("BIPT") for the spectrum licences auctioned in 2022.

1,800 MHz, 2,100 MHz and 3,500 MHz bands (Spain)

The obligations included in the authorization to use the spectrum are as follows:

- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban areas of cities with more than 250,000 inhabitants;
- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban and intermediate areas of cities with more than 200,000 inhabitants.

Significant agreements with Telefónica Móviles España, S.A.U. ("Telefónica") (Spain)

These agreements are concluded for a minimum period of 16 years and are intended to replace starting with 1 January 2025 the existing MVNO agreement concluded between DIGI Spain and Telefónica. Under the RAN Sharing Agreement, the parties agree to also share the mobile spectrum owned by them in Spain, in the 3.500 MHz frequency band. In addition, DIGI Spain has concluded a new fixed broadband bitstream wholesale agreement with Telefónica (NEBA) for a period of 10 years (with the possibility to extend such term).

Letters of guarantee and letters of credit

As at 30 June 2025, there were bank letters of guarantee and letters of credit issued in amount of EUR 92,922 mostly in favor of leasing, content and satellite suppliers and for participation to tenders (31 December 2024: EUR 86,658).

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23. SUBSEQUENT EVENTS

Business transactions

Telekom Transaction

In October 2024, DIGI Romania S.A. (“DIGI”) entered into a memorandum of understanding (the “MoU”) with Hellenic Telecommunications Organization S.A. (“OTE”) and Vodafone Romania S.A. (“VF”) having as subject matter the OTE divestment from Telekom Romania Mobile Communications S.A. (“TKRM”) (the “Transaction”). According to the MoU, the parties intend to carry out a series of interdependent operations and transactions pursuant to which DIGI will acquire certain assets from TKRM and VF will acquire indirectly the shares held by OTE in TKRM.

The transaction was concluded on 19 September 2025 and DIGI acquired certain assets including certain spectrum licenses and telecommunications towers as well as the prepaid mobile services from TKRM for an aggregate effective consideration of EUR 40 million, and VF acquires the shares held by OTE in TKRM. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the transaction.

Restructuring of the Belgian operations

On 16 July 2025, Digi Romania and its partner Citymesh in Belgium implemented a series of corporate restructuring operations with respect to the Digi Group’s affiliated companies in Belgium, with the purpose of simplifying the existing shareholding structure and consolidating Digi Group’s operations in Belgium. As a result of these changes, Digi Communications Belgium N.V., which is 51% owned by Digi Romania and 49% by Citymesh, has become the sole shareholder of all other Belgian companies affiliated with Digi Group (InSky N.V. and Citymesh Mobile N.V). In turn, Digi Communications Belgium N.V. remains owned 51% by Digi Romania and 49% by Citymesh. As of the date of issuance of these financial statements, management is evaluating the appropriate accounting treatment for the restructuring of the Belgian operations.

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24. EBITDA

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

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

	Six-month period ended 30 June 2025	Six-month period ended 30 June 2024
Continuing operations		
Revenues	1,076,815	918,101
Other income	35,822	3,239
Total revenues and other income	1,112,637	921,340
Operating profit	84,294	103,705
Depreciation, amortisation, impairment and revaluation impact (Note 5, 6, 7, 8)	287,356	231,092
EBITDA	371,650	334,797
Adjustments for:		
Other income	(31,172)	-
Other expenses	420	7
Adjusted EBITDA total	340,898	334,804
Adjusted EBITDA total (%)	31.52%	36.34%

For the six-month periods ended 30 June 2025 and 30 June 2024, EBITDA was adjusted to exclude non-recurring Other income and Other expense, as presented in the table above.

For the six-month period ended 30 June 2025, EBITDA was adjusted to exclude a non-recurring gain arising from the sale of Digi Spain's Fiber-to-the-Home (FTTH) network covering 12 provinces in Spain, from inventory and resulted in a one-time gain recognized in *Other income* in the consolidated statement of profit or loss.

For the six-month periods ended 30 June 2025 and 30 June 2024, *Other expenses* include expenses related to exercised share option plans granted to individuals who are not part of the recurring share option scheme. For these individuals, the option plan is expected to constitute a one-time event.

