



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 Regulation no. 5/2018 on issuers and operations with securities, as subsequently amended and supplemented and the provisions of Article 99 of the Bucharest Stock Exchange Code, Title II, Issuers and Financial Instruments

Report date: 28 February 2023

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: Availability of **Preliminary Financial Report for the year ended 31 December 2022** for Digi Communications N.V. Group.

Digi Communications N.V. informs the shareholders and investors that the **Preliminary Financial Report for the year ended 31 December 2022** is available on the company's website www.digi-communications.ro at section Investor Relations.

PRELIMINARY FINANCIAL REPORT

For the year ended

31 December 2022

Our revenue for the year ended 31 December 2022 was €1,516.9 million, compared with €1,476.4 million for the year ended 31 December 2021, an increase of 2.7%, out of which revenues from continuing operations for the year ended 31 December 2022 were €1,516.9 million, compared to 1,281.7 million for the year ended 31 December 2021, an increase of 18.4%.

Our Adjusted EBITDA (excluding IFRS 16) for the year ended 31 December 2022 was €428.4 million, compared with €430.5 million for the year ended 31 December 2021, a slight decrease of 0.5%, out of which Adjusted EBITDA (excluding IFRS 16) from continuing operations for the year ended 31 December 2022 was €428.4 million, compared to €402.0 million for the year ended 31 December 2021, an increase of 6.6%.

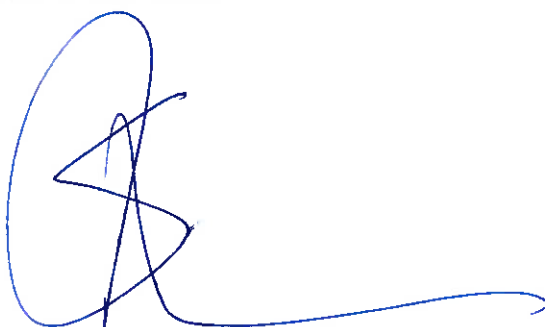
Group RGU's increased from 20.5 million (out of which RGU for continuing operations were 18.0 million) as at 31 December 2021 to 20.8 million as at 31 December 2022 (an overall increase of 1.6% and an increase of 15.4% for continuing operations) the main contributors to the growth being Romanian's fixed internet and mobile services RGUs, as well as Spain's mobile RGUs.

For details regarding the **Preliminary Financial Report as at 31 December 2022**, please visit our site www.digi-communications.ro at section Investor Relations.

For additional information, please contact us at investor.relations@digi-communications.ro

Serghei Bulgac,

Chief Executive Officer



PRELIMINARY FINANCIAL REPORT

For the year ended 31 December 2022

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INTRODUCTION

The consolidated financial information included in this Preliminary Financial Report is based on the Digi Communications N.V. ("Digi") Group's Unaudited IFRS as adopted by the EU and Section 2:362(9) of the Dutch Civil Code Consolidated Financial Statements for the year ended 31 December 2022.

Financial and operational data from this Preliminary Financial Report are estimates. The final Annual Report for the year ended 31 December 2022 will include the final financial and operational data, which may vary significantly by reference to this Preliminary Financial Report. A final Annual Report will be released by Digi to the market as per the Financial Calendar announced on Bucharest Stock Exchange.

DIGI COMMUNICATIONS N.V.**Preliminary Summarized Consolidated Statement of Profit or Loss
for the year ended as at 31 December***(all amounts are in thousand EUR, unless specified otherwise)*

| | | 2022 | 2021 |
|---|------|-----------------|-----------------|
| | Note | | |
| Continuing operations | | | |
| Revenues | 1 | 1,492,769 | 1,278,270 |
| Other income | 4 | 24,144 | 3,448 |
| Operating expenses | 2 | (1,126,978) | (889,978) |
| Employee benefits | 3 | (240,274) | (205,648) |
| Other expenses | 4 | (654) | (417) |
| Operating profit | | 149,007 | 185,675 |
| Finance income | | 438 | 189 |
| Finance costs | | (63,092) | (81,898) |
| Net finance costs | 5 | (62,654) | (81,709) |
| Share of profit/(loss) of equity-accounted investees | | (1,075) | - |
| Profit before taxation from continuing operations | | 85,278 | 103,966 |
| Discontinued operations | | | |
| Profit/(Loss) before taxation from discontinued operations | 6 | 318,690 | (19,782) |
| Profit before taxation | | 403,968 | 84,184 |

This is the Group's preliminary Statement of Profit or Loss consolidated information as at 31 December 2022. Significant adjustments might occur until the authorization of the final consolidated financial statements. Therefore, the final results may vary significantly by reference to this Preliminary Financial Report.

