DIGI communications n.v.

3RD QUARTER 2024 – FINANCIAL REPORT

for the three-month period ended September 30, 2024

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 September 30, 2024

This Unaudited Interim Condensed Consolidated Financial Report for the period ended 30 September 2024 refers to the Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with IAS 34 “Interim Financial Reporting”.

Table of contents

Important Information

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Report are not historical facts and are forward-looking. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, without limitation, various risks related to our business, risks related to regulatory matters and litigation, risks related to investments in emerging markets, risks related to our financial position as well as risks related to the notes and the related guarantee.

Any forward-looking statements are only made as of 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 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, (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, amortisation 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 and Portugal. In this Report, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin represent the results of our Romanian, Spanish, Portuguese 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 September 30, 2024.

The following discussion includes forward-looking statements based on assumptions about our future business. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described in sections captioned "Forward-Looking Statements" of this Report.

Overview

We are a leading provider of telecommunication services in Romania, Spain and Italy with a presence also in Portugal and Belgium.

- **Romania.** Our offerings in Romania include Pay TV (cable TV and DTH), fixed internet and data, mobile telecommunication services and fixed-line telephony. We operate Romania's largest fixed fiber optic network and our mobile network provides the widest population coverage among mobile operators.
- **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-XGSPON FTTH network. In 2024 we received mobile frequencies as part of the remedy package requested by the European Commission to allow the merger of Orange and Masmovil in Spain.
- **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 and the value centric Italian market.
- **Portugal.** Starting with November 2024, we launched our fixed and mobile services in Portugal. Our offerings include Pay TV (cable TV), broadband, mobile telecommunication services and fixed-line telephony. On October 25, 2024 we also acquired Nowo Communications S.A, Portugal's fourth largest mobile and fixed telecom operator.
- **Belgium.** In 2022 we partnered with Citymesh, part of Cegeka group, to create a Joint Venture with the intention to start retail telecommunications operations on the Belgian market. Also, in 2022 the Joint Venture was awarded radio frequencies at the mobile spectrum auction. We are in process of developing the fixed and mobile networks and we will start operations at a later date.

For the three months ended September 30, 2024, we had revenues and other income of €492.5 million, net profit of €342.8 million and Adjusted EBITDA of €177.3 million.

Recent Developments

On September 16, 2024, Digi Romania S.A. issued a notice of conditional full redemption for €450 million 2.5% Senior Secured Notes due in 2025.
The redemption occurred on September 27, 2024, at 100% of the principal amount, plus accrued interest from August 5, 2024, to the redemption date. The redemption terms were met without default, and interest ceased accruing from September 27, 2024.
On October 30, 2024, DIGI Romania S.A. signed a memorandum of understanding (MoU) with Hellenic Telecommunications Organization S.A. (OTE) and Vodafone Romania S.A The MoU covers OTE's divestment from Telekom Romania Mobile Communications S.A. (Telekom).
The Transaction involves interdependent operations where DIGI will acquire certain Telekom assets, and VF will indirectly acquire OTE's shares in Telekom. Completion is subject to due diligence, regulatory approvals, and finalization of transaction documentation.
On September 5, 2024, Digi Spain completed the first delivery of a Fibre-to-the-Home (FTTH) network sale in 12 provinces to Sota Investments Spain OpCo, S.L.U., a company controlled by Macquarie Capital, abrdn, and Arjun Infrastructure Partners. The transaction follows the asset purchase agreement signed on April 4, 2024.
The initial delivery includes 4.41 million homes passed, with the full development expected over three years, adding 1.59 million more homes. Digi Spain and Sota Investments have also signed a 25-year wholesale bitstream services agreement, alongside Digi Spain providing long-term operation and maintenance services for the Network.
On October 25, 2024, DIGI Portugal LDA., the Company's Portuguese subsidiary, finalized the acquisition of 100% of the shares in Cabonitel, S.A. from LORCA JVCO Limited for EUR 150 million subject to customary adjustments and certain contingent events, following competition clearance received on October 23, 2024.
The acquisition includes Nowo Communications, S.A., Portugal's fourth largest mobile and fixed telecom operator, which is fully owned by Cabonitel, and serves approximately 270,000 mobile telephony clients and 130,000 fixed telecommunications clients.

On November 4th, DIGI launched operations in Portugal, bringing a long-term stable pricing model with no annual increases, consistent with its operations in Romania, Spain, and Italy.
The “Freedom of Choice” approach offers flexible contract terms and customizable services, supported by state-of-the-art technology.
Within 2.5 years, DIGI Portugal built a modern fiber optic network and national mobile coverage, now reaching over 93% of the population.
Service offering will continue to expand, with future services including 10 Gbps internet, WiFi7, and cloud storage.

Basis of Financial Presentation

The Group prepared its Interim Financial Statements as of September 30, 2024 in accordance with IFRS as adopted by the EU. For the periods discussed in this Report, the Group’s presentation currency was the euro. The Group’s financial year ends on December 31 of each calendar year. All amounts presented are for 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 57% and 41%, respectively, of our consolidated revenue for the three months ended September 30, 2024 our principal functional currencies are the Romanian leu and EUR.
The Group presents its consolidated Interim Financial Statements in euros. The Group uses the euro as the presentation currency of its consolidated Interim Financial Statements because management analysis and reporting 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 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, Netherlands 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 four geographic segments in accordance with our four principal business lines: (1) Pay TV; (2) fixed internet and data; (3) mobile telecommunication services; and (4) fixed-line telephony.

Exchange rates

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, 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 September 30,		As at and for the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Romanian leu (RON) (1)				
Period end rate	4.98	4.97	4.98	4.97
Average rate	4.97	4.95	4.97	4.94
U.S. dollar (USD) (1)				
Period end rate	1.12	1.06	1.12	1.06
Average rate	1.10	1.09	1.09	1.08

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

In the three months ended September 30, 2024, we had a net foreign exchange gain (which is recognized in net finance result on our statement of comprehensive income) of €2.5 million. In the three months ended September 30, 2023, we had a net foreign exchange loss of €4.1 million.

In the nine months ended September 30, 2024, we had a net foreign exchange gain (which is recognized in net finance results on our statement of comprehensive income) of €0.9 million. In the nine months ended September 30, 2023 we had a net foreign exchange loss of €6.0 million.