ANNEX A

Form of Initial Meeting Resolutions

“THAT this meeting of holders representing all the outstanding EUR 600,000,000 4.625% Senior Secured Notes due October 29, 2031 (the “**Notes**”) of DIGI Romania S.A., a joint stock company incorporated and functioning under the laws of Romania, registered with the Bucharest Trade Registry under no. J1994012278401, EUID ROONRC.J1994012278401, sole registration code 5888716, having a subscribed and paid in share capital of RON 38,594,163, with headquarters located at 75 Dr. Staicovici street, 5th District, Bucharest, Romania (the “**Issuer**”) held on this []th day of [] in the year 2025 in accordance with applicable Romanian law, but with convening formalities waived by holders representing all the outstanding Notes, HEREBY:

1. acknowledges and accepts that this meeting is the Initial Meeting contemplated by the indenture governing the Notes (as supplemented or amended, the “**Indenture**”)
2. appoints the Trustee as the noteholders’ representative (*reprezentantul obligatarilor*) in relation to the Notes for purposes of applicable Romanian law (the “**Noteholders’ Representative**”);
3. authorizes and instructs the Trustee, in its capacity as Noteholders’ Representative, to promptly accede to the Indenture following this meeting by executing and delivering a supplemental indenture to the Indenture in the form prescribed therein for such accession, and in so doing, to become subject to all the duties and become authorized to exercise all the rights, powers and discretions that are specifically imposed on or given to the Noteholders’ Representative under the Indenture and the Notes, together with any other incidental rights, powers and discretions;
4. further authorizes and instructs and requires that any successor Noteholders’ Representatives that may be validly appointed after the date hereof by any subsequent Meeting also accede to the Indenture in like manner, in each case promptly following its or their own appointments;
5. authorizes and instructs the Noteholders’ Representative and any successor Noteholders’ Representatives to carry out all acts of supervision and defence of the common interests of any holders of Notes as set out in, and in strict compliance with, the Indenture;
6. acknowledges and accepts the terms of the Indenture, the Notes, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement (including in instances, such as convening, chairing, quorum and voting requirements in relation to Meetings, where such documents differ from or are supplementary to provisions of Romanian law), and sanctions any future action made, given or taken by the Issuer and the Restricted Subsidiaries, the Trustee, the Security Agent, the Agents, the Noteholders’ Representative, holders of the Notes or Book-Entry Interests (including, if applicable, individual holders or holders representing specified percentages of the aggregate principal amount of the outstanding Notes) or by any other Persons or groups of Persons (all the foregoing, together, “**Relevant Persons**”) pursuant to the provisions of the Indenture, the Notes, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, including any exercise or performance by any Relevant Persons of any rights, duties, powers, authorities or discretions required of, permitted by or granted to them thereunder or pursuant to customary practices in relation to any such documents;
7. requires that any subsequent noteholders’ meeting (*adunarea obligatarilor*) in relation to the Notes comply with the requirements in relation to Meetings provided for in the Indenture;
8. requires that any fund constituted pursuant to any valid exercise of the Fund Power be held in trust by the Trustee for the benefit of the Holders;
9. authorises, directs, requests and empowers all Relevant Persons to execute and to do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient in its sole opinion to carry out and to give effect to these resolutions; and
10. forever discharges and fully exonerates the Trustee and the Noteholders’ Representative and its employees, officers, directors, predecessors and successors from all liability in respect of any act or omission in connection with these resolutions or their implementation.

All defined terms used in these resolutions (which may be identified by the capitalization of the first letter thereof) but not defined herein shall have the meanings given to them in the Indenture.”

GLOSSARY OF TECHNICAL TERMS

2G	Second generation cellular telecom networks were commercially launched on the GSM standard in Finland in 1991. Three primary benefits of 2G networks over their predecessors were that phone conversations were digitally encrypted; 2G systems were significantly more efficient on the spectrum allowing for far greater mobile phone penetration levels; and 2G introduced data services for mobile, starting with SMS text messages.
3G	Third generation mobile telephony standard providing the ability to transfer simultaneously both voice data, such as telephone calls, and non-voice data, such as information downloads, exchanges of emails, instant messaging and video telephony.
4G	Fourth generation of mobile phone mobile communication technology standards as a successor of the third generation (3G) standards. A 4G system provides mobile ultra-broadband Internet access, for example to laptops with USB wireless modems, to smartphones, and to other mobile devices. Conceivable applications include amended mobile web access, IP telephony, gaming services, high-definition mobile TV, video conferencing, 3D television and Cloud Computing. Two 4G candidate systems are commercially deployed: the Mobile WiMAX standard, and the first-release Long Term Evolution (“LTE”) standard.
5G	Fifth generation of mobile phone communication technology. Building on 4G productivity, a 5G systems targets high data rates, reduced latency, energy savings, cost reduction, higher system capacity, and massive device connectivity.
Bitstream access	A wholesale product which consists of an access link to the customer premises (over copper, coax or fibre) and a transmission service (eg ethernet) to a defined set of handover points (the access point). It third party providers to provide services to customers through the access point.
Broadband	A general term used to describe wide bandwidth equipment or systems which can carry a large proportion of the electromagnetic spectrum. Broadband communications systems can deliver multiple channels and other services.
Cable TV	A broadband network employing radio-frequency transmission over coaxial and/or fiber-optic cable to transmit multiple channels carrying images, sound and data between a central facility and individual customers’ television sets.
CDMA	Code Division Multiple Access. Digital cellular spread-spectrum modulation technique that implements distributed voice and data networks.
CLIP	Calling line identification presentation is a telephone service, available in analog and digital phone systems and most VoIP applications, that transmits a caller’s number to the called party’s telephone equipment during the ringing signal, or when the call is being set up but before the call is answered.
CLIR	Calling line identification restriction is a telephone service, available in analog and digital phone systems and most VoIP applications, that blocks calling party address information from being presented to the called party’s telephone equipment.
CPE	Customer premises equipment is any terminal or associated equipment located at a subscriber’s premises and connected with a carrier’s telecommunication channel(s) at the demarcation point. The demarcation point is a point established in a building or complex to separate customer equipment from the telecommunication company equipment. CPE includes satellite dishes, satellite receivers, decoders, cable modems, fixed-line phone terminals, GPON terminals, smartcards, 3G mobile telephony handsets and mobile data devices.
Digital	A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits 0 and 1.

