DIGI communications n.v.

ANNUAL REPORT

For the year ended December 31, 2024

MESSAGE FROM THE CEO

Dear Shareholders, Customers, Colleagues and Partners,

I am grateful for the opportunity to share the 2024 annual report, which highlights a year of sustained growth at the Digi Communications Group[1] . Your trust, involvement, support, and dedication have been very important to our success. 2024 was a year marked by strong operational and strategic achievements across our established markets and culminating in the launch of our commercial operations in Portugal and Belgium.

In Spain, one of Europe's most competitive telecom landscapes, we delivered outstanding performance, achieving 30% growth in services and increasing our market share to approximately 10% in both mobile telephony and broadband. In Romania, we reached a historic milestone, becoming the second-largest mobile operator, with mobile RGUs growing organically by 13% year-over-year, while maintaining our leadership in our core segments. Simultaneously, we launched commercial operations in Portugal and Belgium—expanding DIGI's international footprint—thanks to the remarkable efforts of our teams. On the M&A front, we acquired Nowo Communications in Portugal and sold part of our Fiber-to-the-Home network in Spain to a consortium led by Macquarie Capital. These accomplishments translated into strong financial performance, with revenues and other income exceeding 2.3 billion euros.

We are grateful to our customers across five markets who continue to choose our high-quality, affordable connectivity services. Their trust fuels our ambition to innovate and expand, and we look forward to building on this momentum in 2025.

Looking ahead, we remain committed to delivering superior services powered by the latest technology. Our priority is to tailor these services to our customers' needs, ensuring they are both affordable and accessible.

I extend my deepest thanks to every employee who has played a role in DIGI's journey. We are grateful to our customers for making DIGI their provider of choice. To our clients, investors, and partners, thank you for your continued trust, which drives our enthusiasm and commitment to ongoing growth. Your ongoing support is crucial as we strive to shape our future together.

Sincerely,

Serghei Bulgac, Chief Executive Officer

[1] Digi Communications Group ("the Group" or "DIGI Group") consists of Digi Communications N.V., DIGI Romania S.A. and their subsidiaries

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This copy of the 2024 annual report of Digi Communications N.V. is not in the European single electronic reporting format (ESEF) as specified in the RTS on ESEF (Regulation (EU) 2019/815). The ESEF version of the 2024 annual report is available at *Annual reports (digi-communications.ro)*

Management board report

Key Figures. Objectives and strategic directions.

KEY FIGURES FOR DIGI GROUP

We are an integrated provider of telecommunication services on the Romanian, Spanish, Portuguese and Belgium markets and a Mobile Virtual Network Operator (MVNO) in Italy.

The Group's offerings include pay-TV (Cable and Direct to Home ("DTH") television) services, fixed internet and data, mobile telephony and data as well as fixed-line telephony. In Romania, our fixed telecommunication and entertainment services are offered through our technologically advanced fiber optic network. Our cable and DTH television subscribers enjoy access to free-to air (must carry) services and pay tv channels as well as our own channels, offering news, music, movies and sports content. We also operate a mobile network in Romania, which shares the backbone of our fixed fiber optic infrastructure. In Spain we offer mobile services as MVNO (using Telefonica's network) and from January 2025 as a Mobile Network Operator (MNO) (using Telefonica's network and future own mobile network) as well as fixed internet and data, pay TV (starting December 2024) and fixed-line telephony services through Telefónica's fixed line network and our own XGSPON FTTH network.

In the context of the merge control proceeding directed by the European Commission of the transaction between Orange and MasMovil, Digi Spain Telecom S.L.U. („Digi Spain"), the Company's subsidiary in Spain, has signed on December 11, 2023 a spectrum transfer agreement for the purchase of the spectrum licenses for the private use of the radioelectric public domain related to certain sets of blocks of frequencies in the 1,800 MHz, 2,100 MHz and 3,500 MHz bands. After completion of the transaction between Orange and MasMovil, on 4 July 2024 DS Mobile Networks (DSMN), an affiliate of Digi Spain, obtained the authorizations to acquire the spectrum licenses agreed as remedies and on October 18, 2024 the completion of the spectrum transfer agreement was accomplished.

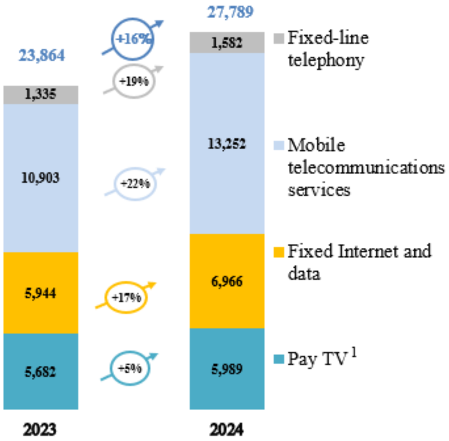
In Italy we started at the end of 2023, on a test basis, to expand our portfolio of services by launching FTTH (Fiber to the Home) acces with high-speed broadband, bringing two offerings to customers in operating areas connectable to our FTTH and we are looking to further invest and expand our footprint and connectivity solutions.

In Portugal, we launched commercial operations on November 4, 2024, offering a full range of telecommunication services, including fiber optic broadband internet, mobile voice and data on 2G/4G/5G networks, television and fixed telephony. Digi Portugal developed a modern fiber optic infrastructure and a national mobile network from scratch, leveraging state-of-the-art technologies to provide high-quality, affordable solutions. On October 25, 2024 we also acquired NOWO Communications S.A, Portugal's fourth largest mobile and fixed telecom operator.

We launched commercial operations on December 11, 2024, offering fiber optic broadband internet, fixed-line telephony, as well as mobile voice and data services in the Belgian market through our Joint Venture with Citymesh, a subsidiary of the Cegeka group. With a user-centered strategy and a strong commitment to delivering high-performance, cost-effective and stable solutions, the company aims to redefine the way Belgian consumers will access technology and entertainment. In 2023, we signed a national roaming services agreement with Proximus Plc, and we also continued to build our network in Belgium.

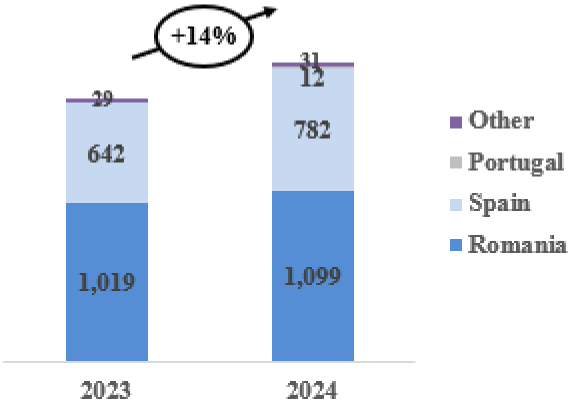
We have grown mainly organically from approximately 23.9 million RGUs as at December 31, 2023 to approximately 27.8 million RGUs as at December 31, 2024. Our acquisition of NOWO in October 2024 contributed approximately 596,000 RGUs to those numbers.

As at December 31, 2024, we had a total of approximately 6.0 million Pay TV RGUs, approximately 7.0 million fixed internet and data RGUs, approximately 13.3 million mobile telecommunication services RGUs, and approximately 1.6 million fixed-line telephony RGUs.



1)Cable TV and DTH services

We have consistently generated strong revenue streams. We generated €1,924.3 million revenues during the year ended December 31, 2024, an increase of 13.8% compared to prior period.



The Group's operations generated an Adjusted EBITDA (defined as EBITDA (consolidated operating profit or loss plus charges for depreciation, amortisation and impairment of assets adjusted for the effect of non-recurring and one-off items) of €680.2 million for the year ended December 31, 2024, compared to €591.2 million in prior period, an increase of 15.1%.

The Adjusted EBITDA margin was 35.2% in the year ended December 31, 2024, compared to 34.6% for the year ended December 31, 2023.

We have continued to pursue an ambitious growth strategy that required us to undertake substantial capital expenditure. Consequently, our capital expenditures have been significant. In the year ended December 31, 2024, we had capital expenditure of €885.2 million (2023: €729.7 million). This represented 45.8% of our total revenue and other income (excluding the extraordinary sale of assets) for the year ended December 31, 2024 (2023: 42.8%).

We have maintained prudent capital and liquidity structures with a leverage ratio (computed as total net financial debt divided by EBITDA) of 2.3x for the year ended December 31, 2024 and 2.5x for the year ended December 31, 2023.

OBJECTIVES AND STRATEGIC DIRECTIONS

Strategy

Our mission is to provide our customers with high-quality telecommunications services at competitive prices. Specific components of our strategy include the following:

- ***Continue to leverage our advanced fixed networks, offering high-quality service, while maintaining competitive prices.*** The current technological state of our fixed networks allows us to offer a wide range of advanced high-quality services to customers at competitive prices, while maintaining low infrastructure operating expenses. In particular, our Romanian fixed network is predominantly fiber-based and is faster and more cost-effective than traditional networks operated by our competitors. In Spain, our fixed network is 100% fiber, and still under roll out; we intend to continue leveraging existing network capabilities to further increase the number of fixed internet and telephony subscribers. We built a cutting-edge fiber optic network in Portugal from the ground up, implementing advanced technologies to deliver premium yet cost-effective services.
- ***Continue to grow our RGU base in all business lines, both organically and through acquisitions.*** Growth in RGUs both organically and through acquisitions has always been the primary driver of increases in our revenue, primarily due to the expansion of our fixed networks, cross-selling of additional services to our existing customers and refocusing on our mobile telecommunication business. Our goal is to continue the RGU growth in all our business lines and geographies. We aim to grow organically by expanding our networks and increasing the penetration of our Pay TV, fixed internet and data, mobile telecommunication and fixed-line telephony services through multiple service offers and cross-selling to existing and prospective customers. In addition to organic growth, we may choose to further expand our RGU base through acquisitions in line with, or complementary to, our current business. We regularly monitor potential acquisition targets, while assessing their attractiveness relative to other strategic alternatives available to us.
- ***Further grow our mobile telecommunication business by expanding the coverage of our mobile networks.*** As at December 31, 2024, our mobile telecommunication services covered approximately 99.5% of Romania's population. We have 2G, 4G and 5G licenses. We believe that our dense fixed networks and existing licenses provide a solid foundation for further development of our mobile telecommunication infrastructure and offerings in these markets. We may also participate in additional frequency blocks/bandwidth tenders or auctions to complement our existing set of mobile telecommunication licenses as and when they get organized by relevant licensing authorities. After obtaining the relevant authorizations on December 30, 2024, starting January 2025, DIGI Spain as an MNO will operate its mobile telephony services by means of a National Roaming Agreement and a RAN Sharing and Spectrum Sharing Agreement with Telefonica, both valid until the end of 2040; and additionally, by means of its own mobile network to be developed in time with the spectrum licenses obtained as remedies and the spectrum shared with Telefónica. As at December 31, 2024 Digi's mobile network in Portugal covers 97.1% of the population, with active expansion efforts underway in various regions, including islands and indoor spaces.
- ***Focus on Romanian and Spanish markets.*** We intend to focus primarily on Romania and to continue our expansion in Spain. Our advanced networks in Romania allow us to efficiently deliver multiple services in the areas covered and we believe there is the scope for increase in uptake of our services in these areas. We also see potential for growth of our mobile telecommunication and internet and data services, as we believe that the Romanian mobile market still offers opportunities for us to expand. In addition, we remain open to attractive opportunities, such as our expansion into Spain's fixed telecommunications market with an offering through our own network and Telefónica's local network. We believe that Spain presents significant future growth opportunities for our business outside of the Romanian market and expect our Spanish operations to continue gaining prominence relative to our other geographic segments. In addition to these core markets, we continue to roll-out the networks in Portugal and Belgium, driven by ongoing investments in fiber optic infrastructure. We remain open to explore further expansion opportunities in other markets as well.
- ***Offer premium content to increase the attractiveness of our product offerings***. We intend to maintain and increase the attractiveness of our Pay TV (cable TV and DTH) services by continuing to offer sports, film and other premium content through our existing own channel line-up, which may be further developed or expanded in the future.

RISK FACTORS

Any investment in the Shares and/or the Notes is subject to a number of risks. Prior to investing in the Shares and the Notes, prospective investors should carefully consider the risk factors associated with any such investment, the Group's business and the industry in which it operates, together with all other information contained in this Report including, the risk factors described below.

The occurrence of any of the following events could have a material adverse effect on our business, prospects, results of operations and financial conditions. The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Shares and/or the Notes may decline and investors could lose all or part of their investment. An investment in the Shares and/or the Notes involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether any such investment is suitable for them in the light of the information in this Report and their personal circumstances.

Risks Relating to Our Business and Industry

We face significant competition in the markets in which we operate, which could result in decreases in the number of current and potential customers, revenue and profitability.

We face significant competition in our markets and business lines, which is expected to intensify further. For example, in Romania we face intense competition in our cable TV, DTH, fixed internet and data and fixed-line telephony business lines from local entities controlled by Orange ("**Orange Romania**") and Vodafone ("**Vodafone Romania**"). In the Romanian mobile telecommunication services market, we compete with Vodafone Romania and Orange Romania. Increased competition may encourage the customers to stop subscribing to our services (an effect known as "churn") and thereby adversely affect our revenue and profitability.

In Spain we face competition in our mobile telecommunication services, fixed internet and data and fixed-line telephony, especially from Telefonica, MasOrange, Vodafone, who operate much larger and more established businesses in the country. On 23 July 2022, Orange and Masmovil entered into an agreement to combine their businesses in Spain with the transaction obtaining regulatory approval on 20 February 2024 and closing on 26 March 2024.

These competitors, as well as other competitors that may enter the market in the future, may enjoy certain competitive advantages that we do not, such as having greater economies of scale, easier access to financing, access to certain new technologies, more comprehensive product offerings in certain business lines, greater personnel resources, greater brand name recognition, fewer regulatory burdens and more experience or longer-established relationships with regulatory authorities, customers and suppliers. In particular, all our principal competitors in our core Romanian market are part of much larger international telecommunication groups.

In recent years, the telecommunications industry has experienced a significant increase in customer demand for multiple-play offerings, which combine two or more fixed and mobile services in one package. Although we believe that the combination of our own fixed and mobile infrastructures in Romania is unparalleled, all of our principal competitors in the country have made arrangements to significantly enhance their multiple-play capabilities.

In addition to competition in our traditional services and technologies, we also experience significant pressure from the rapid development of new technologies and alternative services, which are either offered by our existing competitors or new entrants. See "*—Rapid technological changes may increase competition and render our technologies or services obsolete, and we may fail to adapt to, or implement new technological developments in a cost-efficient manner or at all*." For example, our fixed-line telephony and fixed internet and data business lines in Romania are experiencing increased competition from the country's mobile telecommunication services sector. This may result in slower growth or a decrease in our fixed-line telephony and fixed internet and data services penetration rates as our subscribers may migrate from fixed to mobile services, choosing to switch to our competitors such as Orange Romania, Vodafone Romania, who currently have stronger market positions than us in the mobile telecommunication services sector. These competitors are also aiming to offer increasingly innovative integrated solutions to customers, such as 5G (currently in limited operation). We also have to compete with companies offering other technologies alternative to our telephony services, such as Zoom, Teams, WhatsApp, Webex, Google Hangouts and Facebook Messenger, as well as with companies offering alternative platforms that make TV and entertainment content available to customers, such as OTT platforms Netflix, Max, Disney Plus, Amazon Prime, SkyShowtime, Apple TV, and Google Play, along with other services which allow legal or illegal downloading of movies and television programs.

Our success in these markets may be adversely affected by the actions of our competitors in a number of ways, including:

- lower prices, more attractive multiple-play services or higher quality services, features or content;
- more rapid development and deployment of new or improved products and services; or
- more rapid enhancement of their networks.

Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new services, pricing strategies by competitors, changes in consumer preferences and economic, political and social conditions in the markets in which we operate. Any failure to compete effectively or any inability to respond to, or effectively anticipate, consumer sentiment, including in terms of pricing of services, acquisition of new customers and retention of existing customers, could have a material adverse effect on our business, prospects, results of operations or financial condition.

Rapid technological changes may increase competition and render our technologies or services obsolete, if we don’t adapt to, or implement, new technological developments in a cost-efficient manner or at all.

The markets in which we operate are characterized by rapid and significant changes in technology, customer demand and behavior, and as a result, by a changing competitive environment. Given the fast pace of technological innovation in our industry, we face the risk of our technology becoming obsolete. We may need to make substantial investments to upgrade our networks or to obtain licenses for and develop and install new technologies (such as 5G, which is expected to become the standard for providing mobile telecommunication services in the foreseeable future and may, to a certain extent, present a viable alternative to, and a replacement for, fixed-line offerings) to remain competitive. The cost of implementing these investments could be significant and there is no assurance that the services enabled by new technologies will be accepted by customers to the extent required to generate a rate of return that is acceptable to us. In addition, we face the risk of unforeseen complications in the deployment of these new services and technologies and there is no assurance that our original estimates of the necessary capital expenditure to offer such services will be accurate. New services and technologies may not be developed and/or deployed according to expected schedules or may not be commercially viable or cost effective. Should our services fail to be commercially viable, this could result in additional capital expenditures or a reduction in profitability. Any such change could have a material adverse effect on our business, prospects, results of operations or financial condition.

In addition, rapid technological change makes it difficult to predict the extent of our future competition. For example, new transmission technologies and means of distributing content or increased consumer demand for, and affordability of, products based on new mobile communication technologies could trigger the emergence of new competitors or strengthen the position of existing competitors. There is no guarantee that we will successfully anticipate the demands of the marketplace with regard to new technologies. Any failure to do so could affect our ability to attract and retain customers and generate revenue growth, which in turn could have a material adverse effect on our financial condition and results of operations. Conversely, we may overestimate the demand in the marketplace for certain new technologies and services. If any new technology or service that we introduce fails to achieve market acceptance, our revenue, margins and cash flows may be adversely affected, and as a result we may not recover any investment made to deploy such new technology or service. Our future success depends on our ability to anticipate, react and adapt in a timely manner to technological changes. Responding successfully to technological advances and emerging industry standards may require substantial capital expenditure and access to related or enabling technologies to introduce and integrate new products and services successfully. Failure to do so could have a material adverse effect on our competitive position, business, prospects, results of operations or financial condition.

We operate in a capital-intensive business and may be required to make significant capital expenditure and to finance a substantial increase in our working capital to maintain our competitive position. Our capital expenditure may not generate a positive return or a significant reduction in costs or promote the growth of our business.

The expansion and operation of our fixed and mobile networks, as well as the costs of development, sales and marketing of our products and services, require substantial capital expenditure. In recent years, we have undertaken significant investment to attract and retain customers, including expenditures for equipment and installation costs, license acquisitions, implementation of new technologies (such as GPON), as well as upgrades of existing networks, such as the FTTH roll-out. As at the date of this report, we have the following material ongoing capital requirements:

- further expansion of our fixed networks;
- further expansion and development of our mobile network;
- acquisition of new telecommunication licenses and payments under the terms of existing telecommunication licenses e.g., on 11 December 2023, Digi Spain concluded a spectrum transfer agreement with respect to the transfer from Xfera Móviles, S.A. (part of MasMovil Group in Spain) and acquisition by Digi Spain of the spectrum licenses for the private use of the radioelectric public domain related to certain sets of blocks of frequencies (2 x 10 MHz in the 1,800 MHz band, 2 x 10 MHz in the 2,100 MHz band and 20 MHz in the 3,500 MHz band). In the same context, Digi Spain and Orange Espagne, S.A.U. also concluded an option agreement whereby the latter granted Digi Spain the option to enter in the future into a national roaming service agreement for the provision by Orange Espagne, S.A.U. to Digi Spain of wholesale mobile electronic communications services, which would allow Digi Spain to access all available technologies in the mobile network of Orange Espagne S.A.U. or its affiliates, including MasMovil Ibercom S.A.U., in Spain – both agreements were concluded in the context of the European Commission's merger control proceeding concerning the Orange and MasMovil merger, which was approved in February 2024, subject to compliance with a commitments package);
- investments in Portugal and Belgium (as part of our joint venture with the Cegeka Group); and potentially other markets;
- the acquisition of CPE, including certain network equipment such as GPON terminals (which may not generally be treated as CPE by other members of our industry), and other equipment, such as set-top boxes, mobile data devices and fixed-line telephone handsets, satellite dishes, satellite receivers and smartcards; and
- payments for the acquisition of television content rights.

In addition, we may, from time to time, incur significant capital expenditure in relation to our opportunistic mergers and acquisitions. See "—*We may undertake future acquisitions which may increase our risk profile, distract our management or increase our expenses.*"

However, no assurance can be given that any existing or future capital expenditures will generate a positive return, a significant reduction in costs, or promote the growth of our business. If our investments fail to generate the expected positive returns or cost reductions, our operations could be significantly adversely affected and future growth could be significantly curtailed.

In order to finance our capital expenditures and working capital needs, we use a combination of cash from operations, financial indebtedness, reverse factoring and vendor financing arrangements. In the near future, we expect to fund significant capital expenditures, such as acquisition of new licenses (including mobile bandwidth) to expand our existing offerings and acquire local telecommunication services providers to grow our network, predominantly with external financing sourced from international financial institutions or debt capital markets. Our working capital needs have fluctuated in the past years along with the need to finance the development of our mobile telecommunication services business (where we continue to acquire ancillary CPE (such as handheld devices) that are further on-sold to customers subject to deferred payments). We generally pay our suppliers within a relatively short period after acquiring products, but on-sell CPE to our customers subject to a deferral of payments for up to 12 months. For our working capital needs, we enter into certain reverse factoring and vendor financing agreements to extend the terms of our payments to suppliers. If we fail to negotiate or renegotiate such arrangements, our ability to finance the continued expansion of our business would be materially adversely affected.

In addition, our liquidity and capital requirements may increase if we expand into additional areas of operation, accelerate the pace of our growth or make acquisitions. If, for any reason, we are unable to obtain adequate funding to meet these requirements, we may be required to limit our operations and our expansion plans, including plans to expand our network and service offering, our operations could be significantly adversely affected, future growth could be significantly curtailed and our competitive position could be impaired.

We may undertake future acquisitions which may increase our risk profile, distract our management or increase our expenses.

Our historical growth has been due in part to our acquisitions of cable and/or internet operations.

As part of our strategy, we may undertake additional acquisitions which could be significant in our existing business lines or complementary to them, as, and if, appropriate opportunities become available. We regularly monitor potential acquisition targets (including asset acquisitions) in order to be able to act in an expedient fashion should an attractive opportunity arise. However, a decision to proceed with any such acquisition will be subject to a number of conditions that may or may not materialize, including regulatory support and availability of third-party financing (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital expenditure*") and we expect to have other strategic alternatives, which we will consider as appropriate. Should we decide to proceed with any such transaction, we may not be successful in our efforts to estimate the financial effects thereof on our business, especially as our previous acquisitions were relatively small in size and there is no guarantee that future acquisitions would not be larger businesses, which may prove more difficult to integrate. In addition, acquisitions may divert our management's attention or financial or other resources away from our existing business or require additional expenditures. Such developments could have a material adverse effect on our business, results of operations or financial condition.

Our ability to acquire new businesses may be limited by many factors, including availability of financing, the debt covenants in our financing agreements, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers. If acquisitions are made, there can be no assurance that we will be able to maintain the customer base of businesses we acquire, generate expected margins or cash flows or realize the anticipated benefits of such acquisitions, including growth or expected synergies. Although we analyze acquisition targets, those assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that our assessments of, and assumptions regarding, acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations.

Even if we are successful in acquiring new businesses, the integration of new businesses may be difficult for a variety of reasons, including differing languages, cultures, management styles and systems, inadequate infrastructure and poor records or internal controls. In addition, integrating any potential new acquisitions may require significant initial cash investments and present significant costs, which may result in changes in our capital structure, including the incurrence of additional indebtedness, tax liabilities or regulatory fines. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our operating results as a result of costs, challenges, difficulties or risks, including: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overhead expenses; integrating personnel, networks, financial and operational systems; unforeseen legal, regulatory, contractual and other issues; unforeseen challenges from operating in new geographic areas; and the diversion of management's attention from our day-to-day business as a result of the need to deal with the foregoing challenges, disruptions and difficulties.

Furthermore, even if we are successful in integrating our existing and new businesses, expected synergies and cost savings may not materialize as anticipated or at all, resulting in lower than expected profit margins. There is no assurance that we will be successful in acquiring new businesses or realizing any of the anticipated benefits of the companies that we may acquire in the future. If we undertake acquisitions but do not realize these benefits, it could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our growth and expansion in new areas of business may make it difficult to obtain adequate operational and managerial resources, thus restricting our ability to expand our operations.

We have experienced substantial growth and development in a relatively short period of time, and our business may continue to grow in the future.

The operational complexity of our business as well as the responsibilities of our management has increased as a result of this growth, placing significant strain on the relatively limited resources of our senior management. We will need to continue to improve our operational and financial systems and managerial controls and procedures to keep pace with our growth. We will also have to maintain close coordination among our logistical, technical, accounting, finance, marketing and sales personnel. Managing our growth will require, among other things:

- the ability to integrate new acquisitions into our operations;

continued development of financial and management controls and IT systems and their implementation in newly acquired businesses;

- the ability to manage increased marketing activities;
- hiring and training new personnel;
- the ability to adapt to changes in the markets in which we operate, including changes in legislation;
- the ability to successfully deal with new regulators and regulatory regimes; and

- the ability to manage additional taxes, increased competition and address the increased demand for our services.

In particular, in relation to investments in Portugal and Belgium, we have limited experience operating in these geographies. There can be no assurance that we will be successful in adapting to the demands of this market and realize the contemplated benefits from growth and expansion in new areas of business, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

An inability to ensure appropriate operational and managerial resources and to successfully manage our growth could have a material adverse effect on our business, prospects, results of operations or financial condition. We may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom we may not be able to manage our business effectively.

We depend on the availability and continued service of a relatively small number of key managers, employees and other individuals, including our founder and President, Zoltán Teszári, directors and senior management. These key individuals are heavily involved in the daily operation of our business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise our development. The loss of any of these key individuals could significantly impede our financial plans, product development, network expansion, marketing and other plans, which could in turn affect our ability to comply with the financial covenants under the Notes and our existing credit facilities. In particular, Mr. Teszári's continued involvement in the strategic oversight of the Company is key for our continued development and competitive position. In addition, competition for qualified executives in the telecommunications industry in the markets in which we operate is intense. Our future operating results depend, in significant part, upon the continued contributions of our existing management and our ability to expand our senior management team by adding highly skilled new members, who may be difficult to identify and recruit. If any of our senior executives or other key individuals cease their employment or engagement with us, our business, prospects, results of operation or financial condition could be materially adversely affected.

We are subject to transactional currency risks associated with exchange rate fluctuations.

For the year ended December 31, 2024 we generated approximately 57.1% of revenue in our functional currency different from EUR, the Romanian leu, which included approximately 29.7% representing revenue collected in local functional currency, but denominated in euro. As at December 31, 2024, we had €1,236.6 million and €68.4 million of obligations denominated in euros and U.S. dollars, respectively. Our euro obligations principally relate to outstanding financial debt, and our exposure to the U.S. dollar primarily relates to purchases of content for our cable TV and DTH businesses. A significant depreciation of our principal operational currencies relative to the euro and, to a lesser extent, the U.S. dollar, could have a material adverse effect on our business, prospects, results of operations or financial condition.

In particular, our ability to repay or refinance our euro-denominated financial indebtedness could be adversely impacted by a significant depreciation of our functional currency relative to the euro. In this respect, from December 31, 2023 to December 31, 2024, the Romanian leu has declined compared to the euro by approximately 0.6%. Such depreciation of our functional currency relative to the euro could also markedly reduce our consolidated financial results as reported in euros (see "*—We are subject to currency translation risks associated with exchange rate fluctuations*"). This could result in a breach of certain financial covenants under the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement, the 2025 Citi Export Credit Facilities Agreements, the ING Facilities Agreement, Citi Facilities Agreement, BRD Agreements and other existing credit facilities, thereby requiring us to seek waivers from these creditors or causing the acceleration of this indebtedness. In addition, this could make it more difficult for us to comply with the incurrence financial covenants under the Notes. In accordance with our historical approach, we may hedge the interest payments and/or repayments of the whole or a portion of the principal amount of our financial indebtedness. However, any hedging arrangements we enter into may not adequately offset the risks of foreign exchange rate fluctuations and may result in losses. In addition, further appreciation of the euro and the U.S. dollar could require us to offset the impact of such exchange rate fluctuations by price increases for customers in Romania that are invoiced in the local currency, which could cause a reduction in the number of RGUs and could have a material adverse effect on our business, prospects, results of operations or financial condition. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Exchange rates—Liabilities denominated in euros and U.S. Dollar*."

We are subject to currency translation risks associated with exchange rate fluctuations.

Our Financial Statements are presented in euros. However, the majority of our revenue and expenses are denominated in the Romanian leu and are translated into euros at the applicable exchange rates for inclusion in our consolidated financial statements. In addition, some of our borrowings and their related interest payments, as well as other assets and liabilities, are denominated in currencies other than the euro, which also require translation into euros at the applicable exchange rates when we prepare our consolidated financial statements. Therefore, we are exposed to fluctuations in exchange rates when converting non-euro amounts into euro for reporting purposes. Any fluctuation in the value of a relevant functional currency against the euro may affect the value of our revenue, costs, assets and liabilities as stated in our consolidated financial statements, which may in turn affect our reported financial condition and results of operations in a given reporting period.

A systems failure or shutdown in our networks may occur.

Our cable TV, fixed internet and data and fixed-line telephony services are currently carried through our transmission networks composed primarily of fiber-optic cables. In addition, as at December 31, 2024, we had approximately 8,500 mobile network base stations in Romania for our mobile telecommunication services. Furthermore, our information technology system comprises numerous intra-linked systems that are periodically updated, upgraded, enhanced and integrated with new systems. Failure to maintain or update these systems, particularly where updates may be required to support new or expanded products or services, could result in their inability to support or expand our business, as it is dependent on the continued and uninterrupted performance of our network. Our ability to deliver services may be subject to disruptions of our systems from communications failures that may be caused by, among other things, computer viruses, power failures, natural disasters, software flaws, transmission cable cuts, sabotage, acts of terrorism, vandalism, cyber-attacks and unauthorized access. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Any such disruption or other damage that affects our network could result in substantial losses, for which we are not adequately covered by our existing insurance policies. Disaster recovery, security (including cyber-security) and service continuity protection measures that we have undertaken or may in the future undertake, and our monitoring of network performance, may be insufficient to prevent losses. Our network may be susceptible to increased network disturbances and technological problems, and such difficulties may increase over time. Such disruptions may affect our provision of new or existing services and reputation, leading to costly repairs and loss of customers. For so long as any such disruption continues, our revenue could be significantly impacted, which in turn could have a material adverse effect on our operating cash flows, business, prospects, results of operations or financial condition. Moreover, if one or more of these events occurs, it could result in the disclosure of confidential client information, damage to our reputation with our customers and the market, additional costs (such as repairing and upgrading systems or adding new personnel or protection technologies), regulatory penalties and financial losses.

We may be unable to use Intelsat's and Telenor's satellites to broadcast our DTH services and may fail to find a commercially acceptable alternative in a reasonable amount of time.

We currently broadcast programming for our DTH services using five transponders, of which two are located on a satellite operated by Intelsat Global Sales & Marketing Ltd ("**Intelsat**"), and three are leased through Intelsat on a Telenor satellite and use an additional transponder for transmitting non-DTH signals. Our current lease arrangement with Intelsat covering both sets of transponders is effective until 30 April 2026. There can be no assurance that an extension of the term of this arrangement can be agreed on similar financial terms following such date or that we will not have to find alternative providers. As DTH is a competitive, price-sensitive business, we may not be able to pass an increase in satellite transmission costs, in whole or in part, to our DTH customers.

Satellite broadcasts may also be disrupted for various reasons.

Furthermore, the amount of satellite capacity that we are able to obtain is limited by the amount of efficient transmission spectrum allocated by the relevant national, regional and international regulatory bodies of the satellite operators that provide satellite coverage over our areas of operations. Intelsat is not contractually obligated to increase the satellite capacity it makes available to us.

Should the satellites we use significantly deteriorate, or become unavailable for regulatory reasons or any other reason, we may not be able to secure replacement capacity on an alternative satellite on a timely basis or at the same or similar cost or quality. Our ability to recoup losses related to service failures from Intelsat may also be limited. Even if alternative capacity were available on other satellites, the replacement satellites may need to be repositioned in order to be co-located with the satellites we currently use. If it is not possible to co-locate replacement satellites, we would be required to repoint all our existing customers' receiving dishes to enable them to receive our signal. Accurate repointing requires specialist tools and expertise, and we believe that there could be substantial costs of repointing all of our existing subscribers' receiving dishes in the event the satellite networks we currently use fail. Moreover, the time needed to repoint our dishes to alternative satellites would vary depending on the market. Accordingly, the inability to use Intelsat's or Telenor's satellites or otherwise to obtain access to sufficient levels of satellite bandwidth on a timely basis and at commercially acceptable prices, or any system failure, accident or security breach that causes interruptions in our operations on the satellite networks we use could impair our ability to provide services to our customers and could have a material adverse effect on our business, prospects, results of operations or financial condition.

If we do not maintain or improve our reputation for the quality of our service, our ability to attract new customers and retain existing customers may be harmed.

Our ability to retain customers and to attract new customers depends in part on our brand recognition and our reputation for the quality of our service. Our reputation and brand may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical faults, lack of necessary equipment, changes to our traditional product offerings, financial difficulties, or for any other reason. Damage to our reputation and brand could have a material adverse effect on our business, prospects, results of operations or financial condition.

If we cannot acquire or retain content or programming rights or do so at competitive prices, we may not be able to retain or increase our customer base and our costs of operations may increase.

The success of our business depends on, among other things, the quality and variety of the television programming delivered to our customers. We depend substantially on third parties to provide us with programming TV content and we license rights to broadcast certain high interest sports events and movies on our own premium channels in Romania. Our programming agreements generally have terms ranging from one to five years (including options to extend) and contain various renewal, cancellation and annual price adjustment provisions. No assurance can be provided that we will succeed in renewing our rights for content upon the expiry of currently applicable contractual terms on competitive terms or at all. If we fail to negotiate or renegotiate programming agreements for popular content on satisfactory terms or at all, we may not be able to offer a compelling and popular product to our customers at a price they are willing to pay.

Generally, our programming agreements may be terminated if we fail to make any of our payments or breach our obligations to keep our transmission signal secure or within agreed technical parameters and we fail to address any such breaches within a certain time period, typically between 10 and 30 days.

The ability to broadcast certain sports competitions, especially football matches, is integral to our ability to attract and retain customers. Although during 2024 we renewed part of existing broadcasting rights (i.e., we did not renew the rights for Premier League 2025/2026) and even managed to acquire new broadcasting rights (e.g., such as UEFA Europa League and UEFA Conference League), there is no assurance that we will succeed in acquiring new or renewing existing broadcasting rights upon the expiration of the underlying contracts.

We believe that in order to compete successfully, we must continue to obtain attractive content and deliver it to our customers at competitive prices. When we offer new content, or upon the expiry of existing programming agreements or broadcast licenses, our content suppliers may decide to increase the rates they charge for content or they may opt out of the "must carry" (free air regime) and start charging for the retransmission of their channels by us, thereby increasing our operating costs. In addition, some of the channels we broadcast in Romania are subject to "must carry" rules, meaning that the content suppliers have opted to make them available free of charge, which, under certain conditions, creates an obligation for us to include them in our cable TV package. If some or all of the main channels we carry in Romania on the "must carry" basis opted out of this regime, we may have to pay for their retransmission or discontinue the transmission of such channels as part of our services, which may lead to increases in costs or potential customer churn. Regulatory requirements in some jurisdictions affect content suppliers by, for example, requiring them to produce channels in high definition, and may lead them to increase the rates they charge to us. Increases in programming fees or license fees or changes in the way programming fees or license fees are calculated could force us to increase our subscription rates, which in turn could cause customers to terminate their subscriptions or lead potential new customers to refrain from subscribing. In addition, if we were to breach the terms of the applicable agreements, the license content providers could decide to withhold certain content or we could lose the right to retransmit certain programs or broadcast certain competitions. Also, program providers and broadcasters may elect to distribute their programming through other distribution platforms, such as Internet-based platforms, or may enter into exclusive arrangements with other distributors. If we cannot pass on any increased programming or license fees to our customers, or if we lose rights to transmit certain programming or broadcast certain competitions, it could have a material adverse effect on our reputation, competitive position, business, prospects, results of operations or financial condition.

