



To: **The Romanian Financial Supervisory Authority**
Financial Instruments and Investments Sector
The Bucharest Stock Exchange
Regulated Spot Market, Category Int'l (Shares)

From **DIGI COMMUNICATIONS N.V.**

CURRENT REPORT

pursuant to Law no. 24/2017 on issuers of financial instruments and market operations and to the Romanian Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations, and the relevant provisions of the Bucharest Stock Exchange Code

Report date: 6 February 2019

Name of the issuing entity: **DIGI COMMUNICATIONS N.V.** (the “Company”)

Statutory seat: Amsterdam, The Netherlands

Visiting address: Bucharest, 75 Dr. N. Staicovici, Forum 2000 Building, Phase I, 4th floor, 5th District, Romania

Phone/Fax number: +4031.400.65.05/ +4031.400.65.06

Registration number with The Netherlands Chamber of Commerce Business Register and Dutch Legal Entities and Partnerships Identification Number (RSIN): Registration number with The Netherlands Chamber of Commerce Business Register: 34132532/29.03.2000
RSIN: 808800322

Romanian Tax Registration Code: RO 37449310

Share Capital: EUR 6,810,042.52

Number of shares in issue: 100,000,000 (out of which (i) 64,556,028 class A shares with a nominal value of ten eurocents (€0.10) each and (ii) 35,443,972 class B shares, with a nominal value of one eurocent (€0.01) each)

Number of listed shares: 35,443,972 class B shares

Regulated market on which the issued securities are traded: Bucharest Stock Exchange, Main Segment, Category Int'l (Shares)

Important events to be reported: **The offering by the Company of €125,000,000 5.0% senior secured notes due 2023 to be consolidated and treated as a single class with the Company’s existing €350,000,000 5.0% senior secured notes due 2023 and the adjustment by the Company of its interim unaudited consolidated financial statements for the nine-month period ending September 30, 2018**

The Company would like to inform the market and its investors that, on 6 February 2019, it decided to offer (the “**Offering**”) additional €125,000,000 5.0% senior secured notes due 2023 (the “**Additional Notes**”), to be consolidated and treated as a single class with the existing €350,000,000 5.0% senior secured notes due 2023 (the “**Original Notes**”, and, together with the Additional Notes, the “**Notes**”) issued by the Company under the Indenture originally dated October 26, 2016 and supplemented on June 8, 2017 and June 28, 2018 (the “**Indenture**”), which are currently listed on the official list (the “**Official List**”) and trading on the regulated market (the “**Main Securities Market**”) of the Irish Stock Exchange plc (trading as Euronext Dublin).

The Additional Notes will be offered solely to (1) “qualified institutional buyers” within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or (2) Non-U.S. persons purchasing the Additional Notes outside the United States in reliance on Regulation S under the U.S. Securities Act. The Additional Notes will not be offered to any person or in any jurisdiction if this would be unlawful or would require any approval.

Citigroup Global Markets Ltd. will act as the Sole Global Coordinator and Physical Bookrunner in relation to the Offering.

The Additional Notes will be consolidated and treated as a single class with the Original Notes. The minimum denomination of the Additional Notes will be, as for the Original Notes, €100,000. The Additional Notes will have identical terms and conditions in all respects as the Original Notes, including, without limitation, with respect to payments of interest, waivers, amendments, redemptions and offers to purchase. The Additional Notes will be fully fungible with the Original Notes, subject to certain temporary restrictions designed to ensure compliance with applicable provisions of the US law.

The Additional Notes will be, as the Original Notes, guaranteed (each, a “**Guarantee**”) on a senior basis by the Company’s main subsidiaries in Romania and Hungary – RCS & RDS S.A. (“**RCS&RDS**”), DIGI Távközlési és Szolgáltató Korlátolt Felelősségű Társaság (“**DIGI Hungary**”) and Invitel Távközlési Zrt (“**Invitel**”) (collectively, the “**Guarantors**”). The obligations of the Company and the Guarantors under the Notes and the Guarantees thereof are, or will be, as applicable, secured by first-ranking (and, in The Netherlands, both first-ranking and second-ranking) (subject to any permitted collateral liens) security interests over (i) subject to certain exclusions, all present and future movable assets of RCS&RDS, including bank accounts, trade receivables, intragroup receivables, insurance receivables, inventories, movable tangible property (including installation, networks, machinery, equipment, vehicles, furniture, and other similar assets), intellectual property rights, insurance and proceeds related to any of the foregoing; (ii) all shares of certain of the material subsidiaries of RCS&RDS held by RCS&RDS; (iii) certain assets of the Company, including all shares it holds in RCS&RDS, certain bank accounts and rights under the proceeds loan; and (iv) all shares held by DIGI Hungary in Invitel (collectively, the “**Collateral**”). The Collateral and the Guarantees are subject to limitations under the laws of the relevant jurisdictions and will be released in certain circumstances.