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) and monthly ARPU (€/month) by geographic segment as at and for the three-month period ended September 30, 2024 and 2023:

RGUs (thousand)/ARPU (€/month)	**As at and for the three months ended September 30,**		**% change**
	2024	**2023**	
Romania			
RGUs			
Pay TV (1)	5,825	5,640	3.3%
Fixed internet and data (2)	4,804	4,487	7.1%
Mobile telecommunication services (3)	6,398	5,625	13.7%
Fixed-line telephony (2)	859	901	(4.7%)
ARPU (4)	4.5	4.5	0.0%
Spain			
RGUs			
Fixed internet and data	1,809	1,242	45.7%
Mobile telecommunication services (3)	5,550	4,469	24.2%
Fixed-line telephony	582	402	44.8%
ARPU (4)	8.7	9.3	(6.5%)
Other (5)			
RGUs			
Mobile telecommunication services (3)	475	409	16.1%
ARPU (4)(6)	5.6	6.1	(8.2%)

(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.*
(6) *ARPU is calculated without revenues and RGUs from the Fixed internet and data business line, as they are immaterial.*

Historical Results of Operations

Results of Operations for the three and nine months ended September 30, 2024 and 2023

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
(€ millions)	**2024**	**2023**	**2024**	**2023**
Revenues				
Romania	281.3	257.2	816.1	754.2
Spain	202.8	166.1	571.9	466.0
Other	7.9	7.7	23.1	21.7
Elimination of intersegment revenues	(1.4)	(1.5)	(2.4)	(3.1)
Total revenues	**490.6**	**429.5**	**1,408.7**	**1,238.8**
Other income	**390.2**	**4.2**	**393.4**	**12.1**
Other expenses	**-**	**(0.1)**	**(0.0)**	**(0.4)**
Operating expenses				
Romania	(152.0)	(145.9)	(436.5)	(424.5)
Spain	(152.8)	(129.9)	(439.1)	(373.7)
Other	(11.9)	(9.1)	(30.2)	(25.5)
Elimination of intersegment expenses	1.4	1.5	2.4	3.1
Depreciation, amortisation and impairment of tangible and intangible assets	(118.3)	(105.6)	(347.6)	(310.4)
Total operating expenses	**(433.6)**	**(388.9)**	**(1,250.9)**	**(1,131.1)**
Operating profit	**447.1**	**44.7**	**551.1**	**119.4**
Finance income	5.5	2.3	8.7	4.8
Finance expense	(20.9)	(28.4)	(63.0)	(68.3)
Net finance costs	**(15.4)**	**(26.1)**	**(54.3)**	**(63.5)**
Share of loss of equity-accounted investees	**-**	**(0.9)**	**(1.0)**	**(6.2)**
Profit before taxation	**431.7**	**17.7**	**495.8**	**49.8**
Income tax expense	**(88.9)**	**(4.7)**	**(98.6)**	**(10.0)**
Profit for the period	**342.8**	**13.0**	**397.1**	**39.8**

	Three months ended 30 September 2024	**Three months ended 30 September 2023**	**Nine months ended 30 September 2024**	**Nine months ended 30 September 2023**
Revenues	**490.6**	**429.5**	**1,408.7**	**1,238.8**
Other income	**390.2**	**4.2**	**393.4**	**12.1**
EBITDA				
Operating profit	447.1	44.7	551.1	119.4
Depreciation, amortization and impairment and revaluation impact	118.3	105.6	347.6	310.4
EBITDA	**565.4**	**150.3**	**898.7**	**429.8**
Other income	(388.2)	-	(388.2)	-
Other expenses	-	0.1	0.0	0.4
Adjusted EBITDA	**177.3**	**150.4**	**510.5**	**430.3**
IFRS 16 impact	**(26.5)**	**(21.1)**	**(75.1)**	**(62.4)**
Adjusted EBITDA excluding IFRS 16 impact	**150.8**	**129.3**	**435.4**	**367.9**

Revenue

Our revenue (excluding intersegment revenue and other income) for the three-month period ended September 30, 2024 was €490.6 million, compared with €429.5 million for the three-month period ended September 30, 2023, an increase of 14.2%.
Our revenue (excluding intersegment revenue and other income) for the nine-month period ended September 30, 2024 was €1,408.7 million, compared with €1,238.8 million for the nine-month period ended September 30, 2023, an increase of 13.7%.

The following table shows the distribution of revenue by geographic segment and business line for the three and nine-month period ended September 30, 2024 and 2023:

	As at and for the three months ended September 30,			As at and for the nine months ended September 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
(€ millions)						
Country						
Romania	280.0	256.1	9.3%	813.9	751.8	8.3%
Spain	202.7	166.0	22.1%	571.7	465.7	22.8%
Other (1)	7.9	7.4	6.8%	23.0	21.3	8.0%
Total	**490.6**	**429.5**	**14.2%**	**1,408.7**	**1,238.8**	**13.7%**

Category						
Fixed services (2)	242.4	213.1	13.7%	707.2	619.2	14.2%
Mobile services	205.0	184.8	10.9%	582.5	524.0	11.2%
Other	43.1	31.7	36.0%	118.9	95.5	24.5%
Total	**490.6**	**429.5**	**14.2%**	**1,408.7**	**1,238.8**	**13.7%**

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

Revenue in Romania for the three-month period ended September 30, 2024 was €280.0 million compared with €256.1 million for the three-month period ended September 30, 2023, an increase of 9.3%.

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.

Our Pay TV RGUs increased from approximately 5,640 thousand as at September 30, 2023 to approximately 5,825 thousand as at September 30, 2024, an increase of approximately 3.3%, and our fixed internet and data RGUs increased from approximately 4,487 thousand as at September 30, 2023 to approximately 4,804 thousand as at September 30, 2024, an increase of approximately 7.1%. These increases were obtained both organically, primarily due to our attractive fixed internet and data and pay TV packages.
Mobile telecommunication services RGUs increased from approximately 5,625 thousand as at September 30, 2023 to approximately 6,398 thousand as at September 30, 2024, an increase of approximately 13.7%, mainly driven by our attractive offerings.
Fixed-line telephony RGUs decreased from approximately 901 thousand as at September 30, 2023 to approximately 859 thousand as at September 30, 2024, a decrease of approximately 4.7%, as a result of the general trend away from fixed-line telephony and towards mobile telecommunication services.
Other revenues include mainly sales of equipment, energy, green certificates, but also contains services of filming sport events and advertising revenue. Sales of equipment includes mainly mobile handsets and other equipment.

Revenue in Spain for the three-month period ended September 30, 2024 was €202.7 million, compared with €166.0 million for the three-month period ended September 30, 2023, an increase of 22.1%.
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 4,469 thousand as at September 30, 2023 to approximately 5,550 thousand as at September 30, 2024, an increase of approximately 24.2%.
Fixed internet and data RGUs increased from approximately 1,242 thousand as at September 30, 2023 to approximately 1,809 thousand as at September 30, 2024, an increase of approximately 45.7% and fixed-line telephony RGUs increased from approximately 402 thousand as at September 30, 2023 to approximately 582 thousand as at September 30, 2024, an increase of approximately 44.8%.

Revenue in Other mainly represents revenue from our operations in Italy and Portugal for the three-month period ended September 30, 2024 was €7.9 million, compared with €7.4 million for the three-month period ended September 30, 2023, an increase of 6.8%, primarily due to attracting new customers in Italy. Mobile telecommunication services RGUs increased from approximately 409 thousand as at September 30, 2023 to approximately 475 thousand as at September 30, 2024, an increase of approximately 16.1%.

Total operating expenses

Our total operating expenses (excluding intersegment expenses and other expenses, but including depreciation, amortisation and impairment) for the three-month period ended September 30, 2024 were €433.6 million, compared with €388.9 million for the three-month period ended September 30, 2023, an increase of 11.5%.

Our total operating expenses (excluding intersegment expenses and other expenses, but including depreciation, amortisation and impairment) for the nine months ended September 30, 2024 were €1,250.9 million compared with €1,131.1 million for the nine months ended September 30, 2023, an increase of 10.6%.