Our business strategy may cause our average revenue per unit (ARPU) figures to decrease.

In Romania, our customer base for services other than DTH is spread across both urban and rural areas. As we further expand into less affluent demographic segments of our geographic markets, our ARPU figures may decline depending upon changes in our mix of customers and the prices at which our packages are offered. Further, our reported ARPU for cable TV, DTH and fixed internet may be affected by fluctuations in exchange rates. See "—*We are subject to currency translation risks associated with exchange rate fluctuations.*" In Spain, we always strive to present our customers with very attractive offers which help us increase the number of RGUs each quarter. In the same time, this growth in RGUs helps us trigger economies of scale leading to an increase in our financial results. A material decrease in ARPU from current levels could have a material adverse effect on our business, prospects, results of operations or financial condition.

We may fail to manage customer churn.

The pay TV (which includes cable TV and DTH business lines), fixed internet and data, fixed-line telephony and mobile telecommunication services industries all experience churn as a result of, among other things, high levels of competition and technological advancements. In particular, our DTH and fixed-line telephony service have experienced relatively high levels of churn in recent years. Although churn may have a negative effect on our business, we focus on growth in total number of RGUs, ARPU, revenue, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin as key indicators of our performance, rather than churn. We believe that our churn levels are in line with those of our principal competitors in our core markets.

Customer churn could increase as a result of:

- the availability of competing services, some of which may be less expensive or technologically superior to those offered by us or offer content or features that we do not offer;
- customers moving to areas where we cannot offer services;
- customer dissatisfaction with the quality of our customer service, including billing errors;
- interruptions in the delivery of services to customers over our network and poor fault management; and
- customers choosing to discontinue a certain service without replacing it with an equivalent service provided by us or our competitors.

Our inability to control customer churn or an increase in customer churn, particularly in relation to our DTH and fixed-telephony services, as a result of any of these factors can lead to a reduction in revenue and RGUs or increased costs to retain these customers, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our insurance may not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or are not insurable.

We maintain an insurance policy in respect of our critical communications equipment in data centers in Bucharest and certain key network nodes throughout Romania for the services we provide, including our up-link facilities in Bucharest. This insurance policy has an aggregate coverage of up to approximately €16.6 million equivalent as at December 31, 2024. We also maintain civil liability insurance policies and property damage insurance policies for our car fleet. We can provide no assurance that insurance will continue to be available to us on commercially reasonable terms or at all. Our insurance may not be adequate to cover all our potential losses or liabilities. At present, we have no coverage for business interruption or loss of key management personnel and a substantial proportion of our assets are not insured. Should a significant event affect one of our facilities or networks, we could experience substantial property loss and significant disruptions in the provision of our services for which we would not be compensated. Additionally, depending on the severity of the property damage, we may not be able to rebuild damaged property in a timely manner or at all. We do not maintain separate funds or otherwise set aside reserves for these types of events. We also do not have such insurance policies concluded for Spain or Portugal. Any such loss or third-party claim for damages could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our business relies on sophisticated billing and credit control systems, and any problems with these systems could disrupt our operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs and potential credit problems and bill our customers properly and in a timely manner. New technologies and applications are expected to increase customers' expectations and to create increasing demands on billing and credit control systems. Any damage, delay or interruptions in our systems or failure of servers or backup servers that are used for our billing and credit control systems could disrupt our operations, and this, in turn, could have a material adverse effect on our reputation, business, prospects, results of operations or financial condition.

Our business relies on hardware, software, commodities and services supplied by third parties. These suppliers may choose to discontinue their products or services, seek to charge us prices that are not competitive or choose not to renew contracts with us for a number of reasons, including because these suppliers may be precluded from manufacturing and delivering their products and services (such as in the context of the COVID-19 pandemic or the 2023 semiconductor and shipping crisis).

We have important relationships with certain suppliers of hardware, software and services (such as ECI, Ericsson, Wuhan Fiberhome, Huawei, Kaon, Nagravision S.A. ("Nagravision"), Nokia, and ZTE). These suppliers may, among other things, extend delivery times, supply unreliable equipment, raise prices and limit or discontinue supply due to their own shortages, business requirements, regulatory intervention, changes in trade policies or otherwise. Conversely, we may ourselves need to discontinue or reduce the use of products and services from particular suppliers due to similar or other reasons, including with limited notice. In addition, such suppliers may in the future be affected by restrictions imposed by certain countries as a result of trade disputes and/or state security considerations. Although we are not entirely dependent on hardware, software and services supplied by particular suppliers, in many cases we have made substantial investments in the equipment or software of a certain supplier. This makes it difficult for us to find replacement suppliers quickly in the event that a supplier refuses to offer us favorable prices, ceases to produce the equipment we use or fails to provide the support we require. In the event that hardware or software products or related services are defective, or if the suppliers are insolvent, it may be difficult or impossible to enforce claims against them, in whole or in part. The occurrence of any of these risks may create technical problems, damage our reputation, result in the loss of customers and could have a material adverse effect on our business, prospects, results of operations or financial condition. Further, our contractual obligations to customers may exceed the scope of the warranties we have obtained from suppliers.

We are also exposed to risks associated with the potential financial instability and business continuity issues of our suppliers. If our suppliers were to discontinue certain products, were unable to provide equipment to meet our specifications or interrupt the provision of equipment or services to us, whether as a result of bankruptcy, regulatory actions, court decisions or otherwise and if we were unable to procure satisfactory substitutes, it could have a material adverse effect on our business, results of operations or financial condition.

Our business relies on third-party licenses and other intellectual property arrangements.

We rely on third-party licenses and other intellectual property arrangements to enable us to carry on our business. Network elements and telecommunications equipment including hardware, software and firmware deployed on our network are licensed or purchased from various third parties, including from vendors holding the intellectual property rights to use these elements and equipment. Although these agreements provide warranties, indemnities and the right of termination in the event of any breach or threatened breach of any intellectual property rights, no assurance can be provided that competitors or other third parties will not challenge or circumvent the intellectual property rights we own or license or that the relevant intellectual property rights are valid, enforceable or sufficiently broad to protect our interest or will provide us with any competitive advantage. In addition, certain license holders are entitled to control our compliance with the underlying license arrangements and no assurance can be provided that we will be able to satisfy their requirements at all times. Any resulting loss, withdrawal or suspension of those intellectual property rights could result in a significant increase in our costs or otherwise have a material adverse effect on our business, prospects, results of operations or financial condition.

Our ability to provide commercially viable services depends, in part, upon interconnection, roaming and MVNO arrangements with other operators and third-party network providers and on the impact of EU roaming regulations.

Our ability to provide commercially viable mobile and fixed-line telecommunication services depends, in part, upon our interconnection and roaming arrangements with other operators. In particular, we are dependent, in certain regions, on interconnection with our competitors' mobile and fixed-line networks and the associated infrastructure for the successful operation of our business. In Romania, as well as in Portugal and Belgium, price caps apply on the interconnection charges that all telecommunications operators, including us, may charge, according to EU regulations for setting a single maximum EU-wide mobile and fixed voice termination rates. We are also dependent on third-party network providers for the provision of MVNO services in Spain and Italy, the offering of fixed-line services in Spain and the supply of international roaming services.

In addition, Regulation (EU) No. 2022/612 on roaming on public mobile communications networks within the European Union ("**EU Roaming Regulation**") requires mobile communications providers within the European Union to ensure that their customers could continue using their service while travelling to a different EU country as if they were using it in their home jurisdiction, save for paying wholesale charges to the relevant service provider.

Although we have interconnection and other agreements in place with other operators, we do not have direct control over the quality of their networks and the interconnection and other services they provide. There can be no assurance that interconnection, resale, roaming or MVNO agreements will be easy to agree, that we will be able to renew these agreements on commercially acceptable terms, that they will not be terminated, or that ANCOM, other national regulators or the European Commission will not take any action that could materially adversely affect our operations. If we fail to maintain these agreements on commercially acceptable terms, or if there are any difficulties or delays in interconnecting with other networks and services, or a failure of any operator to provide reliable roaming services to us on a consistent basis, this could have a material adverse effect on our business, prospects, results of operations or financial condition.

Customer data is an important part of our daily business and leakage of such data may alter the trust of our customer and secondly may violate laws and regulations. Any such data security breach, as well as any other failure to fully comply with applicable data protection legislation could result in customer churn, reputational damages and fines.

We collect, store and use in our operations data, which may be protected by data protection laws. Although we take precautions to protect customer data in accordance with the applicable privacy requirements and information security practices, laws and regulations, it is possible that we may be the target of an attack in the future.

The telecommunications sector has become increasingly digitalized, automated and online-based in recent years, particularly in the last years due to COVID-19, increasing our exposure to risks of unauthorized or unintended data release through hacking and general information technology system failures. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorized access to our network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of our services, compromise the confidentiality of our customer data or cause service interruptions, and may result in the imposition of fines and other penalties.

In April 2018, we were fined by the Romanian National Supervisory Authority for Personal Data Processing for breaches of national data protection legislation (for clarity purposes, breaches of the legal provisions not breaches/incidents which involves personal data) (contrary to certain provisions in the telecommunications' field), especially in relation to the types of data that we process, and although we are committed, and have made significant efforts, to fully align our practices with the requirements of the regulator, as at the date of this report this process has not been completed yet. We continue to closely observe the consistency with all legal requirements relating to data protection as well as with the opinions and the guides from the European Data Protection Board and with the relevant European jurisprudence. However, we are subject to the interpretation of the data protection legal requirements by the local authorities from the countries where we operate our business. Therefore, there can be no assurance that the adjustments we have already made, as well as those that we are planning to make in the future, will fully satisfy the manner in which authorities interpret GDPR's requirements.

Any suspension, downgrade or withdrawal of our credit ratings by an international rating agency could have a negative impact on our business.

The Group's corporate rating is BB- by S&P and BB stable by Fitch. Any adverse revisions to our corporate credit ratings for domestic or international debt by international rating agencies may adversely impact the credit rating of our existing indebtedness (including the Notes), our ability to raise additional financing and the interest rates and other commercial terms, under which such additional financing is available. This could hamper our ability to obtain financing for capital expenditures and to refinance or service our indebtedness, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Concerns about health risks relating to the use of mobile handsets or the location of mobile telecommunication towers may materially adversely affect the prospects of our mobile telecommunication services business.

Media and other reports have linked radio-frequency emissions from mobile handsets and mobile telecommunication towers to various health concerns, including cancer, and interference with various electronic medical devices, including hearing aids and pacemakers. In particular, in May 2011, the World Health Organization classified radiofrequency electromagnetic fields as potentially carcinogenic to humans based on an increased risk for adverse health effects associated with wireless phone use. In addition, certain media have speculated that health risks may be intensified by 5G networks/technology, although no conclusive studies providing any negative impact have been published to date. Concerns over radio frequency emissions may discourage the use of mobile handsets or may create difficulties in the procurement of tower sites for our mobile telecommunication business, which could have a material adverse effect on the prospects of such business.

If there is sound scientific evidence of a link between radio frequency emissions and health concerns or if concerns about such health risks increase in countries in which we do business, the prospects and results of operations of our mobile telecommunication services business could be materially adversely affected. In addition, the actual or perceived health risks associated with electromagnetic radio emissions and wireless communications devices and antennas and the resulting costs and lowered usage, as well as any related potential new regulatory measures could have a material adverse effect on our business, results of operations or financial condition.

Risks Relating to Legal and Regulatory Matters and Litigation

Failure to comply with anti-corruption or money laundering laws, or allegations thereof, could have a material adverse effect on our reputation and business.

While we are committed to doing business in accordance with applicable anti-corruption and money laundering laws, we face the risk that members of the Group or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such laws, and may face allegations that they have violated such laws. In general, if we are alleged or found to have violated applicable anti-corruption or money laundering laws in any matter, any such allegations or violation may have a material adverse effect on our reputation and business, including, among others, application of criminal sanctions against us or our officers or employees, disgorgement of property, termination of existing commercial arrangements, our exclusion from further public or private tenders, as well as affect our ability to comply with certain covenants under our existing indebtedness.

For example, on January 15, 2019, the Bucharest Tribunal issued its January Judgment in relation to the investigation conducted by the Romanian National Anti-Corruption Agency (DNA) into alleged bribery and money laundering in connection with our entry into a joint venture with Bodu S.R.L. in 2009 and certain subsequent transactions. The joint venture related to an events hall in Bucharest. At the time of our original investment, 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**”). The DNA’s original enquiry (that followed allegations by Antenna Group that unlawful bribes had been advanced to Mr Dumitru Dragomir) centered around the €3.1 million investment that we made into the JV from 2009 to 2011. The DNA’s subsequent money laundering enquiry related to later transactions entered into with Bodu S.R.L in 2015 and 2016, through which we ultimately acquired the sole ownership of the events hall. We undertook those transactions in order to ensure continuity of our business in relation to the events hall and recover our original investment. However, the DNA alleged that these were attempts to conceal unlawful bribes.

The January Judgment:

- dismissed the giving of bribe related allegations against Digi Romania and its past and current directors on the basis that they had become time-barred;
- convicted Digi Romania of money laundering and (a) ordered it to pay a criminal fine of approximately RON 1.25 million; (b) confiscated €3.1 million of our original investment in the JV and RON 655,124 as alleged unlawful profits derived by Digi Romania from the JV; and (c) maintained seizure of the two previously attached real estate assets;
- convicted Integrasoft S.R.L. (one of our Romanian subsidiaries and Digi Romania’s partner in the JV following the 2016 acquisition) of accessory to money laundering and ordered it to pay a criminal fine of approximately RON 0.7 million;
- cancelled (a) the original 2009 joint venture agreement (along with all subsequent amendments thereto); (b) the 2015 settlement agreement (along with all subsequent amendments thereto); and (c) the 2016 purchase by Digi Romania of the events hall’s real estate and business;
- convicted Mr. Ioan Bendei (who at the time was a member of the board of directors of Digi Romania and is a director of Integrasoft S.R.L.) of accessory to money laundering (in his capacity as director of Integrasoft S.R.L.) and sentenced him to four years’ imprisonment;
- acquitted Mr. Serghei Bulgac (the current Chief Executive Officer and President of the board of directors ofDigi Romania), Mihai Dinei and Alexandru Oprea (a former Chief Executive Officer and President of the board of directors of Digi Romania) of all charges; and
- convicted Mr. Dumitru Dragomir and a director of Bodu S.R.L. of unlawfully receiving the bribes allegedly paid through the JV investments (which, owing to different limitations periods, had not yet become time-barred).

We believe that the convictions and related sanctions in the January Judgment were erroneous and not supported by the evidence provided to the court. See "*Business—Litigation and Legal Proceedings—Investigation by the Romanian National Anti-Corruption Agency*." We continue to deny any allegations against Digi Romania (the main Romanian subsidiary of the Company), Integrasoft S.R.L. or any of our or their current or former officers or employees in relation to this matter and believe that they at all times acted in compliance with applicable law. Notices of appeal against the January Judgment were filed to the Bucharest Court of Appeal on behalf of Digi Romania, Integrasoft S.R.L. and Messrs. Ioan Bendei, Serghei Bulgac and Mihai Dinei on January 16, 2019. On November 1, 2021, the Bucharest Court of Appeal has overturned the January Judgement (such decision being final, with no remedy being admissible). The Bucharest Court of Appeal will proceed with a full re-trial of the factual matters and legal issues in this case. On July 1, 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, 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. 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 several court hearings having been established up to this moment and the next hearing term set for 13 May 2025.

If the Bucharest Court of Appeal's decision follows the reasoning of the January Judgement on the factual matters and legal issues in this case and such decision ultimately becomes effective, our ability to participate in public tenders in Romania may be impeded (for example, if the terms of such tenders specifically prohibit legal entities with a criminal record to participate). In addition, even while re-trial is pending, it cannot be excluded that the pending file could result in increased scrutiny of our operations and adversely impact perceptions of us (including as to the effectiveness of our compliance policies and procedures). If any of this were to occur, our relationships with governmental authorities, commercial partners or lenders and our perceived attractiveness as a licensee or commercial counterparty may deteriorate, which, among other things, may impair our ability to renew or sustain existing material arrangements with such governmental authorities or counterparties or to enter into new commercially desirable arrangements.

We have been and may continue to be subject to competition law investigations and claims.

We have been in the past and may continue to be the subject of claims regarding alleged anticompetitive behavior on the markets of the jurisdictions where we operate to restrict competition and limit consumer choice.

In addition, the telecommunications and media sectors, amongst other industries, are under constant scrutiny by national competition regulators in the countries, in which we operate and by the European Commission. Whether in the context of sector inquiries, antitrust investigations or in relation to requests for information, competition authorities may, from time to time, have different interpretations of our behavior in the relevant markets or of the clauses in the agreements that we enter into and construe them as potentially non-compliant with applicable competition legislation. As a result, we could be subject to fines up to the amount mentioned above and/or other restrictive measures.

Sector inquiries are not targeted at particular companies and are concluded with reports describing the markets analyzed and including recommendations for better market functioning. The competition authorities cannot apply fines as a result of sector inquiry proceedings for anticompetitive conduct, but may decide to open new investigations targeted at particular companies, which may result in stricter scrutiny of our business and/or the imposition of fines or other sanctions. Additionally, the results of an inquiry could lead to lawsuits being brought by third parties.

We fully cooperated with the relevant competition authorities in any proceedings, in which we have been involved and intend to continue to do so if we are the subject of future proceedings, but such proceedings are typically lengthy and could take several years to be resolved. There is no assurance that the RCC (or any other antitrust authority in our countries of operations) will not conduct further investigations on us or, if they do, that they will not impose sanctions on us as a result of such investigations. Such sanctions may include fines of up to 1% of our total turnover in the year prior to the decision if we fail to provide accurate and complete information to the relevant authority within the terms indicated by it or imposed by applicable law and up to 10% of our total turnover in the year prior to the decision per individual violation of competition law, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of our operations, could result in substantial fines, additional compliance costs or various other sanctions or court judgments.

Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licenses, permits, approvals and authorizations, as well as ongoing compliance with, among other things, telecommunications, audio-visual, energy, environmental, health and safety, labor, building and urban planning, personal data protection and consumer protection laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses, permits, approvals and authorizations and monitoring licensees' compliance with the terms thereof. We may sometimes disagree with the way legal provisions are interpreted or applied by regulators and we may, from time to time, challenge or contest regulatory decisions in the course of our business, which may affect our relations with regulators. The competent authorities in the countries where we carry out our activities have the right to, and frequently do, conduct periodic inspections of our operations and properties throughout the year. Any such future inspections may result in the conclusion that we have violated laws, decrees or regulations. We may be unable to refute any such conclusions or remedy the violations found.

Moreover, regulatory authorities may, from time to time, decide to change their interpretation of the applicable legal or regulatory provisions, their policies or views of our businesses in ways that can significantly impact our operations. For instance, we are subject to certain obligations as an operator with significant market power in the market of access to fixed-line telephony and mobile telephony and, as our market share increases or market conditions change, we could become subject to significant additional restrictions in the future, such as having to comply with higher technical standards. Such restrictions may decrease or eliminate our competitive advantage and could have a material adverse effect on our business, prospects, results of operations or financial condition. To the extent these restrictions are deemed to be insufficient and the relevant telecommunications regulator concludes that our market power is significant to the degree that there is no competition, we may even become subject to user tariff control measures.

Because we are subject to a large number of changing regulatory requirements and market and regulatory practices, we may not be in compliance with certain requirements under telecommunications and media laws, consumer protection laws, personal data protection laws and regulations or regulatory decisions. For instance, we have not always complied in a timely fashion with obligations relating to compliance of certain technical and administrative parameters and the obligation that we pay our regulatory fees. We were in breach of certain technical obligations/parameters relating to our network and the provision of our services (e.g., level of noise/radiation above the threshold, poor TV signal in certain villages/towns, etc.), for which we have received warnings from ANCOM and small fines. We have generally remedied such breaches after receiving such sanctions from ANCOM, but we may be unable to remedy (or do that in a timely fashion) such breaches in the future. In addition, from time to time, our satellite spectrum license may not cover some of our channels or up-link connections and our retransmission endorsements may not cover some of our channels or may cover certain channels that we are not currently broadcasting. See "Industry Regulation—Romania—Television and Radio Services—Licenses—Satellite Spectrum License." We may also, temporary may not be in full compliance with our "must carry" obligations and may have differing interpretations of such obligations than the regulators. Our failure to comply with existing laws and regulations and the findings of government inspections may result in the imposition of fines or other sanctions on us by ANCOM or the National Audiovisual Council of Romania ("**NAC**"). The regulatory provisions in force entitle ANCOM to impose fines of up to 10% of our total turnover in the year prior to ANCOM's decision in the event of repeated violations of regulatory obligations under current law in Romania. See *"—Risks relating to investments in countries where we operate—Any potential deterioration of the general internal economic, political and social conditions in Romania, our principal country of operation, or any adverse changes in the Romanian tax or regulatory environment, may not be offset by developments in other markets.*" Should ANCOM impose such fines for any actual or alleged violation, it could have a material adverse effect on our business, prospects, results of operations or financial condition.

To the extent certain provisions in our agreements with individual customers are deemed unenforceable by ANCOM or NACP, a court may decide that such provisions are invalid and must be removed from such agreements and we may face minor administrative fines. In certain cases, some agreements may be terminated in full. See also *"—We have been and may continue to be subject to competition law investigations and claims."* While we are not aware of any relevant claims, there can be no assurance that no such claims will be filed in the future.

It may be difficult for us to obtain all licenses, permits or other authorizations required to operate our existing network or any other required licenses, permits or other authorizations, and once obtained they may be amended, suspended or revoked or may not be renewed.

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by European, national, state, regional or local governmental and/or regulatory authorities in the countries where we operate. Our operating licenses or authorizations specify the services we can offer and the frequency spectrum we can utilize for mobile operations. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to them may also be amended. There is no assurance that the relevant authorities will not take any action that could materially adversely affect our operations. Our operating licenses are generally renewable upon expiration. However, there is no assurance that licenses will be renewed. If we fail to renew any of our licenses, we may lose the ability to continue to operate the relevant business and the realizable value of our relevant network infrastructure and related assets may be materially adversely affected. Some of these licenses and other authorizations are particularly complicated and lengthy to obtain and may subject us to ongoing compliance obligations. Moreover, if we fail to comply with the requirements of the applicable legislation or if we fail to meet any of the terms of our licenses, our licenses and other authorizations necessary for our operations may be suspended or terminated.

Further, the deployment of our networks requires obtaining access rights from various third parties services, as well as various approvals or permits from European, national, state, regional or local governmental and/or regulatory authorities, particularly in relation to establishing base stations for our mobile telecommunication services.

In addition, such approvals and permits may include building, construction and environmental permits, antenna and mast deployment approvals and various other planning permissions. Obtaining these access rights, approvals and permits can be a complex process and is often characterized by different practices and requirements at the various regulatory authorities which frequently results in inconsistent and bureaucratic processes and/or by varying demands of third parties from whom access rights are obtained. Moreover, in certain instances, applicable regulatory regime has deteriorated over time and otherwise may be not fully adapted to the requirements and realities of modern telecommunications business, while regulatory authorities have recently significantly intensified enforcement activities, including imposition of fines. Though we have a dedicated team tasked with obtaining the required access rights, licenses, permits and other authorizations, due to the inherent challenges of these regimes, we have experienced, and may continue to experience, difficulties in obtaining some of these access rights, approvals and permits, which has led us to operate (in full or in part) without necessary authorizations in some instances and may require us to exert considerable effort and incur considerable expenses in order to implement suitable alternatives or could result in fines or other penalties being imposed by regulators.

Many components of our network are based on contracts, which may currently be undocumented or may be terminated or otherwise cancelled, and we may be required to move some of our networks, which may disrupt service and cause us to incur additional expenses.

In Romania, we currently provide our cable TV, fixed-line telephony and fixed internet and data services through networks and parts of them that are mostly above-ground and for which we lease the right to use poles from electricity and public transportation companies. In Romania, market participants (us included) may not always be able to obtain or use the necessary permits for developing, building and completing networks in a timely manner or at all, and this may result in such networks (including mobile network base stations) not being fully authorized. Although current planning regulations allow above-ground infrastructure building in rural areas, the overall negative regulatory trend imposed pressure to move of existing (above ground) networks underground and may lead to forced changes to network building practices, as well as to requirements to alter existing network locations, which can involve significant capital expenditure. We are moving our networks underground in cities where local authorities have granted us the required authorizations expediently or where the necessary infrastructure was already available. However, we may not always be in full compliance with obligations to move our networks underground or we may have different interpretations with respect to the imposition of such obligations by public authorities. If we were forced to place our above-ground networks underground pursuant to plans of authorities that contemplate impractical solutions, our costs for providing services may increase and our customer satisfaction may be adversely affected. In addition, if we are found not to be in compliance with such obligations, or otherwise in violation of restrictive covenants, easements or rights of way, we may face fines or service interruptions while we relocate our networks.

Certain agreements we entered into for the purpose of developing our networks, including the majority of leases of poles that support our above-ground fixed fiber-optic networks, are with persons whose title thereto or authority or capacity to enter into such agreements were not fully verifiable or clear at the time, among other reasons, because of unclear and constantly changing legislation. In addition, certain agreements with third parties with respect to our network (including mobile network base stations) were not documented or executed in the authenticated form required by Romanian law and, as such, they, or the building permits obtained on the basis thereof, may be invalidated or easily discontinued. Moreover, certain agreements were entered into without full compliance with other applicable formalities, such as public tender requirements. No assurance can be provided that such agreements will not be subject to cancellation or revocation in the future. Further, a significant portion of our above-ground fixed fiber-optic network in Romania is built on poles leased from various regional electricity distribution companies. Renewal of agreements concluded with these operators is often delayed and problematic. In addition, certain of our lease agreements have provisions allowing the lessor to terminate the lease at its option, subject to prior notice ranging from 10 to 90 days.

We are not aware of any significant claims with regard to any irregularities related to any of the above arrangements. However, if such claims were to arise and be numerous and successful, or if there is any failure to renew these arrangements (or these agreements are terminated or cancelled), it may result in additional significant costs, material capital expenditure, service interruptions, contractual penalties or regulatory fines or other sanctions or, in the worst case, loss of business if there is no adequate alternative or there is a delay in securing such alternative. Any of these network-related risks could have a material adverse effect on our business, prospects, results of operations or financial condition.

If we infringe the intellectual property rights of third parties, or if we are otherwise held liable for infringements in relation to information disseminated through our network, we could face protracted litigation and, in certain instances, lose access to transmission technology or content.

The telecommunications industry in the markets in which we operate is characterized by the existence of a large number of patents and trademarks. Objections to the registration of new trademarks from third parties and claims based on allegations of patent and/or trademark infringement or other violations of intellectual property rights are common. Further, as the number of entrants into the Romanian market increases and the overlap of product function expands, the possibility of such allegations increases. Defending intellectual property claims, such as the foregoing, requires us to engage in lengthy and costly litigation and divert the attention of our senior management and technical personnel from our businesses. Successful challenges to our rights to intellectual property or claims of infringement of a third party's intellectual property could require us to incur monetary liability, temporarily or permanently discontinue the use of the respective intellectual property, or enter into royalty or licensing agreements, which may not be available on commercially reasonable terms or at all. If we were required to take any such action, it could have a material adverse effect on our business, prospects, results of operations or financial condition.

The infringement of patents and proprietary rights of others may also lead to the loss of access to transmission technology or programming content, damage third-party interests and render us unable to deliver the content that our customers expect, which could materially adversely affect our business, prospects, results of operations or financial condition. In the event that access to transmission technology is lost, alternative technology would need to be purchased, which may result in an interruption of services and increases in costs.

We may also be subject to claims for defamation, negligence, copyright or other legal claims relating to the programming content or information that we broadcast through our network, publish on our websites or to which our customers have access online though our network. Any such claims could include actions under the censorship and national security laws of countries in which we broadcast or provide internet access. In the event that we receive a valid and substantial infringement claim, we would need to cease broadcasting or block from our internet system the infringing content or information, which may increase customer churn.

We are subject to payments related to collective copyright organizations which may vary.

In Romania, we are obliged to make payments to various collective copyright protection organizations as compensation for the use of copyrighted content in the programming delivered by us through our cable TV and DTH services, and copyrighted content used on our website. These amounts are not fixed and are determined by negotiation in accordance with a methodology based on certain legal provisions and relevant European practices. There can be no assurance that amounts payable to various collective copyright protection organizations will not increase in the future or that additional claims could not arise in relation to our past activity or that we will not be subjected to penalties or fines for delaying payments. Since we may not be able to pass on such increases in costs to our customers, such increases, penalties or fines could have a material adverse effect on our results of operations or financial condition.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

The tax laws and regulations in Romania, the Netherlands, Spain, Italy, Belgium and Portugal may be subject to change, and there may be changes in interpretation and enforcement of tax law. These changes in tax law and/or interpretation and enforcement of the tax law may be difficult for us to predict, and we may therefore be unprepared for these changes. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified by the competent authorities in a manner, which could have a material adverse effect on our cash flows, business, prospects, results of operation or financial condition for any affected reporting period. For example, the Romanian Fiscal Code currently provides, subject to certain conditions, an exemption from Romanian withholding taxes for the interest paid on receivable instruments/titles issued by Romanian companies set up in accordance with Romanian Company Law 31/1990 (as amended and supplemented). Based on advice it has received from recognized tax experts experienced in such matters, we believe that this exemption should be applicable to interest payments made by Digi Romania on the Notes to non-resident holders thereof. If the above provisions of the Romanian Fiscal Code, or the interpretation thereof, were to change, we could be required to pay certain additional amounts in relation to the Notes, which could be significant.

In addition, such competent authorities periodically examine or audit the Group. Reviews for verification purposes only (i.e., not due to an infringement) are common in Romania for companies of our size and we regularly consider the likelihood of assessments and, for probable adverse assessments, have established tax allowances, which represent our management's best estimate of the potential assessments. However, the actual resolution of any of these tax matters could differ from the amount provisioned, which could have a material adverse effect on our cash flows, business, prospects, results of operation or financial condition for any affected reporting period.

We may be subject to fines, awards of damages or other penalties arising from legal proceedings, contractual claims and disputes, as well as negative publicity arising therefrom.

We are involved in legal proceedings from time to time, which may lead to the imposition of damages, fines or other penalties on us. We may be adversely affected by other contractual claims, complaints and litigation, including from counterparties with whom we have contractual relationships, customers, competitors or regulatory authorities, as well as any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity could have a material adverse effect on our business, reputation, results of operation or financial condition.

Risks Relating to Investments in Countries where We Operate

Any potential deterioration of the general internal economic, political and social conditions in Romania, our principal country of operation, or any adverse changes in the Romanian tax or regulatory environment, may not be offset by developments in other markets.

Our success is closely tied to general economic developments in Romania. Romania has undergone substantial political, economic and social change in recent years. Romania does not possess the full business, legal and regulatory infrastructures that would generally exist in more mature free market economies. In addition, the tax, currency and customs legislation in Romania is subject to varying interpretations and changes, which can occur frequently. See "*—Romania's legal and judicial systems are less developed than in other European countries, which makes an investment in the Shares and the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system*." These issues continue to result in relatively high poverty rates and low wages.

Moreover, Romania experiences periods with significant political instability. In particular, for the past several years, the political environment in Romania, our primary market, has been unstable, dominated by political conflict. Political instability in Romania could delay or stop economic and regulatory reforms in the country. In particular, the 2024 Romanian presidential elections were marked by significant turmoil. The initial vote in November resulted in a runoff between independent nationalist candidate Călin Georgescu and Elena Lasconi of the Save Romania Union (USR). However, in December 2024, the Constitutional Court annulled the election results citing evidence of foreign interference that allegedly favored Georgescu. As a result, a new presidential election has been scheduled for May 2025, prolonging the political uncertainty. These events have heightened political tensions in Romania, increasing the risk of policy instability, shifts in foreign relations, and potential regulatory changes. Any prolonged instability or policy uncertainty could negatively affect market conditions, economic growth, and investor sentiment in Romania.

The future economic direction of the markets in which we operate remains largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by their respective governments, together with tax, legal, regulatory, and political developments. Our failure to manage the risks associated with our business in emerging markets could have a material adverse effect on our results of operations.

Negative developments in, or the general weakness of, the Romanian economy, in particular increasing levels of unemployment may have a direct negative impact on the spending patterns of retail consumers, both in terms of subscriber and usage levels. Because a substantial portion of our revenue is derived from residential customers who may be impacted by such conditions, it may be more difficult for us to attract new customers or maintain ARPU at existing levels. Deterioration in the Romanian economy may further lead to a higher number of non-paying customers or generally result in service disconnections. Additionally, any uncertainty or instability in, or related to, the political conditions in Romania, including any changes to its political regime, legal, tax and regulatory frameworks or governing policies, could negatively affect our business and operations.

In addition, Romanian policy-making and regulatory frameworks are often subject to rapid and sometimes dramatic changes, the consequences of which may be difficult to foresee, or which could potentially lead to slower economic growth or general deterioration of economic conditions in Romania. For example, the Romanian government has implemented a series of reforms, including numerous increases to minimum wage rates, as well as changes to the country's social security taxation regime and a transfer of its burden from employers to employees; it also introduced certain one-off exceptional taxes. A new tax, the "construction tax," was recently introduced by Emergency Ordinance No. 156/2024, published in the Romanian Official Gazette No. 1334 on December 31, 2024. The tax is calculated at a rate of 1% based on the value of buildings owned by the taxpayer as of December 31 of the previous year. The Ministry of Finance will provide further details on the implementation of this tax through methodological rules, which are expected to be issued no later than March 31, 2025. Some of those measures may have a severe impact on various sectors of Romanian economy, including telecommunication and energy companies. In particular, on December 29, 2018, it issued the December Ordinance, which became effective on January 1, 2019 and introduced major changes affecting the energy, banking and private pension sectors of the Romanian economy. Most importantly for our business, it (i) increased ANCOM's annual monitoring fee to 3.0% of total turnover of a telecommunications operator for the preceding year (the "**Monitoring Fee**"); (ii) provided for very significant fees for extending existing, or acquiring new, telecommunications licenses; and (iii) significantly increased penalties for breaches of regulations governing the Romanian telecommunication industry (up to 10% of the violator's turnover in the year prior to the decision to impose such penalties). The December Ordinance was repeatedly amended thereafter, most recently on July 7, 2022 through the Law 198/2022. These amendments have disapplied the vast majority of the December Ordinance's original provisions affecting our business in Romania, with the exception of the Monitoring Fee, which remains in place at a reduced rate of up to 2.0%, and the penalties. However, whether or not ANCOM will be entitled to charge the Monitoring Fee is currently conditional on whether its other funding is sufficient to cover its operational requirements (an arrangement which was also in place prior to the issuance of the December Ordinance in its original form). ANCOM has not applied such fees, including the Monitoring fee, over the previous several years including 2024. Unfavorable economic conditions, regulatory uncertainty and special taxation may ultimately have a direct and/or indirect negative impact on consumers' spending and/or the prices we are able to charge for our products and services. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends and Other Key Factors Impacting Our Results of Operations—Regulation*".

Any such negative developments in Romania may not be offset by positive trends in other markets. Therefore, a weak economy and negative economic or political developments in the principal country in which we operate may jeopardize our growth targets and could have a material adverse effect on our business, prospects, results of operations or financial condition. See also *"—Risks Relating to Investments in Countries Where We Operate—Romania's legal and judicial systems are less developed than in other European countries."*

Political and military conflicts in the region may materially adversely affect our business.

