1ST QUARTER 2023 – FINANCIAL REPORT

for the three-month period ended March 31, 2023

DIGI COMMUNICATIONS N.V. (“Digi”)

(the “COMPANY”)

(Digi, together with its direct and indirect consolidated subsidiaries are referred to as the “**Group**”)

FINANCIAL REPORT (the “REPORT”)
for the three-month period ended March 31, 2023

This Unaudited Condensed Consolidated Interim Financial Report for the period ended 31 March 2023 refers to the Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with IAS 34 “Interim Financial Reporting”.

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Important Information

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this report are not historical facts and are forward-looking. We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this report includes forward-looking information that has been extracted from third-party sources. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

Words such as "believe," "anticipate," "estimate," "target," "potential," "expect," "intend," "predict," "project," "could," "should," "may," "will," "plan," "aim," "seek" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

The forward-looking statements contained in this report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve several risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. You should be aware that several important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements.

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

Any forward-looking statements are only made as at the date of this report. Accordingly, we do not intend, and do not undertake any obligation, to update forward-looking statements set forth in this report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this report. As a result, you should not place undue reliance on such forward-looking statements.

Operating and Market Data

Throughout this Report, we refer to persons who subscribe to one or more of our services as customers. We use the term revenue generating unit ("RGU") to designate a subscriber account of a customer in relation to one of our services. We measure RGUs at the end of each relevant period. An individual customer may represent one or several RGUs depending on the number of our services to which it subscribes.

More specifically:

- for our cable TV and DTH services, we count each basic package that we invoice to a customer as an RGU, without counting separately the premium add-on packages that a customer may subscribe for;
- for our fixed internet and data services, we consider each subscription package to be a single RGU;
- for our fixed-line telephony services, we consider each phone line that we invoice to be a separate RGU, so that a customer will represent more than one RGU if it has subscribed for more than one phone line; and
- for our mobile telecommunication services, we consider the following to be a separate RGU: (a) for pre-paid services, each mobile voice and mobile data SIM with active traffic in the last month of the relevant period, except for Romania where pre-paid RGUs are not included due to low usage and small number of users; and (b) for post-paid services, each separate SIM on a valid contract.

As our definition of RGUs is different for our different business lines, you should use caution when comparing RGUs between our different business lines. In addition, since RGUs can be defined differently by different companies within our industry, you should use caution in comparing our RGU figures to those of our competitors.

We use the term average revenue per unit ("ARPU") to refer to the average revenue per RGU in geographic segment or the Group as a whole, for a period by dividing the total revenue of such geographic segment, or the Group, for such period, (a) if such period is a calendar month, by the total number of RGUs invoiced for services in that calendar month; or (b) if such period is longer than a calendar month, by (i) the average number of relevant RGUs invoiced for services in that period and (ii) the number of calendar months in that period. In our ARPU calculations we do not differentiate between various types of subscription packages or the number and nature of services an individual customer subscribes for. Because we calculate ARPU differently from some of our competitors, you should use caution when comparing our ARPU figures with those of other telecommunications companies.

In this Report RGUs and ARPU numbers presented under the heading “Other” are the RGUs and ARPU numbers of our Italian subsidiary.

Non-Gaap Financial Measures

In this report, we present certain financial measures that are not defined in and, thus, not calculated in accordance with IFRS, U.S. GAAP or generally accepted accounting principles in any other relevant jurisdiction. This includes EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, companies can define and calculate these measures differently, and therefore we urge you not to use them as a basis for comparing our results with those of other companies.

We calculate EBITDA by adding back to our consolidated operating profit or loss charges for depreciation, amortization and impairment of assets. Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items. Adjusted EBITDA Margin is the ratio of Adjusted EBITDA to the sum of our total revenue and other operating income. EBITDA, Adjusted EBITDA or Adjusted EBITDA Margin under our definition may not be comparable to similar measures presented by other companies and labelled “EBITDA”, “Adjusted EBITDA” or “Adjusted EBITDA Margin,” respectively. We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are useful analytical tools for presenting a normalized measure of cash flows that disregards temporary fluctuations in working capital, including due to fluctuations in inventory levels and due to timing of payments received or payments made. Since operating profit and actual cash flows for a given period can differ significantly from this normalized measure, we urge you to consider these figures for any period together with our data for cash flows from operations and other cash flow data and our operating profit. You should not consider EBITDA, Adjusted EBITDA or Adjusted EBITDA Margin as substitutes for operating profit or cash flows from operating activities.

In Note 3 to the Interim Financial Statements, as part of our “Other” segment we reported EBITDA of (i) our Italian operations, together with operating expenses of Digi. In this Report, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin represent the results of our Romanian, Spanish and Italian subsidiaries and operating expenses of Digi.

Rounding

Certain amounts that appear in this Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of the Group should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Group as of March 31, 2023.
The following discussion includes forward-looking statements based on assumptions about our future business. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described in sections captioned "Forward-Looking Statements" of this Report.

Overview

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

- **Romania.** Our offerings in Romania include cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH.
- **Spain.** We provide mobile telecommunication services as an MVNO through the mobile network of Telefónica. We also offer fixed internet and data and fixed-line telephony services through Telefónica's fixed network and through our own GPON FTTH network.
- **Italy.** We provide mobile telecommunication services as an MVNO through the mobile network of Vodafone. Our service offerings in Italy primarily target the large local Romanian community.
- **Portugal.** At the end of 2021, we were awarded mobile spectrum in Portugal at the 5G auction. We are in process of developing the fixed and mobile networks and we will start operations at a later date.
- **Belgium.** During 2022, we were awarded, together with Citymesh NV, part of Cegeka Group, mobile spectrum in Belgium at the 5G auction organized by the Belgian Institute for Postal Services and Telecommunication ("BIPT"). We will start to build a new national mobile network (the 4th). This will allow the Group to expand its business on the Belgium market, in order to provide high quality, affordable telecommunication services, based on the latest technologies.

For the three months ended March 31, 2023, we had revenues and other income of €398.6 million, net profit of €10.8 million and Adjusted EBITDA of €133.7 million.

Basis of Financial Presentation

The Group prepared its Interim Financial Statements as of March 31, 2023 in accordance with IFRS as adopted by EU. For the periods discussed in this Report, the Group's presentation currency was the euro. The Group's financial year ends on December 31 of each calendar year.

All amounts presented are for continuing operations unless otherwise stated.

Functional Currencies and Presentation Currency

Each Group entity prepares individual financial statements in its functional currency, which is the currency of the primary economic environment in which such entity operates. As our operations in Romania and Spain generated approximately 62% and 36%, respectively, of our consolidated revenue for the three months ended March 31, 2023 our principal functional currencies are the Romanian leu and EUR.
The Group presents its Interim Condensed Consolidated Financial Statements in euros. The Group uses the euro as the presentation currency of its Interim Condensed Consolidated Financial Statements because management analysis and reporting are prepared in euros, as the euro is the most used reference currency in the telecommunication industry in the European Union.

Presentation of Revenue and Operating Expenses

Our Board of Directors evaluates business and market opportunities and considers our results primarily on a country-by-country basis. We currently generate revenue in Romania, Spain and Italy. We currently incur operating expenses in Romania, Spain, Italy and Portugal.
Revenue and operating expenses from our operations are broken down into the following geographic segments: Romania, Spain and Other (the Other segment includes Italy and Portugal).
In line with our management's consideration of the Group's revenue generation we further break down revenue generated by each of our three geographic segments in accordance with our five principal business lines: (1) cable TV; (2) fixed internet and data; (3) mobile telecommunication services; (4) fixed-line telephony; and (5) DTH.