Application will be made to the Irish Stock Exchange plc (trading as Euronext Dublin) for the Additional Notes to be admitted to the Official List and trading on Main Securities Market.

The gross proceeds of the Offering will be used: (i) to prepay certain principal amounts outstanding under the 2016 Senior Facilities Agreement; (ii) to prepay certain principal amounts outstanding under the 2018 Senior Facilities Agreement; (iii) to pay costs, expenses and fees in relation to the Offering (including the initial purchaser’s fees, legal and accounting fees and other transaction costs); and (iv) for general corporate purposes.

In connection with the Offering of the Additional Notes, Citigroup Global Markets Ltd. or one or more of its affiliates or persons acting on its behalf (as the Stabilization Manager) may overallocate the Additional Notes or effect transactions with a view to supporting the market price of the Additional Notes at the level higher than that which might otherwise prevail. However, there is no assurance that the Stabilization Manager will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the Offering of the Additional Notes is made and, if begun, may be ended at any time, but it must end no later than the 30 days after the Additional Notes issue date, or no later than 60 days after the date of the allotment of the Additional Notes, whichever is earlier.

A restatement by the Company of the previously reported unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2018 following adjustments:

The Company hereby announces that it is making the following principal restatements to the unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2018 originally reported on November 14, 2018.

<i>As at 30 September 2018 (all in Euro thousand)</i>			
Statement of Comprehensive Income	Previously reported	Adjustments	Adjusted
Other non-current assets		4,323 ¹	4,323
Derivative financial assets	36,848	3,563 ²	40,411
Deferred tax liabilities	(60,826)	(1,090) ³	(61,916)
Trade payables and other payables	(410,030)	2,495 ⁴	(407,535)
Provisions	-	(7,224) ⁵	(7,224)
Equity attributable to equity holders of the parent	(147,577)	(1,928) ⁶	(149,505)
Non-controlling interest	(7,112)	(133) ⁶	(7,245)

1 recognition of deferred green certificates (€4,323)

2 fair value re-assessment for embedded derivative asset (€3,563)

3 additional deferred tax liability generated by the recorded adjustments (€1,090)

4 reclassification from trade and other payables to provisions (€2,495)

5 additional provisions in connection with ongoing litigation (€4,729) and reclassification from trade and another payables line (€2,495)

6 impact on equity attributable to equity holders of the parent (€1,928) and non-controlling interest (€133) of the recorded adjustments above

<i>9 months period ended 30 September 2018 (all in Euro thousand)</i>			
Statement of Comprehensive Income	Previously reported	Adjustments	Adjusted
Revenues	752,045	4,323 ¹	756,368
Other expenses	(12,620)	(4,729) ²	(17,349)
EBITDA	233,670	(407)	233,263
Finance income	257	3,562 ³	3,819
Income Tax	(17,373)	(1,092) ⁴	(18,465)
Net profit for the period	18,864	2,062	20,926

1 recognition of deferred green certificates (€4,323)

2 additional provisions in connection with ongoing litigation (€4,729)

3 fair value re-assessment for embedded derivative asset (€3,563)

4 additional deferred tax expense from the recorded adjustments (€1,092)

<i>9 months ended 30 September 2017 (all in Euro thousand)</i>			
Statement of Comprehensive Income	Previously reported	Adjustments	Adjusted
Revenues	684,071	3,264	687,335 ¹
Operating expenses	(596,579)	(927)	(597,506) ²
EBITDA	221,729	2,337	224,066
Finance income	706	14,423	15,129 ³

<i>9 months ended 30 September 2017 (all in Euro thousand)</i>			
Statement of Comprehensive Income	Previously reported	Adjustments	Adjusted
Income Tax	(15,944)	(2,870)	(18,814) ⁴
Net profit for the period	44,166	13,890	58,056
<i>Other comprehensive income:</i>			
Available for sale financial asset, net change in fair value	41,177	(41,177)⁵	-

- 1 recognition of deferred green certificates (€3,264)
- 2 recognition of expense related to the Group's Share Option Plans (€27)
- 3 fair value re-assessment for embedded derivative asset (€14,423)
- 4 additional deferred tax expense from the recorded adjustments (€2,870)
- 5 reclassification to retained earnings of the Swap of NCI against Available for sale financial assets

The Company's consolidated cash flow statements and the statements of changes in equity have also been restated accordingly.

The full version of the restated unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2018 (in English only) are available on the Company's website at www.digi-communications.ro/en/investor-relations/shares/financial-results-presentations/financial-results/quarterly-reports (<http://www.digi-communications.ro/en/investor-relations/shares/financial-results-presentations/financial-results/quarterly-reports>) (a further Romanian version thereof being as soon as possible published by the Company in the corresponding section).

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This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. Any securities mentioned herein have not been and will not be registered under the Securities Act, and no public offering will be made in the United States.

Serghei Bulgac

Chief Executive Officer