On February 24, 2022, Russia invaded Ukraine. The extent and duration of, and the potential impacts from, Russia's invasion of Ukraine remain uncertain, including, but not limited to, on economic conditions, supply-chain disruptions, asset valuations, interest, and exchange rates. The Group does not conduct business in Ukraine or Russia and has implemented appropriate procedures for complying with international sanctions procedures; however, although it will continue to monitor and manage the impact of the ongoing conflict, the full extent of the impact is unclear. Prolonged conflict, escalation, further increases in energy prices would adversely impact the global, European and Romanian economies, resulting in a worsening of the macro-financial climate, higher inflation and lower economic growth and possibly recession. Any failure by the Group to mitigate the impact of the events may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The protracted disinflation process or an increasing inflation rate could have a significant negative impact on the Group's performance.

According to the NBR, the consumer price index inflation rate for the year ended December 31, 2024 was at 5.1% (2023 6.6%.). It is projected that the inflation rate will see a gradual downward trend until the first quarter of 2025, with disinflation process being protracted. The inflation rate is lower than the inflation in Hungary, with an inflation rate of 2024 5.5% (2023 7.0%), but above the 2024 2.7% EU average (2023 3.4%) (Eurostat).

The unpredictability of the inflation rate may have a negative effect on the Group's business by increasing the difficulty of estimating the Group's total costs related to its activities and creating a potential non-correlation of the Group's prices charged to customers with the Group's costs, with significant negative effect. A significant difference between the anticipated inflation rate in a given period and the actual amount recorded during that period may significantly affect the Group's allocation of resources and could have a material adverse effect on our business, prospects, results of operations or financial condition.

Moreover, an unpredictable increase in the inflation rate can lead to macroeconomic imbalances, characterized by rising interest rates, declining living standards and general slowdown of economic development in our countries of operation, imbalances that could have a material adverse effect on our business, prospects, results of operations or financial condition.

Corruption could create a difficult business climate in some of the markets where we operate.

Corruption is one of the main risks confronting companies with business operations in Romania. International and local media, as well as international organizations, have issued numerous alerting reports on the levels of corruption in Romania. For example, the Transparency International Corruption Perceptions Index for 2024, which evaluates data on corruption in countries throughout the world and assigns scores countries from 0 (highly corrupt) to 100 (very clean), gave Romania a score of 46 corresponding to a ranking of 65 out of 180 countries (no change in the score and ranking was registered when compared to the previous year).

Corruption has been reported to affect the judicial systems and some of the regulatory and administrative bodies in Romania, which may be relevant for our business. Although it is difficult to predict all of the effects of corruption on our operations, it can, among other things, slow down approvals of regulatory permits and licenses we need to conduct our business. Therefore, corruption could have a material adverse effect on our business, prospects, results of operations or financial condition.

Any downgrade of Romania's credit ratings by an international rating agency could have a negative impact on our business.

The long-term foreign and domestic currency debt of Romania is currently rated BBB (the outlook having been revised from stable to negative in January 2025) by S&P, Baa3/P-3 (maintains the stable outlook according to the rating action dated 3 November 2023) by Moody's and BBB- (outlook having been revised from stable to negative in December 2024) by Fitch.

Any adverse revisions to Romania's credit ratings for domestic or international debt by these or similar international rating agencies may materially adversely impact our ability to raise additional financing and the interest rates and other commercial terms under which such additional financing is available. This could hamper our ability to obtain financing for capital expenditures and to refinance or service our indebtedness, which could have a material adverse effect on our business, prospects, results of operations or financial condition.

Romania's legal and judicial systems are less developed than other European countries, which makes an investment in the Shares and/or the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.

The legal and judicial systems in Romania are less developed than those of other European countries. Commercial law, competition law, securities law, company law, bankruptcy law and other areas of law in Romania are relatively new to local judges and such related legal provisions have been and continue to be subject to constant changes as new laws are being adopted in order to keep pace with the transition to a market economy and EU legislation. Existing laws and regulations in Romania may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. It may not be possible, in certain circumstances, to obtain legal remedies in a timely manner. The relatively limited experience of a significant number of the magistrates practicing in Romania, specifically with regard to capital markets issues, and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on considerations that are not grounded in the law.

In addition to the foregoing, resolving cases may at times involve considerable delays. The court system in Romania is underfunded relative to those of other European countries. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through court systems may be laborious, especially where such judgments may lead to closure of businesses or job losses. This lack of legal certainty and the inability to obtain effective legal remedies in a timely manner may adversely affect our business, and may also make it difficult for investors in the Additional Notes to address any claims that they may have.

We may be adversely affected by unfavorable conditions in the global economy or volatile equity and credit markets.

Unfavourable global economic conditions, political instability, and volatile equity and credit markets may adversely affect our business, financial performance, and growth prospects. Concerns over geopolitical tensions, including strained relations between the United States and key global economies, trade controversies, and the potential for economic slowdowns or recessions in Europe and the United States, contribute to increased market volatility and uncertainty.

Rising inflation, higher interest rates, and reduced business and consumer confidence further exacerbate these risks, potentially impacting the availability and cost of credit, global demand, and investment flows. In recent years, instability has been heightened by the COVID-19 pandemic and efforts to contain its spread, as well as ongoing military conflicts in Ukraine and the Middle East. These factors have led to increased volatility in financial markets, disrupted supply chains, and created further risks to economic stability in Europe and worldwide.

Trade restrictions, tariffs, and economic sanctions could also affect our ability to source materials, manufacture products, or expand into certain markets. Additionally, prolonged instability may lead to government responses such as austerity measures, exceptional taxes, and changes in fiscal policy, all of which could impact our operations.

A prolonged economic downturn or recession may result in increased unemployment, reduced disposable income, and declining consumer spending, all of which could have a material adverse effect on our business, financial condition, and results of operations.

Negative developments in, or the general weakness of, the economies in the countries where we operate, in particular increasing levels of unemployment, may have a direct negative impact on the spending patterns of our customers, both in terms of subscribed services and usage levels. Because a substantial portion of our revenue is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of our subscribers will downgrade or disconnect all or part of the services they subscribe to and (iii) more difficult to maintain ARPUs at existing levels. In addition, we can provide no assurances that a deterioration of the economy will not lead to a higher number of non-paying customers or generally result in service disconnections. Therefore, a weak economy and negative economic development may jeopardize our growth targets and may have a material adverse effect on our business, prospects, results of operations and financial condition.

Reduced availability of credit has had, and could in the future have, an indirect negative effect on our business by reducing overall spending in the countries in which we operate, causing or helping to cause significant decreases in the value of certain asset classes and, therefore, decreases in the overall wealth of our customers and, together with the overall economic climate, increases in the number of payment defaults and insolvencies among our customers.

In addition, volatile credit markets have also affected us in the past, and may affect us in the future, through increases in interest rates of our floating rate debt and other financial obligations, particularly the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, the ING Facilities Agreement, BRD Agreements, the Citi Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement and the 2025 Citi Export Credit Facilities Agreements. The lack of easily available credit in the future may also restrict our ability to grow at a pace commensurate with the business opportunities we can identify. See "—*We operate in a capital-intensive business and may be required to make significant capital expenditure and to finance a substantial increase in our working capital to maintain our competitive position. Our capital expenditure may not generate a positive return or a significant reduction in costs or promote the growth of our business*." Additionally, this uncertainty can lead to an increase in costs for us due to legal and regulatory changes, as well as currency exchange rate fluctuations between the euro, the U.S. dollar and Romanian leu. These effects could have an adverse effect on our business, investments and potential growth into Europe. These factors could increase our operating costs, delay capital expenditure programs, or place additional regulatory burdens on us that could have a material adverse effect on our business, prospects, results of operations or financial condition. Furthermore, as a result of this uncertainty, financial markets could experience significant volatility, which could adversely affect the value of the Notes. All these factors and other effects of a continued economic downturn that we may fail to predict could have a material adverse effect on our business, prospects, results of operations or financial condition.

Risks Relating to Our Financial Position

Our substantial leverage and debt servicing obligations could have a material adverse effect on our business, prospects, results of operations and financial condition.

Our leverage can have important consequences for our business and operations, including:

- making it more difficult for us to satisfy our obligations with respect to our debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry;
- negatively impacting credit terms with our creditors;
- restricting us from exploiting certain business opportunities; and
- limiting our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations.

Additionally, we may incur substantial additional indebtedness in the future which could increase the risks listed above. Although the Indenture, the intercreditor agreement originally dated November 4, 2013, as amended and restated on October 26, 2016 and which establishes the relative rights of certain of our creditors under our financing arrangements (the "**Intercreditor Agreement**") and certain of our existing credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, such agreements do not prevent us from incurring obligations that do not constitute indebtedness as such term is defined therein. Any of these or other consequences or events could have a material adverse effect on our business, prospects, results of operations or financial condition.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indenture limits our ability to:

- incur or guarantee additional indebtedness that would cause us to exceed a Consolidated Leverage Ratio (as such term is defined in the Indenture) of 4.25 to 1;
- pay dividends or make other distributions, purchase, or redeem our stock or prepay or redeem subordinated debt;
- make investments or other restricted payments;
- sell assets and subsidiary stock;
- enter into certain transactions with affiliates;
- create liens;
- consolidate, merge, or sell all or substantially all of our assets;
- enter into agreements that restrict certain of our subsidiaries' ability to pay dividends; and
- engage in any business other than a permitted business.

In addition, the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, as amended and on 5 December 2024, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement from Spain and the 2025 Citi Export Credit Facilities Agreements contain covenants that limit our ability to incur and assume debt and/or require us to maintain a net leverage ratio of 3.50 to 1 (and a consolidated EBITDA to total net interest ratio of 4.25 to 1 (as such terms are defined therein). Further, our existing financing arrangements require us to have positive equity and limit, among other things, our ability to acquire or sell certain assets, to undergo certain corporate actions (such as mergers and de-mergers), to create security over our assets and to open or maintain bank accounts or to enter into banking relationships with certain financial institutions.

Although all of these limitations are subject to significant exceptions and qualifications, these covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

If we fail to comply with any of these covenants, we will be in default under our financial indebtedness (including the Indenture and the Notes), and the relevant trustee, holders of the indebtedness or the applicable lenders could declare the principal and accrued interest on the Notes or the applicable loans due and payable, after any applicable cure period. These restrictions could materially adversely affect our ability to finance future operations or capital needs or engage in other business activities that may be in our best interest.

Any impairment of our ability to draw funds under the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement as amended and on 5 December 2024, the ING Facilities Agreement, the BRD Agreements, the Citi Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement and the 2025 Citi Export Credit Facilities Agreements could materially adversely affect our business operations.

Our operations have been primarily financed using cash generated in our operations and debt financing. We rely on our senior credit facilities under 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement as amended and on 5 December 2024, the Citi Facilities Agreement, the BRD Agreements, the ING Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement and the 2025 Citi Export Credit Facilities Agreements to fund our CAPEX and to a lesser extent to fund our business operations and for various other purposes. Further, if we were unable to draw funds under our senior revolving credit facilities, we may need to find alternative sources of funds which may be at higher interest rates. In addition, the overdraft facilities under the ING Facilities Agreement and the Citi Facilities Agreement are provided on an uncommitted basis and can be withdrawn at any time. There also can be no assurance that we will have sufficient cash resources on hand at any given time to meet our expenses or debt servicing requirements. Our ability to draw funds depends on, among other things, our ability to maintain certain ratios. Our ability to meet these financial ratios and other required conditions to drawing could be affected by a number of factors, including by events beyond our control. In addition, our inability to maintain these financial ratios may also result in an event of default under the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement as amended on 5 December 2024, Citi Facilities Agreement, ING Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement or the 2025 Citi Export Credit Facilities Agreements, which would prohibit us from drawing funds under those facilities and potentially trigger a cross-default under the Notes. See *"—We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities."* This inability to draw funds or to maintain our operations due to a lack of cash flow could have a material adverse effect on our business, prospects, results of operations or financial condition.

We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate sufficient cash to service our debt.

Our ability to make payments on and to refinance our indebtedness, and to fund working capital and to make capital expenditures in the longer term, will depend on our future operating performance and ability to generate sufficient cash over the longer term. This depends on the success of our business strategy and on economic, financial, competitive, market, legislative, regulatory and other factors, as well as the factors discussed in these "*Risk Factors*," many of which are beyond our control.

No assurance can be provided that our business will generate sufficient cash flows from operations or that future debt or equity financings will be available to us to pay our debt when due or to fund our other capital requirements or any operating losses. If our future cash flows from operations and other capital resources (including borrowings under the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement as amended and on 5 December 2024, the 2023 ING Export Credit Facilities Agreements, the ING Facilities Agreement, the Citi Facilities Agreement, the BRD Agreements, the 2024 Citi Export Credit Facility Agreement, the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement and the 2025 Citi Export Credit Facilities Agreements) are insufficient to pay our obligations as they mature or to fund our liquidity needs in the longer term, we may be forced to:

- reduce or delay our business activities or capital expenditures;
- sell assets;
- obtain additional debt or equity capital;
- restructure or refinance all or part of our debt on or before maturity; or
- forego opportunities such as acquisitions of other businesses.

No assurance can be provided that we would be able to accomplish these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments on our indebtedness on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the 2020 Notes, the 2023 Senior Facilities Agreement, the 2025 Incremental Facility to the 2023 Senior Facilities Agreement, the 2024 Senior Facilities Agreement, the 2023 ING Export Credit Facilities Agreements, the 2024 Citi Export Credit Facility Agreement and the 2024 ING Export Credit Facilities Agreements, the 2025 Senior Facilities Agreement, among others refinancing the 2021 Senior Facilities Agreement and the 2025 Citi Export Credit Facilities Agreements limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business and could have a material adverse effect on our financial condition and results of operations. There can be no assurance that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale will be acceptable.

We may not be able to refinance maturing debt on terms that are as favourable as those from which we previously benefited or on terms that are acceptable to us, or at all.

Our ability to refinance our debt depends on a number of factors, including the liquidity and capital conditions in the credit markets and we may not be able to do so on satisfactory terms, including in relation to the covenants, or at all. In the event that we cannot refinance our debt, we may not be able to meet our debt repayment obligations. In addition, the terms of any refinancing indebtedness may be materially more burdensome to us than the indebtedness it refinances. Such terms, including in relation to the covenants and additional restrictions on our operations and higher interest rates, could have an adverse effect on our results of operations and financial condition.

Furthermore, our inability to meet repayment obligations under the existing agreements could trigger various cross-default and cross-acceleration provisions, resulting in the acceleration of a substantial portion (if not all) of our debt and could have a material adverse effect on our business, prospects, results of operations or financial condition.

Derivative transactions may expose us to unexpected risk and potential losses.

As at December 31, 2024, we had 1.3 million of embedded derivative assets related to the Notes (which include several call options, as well as one put option) and non-current derivative financial assets for the transaction between Digi Spain and abrdn in amount of 14.0 million. We had no derivative financial liabilities.

In addition, Digi Spain and the guarantor of the transaction, parent company Digi Romania (as applicable), have granted the minority shareholder an irrevocable and unconditional right to sell and transfer all the shares held by it in Digi Andalucia S.L. (former Primafati, S.L.U.), along with the associated debt, to DIGI Spain or the guarantor in the event of a material breach by Digi Spain (referred to as the 'Minority Shareholder Put Option'). For more information please see note 19.2 NCI of the consolidated financial statements.

From time to time, we may be party to certain derivative transactions, such as interest rate swap contracts, with financial institutions to hedge against certain financial risks. Changes in the fair value of these derivative financial instruments, that are not cash flow hedges, are reported in profit and loss, and accordingly could materially affect our reported results in any period. Moreover, we may be exposed to the risk that our counterparty in a derivative transaction may be unable to perform its obligations as a result of being placed in receivership or otherwise. In the event that a counterparty to a material derivative transaction is unable to perform its obligations thereunder, we may experience losses that could have a material adverse effect on our financial condition, financial returns or results of operations.

Risks Relating to the Shares and the Notes

Certain Shareholders hold a significant interest in and exert substantial influence over the Group and their interests may differ from or conflict with those of other Shareholders or with those of holders of the Notes.

Mr. Zoltán Teszári directly and indirectly beneficially owns 60.1% of the Company and 100% of the issued and outstanding Class A Shares and therefore will have 100% of the voting rights in a shareholder meeting for holders of Class A Shares ("**Class A Meeting**") (no votes can be cast on shares that the Company holds in its own capital).

Due to his ability to exercise control over the Class A Shares and their voting rights as well as the special rights attached to Class A Shares, including in relation to the appointment of the Board of Directors, Mr. Zoltán Teszári will be able to exercise control over all decisions of the Board of Directors and matters requiring shareholder approval, including payment of dividends and approval of significant corporate transactions. Furthermore, the interests of Mr. Zoltán Teszári may not always be aligned with those of other holders of Shares.

If Mr. Zoltán Teszári, individually or (if applicable) together with any of his children or Mr. Zoltán Teszári's heirs jointly no longer holds a direct or indirect interest in at least 30% in the issued and outstanding nominal share capital of the Company, the rights accruing to the Class A Meeting as set out in the Articles shall cease to exist. For the avoidance of doubt, the provisions relating to the binding nomination right cease to apply in that circumstance.

Holders of Class B Shares have lower voting rights than holders of Class A Shares which may impact the trading price of Class B Shares as well as control over the Company.

Holders of Class A Shares and Class B Shares have different voting rights. Each Class A Share has 10 votes, and each Class B Share has one vote. When holders of Class A Shares and Class B Shares vote together, holders having a majority of the votes (or 66.67%, in the case of a vote requiring a special resolution for which a quorum requirement exists and such quorum is not present or represented (i.e. can only be adopted by a majority of at least two-thirds of the votes cast, if less than one half of the issued share capital is presented or represented at the General Meeting)) present and voting will be in a position to control the outcome of the vote even if the matter involves a conflict of interest among the Shareholders or has a greater impact on one group than the other. Therefore, holders of Class A Shares will have more control over the outcome of Shareholder votes and decision-making. As only the Class B Shares are listed on the Bucharest Stock Exchange, the value of Class B Shares may be adversely affected given this distribution of voting rights and control. Our equity capital structure may inhibit or prevent acquisition bids, may decrease the value of the listed Shares and may make it difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders. The existence of different classes of Shares with different voting rights limits the amount of control that holders of Class B Shares have over the Company.

There is no assurance that the holders of the Shares and/or Notes will be able to sell them.

The Shares are listed on the regulated market of the Bucharest Stock exchange and the Notes are listed on the regulated market of the Irish Stock Exchange. We cannot guarantee the liquidity of any market that may develop for the Shares and/or the Notes, the ability of the holders of the Shares and/or the Notes to sell such Shares and/or Notes or the price at which they may be able to sell. Liquidity and future trading prices of the Shares and/or the Notes depend on many factors, including, among other things, prevailing interest rates, results of operations, the market for similar securities and general economic conditions. In addition, changes in the overall market for securities such as the Shares and/or the Notes and changes in our financial performance in the markets in which we operate may adversely affect the liquidity of any trading market in the Shares and/or the Notes that does develop and any market price quoted for the Shares and/or the Notes. As a result, we cannot ensure that an active trading market will be available for the Shares and/or the Notes.

Trading on the Bucharest Stock Exchange may be suspended.

The FSA is authorized to suspend securities from trading or to request the Bucharest Stock Exchange to suspend the trading of securities of a company listed on the Bucharest Stock Exchange if such continuation of trading would negatively affect investors' interests or to the extent the relevant issuer is in breach of its obligations under the relevant securities laws and regulations. Also, the Bucharest Stock Exchange is entitled to suspend from trading Shares in other circumstances, in accordance with its regulations. Any suspension could affect our Shares' trading price and would impair the transfer of the Shares.

The 2020 Notes may not remain listed on the Irish Stock Exchange.

Although Digi Romania will use its commercially reasonable efforts to maintain the listing of the Notes on the Official List and admitted on the regulated market of Euronext Dublin as long as the Notes are outstanding, Digi Romania cannot assure prospective investors that the Notes will remain listed. If Digi Romania cannot maintain the listing of the Notes on the regulated market of Euronext Dublin or it becomes unduly onerous to make or maintain such listing, Digi Romania may cease to make or maintain such listing, provided that it will use commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers, although there can be no assurance that Digi Romania will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List on the regulated market of Euronext Dublin or another recognized listing exchange for high yield issuers in accordance with the Indentures, failure of the Notes to be approved for listing, or the delisting of the Notes from the Official List on the regulated market of Euronext Dublin or another stock exchange in accordance with the Indentures may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

Furthermore, although Digi Romania, in the Indentures, agreed to use its commercially reasonable efforts to maintain the listing of the Notes on the Irish Stock Exchange as long as they are outstanding, Digi Romania cannot assure existing and prospective investors that the Notes will remain listed.

If Digi Romania cannot maintain the listing of the Notes on the regulated market of the Irish Stock Exchange or it becomes unduly onerous to make or maintain such listing, it may cease to make or maintain such listing, provided that it will use commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers, although there can be no assurance that Digi Romania will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Irish Stock Exchange or another recognized listing exchange for high yield issuers in accordance with the Indenture, the delisting of the Notes from the Irish Stock Exchange, failure to be approved for listing or delisting from another stock exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

The Shares and/or the Notes may be subject to market price volatility and the market price of may decline disproportionately in response to developments that are unrelated to the Company's operating performance.

The market price of the Shares and/or the Notes (following their listing) may be volatile and subject to wide fluctuations. The market price of the Shares and/or the Notes may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these "Risk Factors," as well as period to period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, unfavorable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions and regulatory changes. Any or all of these factors could result in material fluctuations in the price of Shares and/or the Notes, which could lead to investors getting back less than they invested or a total loss of their investment.

Not all rights available to shareholders in the United States or other countries outside the Netherlands or Romania will be available to holders of the Shares.

In the event of an increase in our ordinary share capital, holders of Shares are generally entitled to full pre-emptive rights unless these rights are restricted or excluded by a resolution of the General Meeting, which requires a proposal thereto by the Board of Directors which in turn requires the approval by resolution of the shareholders of the relevant class in respect of the pre-emptive rights of the holders of such class only or, if such increase can be decided by the Board of Directors and the Articles so permit, by a resolution of the Board of Directors. However, certain holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with.

Securities laws of certain jurisdictions may restrict the Group's ability to allow participation by shareholders in future offerings. In particular, shareholders in the United States may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless such rights and Shares are registered under the Securities Act or such rights and Shares are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Shareholders in other jurisdictions outside the Netherlands or Romania may be similarly affected if the rights and Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdictions. We intend to evaluate at the time of any issue of Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with any such registration or other means of making the rights available to U.S. Shareholders, as well as the indirect benefits to us of enabling the exercise of U.S. Shareholders of their pre-emptive rights to Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to file such a registration statement or take other steps to enable such holders to participate in the rights offer.

The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive, share option plan or de-leveraging or otherwise may dilute all other shareholdings.

The Group may seek to raise financing to fund future acquisitions and other growth opportunities, may issue shares in relation to share incentives or share option plans, or may raise finance for the purposes of de-leveraging. We may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected.

Our ability to pay dividends to Shareholders may be constrained.

We are a holding company and our ability to generate income and pay dividends is dependent on the ability of our subsidiaries to declare and pay dividends to us. The actual payment of future dividends by us and the payment of dividends, if any, to us by our subsidiaries and the amounts thereof will depend on a number of factors, including (but not limited to) the amount of distributable profits and distributable reserves and investment plans, earnings, level of profitability, ratio of debt to equity, credit ratings, applicable restrictions on the payment of dividends under applicable laws and financial restrictions on the debt instruments of our subsidiaries, compliance with covenants in our debt instruments, the level of dividends paid by other comparable listed companies and such other factors as the Board of Directors may deem relevant from time to time. As a result, our ability to pay dividends in the future may be limited and/or our dividend policy may change. If dividends are not paid in the future, capital appreciation, if any, of the Shares would be investors' sole source of gains.

Foreign shareholders may be subject to exchange rate risk.

The Shares are denominated in euro, but traded in Romanian lei. An investment in the Shares by an investor whose principal currency is not the leu exposes the investor to foreign currency exchange rate risk. Any depreciation of the leu in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms. In addition, we are required, under Romanian law, to pay our dividends through the system operated by the Central Depository.

Transfers of the Shares and/or the Notes may be restricted, which may adversely affect the value of the Shares and/or the Notes.

The Shares and the Notes have been offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws of the United States. The Shares and the Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws. Therefore, an investor in the Shares and the Notes may not transfer or sell the Shares and/or the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and may be required to bear the risk of an investment in the Shares/ and or the Notes for an indefinite period of time. It is the investors' obligation to ensure that their offers and sales of Shares and/or the Notes within the United States and other countries comply with applicable securities laws.

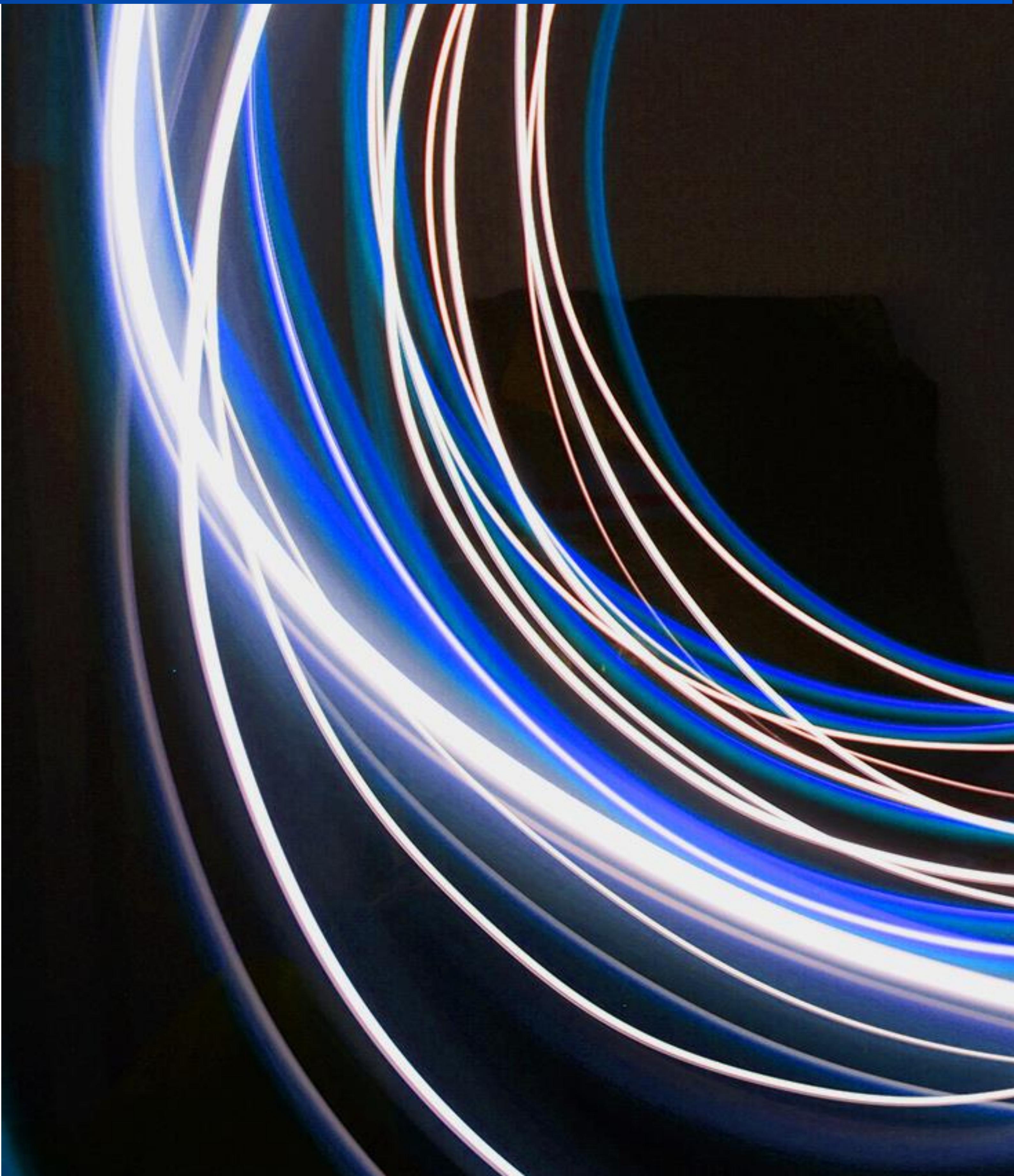
We are subject to additional regulatory obligations and incur additional costs in connection with the trading of our Shares and Notes on the regulated market.

We are required to meet regulatory requirements pertaining to entities with shares admitted to trading on the Bucharest Stock Exchange and the 2020 Notes, as well as those pertaining to entities registered in the Netherlands (such as the Dutch Corporate Governance Code), in particular with respect to disclosure, corporate governance and financial reporting, and allocate staff and resources to such purposes. Such increased costs could have a material adverse effect on our business, prospects, results of operations and financial condition. In addition, the regulations and requirements applicable to companies whose securities are listed on the Bucharest Stock Exchange and/or the Irish Stock Exchange are subject to change, and any future changes can be difficult to predict, increasing the risk that the Company may in the future be in violation of such rules and regulations, which can result in extensive fines and administrative fees. In addition, the Board of Directors and management may be required to devote time and effort to ensure compliance with such rules and regulations, which may entail that less time and effort can be devoted to other aspects of the business.

The rights of minority shareholders may be limited under Dutch law.

The Company is organized under the laws of the Netherlands. The rights of holders of the Shares, including the Shares, are governed by the Company's Articles and by Dutch law. These rights, including the rights of minority shareholders, as well as other matters affecting such rights, may be different in the Netherlands from those elsewhere, and an investor's ability to exercise such rights may be limited.

Management structure. Corporate Governance



MANAGEMENT STRUCTURE. CORPORATE GOVERNANCE

Introduction

The Company is a public company with limited liability (*naamloze vennootschap*) organized under the laws of the Netherlands. The Company has its official seat in Amsterdam, the Netherlands, and its principal place of business in Bucharest, Romania. As a company with shares listed on the Regulated Spot Market of the Bucharest Stock Exchange (the "**BSE**") (available through *www.bvb.ro*), we are subject to the BSE Corporate Governance Code, in effect starting from January 4, 2016 (the "**BSE CGC**"). As a Dutch company, the Company is also subject to the Dutch Corporate Governance Code, current version in effect starting from January 1, 2017 ("**DCGC**") (available through: *www.mccg.nl*) that applies, on a 'comply or explain' basis, *inter alia*, to all companies which have their statutory seat in the Netherlands and whose shares are listed on a regulated market in the EU/EEA or a comparable system outside the EU/EEA.

As its shares are listed on the Regulated Spot Market of the Bucharest Stock Exchange and as its principal place of business, center of management and tax residency are located in Romania, the Company applies the BSE Corporate Governance Code, while aiming to comply with as many principles of the DCGC as possible. The Company has provided explanations in relation to those principles of the BSE CGC or DCGC with which it does not comply in Annex 2 and Annex 3 to this report.

Compliance with the Corporate Governance Code of the Bucharest Stock Exchange

During 2024, we continued our efforts to comply with the BSE CGC.

The main principles of the BSE CGC that we did not implement[2] are the following:

- the directors are appointed following a nomination made by the Class A Meeting, instead of a nomination proposal made by a nomination committee consisting of non-executive directors. Although we have not implemented a specific selection procedure for board members and we do not follow the provisions of the BSE CGC when it comes to the nomination of directors, the corporate governance principles sought by the BSE CGC are achieved as the nomination of director candidates at the Company's level seeks to fulfil a series of requirements and the Class A Meeting upon making a proposal seeks to ensure that the board of directors (the "**Board of Directors**") is composed by members that have the requisite expertise, background, competences and – as regards the non-executive directors – independence, allowing thus the Board of Directors to carry out its duties properly;
- the cash dividend distribution policy is approved by the General Meeting, rather than being approved at the level of the Board of Directors. This setup provides greater shareholder protection by escalating the decision to the General Meeting;
- the Company has not yet implemented a specific policy for the assessment of the Board and has conducted only informal self-assessment processes with the involvement of the Audit Committee.

The Company is required to report its compliance with the BSE corporate governance requirements by filling in and attaching to its annual report the "comply or explain" statement imposed by the BSE's rules, attached as Annex 2 to this report.

Compliance with the Dutch Corporate Governance Code

We acknowledge the importance of good corporate governance. In addition to its compliance with the corporate governance requirements under the BSE CGC (with the exceptions described above), the Company also ensures that it complies with the provisions DCGC, with certain exceptions. Based on the resolutions of the Board of Directors adopted in 2023 and 2024, by which the composition of the Remuneration and Audit Committees was changed, the Company is currently compliant also with the provisions of article 2.3.4. of the DCGC and B2 of BSE CGC. Currently, the Company does not comply with the following best practice provisions of the DCGC[3]:

- best practice provision 2.1.5 of the DCGC: the Company does not have a diversity policy in relation to the Board of Directors. The desired expertise and background of the candidates are decisive when Board Members are appointed or reappointed. The members of the Board of Directors, as well as all

[2] At the General Meeting of Shareholders on April 21, 2017 and in the Board of Directors meetings from 14 and 15 May 2017, the relevant corporate documentation and policies including these departures from the BSE CGC were put in vote and approved

[3] At the General Meeting of Shareholders on April 21, 2017 and in the Board of Directors meetings from 14 and 15 May 2017, the relevant corporate documentation and policies including these departures from the DCGC were put in vote and approved

employees of the Company and of the Group companies are recruited and promoted primarily based on professional achievements, experience and performance within the Group, irrespective of gender, age, origin or any other personal or social feature. Although the Company does not have in place a formal diversity policy, in practice, the Company has not and does not discriminate between potential candidates for any available Board position due to their gender, age, origin or any other personal or social feature.

- best practice provision 2.1.6. of the DCGC: The Company does not have a Diversity and Inclusion Policy. Similar to the above explanation for best practice 2.1.5 of the DCGC, the members of the Board, senior management and in fact all employees are recruited and promoted primarily based on professional achievements, experience and performance within the Group, irrespective of gender, age, origin or any other personal or social feature.
- best practice provisions 2.1.7, 2.1.8 and 5.1.1. of the DCGC: the Company has 5 Non-executive Directors, of which 3 do not meet the independence criteria contained in the DCGC. Upon the appointment of the non-executive members of the Board of Directors, the general shareholders meeting aimed to set-up a Board of Directors whose members are selected individuals, with most extensive experience and insight into the Group's business. Therefore, Mr. Teszari Zoltan was reappointed as the Non-executive Board Director and as the President of the Board of Directors and Mr. Marius Varzaru (current general manager of Digi Spain) and Mr. Emil Jugaru (current Head of Digi Romania Sales and Customer Care Business Unit) were reappointed as Non-executive members of the Board of Directors. Given the particularity of the business and operations of our Group companies and the need for business continuity and internal and industry awareness, the general shareholders meetings gave priority to these functionality needs. In order to ensure that proper corporate governance is observed by such non-executive members of the Board of Directors, they are under the obligation to observe the provisions of the Company's articles of association (the "**Articles**") and the corporate governance documents, which establish clear and detailed rules regarding independent behaviour and management of any conflict of interest that any member of the Board of Directors, and particularly all non-executive members of the Board of Directors are strictly required to comply with.
- best practice provision 2.1.9 and 5.1.3. of the DCGC: the president of the Board of Directors (the "**President**") does not meet the independence criteria contained in the DCGC. Mr. Zoltan Teszari's reappointment as the President was voted by the general shareholders meeting of the Company held on 30 April 2020 and he will continue to occupy this position for as long as he will be a member of the Board of Directors. The President is the principal shareholder of the Company. The President is not a member of the Audit Committee.
- best practice provision 2.1.10 of the DCGC**: t**he report of the non-executive directors does not state the opinion of the non-executive directors regarding the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9. The report of the non-executives only states which non-executive directors are not independent under the BSE CGC.
- best practice provision 2.2.2 of the DCGC: the President of the Board of Directors may be reappointed for an indefinite number of terms. For details regarding the expected applicability period of and rationale for the deviation, please see the explanations in relation to best practice provisions 2.1.7., 2.1.8 and 2.1.9 above.
- best practice provisions 2.2.4, 2.2.5 and 2.3.2 of the DCGC: the Company does not have a nomination committee. The Company has decided not to set up a nomination committee as referred to in the DCGC (and has not allocated such tasks to another board committee), since Class A Meeting currently performs the duties of a nomination committee. For details as to the reasoning for such deviation, please refer to the text above, where the same deviation is discussed when referring to compliance with the BSE CGC.
- best practice provision 2.2.6, 2.2.7., 2.2.8 of the DCGC: The Non -executive Directors do not evaluate their own functioning, the functioning of the various committees of the Non-executive Directors and of the individual Non-executive directors. However, due valuation by the Audit Committee and the Remuneration Committee of their own activity is performed on yearly basis. Also, Non-executives do not evaluate the functioning of the executive directors as a whole and that of the individual Executive Directors. However, due evaluation of the Executive Directors' activity is performed on a yearly basis by the Audit Committee and the Remuneration Commmitte.
- best practice provision and 2.7.2 of the DCGC: there are no rules in place for the Non-executive Directors. However, Chapter VII from the Articles includes detailed provisions and rules regarding the Board of Directors, including on the composition, remuneration, the allocation of tasks and duties

among the executive Directors (the "Executive Directors") and the Non-executive Directors, on the decision-making process and the management of any conflict of interest.