Exchange rates

In the three-month period ended March 31, 2023 the Romanian leu has appreciated by approximately 0.6%.
The following table sets out, where applicable, the period-end and average exchange rates for the periods under review of the euro against each of our principal functional currencies and the U.S. dollar, in each case as reported by the relevant central bank on its website (unless otherwise stated):

Value of one euro in the relevant currency	**As at and for the three months ended March 31,**	
	2023	**2022**
Romanian leu (RON)(1)		
Period end rate	4.95	4.95
Average rate	4.92	4.95
U.S. dollar (USD)(1)		
Period end rate	1.09	1.11
Average rate	1.07	1.12

(1) According to the exchange rates published by the National Bank of Romania

In the three-month ended March 31, 2023 we had a net foreign exchange gain of €0.6 million, compared to a net foreign exchange loss of €1.2 million in the three months ended March 31, 2022.

Growth in Business, RGUs and ARPU

Our revenue is mostly a function of the number of our RGUs and ARPU. Neither of these terms is a measure of financial performance under IFRS, nor have these measures been reviewed by an outside auditor, consultant, or expert. Each of these measures is derived from management estimates. As defined by our management, these terms may not be comparable to similar terms used by other companies.

The following table shows our RGUs (thousand) by geographic segment and business line and monthly ARPU (€/month) by geographic segment as at and for the three-month period ended March 31, 2023 and 2022:

RGUs (thousand)/ARPU (€/month)	As at and for the three months ended March 31,		% change
	2023	2022	
Romania			
RGUs			
Pay TV(1)	5,507	5,185	6.2%
Fixed internet and data(2)	4,309	3,875	11.2%
Mobile telecommunication services(3)	5,178	4,348	19.1%
Fixed-line telephony(2)	922	969	(4.9%)
ARPU(4)	4.5	4.6	(2.2%)
Spain			
RGUs			
Fixed internet and data	973	575	69.2%
Mobile telecommunication services(3)	4,049	3,210	26.1%
Fixed-line telephony	320	196	63.3%
ARPU(4)	9.3	9.7	(4.1%)
Other(5)			
RGUs			
Mobile telecommunication services(3)	368	341	7.9%
ARPU(4)	6.2	6.6	(6.1%)

(1) Includes RGUs for Cable television and DTH services.
(2) Includes residential and business RGUs.
(3) Includes mobile telephony and mobile internet and data RGUs.
(4) ARPU refers to the average revenue per RGU in a geographic segment, or the Group as a whole, for a period, by dividing the total revenue of such geographic segment, or the Group, for such period.
(5) Includes Italy.

Historical Results of Operations

Results of Operations for the three months ended March 31, 2023 and 2022

	As at and for the three months ended March 31,	
	2023	**2022**
	(€ millions)	
Revenues		
Romania	245.5	236.8
Spain	143.4	110.8
Other	6.8	6.6
Elimination of intersegment revenues	(0.8)	(0.8)
Total revenues	**394.9**	**353.3**
Other income	**3.7**	**7.3**
Other expense	**(0.2)**	**(0.1)**
Operating expenses		
Romania	(140.5)	(137.3)
Spain	(116.3)	(92.9)
Other	(8.8)	(6.9)
Elimination of intersegment expenses	0.8	0.8
Depreciation, amortization and impairment of tangible and intangible assets	(100.7)	(84.8)
Total operating expenses	**(365.5)**	**(321.0)**
Operating profit	**32.8**	**39.5**
Finance income	1.3	0.1
Finance expense	(18.1)	(20.2)
Net finance costs	**(16.7)**	**(20.1)**
Share of loss of equity-accounted investees	(2.5)	-
Profit before taxation from continuing operations	**13.6**	**19.4**
Income tax expense	(2.8)	(4.1)
Profit for the period (from continuing operations)	**10.8**	**15.3**
Discontinued operations		
Profit from discontinued operations, net of tax	-	319.2
Profit for the period	**10.8**	**334.5**

	Three months ended 31 March 2023	Three months ended 31 March 2022
		Restated[1]
Revenues	**394.9**	**353.4**
Other income	**3.7**	**7.3**
Operating profit	32.8	39.5
Depreciation, amortization and impairment and revaluation impact	100.7	84.8
EBITDA	**133.5**	**124.4**
Other expenses	0.2	0.1
Adjusted EBITDA	**133.7**	**124.4**
IFRS 16 impact	**(20.4)**	**(18.7)**
Adjusted EBITDA excluding IFRS 16 impact	**113.4**	**105.6**

Revenue

Our revenue (excluding intersegment revenue and other income) for the three-month period ended March 31, 2023 was €394.9 million, compared with €353.4 million for the three-month period ended March 31, 2022, an increase of 11.7%.
The following table shows the distribution of revenue by geographic segment and business line for the three-period ended March 31, 2023 and 2022:

	As at and for the three months ended March 31,		
	2023	**2022**	**% change**
(€ millions)			
Geographical segment			
Romania	244.8	236.1	3.7%
Spain	143.3	110.7	29.4%
Other(1)	6.8	6.6	3.0%
Total	**394.9**	**353.4**	**11.7%**
Category			
Fixed services (2)	199.6	170.8	16.9%
Mobile services	163.4	142.9	14.3%
Other	31.9	39.7	(19.6%)
Total	**394.9**	**353.4**	**11.7%**

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

Revenue in Romania for the three-month period ended March 31, 2023 was €244.8 million compared with €236.1 million for the three-month period ended March 31, 2022, an increase of 3.7%.
Revenue growth in Romania was mainly the result of the increase of mobile telecommunication services, fixed internet and data and pay TV RGUs in the period, due to organic growth. ARPU in Romania was impacted by the decrease in mobile termination rates, as well as subscription packages' mix.

Our Pay TV (Cable TV and DTH) RGUs increased from approximately 5,185 thousand as at March 31, 2022 to approximately 5,507 thousand as at March 31, 2023, an increase of approximately 6.2%, and our fixed internet and data RGUs increased from approximately 3,875 thousand as at March 31, 2022 to approximately 4,309 thousand as at March 31, 2023, an increase of approximately 11.2%. These increases were obtained both organically, primarily due to our investments in expanding our fixed fiber-optic network and to our attractive fixed internet and data and pay TV packages.
Mobile telecommunication services RGUs increased from approximately 4,348 thousand as at March 31, 2022 to approximately 5,178 thousand as at March 31, 2023, an increase of approximately 19.1%, mainly driven by our attractive offerings.
Fixed-line telephony RGUs decreased from approximately 969 thousand as at March 31, 2022 to approximately 922 thousand as at March 31, 2023, a decrease of approximately 4.9%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.

Other revenues include mainly sales of equipment, revenue from energy and advertising revenue. Sales of equipment include mainly mobile handsets and other equipment.

Revenue in Spain for the three-month period ended March 31, 2023 was €143.3, compared with €110.7 million for the three-month period ended March 31, 2022, an increase of 29.4%.
The increase in revenues generated by our operations in Spain was due to the increase in mobile telecommunication services and fixed internet and data RGUs in the period, mainly driven by our attractive offerings.
Mobile telecommunication services RGUs increased from approximately 3,210 thousand as at March 31, 2022 to approximately 4,049 thousand as at March 31, 2023, an increase of approximately 26.1%.
Fixed internet and data RGUs increased from approximately 575 thousand as at March 31, 2022 to approximately 973 thousand as at March 31, 2023, an increase of approximately 69.2% and fixed-line telephony RGUs increased from approximately 196 thousand as at March 31, 2022 to approximately 320 thousand as at March 31, 2023, an increase of approximately 63.3%.

