



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 2024

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 2023 preliminary financial results

Digi Communications N.V. reports preliminary consolidated revenues of 1.7 billion euros, adjusted EBITDA (excluding IFRS 16) of 509 million euros for 2023

- Digi Communications consolidated revenues increased 13% year-on-year in Q4 2023, reaching EUR 451.6 million. This growth contributed to a total of EUR 1,690.4 million in consolidated revenues for 2023 based on preliminary figures (+13% vs 2022)
- Adjusted EBITDA (excluding the impact of IFRS 16) reached EUR 141.4 million in Q4 2023, a 24% YoY increase following the expansion of customer base, contributing to the result for 2023 of EUR 509.3 million (+19% vs 2022)
- The Group saw a substantial increase in the number of revenue-generating units (RGUs) in all three markets - Romania, Spain, and Italy, reaching 23.9 million RGUs (+15% YoY growth) across the entire portfolio of services – mobile, fixed internet and data, Pay TV and fixed telephony services

Digi Communications N.V., one of the leading European telecommunications companies, listed on the Bucharest Stock Exchange, reports consolidated preliminary revenues in the fourth quarter (including revenues and other income) of EUR 455.6 million, a 14% increase versus 2022. The adjusted EBITDA for Q4 amounted to EUR 162.4 million (+21% YoY) and adjusted EBITDA excluding the IFRS 16 impact was EUR 141.4 million (+24% YoY).

The solid performance in the fourth quarter, in line with management's expectations, contributed to the results generated for 2023. The Group registered EUR 1,690.4 million in consolidated revenues, a 13% increase compared to previous year. Adjusted EBITDA increased by 17% compared to the result from 2022, reaching EUR 592.7 million. Adjusted EBITDA excluding the impact of IFRS 16 increased 19% to EUR 509.3 million.

In 2023, Digi continued to grow across its entire service portfolio, surpassing 23.9 million in revenue-generating user agreements (RGUs) across Romania, Spain, and Italy. This marks a 15% increase compared to 2022. Digi's range of services spans mobile and fixed-line telephony, broadband data services, and Pay TV. In Romania Digi offers fixed telecommunication and entertainment solutions via a cutting-edge fibre optic network. The Group also operates a mobile network, which shares the backbone of the fixed fibre optic infrastructure. Meanwhile, in Spain, Digi provides mobile, broadband, and fixed-line phone services, and in Italy, the Group provides exclusively mobile services.

The mobile division stands out for generating the most revenue-generating user agreements (RGUs) within the Group's array of services, accounting for 46% of the overall RGUs in the three markets. Maintaining its momentum from past quarters, in Q4 2023, the mobile segment saw its RGUs climb to 10.9 million, a 20% increase, covering mobile telephony clients across Romania, Spain, and Italy.

In **Romania**, the mobile service segment reached 5.8 million RGUs, an evolution of 18% compared to 2022. Fixed internet services registered an increase of 9% in 2023, compared to 2022, up to 4.6 million RGUs, while the segment of Pay-TV services (cable and satellite) increased by 5% compared to 2022, up to 5.7 million RGUs. Together with fixed-line telephony, the total number of RGUs in the Romanian market amounted to 16.9 million customers as of 2023 year-end, a 9% increase versus 2022.

Spanish operations continued to perform outstandingly in the 2023, with the number of users of fixed services, internet, and mobile telephony increased by 32% compared to 2022, to 6.5 million RGUs. Mobile users increased by 23% to 4.7 million RGUs, while broadband users increased by 63% to 1.4 million.

In **Italy**, mobile users increased by 16% YoY, reaching 420K RGUs as of the end of 2023.

The Group's strategic initiatives in Portugal and Belgium set the stage for future expansion of Digi in these two markets. In **Portugal**, the subsidiary is actively laying the groundwork to commence commercial services in 2024. In **Belgium**, Digi Communications Belgium N.V. and InSky N.V. (the “Belgian JV”) secured national roaming services for a minimum of five years and committed to acquisition of approximately 400 mobile sites over the next four years. The “Belgian JV” already has the spectrum packages that were acquired during the last auction, which concluded in June 2022.

Commercial indicators by market (RGU 000's)	Q4'23	Q4'22	Change (%)
Romania	16,963	15,502	9.4%
Mobile services	5,820	4,933	18.0%
Pay-TV	5,682	5,432	4.6%
Broadband	4,571	4,204	8.7%
Fixed telephony	890	933	-4.6%
Spain	6,481	4,918	31.8%
Mobile services	4,663	3,796	22.8%
Broadband	1,373	843	62.9%
Fixed telephony	445	279	59.5%
Italy	420	362	16.0%
Mobile services	420	362	16.0%
TOTAL	23,864	20,782	14.8%

The preliminary financial report as of December 31st, 2023 of Digi Communications is available [here](#).

Serghei Bulgac,

Chief Executive Officer



PRELIMINARY FINANCIAL REPORT

For the year ended 31 December 2023

Table of Contents

INTRODUCTION	2
PRELIMINARY SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
OTHER FINANCIAL AND OPERATING DATA.....	4
PRELIMINARY MANAGEMENT DISCUSSION AND ANALYSIS.....	6

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 2023.