- best practice provisions 3.1.2 of the DCGC: if share options are being awarded, share options can be exercised before three years have lapsed after they have been awarded (minimum term required by the DCGC), the minimum term of exercising share options is settled under the general shareholders or board of directors' meetings, under which the share options plans are approved.
- best practice provision 3.3.2 of the DCGC: Non-executive Directors who are directors in other Group companies or employees of other Group companies may be awarded remuneration in the form of share options. Any such grant of shares as part of share option plans will need to be expressly decided by the Company's general shareholders resolutions and considering the activity under the functions occupied by the Non-executive Directors within the Group companies.
- best practice provision 4.1.10 of the DCGC: The Company does not make available to its shareholders the report of the general meeting for comments, but instead the deed of record from of the General Meeting is posted on the Company's website in a notarized form.
- best practice provision 4.3.3 of the DCGC: which requires that a resolution of the General Meeting to cancel the binding nature of a nomination for the appointment of a Director or to remove such a Director, be passed with an absolute majority of the votes cast, representing at least one-third of the issued share capital. Instead, such resolution can be adopted by the General Meeting with a majority of two-thirds of the votes, representing at least half of the issued share capital. This deviation is meant to avoid vote inefficiencies or blockages upon the appointment or dismissal of any relevant Director.
- best practice provision 3.4.2 of the DCGC: the main elements of the agreement of an Executive Director with the Company have not been published on the Company's website. However, sufficient information was disclosed regarding the remuneration of Directors (see Management - Compensation for directors and managers).

Annex 3 to this report includes a descriptive table with respect to the Company's compliance with the BSE CGC.

Publicly available corporate governance rules on the Company's website and in the Company's Prospectus

The Company has made available since 2017 (with all subsequent updates) the relevant corporate information and corporate governance rules on the relevant sections of its website:

- identity and background information about the members of the Board of Directors: *https://www.digi-communications.ro/en/about-us*
- dedicated section to the documents regarding the General Shareholders' Meetings: *http://www.digi-communications.ro/en/general-share-holders*
- internal corporate governance documents: *http://www.digi-communications.ro/en/corporate-governance*

Any other details on relevant corporate and governance information regarding the Company are available in the relevant sections of the most recent Prospectuses of the Company and of its Romanian subsidiary (available on the Company's official website: *www.digi-communications.ro*).

Management

Board of directors

The Company applies a one-tier board structure comprising of two Executive Directors and five Non-executive Directors, of which two are considered to be independent Non-executive Directors.

Current Composition of the Board of Directors

Following the 2024 Annual General Meeting held in June 2024, Mr. Rymaszewski's term expired, and Mr. Arnaiz de Castro was elected by shareholders' vote to replace him. As of June 2024, and until the date of this report, the Board of Directors is comprised of the Directors mentioned below.

Name	Age	Position
Zoltan Teszari	54	President (Non-executive Director)
Serghei Bulgac	48	Chief Executive Officer (Executive Director)
Valentin Popoviciu	50	Executive Director
Emil Jugaru	51	Non-executive Director
Marius Varzaru	46	Vice-President Non-executive Director
Bogdan Ciobotaru	47	Independent Non-executive Director
Jose Manuel Arnaiz de Castro	64	Independent Non-executive Director

Biographical Details of the Directors

Zoltán Teszári (President and Non-Executive Director)

Mr. Teszari founded Digi Romania in 1996 and is the controlling shareholder. Before starting Analog CATV (a precursor company to Digi Romania), he founded TVS Holding Brasov in 1992, another large Romanian cable TV company that later was merged into Digi Romania. Prior to founding TVS Holding Brasov, Mr. Teszari owned and ran his own business. Mr. Teszari has been a board member since 2000, in June 2024 he was re-appointed as President and Non-executive Director and his current term is due to expire on the day of the AGMS to be held in 2028, though he can be re-appointed for an indefinite number of terms.

Serghei Bulgac (Chief Executive Officer and Executive Director)

Mr. Bulgac is an executive member of the Board of Directors and Chief Executive Officer. Mr. Bulgac was appointed as Chief Executive Officer and President of the Board of Directors of Digi Romania in 2015. Prior to becoming Chief Executive Officer, he was Vicepresident and non-executive member of Digi Romania. Mr. Bulgac joined Digi Romania in 2003. Prior to joining Digi Romania, he worked as a corporate finance associate at EPIC (European Privatization and Investment Corporation) and as a research analyst at Eastbrokers, a brokerage company. Mr. Bulgac graduated from the Bucharest Academy of Economic Studies and holds an MBA degree from INSEAD. In June 2024 Mr. Bulgac was re-appointed as Chief Executive Officer and Executive Director and his current term is due to expire on the day of the AGMS to be held in 2028.

Valentin Popoviciu (Executive Director)

Mr. Popoviciu is an executive member of the Board of Directors. He is also an executive member and Vice-President of the board of directors of Digi Romania (since 2019, previously holding a non-executive membership and the vice-presidency of the Board, between 2015 – 2019). Prior to his appointment in the board of directors of Digi Romania, Mr. Popoviciu had held the position of Business Development Manager of Digi Romania since 1999, after joining the company in 1998 as a branch manager in the Constanta office. Mr. Popoviciu graduated from the economics faculty of the Constanta— Ovidius University in 1997. Mr. Popoviciu was re-appointed as Executive Director in June 2024 and his current term is due to expire on the day of the AGMS to be held in 2028.

Mr. Emil Jugaru (Non-executive Director)

Mr. Emil Jugaru is a non-executive member of the Board of Directors since April 30, 2019, when he replaced Dr. Sambor Ryszka. Mr. Emil Jugaru is a graduate of the Faculty of Automation and Computers Sciences of the Polytechnic University of Bucharest. Since 1997, Mr. Emil Jugaru has coordinated the start-up and development of the broadband Internet business line of Digi Romania, the Romanian subsidiary of Digi Communications N.V., actively participating at the development of Group's successful Internet network and services. He currently holds also the position as Head of Sales and Customer Care Business Unit at Digi Romania. Mr. Emil Jugaru was re-appointed in June 2024 as a Non-executive Director and his current term is due to expire on the day of the AGMS to be held in 2026.

Marius Varzaru (Vice-President and Non-executive Director)

Mr. Varzaru was appointed in 2013 as a Non-executive Director of the Company. Mr. Varzaru has been the Managing Director of Digi Spain since 2008. Mr. Varzaru joined Digi Romania in 2005 as Reporting Manager and was shortly thereafter appointed to the position of Finance Director, a position he held up until 2008. Before joining Digi Romania, Mr. Varzaru worked at KPMG. Mr. Varzaru graduated from the Bucharest Academy of Economic Studies in 2001. Mr. Varzaru was re-appointed as Vice-President and Non-executive Director in June 2024 and his current term is due to expire on the day of the AGMS to be held in 2026.

Bogdan Ciobotaru (Independent Non-executive Director)

Bogdan Ciobotaru is considered an independent, non-executive member of the Board. He is also a non-executive member of the board of directors of the Company's subsidiary Digi Romania, a position he has held since 2013. Prior to joining Digi Romania, Mr. Ciobotaru held the position of Head of Financing for Central and Eastern Europe, Middle East & Africa at Renaissance Capital and the position of Executive Director in the Global Capital Markets, at Morgan Stanley in London, where he worked for over 10 years. Mr. Ciobotaru graduated from the Bucharest Academy of Economic Studies and holds an Executive MBA from Oxford University. Mr. Ciobotaru was re-appointed as Non-executive Director in June 2024 and his current term is due to expire on the day of the AGMS to be held in 2026.

Jose Manuel Arnaiz de Castro (Independent Non-executive Director)

Mr. Arnaiz de Castro is considered an independent, non-executive member of the Board of Directors. Mr. Arnaiz de Castro is a graduate of MSc Telecom & IT Engineering (Universidad Politecnica de Madrid – ETSIT) and has a Certificate in Governance & Diploma for Professional Directors from the Spanish Institute of Directors (Instituto de Consejeros-Administradores). He is a member of the British Institute of Directors, of the International Corporate Governance Network, of DIRSE (Spanish ESG Managers Association), of ISACA (Certified Information Security Manager Course), of Entrepreneurs Organization, of Asociacion Espagnola de Directivos. Mr. Jose Manuel Arnaiz de Castro has founded several tech-based and Telco companies since 1980 and has experience as both executive and non-executive director, including as member of advisory boards, in several companies for 40 years, such as: Intel Corp (member of the advisory board), Digitex (member of the advisory board), Lluch Essence (member of the advisory board), Aliter Merco (non-executive director), Opticanet (non-executive director), Jazztel (executive director), Loozend (CEO). Mr. Jose Manuel Arnaiz de Castro currently holds the position of non-executive director of CreDec, of Ports.Tech, of Know.ee, is member of the Advisory Board in JSC Ingenium. Since 2011, after having stepped down from managerial positions, Mr. Jose Manuel Arnaiz de Castro remained a director with supervisory and non-executive duties of Digi Spain Telecom SLU (formerly Best Spain Telecom). In 2011 Digi Spain Telecom became a wholly-owned group company of the Company. Mr. Jose Manuel Arnaiz de Castro was appointed as Independent Non-executive Director in June 2024 and his current term is due to expire on the day of the AGMS to be held in 2028.

Senior Management team

The current senior management team of the main subsidiaries of the Group, in addition to the Board of Directors listed above, is as follows[4]:

Name	Age	Position
Dan Ionita	46	Non-executive Director of Digi Romania and Chief Financial Officer of the Company
Mihai Dinei	55	Non-executive Director of Digi Romania
Silviu Georgescu	48	Technical Director for IP fixed services, software and security of Digi Romania
Catalin Neagoe	44	Deputy CEO DIGI Spain
Angel Alvarez	46	Chief Commercial Officer DIGI Spain until January 2025
Ismael Serrano Casero	50	Chief Technical Officer DIGI Spain
Carlos Sanz Tejedor	53	Chief Financial Officer DIGI Spain
Emil Grecu	48	Director Digi Portugal
Mihaela Toroman	45	Accounts Manager and Treasurer of Digi Romania and Financial Manager of the Company
Dragos Chivu	53	Managing Director of Digi Italy until 31 January 2025 and current Chief Commercial Officer DIGI Spain

[4] The list does not include the management positions occupied by the Board members

Florin Ungureanu	41	Director of Citymesh Mobile NV, InSky NV and Digi Communications Belgium, NV and, starting from January 31, 2025, he is also the Managing Director of Digi Italy.

General provisions applicable to the activity of the Company's Board of Directors

Set out below is a summary of certain provisions of Dutch corporate law as at the date of this report, as well as relevant information concerning the BSE CGC, the DCGC, the Board of Directors and certain provisions of the Articles concerning the Board of Directors.

The Board of Directors is collectively responsible for the Company's general affairs. The Articles divide duties of the Board of Directors among its members. The Executive Directors are responsible for the continuity of the Company and its business, focusing on long-term value creation thereby taking into account the interests of the Company's stakeholders and direct the day-to-day strategy of the Company. The Executive Directors are entrusted with managing the day-to-day affairs of the Company and are responsible to achieve the Company's objectives, strategy and the accompanying risk profile, the performance trend and results and for the corporate social responsibility issues relevant to the business of the Company and its subsidiaries. The Non-executive Directors are, *inter alia*, responsible for the supervision of the management of the Executive Directors and of the general affairs of the Company and the business connected with it and providing advice to the Executive Directors. In addition, both Executive Directors and Non-Executive Directors must perform such duties as are specifically assigned to them by the Articles. Each Director has a duty to properly perform the duties assigned to him or her and to act in the corporate interest of the Company. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, and other stakeholders. The General Meeting will appoint a Director either as an Executive Director or as a Non-executive Director.

An Executive Director may not be allocated the tasks of: (i) serving as chairperson of the Board of Directors; (ii) determining the remuneration of the Executive Directors; or (iii) nominating Directors for appointment. An Executive Director may not participate in (i) the adoption of resolutions (including any deliberations in respect of such resolutions) relating to the remuneration of Executive Directors and (ii) the appointment of the statutory auditor in the case General Meeting has not done so.

Tasks, that have not been specifically allocated, fall within the power of the Board of Directors as a whole. All Directors remain collectively responsible for proper management as a whole regardless of the allocation of tasks. The Board of Directors is comprised of seven members of which two members are Executive Directors and five members are Non-executive Directors. Three Non-executive Directors are considered non-independent within the meaning of the BSE CGC.

The Articles provide that Directors are appointed by the General Meeting upon a binding nomination by the meeting of Class A shareholders. The General Meeting may at all times deprive such a nomination of its binding character with a two-thirds majority of the votes representing at least half of the issued share capital, following which the Class A Meeting shall draw up a new binding nomination. When making a nomination, the Class A Meeting shall take into account that the Board of Directors shall be composed such that the requisite expertise, background, competences and – as regards certain of the Non-executive Directors – independence are present for them to carry out their duties.

In accordance with the Articles, the General Meeting from 25 June 2024 has reappointed Mr. Zoltán Teszári from among the Non-executive Directors as President of the Board of Directors and Mr. Marius Varzaru as Vice-President of the Board of Directors (the "**Vice-President**"). In addition, the Articles provide that the Board of Directors may grant titles to Executive Directors including, but not limited to, CEO and CFO. In accordance therewith, the Board of Directors has granted the title of Chief Executive Officer to Serghei Bulgac.

Operation of the Board of Directors

Rules regarding the meetings and the voting

The Non-executive Directors are to meet together with the Executive Directors, unless the Non-executive Directors wish to meet without the Executive Directors being present. As a rule, the Board of Directors shall meet at least once every quarter, and other meetings of the Board of Directors may be called at any time by (i) the President, (ii) the Vice-President or (iii) any three Directors, of which at least one Executive Director, acting jointly. Except when the Non-executive Directors wish to meet without the Executive Directors being present, at any meeting of the Board of Directors a quorum shall be present if all Directors have been invited and at least four members are present or represented, which must include the President being present or represented. Absent Directors shall be informed immediately of the resolutions adopted in their absence. Except in emergencies, matters of the field of responsibility of an absent Director shall only be discussed and decided on after the absent Director has been contacted. The Executive Directors and the Non-executive Directors respectively may separately adopt legally valid resolutions with regard to matters that fall within the scope of their respective duties.

The Board of Directors may also adopt resolutions outside a meeting (whether physical, by videoconference or by telephone), in writing or otherwise, provided that the proposal concerned is submitted to all relevant Directors then in office (and in respect of whom no conflict of interest exists) and provided that none of them objects to such decision-making process. Adoption of resolutions in writing shall be carried out by written statements from all relevant Directors then in office in respect of whom no conflict of interest exists.

The Board of Directors may only adopt resolutions by the favorable vote of the majority of the votes of the relevant Directors present or represented at the meeting of the Board of Directors. In a meeting of the Board of Directors, each Director, other than the President, is entitled to cast one vote. The President is entitled to cast as many votes as can be cast by all other Directors present or represented at that meeting in respect of whom no conflict of interest (as set out below) exists.

Dutch law provides that a Director may not participate in any discussions and decision making if he or she has a (potential) personal conflict of interest in the matter being discussed. The Articles provide that if for this reason no resolution can be taken by the Board of Directors, the General Meeting will resolve on the matter.

During 2024, from the date of publication of the previous annual report (May 2, 2024) until the date of this report, the Board of Directors adopted 28 written resolutions. These resolutions covered, among other things, significant operational decisions such as the approval of facility agreements and the confirmation of guarantees in accordance with the Intercreditor Agreement, where applicable, amendments to existing facility agreements, approval of the financial reports for Q1, H1, and Q3 2024, the 2024 preliminary report, the transfer of telecommunications activities carried out by Nowo to the subsidiary in Portugal, approval of the stock option program for a director of the Romanian subsidiary and the actual granting of options to executive members as approved by the General Shareholders' Meeting (GSM), the appointment of the chairperson and secretary for the 2024 GSM, the approval of the investor communication policy, the appointment of the members in the board committees and the approval of financial statements and convening of the Ordinary General Shareholders' Meeting. With the few exceptional situations of particular objective conflict of interest, all Board of Directors decisions were adopted unanimously.

The Board of Directors is advised and supported by the Senior Management Team, formed by individuals playing key roles for the Company's subsidiaries in Romania, Spain, Italy, Portugal whom do not hold executive positions with the Company. The Senior Management Team is an operational decision-making body of the Company, which is responsible for operating performance of the business and making decisions on certain operational matters. The Senior Management Team comprises financial, accounting and legal specialists. The role of these specialists is to conduct the day-to-day operations and management of the Company, ensure compliance by the Company with applicable legal, financial, accounting, tax and any other relevant regulations, prepare the due filings and reporting incumbent on the Company, and advise the Board of Directors with respect to the daily operations during the Board of Director's decision-making process. The financial and legal members of the Senior Management Team with specific roles within the Company provide continuous support to the Audit Committee and have the duty to prepare and support the relationship and the meetings between the members of the Audit Committee and the external and internal auditors of the Company.

Board committees

The Board of Directors has established two board committees: an audit committee (the "**Audit Committee**") and a remuneration committee (the "**Remuneration Committee**"). The board committees have a preparatory and/or advisory role to the Board of Directors. The Board of Directors from May 14 and May 15, 2017 have adopted rules on each board committee's role, responsibilities and functioning. The board committees consist of Non-executive Directors only. They report their findings to the Board of Directors, which pursuant to Dutch law remains fully responsible for all actions undertaken by such committees. Per its Term of Reference, the Audit Committee is to report to the Non-executive Directors separately on its deliberations and findings, if and when so requested in individual cases by the chief executive officer or by two Non-Executive Directors.

Audit Committee – the Audit Committee's activity during 2024

The Audit Committee consists of three members. On 27 June 2024, the Board of Directors of the Company appointed Mr. Jose Manuel Arnaiz de Castro - Independent Non-executive Director as chairperson of the Audit Committee for the same duration of as his mandate as non-executive director of the Board of Directors and re-appointed Mr. Bogdan Ciobotaru - Independent Non-executive Director and Mr. Marius Varzaru - Non-executive Director of DIGI Communications N.V as members of the Audit Committee for the same term, such in accordance with article 20 paragraph 1 of the Articles. The Audit Committee reports directly to the Non-executive Directors. The Audit Committee assists the Board of Directors with its oversight responsibilities regarding the quality and integrity of our Financial Statements, the Company's compliance with legal and regulatory requirements, the auditors' qualifications and independence, internal audits and other related matters.

Terms of reference of the Audit Committee

Set out below are the main responsabilities of the Audit Committee, as per its Terms of Reference.

The Audit Committee shall assist, supervise, review, advise and challenge the Board of Directors with respect to, *inter alia*:

(a) the integrity and quality of the financial reporting of the Company and its subsidiaries;

(b) the operation of the internal risk-management and control systems;

(c) the provision of financial information by the Company (including the choice of accounting policies, application and assessment of the effects of new rules, and the treatment of estimated items in the Company's annual accounts);

(d) compliance with recommendations and observations of the Company's internal and external auditors;

(e) the role and functioning of the Company's internal auditors;

(f) the Company's tax policy;

(g) the Company's relationship with its external auditor, including the independence and remuneration of the external auditor;

(h) the funding of the Company;

(i) the assessment of any situation that may generate a conflict of interest in transactions involving the Company, its subsidiaries and their respective related parties; and

(j) matters relating to information and communication technology.

Starting from the date of the publication of the previous annual report until the date of this report, the Audit Committee held a number of 4 meetings, with the participation of all its members and 2 meetings of the independent non-executive directors, members of the Audit Committee, with compliance and internal audit functions, which are documented in 6 minutes. The meetings were held by telephone conference and the attendance was of 100%. Aditionally, the Audit Committee adopted two decisions which were taken outside of a formal meeting, regarding the transfer price services and assessment on potential conflict of interest notified by Mr. Jose Manuel Arnaiz de Castro.

The Audit Committee activity during 2024 was mainly related to (i) approving auditing services, (ii) financial reporting, where the Audit Committee reviewed and approved quarterly, half-year and annual financial reports, (iii) assessment of particular risk management activities, (iv) reviewing the internal audit activity, mainly with respect to the approval of the annual audit plan and review the implementation of the approved audit plan and its effectiveness, updating the risk assessment, (v) the relation with the external auditor and (vi) the compliance officer's activity.

Remuneration Committee – the Remuneration Committee's activity during 2024

The Remuneration Committee is composed of three members, Mr. Bogdan Ciobotaru, President of the Remuneration Committee and Independent Non-executive Director, Mr. Jose Manuel Arnaiz de Castro, Independent Non-executive Director and Mr. Zoltán Teszári, President and Non-executive Director of the Board. The Remuneration Committee assists the Board of Directors with the implementation and development of remuneration and benefits policies, including bonuses for the Directors and employees.

The Remuneration Committee is responsible for preparing the decision-making of the Non-executive Directors regarding the determination of remuneration. In addition, the Remuneration Committee is further responsible for reporting to the Non-executive Directors on the implementation of the remuneration in each financial year in light of corporate goals and objectives relevant to the remuneration.

Terms of reference of the Remuneration Committee

Set out below are the main responsabilities of the Remuneration Committee as per its Terms of Reference.

The Remuneration Committee assists the Board of Directors in supervising with respect to, *inter alia*:

(a) drafting a proposal to the Non-executive Directors for the remuneration policy to be pursued, which policy shall be adopted by the General Meeting;

(b) recommending to the Non-executive Directors and making a proposal for the remuneration of each Director, within the limits of the remuneration policy. Such proposal shall, in any event, deal with:

   (i) the remuneration structure; and

   (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated enterprise.

When drafting the proposal for the remuneration of the Directors, the Remuneration Committee shall take note of individual Directors' views with regard to the amount and structure of their own remuneration. The Remuneration Committee shall ask the Directors to pay attention to the aspects as included in the remuneration policy.

(c) preparing the remuneration report;

(d) making it aware of and advising the Board of Directors on any major changes in employee benefit structures throughout the Company or its subsidiaries; and

(e) administering all aspects of any executive share scheme operated by or to be established by the Company.

During 2024, the Company complied with the Remuneration Policy applicable to the Company's Directors initially adopted on April 30, 2020 and subsequently revised to reflect relevant legislative and strategic updates. Neither the Board of Directors nor the Remuneration Committee agreed on or implemented deviating rules or practices. The Remuneration Policy adopted at the Annual General Meeting 2020 was revised pursuant to the Revised European Shareholder's Rights Directive, which was implemented under Dutch law with effect as per December 1, 2019. The most important changes of the revised Remuneration Policy are amendments made according to the implementation of the EU Shareholders Rights Directive indicating the mission of the Company and the objective of the Policy, detailing the remuneration package of the Company's directors by categories of fixed and variable remuneration, as well as presenting the performance criteria and pay out levels of the variable remuneration.

The Remuneration Committee reviewed the Remuneration Policy adopted in 2020 and, finding that its main provisions remained relevant, proposed an updated version for approval at the 2024 Annual General Meeting. This updated version was revised to ensure alignment with the Group's operations and to emphasize the importance of encouraging executive directors, through variable remuneration, to focus on long-term sustainable value creation. The 2024 Annual General Meeting approved the updated Remuneration Policy, which will continue to guide the Company's remuneration structure and principles moving forward.

With the due oversight and confirmation from the Remuneration Committee, and in accordance with the resolutions of the Company's shareholders and the Board of Directors were implemented the Company's ongoing stock option plans. (for more details regarding the stock option plans, see for reference the Remuneration section from this report).

The Remuneration Committee held a meeting on 29 April 2025 which was concluded with the adoption of the remuneration report for 2024 by undertaking an analysis and preparing an overview on the remuneration standards, ratios and employment related regulatory requirements and conditions applicable at the level of the Company's subsidiaries in Romania, Spain, Italy and Portugal, which has been reported to the Board of Directors.

The Board of Directors has, through its Remuneration Committee, prepared a remuneration report for 2024 in line with the legal disclosure requirements – see Remuneration section of this report.

Capital, shares and voting rights

As at December 31, 2024, the authorized share capital of the Company amounts to €11,000,000 (the "**Authorized Share Capital**") and is divided into:

100,000,000 Class A Shares with a nominal value of €0.10 each in the share capital of the Company; and

100,000,000 Class B Shares with a nominal value of €0.01 each in the share capital of the Company.

Class A Shares have not been admitted to trading on the Bucharest Stock Exchange. Only Class B Shares are listed and have been admitted to trading on the Bucharest Stock Exchange.

The Shares are subject to and have been created under the laws of the Netherlands. All Class B Shares and all Class A Shares are registered shares and not in certificated form. No share certificates (*aandeelbewijzen*) are or may be issued.

As at December 31, 2024, the issued share capital of the Company amounted to €6,810,042.52 divided into:

64,556,028 Class A Shares with a nominal value of €0.10 each in the share capital of the Company; and

35,443,972 Class B Shares with a nominal value of €0.01 each in the share capital of the Company.

DIGI owned a number of 4,409,361 Class A Treasury Shares and 1930,26 Class B Treasury shares.

General Meeting

Annual General Meetings

An annual General Meeting must be held within six months from the end of the preceding financial year of the Company. The purpose of the annual General Meeting is to discuss, amongst other things, the Directors' report, the remuneration policy and remuneration report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of the Executive Directors from liability for their management and the Non-executive Directors from liability for their supervision thereon, filling of any vacancies and other proposals brought up for discussion by the Board of Directors.

Annual General Meeting 2025

The 2025 Annual General Meeting of Shareholders to approve, inter alia, the 2024 statutory consolidated and stand-alone financial statements will be convened simultaneously with the publication of the audited statutory consolidated and stand-alone financial statements issued in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and Section 2:362(9) of the Dutch Civil Code.

Extraordinary General Meetings

Extraordinary General Meetings may be held as often as the Board of Directors deems such necessary or when the Class A Meeting makes use of any of its rights under the Articles to make a proposal to the General Meeting. In addition, Shareholders representing alone or in aggregate at least 10% of the issued and outstanding share capital of the Company may request the Board of Directors that a General Meeting be convened, the request setting out in detail matters to be considered. If no General Meeting has been held within 8 weeks of the Shareholder(s) making such request, that/those Shareholder(s) may request in summary proceedings a Dutch District Court to be authorized to convene a General Meeting. In any event, a General Meeting will be held to discuss any requisite measures within three months of it becoming apparent to the Board of Directors that the shareholders' equity of the Company has decreased to an amount equal to or lower than one-half of the issued and paid-up part of the capital.

Place of General Meetings

General Meetings of the Company will be held in Amsterdam or at Schiphol Airport, municipality of Haarlemmermeer, the Netherlands and each shareholder entitled to vote and each usufructuary or pledgee of shares to whom the voting rights accrue shall be entitled to attend in person the general meetings.

Convocation notices and agenda

General Meetings can be convened by the Board of Directors by a notice which must be published through an announcement on the website of the Company. The notice must specify the subjects to be discussed, the place and the time of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained. The notice must be given by at least 42 days prior to the day of the General Meeting. All convocations, announcements, notifications and communications to the Shareholders are made in accordance with the relevant provisions of Dutch law. If a proposal is made to amend the Articles, the convening notice will note this and a copy of the proposed amendment must be deposited at the office of the Company for inspection by the Shareholders until the end of the meeting.

The agenda for the annual General Meeting must contain certain subjects, including, among other things, the discussion of the directors' report, the discussion of the applied remuneration, the discussion and adoption of the Company's annual accounts and dividend proposal (if applicable), insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Board of Directors or Shareholders (with due observance of the laws of the Netherlands as described below). If the agenda of the General Meeting contains the item of granting discharge to the Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Executive Directors and the Non-executive Directors, respectively.

One or more Shareholders representing solely or jointly at least 3% of the Company's issued and outstanding share capital in value and the Class A Meeting are entitled to request the Board of Directors to include items on the agenda of the General Meeting. The Board of Directors must agree to such requests, provided that (a) the request was made in writing and (b) was received no later than the 60th calendar day before the date of the General Meeting. No resolutions will be adopted on items other than those which have been included on the agenda unless the resolution is adopted unanimously during a meeting where the entire issued capital of the Company is present or represented.

Admission and registration

The General Meeting is usually chaired by the President or the Vice-President.

All Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting. Minutes of the meetings shall be prepared.

All Shareholders, and each usufructuary and pledgee to whom the right to vote on shares in the capital of the Company accrues, are entitled, in person or represented by a proxy authorized in writing, to attend and address the General Meeting and exercise voting rights pro rata to their shareholding. Shareholders may exercise their rights if they are the holders of shares in the Company on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper ultimately at a date set for that purpose by the Board of Directors which date may not be earlier than the seventh day prior to the General Meeting, specifying such person's name and the number of shares for which such person may exercise the voting rights and/or meeting rights at such General Meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Voting rights

The Shares are denominated in euro. Each Share confers the right to cast one vote for each eurocent of nominal value. The Class B Shares have a nominal value of €0.01 and as such each Class B Share confers the right to cast 1 vote. The Class A Shares have a nominal value of €0.10 and as such each Class A Share confers the right to cast 10 votes. Under the Articles, blank and invalid votes shall not be counted as votes cast. Further, Shares in respect of which a blank or invalid vote has been cast and Shares in respect of which the person with meeting rights who is present or represented at the meeting has abstained from voting are counted when determining the part of the issued share capital that is present or represented at a General Meeting (for the avoidance of doubt, Shares held by the Company in its own share capital will not be counted when determining the part of the issued share capital that is present or represented at a General Meeting). The chairperson of the General Meeting shall determine the manner of voting and whether voting may take place by acclamation, subject to certain restrictions under the Articles. Shares in respect of which the law determines that no votes may be cast shall be disregarded for the purposes of determining the part of the issued share capital that is present or represented at a General Meeting. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares in the Company which are held by the Company.

Valid resolutions of the General Meeting can only be adopted at a General Meeting for which notice is given, a quorum of 50% of the issued and outstanding share capital (excluding any Shares held by the Company in its own share capital) plus 1 Share is present or represented and which is held in accordance with the relevant provisions of the law and the Articles. There will not be the possibility to hold a meeting without the quorum of 50% of the issued and outstanding share capital plus 1 share being present or represented. Therefore, no resolutions can be taken in the General Meeting if the Principal Shareholder is not present or represented. Resolutions are passed by a simple majority of the votes cast, unless Dutch law or the Articles prescribe a larger majority. The determination made by the chairperson of the General Meeting with regard to the results of a vote at a General Meeting shall be decisive. However, where the accuracy of the chairperson's determination is contested immediately after it has been made, a new vote shall take place if the majority of the General Meeting so requires or, where the original vote did not take place by response to a roll call or in writing, if any party with voting rights present at the General Meeting so requires.

The Board of Directors will keep a record of the resolutions passed at each General Meeting. The record shall be available at the offices of the Company for inspection by any person entitled to attend General Meetings and upon request a copy of or extract from the record will be provided to such person at no more than the cost price.

Dividend and distributions

The Shares are entitled to dividends and other distributions, if and when declared. Any such distributions will be made to each Share equally, irrespective of the class and nominal value. All Shares rank equally in all respects and will be eligible for any dividend distribution, if and when declared, in the future. Tax impact upon dividend distributions should be carefully considered (please see Section *Dividend Policy*).

Principal shareholder

The Company is controlled by Mr. Zoltán Teszári, our President. He holds a direct stake of 2,280,122 Class A Shares, representing approximately 3.6% of the voting rights in the Company. In addition, Mr. Teszári holds a stake of approximately 100% of the voting rights in RCS Management S.A., which in turn holds a direct stake of

57,866,545 Class A Shares, representing approximately 91% of the voting rights in the Company. Mr. Teszári's direct holding represents approximately 2.4% of the economic interest in the Company and RCS Management S.A.'s holding represents approximately 61% of the economic interest in the Company.

Risk management, risks and internal control systems

Risk management

The Company's formal enterprise risk management system represents an ongoing process that is constantly expanded and improved. The system is designed to manage a variety of risks such as strategic, operational, financial, reputational and compliance risks by taking in the following activities:

- Risks Identification: The Company's exposure to business-related risks associated with the Company's and Group's daily operations and business activities is identified and aggregated in the Company's Risk and Control Evaluation Matrix. The risks are identified by managing business performance from a risk-return perspective.
- Risks Evaluation/Measurement: This process aims to evaluate and prioritize the risks. In this respect, risk evaluation is the combination of the probability of occurrence and its impact in relation to the achievement of the business' objectives, and there are identified actions to be taken. The evaluation additionally includes qualitative factors that could be important for Company's strategic positioning and reputation.
- Monitoring and controlling the risks: The Company is constantly developing internal policies and procedures for the supervision and approval of decision for the major operational processes.
- Although there is no Risk Management Department in the Company, the enterprise risk assessment process is performed by Company's Internal Audit function with the support of process owners of major operational processes. The enterprise risk assessment system serves at optimizing operational business process in terms of effectiveness and efficiency, assuring that critical Group assets are protected and in monitoring activities in accordance with the applicable laws, regulation and corporate governance guidance and giving reasonable assurance on the reliability of the financial reporting.

The enterprise risk assessment process is aimed at continuous improvement and the process will continue to hold attention of the Company's management and will be subject to discussion within the Internal Audit Department, the Audit Committee and the Board of Directors.

This report states and summarizes in the table below those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the date of this report, and aims to provide reasonably sufficient insight into the most significant failings in the effectiveness of the relevant internal risk management and control systems that the Company has put in place or that need to be further implemented.

Internal audit

The internal audit function for the Company and the Group's business activities is ensured by a team of professionals across local markets that ensures local knowledge and experience. The function is composed by a team of members with different and appropriate professional qualifications and a wide range of relevant experience.

The internal audit function reports to the Company's Audit Committee and administratively to the Group Chief Executive Officer.

The internal control framework of the Company is based on three structures, respectively the functions that present and manage risks (operational units), compliance function and the internal audit function that provides both the risk management and independent assurance. Thus, the first level is performed by the operational units which are responsible to ensure that at the level of each process/activity is created a control and prevention environment for the risk, as part of the daily operations, the second level is ensured by the compliance function that monitors various specific risks such as noncompliance with laws, regulations and business ethical culture and the third level is performed through the internal audit function that provide independent and objective assurance regarding the adequacy and effectiveness of the internal control system.

The compliance and internal audit functions are independent from the operational units and report directly to the Audit Committee. The two functions have a cohesive, coordinated approach and work together to help the Company manage the risks, strengthen corporate governance framework and improve the operational processes.

The internal audit function provides the objective examination of the Company's overall activities, for the purpose of an independent evaluation of the internal control system, of the management and execution processes, in order to support the achievement of day-to-day operational and business objectives. It also issues recommendation for the improvement of operational processes and strengthening the internal control system.

The Audit Committee has a permanent agenda to cover Internal Audit related topics. For the year 2024 the Audit Committee reviewed and approved the annual audit plan and reviewed the operational initiatives for the continuous improvement of the internal audit function's effectiveness. The Audit Committee constantly reviews the progress against the approved audit plan and the results of internal audit activities, with strong focus on high risks identified and improvement areas that require attention. The Audit Committee analyzed the results by risks identified and affected processes, to highlight the improvements in the internal control environment.