The following table shows the distribution of total operating expenses by geographic segment for the three and nine-month period ended September 30, 2024 and 2023:

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
	2024	2023	2024	2023
(€ millions)				
Romania	151.9	145.4	436.3	423.8
Spain	151.7	129.1	437.4	372.0
Other [(1)]	11.7	8.8	29.7	24.8
Depreciation, amortisation and impairment of tangible and intangible assets	118.3	105.6	347.6	310.4
Total operating expenses	**433.6**	**388.9**	**1,250.9**	**1,131.1**

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

Operating expenses in Romania for three-month period ended September 30, 2024 were €151.9 million, compared with €145.4 million for the three-month period ended September 30, 2023, an increase of 4.5%.
The increase in operating expenses is in line with the growth of the business.

Operating expenses in Spain for the three-month period ended September 30, 2024 were €151.7 million, compared with €129.1 million for the three-month period ended September 30, 2023, an increase of 17.5%. Operating expenses follow the evolution of increase in mobile telephony services RGUs between the two periods, as a results of business development.

Operating expenses in Other represents expenses of our operations in Italy, Portugal and expenses of Netherlands for the three-month period ended September 30, 2024 were €11.7 million, compared with €8.8 million for the three-month period ended September 30, 2023, an increase of 33%.

Depreciation, amortisation and impairment of tangible and intangible assets

The table below sets out information on depreciation, amortisation and impairment of our tangible and intangible assets for the three and nine-month period ended September 30, 2024 and 2023.

	As at and for the three months ended September 30,		As at and for the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
(€ millions)				
Depreciation of property, plant and equipment	49.6	38.2	146.8	121.8
Amortisation of non-current intangible assets and programme assets	25.5	22.2	74.0	69.0
Amortisation of subscriber acquisition costs	15.4	14.9	45.7	43.8
Amortisation of right of use assets	27.2	27.8	78.2	71.7
Impairment of property, plant and equipment and subscriber acquisition costs	0.6	2.5	2.9	4.2
Total	**118.3**	**105.6**	**347.6**	**310.4**

Other income

We recorded €2.0 million of other income in the three-month period ended September 30, 2024 compared with €4.2 million of other income in the three-month period ended September 30, 2023, representing income from energy subvention.

Operating profit

For the reasons set forth above, our operating profit was €447.1 million for the three-month period ended September 30, 2024, compared with €44.7 million for the three-month period ended September 30, 2023.

Net finance cost

We recognized net finance loss of €15.4 million in the three-month period ended September 30, 2024, compared with a net finance loss of €26.1 million for the three-month period ended September 30, 2023.

Profit before taxation

For the reasons set forth above, our profit before taxation was €431.7 million in the three-month period ended September 30, 2024, compared with profit before taxation of €17.7 million for the three-month period ended September 30, 2023.

Income tax expense

An income tax expense of €88.9 million was recognized in the three-month period ended September 30, 2024, compared to a tax expense of €4.7 million recognized in the three-month period ended September 30, 2023, mainly due to income tax variation in the period.

Net profit/(loss) for the period

For the reasons set forth above, our net profit was €342.8 million in the three-month period ended September 30, 2024, compared with net profit of €13.0 million for the three-month ended September 30, 2023.

Liquidity and Capital Resources

Historically, our principal sources of liquidity have been our operating cash flows as well as debt financing. Going forward, we expect to fund our cash obligations and capital expenditures primarily out of our operating cash flows, credit facilities and letter of guarantee facilities. We believe that our operating cash flows will continue to allow us to maintain a flexible capital expenditure policy.

All of our businesses have historically produced positive operating cash flows that are relatively constant from month to month. Variations in our aggregate cash flow during the periods under review principally represented increased or decreased cash flow used in investing activities and cash flow from financing activities.

We have made and intend to continue to make significant investments in the growth of our businesses by expanding our mobile telecommunication network and our fixed fiber optic networks, acquiring new and renewing existing content rights, procuring CPE which we provide to our customers and exploring other investment opportunities on an opportunistic basis 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.

Historical cash flows

The following table sets forth our consolidated cash flows from operating activities for the three and nine-month period ended September 30, 2024 and 2023, cash flows used in investing activities and cash flows from/ (used in) financing activities.

	As at and for the three months ended September 30,		As at and for the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
(€ millions)				
Cash flows from operations before working capital changes	**179.9**	**150.3**	**515.7**	**429.0**
Cash flows from changes in working capital	76.1	(8.7)	36.9	(45.7)
Cash flows from operations	**255.9**	**141.6**	**552.6**	**383.3**
Interest paid	(24.8)	(23.2)	(57.7)	(50.1)
Income tax paid	(6.0)	(2.2)	(9.2)	(3.2)
Cash flow from operating activities	**225.2**	**116.2**	**485.6**	**330.0**
Cash flow from / (used in) investing activities	**338.3**	**(145.4)**	**(59.0)**	**(549.7)**
Cash flows from /(used in) financing activities	**(394.1)**	**32.6**	**(350.9)**	**167.1**
Net (decrease)/increase in cash and cash equivalents	169.3	3.4	75.8	(52.6)
Cash and cash equivalents at the beginning of the period	127.8	205.5	221.3	261.4
Cash and cash equivalents at the closing of the period	**297.1**	**208.8**	**297.1**	**208.8**

Cash flows from operations before working capital changes were €179.9 million in the three-month period ended September 30, 2024 and €150.3 million in the three-month period ended September 30, 2023 for the reasons discussed in "—*Historical Results of Operations—Results of operations for the three-month period ended September 30, 2024 and 2023*".

The following table shows changes in our working capital:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
(€ millions)				
(Increase) in trade receivables and other assets	(42.1)	(25.4)	(73.5)	(38.2)
Decrease/(increase) in inventories	(47.4)	1.3	(46.3)	6.4
Decrease/(increase) in programming assets	(10.3)	(10.1)	(22.3)	(19.8)
Increase/(decrease) in trade payables and other current liabilities	172.2	23.5	174.1	(0.0)
Increase/(decrease) in contract liabilities	3.7	1.9	4.8	5.8
Total	**76.1**	**(8.7)**	**36.9**	**(45.7)**

We had a working capital surplus of €76.1 million in the three-month period ended September 30, 2024 (compared with a working capital requirement of €8.7 million in the three-month period ended September 30, 2023).

Cash flows from operating activities were €225.2 million in the three-month period ended September 30, 2024 and €116.2 million in the three-month period ended September 30, 2023. Included in these amounts are deductions for interest paid and income tax paid. Income tax paid was €6.0 million in the three months ended September 30, 2024 and €2.2 million in the three-month ended September 30, 2023. Interest paid was €24.8 million in the three-month ended September 30, 2024, compared with €23.2 million in the three-month ended September 30, 2023. The increase in cash flows from operating activities in the three months ended September 30, 2023 was primarily due to increase of cash flow from operations.

Cash flows from/(used) in investing activities were €338.3 million inflow in the three-month period ended September 30, 2024 and €145.4 million outflow in the three-month period ended September 30, 2023.

Purchases of property, plant and equipment were €118.8 million in the three months ended September 30, 2024 and €122.3 million in the three months ended September 30, 2023.

Purchases of intangible assets were €17.1 million in the three months ended September 30, 2024 and €8.4 million in the three months ended September 30, 2023.

Proceeds from sale of property, plant and equipment were € 486.6 million for the three month period ended September 30, 2024.