Revenue in Other represented revenue from our operations in Italy and for the three-month period ended March 31, 2023 was €6.8 million, compared with €6.6 million for the three-month period ended March 31, 2022, an increase of

3.0%, primarily due to new clients. Mobile telecommunication services RGUs increased from approximately 341 thousand as at March 31, 2022 to approximately 368 thousand as at March 31, 2023, an increase of approximately 7.9%.

Total operating expenses

Our total operating expenses (excluding intersegment expenses) for the three-month period ended March 31, 2023 was € 264.9 million, compared with €236.2 million for the three-month period ended March 31, 2022, an increase of 12.1%, respectively.

	As at and for the three months ended March 31,	
	2023	**2022**
Romania	140.3	137.1
Spain	115.9	92.4
Other[(1)]	8.6	6.7
Depreciation, amortization and impairment of tangible and intangible assets	100.7	84.8
Total operating expenses	**365.5**	**321.0**

(1) Includes operating expenses of operations in Italy, Portugal and operating expenses of Digi.

Operating expenses in Romania for three-month period ended March 31, 2023 was €140.3 million, compared with € 137.1 million for the three-month period ended March 31, 2022, an increase of 2.3 %, in line with the growth of business.

Operating expenses in Spain for the three-month period ended March 31, 2023 were €115.9 million, compared with €92.4 million for the three-month period ended March 31, 2022, an increase of 25.4%. Operating expenses follow the evolution of increase in mobile telephony services RGUs between the two periods, as a result of business development.

Operating expenses in Other represent expenses of our operations in Italy, Portugal and expenses of Digi and for the three-month period ended March 31, 2023 was €8.6 million, compared with €6.7 million for the three-month period ended March 31, 2022, an increase of 28.4%.

Depreciation, amortization and impairment of tangible and intangible assets

The table below sets out information on depreciation, amortization and impairment of our tangible and intangible assets for the three-month period ended March 31, 2023 and 2022:

	As at and for the three months ended March 31,	
	2023	**2022**
	(€ millions)	
Depreciation of property, plant and equipment	39.7	31.8
Amortization of non-current intangible assets	13.7	11.4
Amortisation of Subscriber acquisition costs	14.3	13.2
Amortization of programme assets	9.7	8.4
Depreciation of right of use assets	21.8	19.3
Impairment of property, plant and equipment and subscriber acquisition costs	1.5	0.7
Total	**100.7**	**84.8**

Other income

We recorded €3.7 million of other income in the three-month period ended March 31, 2023 compared with €7.3 million of other income in the three-month ended March 31, 2022, representing income from energy subvention.

Operating profit

For the reasons set forth above, our operating profit was €32.8 million for the three-month period ended March 31, 2023, compared with €39.6 million for the three-month period ended March 31, 2022.

Net finance expense

We recognized net finance expense of €16.7 million in the three-month period ended March 31, 2023, compared with €20.1 million for the three-month period ended March 31, 2022, a decrease of 16.8%.

Profit before taxation from continuing operations

For the reasons set forth above, our profit before taxation was €13.6 million in the three-month period ended March 31, 2023, compared with profit of €19.5 million for the three-month period ended March 31, 2022.

Income tax expense

An income tax expense of €2.8 million was recognized in the three-month period ended March 31, 2023, compared to an expense of €4.1 million recognized in the three-month period ended March 31, 2022.

Net profit for the period from continuing operations

For the reasons set forth above, our net profit was €10.8 million in the three-month period ended March 31, 2023, compared to net profit of the prior period of €15.3 million for the three months ended March 31, 2022 (from continuing operations).

Liquidity and Capital Resources

Historically, our principal sources of liquidity have been our operating cash flows as well as debt financing. Going forward, we expect to fund our cash obligations and capital expenditures primarily out of our operating cash flows, credit facilities and letter of guarantee facilities. We believe that our operating cash flows will continue to allow us to maintain a flexible capital expenditure policy.
All our businesses have historically produced positive operating cash flows that are relatively constant from month to month. Variations in our aggregate cash flow during the periods under review principally represented increased or decreased cash flow used in investing activities and cash flow from financing activities.
We have made and intend to continue to make significant investments in the growth of our businesses by expanding our mobile and fixed networks, acquiring new and renewing existing content rights, procuring CPE which we provide to our customers and exploring other investment opportunities in line with our current business model. We believe that we will be able to continue to meet our cash flow needs by the acceleration or deceleration of our growth and expansion plans.
We believe that we will be able to continue to meet our cash flow needs by the acceleration or deceleration of our growth and expansion plans.

Historical cash flows

The following table sets forth our consolidated cash flows from operating activities for the three-month period ended March 31, 2023 and 2022, cash flows used in investing activities and cash flows from/(used in) financing activities:

	As at and for the three months ended March 31,	
	2023	**2022**
	(€ millions)	
Cash flows from operations before working capital changes	**139.4**	**125.9**
Cash flows from changes in working capital	(36.5)	(49.2)
Cash flows from operations	**102.9**	**76.8**
Interest paid	(18.6)	(15.1)
Cash flow from operating activities	**84.3**	**61.6**
Cash flow from / (used) in investing activities	**(151.9)**	**510.6**
Cash flows from / (used) in financing activities	**42.5**	**(275.0)**
Net decrease in cash and cash equivalents	**(25.1)**	**297.2**
Cash and cash equivalents at the beginning of the period	**261.4**	**19.6**
Effect of exchange rate fluctuation on cash and cash equivalent held	-	-
Cash and cash equivalents at the closing of the period	**236.3**	**316.9**

Cash flows from operations before working capital changes were €139.4 million in the three-month period ended March 31, 2023 and €125.9 million in the three-month period ended March 31, 2022 for the reasons discussed in "*—Historical Results of Operations—Results of operations for the three-month period ended March 31, 2023 and 2022*".

The following table shows changes in our working capital:

	For the three months ended March 31,	
	2023	**2022**
	(€ millions)	
Increase in trade receivables and other assets	(7.8)	(34.5)
(Increase)/Decrease in inventories	3.3	(0.2)
(Increase)/Decrease in programme assets	(6.1)	(10.9)
Decrease in trade payables and other current liabilities	(30.8)	(10.3)
Increase in contract liabilities	4.9	6.7
Total	**(36.5)**	**(49.2)**

We had a working capital requirement of €36.5 million in the three-month period ended March 31, 2023 (compared with a working capital requirement of €49.2 million in the three-month period ended March 31, 2022).

Cash flows from operating activities were €84.3 million in the three-month period ended March 31, 2023 and €61.6 million in the three-month period ended March 31, 2022. Included in these amounts are deductions for interest paid. No income tax was paid in the three months ended March 31, 2023 and for the three months ended March 31, 2022. Interest paid was €18.6 million in the three-month ended March 31, 2023, compared with €15.1

million in the three-month ended March 31, 2022. The increase in cash flows from operating activities in the three-month ended March 31, 2022 was primarily due to changes in working capital discussed above.

Cash flows from / (used) in investing activities were €151.9 million in the three-month period ended March 31, 2023 and €510.6 million in the three-month period ended March 31, 2022.
Purchases of property, plant and equipment were €123.3 million in the three-months ended March 31, 2023 and €95.3 million in the three-month ended March 31, 2022.

Cash flows from / (used) in financing activities were €42.5 million inflows and €275.0 million outflows for the three months ended March 31, 2022.