In 2024, the internal audit function continued to update and enhance the formal enterprise risk assessment system and to suggest improvement paths for the major issues identified in connection with the activity of the Company. This process represents an ongoing assessment of the overall Company's internal control system, covering the entire range of risks. The operational processes addressed were assessed for risk based on a combination of two criteria: their importance to the Company and the likelihood of a material error occurring in the respective process, as well as from the perspective of the risk levels (high, moderate, low).

The assessment of the internal control system was performed based on the internal audit methodology through a risk-based approach, one of the main objectives being the assurance of operational and financial information reliability and integrity, as a result of an independent and objective evaluation of the internal control system.

The internal audit function was committed to the execution of the approved annual audit plan in parallel with the process of updating and enhancing the formal enterprise risk assessment system.

During 2024, the Internal Audit coverage across all local markets focused on principal risks regarding the monitoring of sales force commissioning for residential and business sales, management of rent contracts for stores, warehouses, and offices, client churn and equipment recovery from terminated clients, capitalization process, client installation process, wholesale and retail business.

The Internal Audit Plan was constantly under review to ensure that the main risks for the Group are captured and the audit work was adapted appropriately to the changing needs of the business for adding value. Based on the work performed by the Internal Audit function the watchlist of the main risks and issues identified is reviewed on a regular basis by internal audit, senior management and Audit Committee in order to monitor changes.

The findings of internal audit missions are reported to the Audit Committee, along with relevant recommendations and action plans to address the significand identified risks. This allows the Audit Committee to have an integrated view of how the risks are managed. Follow-up missions are performed regularly by Internal Audit to monitor the implementation stage of agreed action plans.

Management is responsible for ensuring that the issues and the risks identified by Internal Audit are addressed and mitigated within agreed terms and the compliance with the respective terms is monitored through follow-up missions performed by Internal Audit function.

The Internal Audit is responsible for verifying, by means of appropriate evidence, the adequate functioning of the internal control system and detecting the possible inefficiencies or non-compliance with the controls points embedded in the Company's processes. As such, the Internal Audit, as an independent function from the Company's management, supports the Audit Committee in its responsibilities with regards to assurance, risk management and the internal control system.

Risks

In Risk Factors section from this report, as well as in the share and notes risk factors related to the most recent Prospectuses[5] issued by the Company and by Digi Romania, the Company and Digi Romania summarized the potential overall risk exposure that could prevent the Company and the Group from achieving their objectives. Through its assessment process, the Board of Directors has identified the primary risk drivers presented in the table below systematized into 5 overall risk categories. The risk drivers refer to significant topics, such as regulatory compliance, legal and litigation risks, business operations or competitive factors.

The formal enterprise risk assessment framework allows the Company to identify, measure and monitor strategic and operational risks across all major processes within the Company. It provides management with a clear line of sight over risk to enable the decision-making process.

Defining the Company's principal risks is based on interviews with senior leaders of major process to gather their insights. The results are aggregated, and considered through the lens of the Company's strategic objectives risk appetite.

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[5] The Prospectuses are available at: *https://www.digi-communications.ro/en/investor-relations/shares/archive-shares/listing-materials-shares-arhive* ; *https://www.digi-communications.ro/en/investor-relations/bonds/notes-2025-2028*

The Company is constantly developing and updating a formalized internal control environment to protect the business from the major risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls over operational processes and financial reporting and the internal audit function has the responsibility for ensuring the effectiveness of these controls.

The assessment and the list of the risks are constantly updated to reflect the developments in the Company's strategic objectives and priorities as well as progress made in managing the risks.

A selective summary of main risks applicable for the year 2024 (and until the date of this report) is referenced below (however, for a complete and in-depth analysis with respect to the Company's risks and operational exposure, we kindly invite our investors and the market to read Risk Factors section from this report, as well as in the share and notes risk factors related to the most recent Prospectuses issued by the Company and by Digi Romania, the Romanian subsidiary of the Company). The risk appetite of the Company is aligned with its strategy and priorities. Some of the risks and uncertainties the Company faces are outside its control, others may be influenced or mitigated. The Company has, with regards to certain of these risks, implemented or started implementing risk management procedures and protocols. This process is to a large extent ongoing. The mentioning of these mitigating actions may not in any way be viewed as an implied or express guarantee that such mitigation will in practice be effective in limiting the risk exposure and/or the potential damage to the Company from any such risk materializing.

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
Preliminary note applicable to all risks mentioned below: The Group is not reasonably able to give clear or exact estimations on the likelihood of occurrence of any of the below risks. However, if materialized, each of the below are medium to high risks from the perspective of the potential (either relatively important or highly significant) impact on the Group's business and operations.		
Risk relating to our business and industry, and related to the countries where we operate	Strategic risks may affect the Group's strategic business plan performance targets and operational and development objectives. The strategic risks to which our operations are continuously exposed relate to, amongst others:	The Group aims to have a (reasonably) responsible appetite concerning strategic and operational risks. By reference to the complexity, unpredictability of such risks and the inability for the Group to prevent the occurrence or ensure complete or successful reaction, for the future, the Company (and its Group) will continue to aim for a reasonably responsible appetite.
	Competition pressure and changes in the client demand, client churn, technological changes, average revenue per unit (ARPU) decrease, opportunistic growth, intensive capital needs, risks exposures for our energy supply business.	From a strategic and management perspective, the Group has so far proven to be relatively efficient in managing its growth and development expectations. However, we cannot guarantee that the significant competition that we face in all our markets and business lines will not encourage the movement of customers to our competitors and thereby adversely affect our revenue and profitability. We cannot benefit from same competitive advantages that our principal competitors in the local markets enjoy, such as greater economies of scale, easier access to financing and more comprehensive product offerings in certain business lines. From a technological and development perspective, we invest significant amounts to upgrade our network offerings, adopt new technologies and increase the network coverage. However, there is no assurance that customers will accept these developments to the extent required to generate a rate of return that is acceptable to us. Additionally, our working capital needs have substantially increased in recent years and we may be required to limit our operations and expansion plans if, for any reason, we are unable to obtain adequate funding to meet these requirements. Our success is closely tied to general economic developments in Romania and Spain and any negative developments may not

[6] This table does not describe the particular risks relating to the Shares and the Notes or other particular tax risks that are explained in detail in the Risk Factors section of this report, as well as in the risk factors related to the latest Prospectus issued by the Company and by DIGI Romania, the Romanian subsidiary of the Company. This table particularly focuses on the below referenced main operational, strategic, financial, regulatory and legal risk categories.

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
		be offset by positive trends in other markets, potentially jeopardizing our growth targets and adversely affecting our business, prospects, results of operations and financial condition. We did not put in place a mitigation system in this respect.
	Rapid speed of disruptive innovations and/or new technologies within the industry may outpace the Group's ability to compete and/or manage the risk appropriately, without making significant changes to the business model. Failure to prioritize technology initiatives and effectively allocate resources in order to achieve the strategic Group's goals and objectives. The migration to new technologies is not sufficiently analyzed and documented in order to identify the compatibility with existing network elements. Thus, there may be a risk of network malfunctions and/ or additional costs generated to fix the incompatibility. The rollout of 5G will require major investments in the future for network construction.	The innovation, exploring the possibility to introduce new technologies and digitalization are front-and-center priorities of the Group. However, the capital constraints may adversely affect the Group's ability to innovate and reduce the pace of introducing new technologies. The Group implemented internal flows for analyzing and testing the proposals for new network development technologies to ensure compatibility with existing network elements. The Group has a competitive advantage as the percentage of core fiber coverage is high and it will not require material investments for 5G rollout.
	The general internal, European and international economic, political and social context, instability of the credit markets, currency risks, our credit rating, general tax matters; including the political and military instability in the region generated by the Russian invasion of Ukraine.	Given its business profiles and presence on a reduced number of countries[7] (Romania, Spain, Italy, Portugal and Belgium), the Group's exposure to these country, market and industry risks cannot be at all times reasonably anticipated or mitigated.
	System failure/ shutdown, termination of main supplier agreements, failure to get sufficient/ appropriate managerial resources, insufficient insurance coverage, failure of billing, credit control and other operational systems, health risks affecting the mobile site architecture and development, personal data leakage, logistics, quality control, labor relations, information technology, force majeure.	Customary contractual agreements are put in place to protect the Group. The Group aims to look for alternative supplies and partnership options. However, in some cases, the Group might not be able to have access to sufficient or substitute alternatives. The Group is actively recruiting talent and is actively making use of experienced middle-management. However, given the high specialization of the industry and know-how of skilled

[7] In Portugal and Belgium licences and/or other assets were acquired, but provision of services to customers has not commenced until the date of this annual report

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
		professionals, replacing or increasing several functions might not be a timely or successful process.
	IT risks relating to malfunction or disruption in the operational and accounting systems, or cyber-security breaches, could adversely impact the Group's ability to compete in a very active market. The risk of cyber-attacks will continue to trend as one of high to medium operational risks for the Group given the dependence on IT systems and technologies. Also, the cybersecurity risk is constantly evolving in line with technological advances such as teleworking, 5G launch. Failure to protect customer data and ensure service availability could have an adverse impact on customer experience and may lead to financial, reputational and regulatory risks.	The Group invests heavily in IT infrastructure and is actively recruiting highly specialized IT professionals. The majority of software applications were developed internally, this offering the possibility to rapidly react to environment changes which ensure a competitive advantage. Additionally, lower prevalence of external business software and applications ensure control over application source code and increased security. The Group constantly implements appropriate technical and organizational measures for ensuring a strong level of security to address the current cybersecurity threats. One of the main objectives is to ensure ongoing integrity, availability and resilience of data processing systems. The Group's Information Security Department is comprised of highly-skilled personnel, being responsible for regularly testing the efficiency of the IT network and applications. The Group monitors the security incidents and security control effectiveness. An incident response procedure was designed and implemented. Nevertheless, we draw attention that such systems cannot provide absolute assurance considering the complex environment of cyber security threats and knowing that cyber fraudster continuously working to develop new and unusual ways to siphon money from companies.
	Adoption of new software-based technologies and continuous digitalization of the Group's process may involve increased cost in transformational projects. There may be encountered difficulties in attracting and retaining skilled software developers.	The majority of software applications are internally developed, this offering the possibility to rapidly react to environment changes which ensure a competitive advantage. The Software Department is composed of a team of experts in different programming languages and with wide relevant experience.
	Loss of mobile base stations, fixed stations, data center and other technologies used in providing services to customers could result in a material adverse impact on customers, revenues and reputation. Our resilience plan extends to wider service platform, including television, online services, energy.	The Group implemented resilience and redundancy levels for the technologies used in providing services to customers. Ongoing monitoring systems are implemented for the entire network structure (backbone, fixed fiber optic, mobile and other technologies) in order to increase the resilience levels and to identify improvements opportunities based on lessons

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
	Our mobile base stations are subject to possible complaints from other residents from the area which may lead to possible fines from local authorities and the risk of being compelled to move the mobile base station to other location resulting in additional costs and possible adverse impact on service coverage. There should be considered the stringent environmental regulations to reduce radiation from base station may impede with infrastructure development.	learned from past incidents. Back-up solutions are implemented and updated. There are designed internal procedures and controls to ensure that all agreements required by the laws and regulations are obtained before mobile base station construction. Nevertheless, there may be situations when we will face complaints from other residents or instances when not being in full compliance with all applicable laws and regulations considering the complexity and diversity of legal framework.
	Reliance on suppliers for sourcing equipment, network devices, and other components and materials needed for infrastructure development may increase the concentration of risk and conduct to delays in rolling out plans and increased costs. Additionally, poor supply chain management and inefficiencies in managing the suppliers' financing may adversely impact the relations with critical suppliers. The sourcing risks increases during current military and, in general, geo-political crises. Changes to national and European regulation regarding security threats could result in increased operating costs determined by changing the sourcing of our main equipment for network development. Also, there may be the risk of being compelled to change part of our existing network that may need additional investments.	The Group negotiates agreements with alternative suppliers for reducing the reliance on a single supplier for critical equipment. The cash flow management is closely monitored. Nevertheless, there may be instances when the payment terms are not fully observed. The Group continuously focus on obtaining in time the equipment and materials required for driving forward technological advances according to strategic plans. This was possible due to an extensive suppliers' network and highly-skilled procurement specialists. Our subject matters experts closely monitor the changes in national and European regulations regarding security threats and the political situation around our key suppliers.
	Failure to deliver the planned technological advances, difficulties in maintaining the service quality delivered to clients, client churn and unrecoverable receivable due to potential macro-economic downside risks. The Ukraine military conflict may impact the way how the business is operated, the employees and all partners, conducting to an increased risk of uncertainty in achieving the strategic objectives.	The Group's senior management and the Board was continuously focused in delivering strong results even during crises by changing the way how the operations are performed in order to ensure a safe environment for employees, clients, suppliers and all other partners. The complementary selling channels were maximized for consolidating the market share. The Group speed-up the process's digitalization and automation for increasing the efficiency.
Risk relating to legal and regulatory matters and litigation	Compliance risks cover unanticipated failures to comply with applicable laws, regulations, policies and procedures. The telecommunications and media sectors are under	The Group has an adverse risk appetite with respect to legal and compliance risks and requires full compliance. The Company will continue to keep the same (and work to enhance) adverse risk appetite with respect to these risks.

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
	constant scrutiny by national competition regulators in the countries in which we operate and by the European Commission. We have been in the past, and may continue to be, the subject of competition investigations and claims in relation to our behavior in the markets of the jurisdictions where we operate. Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licenses, permits, approvals and authorizations, as well as ongoing compliance with, among other things, telecommunications, audiovisual, environmental, health and safety, labor, building and urban planning, personal data protection and consumer protection laws, regulations and standards. Any increase in governmental regulation of our operations could increase our costs and could have a material adverse impact on our business, prospects, results of operations and financial condition. A suspension or termination of our licenses or other necessary governmental authorizations could have a material adverse effect on our business and results of operation. Additionally, from time to time we may not be in full compliance, temporarily, with applicable laws and regulations regarding permitting the construction of various components of our network. We have experienced, and may continue to experience, difficulties in obtaining some of these approvals and permits. Certain agreements we have entered into for the purposes of developing our networks, including some of the agreements entered into with electricity distribution companies and public authorities for the lease of the majority of the poles that support our above-ground fixed fiber optic networks, have been entered into with persons whose title to the leased assets or authority and capacity to enter into such agreements were not fully verifiable or clear at the time they entered into the agreement. Additionally, certain agreements for the lease of poles from third parties are and continue to be	The Group aims to take appropriate measures in the event of a breach of applicable laws or the Group's corporate governance regulations. The Group endeavors to stay abreast of changes to legislation and to ensure compliance. The legal in-house teams at the level of all Group companies and the collaborations with independent legal counsels have been constantly increasing for the past years. The Group pursues to strengthen its legal and regulatory team, and to increase in-house and partner education on applicable compliance expectations.

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
	arranged on the basis of oral agreements or tacitly accepted practices, creating a risk that they could be discontinued in the future. Termination or cancellation of the agreements may result in additional costs for re-execution of such agreements or for the implementation of an alternative solution or, in the worst case, in a loss of business. The telecommunications industry in the markets in which we operate is characterized by the existence of a large number of patents and trademarks. Objections to the registration of new trademarks by third parties and claims based on allegations of patent and/or trademark infringement or other violations of intellectual property rights are common. We may also be subject to claims for defamation, negligence, copyright or other legal claims relating to the programming content or information that we broadcast through our network or publish on our websites.	
	The Company is subject to insider trading risks and potential violations of financial supervision laws due to unauthorized sharing of price sensitive information. In the event that any person involved with the Group (whether internal or external) is (alleged of being) involved in insider trading, this might cause significant reputational damage to the Group.	The Group has implemented an insider trading policy and has concluded trainings for the handling of price sensitive information. The Company endeavors to increase awareness of applicable insider trading prohibitions through dedicated non-disclosure agreement and acknowledgement correspondence. Awareness programs are periodically updated for the target groups.
	The Group's employees or any other independent partners or consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could have a material adverse effect on the Group's business. If any actions for violation of regulatory standards are instituted against the Group, and the Group is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of significant fines or other sanctions, and its reputation. If allegations of fraudulent conduct are made against the Group this may significantly impact the Group's reputation.	The Company and the Group subsidiaries are in process of redesigning and extending the compliance framework starting with 2018 by constantly developing the existing policies and procedures and approving new ones. The Company conducted trainings and an awareness campaign for its employees from critical functions related to "Code of Conduct", "Conflict of Interest, Anti-Corruption and Anti-Money Laundering"; the training programs help in setting the ethical culture across the Company and support employees understand their role in ensuring compliance. The Group constantly worked in improving the ethical culture across the organization. The effectiveness of the compliance program in 2023 was assessed within the Compliance Risk Assessment (CRA) carried out in 2024. The assessment of the

Risk type / category[6]	Description of main risk drivers	Risk appetite. Available mitigations, if any
		compliance program effectiveness will be annually updated.
	Inadequate information classification standards may lead to security, privacy and data protection issues and failure to comply with GDPR requirements and to adhere to customer permission requirements.	The Group assessed the internal framework for classifying, processing the personal data in order to ensure that the data is collected, processed and stored in line with applicable laws and regulations.
Risk relating to our financial position	Financial risks include uncertainty of financial return and the potential for financial loss due to capital structure imbalances, inadequate cash flows, asset impairments and the volatility of financial instruments related to foreign exchange and interest rate exposure. Main financial risk drivers relate to: our substantial leverage and debt servicing obligations, applicable restrictive debt covenants, impairment of the ability to draw funds under the existing facilities agreements, ability to generate sufficient cash to service our debt, (in)ability to refinance maturing debt on favorable terms, exposure from derivative transactions.	The Group has a prudent risk appetite with respect to financial risks. The Group's desire is to keep the prudent risk appetite. The management aims to constantly monitor leverage ratios according to the covenants of the Group's facilities commitments and the Notes / Indenture documentation. Based on the current state of affairs, it is justified that the financial reporting is prepared on an ongoing concern basis. The management aims to constantly monitor the optimal financing alternatives for its business plans. The Group performs periodical cash management controls and reconciliations in order to ensure an efficient utilization for daily business needs. The management aims to constantly monitor the efficiency of the derivative instrument and the associated risks. The Company's financial reporting includes those policies that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Other corporate governance practices

The Company has implemented various corporate governance policies and procedures as described in this section, in order to develop a culture focused on integrity and business ethical behaviour (*https://www.digi-communications.ro /en/corporate/corporate-governance?p=2*)

Directors Conflict of Interest Policy

In this respect, starting with 2017, the corporate governance framework (the **"Compliance Framework"**) has been completed with the conflict of interest policy applicable to the Company's directors (the **"Directors Conflict of Interest Policy"**) together with the provisions of the Articles and the Audit Committee Terms of Reference. During the financial year 2024 there were no (potential) conflicts of interest between any duties owed by the Directors or Senior Management to the Company and their private interests or other duties, except for a few exceptional situations described in the section "Rules Regarding the Meeting and the Voting" of this report. Any potentially conflictual situation or incident are to be solved by members of the Audit Committee who are not in a situation of conflict of interest or by the independent Non-executive Directors who are not in a situation of conflict of interest in accordance with the corporate governance rules of the Company.

Code of Conduct

The Board of Directors adopted on May 14, 2017 its code of conduct in accordance with section 2.5.2 of the Dutch Corporate Governance Code (the "**Code of Conduct**"). The Code of Conduct summarizes the principles and standards that must guide the Group's actions. The Group shall conduct its business with fairness, honesty, integrity and respect for the interests of its stakeholders in a wide variety of social, political and economic environments. The Code of Conduct includes internal rules regarding the management of confidential information, the public disclosure of data, financial and accounting information, general rules on insider trading, fair competition, the management of conflict of interest, compliance with the laws and regulations, the working environment, health and safety, ethics at work, relevant environmental matters, etc. The Code of Conduct's provisions are mandatory for the Group's employees and Board members. The effectiveness of, and compliance with, the Code of Conduct and the other compliance policies are assessed through internal controls and procedures put in place by the Group, as well as through systematic and ad hoc financial and operational audits in addition to internal investigations, in order to detect, investigate and sanction (if confirmed) any alleged misconduct.

The Company and its Group subsidiaries are working to put in place further extended tools to enhance compliance with the Code of Conduct. A copy of the Code of Conduct is published on the Company's website. This Code of Conduct may be amended by a resolution of the Board of Directors. Any amendments will be published on the Company's website.

Insider trading policy

The Board of Directors adopted in May 2017 its insider trading policy (the "**Insider Trading Policy**"). The Insider Trading Policy's purpose is to ensure that all employees comply with rules on insider dealing and do not abuse nor place themselves under suspicion of abusing inside information that they may be thought to have, including in periods leading up to an announcement of the Company's results. The Insider Trading Policy aims to promote compliance with the relevant obligations and restrictions under applicable securities laws, and beyond those imposed by law.

The Whistleblowing Policy

The Board of Directors adopted in May 2017 its whistleblowing policy (the **"Whistleblowing Policy"**), which sets out the framework under which an employee or other stakeholder can report concerns or complaints about any activity of a general, operational or financial nature, which in his opinion (i) infringes applicable law, regulation or any generally accepted Group practice; and (ii) may have significant negative impact on Group's operations. On June 21, 2023 the Board of Directors adopted the first revised version of the Whistleblowing Policy containing an alignment to the current legislation, following the repeal of the House for Whistleblowers Act (Wet huis voor klokkenluiders). This new version provides general guidelines applicable to the Group and specifies that subsequent procedures will be adopted by the Company's subsidiaries based on local applicable law.

The Anti-Bribery, Anti-corruption and Business Ethics Policy

The Board of Directors adopted in March 2020 its anti-corruption and business ethics policy (the "**Anti-corruption and Business Ethics Policy**") which sets the standards regarding business ethics and measures in order to prevent corruption, requires compliance with all applicable anti-corruption laws and regulations, bans bribery and corruption in any form and allows engagement only with business partners with high integrity standards. On June 21, 2023, the Board of Directors adopted the first revision of this policy which contains additional provisions regarding politically exposed persons, facilitation payments, conflict of interests and donations and sponsorships. This revised version provides a clearer focus on anti-bribery, considering the specific Certification received for ISO 37001.

We have a long-standing practice of including anti-corruption and anti-money laundering terms in employment and services agreements that we sign with our employees, directors and individual subcontractors.

In order to promote compliance by each Group employee, director or individual subcontractor with our Compliance Framework, we, among other things:

(i) have established a designated global compliance function, comprised of individual representatives from the Group's Legal Department, Internal Audit Department and Compliance Department (Digi's Compliance Group). Digi's Compliance Group is responsible for: implementing and monitoring compliance with the Compliance Framework; providing advice to employees, directors and contractors in respect of their conduct, including how to comply with the Compliance Framework; investigating potential violations of the Compliance Framework (by the Group Compliance Officer) and, where violations are substantiated, recommending appropriate remediation steps; and periodically reviewing the Compliance Framework and making revisions where necessary. All employees, directors and contractors, together with the Group's Internal Audit Department are required to report any suspected violation of the Compliance Framework to DIGI Group's Compliance Officer. Where appropriate, Digi's Compliance Officer shall report a substantiated violation of the Compliance Framework to the CEO or the President of the Audit Committee, taking into consideration the material competence established by the Whistleblowing Policy;

(ii) have established a centralized electronic procurement system, which requests a prior approval from Group's legal, accounting and internal control functions for any acquisitions, as well as top management review and approval;

(iii) through the same centralized electronic procurement system, the Group seeks to take into account and closely monitor any payment inflows and outflows (including seeking to ensure that all such payments are properly documented); and

(iv) require that any interactions with government officials be conducted in compliance with applicable law (e.g the Anti-Bribery, AntiCorruption and Business Ethics Policy provides that the personnel is prohibited from giving or receiving gifts to or from public officials).

The Key business ethics principles included in the Anti-Bribery, Anticorruption and Business Ethics Policy are the following: (a) the prohibition of the offer, payment, solicitation or acceptance of bribes (whether directly or indirectly) to public officials, business partners and any third parties; (b) the prohibition of the offer or acceptance of gifts or hospitality to or from public officials and the allowance of only reasonable and proportionate offers or acceptance of gifts and hospitality from other third parties in the normal course of business; and (c) the prohibition of political contributions and inappropriate corporate social responsibility contributions made on behalf of the Group.

The Group has implemented an electronic Gifts and Hospitality Register where all employees with access to IT systems must record all gifts and hospitality provided to or received from business partners. The analysis of the recordings is done by the DIGI Group's Compliance Officer in real time, each employee who makes a recording is notified by e-mail that the recording will be analyzed by the Compliance Officer, and subsequently will be informed about the result and the measures to be taken in relation to the received/offered gift/ hospitality service.

Prior to any engagement with a business partner, the Group takes certain steps to address issues, which have the potential to create a conflict of interest or lead to unethical behaviour, these steps include: (1) risk based due diligence (Know Your Partner) checks as per the thresholds mentioned below; (2) making the potential business partner aware of the Group's anti-corruption and business ethics principles and the existing reporting channel for concerns about corruption or business ethics; (3) ensuring that the potential business partner is encouraged to adhere to the Group's anti-corruption and business ethics principles or implement equivalent rules and procedures; and (4) ensuring that a set of anti-corruption, anti-money laundering and conflict of interest provisions is included in the relevant agreements.

The Anti-Bribery, Anticorruption and Business Ethics Policy requires any individual within the Group to report any suspected violations thereof to Digi's Compliance Officer.

In line with DIGI Group's Partner Anti-Corruption and Business Ethics Due Diligence Guidance, beginning with 2020, we conduct Know Your Partner (KYP) checks and we have established the appropriate risk-based due diligence for selected Business Partners with whom the DIGI Group concludes contracts or purchase orders in amount of and exceeding €25 thousand (this threshold which was initially €100 thousand and during 2022 was lowered to €25 thousand in order to extend the number of partners and/or transactions covered by KYP checks). We implemented appropriate measures to reduce the potential identified risks, for example by carrying out a complete Legal Entity Partner Due Diligence Form, by inserting Anti-Corruption and Business Ethics Clauses or by requesting additional information or documents to clarify identified risks. In addition to the due diligence process performed at the initiation of the business relationship, the monitoring of business partners involving the reassessment of business partners from the perspective of compliance risks is carried out annually.

Anti-Money Laundering Policy

The Board of Directors adopted in March 2020 its anti-money laundering policy (the "**Anti-Money Laundering Policy**") which requires compliance with all applicable laws and regulations regarding anti-money laundering and terrorism financing. The Policy prohibits money laundering and terrorism financing in any form and provides a set of rules and procedures to be followed, which includes those relating to: (a) reporting cash transactions, when necessary, to the Group's compliance function; (b) appropriate, risk-based due diligence procedures applicable to customers and business partners; and (c) reporting any suspicious activity involving the Group, a customer or a business partner to the Group's compliance function. According to this policy, terrorism financing includes conducting any business relationship with individuals or entities that: (i) appear on the sanctions list published by the Financial Action Task Force (FATF); (ii) are identified or sanctioned as terrorist individuals or entities in any publication of the European Parliament or Council; and/or (iii) are located in countries subject to the European Union's international sanctions regime.

The Personnel Conflict of Interest Policy

The Board of Directors adopted in March 2020 its personnel conflict of interest policy (the "Personnel Conflict of Interest Policy") which stipulates the conduct expected from the Group's officers, directors, employees and contractors to ensure that all reasonable measures are taken in order to avoid and/or manage any actual, potential or perceived conflict of interest related to personal financial interest, family members interest or previous, current or potential involvement in any external activity that might be in conflict with the Group's interests.

The Group uses an electronic format of Conflict of Interest disclosure regarding family members, external activities and transactional conflict.

In December 2024, the Annual Conflict of Interests Campaign has been launched within Digi Romania and other Romanian subsidiaries, based on risk-oriented approach. The aim of this campaign was to recognize the changes in the cases that were previously declared, as well as the omissions to declare the three types of real/potential conflicts of interest implemented by the company (family members, transactional conflict of interests and external activities) and to identify, based on a mixed analysis, measures to reduce the risks derived from confirmed cases of conflict of interest. The above-mentioned Policies are applicable to all entities within the Group and mandatory for all our employees, officers and directors and we plan to strongly recommend our business partners that they adhere to these principles. These Policies are applied through detailed internal procedures.

In addition to our global compliance function, in order to comply with the legal provisions and the Group's policies and procedures, every department, business unit and employee is responsible for identifying potential risks that may result in violation of the Compliance Framework and for preventing these risks, if possible. Managers of departments and business units periodically report on relevant issues to DIGI's Compliance Group. Should any serious irregularity be identified, it is required under the internal procedures and documents to be reported promptly to the Group's top management.

In 2023, the Compliance Framework has been supplemented with the following three policies:

The Donations and Sponsorships Policy

The Board of Directors adopted on March 13, 2023 a policy on donations and sponsorships (the "**Donations and Sponsorships Policy**"), which is setting guidelines for donations and sponsorships within DIGI Group. The Donations and Sponsorships Policy defines acceptable and unacceptable types of donations and sponsorships, such as those related to the political sector or those that could negatively impact the Group's image and reputation, and provides general eligibility criteria and rules for the approval process. The Policy also emphasizes that approved donations and sponsorships must be transparent, documented, and must not be used as a mean of violating anti-corruption, anti-bribery or money laundering regulations.

The Non-Retaliation Policy

The Board of Directors adopted on June 21, 2023, a policy on non-retaliation (the "**Non-Retaliation Policy**"), which is directly related to the Whistleblowing Policy. The purpose of the Non-Retaliation Policy is to incentivize the whistleblowers to report observed irregularities. This policy includes the commitment of DIGI Group to treat any form of harassment, intimidation, discrimination, or retaliation against genuine whistleblowers seriously. Such actions are considered significant misconduct and will be appropriately sanctioned.

The Related Parties Transactions Policy and Procedure

The Board of Directors adopted on March 27, 2023 a policy and a procedure on transactions with related parties (the "Related Party Transactions Policy" and the "Related Party Transactions Procedure"). The Related Party Transactions Policy has been prepared in accordance with the Dutch Corporate Governance Code and the Dutch Civil Code. The purpose of these corporate documents is to establish the necessary measures regarding the declaration, qualification, approval and reporting of the related parties' transactions, in order to ensure the protection of the Company's and its stakeholders' interests, as well as to comply with the applicable legal provisions.

Compliance trainings and communication

- Digi's Compliance Group supports all employees to act with integrity and to proactively avoid potential violations by implementing a compliance training program tailored by needs (which is structured according to separate themes, such as Code of Conduct, anti-corruption and bribery, know your partner, conflict of interest) as well as communication campaigns, for example the internal communication messages on receiving/ offering gifts with the occasion of Winter/ Easter Holidays or contest organized on anticorruption themes to celebrate the International Anticorruption Day.
- Launched in 2020, the Compliance Training Program has been continuously improved, offering both targeted training sessions for specific departments within the Romanian subsidiaries of DIGI Group and comprehensive organization-wide courses for all positions deemed at high risk of corruption exposure. In addition to the ongoing Compliance Induction and Anti-Corruption Rules trainings within the DIGI Group - both being permanent courses — the training program has recently extended to include: In December 2023 the Compliance Department launched the online training „Code of Conduct – what is it and why is it needed" having as objective providing a clear understanding of what constitutes the appropriate workplace conduct and good business ethics. The training material highlights the definition and the benefits of the Code of Conduct, and is presenting the content of the Code of Conduct, so that, based on the provided information, the trainees can be able to answer to a 5-question quiz. Initially, the training targets managers, but starting with 2024 it was extended to employees without coordination role. This training was also implemented in the Italian subsidiary of the Group being addresed to the management.
- In September 2024 a new training on "Conflict of Interest" has been launched by the Compliance Department aimed at helping employees understand, recognize, and prevent conflicts of interest in the workplace. The training also focuses on how to respond appropriately and maintain transparency when such conflicts arise. The course delivery method was designed in two forms: in class training for Bucharest based managers and online 15' reading course for employees in high-risk departments followed bytest.

In 2024, the Compliance Department reviewed the effectiveness of the compliance program implemented within the Romanian subsidiary of the Company, based on the Compliance Risk Assessment (CRA) started in 2022. The Compliance Risk Assessment ensures the identification and assessment, in a realistic manner, of the compliance risks and necessary mitigating controls. Starting with 2024 the CRA was extended within the other subsidiaries of the Group, with the support of the compliance functions locally appointed. The CRA will be annually reviewed and updated.

ISO 37001:2016 Anti-Bribery Certification (SR ISO 37001:2017)

Since July 2021, Digi Romania, the Company's subsidiary, has been certified in terms of ISO 37001:2016. This accreditation certifies that the measures and procedures implemented in the field of Anticorruption and Business Ethics by the Digi's Compliance function Group are in line with international good practices, and that the Company's Anti-Bribery Management System is applied in compliance with the ISO 37001:2016 Standard.

The certification was maintained in 2024, without the auditors from QSCert (ISO certification company) issuing additional recommendations.
The purpose of the Anti-Bribery Policy, certified and implemented within the DIGI Group, as well as the Management System is to support the organization to: avoid, or to reduce the risks or the possible costs and damages of involvement in bribery actions; to promote trust in trade negotiations; to improve its reputation.

Any suspected or potential breaches of the above policies can be reported by the Group's officers, directors, employees and contractors by e-mail at *raportare.nereguli@conformitate.digi.ro or by using the reporting form published on https://www.digi-communications.ro/en/contact*. Furthermore, through *Anti-Corruption and Business Ethics Clauses* included in contracts, and Digi Group's Commitment to Anti-Corruption and Business Ethics which is provided to any business partner at the beginning of a new relationship, the Group encourages all of its business partners to report any concerns about business ethics by emailing to *raportare.nereguli@conformitate.digi.ro*. In this respect, reports should be as detailed as possible in order to facilitate an appropriate decision about next steps, which may include further internal investigation and/or reporting of the matter to relevant external authorities.

Potential violations of these policies will be investigated as appropriate by Digi’s Compliance Officer and substantiated violations will result in remedial action. There is no policy implemented for remedial action considering the divers nature of potential violations. In case of a violation the specific legal provision will be applied as provisioned by the laws. Where appropriate, the Group may recommend potential violations be reported to relevant law enforcement and/or regulatory authorities.

REMUNERATION REPORT FOR 2024

Introduction

Both versions of the revised remuneration policies (**Remuneration Policy 2020 applicable until 24 June 2024 and Remuneration Policy 2024 applicable starting with 25 June 2024**) apply to both the executive and the non-executive members of the board of directors of the Company (the **Board**). The Remuneration Policy 2020 was adopted by the general meeting (the **General Meeting 2020**) on April 30, 2020 and it was reviewed in light of developing corporate governance best practices as well as the implementation of the EU Shareholders Rights Directive. The Remuneration Policy 2024 was adopted by the general meeting (the **General Meeting 2024**) on June 25, 2024.

The objective of the revised remuneration policies, is to provide remuneration in a manner that:

- qualified and expert directors, capable to deliver our company strategy, can be recruited and retained;
- long term value is created by the Group for its shareholders and other stakeholders by employing qualified and expert directors;
- directors are rewarded in consistency with the Company's performance, without however encouraging directors to act in their own interest or to take risks that are not in line with the Company's strategy and its risk appetite;
- contributes to the Company's business strategy and its sustainability being appropriate to the dimension and the structure of the Group, as well as to the nature, business sector and the complexity of the business; and
- takes into account the wider workforce arrangements (including internal pay ratios) within the Group to the extent possible as well as general societal views with respect to executive remuneration. It is very important for the Company's business that the executive remuneration aligns with the level of responsibility of this position of the Group and the professional experience, and to make sure that this is competitive with respect to its domestic and international comparable.

Annually, the Remuneration Committee prepares the remuneration report on the application of the Remuneration Policy. This remuneration report was prepared in line with the requirements stemming from the implementation of the Shareholder Rights Directive in Dutch law. The 2023 Remuneration Report was submitted to the General Meeting from June, 25, 2024 for a non-binding, advisory vote and was adopted by the Meeting with the majority of votes, as detailed in the voting results, available on the Company's corporate web-site. The advisory vote on the 2023 remuneration report was positive and no concerns have been raised by shareholders. Therefore, the Remuneration Committee decided not to change the structure and level of disclosure of the 2024 remuneration report. This report will be submitted to the General Meeting for a non-binding, advisory vote.