Digital transmission and switching technologies employ a sequence of these pulses to represent information as opposed to the continuously variable analog signal. Compared to analog networks, digital networks allow for greater capacity, more precise reproduction, lower interference, protection against eavesdropping and automatic error correction. Signals are encoded into digits for transmission.

Dwelling	When used in calculating our market share, can include one or more households.
DNS	Domain Name System is a hierarchical distributed naming system for computers, services or any resource connected to the internet or a private network, which associates various information with domain names assigned to each participant.
DOCSIS	Data Over Cable Service Interface Specification is an international telecommunications standard that permits the addition of high-speed data transfer to an existing cable TV system. It is employed by many cable television operators to provide internet access over their existing hybrid fiber coaxial infrastructure.
DOCSIS 3.0	DOCSIS 3.0 was released in August 2006. The specification was revised to significantly increase transmission speeds (both upstream and downstream) and introduce support for Internet Protocol version 6 (IPv6)
DSL	Digital subscriber lines. A technology enabling local loop copper pair to transport high-speed data between the central office and the customer's premises. It is based on the use of copper lines in traditional telephony networks that are attached to telephone exchanges that have been upgraded to digital technology. DSL technology is most commonly used for the provision of broadband internet services at speeds that are significantly faster than dial-up Internet access. DSL (or sometimes, " xDSL ") is commonly used as a generic term for several variants of technology offering different specifications but based on the same principles.
DTH	Direct to home satellite television. The reception of satellite programs with a personal dish in an individual home.
DTT	Digital Terrestrial Television is an implementation of digital technology to provide a greater number of channels and/or better quality of picture and sound through a conventional antenna (or aerial) instead of a satellite dish or cable connection.
DWDM	Dense wavelength division multiplexing is an optical technology used to increase bandwidth over existing fiber-optic backbones, by putting data from different sources together on an optical fiber, with each signal carried at the same time on its own separate light wavelength.
E1	Digital transmission format used in telecommunications which allows network operators to provide time-division multiplexing circuit between customers. The E1 format has a capacity of 32 digital channels, each being allocated eight bits in turn, the resulting signal being transmitted at a 2.048 Mbps rate (upstream and downstream).
E3	Multiplexing frame structure based on the E1 format with a 34.368 Mbps rate (upstream and downstream).
Fiber optic cable	Cable that uses optical glass fibers to transmit signals over long distances with minimal signal loss or distortion. Fiber optic cable has good broadband frequency characteristics and noise immunity and is capable of managing very high capacity, high speed transmissions. It is immune to electrical interference and environmental factors that affect copper wiring and satellite transmission.
FM	Frequency modulation. A form of radio broadcasting to provide high-fidelity sound.