DIGI COMMUNICATIONS NV

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
IAS 34 INTERIM FINANCIAL REPORTING
for the three-month period ended 31 March 2023

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

	Notes	31 March 2023	31 December 2022
			Unaudited
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,678,408	1,574,930
Right of use assets	5	354,121	307,101
Intangible assets and goodwill	6	353,756	356,456
Subscriber acquisition costs		59,581	58,012
Investment property		11,711	11,751
Financial assets at fair value through OCI	16	40,222	36,844
Equity accounted investees		5,751	7,980
Long term receivables		8,263	11,400
Other non-current assets		5,050	5,243
Deferred tax asset		2,835	2,840
Total non-current assets		**2,519,698**	**2,372,557**
Current assets			
Inventories		13,001	16,196
Programme assets	6	12,795	18,380
Trade and other receivables		83,318	80,043
Contract assets		81,401	78,575
Income tax receivable		173	165
Other assets		18,372	16,353
Derivative financial assets	16	3,053	5,052
Cash and cash equivalents		236,272	261,408
Total current assets		**448,386**	**476,172**
Total assets		**2,968,084**	**2,848,729**
EQUITY AND LIABILITIES			
Equity	**7**		
Share capital		6,810	6,810
Share premium		3,406	3,406
Treasury shares		(14,539)	(14,768)
Reserves		(27,849)	(31,261)
Retained earnings		624,269	614,432
Equity attributable to owners of the Company		**592,097**	**578,619**
Non-controlling interest		37,829	37,109
Total equity		**629,926**	**615,728**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	8	1,059,215	1,027,798
Lease liabilities	9	282,707	241,238
Deferred tax liabilities		77,900	76,131
Decommissioning provision		7,364	7,056
Trade and other payables		114,845	120,695
Total non-current liabilities		**1,542,031**	**1,472,918**
Current liabilities			
Trade and other payables		534,083	540,080
Employee benefits		47,570	46,062
Loans and borrowings	8	124,269	94,856
Lease liabilities	9	60,152	54,362
Income tax payable		1,675	746
Provisions		529	1,054
Contract liabilities		27,849	22,923
Total current liabilities		**796,127**	**760,083**
Total liabilities		**2,338,158**	**2,233,001**
Total equity and liabilities		**2,968,084**	**2,848,729**

The notes on pages 8 to 28 are an integral part of these interim condensed consolidated financial statements. The condensed consolidated interim financial report was issued on 15 May 2023.

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

	Notes	Three-month period ended 31 March 2023	Three-month period ended 31 March 2022 Restated[1]
Revenues	11	394,923	353,371
Other income		3,676	7,252
Operating expenses	12	(296,861)	(265,142)
Employee benefits	12	(68,677)	(55,829)
Other expenses	20	(232)	(73)
Operating profit		**32,829**	**39,579**
Finance income		1,341	108
Finance costs		(18,071)	(20,218)
Net finance costs	**13**	**(16,730)**	**(20,110)**
Share of loss of equity-accounted investees		**(2,549)**	**-**
Profit before taxation		**13,550**	**19,469**
Income tax expense		(2,753)	(4,135)
Profit from continuing operations		**10,797**	**15,334**
Discontinued operations			
Profit from discontinued operations, net of tax	17	-	319,209
Profit for the period		**10,797**	**334,543**
Attributable to owners		*10,061*	*312,984*
Attributable to non-controlling interests		*736*	*21,559*
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of income tax			
Foreign operations – foreign currency translation differences		84	(6,022)
Items that will not be reclassified to profit or loss			
Revaluation of equity instruments measured at fair value through OCI		3,391	(2,925)
Other comprehensive income/(loss) for the period, net of income tax		**3,475**	**(8,947)**
Total comprehensive income for the period		**14,272**	**325,596**
Attributable to owners		*13,551*	*304,528*
Attributable to non-controlling interests		*721*	*21,068*

1) In the last quarter of 2022, we recorded certain adjustments which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the results of the three months period ended 31 March 2022 were restated accordingly.

The notes on pages 8 to 28 are an integral part of these interim condensed consolidated financial statements.

The condensed consolidated interim financial report was issued on 15 May 2023.

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

	Notes	Three-month period ended 31 March 2023	Three-month period ended 31 March 2022 Restated
Cash flows from operating activities			
Profit before taxation from continuing operations		**13,551**	**19,377**
Profit before taxation from discontinued operations		**-**	**319,209**
Adjustments for:			
Depreciation	12	61,488	51,124
Amortisation	12	37,693	32,971
Impairment	12	1,458	700
Decommissioning provision		188	91
Interest expense	13	13,607	12,758
Impairment of trade and other receivables	12	2,233	2,114
Reversal of provisions		(525)	-
Losses on derivative financial instruments		1,998	-
Share of loss of equity-accounted investees, net of tax		(2,549)	-
Equity settled share-based payments		(74)	364
Unrealised foreign exchange loss		8,275	6,502
Other non-cash items		2,499	-
Gain on sale of assets		(461)	(58)
Gain on sale of discontinued operations, net of tax	17	-	(319,209)
Cash flows from operations before working capital changes		**139,381**	**125,943**
Changes in:			
Increase in trade receivables, other assets and contract assets		(7,814)	(34,516)
(Increase)/Decrease in inventories		3,339	(184)
Increase in programme assets		(6,133)	(10,908)
Decrease in trade payables and other current liabilities		(30,788)	(10,297)
Increase in contract liabilities		4,926	6,733
Cash flows from operations		**102,911**	**76,771**
Interest paid		(18,585)	(15,140)
Income tax paid		-	(10)
Net cash flows from operating activities		**84,325**	**61,621**
Cash flow from investing activities			
Purchases of property, plant and equipment		(123,320)	(95,335)
Purchases of intangibles		(13,504)	(3,066)
Payments to obtain sales contracts		(15,150)	(14,412)
Acquisition of subsidiaries, net of cash and acquisition of NCI		-	(48)
Disposal of discontinued operations, net of cash disposed		-	622,900
Proceeds from sale of property, plant and equipment		45	603
Net cash flows from investing activities		**(151,929)**	**510,642**
Cash flows from financing activities			
Dividends paid to shareholders		(3,437)	(2,044)
Proceeds from loans and borrowings	8	76,959	12,902
Repayment of loans and borrowings	8	(10,137)	(269,965)
Proceeds from related parties borrowings		1,800	4,111
Transaction costs paid		(150)	-
Payment of lease liabilities		(22,568)	(20,019)
Net cash flows (used in)/from financing activities		**42,467**	**(275,015)**
Net increase/(decrease) in cash and cash equivalents		**(25,137)**	**297,248**
Cash and cash equivalents at the beginning of the period		**261,408**	**19,636**

Cash and cash equivalents at the end of the period	**236,271**	**316,884**

The Interim 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 Interim 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.

The notes on pages 8 to 28 are an integral part of these interim condensed consolidated financial statements.

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

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2023 (unaudited)	**6,810**	**3,406**	**(14,768)**	**(32,565)**	**9,308**	**(8,004)**	**614,432**	**578,619**	**37,108**	**615,727**
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	10,061	**10,061**	736	**10,797**
Foreign currency translation differences	-	-	-	98	-	-	-	**98**	(15)	**83**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	3,391	-	**3,391**	-	**3,391**
Transfer of revaluation reserve (depreciation)					(78)		78	**-**	-	**-**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**98**	**(78)**	**3,391**	**10,140**	**13,551**	**721**	**14,272**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions	-	-	229	-	-	-	(303)	**(74)**	-	**(74)**
Dividends distributed	-	-	-	-	-	-	-	**-**	-	**-**
Total contributions by and distributions to owners	**-**	**-**	**229**	**-**	**-**	**-**	**(303)**	**(74)**	**-**	**(74)**
Changes in ownership interests in subsidiaries										
Changes in ownership interests in subsidiaries										
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners	**-**	**-**	**229**	**-**	**-**	**-**	**(303)**	**(74)**	**-**	**(74)**
Balance at 31 March 2023	**6,810**	**3,406**	**(14,539)**	**(32,467)**	**9,230**	**(4,613)**	**624,268**	**592,096**	**37,829**	**629,925**

The notes on pages 8 to 28 are an integral part of these interim condensed consolidated financial statements.