Cash flows from/(used in) financing activities were €394.1 million outflow for the three-month period ended September 30, 2024 and €32.6 million inflow for the three-month ended September 30, 2023, mainly from new proceeds from borrowings obtained in the current period and of the full redemption of the Senior Secured Notes issued by the Company's Romanian subsidiary and due in 2025, in principal amount of EUR 450 million.

Main variations of assets and liabilities as at September 30, 2024

Main variations for the consolidated financial position captions as at September 30, 2024 are presented below:

ASSETS

Property plant and equipment
Net book value of tangible assets increased in line with the continuing development of networks in our territories and capitalized subscriber acquisition costs and licenses, respectively.

LIABILITIES

Loans and borrowings
Short term loans and borrowings as at September 30, 2024 are in amount of €279.9 million (December 31, 2023: €199.8 million).

Long-term loans and borrowings as at September 30, 2024 are in amount of €880.9 million (December 31, 2023: €1,183.7 million).

The variation is mainly the result of new financing obtained by the Group in 2024 and of the full redemption of the Senior Secured Notes issued by the Company's Romanian subsidiary and due in 2025, in principal amount of EUR 450 million.

Trade and other payables
As at September 30, 2024 trade and other payables were in amount of €699.3 million (December 31, 2023: €634.8 million).

Management Statement for the Interim Condensed Consolidated Financial Statements of Digi Communications NV Group for the nine months period ended 30 September 2024

The Board of Directors (the "Board") confirms that to the best of its knowledge, the Interim Condensed Consolidated Financial Statements of Digi Communications NV Group for the period ended 30 September 2024 prepared in accordance with IAS 34 "Interim financial reporting" give a true and fair view of the assets, liabilities, financial position, statement of comprehensive income for Digi Communications NV Group.

The Board declares that the Management Report (Director's report), issued as per Directive 2004/109/EC ("Transparency Directive") and in compliance with Law 24/2017 and FSA Regulation no 5/2018 as subsequently amended and supplemented, containing analysis of the results for the reported period reflects correct and complete information according to the reality regarding the results and development of Digi Communications NV Group.

The Board notes that the Interim Condensed Financial Statements of Digi Communications NV Group for the period ended 30 September 2024 have not been audited and also no (limited) review was conducted by the statutory auditor.

Serghei Bulgac,

CEO

Valentin Popoviciu,

Executive Director

14 November 2024

DIGI COMMUNICATIONS NV

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
IAS 34 INTERIM FINANCIAL REPORTING
for the nine-month period ended 30 September 2024

CONTENTS **Page**

GENERAL INFORMATION

Directors:

Serghei Bulgac

Bogdan Ciobotaru

Valentin Popoviciu

Jose Manuel Arnaiz de Castro

Emil Jugaru

Marius Catalin Varzaru

Zoltan Teszari

Registered Office:

Digi Communications N.V.

75 Dr. Nicolae Staicovici Street, Forum 2000 Building, Phase1, 4th floor, 5th District, Bucharest, Romania

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

	Notes	30 September 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,045,683	1,969,936
Right of use assets	5	450,337	395,674
Intangible assets and goodwill	6	362,162	362,679
Subscriber acquisition costs		58,816	60,684
Investment property	4	12,193	11,687
Financial assets at fair value through OCI		77,224	51,183
Equity accounted investees		640	1,617
Long term receivables		67,731	13,617
Other non-current assets		3,918	4,466
Derivative financial assets		3,366	3,366
Other long term assets		1,496	3,019
Deferred tax assets		18,766	16,035
Total non-current assets		**3,102,332**	**2,893,963**
Current assets			
Inventories		36,555	12,918
Programme assets	6	40,804	19,148
Trade and other receivables		128,949	92,752
Receivable from related parties		57,847	18,455
Contract assets		99,813	94,292
Other assets		19,674	14,198
Derivative financial assets	16	1,546	2,768
Cash and cash equivalents		297,106	221,342
Total current assets		**682,294**	**475,873**
Total assets		**3,784,626**	**3,369,836**
EQUITY AND LIABILITIES			
Equity	7		
Share capital		6,810	6,810
Share premium		3,406	3,406
Treasury shares		(13,614)	(14,135)
Reserves		22,284	(3,014)
Retained earnings		1,009,739	667,179
Equity attributable to owners of the parent		**1,028,625**	**660,246**
Non-controlling interest		178,740	124,048
Total equity		**1,207,365**	**784,294**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	8	880,947	1,183,650
Lease liabilities	9	351,477	312,537
Deferred tax liabilities		86,860	82,209
Decommissioning provision		12,144	11,302
Trade and other payables		35,612	71,640
Contract liabilities		5,248	3,428
Total non-current liabilities		**1,372,288**	**1,664,766**
Current liabilities			
Trade and other payables		663,679	563,193
Employee benefits		56,290	54,994
Loans and borrowings	8	279,927	199,814
Lease liabilities	9	89,205	77,039
Income tax payable		89,805	2,389
Provisions		339	614
Contract liabilities		25,728	22,733
Total current liabilities		**1,204,973**	**920,776**
Total liabilities		**2,577,261**	**2,585,542**
Total equity and liabilities		**3,784,626**	**3,369,836**

The notes on pages 8 to 31 are an integral part of these interim condensed consolidated financial statements.

The condensed consolidated interim financial report was issued on 14 November 2024.

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

	Notes	Three-month period ended 30 September 2024	Three-month period ended 30 September 2023
Revenues	11	490,552	429,484
Other income	19	390,151	4,230
Operating expenses	12	(350,296)	(315,970)
Employee benefits	12	(83,321)	(72,955)
Other expenses	19	-	(57)
Operating Profit		**447,086**	**44,732**
Finance income	13	5,540	2,268
Finance costs	13	(20,899)	(28,390)
Net finance costs		**(15,359)**	**(26,122)**
Share of loss of equity-accounted investees, net of tax		**-**	**(871)**
Profit before taxation		**431,727**	**17,739**
Income tax expense		(88,918)	(4,699)
Profit for the period		**342,809**	**13,040**
Attributable to owners		319,559	12,132
Attributable to non-controlling interest		23,250	908
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of income tax			
Foreign operations – foreign currency translation differences		264	(2,250)
Items that will not be reclassified to profit or loss			
Revaluation of equity instruments measured at fair value through OCI		(690)	2,901
Other comprehensive income/(expense) for the period, net of income tax		**(426)**	**651**
Total comprehensive income/(expense) for the period		**342,383**	**13,691**
Attributable to owners		319,118	12,921
Attributable to non-controlling interest		23,265	770

The notes on pages 8 to 31 are an integral part of these interim condensed consolidated financial statements.

The condensed consolidated interim financial report was issued on 14 November 2024.