Serghei Bulgac,
CEO

OTHER FINANCIAL AND OPERATING DATA

The following table shows Selected Financial Data and Ratios based on Digi Group's consolidated financial data as at and for the years ended 31 December 2022 and 2021:

Selected Financial Data and Ratios

| | As at and for the year ended 31 December | |
|---|---|------------------|
| | 2022 ⁽¹⁾ | 2021 |
| | (thousand EUR, unless specified otherwise) | |
| Revenues | | |
| Revenues from continuing operations | 1,492,769 | 1,278,270 |
| Other income | 24,144 | 3,448 |
| Revenues from discontinued operations | - | 194,632 |
| Total Revenues | 1,516,913 | 1,476,350 |
| Adjusted EBITDA | | |
| Continuing operations | | |
| Adjusted EBITDA⁽²⁾ | 505,936 | 471,159 |
| Adjusted EBITDA Margin% | 33.4% | 36.9% |
| Adjusted EBITDA before IFRS 16⁽³⁾ | 428,383 | 401,999 |
| Adjusted EBITDA (%) before IFRS 16 | 28.2% | 31.4% |
| Discontinued operation | | |
| Adjusted EBITDA⁽²⁾ | - | 51,881 |
| Adjusted EBITDA Margin% | - | 26.7% |
| Adjusted EBITDA before IFRS 16⁽³⁾ | - | 28,511 |
| Adjusted EBITDA (%) before IFRS 16 | - | 14.6% |
| Total | | |
| Adjusted EBITDA⁽²⁾ | 505,936 | 523,040 |
| Adjusted EBITDA Margin% | 33.4% | 35.5% |
| Adjusted EBITDA before IFRS 16⁽³⁾ | 428,383 | 430,510 |
| Adjusted EBITDA (%) before IFRS 16 | 28.2% | 29.2% |
| Net debt & Leverage | | |
| Total consolidated debt ⁽⁴⁾ | 1,268,571 | 1,400,286 |
| Cash and cash equivalents | 261,408 | 19,630 |
| Total consolidated net debt | 1,007,163 | 1,380,655 |
| Net Leverage Ratio⁽⁵⁾ | 2.3x | 3.2x |
| CAPEX⁽⁶⁾ | 554,230 | 567,284 |

(1) Unaudited

(2) Adjusted EBITDA includes the impact of IFRS 16 in total amount of EUR 77,553 for 2022 (from continuing operations), EUR 69,159 for 2021 (from continuing operations) and EUR 23,370 for 2021 (for discontinued operations). Adjusted EBITDA does not include the gain on sale of discontinued operations.

(3) Adjusted EBITDA before IFRS 16 is computed as Adjusted EBITDA decreased by the rental expense recognized in line with IFRS as in effect at 31 December 2018.

(4) Total consolidated debt presented as per the Senior Notes covenants. It includes loans and borrowings (non-current), loans and borrowings (current), derivative financial liabilities, other long-term liabilities, financial leases and excludes accrued interest.

(5) Represents the ratio between total net debt and Adjusted EBITDA as per the Senior Notes covenants, over a given period.