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

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2022 (restated)	**6,810**	**3,406**	**(14,880)**	**(39,243)**	**15,694**	**3,108**	**242,390**	**217,285**	**11,596**	**228,881**
Comprehensive income for the period										
Net Profit for the period	-	-	-	-	-	-	312,983	**312,983**	**21,559**	**334,542**
Foreign currency translation differences	-	-	-	(5,531)	-	-	-	**(5,531)**	**(491)**	**(6,022)**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	(2,925)	-	**(2,925)**	**-**	**(2,925)**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(87)	-	87	**-**	**-**	**-**
Total comprehensive income/loss for the period	**-**	**-**	**-**	**(5,531)**	**(87)**	**(2,925)**	**313,070**	**304,527**	**21,068**	**325,595**
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions	-	-	-	-	-	-	359	**359**	**5**	**364**
Dividends distributed										
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**-**	**359**	**359**	**5**	**364**
Changes in ownership interests in subsidiaries										
Realisation of cumulative exchange differences relating to sale of foreign operations	-	-	-	18,418	-	-	-	**18,418**	1,264	**19,682**
Realisation of reserves from sale of subsidiaries	-	-	-	-	(6,079)	-	13,659	**7,580**	**547**	**8,127**
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	***18,418***	***(6,079)***	**-**	**13,659**	**25,998**	**1,812**	**27,809**
Total transactions with owners	**-**	**-**	**-**	**18,418**	**(6,079)**	**-**	**14,018**	**26,357**	**1,817**	**28,173**
Balance at 31 March 2022 (restated)	**6,810**	**3,406**	**(14,880)**	**(26,356)**	**9,528**	**183**	**569,478**	**548,169**	**34,481**	**582,650**

The notes on pages 8 to 28 are an integral part of these interim condensed consolidated financial statements.

1. CORPORATE INFORMATION

Digi Communications Group ("the Group", or "DIGI Group") comprises Digi Communications N.V., RCS&RDS S.A. and their subsidiaries.

The parent company of the Group is Digi Communications N.V. ("DIGI","the Company", or "the Parent"), a company incorporated in Netherlands Chamber of Commerce registration number 34132532/29.03.2000 with place of business and registered office in Romania. The controlling shareholder of DIGI is RCS Management SA ("RCSM") a company incorporated in Romania. The ultimate controlling shareholder of RCSM is Mr. Zoltan Teszari. DIGI and RCSM have no operational activities, except for holding activities, and their primary asset is the ownership of RCS&RDS S.A (Romania) ("RCS&RDS") and respectively DIGI.

The main operations are carried by RCS&RDS S.A (Romania) ("RCS&RDS"), Digi Spain Telecom SLU and Digi Italy SL.

DIGI registered office is located in 75 Dr. Nicolae Staicovici Street, Forum 2000 Building, Phase 1, 4th floor, 5th District, Bucharest, Romania.

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

The Group provides cable TV (television), fixed internet and data, fixed-line telephony ("CBT"), mobile telephony and internet and direct to home television ("DTH") services in Romania. In Spain, we offer mobile telephony services (as an MVNO), fixed-line telephony and broadband services. In Italy, we offer mobile telephony services (as an MVNO). The largest operating company of the Group is RCS&RDS. Recently, we expanded operations in Portugal and Belgium, where we were attributed mobile spectrum at the 5G auction from 2021 and, respectively, 2022. This will allow the Group to expand its business on the Portuguese market, in order to provide high quality, affordable telecommunication services.

The interim condensed consolidated financial statements were authorized for issue on 15 May 2023.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2022. These interim condensed consolidated financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and with Section 2:362(9) of the Dutch Civil Code.

Comparative information for these unaudited interim condensed consolidated financial statements is presented only for continued operations. For information regarding the discontinued operations please see note 17.

(b) Basis of measurement

The interim condensed 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.

(c) Judgements and estimates

Preparing the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

(d) Functional and presentation currency

The functional currency as well as the presentation currency for the financial statements of each Group entity is the currency of the primary economic environment in which the entity operates (the local currency), or in which the main economic transactions are undertaken (Romania: RON; Spain, Portugal and Italy: EUR).

The interim condensed consolidated financial statements are presented in Euro ("EUR") and all values are rounded to the nearest thousand EUR, except when otherwise indicated. The Group uses the EUR as a presentation currency of the interim condensed consolidated financial statements under IFRS based on the following considerations:

- management analysis and reporting is prepared in EUR;
- EUR is used as a reference currency in telecommunication industry in the European Union;
- Main debt finance instruments are denominated in EUR.

The assets and liabilities of the subsidiaries are translated into the presentation currency at the rate of exchange ruling at the reporting date (none of the functional currencies of the subsidiaries or the Parent is hyperinflationary for the reporting periods). The income and expenses of the Parent and of the subsidiaries are translated at transaction date exchange rates. The exchange differences arising on the translation from functional currency to presentation currency are taken directly to equity under translation reserve. On disposal of a foreign entity, accumulated exchange differences relating to it and previously recognized in equity as translation reserve are recognized in profit or loss as component of the gain or loss on disposal.

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

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

Currency	2023			2022		
	1 Jan	Average for the 3 months	31 March	1 Jan	Average for the 3 months	31 March
RON per 1EUR	4.9474	4.9189	4.9491	4.9481	4.9462	4.9466
USD per 1EUR	1.0666	1.0731	1.0886	1.1326	1.1225	1.1101

2.2. GOING CONCERN

Management believes that the Group will continue as a going concern for the foreseeable future. In the current year and recent years, the Group has managed to achieve consistently strong local currency revenue streams and cash flows from operating activities and has continued to grow the business. These results have been achieved during a period of significant investments in technological upgrades, new services and footprint expansion. The ability to offer multiple services is a central element of DIGI Group strategy and helps the Group to attract new customers, to expand the uptake of service offerings within the existing customer base and to increase customer loyalty by offering high value-for-money package offerings of services and attractive content.

For further information refer to Note 14 b) Liquidity risk.

2.3 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied by the Group in these unaudited interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The accounting policies used are consistent with those of the previous financial year.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's interim condensed consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements.

2.4 RESTATEMENT FOR COMPARISON PURPOSES AND CORRECTION OF ERRORS

Restatement for comparison purposes

The following restatements have been made for comparison purposes in the interim condensed consolidated financial statements:
- in the interim condensed consolidated financial statements for the three-month period ended 31 March 2022, other income from energy subvention of EUR 7,252 was presented within Revenues. In the interim condensed consolidated financial statements for the three-month period ended 31 March 2023, this amount was reclassified on the Other income line.
- in the interim condensed consolidated financial statements for the three-month period ended 31 March 2022, employee benefits of EUR 55,829 were presented within Operating expenses. In the interim condensed consolidated financial statements for the three-month period ended 31 March 2023, this amount was reclassified on the Employee benefits line.

Correction of errors

The corrections were made by restating each of the affected interim condensed consolidated financial statements line items comparatives:
- in the interim condensed consolidated financial statements for the three-month period ended 31 March 2022, Operating expenses were understated by EUR 3,780. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the three-month period ended 31 March 2023.
- in the interim condensed consolidated financial statements for the three-month period ended 31 March 2022, Income Tax was understated by EUR 7,841. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the three-month period ended 31 March 2023.
- in the interim condensed consolidated financial statements for the three-month period ended 31 March 2022, the Profit from discontinued operations, net of tax, was overstated by EUR 68,586. The correction was reflected in the comparatives to the interim condensed consolidated financial statements for the three-month period ended 31 March 2023.