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

	Notes	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
Revenues	11	1,408,653	1,238,793
Other income	19	393,390	12,128
Operating expenses	12	(1,009,498)	(917,318)
Employee benefits		(241,447)	(213,740)
Other expenses	19	(7)	(447)
Operating Profit		**551,091**	**119,416**
Finance income	13	8,693	4,806
Finance costs	13	(63,018)	(68,260)
Net finance costs		**(54,325)**	**(63,454)**
Share of loss of equity-accounted investees, net of tax		**(985)**	**(6,156)**
Profit before taxation		**495,781**	**49,806**
Income tax expense		(98,633)	(9,991)
Profit for the period		**397,148**	**39,815**
Attributable to owners		365,983	37,087
Attributable to non-controlling interest		31,165	2,728
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of income tax			
Foreign operations – foreign currency translation differences		(593)	(3,081)
Items that will not be reclassified to profit or loss			
Revaluation of equity instruments measured at fair value through OCI		26,051	6,182
Other comprehensive income/(expense) for the period, net of income tax		**25,458**	**3,101**
Total comprehensive income(expense) for the period		**422,606**	**42,916**
Attributable to owners		391,477	40,381
Attributable to non-controlling interest		31,129	2,535

The notes on pages 8 to 31 are an integral part of these interim condensed consolidated financial statements

The condensed consolidated interim financial report was issued on 14 November 2024.

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

	Notes	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
Cash flows from operating activities			
Profit before taxation		**495,781**	**49,806**
Profit/(Loss) before taxation			**-**
Adjustments for:			
Depreciation		224,932	193,477
Amortisation		119,718	112,801
Impairment		2,943	4,160
Decommissioning provision		759	374
Interest expense		53,271	52,581
Impairment of trade and other receivables		10,062	7,569
Reversal of provisions		(57)	(631)
Unrealised losses/(gains) on derivative financial instruments		1,222	829
Share of loss of equity-accounted investees, net of tax		985	6,156
Equity settled share-based payments expense		868	673
Unrealised foreign exchange loss/(gain)		(8,085)	1,275
(Gain)/loss on sale of assets		(386,721)	(58)
Cash flows from operations before working capital changes		**515,678**	**429,012**
Changes in:			
(Increase)/decrease in trade receivables, other assets and contract assets		(73,456)	(38,170)
(Increase)/decrease in inventories		(46,292)	6,447
(Increase)/decrease program assets		(22,304)	(19,753)
Increase/(decrease) in trade payables and other current liabilities		174,145	(26)
Increase/(decrease) in contract liabilities		4,803	5,831
Cash flows from operations		**552,574**	**383,341**
Interest paid		(57,729)	(50,144)
Income tax paid		(9,227)	(3,181)
Cash flows from operating activities		**485,618**	**330,016**
Cash flow used in investing activities			
Purchases of property, plant and equipment		(448,895)	(459,521)
Purchases of intangibles		(55,536)	(44,418)
Purchases of investment property		(506)	-
Payments for subscriber acquisition costs		(40,627)	(45,723)
Proceeds from sale of property, plant and equipment		486,575	-
Cash flows from/(used in) investing activities		**(58,989)**	**(549,662)**
Cash flows from financing activities			
Dividends paid to shareholders		(37,272)	(18,908)
Proceeds from loans and borrowings		602,762	317,378
Repayment of loans and borrowings		(806,526)	(39,931)
Payment to related parties borrowings		(34,560)	(6,350)
Financing costs paid		(10,846)	(8,040)
Payment of lease liabilities		(92,923)	(77,069)
Proceeds from issuance of share capital and share premium from Minority shereholder		28,500	-
Cash flows (used in)/from financing activities		**(350,865)**	**167,080**
Net increase/(decrease) in cash and cash equivalents		**75,764**	**(52,566)**
Cash and cash equivalents at the beginning of the period		221,342	261,408
Cash and cash equivalents at the end of the period		**297,106**	**208,842**

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 31 are an integral part of these interim condensed consolidated financial statements.

(all amounts are in thousand Eur, 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 2024	**6,810**	**3,406**	**(14,135)**	**(21,747)**	**9,046**	**9,687**	**667,179**	**660,246**	**124,048**	**784,294**
Comprehensive income for the period										
Profit/(loss) for the period	-	-	-	-	-	-	365,983	**365,983**	31,165	**397,148**
Foreign currency translation differences	-	-	-	(557)	-	-	-	**(557)**	(36)	**(593)**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	26,051	-	**26,051**	-	**26,051**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(196)	-	196	-	-	-
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**(557)**	**(196)**	**26,051**	**366,179**	**391,477**	**31,129**	**422,606**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions (Note 15)	-	-	521	-	-	-	347	**868**	-	**868**
Dividends distributed	-	-	-	-	-	-	(23,966)	**(23,966)**	(4,937)	**(28,903)**
Total contributions by and distributions to owners	**-**	**-**	**521**	**-**	**-**	**-**	**(23,619)**	**(23,098)**	**(4,937)**	**(28,035)**
Changes in ownership interests in subsidiaries										
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	28,500	**28,500**
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,500**	**28,500**
Total transactions with owners	**-**	**-**	**521**	**-**	**-**	**-**	**(23,619)**	**(23,098)**	**23,563**	**465**
Balance at 30 September 2024	**6,810**	**3,406**	**(13,614)**	**(22,304)**	**8,850**	**35,738**	**1,009,739**	**1,028,625**	**178,740**	**1,207,365**

The notes on pages 8 to 31 are an integral part of these interim condensed consolidated financial statements.

(all amounts are in thousand Eur, 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	**6,810**	**3,406**	**(14,768)**	**(18,786)**	**9,308**	**(8,004)**	**600,841**	**578,807**	**36,922**	**615,729**
Comprehensive income for the period										
Profit/(loss) for the period	-	-	-	-	-	-	37,087	**37,087**	2,728	**39,815**
Foreign currency translation differences	-	-	-	(2,888)	-	-	-	**(2,888)**	(193)	**(3,081)**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	6,182	-	**6,182**	-	**6,182**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(196)	-	196	-	-	-
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**(2,888)**	**(196)**	**6,182**	**37,283**	**40,381**	**2,535**	**42,916**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions (Note 15)	-	-	371	-	-	-	273	**644**	29	**673**
Dividends distributed	-	-	-	-	-	-	(19,140)	**(19,140)**	(1,626)	**(20,766)**
Total contributions by and distributions to owners	**-**	**-**	**371**	**-**	**-**	**-**	**(18,867)**	**(18,496)**	**(1,597)**	**(20,093)**
Changes in ownership interests in subsidiaries										
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**371**	**-**	**-**	**-**	**(18,867)**	**(18,496)**	**(1,597)**	**(20,093)**
Balance at 30 September 2023	**6,810**	**3,406**	**(14,397)**	**(21,674)**	**9,112**	**(1,822)**	**619,257**	**600,692**	**37,860**	**638,552**

The notes on pages 8 to 31 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., Digi Romania S.A. (formerly 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 Digi Romania S.A. (formerly RCS&RDS S.A.) and respectively DIGI.

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

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

Digi Romania S.A. (formerly RCS&RDS S.A.) is a company incorporated in Romania and its registered office is located at 75 Dr. Staicovici, Forum 2000 Building, 5th District, Bucharest, Romania.

The Group provides telecommunication services of Cable TV (television), Fixed and Mobile Internet and Data, Fixed-line and Mobile Telephony ("CBT") and Direct to Home television ("DTH") services in Romania. In Spain, we offer mobile telephony services (as MVNO), fixed telephony and internet services. In Italy we offer mobile telephony services (as MVNO). Digi Romania S.A. (formerly RCS&RDS S.A.) is the company with the largest operational activity within the Group.