The activity of the Remuneration Committee during 2024

During 2024, the Remuneration Committee assisted and supervised the Executive Directors with the implementation of the Remuneration Policy 2020, respectively the Remuneration Policy 2024 applicable to the Directors.

During 2024, the Company complied with the applicable Remuneration Policy 2020, respectively to the Remuneration Policy 2024 and no deviating rules or practices were proposed by the Remuneration Committee. The Remuneration Committee confirms that for the reported year there have not been changes regarding the fixed monthly remuneration granted to the Directors comparing with the preceding reported financial year which were in line with the Remuneration Policy 2020 and the Remuneration Policy 2024. The Remuneration Committee confirms that no events occurred in the Group's business environment directly affecting the remuneration of the Directors.

Remuneration of Directors

Composition of Board of Directors

The composition of the Board of Directors during 2024 changed, Mr. Jose Manuel Arnaiz de Castro being appointed as non-executive director of the Company by the General Meeting from June, 25, 2024. The rest of the members of the Board of Directors were reappointed on the same.

Remuneration of the Board of Directors in 2024

The current remuneration of the Directors has been determined by the Remuneration Committee according to the Remuneration Policy 2020, respectively to the Remuneration Policy 2024, and taking into consideration the stock option plans approved by the General Meetings held on May 18, 2021, December 28, 2022 and June 25, 2024, as well as the stock option plans adopted by the Board of Directors on May 19, 2021 2022 and 2023, on March 1, 2023 and June 27, 2024.

Total remuneration of Directors received from the Group during the reported financial year (all in EUROs equivalent [(1)])

The table includes remuneration from all the Group companies where the Directors perform a role.

Name of director, position		Fixed remuneration					Variable Remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed remuneration	Proportion of variable remuneration
		Base salary (net)	Base salary (gross)	Fixed Fees (net)	Fixed Fees (gross)	Fringe benefits	One-year variable [(2)]	Multi-year variable					
Mr. S. Bulgac CEO	**2024**	62,733	107,239	150,000	256,409	4,098	575,783	-	-	-	943,529	39%	61%
	2023	62,733	107,239	150,000	256,408	6,458	-	-	-	-	370,105	100%	0%
Mr. V. Popoviciu Executive Director	**2024**	60,306	103,090	150,000	256,409	12,175	492,015	-	-	-	863,690	43%	57%
	2023	60,306	103,090	150,000	256,408	25,766	768,705	-	-	-	1,153,968	33%	67%
Mr. Z. Teszári President	**2024**	11,717	20,632	100,000	170,936	30,215	240	-	-	-	222,024	100%	0%
	2023	11,717	20,632	100,000	170,932	10,538	240	-	-	-	202,342	100%	0%
Mr. M. Varzaru Non-executive Director	**2024**	122,658	239,114	100,000	111,107	-	1,734,000	-	-	-	2,084,221	17%	83%
	2023	124,204	238,951	100,000	111,106	-	1,034,500[(3)]	-	-	-	1,384,557	25%	75%
Mr. B. Ciobotaru Non-executive Director	**2024**	60,306	67,008	100,000	111,107	-	-	-	-	-	178,114	100%	0%
	2023	60,306	67,008	100,000	111,106	-	219,998	-	-	-	398.111	45%	55%
Mr. P. Rymaszweski Non-executive Director	**2024**	-	-	50,000	55,579	-	-	-	-	-	55,579	100%	0%
	2023	-	-	100,000	111,106	-	-	-	-	-	111,106	100%	0%
Mr J.M. Arnaiz Non-executive Director	**2024**	-	-	42,981	47,757	-	-	-	-	-	47,757	100%	0%
	2023	-	-	-	-	-	-	-	-	-	-	0%	0%
Mr. E. Jugaru Non-executive Director	**2024**	48,245	82,470	100,000	170,936	1,829	240	-	-	-	255,475	100%	0%
	2023	48,245	82,470	100,000	170,932	751	240	-	-	-	254,393	100%	0%
TOTAL	**2024**	**365,966**	**619,554**	**792,981**	**1,180,240**	**48,318**	**2,802,279**	**-**	**-**	**-**	**4,650,390**	**-**	**-**
	2023	**367,512**	**619,390**	**800,000**	**1,187,998**	**43,512**	**2,023,684**	**-**	**-**	**-**	**3,874,602**	**-**	**-**

(1) The remuneration received in other currencies than Euro from the Company's subsidiaries were converted to Euro by using foreign exchange rates as at year end December 31, 2024, respectively December 31, 2023, for RON relative to EUR.

(2) Share options vested during the year valuated at share price from granting date. One-year variable also include share option and bonuses.

(3) Represented amount as in 2023 was included net bonusEUR 909,309 instead of gross bonus of EUR 1,034,500 .

The remuneration package as provided by the applicable Remuneration Policy and as proposed and approved during the General Meeting was designated to reward the Directors in consistency with the Company's performance, without however encouraging directors to act in their own interest or to take risks that are not in line with the Company's strategy and its risk appetite. The variable compensation component of the executive directors intends to encourage the executive directors to focus on the Company's long-term value creation consistent with the Company's strategy and align (more closely) the interest of the executive directors with those of the shareholders. As per the applicable Remuneration Policy, the variable remuneration as percentage of the fixed base salary of executive or non-executive directors of the Company may range from a minimum of 0% up to a maximum of 500%.

An executive director can therefore:

- be awarded stock options under the Employee Share Option Plan (ESOP) as approved by the General Meeting or as will be approved by any future General Meeting; and
- receive performance-linked cash bonuses subject to the criteria governing variable compensation.

Non – executive directors are awarded a fix salary. Non-executive directors who are directors in other Group companies or employees of other Group companies may, in consideration of such separate roles and/or positions, be awarded fixed and/or variable remuneration (in the form of stock options under the ESOP or variable cash compensation as determined by the Board in full compliance with conflict-of-interest rules). No variable compensation will be offered in respect of their role as non-executive directors of the Company and the Company will at all times take into account potential conflicts of interest.

The total remuneration of the Directors contributes to the long-term performance of the Company as it allows the Company to attract and retain qualified and expert directors who are motivated to achieve the Company's targets, implement its strategic goals and create long-term value for all stakeholders by receiving a remuneration package that is appropriate with the dimension and the structure of the Group, as well as to the nature, business sector and complexity of the business.

Fixed remuneration of Executive and Non-executive Directors for the year 2024

The fixed net fees of Executive Directors of the Company in 2024 were €150 thousand and that of the Non-executive Directors of the Company was €100 thousand, in line with the applicable Remuneration Policy and management agreements concluded with the Company and in force during the reported year.

Variable remuneration of Executive and Non-executive Directors for the year 2024 - in the form of cash bonuses

No variable remuneration in the form of cash bonuses was paid by the Company to the Directors during the reported financial year. Nevertheless, certain Directors received variable remuneration in the form of cash bonuses from Group companies in relation to the positions they held within those companies and based on the agreements and performance criteria established by the relevant subsidiary, and in line with the provisions of the local law (see table above - *Total remuneration of Board Directors received from the Group during the reported financial year (all in EUROs equivalent)*).

Variable remuneration of Executive and Non-executive Directors for the year 2024 - in the form of stock options. Overview on the stock option plans approved by the Company under shareholder's resolutions and the Board of Directors resolutions until present, with the oversight by the Remuneration Committee

During 2021, the General Meeting approved a stock option plan for the Executive Directors of the Company and for one Non-Executive Director in consideration of his role in Company's subsidiaries. Additionally, the General Meeting held on 2022 approved a stock option plan for one of the Executive Director of the Company and the General Meeting held on 2024 approved a stock option plan for the Executive Directors of the Company. The below table sets out the status of option grants made to Directors.

Shares awarded, transferred and expired during 2024 to Directors of the Group under the Share Options Plans

Name of Director, position	The main conditions of share option plans							Information regarding the reported financial year					
								Opening balance	During the year		Closing balance		
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting Date	5 End of holding period	6 Start date Exercise Period	7 Strike price of shares (EUR)	8 Share options held at the beginning of the year	9 Share options awarded	10 Share options vested and transferred	11 Share options subject to performance condition	12 Share option awarded and unvested at the year end	13 Share options subject to a holding period
Mr. S. Bulgac CEO	SOP 8 (2021)	1 year	19 May 2021	20 May 2022	28 March 2023[8]	28 December 2022	-	80,000	-	0	80,000	80,000[9]	-
	SOP 8 (2022)	1 year	19 May 2022	20 May 2023	18 November[10] 2023	18 August 2023	-	80,000	-	0	80,000	80,000[11]	-
	SOP 8 (2023)	1 year	19 May 2023	20 May 2024	1 July 2024	25 June 2024	-	80,000	-	80,000	80,000	-	-
	SOP13 (2024)	1 year	27 June 2024	30 June 2025	-	-	-	-	80,000	-	80,000	80,000	80,000
Mr. V. Popoviciu Executive Director	SOP 8 (2021)	1 year	19 May 2021	20 May 2022	11 January 2023	28 December 2022	-	50,000	-	50,000	50,000	-	-
	SOP 8 (2022)	1 year	19 May 2022	20 May 2023	25 August 2023	18 August 2023	-	50,000	-	50,000	50,000	-	-
	SOP 8 (2023)	1 year	19 May 2023	20 May 2024	1 July 2024	25 June 2024	-	50,000	-	50,000	50,000	-	-
	SOP 12 (2024)	1 year and 3 months	2 March 2023	6 May 2024	1 July 2024	25 June 2024	-	20,000	-	20,000	20,000	-	-
	SOP13 (2024)	1 year	27 June 2024	30 June 2025	-	-	-	-	60,000	-	60,000	60,000	60,000
Mr. B. Ciobotaru Non-executive Director	SOP 8 (2021)	1 year	19 May 2021	20 May 2022	11 January 2023	28 December 2022	-	30,000	-	30,000	30,000	0	-

[8] These share options elapsed 3 months after the Start date of Exercise Period
[9] These share options elapsed 3 months after the Start date of Exercise Period
[10] These share options elapsed 3 months after the Start date of Exercise Period
[11] These share options elapsed 3 months after the Start date of Exercise Period

Overview on the stock option plans approved by the Company under shareholder's resolutions and the Board of Directors resolutions until present, with the oversight by the Remuneration Committee

SOP 1, SOP 2, SOP 3, SOP 4, SOP 5, SOP 6, SOP 7, SOP 9 and SOP 10 closed in previous periods.SOP 8

On 18 May 2021, the General Meeting decided to grant stock options to the Executive Directors of the Company and to a Non-Executive Director in consideration of his position in the Company's subsidiaries. 420,000 class B shares were designated for the purposes of SOP 8. SOP 8 was approved for three years (2021, 2022 and 2023) for the Executive Directors and for one year for the Non-Executive Director.

The performance conditions of the SOP 8:

In respect to the Executive Directors are as follows: (i) being a director or employee of the Company or its subsidiaries on the vesting date, (ii) Consolidated EBITDA of the Company as determined on the basis of IFRS financial statements for the respective financial year being at least 5% higher than consolidated EBITDA of the Company as determined on the basis of the IFRS financial statements for the previous year, (iii) Number of revenue generating units of the Group (excluding disposed activities as well as acquisitions), as defined and set out in the Annual Report of the Company for the period for which performace is measured, having increased by at least 300,000 units when compared with number of revenue generating units of the Group, as defined and set out in the previous Annual Report of the Company (iv) Leverage ratio for the group (calculated as consolidated total net financial indebtedness to EBITDA on the basis of IFRS group accounts for the respective financial year) to be not more than 3.25:1.

Regarding the Non-Executive Director, the performance condition of the stock options granted for other positions held within the Company's subsidiaries for 2021 was that of being a director or employee of the Company or of its subsidiaries on the vesting date.

SOP 8 2021 was granted on 19 May 2021. The Vesting Date of SOP 8 2021 started with 28 December 2022, namely after the date of the 2022 AGM, under which the shareholders adopted the financial statements for 2021, when the Performance Measurement Date (as defined under the 2017 ESOP Plan) was fulfilled. Therefore, on 11 January 2023, two of the Directors of the Company exercised the stock options, each of them concluding a share transfer agreement with the Company.

SOP 8 2022 was granted on 19 May 2022. The Vesting Date of SOP 8 2022 started with 18 August 2023, namely after the date of the 2023 AGM, under which the shareholders adopted the financial statements for 2022, when the Performance Measurement Date (as defined under the 2017 ESOP Plan) was fulfilled. Therefore, on 25 August 2023, one of the Executive Directors of the Company exercised the stock options and for this scope concluded a share transfer agreement with the Company.

SOP 8 2023 was granted on 19 May 2023. The Vesting Date of SOP 8 2023 started with 25 June 2024, namely after the date of the 2024 AGM, under which the shareholders adopted the financial statements for 2023, when the Performance Measurement Date (as defined under the 2017 ESOP Plan) was fulfilled. Therefore, on 1 July 2024, the Executive Directors of the Company exercised the stock options and for this scope concluded share transfer agreements with the Company.

SOP 11

On January 12, 2023, the Company approved the granting of a number of 32,500 stock options to employees of one of the Company's subsidiaries. The Vesting Date of SOP 11 was one year after the grant date and the stock options were exercised on 16 January 2024, taking in consideration that the performance criteria were met.

SOP 12

On December 28, 2022, the General Meeting decided to grant stock options to one of the Executive Directors of the Company. 20,000 class B shares were designated for the purposes of SOP 12. The Vesting Date of SOP 12 was one year and three months after the grant date and the stock options were exercised on 1 July 2024, taking in consideration that the performance criteria were met.

SOP 13

On 24 June 2024, the General Meeting decided to grant stock options to the Executive Directors of the Company. 560,000 class B shares were designated for the purposes of SOP 13, 320,000 for Mr. Bulgac and 240,000 for Mr. Popoviciu. SOP 13 was approved for four years (2024, 2025, 2026 and 2027).

The performance conditions of the SOP 13 are the following:

(i) Being a director or employee by the Company or its subsidiaries on the Vesting Date;

(ii) EBITDA (excluding IFRS 16) of the Company as determined on the basis of IFRS financial statements for the respective financial year being at least 5% higher than EBITDA (excluding IFRS 16) of the Company as determined on the basis of the IFRS financial statements for the previous year;

(iii) Number of revenues generating units of the Group, as defined and set out in the Annual Report of the Company for the respective financial year, having increased by at least 1.5 million units when compared with number of revenues generating units of the Group, as defined and set out in the Annual Report of the Company for the previous year;

(iv) Leverage ratio for the group (calculated as consolidated total net financial indebtedness to EBITDA (excluding IFRS 16) on the basis of IFRS Group accounts for the respective financial year) to be not more than 3.00:1;

(v) The free cash flow in Romania calculated as EBIDTA (excluding IFRS 16) on the basis of IFRS Group accounts for the respective financial year less CAPEX in Romania to exceed 100 million euro (for the option granted in 2024)/ 150 million euro (for the options granted in 2025 and 2026)/ 200 million euro (for the option granted in 2027).

SOP 13 2024 was granted on 27 June 2024. The number of options of class B shares granted as part of this stock option plan (applicable for the year 2024) amounts to a total of 140,000 stock options (respectively 80,000 for Mr. Serghei Bulgac and 60,000 for Mr. Valentin Popoviciu). The further vesting of all option shares granted will be conditional upon multiple performance criteria (as indicated above) and the passage of one year.

SOP 14

On 12 August 2024, based on the Company's Stock Option Plan and the resolutions approved by the Class A Shareholders and the Board of Directors, a total of 70,000 conditional Class B stock options were granted to a director of Digi Romania S.A., the Company's Romanian subsidiary. The exercise of these options is subject to the fulfillment of specific performance criteria, and the standard vesting period is at least one year from the grant date.

For further details on the applicable performance criteria, we refer to the following table:

Performance Criteria applicable to variable remuneration granted /exercised by Directors in the reported financial year

Name of Director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets a) minimum target/threshold performance and b) corresponding award	3 Information on Performance Targets a) maximum/target performance and b) corresponding award	4 a) Measured performance and b) actual award outcome
Mr. S. Bulgac CEO of Digi Communications NV SOP	Criterion A referring to **SOP 8 for the year 2023** - being a director or employee by the Company or its subsidiaries on the vesting date.		Each criteria must be fulfilled to allow pay out of each related stock option		80,000
	Criterion B referring to **SOP 8 for the year 2023** - EBITDA of the Company* as determined on the basis of IFRS financial statements for the year 2023 being at least 5% higher than EBITDA of the Company* as determined on the basis of the IFRS financial statements for the year 2022.				
	Criterion C referring to **SOP 8 for the year 2023** - Number of RGUs of the Group (excluding disposed activities as well as acquisitions), as defined and set out in the Annual Report of the Company for the period for which performace is measured, having increased by at least 300,000 units when compared with number of revenues generating units of the Group, as defined and set out in the previous Annual Report of the Company.				
	Criterion D referring to **SOP 8 for the year 2023** - Leverage ratio for the Group (calculated as consolidated total net financial indebtedness to EBITDA on the basis of IFRS group accounts for the year 2023) to be not more than 3.25:1				
	Criterion A referring to **SOP 13 for the year 2024** - Being a director or employee by the Company or its subsidiaries on the Vesting Date		Each criteria must be fulfilled to allow pay out of each related stock option		80,000
	Criterion B referring to **SOP 13 for the year 2024** - EBITDA (excluding IFRS 16) of the Company as determined on the basis of IFRS financial statements for the year 2024 being at least 5% higher than EBITDA (excluding IFRS 16) of the Company as determined on the basis of the IFRS financial statements for the year 2023				
	Criterion C referring to **SOP 13 for the year 2024** - Number of revenue generating units of the Group, as defined and set out in the Annual Report of the Company for the year 2024, having increased by at least 1.5 million units when compared with number of revenue generating units of the Group, as defined and set out in the Annual Report of the Company for the year 2023				
	Criterion D referring to **SOP 13 for the year 2024** - Leverage ratio for the group (calculated as consolidated total net financial indebtedness to EBITDA (excluding IFRS 16) on the basis of IFRS Group accounts for the year 2024) to be not more than 3.00:1				
	Criterion E referring to **SOP 13 for the year 2024** - The free cash flow in Romania calculated as EBIDTA (excluding IFRS 16) on the basis of IFRS Group accounts for the year 2024 less CAPEX in Romania to exceed 100 million euro				
Mr. V. Popoviciu Executive	Criterion A referring to **SOP 8 for the year 2023** - being a director or employee by the Company or its subsidiaries on the vesting date.		Each criteria must be fulfilled to allow pay out of		50,000

Name of Director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets a) minimum target/threshold performance and b) corresponding award	3 Information on Performance Targets a) maximum/target performance and b) corresponding award	4 a) Measured performance and b) actual award outcome
Director of Digi Communications N.V.	Criterion B referring to **SOP 8 for the year 2023** - EBITDA of the Company* as determined on the basis of IFRS financial statements for the year 2023 being at least 5% higher than EBITDA of the Company* as determined on the basis of the IFRS financial statements for the year 2022.		each related stock option		
	Criterion C referring to **SOP 8 for the year 2023** - Number of RGUs of the Group (excluding disposed activities as well as acquisitions), as defined and set out in the Annual Report of the Company for the period for which performace is measured, having increased by at least 300,000 units when compared with number of revenues generating units of the Group, as defined and set out in the previous Annual Report of the Company.				
	Criterion D referring to **SOP 8 for the year 2023** - Leverage ratio for the Group (calculated as consolidated total net financial indebtedness to EBITDA on the basis of IFRS group accounts for the year 2023) to be not more than 3.25:1				
	Criterion referring to **SOP 12 for the year 2023** - being a director or employee by the Company or its subsidiaries on the vesting date.		The criteria must be fulfilled to allow pay out of the related stock option		20,000
	Criterion A referring to **SOP 13 for the year 2024 -** Being a director or employee by the Company or its subsidiaries on the Vesting Date		Each criteria must be fulfilled to allow pay out of each related stock option		60,000
	Criterion B referring to **SOP 13 for the year 2024** - EBITDA (excluding IFRS 16) of the Company as determined on the basis of IFRS financial statements for the year 2024 being at least 5% higher than EBITDA (excluding IFRS 16) of the Company as determined on the basis of the IFRS financial statements for the year 2023				
	Criterion C referring to **SOP 13 for the year 2024** - Number of revenue generating units of the Group, as defined and set out in the Annual Report of the Company for the year 2024, having increased by at least 1.5 million units when compared with number of revenue generating units of the Group, as defined and set out in the Annual Report of the Company for the year 2023				
	Criterion D referring to **SOP 13 for the year 2024** - Leverage ratio for the group (calculated as consolidated total net financial indebtedness to EBITDA (excluding IFRS 16) on the basis of IFRS Group accounts for the year 2024) to be not more than 3.00:1				
	Criterion E referring to **SOP 13 for the year 2024** - The free cash flow in Romania calculated as EBIDTA (excluding IFRS 16) on the basis of IFRS Group accounts for the year 2024 less CAPEX in Romania to exceed 100 million euro				

*By EBITDA of the Company, we refer to the consolidated EBITDA of the Group

Other benefits

Other benefits received by the Board Directors during 2024 are the use of company cars. No pension benefits are paid to Directors. Furthermore, no loans, prepayments or guarantees have been made to any of the Directors.

Severance arrangements

The Company is compliant with the best practice provisions on severance payments as laid down in 3.2.3 of the DCGC, stating that the remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component).

The service agreements currently entered into with the members of the Board do not provide a notice period for the relevant director's benefit.

In case of a dismissal, executive directors shall, subject to mandatory law, not be entitled to any severance payment in excess of three month's base salary, unless the Board decides otherwise based on a recommendation of the Remuneration Committee, but it will in any event not exceed one year's salary (the fixed base salary) in the preceding financial year. Severance pay will not be awarded if the agreement is terminated at the initiative of the executive director or in the event of seriously culpable or negligent behaviour on the part of the relevant executive director.

These conditions are provided in the management agreements concluded by the Company with each Director. During 2024, no severance payments were granted to the Directors.

Other operations - Share buy-back. Share conversion:

As at December 31, 2024 Class B treasury shares of the Company are in amount of 193,026 representing 0.19% of its issued share capital as at the date hereof.

Information on how the remuneration complies with the Remuneration Policy and how the performance criteria were applied

The remuneration received by the Board of Directors of the Company during 2024 is in accordance with the provisions of the Remuneration Policy 2020, as presented below.

Based on the Remuneration Policy 2020, the remuneration of Executive Directors of the Company is comprised of a net fixed fee of €150 thousand per year, a variable remuneration linked to performance, consisting of an incentive component in the form of stock options or in the form of a cash bonus, fringe benefits (use of company cars or allowances in respect of health and nursery insurance) and severance arrangements (in case of a dismissal, executive directors shall, subject to mandatory law, not be entitled to any severance payment in excess of three month's base salary, unless the Board of Directors decides otherwise based on a recommendation of the Remuneration Committee, but will not exceed one year's salary (the fixed base salary) in the preceding financial year. Severance pays will not be awarded if the agreement is terminated at the initiative of the executive director or in the event of seriously culpable or negligent behavior on the part of the relevant executive director).

During 2024 the remuneration granted to Executive Directors was entirely in compliance with the provisions of the Remuneration Policy 2020, i.e. the Executive Directors received from the Company net fixed fee of €150 thousand per year, a variable remuneration consisting of stock options based on the performance criteria established by the General Meeting held on 2021 (SOP 8) and 2022 (SOP 12) (see the performance criteria presented in the table above - *Performance of Directors in the reported financial year* and in respect to the components of the total remuneration the table above - *Total remuneration of Board Directors received from the Group during the reported financial year (all in EUROs equivalent)*).

From the review of the materials prepared by the specialized HR departments of the relevant Group subsidiaries, the Remuneration Committee is able to conclude that the market features are different from one country to another, that the regulatory environments and the social security requirements are particular to each territory and constantly changing. Also, none of the Group subsidiaries seem to depart to a significant extent from the market trends and conditions.

Based on the figures provided by the specialized HR departments of the relevant Group subsidiaries during 2024, there has been no significant variation in the remuneration of the employees of the Group.

The remuneration of the Non-Executive Directors, according to the Remuneration Policy 2020 provisions comprises of a net fixed annual compensation of €100 thousand. Non-executive directors who are directors in other Group companies or employees of other Group companies may, in consideration of such separate roles and/or positions, be awarded fixed and/or variable remuneration (in the form of stock options under the ESOP or variable cash compensation as determined by the Board in full compliance with conflict-of-interest rules). No variable compensation will be offered in respect of their role as non-executive director of the Company and the Company will at all times take into account potential conflicts of interest

During 2024 no severance payments, pensions, loans or guarantees were granted by the Company to Executive and Non-executive Directors. Additionally, no claw back rights were exercised in relation to remuneration granted to the Directors.

Comparative information on the change of remuneration and Group performance

Annual change	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Director's remuneration variation [(1)]					
Mr. Bulgac, *CEO*	155%	-2%	-2%	-76%	35%
Mr. Popoviciu, *Executive Director*	-25%	201%	-52%	-21%	37%
Mr. Teszári, *President*	10%	-1%	12%	1%	-3%
Mr Varzaru, *Non-executive Director*	51%	18%[(5)]	-10%	-3%	61%
Mr. Ciobotaru, *Non-executive Director*	-55%	123%	0%	-71%	295%
Mr. Rymaszewski, *Non-executive Director* ****until 5 June 2024***	-50%	0%	0%	0%	0%
Mr. Jose Manuel Arnaiz ****from 5 June 2024***	100%	-	-	-	-
Mr. Sambor Ryszka, *Non-executive Director* ****until 1 May 2019***	-	-	-	-	-100%
Mr. Jugaru, *Non-executive Director* ****from 1 May 2019***	0%	0%	0%	-3%	24%
	2024	**2023**	**2022**	**2021**	**2020**
Company performance					
Revenues mil EUR	14%	13%	1%	15%	8%
EBITDA	15%	17%	-3%	9%	7%
RGU (thousand)	16%	15%	2%	13%	12%
Average remuneration [(2)]					
Total Group	10%	4%	-3%	8%	5%
Pay-ratio [(3)]	45.3	39.0	30.3[(4)]	36.6	52.4

[(1)]*The variation of the Director's remuneration is due to the variation of the variable component of the remuneration granted to Directors under the stock option plans approved.*

[(2)]*Computed as total Group salaries expenses divided to the average number of Group employees.*

[(3)]*Pay-out ratio represents Average annual BoD member gross salary divided per Average annual employee gross salary. The fluctuations are caused by the variable component of the remuneration granted to Directors, as presented in "Total remuneration of Directors received from the Group during the reported financial year" table above.*

[(4)]*Corrected prior year from 15.2 to 30.3 due to mathematical error*

[(5)]*Corrected prior year from -23% to 18% due to mathematical error*

The Remuneration Committee's plan for 2024

The Remuneration Committee plans to focus in 2024 on proposing a revised version of the 2020 Remuneration Policy and cooperating with the Executive Directors and with the senior management of the Company and its subsidiaries on the further proper implementation of the approved ongoing and further Stock Option Plans and on the implementation of the remuneration policy (to be approved by the 2024 General Meeting), on the implementation of Shareholders Directive provisions, as well as on advising and guiding the Company’s subsidiaries in optimizing their remuneration policies and procedures.

Share Capital Structure and Shares

SHARE CAPITAL STRUCTURE AND SHARES

The value of the issued and paid-up capital as at December 31, 2024 was €6,810,042.52, divided into 100,000,000 shares (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 nominal value of one eurocent (€ 0.01) each.

Class B Shares are listed on the Romanian Stock Exchange ("BVB") starting from May 16, 2017.

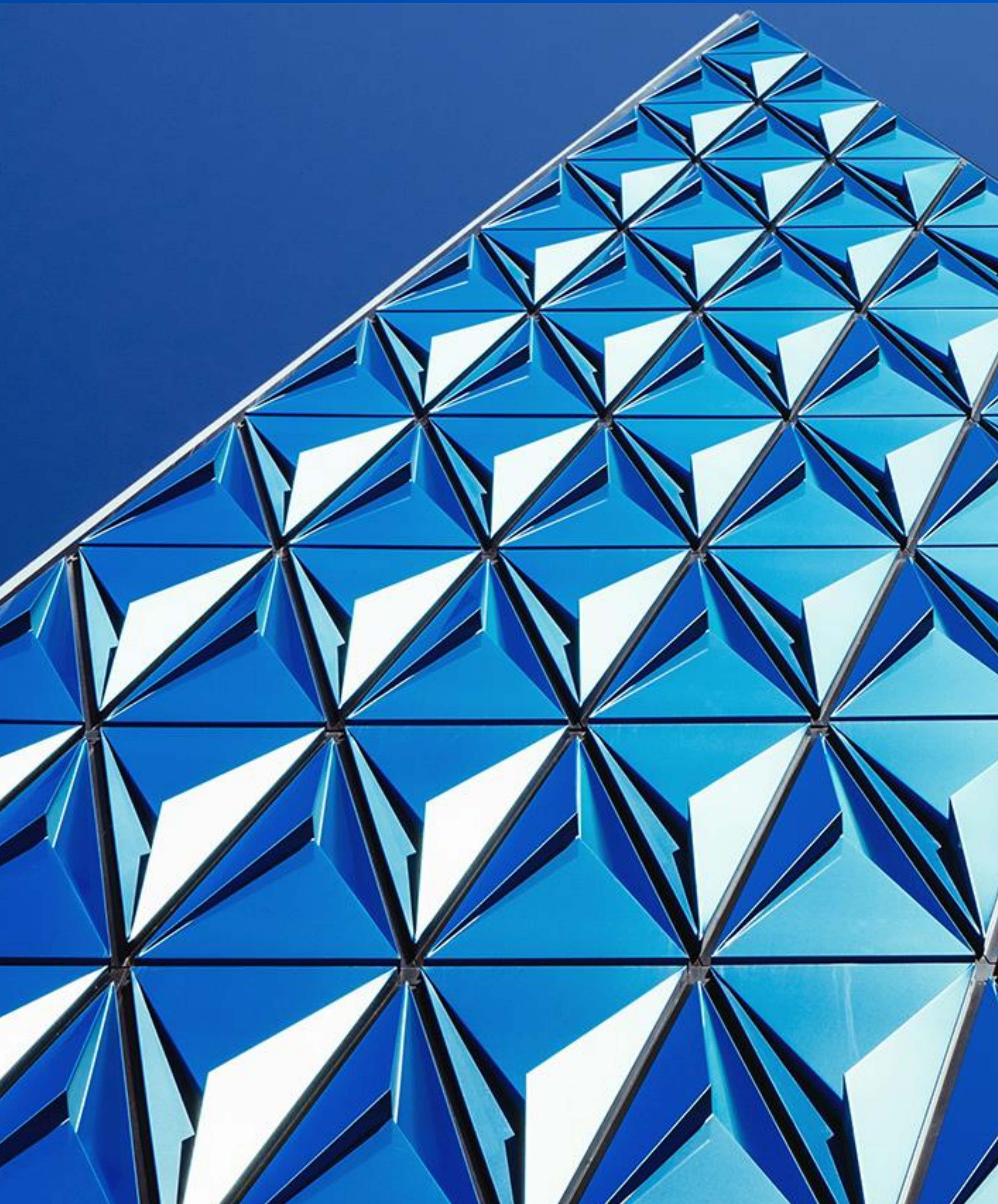
	31 December 2024	31 December 2023
Class A:		
Ordinary Shares – Issued and Paid (No.)	64,556,028	64,556,028
Ordinary Shares – Unissued (No.)	35,443,972	35,443,972
Nominal Value	0.10 EUR per share	0.10 EUR per share
Class B:		
Ordinary Shares – Issued and Paid (No.)	35,443,972	35,443,972
Ordinary Shares – Unissued (No.)	64,556,028	64,556,028
Nominal Value	0.01 EUR per share	0.01 EUR per share
Share Capital Value (EUR)	6,810,042.52	6,810,042.52

At 31 December 2024, the shareholders of DIGI are as follows:

	31 December 2024		31 December 2023	
Shareholder name	**No. of shares**	**%**	**No. of shares**	**%**
Class A:				
RCS Management S.A.	57,866,545	57.87%	57,866,545	57.87%
Zoltan Teszari	2,280,122	2.28%	2,280,122	2.28%
DIGI-treasury shares	4,409,361	4.41%	4,409,361	4.41%
Total class A	**64,556,028**		**64,556,028**	
Class B:				
Shares listed on BVB	35,250,946	35.25%	35,068,446	35.07%
DIGI - treasury shares	193,026	0.19%	375,526	0.38%
Total class B	**35,443,972**		35,443,972	
TOTAL	**100,000,000**		**100,000,000**	

The ultimate beneficial shareholder of the Group is Mr. Zoltan Teszari. Mr. Zoltan Teszari is the controlling shareholder of the Group, being the controlling shareholder of RCSM (the controlling parent of DIGI) and minority shareholder of DIGI and DIGI Romania.

Dividend Policy



DIVIDEND POLICY

The Company intends to retain earnings and reinvest cashflows to capitalize on growth opportunities in its core markets.

The Company's ability and intention to return capital to shareholders in the future will depend on the Company's available investment opportunities, financial condition, results of operation, undertakings to creditors and other factors that the Board may deem relevant. Returns of capital to shareholders may be performed, at the discretion of the Company, through dividends.

At the Annual General Meeting of Shareholders, to be held in June 2025 the dividend of RON 1.35 per share in respect of 2024, will be submitted for Shareholders' approval. For the calculation of dividends, treasury shares of the Company were not treated as outstanding ordinary shares and were excluded from the number of issued ordinary shares.

For details regarding profits distribution, please see excerpt from the Articles of Association in Chapter *Other information* included in the Annual report.

Group Overview

BUSINESS

Overview

Introduction

Our company delivers geographically-focused telecommunication solutions across multiple European markets. We are the leading provider of telecommunication services in Romania, with significant operations in Spain and also present in Italy, Portugal and Belgium.

- **Romania.** Our offerings in Romania include cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH. As at December 31, 2024, our technologically-advanced fixed network in the country covered 95.1% of all dwellings (based on the number of homes passed that we served out of total dwellings as most recently reported by ANCOM as at June 30, 2024). We operate Romania's largest fixed fiber optic network and our mobile network provides the widest population coverage among mobile operators. In addition, Romania is entirely within the footprint of our DTH signal.
- **Spain**. We provide mobile telecommunication services as an MVNO and from 2025 as an MNO through the mobile network of Telefónica and future own mobile network. We also offer fixed internet and data and fixed-line telephony services through our own XGSPON FTTH network and through Telefónica's fixed network. As at December 31, 2024, our technologically-advanced fixed network in the country covered 43.9% of all dwellings (based on the number of homes passed that we served out of total dwellings as most recently published by Spanish National Institute of Statistics in 2021). In 2024 we have 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 target the large local Romanian community and the value centric Italian market. Since October 2023 we have started, on a test basis, to expand our portfolio of services by launching FTTH (Fiber to the Home) acces with high-speed broadband, bringing two offerings to customers in operating areas connectable to our FTTH and we are looking to further invest and expand our footprint and connectivity solutions.
- **Portugal**. Starting with November 2024, we launched our fixed and mobile services in Portugal. Our offerings include Pay TV (cable TV), fixed internet and data, 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 December 2024, we expanded our telecommunications presence into Belgium by introducing fixed and mobile service offerings through our Joint Venture with Citymesh, a subsidiary of the Cegeka group. Our offerings include fixed internet and data and fixed-line telephony and mobile telecommunication services as an MVNO.

For the year ended December 31, 2024, our geographies accounted for the following portions of our total revenue: Romania for €1,099.0 million, or 57.1%, Spain for €782.0 million, or 40.6%, Portugal for €11.8 million, or 0.6% and other territories including Italy for €31.5 million, or 1.6%.

As at December 31, 2024, we had a total of 27.8 million RGUs, of which 6.0 million were Pay TV RGUs, approximately 7.0 million were fixed internet and data RGUs, approximately 13.3 million were mobile telecommunication services RGUs and approximately 1.6 million were fixed-line telephony RGUs. The acquisition of NOWO contributed approximately 596,000 RGUs to those numbers.