(6) Includes telecommunication spectrum licenses paid for acquisition or renewal in 2022 in Romania (EUR 13,000) and for acquisition in Portugal (EUR 4,464) (2021: EUR 67,708 in Romania and EUR 33,669 in Portugal)

The following table shows our revenues generating units (RGUs) by geographic segment and business line and average revenue per unit (ARPU) by geographic segment as at and for the years ended 31 December 2022 and 2021:

| | As at and for the year ended 31 December | |
|--|---|---------------|
| (RGUs: thousands; ARPU: EUR/period) | 2022 | 2021 |
| Group Continuing operations | | |
| RGUs | 20,782 | 18,013 |
| ARPU⁽¹⁾ | 5.80 | 5.70 |
| Romania | | |
| RGUs | | |
| Pay TV ⁽²⁾ | 5,432 | 5,129 |
| Fixed internet and data ⁽³⁾ | 4,204 | 3,782 |
| Mobile telecommunication services ⁽⁴⁾ | 4,933 | 4,177 |
| Fixed-line telephony ⁽³⁾ | 933 | 984 |
| ARPU⁽¹⁾ | 4.6 | 4.8 |
| Spain | | |
| RGUs | | |
| Fixed internet and data | 843 | 480 |
| Mobile telecommunication services ⁽⁴⁾ | 3,796 | 2,972 |
| Fixed-line telephony | 279 | 165 |
| ARPU⁽¹⁾ | 9.6 | 9.7 |
| Other⁽⁵⁾ | | |
| RGUs | | |
| Mobile telecommunication services ⁽⁴⁾ | 362 | 324 |
| ARPU⁽¹⁾ | 6.6 | 6.9 |

(1) 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 to the RGUs number.

(2) Includes RGUs for Cable television and DTH services.

(3) Includes residential and business RGUs.

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

(5) Includes Italy

PRELIMINARY MANAGEMENT DISCUSSION AND ANALYSIS

Main variances are explained below:

1. Revenues

Our revenue from continuing operations for the year ended 31 December 2022 was EUR 1,492,769 compared with EUR 1,278,270 for the year ended 31 December 2021, an increase of 16.8% for continuing operations.

Group RGU's increased from 18,013 as at 31 December 2021 to 20,782 as at 31 December 2022, an increase of 15.4% for continuing operations, main contributors to the growth being Romania's and Spain's mobile RGUs.

2. Operating expenses

Our operating expenses from continuing operations for the year ended 31 December 2022 were EUR 1,126,978 compared with EUR 889,978 for the year ended 31 December 2021, an increase of 26.6%. Operating expenses' increase was driven by network expansion and growing our customer base.

3. Employee benefits

Employee benefits from continuing operations for the year ended 31 December 2022 were EUR 240,274 compared with EUR 205,648 for the year ended 31 December 2021, an increase of 16.8%. The increase is in line with business development.

4. Other income/expenses

We recorded EUR 24,144 of other income in the year ended 31 December 2022, which represents the grant related to electricity supply.

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle RCS & RDS to the receipt of compensation for the cap on energy prices. For the period ended 31 December 2021, other income represents release of litigation provision.

We recorded EUR 654 of *Other expenses* in the year ended 31 December 2022, compared to *Other expenses* of EUR 417 in the year ended 31 December 2021, which include accrued expenses for the period related to share option plans which are expected to be non-recurring.

5. Net finance costs

We recognized net finance costs from continuing operations of EUR 62,654 in the year ended 31 December 2022, compared with net finance costs from continuing operations of EUR 81,709 in the year ended 31 December 2021, a decrease of 23.3%. The decrease is mainly due to the total net loss from foreign exchange in amount of EUR 567 recorded in 2022, compared with total net loss from foreign exchange in amount of EUR 17,807 in 2021, a decrease of 96.6%.

6. Profit/(Loss) before taxation from discontinued operation

On 3 January 2022 the Company's Romanian subsidiary (RCS&RDS) and 4iG Plc. (4iG Plc.) one of the leading companies on the Hungarian IT and ICT market, successfully closed the transaction regarding the acquisition of DIGI Tavkozlesi Szolgaltato Ltd. (Digi Hungary) and of its subsidiaries, Invitel Ltd., Digi Infrastruktura Korlatolt Felelossegu Tarsasag and I TV Ltd by 4iG Plc. As result, the gain from disposal of transaction is in amount of EUR 319,209.

7. Subsequent events

In January 2023, Digi Spain has drawn EUR 25,000 from Facility D of the 2021 Syndicated Loan for general corporate and working capital purposes and in February 2023 EUR 15,000 from the same Facility.