FTTB	Fiber To The Building. Fiber optic cable, carrying network data, connected from a communications service provider to a customer's physical building.
FTTH	Fiber To The Home is a broadband telecommunications system based on fiber optic cables and associated optical electronics for delivery of multiple advanced services such as the triple-play of telephony, broadband internet and television.
GB	Gigabyte. A measure of data volume representing one million bytes. Each byte is equal to eight bits.
Gbps	Gigabytes per second; 1 Gbps = 1 thousand Mbps. Gbps stands for a billion bits per second. It is a measure of bandwidth (the total information flow over a given time) in a telecommunications medium.
GHz	The gigahertz is a unit of alternating current ("AC") or electromagnetic ("EM") wave frequency equal to one thousand million hertz (1,000,000,000 Hz). The GHz is used as an indicator of the frequency of ultra-high-frequency ("UHF") and microwave EM signals and also, in some computers, to express microprocessor clock speed.
GPON	Gigabit-capable Passive Optical Networks is a point-to-multipoint, fiber to the premises network architecture in which unpowered optical splitters are used to enable a single optical fiber to serve multiple premises and covers systems with nominal line rates of 2.488 Gbps in the downstream direction and 1.244 Gbps in the upstream direction.
GSM	Global system for mobile communication. A widely adopted technical standard for digital mobile telephony.
HD	High definition. An enhanced video resolution designator based on the number of lines in a vertical display, the type of scanning system, and/or the number of frames or fields per second.
Interconnection	The linking of telecommunications networks used by the same or different persons in order to allow the users of the services or networks of one person to communicate with the users of the services or networks of the same person or of another person, or to access services provided by another person.
IoT	Internet of Things. The ability to connect devices via networks in order for them to interact and exchange data. This typically refers to atypical computing or networked devices, such as consumer goods, household electronics, and other 'dumb' devices.
IP	Internet Protocol. Data oriented protocol used in the internet for communication among multiple networks in which data is sent in packets and routed according to traffic density.
IP Backbone	IP Backbone is a part of network infrastructure that interconnects various pieces of network, providing a path for the exchange of information between different Metropolitan Area Networks ("MAN") or sub-networks. A backbone can tie together diverse networks over wide areas. Normally, the backbone's capacity is greater than the networks connected to it.
IP Peering	IP Peering is a voluntary interconnection of administratively separate Internet networks for the purpose of exchanging traffic between the customers of each network. The pure definition of peering is settlement-free or "sender keeps all," meaning that neither party pays the other for the exchanged traffic; instead, each derives revenue from its own customers.
IP Transit	IP Transit is the service of allowing network traffic to cross a transit network, usually used to connect a smaller Internet Service Provider ("ISP") to the larger Internet.

IPTV	Internet Protocol Television. A system where digital television service is delivered by using internet Protocol over a network infrastructure, which may include delivery by a broadband connection.
IPv6	Internet Protocol version 6 is the latest revision of the IP, the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet. IPv6 was developed by Internet Engineering Task Force (“ IETF ”) to deal with long-anticipated problem of IPv4 address exhaustion.
ISP	Internet Service Provider. A company providing access to internet and other computer-based information networks through its servers.
IT	Information Technology. A broad reference to anything related to computing technology, such as networking, hardware, software, and the people related to it.
IXP	Internet eXchange Point is a physical infrastructure through which Internet Service Providers (“ ISP ”) exchange Internet traffic between their networks. IXPs reduce the portion of an ISP’s traffic which must be delivered via their upstream transit providers, thereby reducing the average per-bit delivery cost of their service. Furthermore, the increased number of paths learned through the IXP improves routing efficiency and fault-tolerance.
Local loop	Network element used to connect a subscriber to the nearest switch or concentrator. The local loop is commonly referred to as the “last mile” because it is the part of the network that is connected directly to the subscriber.
LTE	Long-Term Evolution, marketed as 4G LTE, is a standard for wireless communication of high-speed data for mobile phones and data terminals. It is based on the GSM/EDGE and UMTS/HSPA network technologies, increasing the capacity and speed using a different radio interface together with core network improvements.
MB	Megabyte. A measure of data volume representing one million bytes. Each byte is equal to eight bits.
Mbps	Megabytes per second. A data transfer speed measured by the number of millions of bits per second. A bit is the smallest unit of data in a computer network.
MHz	The megahertz is a unit of alternating current (“ AC ”) or electromagnetic (“ EM ”) wave frequency.
MMS	Multimedia Messaging Service. A method of sending messages that include multimedia content to and/or from a mobile device.
MVNO	Mobile virtual network operator is a company that provides mobile phone service but does not have its own licensed frequency allocation of radio spectrum, nor does it necessarily own the entire infrastructure required to provide mobile telephone service.
MW	Megawatts. A unit of power, usually used to measure the output of geographical areas or large structures.
NOC	Network Operations Center.
Node	A network element that provides a point at which key telecommunications equipment or computers can access the network. In circuit networks, nodes are switching systems. In packet-switched networks, they are often computers.
OTT	Over-The-Top Content describes broadband delivery of video and audio without a multiple system operator being involved in the control and distribution of the content itself. The provider may be aware of the contents of the IP packets but is not responsible for, nor able to control, the viewing abilities, copyrights, and/or other redistribution of the content.