In Portugal we are on track with preparation for the launch of commercial services in 2024. In Belgium we continue the development of the partnership and the infrastructure build to sustain the 2024 launch of commercial services.

The condensed consolidated interim financial report was issued on 14 November 2024.

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 nine-month period ended 30 September 2024 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 2023. 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 2023 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with Section 2:362(9) of the Dutch Civil Code.

(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 2023.

(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, Italy and Belgium: 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 presentation currency of the interim condensed consolidated financial statements under IFRS 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;
- 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 are in thousand EUR, 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 Banks of Romania:

Currency	2024			2023		
	Jan – 1	Average for the 9 months	Sep – 30	Jan – 1	Average for the 9 months	Sep – 30
RON per 1EUR	4.9746	4.9744	4,9756	4.9474	4.9388	4.9746
USD per 1EUR	1.1050	1.0870	1.1196	1.0666	1.0835	1.0594

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 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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, 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 have had no impact on the Group’s interim condensed consolidated financial statements.

2.3 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.

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

3. SEGMENT REPORTING

Three months ended 30 September 2024	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue	279,970	202,712	7,870	-	-	**490,552**
Other income	1,993	-	-	-	-	**1,993**
Inter-segment revenues	1,307	56	23	(1,386)	-	**-**
Segment operating expenses	(151,998)	(152,772)	(11,904)	1,386	-	**(315,288)**
Adjusted EBITDA	**131,272**	**49,996**	**(4,011)**	-	-	**177,257**
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(118,328)	**(118,328)**
Other income (Note 19)	-	388,158	-	-	-	**388,158**
Other expenses (Note 19)	-	-	-	-	-	**-**
Operating profit						**447,087**
Additions to non-current assets	79,119	86,007	48,681	-	-	**213,807**
Carrying amount of:						
Non-current assets	1,736,410	729,561	558,496	-	-	**3,024,468**
Investments in associates and financial assets at fair value through OCI	640	-	77,224	-	-	**77,864**

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

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

3. SEGMENT REPORTING (continued)

Three months ended 30 September 2023	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue	256,063	166,017	7,404	-	-	**429,484**
Other income	4,230	-	-	-	-	**4,230**
Inter-segment revenues	1,099	117	324	(1,540)	-	**-**
Segment operating expenses	(145,847)	(129,879)	(9,142)	1,540	-	**(283,328)**
Adjusted EBITDA	**115,545**	**36,255**	**(1,414)**	**-**	**-**	**150,386**
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(105,597)	**(105,597)**
Other expenses (Note 19)	(57)	-	-	-	-	**(57)**
Operating profit						**44,732**
Additions to non-current assets	54,068	71,617	63,498	-	-	**189,183**
Carrying amount of:						
Non-current assets	1,690,291	626,269	387,874	-	-	**2,704,434**
Investments in associates and financial assets at fair value through OCI	1,911	-	42,808	-	-	**44,719**

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

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

3. SEGMENT REPORTING (continued)

Nine months ended 30 September 2024	Romania	Spain	Other	Eliminations	Reconciling item	Group
Segment revenue	813,916	571,732	23,005	-	-	**1,408,653**
Other income	5,232	-	-	-	-	**5,232**
Inter-segment revenues	2,206	162	55	(2,423)	-	**-**
Segment operating expenses	(436,489)	(439,058)	(30,228)	2,423	-	**(903,352)**
Adjusted EBITDA	**384,865**	**132,836**	**(7,168)**	**-**	**-**	**510,533**
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(347,593)	**(347,593)**
Other income (Note 19)	-	388,158	-	-	-	**388,158**
Other expenses (Note 19)	(7)	-	-	-	-	**(7)**
Operating profit						**551,091**
Additions to non-current assets	216,915	258,810	145,738	-	-	**621,463**
Carrying amount of:						
Non-current assets	1,736,410	729,561	558,496	-	-	**3,024,468**
Investments in associates and financial assets at fair value through OCI	640	-	77,224	-	-	**77,864**

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

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

3. SEGMENT REPORTING (continued)

Nine months ended 30 September 2023	**Romania**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue	751,829	465,703	21,261	-	-	**1,238,793**
Other income	12,128	-	-	-	-	**12,128**
Inter-segment revenues	2,408	314	390	(3,112)	-	**-**
Segment operating expenses	(424,519)	(373,747)	(25,475)	3,112	-	**(820,629)**
Adjusted EBITDA	**341,846**	**92,270**	**(3,824)**	**-**	**-**	**430,292**
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-	-	(310,429)	**(310,429)**
Other expenses (Note 19)	(447)	-	-	-	-	**(447)**
Operating profit						**119,416**
Additions to non-current assets	221,710	231,051	213,351	-	-	**666,112**
Carrying amount of:						
Non-current assets	1,690,291	626,269	387,874	-	-	**2,704,434**
Investments in associates and financial assets at fair value through OCI	1,911	-	42,808	-	-	**44,719**

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

4. PROPERTY, PLANT AND EQUIPMENT (PPE)

Acquisitions and disposals

During the nine-month period ended 30 September 2024, the Group added property, plant and equipment with a cost of EUR 393,540 (nine months ended 30 September 2023: EUR 402,206).

The acquisitions related mainly to networks EUR 316,131 (nine months ended 30 September 2023: EUR 304,820), customer premises equipment of EUR 15,084 (nine months ended 30 September 2023: EUR 27,792) and equipment and devices of EUR 37,391 (nine months ended 30 September 2023: EUR 54,095).

5. RIGHT OF USE ASSETS

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

During the nine-month period ended 30 September 2024, right of use assets' net movement (additions, disposals, depreciation) is in amount of EUR 54,662 (EUR 113,331 for the period ended 30 September 2023).

6. NON-CURRENT INTANGIBLE ASSETS AND CURRENT PROGRAMME ASSETS

a) Intangible assets

Acquisitions

Non-current intangible assets

During the nine-month period ended 30 September 2024, the Group added non-current intangible assets with a cost of EUR 89,270 (30 September 2023: EUR 78,083) as follows:

- Software and licences in amount of EUR 42,540 (30 September 2023: EUR 26,311);
- Customer relationships by acquiring control in other companies in amount of EUR 1,422 (30 September 2023: EUR 2,227);
- Costs to obtain contracts with customers (Subscriber Acquisition Costs "SAC") in amount of EUR 45,308 (nine-month period ended 30 September 2023: EUR 49,545); SAC represents third party costs for acquiring and connecting customers of the Group.

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

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

Goodwill

(i) Reconciliation of carrying amount

Balance at 1 January 2024	**51,459**
Additions	-
Disposals	-
Effect of movement in exchange rates	(10)
Balance at 30 September 2024	**51,450**
Balance at 1 January 2023	**51,741**
Additions	-
Disposals	-
Effect of movement in exchange rates	(282)
Balance at 30 September 2023	**51,460**

(ii) Impairment testing of goodwill

Goodwill is not amortised 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 30 September 2024.

b) Programme assets

During the nine-month period ended 30 September 2024, additions of programme assets in the amount of EUR 51,829 (nine-month period ended 30 September 2023: EUR 34,513) represent broadcasting rights for sports competitions for 2024/2025 season and related advance payments for future seasons and also rights for movies and documentaries.