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

3. SEGMENT REPORTING

Three months ended 31 March 2023	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	244,841	143,266	6,816	-	-	394,923
Other income	3,676	-	-	-	-	3,676
Inter-segment revenues	634	96	33	(763)	-	-
Segment operating expenses	(140,466)	(116,324)	(8,826)	763	-	(264,853)
Adjusted EBITDA	**108,685**	**27,038**	**(1,977)**	**-**	**-**	**133,746**
Depreciation, amortisation and impairment of non-current assets	-	-	-	-	(100,685)	**(100,685)**
Other expenses (Note 20)	(232)	-	-	-	-	**(232)**
Operating profit						**32,829**
Additions to non-current assets	**90,270**	**77,399**	**74,043**	**-**	**-**	**241,713**
Carrying amount of:						
Non-current assets	1,688,346	532,663	252,716	-	-	**2,473,725**
Investments in associates and financial assets at fair value through OCI	5,751	-	40,222	-	-	**45,973**

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

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

3. SEGMENT REPORTING (continued)

Three months ended 31 March 2022	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue[1]	236,137	110,682	6,552	-	-	**353,371**
Other income[1]	7,252	-	-	-	-	7,252
Inter-segment revenues	652	129	50	(831)	-	**-**
Segment operating expenses	(137,259)	(92,898)	(6,850)	831	-	**(236,176)**
Adjusted EBITDA[1]	**106,782**	**17,913**	**(248)**	**-**	**-**	**124,447**
Depreciation, amortization and impairment of non-current assets[1]	-	-	-	-	(84,794)	**(84,794)**
Other expenses (Note 20)	(73)	-	-	-	-	**(73)**
Operating profit[1]						**39,580**
Additions to non-current assets	**92,392**	**71,028**	**1,559**	**-**	**-**	**164,979**
Carrying amount of:						
Non-current assets[1]	1,531,416	329,299	65,453	-	-	**1,926,167**
Investments in associates and financial assets at fair value through OCI	644	-	45,038	-	-	**45,682**

1) *In the last quarter of 2022, we recorded certain adjustments and reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three months period ended 31 March 2022 were restated accordingly.*

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

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

4. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the three-month period ended 31 March 2023, the Group acquired property, plant and equipment with a cost of 148,948 EUR (three-month period ended 31 March 2022: EUR 123,240).

The acquisitions related mainly to networks EUR 100,181 (three-month period ended 31 March 2022: EUR 73,116 for continuing operations), customer premises equipment of EUR 23,620 (three-month period ended 31 March 2022: EUR 12,101) and equipment and devices of EUR 19,466 (three-month period ended 31 March 2022: EUR 15,920).

5. RIGHT OF USE ASSETS

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

During the three-month period ended 31 March 2023, right of use assets' net book value movement (additions, disposals and translation effect) is in amount of EUR 65,229 (three-month period ended 31 March 2022: EUR 18,200).

6. NON-CURRENT INTANGIBLE ASSETS, CURRENT PROGRAMME ASSETS

a) Intangible assets

Acquisitions

Non-current intangible assets
During the three-month period ended 31 March 2023, the Group acquired non-current intangible assets with a cost of EUR 27,539 (three-month period ended 31 March 2022: EUR 23,540).

The additions were as follows:
- Software and licences in amount of EUR 10,371 (three-month period ended 31 March 2022: EUR 8,144);
- Customer relationships by acquiring CATV and fixed internet subscribers in amount of EUR 917 (three-month period ended 31 March 2022: EUR 974);
- Costs to obtain contracts with customers (Subscriber Acquisition Costs "SAC") in amount of EUR 16,251 (three-month period ended 31 March 2022: EUR 14,422); SAC represents third party costs for acquiring and connecting customers of the Group;

Goodwill

(i) Reconciliation of carrying amount	
Balance at 1 January 2023	**51,741**
Additions	-
Disposals	-
Effect of movement in exchange rates	(18)
Balance at 31 March 2023	**51,723**
(i) Reconciliation of carrying amount	
Balance at 1 January 2022	**51,823**
Additions	-
Disposals	-
Effect of movement in exchange rates	46
Balance at 31 March 2022	**51,869**

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

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

Impairment testing of goodwill

Goodwill is not amortized but is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying values may be impaired. There were no impairment indicators for the cash generating units to which goodwill was allocated as of 31 March 2023.

b) Programme assets

During the three-month period ended 31 March 2023, additions of programme assets in the amount of EUR 4,133 (three-month period ended 31 March 2022: EUR 1,853) represent broadcasting rights for sports competitions for 2023/2024 season and related advance payments for future seasons and also rights for movies and documentaries.

7. EQUITY

There were no changes in the share capital structure during the period ended 31 March 2023.

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

As at 31 March 2023, the Company had 4.93 million treasury shares (31 March 2022: 5.04 million).

8. LOANS AND BORROWINGS

Included in long term loans and borrowings are bonds of EUR 850,667 (December 2022: EUR 850,705) and bank loans EUR 208,548 (December 2022: EUR 177,093).

Included in short term loans and borrowing are bank loans of EUR 79,885 (December 2022: EUR 53,127), short portion of long-term loans of EUR 40,536 (December 2022: EUR 31,872) and interest payable amounting to EUR 3,849 (December 2022: EUR 9,858).

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

	Carrying amount
Balance as of 1 January 2023	**1,122,654**
Proceeds from borrowings	76,959
Repayment of borrowings	(10,137)
Interest expense	9,778
Interest paid	(15,790)
Finance cost	(149)
Amortization of deferred finance costs	228
Effect of movements in exchange rates	(59)
Balance as of 31 March 2023	**1,183,484**

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

9. LEASE LIABILITY

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. As at 31 March 2023, the financial leasing liability of EUR 342,859 (31 December 2022: EUR 295,600) was impacted by the variation of the foreign exchange rate for the Group's main functional currencies, by additions, as well as by modifications for certain leasing contracts related to rent amount and contract period.

10. RELATED PARTY DISCLOSURES

		31 March 2023	31 December 2022
Receivables from related Parties			
Citymesh Mobile NV	(i)	10,821	4,393
Other		225	172
Total		**11,046**	**4,565**

Payables to related Parties		**31 March 2023**	**31 December 2022**
RCS Management S.A.	(ii)	17,356	20,728
Other		299	359
Total		**17,655**	**21,087**

(i) Joint Venture
(ii) Shareholder of DIGI

Compensation of key management personnel of the Group

	Three months ended 31 March 2023	Three months ended 31 March 2022
Short term employee benefits –salaries	988	857

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

11. REVENUES

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

	Three months ended 31 March 2023	Three months ended 31 March 2022 Restated[1]
Country		
Romania	244,841	236,137
Spain	143,266	110,683
Other (2)	6,816	6,552
Total revenues	**394,923**	**353,372**
Category		
Fixed services (3)	199,595	170,834
Mobile services	163,375	142,877
Other (4)	31,953	39,660
Total revenues	**394,923**	**353,371**

(1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three months period ended 31 March 2022 were restated accordingly.
(2) Includes revenue from operations in Italy.
(3) Includes mainly revenues from subscriptions for fixed, mobile and DTH services, interconnection and roaming revenues.
(4) Includes mainly revenues from sale of handsets and other CPE, as well as advertising revenues.

Revenues from services include mainly subscription fees for fixed and mobile services, revenues from interconnection and roaming services.

Other revenues as at 31 March 2023 include mainly revenues from sale of handsets and other CPE, revenues from energy, as well as advertising revenues.