We have historically generated strong revenue streams. Our total revenue and other income amounted to €1,932.2(excluding the extraordinary sale of assets) million for the year ended December 31, 2024. We have reported Adjusted EBITDA and Adjusted EBITDA margins of €680.2 million and 35.2%, respectively, for the year ended December 31, 2024.

We offer five principal types of services:

- **Pay TV** (cable TV and DTH) is our original line of business. As at December 31, 2024, we had approximately 5.9 million Romanian and approximately 121,000 Portuguese RGUs for Pay TV services.
- We offer **fixed internet and data** services through our technologically-advanced fixed networks in Romania, in Spain through our own XGSPON FTTH network and through Telefónica's fixed line network, in Portugal through our own GPON FTTH and HFC networks, as well as through limited third-party networks and in Italy, where is still in the testing phase. As at December 31, 2024, we had approximately 4.9 million, 2.0 million and 127,000 fixed internet and data RGUs in Romania, Spain and Portugal, respectively.
- We provide **mobile telecommunication services** using our own 2G+4G and 5G networks in Romania (5G in certain areas) and as an MVNO (and from 2025 as an MNO) in Spain and as an MVNO in Italy. In Portugal we are using our own network and also as an MVNO for operations purchased from NOWO. As at December 31, 2024, we had approximately 6.6 million, 5.9 million, 490,000 and 321,000 mobile telecommunication services RGUs in Romania, Spain, Italy and Portugal, respectively.
- We offer **fixed-line telephony** services through our technologically-advanced fixed networks in Romania, in Spain through own XGSPON FTTH network and through Telefónica's fixed line network and in Portugal through our own GPON FTTH and HFC networks, as well as through limited third-party networks. As at December 31, 2024, we had approximately 849,000, 626,000 and 107,000 fixed-line telephony RGUs in Romania, Spain and Portugal, respectively.

Key Strengths

We consider our key strengths to include the following:

- ***Attractive local markets with stable structural growth.*** We currently focus our telecommunication offerings on Romania and Spain. These economies have been experiencing strong positive developments in recent years and their respective telecommunication services markets have been growing steadily. Our operations in Romania and Spain accounted for approximately 57.1% and 40.6%, respectively, of our consolidated revenue for the year ended December 31, 2024.
- **Market leadership in core business lines and robust RGU growth.** We are the leading provider of pay TV services in Romania by number of RGUs. We also lead Romania's fixed internet and data market, as at June 30, 2024. In addition, we are the leading provider of fixed-line telephony services in Romania as at June 30, 2024. Finally, we are the leading provider of post-paid mobile telecommunication services in Romania as at June 30, 2024 (*Sources: Group reporting; ANCOM*). In Spain, as at September 30, 2024 the market shares of our fixed internet and data services and post-paid mobile telecommunication services reached 9.7% and 9.3% respectively (Source: CNMC). We are focused on increasing market penetration in our markets by further expansion and cross-selling multiple service offerings to our current and prospective subscribers. Capitalizing on our high-quality technical infrastructure, competitive pricing and attractive content, we have achieved substantial, mainly organic growth; which led to a total number of RGUs across all business lines to approximately 27.8 million as at December 31, 2024.
- ***Advanced fixed and mobile infrastructure in Romania, in Spain and in Portugal.*** Our fixed network in Romania is technologically advanced and, as at December 31, 2024, covered 95.1% of dwellings from the country. We have upgraded almost the entire Romanian fixed network to GPON or comparable technology and were able to offer transmission speeds of up to 1,000 Mbps for internet and

data services. Starting with 2022 we offered transmission speeds of up to 10 Gbps for internet and data services in major cities in Romania, the fastest available to residential users on the market. As at December 31, 2024, our mobile telecommunication services in Romania covered (outdoor voice coverage) approximately 99.5% of the country's population and were provided via approximately 8,500 base stations. 5G mobile telecommunication services are available in certain Romanian cities based on our existing licenses. In Spain our own fixed network is 100% FTTH and, as at December 31, 2024, covered 43.9% of dwellings in the country. We have upgraded almost the entire Spanish fixed network to XGSPON technology and we are able to offer transmission speeds of up to 10,000 Mbps for internet and data services to most of our customers. As at December 31, 2024, our mobile telecommunication services in Portugal covered (outdoor voice coverage) approximately 97.1% of the country's population and were provided via approximately 4,000 base stations.

- ***Leading commercial proposition for customers*.** Our technical capabilities, wide network coverage and multiple service offerings enable us to provide customers with a wide range of services at competitive prices. Our ability to offer multiple services is a central element of our strategy and allows us to attract new customers who wish to benefit from our varied product offerings, to expand the uptake of our service offerings within our existing customer base and increase customer loyalty by offering multiple services at cost-effective prices. For example, we have a flexible customer proposition in Romania, which includes a comprehensive cable TV offering (including analog and digital packages with optional add-ons for HBO, MAXPAK, SkyShowtime, Adult, Balcan Music, Film NOW and DIGI 4K), superfast fixed internet and data (at speeds of 500 Mbps or 1,000 Mbps and starting with 2022 at speeds of up to 10 Gbps in certain large cities in Romania), fixed-line telephony and mobile packages (with solutions offering various call minutes allowances and generous mobile traffic of up to 100 GB per month at 4G / 5G speeds).
- ***Robust financial performance*.** Our business has consistently generated strong revenue streams. For the years ended December 31, 2023 and 2024 our total revenue was €1,690.4 million and €1,924.3 million, respectively. For the year ended December 31, 2024 our other income (excluding the extraordinary sale of assets) was €7.9 million compared with €16.2 million for the year ended December 31, 2023. We have historically had robust Adjusted EBITDA and a prudent approach to capital expenditure. Our Adjusted EBITDA was €591.2 million and €680.2 million for the years ended December 31, 2023 and 2024, respectively. Our total capital expenditure was €885.2 million and €729.7 million for the years ended December 31, 2024 and 2023, respectively. This represented 45.8% and 42.8% of our total revenue and other income for the years ended December 31, 2024 and 2023, respectively. In addition, we have historically maintained prudent capital and liquidity structures with a leverage ratio of 2.3x and 2.5x for the years ended December 31, 2024 and 2023, respectively, and an interest coverage ratio of 9.x and 8.x, respectively, for the same periods.
- ***Highly experienced management team***. Our senior management team is made up of professionals who have, on average, approximately 20 years of experience in the telecommunication industry and the Group. Our controlling shareholder, Mr. Zoltán Teszári, has been, and continues to be, involved in all key management decisions in relation to the Group since its foundation in 1992. Our Chief Executive Officer, Mr. Serghei Bulgac, joined the Group in 2003 as its Chief Financial Officer and became the Chief Executive Officer in 2015. The majority of our experienced management team members made significant contributions to our transformation from a small cable TV business to a leading provider of telecommunication services in our core markets. We believe that the collective industry knowledge and leadership capabilities of our senior management team will enable them to continue a successful execution of our strategy.

Areas of Operations

We operate in Romania, Spain, Italy, Portugal and Belgium (through our Joint Venture with Citymesh, a subsidiary of the Cegeka group). The scope of our services varies from country to country.

The table below sets out our current business lines available in each of our geographies:

	Pay TV	Fixed Internet and Data	Mobile Telecommunication services	Fixed-line Telephony
Romania	✔ (3)	✔	✔	✔
Spain	✔	✔ (1)	✔ (2)	✔ (1)
Italy		✔	✔ (2)	
Portugal	✔ (5)	✔ (5)	✔ (4)	✔ (5)
Belgium JV (6)		✔	✔ (2)	✔

(1) Through our own XGSPON FTTH network and through Telefónica's network.
(2) As an MVNO.
(3) Includes cable TV and DTH operations.
(4) As an MVNO for NOWO operations.
(5) Through our own GPON FTTH and HFC networks, as well as through limited third-party networks.
(6) Joint Venture with Citymesh, a subsidiary of the Cegeka group.

Products and Services

Business Lines

We offer five principal types of service: three fixed-line products, mobile telecommunication services and DTH.

To customers in Romania whose homes or businesses are covered by our fixed network, we offer our branded cable TV, fixed internet and data and fixed-line telephony, either individually or in combination. We offer fixed internet and data and fixed-line telephony services in Spain through our own XGSPON FTTH network through Telefónica's network and starting December 2024 cable TV services only in certain locations of our own FTTH network. In Portugal we offer fixed internet and data, cable TV and fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks.

We offer mobile telecommunication services in Romania through our own networks, which share the backbone of fixed infrastructure. We also offer mobile telecommunication services in Spain as an MVNO and from 2025 as an MNO and in Italy as an MVNO. We also offer mobile telecommunication services in Portugal through our own networks and as an MVNO through the mobile network of Altice Portugal for operations purchased from NOWO.

Finally, we offer DTH services to customers in Romania.

As of December 11, 2024, Digi Belgium has launched fixed broadband internet and fixed-line telephony services over fibre optic as well as mobile voice and data as an MVNO in the Belgian market.

The table below sets out the number of RGUs per business line and per geographic segment as at December 31, 2024:

	Romania	Spain	Italy	Portugal (6)	Total RGUs per service
Pay TV	5,868(1)	-	-	121(5)	**5,989**
Fixed Internet and Data	4,888	1,951 (2)	-	127(5)	**6,966**
Mobile Telecommunication Services	6,578	5,863 (3)	490 (3)	321(4)	**13,252**
Fixed-line Telephony	849	626 (2)	-	107(5)	**1,582**
Total RGUs per country	**18,183**	**8,440**	**490**	**676**	**27,789**

(1) Includes cable TV and DTH operations.
(2) Through our own XGSPON FTTH network and through Telefónica's network.
(3) As an MVNO.
(4) As an MVNO for NOWO operations.
(5) Through our own GPON FTTH and HFC networks, as well as through limited third-party networks.
(6) RGUs for Portugal include NOWO's RGUs.

Cable TV Services

Our cable TV services consist of distributing local and international programming content through our cable TV networks. We offer cable TV services in Romania, in Portugal and starting December 2024 in certain provinces in Spain. As at June 30, 2024 we are the largest pay TV operator in Romania, by number of RGUs (*Source: Group and peer reporting, ANCOM*).

In the last years, we have been expanding our services into rural areas that were already covered by cable TV networks of our competitors or were not covered by cable TV or internet and data networks at all. This has generated most of our growth in this period as our competitive prices, our multiple-service offerings, the quality of our services provided through technologically advanced networks and our ability to offer premium programming content have proved to be attractive to customers.

Our cable TV services have historically generated stable revenue, have low maintenance and other operational costs due to our sustained investment in the fixed network and provide a stable and growing base of customers.

Cable TV product packages

In Romania, we offer two main packages - an analog package and a digital package. Each package has two further versions: a standard version, which is addressed to all customers, and a reduced version, which is addressed to customers in rural areas. As at December 31, 2024, approximately 65.0% of our cable TV customers were subscribed to the analog package and approximately 35.0% of our cable TV customers were subscribed to the digital package. We believe that our standard packages are attractive to customers in terms of content offered for the price and as they provide access to our own channels (other than Film NOW and DIGI 4K, our premium pay TV channels) for no additional fee. In combination with the digital package, we offer premium movie channels such as Film NOW, HBO, MAXPAK and SkyShowtime at competitive prices. This product structure is available in all of our cable TV market in Romania, with certain local variations regarding the number and composition of channels included in each package.

In Portugal we offer a digital package with over 60 channels included. In NOWO Portugal we offer a digital package with two products: one with a standard package of channels ("TV NOWO") and one with additional ones ("TV NOWO FAMILIA"). In combination with our digital package, we offer premium channels such as DAZN and BenficaTV (sports), TVCINE (movies), HOT and VIVIDRED (Adults). The digital package also has some features such as: VOD, sVOD, Flashback (up to 7 days) and 500 hours of recordings.

DTH

Our DTH services consist of distributing programming content via satellite transmission primarily to rural or small-town residential subscribers who receive our services through satellite dish receivers and set-top boxes installed in their homes. To provide this service in Romania, we lease from Intelsat Global Sales & Marketing Ltd ("**Intelsat**") certain transponders installed on satellites operated by Intelsat and Telenor.

We are a leading DTH operator in Romania, which is entirely within the footprint of our signal.

DTH product packages

We offer "**Popular**" and "**Basic**" packages in Romania. In addition to these packages, we offer premium movie channels such as Film NOW, HBO, MAXPAK, an Adult option, as well as an option for Hungarian channels in Romania. Our offers have certain local variations regarding the number and composition of channels included in each package. These variations are mainly driven by local demand and competition.

As at December 31, 2024, we had approximately 5.9 million pay TV RGUs and served approximately 9.1 million homes passed in Romania (*Sources: Group reporting*).

As at December 31, 2024, we had approximately 121,000 Pay TV RGUs in Portugal.

Fixed Internet and Data

We provide fixed internet and data services through our fixed network in Romania, Spain (via our own GPON FTTH network and Telefónica's local network) and Portugal to both corporate and residential users in a variety of packages. We offer fixed internet and data access by subscription to all customers as part of our multiple service offerings in Romania, Spain and Portugal, as well as on a standalone basis.

As at December 31, 2024, we had approximately 4.9 million (business and residential), 2.0 million and 127,000 fixed internet and data RGUs in Romania, Spain and Portugal, respectively. Business subscribers represent an important part of our fixed internet and data business in Romania, as they generate a significant part of our revenue, although they are much fewer in number than residential subscribers.

We consider our fixed internet and data offering to be a premium service and a potential major growth driver for our overall business.

Fixed internet and data product packages

We offer several residential fixed internet and data services packages at competitive prices in Romania, Spain and Portugal. The differentiation between our packages is based on access speeds, which vary from entry to advanced levels. Our fixed internet and data package offerings are designed to increase the value we provide to our customers while at the same time increasing our ARPU by leveraging our existing infrastructure.

We offer the following packages to residential customers:

- "**Fiberlink 500**" and "**Fiberlink 1,000**" are our main residential fixed internet and data offerings in Romania. "Fiberlink 500" and "Fiberlink 1,000" allow unlimited traffic at speeds of up to 500 Mbps and 1,000 Mbps, respectively. We also offer "**Fiberlink Popular**" and "**Fiberlink Popular Gigabit**" packages to certain of our rural customers, which allow unlimited traffic at speeds of up to 300 Mbps and up to 1,000 Mbps, respectively. At the end of 2021, Digi Romania announced the launch of "**Fiberlink 2.5 Gb**" and "**Fiberlink 10 Gb**", which are available starting with December 2021 in Bucharest and starting with 2022 in other major cities in Romania.
- We offer fixed internet and data in Spain under "**Digi Net 300 Mb**" and "**Digi Net 1 Gb**" on Telefonica's network allowing unlimited traffic at speeds of up to 300 Mbps and 1 Gbps, respectively. Also, we offer, through our own XGSPON network, "**Digi Net Fibra Smart 1Gb**", "**Digi Net Pro-Digi 10Gb**", "**Digi Net Fibra Smart 600Mb"** and from mid October 2024, "**Digi Net Fibra Smart 300Mb**" packages allowing unlimited traffic at speeds of up to **1 Gbps**, **10 Gbps, 600 Mbps and 300Mbps**, respectively.
- In Portugal we offer fixed internet and data packages which allow unlimited traffic at speeds of up to 10 Gbps and in NOWO Portugal we offer fixed internet and data under "**Net 120 Mbps**", "**Net 250 Mbps**", "**Net 500 Mbps**" (only available on own GPON FTTH network and some HFC own network) and "**Net 1 Gbps**" (only available on own GPON FTTH network).

In addition, we offer certain custom premium fixed internet and data communication services to our business users in Romania.

Mobile Telecommunication Services

As at December 31, 2024, we were one of four licensed providers of mobile services in Romania. We provide mobile telecommunication services, which include both voice and data services, for which we use our own 2G+4G and 5G networks in Romania (5G in certain areas). In addition, we provide mobile telecommunication services as an MVNO and from 2025 as an MNO in Spain and as an MVNO in Italy. In Portugal we are using our own network and also as an MVNO for operations purchased from NOWO.

As at December 31, 2024, our networks coverage (outdoor voice coverage) in Romania extended to approximately 99.5% of the country's population. We have frequency blocks in the bands of 800 MHz, 900 MHz, 2,100 MHz, 2,600 MHz and 3,400-3,800 MHz in Romania, some of which were awarded to us in a spectrum auction in November 2022. We are the leader in inbound number porting in mobile, with approximately 5.3 million numbers ported between 2008 and December 31, 2024. In 2024, approximately 726 thousand mobile numbers were ported to us, the largest share of approximately 1.3 million mobile telephony numbers ported in Romania during this period (Source: ANCOM).

We are also the leader in Spain in net number porting in mobile, with more than 2.2 million net numbers ported between Q4 2020 and December 31, 2024. In 2024, more than 1,148 thousand mobile numbers were ported to us during this period resulting in more than 739 thousand (603 thousand in 2023) net portabilities (Source: AOPM).

As at December 31, 2024, we had approximately 6.6 million, 5.9 million, 490,000 and 321,000 mobile telecommunication services RGUs in Romania, Spain, Italy and Portugal, respectively.

We intend to continue increasing the coverage of our mobile telecommunication service and achieve growth in subscriber numbers and revenue.

Mobile telecommunications product packages in Romania

In Romania, we offer mobile telecommunications product packages in the form of service plans structured to meet the needs of our subscribers. These service plans provide for flat rates allowing either generous or unlimited number of minutes of voice communications across the main networks, as well as mobile internet traffic up to 100 GB per month at 4G and 5G speeds (5G service is currently available in several Romanian cities). We have also implemented 2G+4G solutions instead of 3G in rural areas to improve indoor coverage.

In Romania, we offer one main package, with several variations. "**Digi Mobil Optim**" offers a range of packages that target customers who wish to have unlimited minutes inside and/or outside of the network and a generous monthly mobile data allowance of up to 100 GB mobile internet data traffic at 4G / 5G speeds.

We also offer mobile internet and data services on a stand-alone basis in two different price plans with data traffic from 10 to 20 GB monthly.

Mobile telecommunications product packages in Spain

We offer voice and data mobile services in Spain under the brand name "**Digi**" using Telefónica's mobile network. We offer prepaid and post-paid tariff packages for voice, SMS and mobile data. We offer a set of customer propositions, including "**Digi Ilimitado**" and until December 2024 "**Digi Combo**", which include different data volumes that could also be combined with our fixed internet and data services, giving customers the possibility to elect the most suitable combination of services for their needs at competitive prices. These products have been well received by the market, contributing to the improvement of the group's positioning in Spain.

Mobile telecommunications product packages in Italy

In Italy, we provide a range of MVNO mobile voice, messaging and data services under the brand name "**Digi Mobil"** using Vodafone's network. We renewed our offering portfolio by introducing the new DIGI Combo (10€, 8€, 6€ and 5€), which include different data volumes, international calls and unlimited national voice traffic, while offering the highest quality services at affordable prices. In addition, these offers can also be combined among them, in ways that most suit customers' communication and connectivity needs. These new products have been well received by the market, as well as driving further value by ensuring that our existing customers are put first and new customers do not receive differentiated treatment and by continuing to reinforce the concept of propinquity to the ethnic target.

Mobile telecommunications product packages in Portugal

We offer voice and data mobile services in Portugal in 2G/4G/5G networks, with mobile internet traffic from 50 Gbps to 200 Gbps. In NOWO Portugal we provide a range of MVNO mobile voice, messaging and data services using Altice's network. With an offer that consists of 5 different plans (with all of them including 5,000 Minutes/SMS for national fixed and mobile numbers) that differ in terms of mobile data usage allowance: 500MB, 1GB, 5GB, 15GB and 30GB.

Fixed-line telephony

As at June 30, 2024, we were the largest fixed-line telephony operator in Romania, by total number of RGUs (*Sources: Group and peer reporting; ANCOM*). We also offer fixed-line telephony services in Spain through our own XGSPON FTTH network and through Telefónica's local network and in Portugal.

As at December 31, 2024, we had approximately 849,000 (business and residential), 626,000 and 107,000 fixed-line telephony RGUs in Romania, Spain and Portugal, respectively.

Fixed-line telephony product packages

We offer fixed-line telephony services in Romania, Spain and Portugal. We believe that our fixed-line telephony service offering helps increase customer retention on our networks in those countries.

We offer two main types of packages for residential customers in Romania:

- "**Digi Tel Family**" is our basic package that targets customers who prefer a lower monthly fee. It includes unlimited free minutes for calls with our other fixed-line and mobile telecommunication subscribers and 100 minutes for calls to other national fixed networks.
- "**Digi Tel National**" is a package that includes a fixed-line telephony subscription and unlimited free minutes for calls with our other fixed-line and mobile telecommunication subscribers, as well as other national fixed-line telephony networks and 100 minutes for calls to other national mobile operators.

In addition to these residential packages, we offer a wide range of services and tariff plans for our business users in Romania, including optional, value-added services to all our fixed-line telephony customers, over POTS lines but also over PRI E1s, which include extended numbering, preferred numbers, short numbering, CLIP/ CLIR, call barring, call forward and call-on-hold services.

In Spain, we offer "**Digi Tel**" and "**Digi Tel 500 min**" packages to our fixed internet and data customers. We offer the fixed-line telephony services within the footprint of the wholesale indirect access NEBA agreement with Telefonica and our own built FTTH network.

In Portugal we offer two packages, a usage-based pricing model calculated per minute, and a comprehensive unlimited calls plan. In NOWO Portugal there is only one offer including 9,000 minutes for National fixed numbers and 1,000 minutes for 50 international destinations. Customers can also subscribe to an add-on that offers 300 minutes for national mobile numbers.

Content

Own TV channels

We offer our proprietary TV channels through our cable TV and DTH packages.

Our first such channel was the premium content sports channel, "**DIGI Sport**." Our own channel offerings now include sports channels "**DIGI Sport 1**", "**DIGI Sport 2**", "**DIGI Sport 3**" and "**DIGI Sport 4**" (each in Romania), a premium pay TV movie channel "**Film NOW**", a news channel "**DIGI 24**", documentary channels "**DIGI World**", "**DIGI Life**" and "**DIGI Animal World**", music channels "**U Televiziune Interactiva**", "**Music Channel", "H!T Music Channel"** and "**Hora TV**" and the first Ultra High Definition - UHD channel in Romania "**DIGI 4K**," which we have been offering since December 2018.

All our own channels are broadcast in Standard Definition - SD and High Definition - HD (except for "Music Channel" and "H!T Music Channel", which are only broadcast in standard definition and for "DIGI 4K", which is only broadcast in UHD format).

Our premium sports channels own exclusive TV rights to broadcast the Women's Tennis Association's ("**WTA**") tournaments, Spanish Cup (Copa del Rey), Spanish Super Cup, English Football League Cup and Scottish Premiership in Romania. In addition, we have non-exclusive rights to broadcast the following major competitions in Romania: UEFA Champions League, UEFA Europa League, UEFA Europa Conference League, UEFA Super Cup, UEFA European Qualifiers, Romanian Football Leagues 1 and 2, Romanian Cup and Super

Cup, English Premier League, Spanish La Liga, German Bundesliga, Italian Serie A, Moto GP, European Handball Federation ("**EHF**") Champions League, World and European Handball Championships, European Rugby Champions Cup, ATP (Men's Professional Tennis tournaments) and Romanian Basketball League.

The table below sets out the main broadcasting rights we have through our premium TV sport channels:

Sport	Competition	Romania	Period
Football	Romanian League 1	✓	2024 – 2029
Football	Romanian League 2	✓	2024 – 2027
Football	Romanian Cup	✓	2024 – 2027
Football	Romanian Super Cup	✓	2024 – 2027
Football	UEFA Champions League	✓	2024 – 2027
Football	UEFA Super Cup	✓	2024 – 2027
Football	UEFA European Qualifiers	✓	2021– 2028
Football	UEFA Europa League	✓	2024 – 2027
Football	UEFA Europa Conference League	✓	2024 – 2027
Football	Premier League	✓	2022 – 2025
Football	Spanish La Liga	✓	2024 – 2026
Football	Italian Serie A	✓	2024 – 2027
Football	German Bundesliga	✓	2021 – 2029
Football	English Football League Cup	✓	2024 – 2027
Football	Scottish Premiership	✓	2022 – 2025
Football	Spanish Cup (Copa del Rey)	✓	2022 – 2025
Football	Spanish Super Cup	✓	2022 – 2025
Handball	EHF Champions League	✓	2021 – 2025
Handball	EHF and IHF Handballs Championships	✓	2022 – 2025
Racing	Moto GP	✓	2024 – 2026
Tennis	WTA Tour	✓	2024 – 2026
Tennis	ATP Tour	✓	2024 - 2026
Rugby	EPCR Challenge Cup & Heineken Champions Cup	✓	2022 - 2025
Basketball	Romanian Basketball League	✓	2024 – 2027

We also plan to acquire additional broadcasting rights in the future in order to renew or further upgrade our content offering. In addition to broadcasting them through our Pay TV platforms, we offer our own TV channels to certain other cable TV operators in Romania for a fee. At the end of 2015, we introduced advertising on our own channels to allow for additional monetization of our channel portfolio.

Own radio channels

We also operate the following radio stations in Romania: "**Pro FM**", "**Digi 24 FM**", "**Dance FM**" and "**Digi FM**."

Third-party content

Separately from the channels that we own, we acquire the rights to distribute TV channels from local and international programming content providers. In the case of all international and most local providers, we down-link and retransmit these channels as originally packaged (or with subtitles or dubbed), while with certain local providers we receive the channel via terrestrial fiber transmission. As at December 31, 2024, we had distribution agreements in place with 168 content providers. In Romania, we were entitled to retransmit 274 pass-through channels. Our pass-through channel providers assume full responsibility for programming content and ensuring compliance with applicable rules, including those on the protection of minors. The programming content generally consists of films, sports, general entertainment, documentaries, children's programs, news and music.

Third-party TV channels are generally purchased on a per-subscriber basis or on a flat-fee basis. Prices paid for these TV channels are sometimes subject to minimum guaranteed fees that are based on a specified minimum subscriber level, with a number of agreements providing for volume discounts in the fee per subscriber as the total number of subscribers increases.

The programming content acquired is retransmitted as part of the packages offered both through our cable TV service and our DTH service. The costs are allocated on a contract-by-contract basis between cable TV subscribers and DTH subscribers.

Our most important pass-through channels in Romania are: "**Pro TV**", "**Antena**", "**Kanal D**", "**HBO**", "**Discovery**", "**Eurosport**", "**Disney**", "**SkyShowtime**" and "**NGC**."

Multiple Offerings

A majority of our customers subscribe to two or more of our services. This is particularly true in relation to our network-based services, which use the same infrastructure in the delivery of all our services. Accordingly, we divide our customers between those who utilize our network-based services, in which we include our cable TV, fixed internet and data, fixed-line telephony and mobile telecommunication services (network customers), and customers who subscribe to our DTH service.

As the geographical coverage of our mobile network has increased in recent years, so has the number of customers who subscribe to multiple services. In Romania, the average number of services per one residential network customer (excluding DTH customers) was 2.1 and the percentage of network customers using more than one service was approximately 75.0% of all our base subscribers in the country, in each case, as at December 31, 2024. In Spain, the average number of services per one network customer was 1.5 and the percentage of network customers using more than one service was approximately 35.0% of all our base subscribers in the country, as at the same date.

The table below sets out the percentage of network customers that subscribe to multiple services in Romania and Spain, as a percentage of our base subscribers as at December 31, 2024:

	Romania	**Spain**
Single-play	25.0%	65.0%
2 or more	75.0%	35.0%
Of which 3 or more	33.0%	12.0%
Of which quad-play	5.0%	-

Although we focus on increasing the number of services to which each customer subscribes and develop our infrastructure with this objective in mind, we also analyze our business based on our five distinct business lines. We believe that customers who subscribe to multiple services are less likely to leave our services.

Electricity generation and supply

Since 2012, we have acquired several developmental stage solar energy projects as a means to reduce or partially offset our costs for electricity. As at December 31, 2024, these projects have an aggregate installed capacity of 15.72 MW, all of them being fully operational.

Under incentives promulgated by the Romanian government, producers of electricity from renewable sources (e.g., solar) that are accredited by the Romanian energy regulator are entitled to receive green certificates that can be subsequently sold to suppliers and other entities that have a legal obligation to acquire them. As at December 31, 2024, we accumulated €3.8 million of green certificates generated by our solar energy production activities.

We operate an electricity supply business for business and residential customers. Electricity supply is not a core activity for us.

Operations

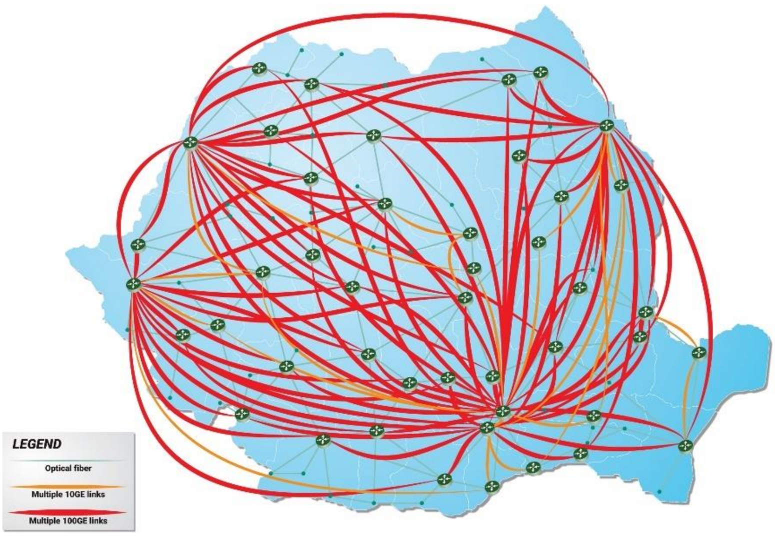
Fixed Fiber Networks

Romania

In Romania, we own and operate an advanced, fully digitalized and two-way capable fixed network. The network architecture provides near-complete FTTB/FTTH coverage based on GPON or comparable technology, with the rest (located in rural areas composed primarily of single-family homes) being hybrid fiber-coaxial networks, giving us the highest fiber share among similar cable operators in Europe.

We have an intercity fixed backbone network which covers, in addition to the capital city of Bucharest, all 41 county capital cities and numerous smaller cities and towns. Our fixed network in Romania passed a total of approximately 9.1 million homes as at December 31, 2024. In addition to residential customers, we service business customers in all counties and major cities of Romania.

The map below sets out our fixed backbone network in Romania as at December 31, 2024:

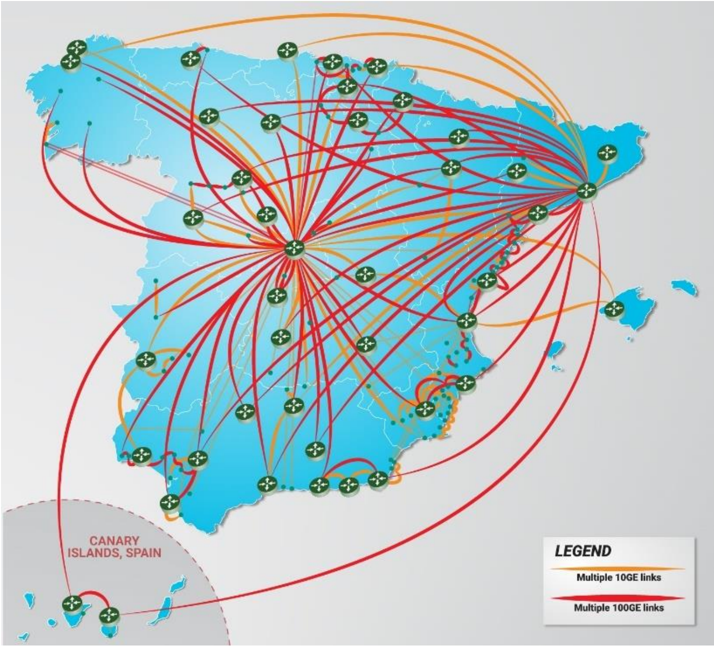


We continue to pursue technological improvements of our network, as well as expansion of our coverage. We believe that our network provides the opportunity to market attractive fixed internet and data and fixed-line telephony services, offering significant growth opportunities in terms of subscribers and revenue with limited additional investment.

Spain

We offer fixed broadband services with a national footprint based on a wholesale indirect access NEBA agreement with Telefónica. Additionally, in certain areas, we offer the same fixed services through our own built FTTH network.

The map below sets out our fixed backbone network in Spain as at December 31, 2024:



The table below sets out the number of homes passed and percentages of dwellings covered, by jurisdiction, as at December 31, 2024:

	As at December, 31
	2024
Romania	
Number of homes passed (millions)	9.1
Percentage of dwellings covered (1)	95.1%
Spain	
Number of homes passed (millions)	11.7
Percentage of dwellings covered (1)	43.9%

(1) *Calculated based on data by ANCOM for Romania and by the National Institute of Statistics for Spain.*

Portugal

In Portugal we offer fixed internet and data and cable TV services through own GPON FTTH and HFC networks, as well as through limited third-party networks. We plan to continue to expand our GPON FTTH network and to upgrade NOWO's network to fiber.

Belgium

As of December 11, 2024, Digi Belgium has launched fixed broadband internet services over fibre optic.

Mobile Telecommunication Services Networks

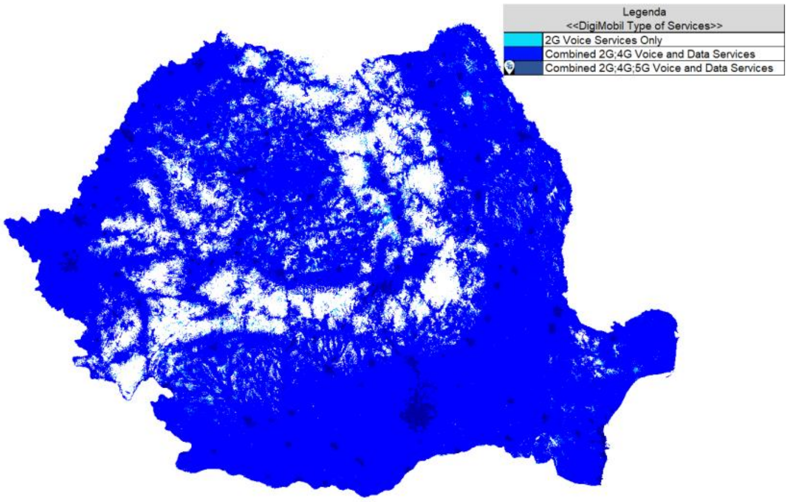
Romania

Our mobile telecommunication network in Romania is based on the equipment and solutions provided by leading vendors (Nokia and Ericsson). We lease or buy access to rooftops (or other structures), plots of land and antenna supports from a larger number of land and premises owners, typically based on long-term leases, in order to build the necessary grid of sites for the deployment of our mobile network.

As at December 31, 2024, our mobile telecommunication services (outdoor) covered approximately 99.5% of Romania's population, respectively. As at the same date, our mobile telecommunication services were provided through approximately 8,500 base stations (*Sources: Group reporting*).

The mobile telecommunication network is integrated with our fixed long haul and access backbone to take advantage of the high available capacity and resiliency. We have our own teams of employees that undertake the radio design, construction, operation, maintenance, network optimization and drive-test of the network, for an end-to-end control of the service delivery process.

The map below sets out the territorial coverage of our own mobile telecommunication network in Romania as at December 31, 2024:



5G mobile telecommunication services are available in certain important Romanian cities, based on our existing licenses. Based on the last tender organized in November 2022 by NRA (National Regulatory Authority), we were awarded additional spectrum in 2,600 MHz and 3,400-3,800 MHz frequencies (4 blocks of 2x5 MHz new spectrum in 2,600 MHz frequencies and 5x10 MHz in 3,400-3,800 frequencies, the latter representing the renewal of our existing spectrum from 3,400-3,800 MHz frequencies which will enter into force in 2026, after expiration of the existing one). These new spectrum resources will allow Digi Romania to continue the growth of its innovative digital communication services and implementation of new technologies, providing broadband connectivity at all economic and social levels, at the same affordable prices.