Contractual obligations related to future seasons are presented as commitments in Note 17.

7. EQUITY

There were no changes in the share capital structure during the period ended 30 September 2024.

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

As at 30 September 2024, the Company had 4.60 million treasury shares (31 December 2023: 4.78 million treasury shares).

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

8. LOANS AND BORROWINGS

Included in Long term loans and borrowings are bonds of EUR 400,419 (December 2023: EUR 850,548) and bank loans of EUR 480,528 (December 2023: EUR 333,102).

Included in Short term loans and borrowing are bank loans of EUR 109,441 (December 2023: EUR 77,364), short portion of long-term loans of EUR 167,250 (December 2023: EUR 111,272) and interest payable amounting to EUR 3,236 (December 2023: EUR 11,178).

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

	Carrying amount
Balance as of 1 January 2024	**1,383,464**
Proceeds from borrowings	602,762
Repayment of borrowings	(806,526)
Interest expense	42,021
Capitalised borrowing costs	6,491
Interest paid	(56,453)
Finance cost	(11,974)
Amortization of deferred finance costs	1,102
Effect of movements in exchange rates	(14)
Balance as of 30 September 2024	**1,160,874**

9. LEASE LIABILITY

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. As at 30 September 2024, financial leasing liability in amount of EUR 440,682 (31 December 2023: EUR 389,576) was impacted by additions, as well as by modifications for certain leasing contracts related to rent amount and contract period.

10. RELATED PARTY DISCLOSURES

		30 September 2024	31 December 2023
Receivables from Related Parties			
Joint Ventures in Belgium	(i)	57,356	22,003
Other		583	491
Total		**57,939**	**22,494**
		30 September 2024	**31 December 2023**
Payables to Related Parties			
RCS Management S.A.	(ii)	8,975	18,968
Other		10,895	714
Total		**19,870**	**19,682**

(i) Joint Venture
(ii) Shareholder of DIGI

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

10. RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel of the Group

	Three months ended 30 September 2024	Three months ended 30 September 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Short term employee benefits–salaries	819	1,356	4,660	3,291

11. REVENUES

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

	Three months ended 30 September 2024	Three months ended 30 September 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Country				
Romania	279,970	256,063	813,916	751,829
Spain	202,711	166,017	571,732	465,703
Other (1)	7,871	7,404	23,005	21,261
Total revenues	**490,552**	**429,484**	**1,408,653**	**1,238,793**
Category				
Fixed services (2)	242,394	213,065	707,249	619,227
Mobile services	205,048	184,766	582,503	524,023
Other (3)	43,110	31,653	118,901	95,543
Total revenues	**490,552**	**429,484**	**1,408,653**	**1,238,793**

1) Includes revenue from operations in Italy.
2) Includes mainly revenues from subscriptions for fixed, mobile and DTH services, interconnection and roaming revenues.
3) Includes mainly revenues from energy, 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 from contracts with costumers as at 30 September 2024 include mainly revenues from sale of energy, handsets and other CPE, as well as advertising revenues.

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

Timing of revenue recognition	Three months ended 30 September 2024	Three months ended 30 September 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Goods transferred at a point in time	15,350	13,137	45,318	37,617
Services transferred over time	475,202	416,347	1,363,335	1,201,177
Total revenues	**490,552**	**429,484**	**1,408,653**	**1,238,793**

The transfer of goods to customer at a point in time are presented in the first table above as “Other revenues”. The rest of the services transferred to customers over time are presented as revenues under each category line and country.

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

12. OPERATING EXPENSES

	Three months ended 30 September 2024	Three months ended 30 September 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Depreciation of property, plant and equipment	49,625	38,169	146,758	121,750
Amortisation of right of use assets	27,156	27,833	78,174	71,725
Amortisation of non-current intangible assets and programme assets	25,549	22,224	74,029	68,962
Amortisation of subscriber acquisition costs	15,382	14,851	45,689	43,839
Impairment of property, plant and equipment	184	2,017	1,519	2,582
Impairment of subscriber acquisition costs	432	503	1,424	1,571
Employee benefit	83,321	72,955	241,447	213,740
Costs related to fixed services	46,801	41,680	133,332	124,453
Costs related to mobile services	103,434	96,149	301,745	274,665
Cost of material sold	14,622	12,565	42,954	35,933
Invoicing and collection	4,794	5,130	14,506	15,293
Taxes and penalties	3,176	2,878	8,841	7,636
Electricity costs and other utilities	23,181	25,188	62,142	68,591
Impairment of receivables and other assets, net of reversals	3,606	2,794	10,062	7,569
Taxes to authorities	4,263	4,019	12,531	12,079
Other materials and subcontractors	2,299	2,182	6,716	7,939
Other services	9,111	6,898	25,600	22,631
Other operating expenses	16,682	10,889	43,476	30,100
Total operating expenses	**433,618**	**388,924**	**1,250,945**	**1,131,058**

Share option plans' expenses accrued in the period are included in the caption "Employee benefits".
For details, please see Note 15.

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

13. NET FINANCE COSTS

	Three months ended 30 September 2024	Three months ended 30 September 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Financial income				
Interest from banks	1,186	292	3,435	2,738
Other financial revenues	1,803	1,976	4,293	2,068
Foreign exchange differences (net)	2,551	-	965	-
	5,540	**2,268**	**8,693**	**4,806**
Financial cost				
Interest expense	(14,492)	(16,425)	(44,817)	(40,995)
Interest expense for lease liability	(2,898)	(4,787)	(8,454)	(11,586)
Loss on derivative financial instruments	(64)	(331)	(1,222)	(829)
Other financial expenses	(3,445)	(2,707)	(8,525)	(8,873)
Foreign exchange differences (net)	-	(4,140)	-	(5,977)
	(20,899)	**(28,390)**	**(63,018)**	**(68,260)**
Net Financial Cost	**(15,359)**	**(26,122)**	**(54,325)**	**(63,454)**

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, 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 interim condensed 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.

14. FINANCIAL RISK MANAGEMENT (continued)

(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 date.

The carrying amount of the non-derivative financial assets, net of the recorded allowances for expected credit losses, represents the maximum amount exposed to credit risk. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low. 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.

(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 30 September 2024, the Group had net current liabilities of EUR 522,679 (31 December 2023: EUR 444,903). 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.

14. FINANCIAL RISK MANAGEMENT (continued)

(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.

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 nine months period ended September 2024, 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.

(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 of conflict and as a result the Group estimates that the situation in Ukraine will have limited effects on its operations and financial performance for future periods.

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

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 nine months period ended at 30 September 2024 the related share option expense of EUR 868 (30 September 2023: EUR 229) is included within Operating expenses (Employee benefits line-item) in the Interim Condensed Consolidated statement of profit or loss and other 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 30 September 2024, 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 66.4), 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.

Embedded derivatives

As at 30 September 2024, the valuation method was consistent with the one used as at 31 December 2023.

As at 30 September 2024 the Group had derivative financial assets in amount of EUR 1,546 (31 December 2023: EUR 2,768), which represents embedded derivatives related to the 2025 and 2028 Senior Secured Notes (includes several call options as well as one put option).