The split of revenues based on timing of revenue recognition is presented below:

Timing of revenue recognition	Three months ended 31 March 2023	Three months ended 31 March 2022
		Restated[1]
Goods transferred at a point in time	11,737	12,297
Services transferred over time	383,186	341,074
Total revenues	**394,923**	**353,371**

(1) In the last quarter of 2022, we recorded certain reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three months period ended 31 March 2022 were restated accordingly.

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

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

12. OPERATING EXPENSES

	Three months ended 31 March 2023	Three months ended 31 March 2022
		Restated[1]
Depreciation of property, plant and equipment	39,685	31,809
Depreciation of investment property	36	-
Depreciation of right of use assets	21,803	19,315
Amortization of program assets	9,746	8,356
Amortization of non-current intangible assets	13,702	11,391
Amortization of subscriber acquisition costs	14,254	13,224
Impairment of property, plant and equipment	998	276
Impairment of subscriber acquisition costs	460	424
Employee benefits	68,677	55,829
Content expenses	18,511	18,959
Telephony expenses	86,306	75,530
Cost of materials sold	11,096	11,967
Invoicing and collection expenses	5,060	4,747
Taxes and penalties	2,420	2,041
Utilities	14,424	12,969
Copyrights	2,657	2,535
Internet connection and related services	19,049	15,398
Impairment of receivables and other assets, net of reversals	2,377	2,114
Taxes to authorities	4,037	3,864
Other materials and subcontractors	3,052	2,502
Electricity cost	8,165	11,963
Other services	9,059	7,489
Other operating expenses	9,964	8,269
Total operating expenses	**365,538**	**320,971**

(1) In the last quarter of 2022, we recorded certain adjustments and reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three months period ended 31 March 2022 were restated accordingly.

Share option plans' expenses accrued in the period are included in the caption *Salaries and related taxes*.

For details, please see Note 15.

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

13. NET FINANCE COSTS

	Three months ended 31 March 2023	Three months ended 31 March 2022
Finance income		
Interest from banks	630	17
Other financial revenues	109	91
Foreign exchange differences (net)	602	-
	1,341	**108**
Finance costs		
Interest expense	(10,470)	(11,365)
Interest expense for lease liability	(3,041)	(1,393)
Net gain/(loss) on derivative financial instruments	(2,010)	(2,879)
Other financial expenses	(2,550)	(3,417)
Foreign exchange differences (net)	-	(1,164)
	(18,071)	**(20,218)**
Net Financial Cost	**(16,730)**	**(20,110)**

In the three months period ended March 2023, we recognised a net fair value loss of EUR 2,010 (31 March 2022: 2,879 EUR) for the Senior Secured Notes embedded derivative asset.

14. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk and interest rate risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers.

Management mitigates 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.

14. FINANCIAL RISK MANAGEMENT (continued)

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 and cash equivalents are placed in financial institutions, which are considered at time of deposit to have minimal risk of default.

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries. The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, vendor financing and reverse factoring agreements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

At 31 March 2023, the Group had net current liabilities of EUR 347,742 (31 December 2022: EUR 283,911). As a result of the volume and nature of the telecommunication business current liabilities exceed current assets. A large part of the current liabilities is generated by investment activities. Management considers that the Group will generate sufficient funds to cover the current liabilities from future revenues.

The Group's policy on liquidity is to maintain sufficient liquid resources to meet its obligations as they fall due and to keep the Group's leverage optimized. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and working capital, whilst considering future cash flows from operations. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, market electricity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Exposure to currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures (other than the functional currency of each legal entity), primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currencies of the Company and each of its subsidiaries.

Management has set up a policy to manage the foreign exchange risk against the functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group used forward/option contracts, transacted with local banks. The Group imports services and equipment and attracts substantial amount of foreign currency denominated borrowings.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk (EUR and USD) though market fluctuations of interest rates. Details of borrowings are disclosed in Note 8.

d) Capital Management

The Group's objectives when managing capital are to safeguard the Groups ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. Management monitors "total net debt to EBITDA" ratio which is computed in accordance with the Senior Facilities Agreement.

(e) Fair values

The Group measures at fair value the following: financial assets at fair value through other comprehensive income and embedded derivatives.

(f) Climate risks

In the three months period ended March 2023, the Group analyzed 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.

(g) 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.

15. SHARE-BASED PAYMENT

The Group implemented share-based payment plans for certain members of the management team and key employees. The options vest if and when certain performance conditions, such as revenue, subscriber targets and other targets of the Group were met. Some of the share option plans vested in past years and were closed.

For the three-month period ended at 31 March 2023, the related share option expense is included within Operating expenses (Salaries and related taxes caption) in the Interim condensed Consolidated statement of comprehensive income (Note 12).

16. DERIVATIVE FINANCIAL INSTRUMENTS

For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the Interim condensed consolidated statement of financial position, after initial recognition, the valuation techniques and inputs used to develop those measurements are presented below:

Financial assets at fair value through OCI

Financial assets at fair value through OCI comprise shares in RCSM. In 2017 the Company's class B shares were listed on the Bucharest Stock Exchange. As at 31 March 2023, the fair value assessment of the shares held in RCSM was consequently performed based on the average quoted price/share of the shares of the Company as of the valuation date (RON/share 34.4), adjusted for the impact of other assets and liabilities of RCSM, given that the main asset of RCSM is the holding of the majority of the shares of the Company. The fair value assessment also takes into account the cross-holdings between the Group and RCSM.

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

Embedded derivatives

As at 31 March 2023, the valuation method was consistent with the one used as at 31 December 2022.

As at 31 March 2023, the Group had derivative financial assets in amount of EUR 3,053 (31 December 2022: EUR 5,052), represented by the embedded derivatives related to the 2025 and 2028 Senior Secured Notes (that include several call options as well as one put option).

As at 31 March 2023 the Group had no derivative financial liabilities.

Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	**Level 2**	**Level 3**	**Total**
31 March 2023				
Financial assets at fair value through OCI	40,222	-	-	**40,222**
Embedded derivatives	-	3,053	-	**3,053**
Total	**40,222**	**3,053**	**-**	**43,275**
31 December 2022				
Financial assets at fair value through OCI	36,844	-	-	36,844
Embedded derivatives	-	5,052	-	5,052
Total	**36,844**	**5,052**	**-**	**41,896**

17. DISCONTINUED OPERATIONS

Sale of Hungarian operations

On 29 November 2021 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4 iG Plc.), concluded the sale and purchase agreement ("SPA") regarding the acquisition of DIGI Tavkozlesi Szolgaltato Ltd. (Digi Hungary) and of its subsidiaries, Invitel Ltd., Digi Infrastruktura Korlatolt Felelossegu Tarsasag and I TV Ltd by 4iG Plc (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 RCS & RDS. 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. The Gain from discontinued operations is EUR 319,209 is shown in the Consolidated statement of profit or loss and other comprehensive income.

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

18. GENERAL COMMITMENTS AND CONTINGENCIES

(a) Contractual commitments
Commitments are presented on a discounted basis, using an interest rate of 3M LIBOR + 8.102% p.a., 3M EURIBOR + 8.102% p.a. or 3M ROBOR + 8.102% p.a.