Penetration rate	The total number of subscribers for a service provider divided by the population that it serves, expressed as a percentage.
POTS Line	Plain Old Telephone Service is the voice-grade telephone service that remains the basic form of residential and small business service connection to the telephone network in many parts of the world. POTS is generally restricted to about 52 Kbps.
PRI E1s	Primary Rate Interface is a standardized telecommunications service level within the ISDN (Integrated Services Digital Network) specification for carrying multiple DS0 (Digital Signal 0) voice and data transmissions between a network and a user. PRI is the standard for providing telecommunication services to offices. It is based on the E-carrier (E1) line in Europe. The E1 line consists of 32 channels.
Router	An inter-network device that relays data packets to networks connected to the router based upon the destination address contained in those data packets being routed.
SAR	Specific absorption rate is a measure of the rate at which energy is absorbed by the body when exposed to a radio frequency (“ RF ”) electromagnetic field. It is defined as the power absorbed per mass of tissue and has units of watts per kilogram.
SD	Standard definition. A video resolution designator that is not enhanced, and is based on the number of lines in a vertical display, the type of scanning system, and/or the number of frames or fields per second.
SDH	Synchronous Digital Hierarchy; international high-speed baseband digital transport standard specifying incrementally increasing data stream rates for movement across digital optical links.
SIM	Subscriber identification module, usually referred to in reference to a “SIM card.” This is an integrated circuit designed to securely store identity numbers and encryption keys, as well as other data.
SMS	Short Message Service. Also commonly referred to as text messaging. SMS features enable a user to send a short message to another user using a simplified key-pad. SMS capabilities among the latest user devices are capable of sending music and video messages, in addition to alphanumeric messages. SMS is a service available on most digital mobile phones that permits the sending of short text messages between mobile phones, other handheld devices and even landline telephones.
Smartcard	A smartcard is any pocket-sized card with embedded integrated circuits which can process data. This implies that it can receive input which is processed—by way of integrated circuit cards applications—and delivered as an output.
Switch	A device used to set up and route telephone calls either to the number called or to the next switch along the path. They may also record information for billing and control purposes.
TDM	Time Division Multiplexing. Time Division Multiplexing is a type of digital multiplexing in which two or more apparently simultaneous channels are derived from a given frequency spectrum (i.e., bit stream) by interleaving pulses representing bits from different channels.
Two-way services (capability, interactivity)	Services using a return path. For example, fixed-line telephony or broadband internet vs. TV, which only uses a downstream path.
UMTS	The Universal Mobile Telecommunications System is a third generation mobile cellular system for networks based on the GSM standard. UMTS uses wideband code division multiple access (W-CDMA) radio access technology to offer greater spectral efficiency and bandwidth to mobile network operators. UMTS specifies a complete network system, which includes the radio access

network, the core network and the authentication of users via SIM (subscriber identity module cards).

VDSL

Very-high-bit-rate Digital Subscriber Line is a digital subscriber line (DSL) technology providing data transmission faster than ADSL over a single flat untwisted or twisted pair (up to 52 Mbps downstream and 16 Mbps upstream), and on coaxial cable (up to 85 Mbps down- and upstream), using frequency band from 25 kHz to 12 MHz. These rates mean that VDSL is capable of supporting applications such as high-definition television, as well as telephone services (voice over IP) and general Internet access, over a single connection. VDSL is deployed over existing wiring used for analog telephone service and lower-speed DSL connections. This standard was approved by ITU in November 2001.

VDSL2

Second-generation systems (VDSL2; ITU-T G.993.2 approved in February 2006) use frequencies of up to 30 MHz to provide data rates exceeding 100 Mbps simultaneously in both the upstream and downstream directions. The maximum available bit rate is achieved at a range of about 300 meters; performance degrades as the loop attenuation increases.

VoIP

Voice over Internet Protocol. Protocol in which voice traffic is carried in IP packets (rather than a circuit switched network) that allows people to use the internet to make telephone calls.

Wi-Fi

A term originally referencing the “Wireless Fidelity Alliance,” it is now a common term for wireless networking between devices.

WiMAX

Worldwide Interoperability for Microwave Access is a wireless communications standard designed to provide 30 to 40 Mbps data rates, with the 2011 update providing up to 1Gbps for fixed stations. The name “WiMAX” was created by the WiMAX Forum, which was formed in June 2001 to promote conformity and interoperability of the standard. The forum describes WiMAX as “a standards-based technology enabling the delivery of last mile wireless broadband access as an alternative to cable and DSL.”

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