Derivative financial assets

As at 30 September 2024, the Group had non-current derivative financial assets related to the transaction between Digi Spain and abrdn in amount of EUR 3,366 (31 December 2023: EUR 3,366)

As at 30 September 2024 the Group had no derivative financial liabilities.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

	Level 1	Level 2	Total
30 September 2024			
Financial assets at fair value through OCI	77,224	-	**77,224**
Financial derivative assets	3,366	-	**3,366**
Embedded derivatives	-	1,546	**1,546**
Total	**80,590**	**1,546**	**82,136**

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

31 December 2023			
Financial assets at fair value through OCI	51,183	-	**51,183**
Financial derivative assets	3,366	-	**3,366**
Embedded derivatives	-	2,768	**2,768**
Total	**54,549**	**2,768**	**57,317**

17. GENERAL COMMITMENTS AND CONTINGENCIES

(a) Contractual commitments

Commitments are presented on an undiscounted and discounted basis, using the weighted average cost of capital of each of our geographical segments.

	30 September 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						
Annual fee for spectrum license	264,642	11,446	11,482	23,535	106,251	111,928
Capital expenditure	332,897	57,671	81,446	111,490	82,290	-
Contractual obligations for program assets	75,159	28,644	28,644	17,669	203	-
Contractual obligations for energy contracts	43,352	9,720	9,720	19,364	4,547	-
	716,050	**107,481**	**131,292**	**172,059**	**193,291**	**111,928**
Discounted						
Annual fee for spectrum license	141,607	10,359	10,353	19,337	65,023	36,536
Capital expenditure	282,046	53,245	74,925	95,471	58,406	-
Contractual obligations for program assets	65,755	25,688	25,688	14,234	145	-
Contractual obligations for energy contracts	35,982	8,538	8,538	15,615	3,292	-
	525,390	**97,829**	**119,503**	**144,656**	**126,867**	**36,536**

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

17. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

	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						
Annual fee for spectrum license	280,353	10,474	10,473	23,589	74,426	161,391
Capital expenditure	238,360	67,474	33,379	105,216	32,290	-
Contractual obligations for program assets	15,075	2,592	8,867	2,337	1,279	-
Contractual obligations for energy contracts	2,347	2,347	-	-	-	-
	536,135	**82,887**	**52,719**	**131,142**	**107,995**	**161,391**
Discounted						
Annual fee for spectrum license	144,326	9,449	9,450	19,244	49,459	56,724
Capital expenditure	205,622	61,862	31,193	91,026	21,541	-
Contractual obligations for program assets	12,881	2,292	7,884	1,841	864	-
Contractual obligations for energy contracts	2,050	2,050	-	-	-	-
	364,879	**75,653**	**48,527**	**112,111**	**71,864**	**56,724**

(b) Letters of guarantee

As of 30 September 2024, there were bank letters of guarantee and letters of credit issued in amount of EUR 59,590 mostly in favour of content and satellite suppliers and for participation to tenders (31 December 2023: EUR 56,979).

We have cash collateral agreements for issuance of letters of counter guarantees. As at 30 September 2024 we had letters of guarantee issued in amount of EUR 2,671 (31 December 2023: 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.

17. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. (formerly RCS&RDS 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 2009[1] joint-venture agreement between Digi Romania S.A. (formerly RCS&RDS 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. (formerly RCS&RDS S.A.)'s acquisition of the Bodu S.R.L. events hall in 2016[2].

On 15 January 2019, the Bucharest Tribunal, convicted Digi Romania S.A. (formerly RCS&RDS S.A.) 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 S.A. (formerly RCS&RDS S.A.) 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 Digi Romania S.A. (formerly RCS&RDS 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.

---

[1] In 2009 Digi Romania S.A. (formerly RCS&RDS 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. (formerly RCS&RDS 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. (formerly RCS&RDS S.A.) entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, Digi Romania S.A. (formerly RCS&RDS 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. (formerly RCS&RDS 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. (formerly RCS&RDS 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.

17. GENERAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

The decision also cancels the joint-venture agreement from 2009 concluded between Digi Romania S.A. (formerly RCS&RDS S.A.) and Bodu S.R.L., as well as all the agreements concluded between Digi Romania S.A. (formerly RCS&RDS S.A.), Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.
The first court decision was appealed. On November, 1, 2021, the Bucharest Court of Appeal granted the appeals of Digi Romania S.A. (formerly RCS&RDS S.A.), Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from January, 15, 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. 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. (formerly RCS&RDS 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. The court established the date of 5 September 2023 as deadline for the physical removal of the evidences from the court file by DNA. 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 is under re-trial with the Bucharest Court of Appeal, with the next hearing term set for 26 November 2024.

We strongly believe that Digi Romania S.A. (formerly RCS&RDS 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.

18. SUBSEQUENT EVENTS

For developments in legal proceedings in which the Group was involved (both as a plaintiff and a defendant), subsequent to 30 September 2024, please refer to Note 17.

DIGI Portugal LDA., finalised the transaction concluded in October 2024 with LORCA JVCO Limited, for the acquisition of 100% of the shares in Cabonitel S.A. On August 1, 2024, Digi Portugal, LDA. entered into a share purchase agreement with LORCA JVCO Limited to acquire 100% of the shares of Cabonitel, S.A. for a valuation of EUR 150 million, subject to customary adjustments and certain contingent events. The acquisition includes Nowo Communications, S.A., Portugal’s fourth largest mobile and fixed telecom operator, which is fully owned by Cabonitel, and serves approximately 270,000 mobile telephony clients and 130,000 fixed telecommunications clients.

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

19. EBITDA

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

	Three months ended 30 September 2024	**Three months ended 30 September 2023**	**Nine months ended 30 September 2024**	**Nine months ended 30 September 2023**
Revenues	**490,552**	**429,484**	**1,408,653**	**1,238,793**
Other income	**390,151**	**4,230**	**393,390**	**12,128**
EBITDA				
Operating profit	447,086	44,732	551,091	119,416
Depreciation, amortisation and impairment	118,328	105,597	347,593	310,429
EBITDA	**565,414**	**150,329**	**898,684**	**429,845**
Other income	(388,158)	-	(388,158)	-
Other expenses	-	57	7	447
Adjusted EBITDA	**177,256**	**150,386**	**510,533**	**430,292**
Adjusted EBITDA (%)	*35.99%*	34.67%	36.11%	34.40%

For the three months period ended 30 September 2024, 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 nil (for three months period ended 30 September 2023: 57 EUR).

For the nine months period ended 30 September 2024, 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 7 (for nine months period ended 30 September 2023: EUR 447).

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

20. FINANCIAL INDICATORS

Financial Indicator	**Value as at 30 September 2024**
Current ratio	
Current assets/Current liabilities	0.57
Debt to equity ratio	
Long term debt/Equity x 100 (where Long term debt = Borrowings over 1 year)	76%
Long term debt/Capital employed x 100 (where Capital employed = Long term debt+ Equity)	43%
Trade receivables turnover	
Average receivables/Revenues x 270	36.87 days
Non-current assets turnover	
(Revenues/Non-current assets)	0.77

The Board notes that the Interim Condensed Financial Statements of Digi Communications NV Group for the period ended 30 September 2024 have not been audited and also no (limited) review was conducted by the statutory auditor.

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

Serghei Bulgac,

CEO

Valentin Popoviciu,

Executive Director