Financial and operational data from this Preliminary Financial Report are estimates. The final Annual Report for the year ended 31 December 2023 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)*

		2023	2022
	Note		
Continuing operations			
Revenues	1	1,690,376	1,492,768
Other income	4	16,180	24,672
Operating expenses	2	(1,240,720)	(1,131,461)
Employee benefits	3	(288,601)	(239,775)
Other expenses	4	(504)	(654)
Operating profit		176,731	145,550
 Net finance costs	 5	 (73,334)	 (63,234)
 Share of profit/(loss) of equity-accounted investees		 (6,507)	 (1,075)
 Profit before taxation from continuing operations		 96,890	 81,241
 Discontinued operations			
Profit/(Loss) before taxation from discontinued operations	6	-	318,690
 Profit before taxation		 96,890	 399,931

This is the Group's preliminary Statement of Profit or Loss consolidated information as at 31 December 2023. 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 2023 and 2022:

Selected Financial Data and Ratios

	As at and for the year ended 31 December	
	2023 ⁽¹⁾	2022
	(EUR, unless specified otherwise)	
Revenues		
Revenues from continuing operations	1,690,375	1,492,768
Other income	16,180	24,672
Total Revenues	1,706,555	1,517,440
Adjusted EBITDA		
Adjusted EBITDA⁽²⁾	592,652	505,593
Adjusted EBITDA Margin%	34.7%	33.3%
Adjusted EBITDA without IFRS 16⁽³⁾	509,313	428,040
Adjusted EBITDA (%) without IFRS 16	29.8%	28.2%
Net debt & Leverage		
Total consolidated debt ⁽⁴⁾	1,500,070	1,268,571
Cash and cash equivalents	226,298	261,408
Total consolidated net debt	1,273,771	1,007,162
Net Leverage Ratio⁽⁵⁾	2.5	2.3
CAPEX	729,713	560,098

(1) Unaudited

(2) Adjusted EBITDA includes the impact of IFRS 16 in total amount of EUR 83,339 for 2023, EUR 77,553 for 2022. Adjusted EBITDA does not include the gain on sale of discontinued operations.

(3) Adjusted EBITDA without IFRS 16 is computed as Adjusted EBITDA decreased by the rental expense recognized in line with IFRS without IFRS 16

(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.

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 2023 and 2022:

	As at and for the year ended 31 December	
(RGUs: thousands; ARPU: EUR/period)	2023	2022
Group Continuing operations		
RGUs		
RGUs	23,864	20,782
ARPU ⁽¹⁾	5.80	5.80
Romania		
RGUs		
Pay TV ⁽²⁾	5,682	5,432
Broadband ⁽³⁾	4,571	4,204
Mobile telecommunication services ⁽⁴⁾	5,820	4,933
Fixed-line telephony ⁽³⁾	890	933
ARPU ⁽¹⁾	4.5	4.6
Spain		
RGUs		
Broadband	1,373	843
Mobile telecommunication services ⁽⁴⁾	4,663	3,796
Fixed-line telephony	445	279
ARPU ⁽¹⁾	9.3	9.6
Other⁽⁵⁾		
RGUs		
Mobile telecommunication services ⁽⁴⁾	420	362
ARPU ⁽¹⁾	6.2	6.6

(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 for the year ended 31 December 2023 was EUR 1,690,376 compared with EUR 1,492,769 for the year ended 31 December 2022, an increase of 13.2%.

Group RGU's increased from 20,782 as at 31 December 2022 to 23,864 as at 31 December 2023, an increase of 14.8%, main contributors to the growth being Romania's and Spain's mobile RGUs.

2. Operating expenses

Our operating expenses for the year ended 31 December 2023 were EUR 1,240,720 compared with EUR 1,131,461 for the year ended 31 December 2022, an increase of 9.7%. Operating expenses' increase was driven by network expansion and growing our customer base.

3. Employee benefits

Employee benefits for the year ended 31 December 2023 were EUR 288,601 compared with EUR 239,775 for the year ended 31 December 2022, an increase of 20.4%. The increase is in line with business development.

4. Other income / expenses

We recorded EUR 16,180 of Other income in the year ended 31 December 2023, which represents the subsidy related to electricity supply operation and which is further passed to our customers (for the year ended 31 December 2022: EUR 24,672). The Government subsidy has 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.

We recorded EUR 504 of Other expenses in the year ended 31 December 2023, compared to Other expenses of EUR 654 in the year ended 31 December 2022, 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 of EUR 73,334 in the year ended 31 December 2023, compared with net finance costs of EUR 63,234 in the year ended 31 December 2022, an increase of 16.0%. The increase is mainly due to the financial debt increase; to the increase in the interest lease liability IFRS 16 and to the total net loss from foreign exchange.

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 Felelossegű Tarsasag and I TV Ltd by 4iG Plc. As result, the gain from disposal of transaction is in amount of EUR 318,690.

7. Subsequent events

On February, 20th, 2024 The European Commission has approved, under the EU Merger Regulation, the proposed creation of a joint venture by Orange and MásMóvil. The approval is conditional upon full compliance with a commitments package, offered by Orange and MásMóvil.

As part of its proposed package of commitments, the joint-venture has agreed to divest to Digi Spain as remedy taker 60MHz of spectrum assets and to enter into an optional national roaming agreement at market conditions, which Digi Spain can decide to use or not. The package is pending approval from the Spanish Authorities.