	31 March 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						
Annual fee for spectrum license	288,031	9,682	9,682	19,667	71,419	177,581
Capital expenditure	180,219	29,043	29,043	70,753	51,380	-
Contractual obligations for programme assets	43,685	14,225	14,225	14,328	907	-
Contractual obligations for energy contracts	26,046	13,023	13,023	-	-	-
	537,980	**65,973**	**65,973**	**104,748**	**123,706**	**177,581**
Discounted						
Annual fee for spectrum license	145,029	8,779	8,746	16,144	48,039	63,322
Capital expenditure	146,932	26,128	26,128	57,264	37,411	-
Contractual obligations for programme assets	37,719	12,772	12,772	11,557	618	-
Contractual obligations for energy contracts	22,658	11,329	11,329	-	-	-
	352,339	**59,008**	**58,976**	**84,964**	**86,069**	**63,322**

	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**
Undiscounted						
Annual fee for spectrum license	293,677	9,682	9,682	19,632	71,437	183,245
Capital expenditure	200,286	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	34,523	17,262	17,262	-	-	-
	575,611	**78,001**	**72,599**	**117,213**	**124,552**	**183,245**
Discounted						
Annual fee for spectrum license	152,278	8,839	8,839	16,366	49,417	68,817
Capital expenditure	166,842	34,908	30,009	63,599	38,326	-
Contractual obligations for programme assets	40,539	11,352	11,352	16,604	1,232	-
Contractual obligations for energy contracts	29,846	14,923	14,923	-	-	-
	389,505	**70,022**	**65,123**	**96,568**	**88,974**	**68,817**

18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Letters of guarantee
As of 31 March 2023, there were bank letters of guarantee and letters of credit issued in amount of EUR 66,315 mostly in favour of content and satellite suppliers and for participation to tenders (31 December 2022: EUR 63,625).

We have cash collateral agreements for issuance of letters of counter guarantees. As at 31 March 2023 we had letters of guarantee issued in amount of EUR 2,671 (31 December 2022: EUR 2,671). These agreements are secured with moveable mortgage over cash collateral accounts.

(c) Legal proceedings

Uncertainties associated with the fiscal and legal system

The tax 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 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.

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, RCS&RDS and part of its directors were indicted by the Romanian National Anti-Corruption Agency (DNA) for the offences of bribery and accessory to bribery, money laundering and accessory to money laundering.

18. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

The presumed offences of bribery and accessory to bribery are alleged to have been committed through the 2009[1] joint-venture agreement between RCS&RDS and Bodu S.R.L. with respect to the events hall in Bucharest and the broadcasting rights for Liga 1 football matches, while the presumed offences of money laundering and accessory to money laundering are alleged to have been perpetrated through RCS&RDS's acquisition of the Bodu S.R.L. events hall in 2016[2].

On 15 January 2019, the Bucharest Tribunal, convicted RCS&RDS in connection with the offence of money laundering for which the court applied a criminal fine. The Bucharest Tribunal's decision also decided on the confiscation from RCS&RDS of an amount of money and maintained the seizure over the two real estate assets first instituted by the DNA. Through the same judgement, Mr. Bendei Ioan (at that time member of the Board of directors of RCS&RDS and director of Integrasoft S.R.L.) was convicted, while the rest of the directors were acquitted in connection with all the accusations brought against them by the DNA. The decision also cancels the joint-venture agreement from 2009 concluded between RCS&RDS and Bodu S.R.L., as well as all the agreements concluded between RCS&RDS, Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.

The first court decision was appealed. On 1 November 2021, the Bucharest Court of Appeal granted the appeals of RCS&RDS S.A., Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from 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 RCS&RDS, INTEGRASOFT S.R.L. and their current and former officers.

The appeal against this solution shall be decided upon by the High Court of Cassation and Justice on 23 May 2023.
We strongly believe that RCS&RDS, INTEGRASOFT S.R.L. and their current and former officers have acted appropriately and in compliance with the law, and we strongly restate that we will continue to defend against all the above allegations while expecting a final solution that corresponds to the factual and legal situation.

19. SUBSEQUENT EVENTS

On 21 April 2023, RCS & RDS S.A. (the Company's subsidiary in Romanian - "RCS &RDS"), as borrower, the Company 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 150,000,000, for a period not exceeding 31 January 2028; (ii) a revolving credit facility in a total aggregate amount of EUR 100,000,000, for three years from the signing of the SFA, and (iii) one or more incremental facilities not exceeding in aggregate EUR 250,000,000 which may be established and made available in accordance with the SFA. The borrowed amounts may be used by the Company's Romanian subsidiary for the purposes of debt refinancing, capital expenditure, investments, general corporate and working capital purposes.

[1] In 2009 RCS&RDS and Bodu S.R.L. entered into a joint venture with Bodu S.R.L. (the "JV") with respect to an events hall in Bucharest. At the time when RCS&RDS entered into the JV, Bodu S.R.L. was owned by Mr. Bogdan Dragomir, a son of Mr Dumitru Dragomir, who served as the President of the Romanian Professional Football League (the "**PFL**").
[2] By 2015, the JV became virtually insolvent, as initial expectations on its prospects had failed to materialize. In 2015, in order to recover the EUR 3,100 investment, it had made into the JV from 2009 to 2011 and to be able to manage the business of the events hall directly and efficiently, RCS&RDS entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, RCS&RDS acquired (at a discount to nominal value) Bodu S.R.L.'s outstanding bank debt (which was secured by its share of, and assets it contributed to, the JV). Thereafter, RCS&RDS set-off its acquired receivables against Bodu S.R.L. in exchange for the real estate and business of the events hall. Bodu S.R.L. was replaced as RCS&RDS's JV partner by Integrasoft S.R.L., one of our Romanian subsidiaries. Following this acquisition, in addition to its investigation of Antena Group's bribery allegations in relation to our investment into the JV, the DNA opened an enquiry as to whether the transactions that followed (including the 2015 settlement and the 2016 acquisition) represented unlawful money-laundering activities.

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

19. SUBSEQUENT EVENTS (CONTINUED)

On 24 April 2023, RCS&RDS S.A. (the Company's subsidiary in Romania- "RCS & RDS") as borrower, together with the Company 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 132,682 to be used with the purpose of financing the purchase of goods and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries.

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

20. EBITDA

In the telecommunications industry the benchmark for measuring profitability is EBITDA (earnings before interest, taxes, depreciation and amortization). EBITDA is a non-IFRS accounting measure.

For the purposes of disclosure in these notes, EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortization and impairment of assets. Our Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items.

	Three months ended 31 March 2023	Three months ended 31 March 2022
		Restated[1]
Revenues	**394,923**	**353,371**
Other income	**3,676**	**7,252**
EBITDA		
Operating profit	32,829	39,579
Depreciation, amortization and impairment and revaluation impact	100,684	84,795
EBITDA	**133,513**	**124,374**
Other expenses	232	73
Adjusted EBITDA	**133,745**	**124,447**
Adjusted EBITDA (%)	*33.55%*	*34.51%*

(1) In the last quarter of 2022, we recorded certain adjustments and reclassifications for presentation purposes which refer to the entire year ended 31 December 2022. For comparison and presentation purposes, the amounts for the three months period ended 31 March 2022 were restated accordingly.

For the three-month period ended 31 March 2023, other expenses are related to share option plans vested and are expected to be one-time events (for details, please see Note 15) in amount of EUR 232 (EUR 73 for the three-month period ended 31 March 2022).

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

21. FINANCIAL INDICATORS

Financial Indicator	Value as at 31 March 2023
Current ratio	
Current assets/Current liabilities	0.56
Debt to equity ratio	
Long term debt/Equity x 100 (where Long term debt = Borrowings over 1 year)	186%
Long term debt/Capital employed x 100 (where Capital employed = Long term debt+ Equity)	65%
Trade receivables turnover	
Average receivables/Revenues x 90	36.84
Non-current assets turnover	
(Revenues/Non-current assets)	0.63

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

Serghei Bulgac,
CEO

Valentin Popoviciu,
Executive Director