In order to minimize the potential for a system failure in our mobile telecommunication network, we have agreements in place with our suppliers for technical support to help ensure continuous operation of the network.

MVNO operations in Spain, Italy and Portugal

We offer mobile telecommunication services in Spain as an MVNO using Telefónica's network based on the Spanish MVNO Agreement and starting from January 2025 as an MNO by means of the Spanish National Roaming Agreement and Spanish RAN Sharing and Spectrum Sharing Agreement signed with Telefónica.

We currently offer mobile telecommunication services in Italy using Vodafone's network based on the Italian MVNO Agreement.

NOWO Portugal currently offers mobile telecommunication services in Portugal using Altice Portugal's network through a MVNO Agreement.

Portugal

At the end of 2021, we were awarded radio frequencies in Portugal at the mobile spectrum auction. We have launched the services on November 4, 2024 and we keep on developing the fixed and mobile networks. As at December 31, 2024, our mobile telecommunication services in Portugal covered (outdoor voice coverage) approximately 97.1% of the country's population, with active expansion efforts underway in various regions, including islands and indoor spaces and were provided via approximately 4,000 base stations.

NOWO Portugal got awarded mobile spectrum in November 2021 and as of December 2024 has only 40MHz in the 3.6GHz bandwidth which is in the process of being transferred to DIGI Portugal.

Belgium

As of June 6, 2022 the joint venture of Citymesh NV, part of Cegeka Group, and Digi Romania won the new entrant spectrum package in the 5G-auction and has been starting the build of a new (4^{th}) national mobile network.

Following the auction concluded on June 21, 2022, Citymesh Mobile NV obtained the spectrum package in the 700 MHz, 900 MHz, 1,800 MHz, 2,100 MHz and 3,600 MHz bands for a total value of EUR 114,3 million payable in full or annually in equal instalments (at the choose of the subsidiary) for the entire duration of the right of use, which is 20 years, less for the 3,600 MHz rights that ends in May 2040.

As of December 11, 2024, Digi Belgium has launched mobile voice and data as an MVNO in the Belgian market.

Fixed-line Telephony

Our fixed-line telephony network in Romania is using the same IP network as the broadband internet, for additional reliability. We are interconnected at national and international level with major carriers, as we are established in the fixed telephony market since 2003.

Our new IMS platform enables us to migrate the fixed-line services to a new state of the art technology, allowing us to develop new and innovative services and integrations with the mobile or internet fixed services.

We offer fixed-line telephony services in Spain based on a wholesale indirect access NEBA agreement with Telefónica and through our own XGSPON FTTH network.

In Portugal we offer fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks.

As of December 11, 2024, Digi Belgium has launched fixed-line telephony services over fibre optic.

DTH Operations

We manage our DTH satellite retransmission operation using the up-link infrastructure we own. International turnaround channels are received via our dishes, digitized and sent to the single turnaround center. Channels from various broadcasters are received via fiber cables and re-broadcasted. In the turnaround center channels are then compressed, encrypted and multiplexed (thus combining few channels in a single signal).

From these locations, the broadcast feed is transmitted to the geostationary satellite operated by Intelsat, which is located 35,800 km above the equator at 1 degree West longitude and to the geostationary satellite operated by Telenor on a neighboring orbital position at 0.8 degrees West. We have four large-diameter satellite dishes for up- linking signals. A dish mounted externally at subscribers' premises receives the signal. The dish is connected to a set-top box that decodes the signal and converts it into video, sound and data information.

Most of our subscriber management activities, including call centers and services activation and deactivation, are done in-house.

Satellites and transponders

As at December 31, 2024, we use five high-powered transponders: two on the Intelsat satellite and three on the Telenor satellite to transmit our DTH signal and one additional transponder on the Intelsat satellite to transmit occasional use signals. The lease agreement with Intelsat (which covers all transponders that we use) is currently valid until 2026. The number of television channels that can be broadcast to subscribers is dictated by the amount of transponder space available. Currently, we are using all our available transponder capacity. We also use simulcrypt agreements.

The five satellite transponders used for DTH signal transmission receive video, audio and data signals transmitted from our up-link facilities, convert the frequency of those signals, amplify them and retransmit them back to Earth in a manner that allows individual subscribers to receive the signals using a small satellite dish.

If, for any reason, the satellites that we currently use become unavailable for further service, we estimate that alternatives are available in the same orbital position and more could become available later.

Set-top boxes and encryption

We use an encryption solution and smart-cards for our DTH operations supplied by Nagravision, which is a leading supplier of security solutions for the television industry. We believe the quality of the encryption technology we use is consistent with market standards.

DISTRIBUTION AND SALES

We employ five primary sales channels: (i) our own retail network; (ii) agents providing door-to-door sales; (iii) dedicated account managers for business customers; (iv) inbound and outbound telesales; and (v) online channels – our own webpage. In Romania and Spain, these channels use our own sales force. Furthermore, in Spain and Italy, we serve our residential customers also through retail sales partners (dealers) and starting in 2023, through certain retail stores in big cities.

We differentiate marketing and sales depending on the target customers. We differentiate between residential customers and business customers mainly on the basis of the type of services they subscribe to, especially with regard to internet and data and fixed-line telephony services.

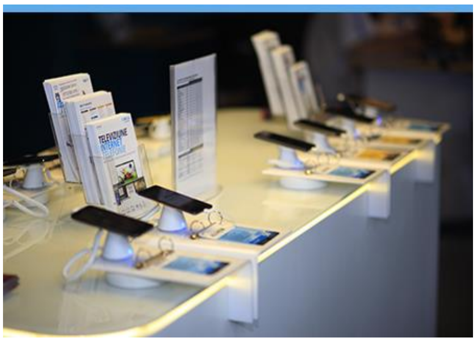
CUSTOMER SERVICE AND RETENTION

We believe that the quality of our customer service is critical to attracting and retaining customers. While we focus on providing high-quality after-sale services, we also pay particular attention to other key processes, such as monitoring the overall quality of the services provided to our customers and receiving and resolving customer queries (whether commercial, financial or technical in nature).

We also have after-sale and service teams dedicated to our various services. Our mobile telecommunication business line is serviced directly at our retail locations, and also partners (dealers) in Spain. We generally aim for a targeted service, and we provide different contact numbers for each type of customers. Our business customers are granted special attention and they each have designated account managers.

We actively monitor our customer satisfaction and seek customer feedback in connection with our service offerings and customer service efforts and routinely provide customers with questionnaires or other requests for feedback through which they describe their level of satisfaction with our service offerings and quality of service, provide comments and requests or order additional services.

MARKETING



We believe that we enjoy strong recognition among consumers in Romania and Spain. We generally market our services under the brand "**DIGI**," with variations depending on the type of service, including the following: "**DIGI TV**" for cable TV and DTH, "**DIGI Tel**" for fixed-line telephony, "**DIGI Net**" for our fixed internet and data services, "**DIGI Mobil**" for our mobile telecommunication services, "**DIGI Animal World**", "**DIGI Life**", "**DIGI World**", "**DIGI Sport**", "**Film NOW**", "**DIGI 24**" and "**DIGI 4K**" for our TV channels, "**DIGI FM**", "**DIGI 24 FM**" for our radio channels and "**DIGI Online**" for our online platform.

Our general marketing strategy aims to position us as a provider with a high quality-to-price ratio addressing the mass market. We also aim to encourage the uptake of multiple-play services by offering competitive prices for each of our services, as well as single invoices and a single point of contact for various services.

In all the markets in which we operate, we use a variety of advertising and campaigning channels to promote our services and brand names. Traditionally we have preferred to advertise through "below-the-line" marketing (e.g., targeted local marketing through flyers, stickers, local billboards and local or national press), as we believe these fit better with the nature of most of our service offerings. However, we also use TV channels (our own and third-party) to promote our service offerings. In Spain, we also have a specific marketing channel, Sponsorship agreements with several football teams. Promotions are addressed to both new and existing customers and focus on increasing awareness of new services and cross-selling. The campaigns also emphasize our brand and the high quality of our products at low prices. In the markets where we offer multiple services, we have actively promoted our image as an integrated telecommunications and media provider.

Customers can obtain information related to our services and products at our customer sales offices, through our call centers and on our digital channels (website and social network platforms). Most of them are available in Romanian, English, Spanish and Italian, in order to provide the most comfortable, professional and comprehensive services to everyone and remove language barriers. Our continuing focus is on permanent improvement of the engagement with our customers in order to develop long-term valuable relationships and provide an unmatched customer experience.

BILLING

Our billing system is based on invoices issued monthly. Prices for most of our services provided to residential subscribers (except telephony and business internet and data services) are set in local currencies. For mobile and fixed-line telephony to residential and business customers, as well as fixed internet and data services for business customers, our prices are determined in euro. For prices not determined in the local currency, customers pay their invoices in local currency using the exchange rate from the date when the invoice was issued. We usually bill our services on a post-paid basis. Generally, we require individual post-paid subscribers to settle their accounts on a monthly basis. Subscribers may pay in person at our retail locations or through various payment outlets or at ATMs of certain banks, on our website using e-commerce or by payment order. The terms of payment are by the end of the service month for services with flat subscription fees. Disconnection periods for non-payment vary by service and market depending on our customer relationship strategy.

For our multiple-service customers, we issue a single invoice for all services. The billing software is developed in-house and is used in all the countries where we operate.

In addition to maintaining financial information for each customer, our billing software keeps detailed, non-financial customer and contract related information. This information is used by our customer service representatives to address various issues and needs of our customers.

We believe our billing and collection systems are appropriate for our business needs, and we constantly seek to improve them. We are also aiming to improve our physical presence by increasing the number of sales/collection points and bringing them closer to clients, including in rural areas (the so called "**DIGI Boxes**"). Additionally, we send notifications (via SMS, email, dedicated website, internet pop-up messages and TV messages for our CATV and DTH subscribers) to our customers alerting them of overdue invoices.

EQUIPMENT SUPPLIERS

In our cable TV business line, our principal supplier for video receivers and modulators is Jiuzhou (HK) Multimedia Limited. Nagravision, Fiberhome and ZTE supply the encryption and subscriber management system. For fixed internet and data services, our main suppliers are Cisco and Juniper for high end routers and ECI for DWDM transmissions.

In our fixed-line telephony business line, our main supplier is Nokia (we also use switches supplied by Alcatel, which is currently part of Nokia).

The equipment for our mobile telecommunication services is provided by Nokia and Ericsson. We focus on Android-based smartphones, due to better affordability for our customers. The main producers for mobile handsets are Samsung and Xiaomi.

Most of our equipment is supplied directly by its manufacturers. In nearly all cases, we believe alternate providers are readily available and only in rare occasions would replacing such providers be a lengthy process.

SERVICE SUPPLIERS

We purchase our content from both local producers and international providers. Some of our major content suppliers are Warner Bros, Columbia Pictures, Paramount Pictures, Walt Disney and Universal Studios.

Our main suppliers for global internet interconnection and IP transit services are the leading industry operators Arelion Romania, Colt Technology Services and C.C.D. Cogent Communications Deutschland GmbH.

Our main suppliers of interconnection services in telephony are major telecommunications operators present in Romania and Europe. These include Orange, Vodafone, Telekom Romania, Arelion Sweden, Telefonica de Espana, Belgacom International Carrier Services, Telecom Italia Sparkle, A1 Telekom Austria and Tata Communications.

Our supplier of DTH satellite services is Intelsat.

INTELLECTUAL PROPERTY

We own a relatively large number of trademarks including verbal trademarks (protecting words) and combined trademarks (protecting both words and image), including: "RCS & RDS," "DIGI," "DIGI TV," "DIGI FILM," "DIGI SPORT," "DIGI MOBIL," "DIGI MOBIL 5G," "DIGI MOBIL 5G SMART," "DIGI LINK," "DIGI TEL," "DIGI NET," "DIGI VIDEO GUARD," "DIGI 24 HD," "DIGI 4K," "DIGI LIFE," "DIGI WORLD," "UTV," "DIGI Oriunde," "DIGI Online," "DIGI PLAY," "DIGI Energy," "Pro FM," "DIGI FM," "DANCE FM,""DIGI COMMUNICATIONS N.V.," "ROMANIA FURATA," "GENERATIA DIGI SPORT" ,"DIGI One Voice" etc. These trademarks are registered for the territories, in which they are used, and certain trademarks are also registered for additional territories or on a national or European basis.

In all the above cases, the protection offered by the registration of the trademarks lasts for ten years and can be rolled over for ten years periods based on a specific request. We regularly renew our trademarks and register new trademarks (most of the later relate to our TV and radio broadcast activities).

We generally do not license our trademarks. As an exception, we provided certain licenses for the use of our trademarks by third parties as a post-closing covenant at the disposal of our subsidiaries. In Slovakia, we entered into a trademark license agreement in 2016, which was subsequently extended until December 2025.

LITIGATIONS AND LEGAL PROCEDURES

For details, please see note Note 35 from the consolidated financial statements as at December 31, 2024.

Financial Results

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 consolidated financial statements of the Group as of December 31, 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

Our company delivers geographically-focused telecommunication solutions across multiple European markets. We are the leading provider of telecommunication services in Romania, with significant operations in Spain and also present in Italy, 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 and from 2025 as an MNO through the mobile network of Telefónica and future own mobile network and we offer fixed internet and data and fixed-line telephony services through our own XGSPON FTTH network and through Telefónica's fixed network. In 2024 we have 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 December 2024, we expanded our telecommunications presence into Belgium by introducing fixed and mobile service offerings through our Joint Venture with Citymesh, a subsidiary of the Cegeka group. Our offerings include fixed internet and data and fixed-line telephony and mobile telecommunication services as an MVNO.

For more details, please see *Business* section.

For the year ended December 31, 2024, we generated revenue (excluding intersegment revenue) and other income of € 2,331.5 million, net profit of €424.6 million (including the extraordinary sale of assets) and Adjusted EBITDA of €680.2 million.

Recent Developments

Financing agreement covering the Group

In December 2024, Digi Romania S.A., together with the Company and Digi Spain Telecom S.L.U., signed a Syndication and Amendment Agreement to the Facility Agreement originally dated June 3, 2024. This agreement increased the total commitment from €150 million to €220 million (with a 5-year maturity) and transferred part of the existing lender's commitment to new lenders: Banca Transilvania S.A., BRD – Groupe Société Générale S.A., Citibank Europe Plc (Dublin, Romania Branch), ING Bank N.V. Amsterdam – Bucharest Branch, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A., and UniCredit Bank S.A.

Also, Digi Romania S.A. entered into an Export Credit Facility Agreement for €62 with ING Bank N.V. as the original lender, mandated lead arranger, agent, and ECA agent. The facility will be used to finance the purchase of goods and services for the development of telecommunications networks in Romania, Spain, Portugal, and Belgium.

Recent Spanish performance

Digi Spain surpassed 2 million fixed broadband customers at the beginning of February 2025. This development reflects an accelerated increase in the number of users, reaching a penetration of more than 20% in networks deployed in the period 2019-2020, and confirms their trust in the services offered, which allow speeds of up to

10 Gbps. At the same time, Digi Spain is actively working on expanding its optical fiber network in 50 provinces across Spain. The currently deployed network covers more than 12 million homes passed (out of which approx. 3 million deployed in the last year) out of a total of 24 million households nationwide.

Digi Spain exceeded 6 million mobile lines, a remarkable milestone that reflects the trust and appreciation users have for the company's mobile services.

Launch of services in Portugal

On November 4th 2024, 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.

DIGI Portugal built a modern fibre optic network, and a national mobile coverage reaching over 97% of the population.

Launch of services in Belgium

On 11 December 2024, DIGI launched commercial operations in Belgium, expanding its European presence with fiber-optic broadband internet and mobile voice and data services.

The company follows a transparent pricing model with no hidden fees or periodic increases, allowing customers to choose individual subscriptions or customize packages based on their needs.

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. In 2024 we generated revenue in Romania, Spain, Italy and Portugal. In 2024, we incurred operating expenses in Romania, Spain, Italy and Portugal. Revenue and operating expenses are further broken down into the following geographic segments: Romania, Spain and Other. Digi Belgium because of its joint ventures structure is not consolidated hence no impact on the segment report.

The revenue for each of our geographic segments for the years ended December 31, 2024 and 2023 was as follows:

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Romania	1,099.0	1,019.4
Spain	782.0	642.0
Portugal	11.8	0.0
Other (1)	31.5	29.0
Total revenue	**1,924.3**	**1,690.4**

1) Other represents mostly operations in Italy.

The operating expenses for each of our geographic segments for the years ended December 31, 2024 and 2023 were as follows:

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Romania	588.6	573.6
Spain	605.1	508.0
Portugal	27.4	6.9
Other (1)	30.8	26.8
Depreciation, amortisation and impairment of tangible and intangible assets and right of use assets	481.9	417.5
Total operating expenses	**1,733.9**	**1,532.9**

(1) Includes mainly operating expenses of operations in Italy and operating expenses of the Company.

In line with our management's consideration of the Group's revenue generation we further break down revenue generated by each of our geographic segments in accordance with our five principal business lines: (1) cable TV; (2) fixed internet and data; (3) mobile telecommunication services; (4) fixed-line telephony; and (5) DTH.

Revenue and Expenses structure of our principal lines of business

In general, for each of our five principal lines of business, we earn revenue from flat-rate subscription fees received from our customers and incur expenses that include licensing, programming and content fees, customer service, as well as network operation and maintenance. However, the structure of our revenue and expenses differs in each of our principal lines of business. See *Business* section.

Pay TV

Cable TV

The revenue we receive for cable TV services in Romania, Spain and Portugal consists principally of flat-rate monthly subscription fees. The level of subscription fees depends on the programming package chosen by the particular customer. Customers can add extraoptions to digital subscriptions.

The expenses we record for cable TV services consist principally of fees that we pay to providers of third-party TV channels, license fees that we pay for content on our own TV channels and personnel expenses (consisting in large part of the salaries we pay to personnel that operate and maintain our network, personnel used to operate our own channels and our sales personnel). We also incur expenses for copyright payments to the national bodies representing collective artists' rights under relevant local laws, rights of way for our cables (which we record as "network rents"), maintenance and repair of our network, transportation and fuel expenses of our cable TV staff, collection and other miscellaneous expenses. We capitalize the expenses related to installing and upgrading our fixed network (except for maintenance and repairs). We also capitalize the expenses related to acquiring third-party programming for our own channels and amortize those assets over the period they relate to on a straight-line basis. Such third-party programming expenses are accounted for as a capital expenditure because the underlying rights are generally either exclusive or shared with one other party and we acquire them to attract and retain customers. We expense the cost of acquiring third-party channels and other content not used in the production of our own channels. Third-party programming costs that are accounted for as operating expenses generally vary directly with our number of RGUs, as a significant part of our programming agreements for third-party channels link programming fees paid to content owners to the number of our subscribers in the relevant territory.

DTH

The revenue we receive from our DTH services in Romania consists principally of flat-rate monthly subscription fees from customers and, to a lesser extent, activation and other fees. The level of subscription fees depends on the programming package chosen by the particular customer. Customers can add extraoptions to the basic price-plan.

The expenses incurred in connection with our DTH services consist principally of the cost of the programming content offered to our subscribers, transmission capacity on the Intelsat and Telenor satellites, license fees paid to the holders of transmission/retransmission rights for sporting events that are broadcasted on our sports channels and the expense of operating customer care call centers. Our treatment of expenses related to third-party programming is the same as in our cable TV business line. See *Cable TV* above.

Fixed internet and data

The revenue we receive for fixed internet and data services in Romania, Spain and Portugal consists principally of flat-rate monthly subscription fees. We service both residential and business customers. The market for business customers is more competitive, and, as a result, ARPU for our business customers can vary significantly over time.

The expenses recorded for fixed internet and data services consist principally of personnel expenses and related expenses of our service and maintenance staff, as well as interconnection and transmission fees. We also incur expenses for maintenance and repair of the network and rights of way for the network, energy expenses related to the operation of the network and collection expenses. Our treatment of expenses related to installing and upgrading our fixed network is the same across all business lines offering services via such network. See *Cable TV* above.

Mobile telecommunication services

The revenue that we receive for mobile telephony services in Romania consists of flat-rate monthly subscription fees, per-minute telephone charges and, to a lesser extent, interconnection fees that we receive from other service providers whose customers call our customers, as well as charges for text messages to, or from, third-party numbers. We do not charge for calls or messages to, or from, other customers within our own fixed-line and mobile telephony networks. We charge for SMS to other networks in Romania, SMS to international destinations and in roaming. We also charge for voice and data traffic in roaming that exceed the quantity included in the subscription by the "roam-like-at-home" policy in European countries and all voice and data traffic in roaming in other countries that are not part of SEE. Another revenue stream for mobile telephony is from the international calls to destinations that are not included in the subscriptions. The revenue that we receive for mobile internet and data services in Romania consists principally of flat-rate monthly subscription fees.

In Spain, we generate revenue from mobile telephony services and mobile internet and data primarily via sale of post-paid and pre-paid packages as an MVNO and from January 2025 as an MNO. In Italy, we generate revenue from mobile telephony services and mobile internet and data primarily via sale of pre-paid packages as an MVNO. Such revenue consists of voice, data and text charges and, to a lesser extent, interconnection fees that we receive from other service providers whose customers call our customers.

As of November 4, 2024, Digi Portugal began generating revenue from mobile telephony services and mobile internet and data. Additionally, through the acquisition of NOWO on October 25, 2024, we expanded our mobile services portfolio. In Portugal, NOWO operates as an MVNO, generating revenue from mobile telephony services and mobile internet and data.

The expenses incurred in connection with our mobile telecommunication services consist principally of interconnection fees paid to other network operators whose customers are called by our customers. Mobile telephony interconnection fees charged by operators during the periods under review by geographic segment are set out in the table below:

Mobile telephony interconnection fees	**For the year ended December 31,**	
	2024	**2023**
		(eurocents/minute)
Romania	0.20	0.40
Spain	0.20	0.40
Italy	0.20	0.40
Portugal	0.20	N/A

Our expenses also include energy consumed by the network, personnel expenses and related expenses of our maintenance and customer service staff, radio spectrum fees payable to communications authorities in Romania and Portugal and service carry fees that we pay to Telefónica in Spain and to Vodafone in Italy.

We also generate revenue and incur expenses in relation to sales of third-party manufactured handsets and accessories.

Fixed-line telephony

The revenue we receive for fixed-line telephony services in Romania, Spain and Portugal consists principally of flat-rate monthly subscription fees and per-minute telephone charges. We also derive revenue from interconnection fees that we receive from other service providers whose customers call our customers. We do not charge for calls to other telephone numbers within our fixed-line and mobile telephony networks in the same country. We charge for calls to other networks that exceed the allowance included in the monthly fee and for international calls to destinations that are not included in the subscriptions.

The expenses incurred in relation to fixed-line telephony services consist principally of interconnection fees paid to other service providers whose customers are called by our customers. We also incur personnel expenses related to sales, installation and customer support services. Our treatment of expenses related to installing and upgrading our fixed network is the same across all business lines offering services via such network. See *Cable TV* above.

Other operations

We also generated revenue and incurred expenses in relation to sales of third-party manufactured mobile handsets and pay TV accessories (such as satellite signal receivers and decoders in Romania), which are sold directly to our customers. Those sales were generally conducted at a low margin, or no margin at all, as part of new customer acquisition or as an incentive for existing customers to renew or upgrade their subscriptions. The cost of equipment that we provide to customers is capitalized as CPE.

In addition to our principal revenue generation streams, in Romania we sell advertising time on all our own TV channels and we operate four local radio stations in Romania.

These operations are relatively small and are not reported as separate business lines.

Trends and Other Key Factors Impacting Our Results of Operations

The following are the key factors that have significantly affected our results of operations and financial condition during the periods under review, or which we expect will significantly affect our operations in the future.

General economic environment in our key markets

The main markets on which we operate have shown economic growth in recent years. In particular, Romania and Spain, which accounted for 97.7% and 98.3% of our total revenue for the year ended December 31, 2024 and December 31, 2023, respectively. (*Source: Eurostat*).

The effects of an economic downturn or recession caused by the military conflict in Ukraine may impact a significant number of our customers, leading to increased unemployment and a decrease in disposable income (which may, in its turn, lead to a decrease in consumption spending), and government responses to the economic crisis, such as austerity measures, exceptional one-off taxes to compensate for decreasing budget revenues and increases in tax rates. Such conditions could have a material adverse effect on our business and results of operations.

Given the economic history of the regions of Eastern and Southern Europe that we serve, our enhanced television, data and telephony services are generally viewed as desirable, but not indispensable in times of economic difficulty. By contrast, we believe that basic television, internet and telephony services are perceived as necessities, rather than discretionary items.

Competition

Our results of operations are affected by competition, as we operate in intensely competitive industries and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers.

We believe that our focus on Romania and Spain, as well as synergies generated by our convergent fixed and mobile offerings and our advanced infrastructure, currently allow us to compete efficiently in our core markets. However, intense competition creates pressure to maintain low prices on our service and product offerings thus affecting our revenue growth potential.

Regulation

Mobile telecommunication licenses in Romania, Spain, Portugal and Belgium

We can only develop our mobile telecommunication offerings in Romania, Spain, Portugal and Belgium if we have appropriate licenses and bandwidth. For a list of our current mobile telecommunications licenses, see *Business* section. If we are unsuccessful in obtaining such licenses, the growth of our business may be curtailed, as we may be unable to generate new RGUs or increase our ARPU.

License acquisition is a complex process, which is subject to extensive regulation. Licenses are granted at public auctions and relevant licensing authorities establish criteria that participants therein need to satisfy. If we are unable to meet those criteria, or otherwise unable to compete for such licenses, our results of operations could be significantly and materially affected.

In addition, in order to participate in auctions for mobile telecommunications licenses, we may be required to provide significant third-party guarantees of our ability to pay corresponding license fees should the license sought be granted to us. If we are successful in our bids, we may need to attract additional financing to ensure that we have sufficient funds to pay those license fees. If we do, that will increase our balance sheet liabilities and finance expenses recorded on our statement of profit or loss.

Taxation

The military conflict in Ukraine through the economic downturn and/or recession caused may lead to an increase in tax rates and exceptional one-off taxes to compensate for decreasing budget revenues.

Growth in business, RGUs and ARPU

Our revenue is most directly 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 external auditor, consultant or expert. Each of these measures is derived from management estimates, systems and tools. As defined by our management, these terms may not be comparable to similar terms used by other companies. We use RGU to designate a subscriber account of a customer in relation to one of our services. RGUs are measured at the end of the relevant period. As our definition of RGU is different for our different business lines, you should use caution when trying to compare RGUs and ARPU between our business lines. We calculate ARPU 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 relevant 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. ARPU is a measure we use to evaluate how effectively we are realising potential revenues from customers.

Our total RGU base has grown from 23.9 million RGUs as at December 31, 2023 to 27.8 million RGUs as at December 31, 2024, representing an increase of 16.4%.

The following table shows our RGUs by geographic segment and business line and monthly ARPU by geographic segment as at and for the years ended December 31, 2024 and 2023:

	As at and for the year ended 31 December	
(RGUs: thousands; ARPU: €/period)	**2024**	**2023**
Group operations		
RGUs	**27,789**	**23,864**
ARPU (1)	**5.7**	**5.8**
Romania		
RGUs		
Pay TV (2)	5,868	5,682
Fixed internet and data (3)	4,888	4,571
Mobile telecommunication services (4)	6,578	5,820
Fixed-line telephony (3)	849	890
ARPU (1)	**4.4**	**4.5**
Spain		
RGUs		
Fixed internet and data	1,951	1,373
Mobile telecommunication services (4)	5,863	4,663
Fixed-line telephony	626	445
ARPU (1)(6)	**8.7**	**9.3**
Italy		
RGUs		
Mobile telecommunication services (4)	490	420
ARPU (1)(5)	**5.7**	**6.2**
Portugal (7)		
RGUs		
Pay TV	121	-
Fixed internet and data	127	-
Mobile telecommunication services (4)	321	-
Fixed-line telephony	107	-
ARPU (1)	**7.6**	**-**

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

(6) ARPU is calculated without revenues and RGUs from the Pay TV business line, as they are immaterial.
(7) For the year ended December 31, 2024, RGUs and ARPUs for Portugal include the consolidated RGUs and ARPUs for Digi Portugal and NOWO.

Our revenue may not always grow in direct proportion with the increase in our RGUs. In part, these variations reflect the fact that ARPU differs. We try to increase profitability in each business line by careful management of expenses through negotiation of content fees, interconnection costs and similar expenses, use of newer technologies for improved results of operations and, where possible, by conducting certain operations and investment related activities in-house to achieve cost efficiencies. In all our business lines we have focused, and continue to focus, on increasing the number of RGUs by acquiring new customers and by cross-selling more services to our existing customers while maintaining our Adjusted EBITDA Margin. Our approach reflects the relatively wide range of our business and our ability to offer multiple services to our customer base. As at December 31, 2024, each of our residential customers in Romania (excluding DTH customers) subscribed to an average of 2.1 services (similarly, an average of 2.1 as at December 31, 2023) and each of our residential customers in Spain subscribed to an average of 1.5 services (similarly, an average of 1.4 as at December 31, 2023).

The following table shows the evolution of our total RGUs by business line for 2024 and 2023:

	As at December 31,	
	2024(1)	**2023**
		(thousands)
Pay-TV	5,989	5,682
Fixed internet and data	6,966	5,944
Mobile telecommunication services	13,252	10,903
Fixed-line telephony	1,582	1,335
Total	**27,789**	**23,864**

(1) RGUs for Portugal include NOWO's RGUs.

Technical capabilities and limitations of our networks

Fixed offerings

We offer cable TV, fixed internet and data and fixed-line telephony through our fixed network in Romania, which, as at December 31, 2024, covered 95.1% of dwellings (*Sources: Group reporting; ANCOM*). Our ability to expand our reach, attract new customers and migrate existing customers to higher levels of service depends on the capabilities and limitations of these networks. As at the date of this report, we have upgraded almost the entire Romanian fixed network to GPON or comparable technology and were able to offer transfer speeds of up to 1,000 Mbps for internet and data services. Starting with 2022 we offered transfer speeds of up to 10 Gbps for internet and data services in major cities in Romania, the fastest available to residential users on the market.

As a result of those upgrades, we anticipate that our own fixed network will require relatively low maintenance capital expenditure over the short and medium term. We believe that growth from cable TV, fixed internet and data and fixed-line telephony services will principally come from increasing penetration in the areas that we already cover, expanding our fixed networks to areas not currently covered, cross-selling services to existing customers and migrating our existing customers to higher levels of service.

In Spain we offer fixed broadband and fixed-line telephony services with a national footprint based on a wholesale indirect access NEBA agreement with Telefónica. Additionally, in certain areas, we offer the same fixed services through our own built FTTH network. As at December 31, 2024, our technologically-advanced fixed network in the country covered 43.9% of all dwellings (*Sources: Group reporting; INE*).

DIGI Italy has started also to expand its service portfolio, in a first test phase, with the launch of high-speed broadband FTTH access.

In Portugal we offer fixed internet and data, cable TV and fixed-line telephony services through own GPON FTTH and HFC networks, as well as through limited third-party networks.

As of December 11, 2024, Digi Belgium has launched fixed broadband internet and fixed-line telephony services over fibre optic.

Mobile offerings

Romania

We have frequency blocks in the bands of 800 MHz, 900 MHz, 2,100 MHz, 2,600 MHz and 3,400-3,800 MHz in Romania, some of which were awarded to us in a spectrum auction in November 2022. As at December 31, 2024, we had approximately 8,500 mobile network base stations covering approximately 99.5% (outdoor voice coverage) of the country's population. We offer 5G mobile telecommunication services in certain Romanian cities based on our existing licenses and intend to continue the roll-out of our mobile networks in the country.

Spain

Our MVNO businesses currently rely on Telefónica's network in Spain. Our full MVNO agreement with Telefónica ended December 31, 2024 and starting January 1, 2025, the new National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement have entered into force and are effective until December 31, 2040.

Italy

In Italy, we have an MVNO agreement with Vodafone, regarding Digi Italy's access to Vodafone's radio spectrum and mobile communication network and infrastructure. Our current full MVNO agreement with Vodafone is effective until February 1, 2028.

Portugal

We have been allocated spectrum licenses in 900 MHz (2x5 MHz), 1800 MHz (2x5 MHz), 2.6 GHz (2x5 MHz FDD and 25 MHz TDD) and 3.6 GHz (40 MHz) as a result of our winning the relevant auction organized in 2021. This will allow the Group to expand its business on the Portuguese market, in order to provide high quality, affordable telecommunication services, based on the latest technologies.

Based on concentration operation Digi Portugal has purchased 100 per cent of Cabonitel, S.A., which in turn owns 100 per cent of NOWO Communications SA (an existing provider in Portugal) and thereby acquired the rights of use for radio frequencies owned by NOWO Communications S.A. in 1800 MHz (2x10 MHz), 2600 (2x5 MHz and 3600 MHz (1x40 MHz).

As of November 4, 2024, Digi Portugal has started to provide residential customers voice and mobile data on 2G/4G/5G networks.

As at December 31, 2024, our mobile telecommunication services in Portugal covered (outdoor voice coverage) approximately 97.1% of the country's population and were provided via approximately 4,000 base stations.

NOWO Portugal provides mobile telecommunication services as an MVNO through the mobile network of Altice Portugal. Our current MVNO agreement with Altice is effective until March 31, 2028.

Belgium

We have been allocated spectrum licenses in 700 MHz, 900 MHz, 1800 MHz, 2100 MHz and 3600 MHz as a result of winning the auction organized in 2022 by the Belgian Institute for Postal Services and Telecommunications. Starting February 2023, Citymesh Mobile was also granted usage rights to the spectrum in the frequency block of 2575-2620Mhz, by acquisition of Dense Air Belgium SRL from Dense Air LTD. As of December 11, 2024, Digi Belgium has launched mobile voice and data as an MVNO in the Belgian market.

DTH

Our DTH satellite television services are not geographically constrained, as the footprint of our existing satellite coverage encompasses the entire territory of Romania. Only in rare circumstances are customers unable to install the equipment necessary to receive our satellite signal, typically where no alternative position for the antenna facing south-west can be found.

Rapid development of our mobile business line and impact on our Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is a widely recognized benchmark for measuring profitability and cashflows in the telecommunication industry. Therefore, our Board of Directors closely monitors the Group's EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin as key measures of its financial performance.

We calculate EBITDA by adding back to our consolidated operating profit or loss charges for depreciation, amortisation and impairment of assets. Our Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items. Finally, our Adjusted EBITDA Margin is the ratio of Adjusted EBITDA to our total revenue.

None of these are measures of financial performance under IFRS, and they are solely derived from the consolidated financial statements. Therefore, you should not consider our reported EBITDA, Adjusted EBITDA or Adjusted EBITDA Margin as substitutes for operating profit or cash flows from operating activities reported in the consolidated financial statements.

Our EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	**2023**
	(€ millions, unless otherwise stated)	
Revenue (1)	**1,924.3**	**1,690.4**
Other income	**407.2**	**16.2**
Operating profit	597.3	173.2
Depreciation, amortisation and impairment (2)	481.9	417.5
EBITDA (2)	**1,079.2**	**590.7**
Other income	(399.3)	-
Other expenses	0.3(3)	0.5(3)
Adjusted EBITDA	**680.2**	**591.2**
Adjusted EBITDA Margin (%)	**35.2%**	**34.6%**

(1) Excludes intersegment revenue.
(2) EBITDA is consolidated operating profit or loss plus charges for depreciation, amortisation and impairment of assets. Adjusted EBITDA is EBITDA adjusted for the effect of non-recurring and one-off items. EBITDA and Adjusted EBITDA under our definition may not be comparable to similar measures presented by other companies and labeled "EBITDA"
(3) Includes €0.3 million non-cash expenses related to the Stock Option Plans (€0.5 million for 2023).

The change in our Adjusted EBITDA and Adjusted EBITDA Margin from €591.2 million and 34.6%, respectively, for the year ended December 31, 2023 to €680.2 million and 35.2% respectively, for the year ended December 31, 2024 was primarily due to the strong growth of the pay-TV and fixed internet and data services, development of our mobile business line in Romania and strong results from the Spanish operations. The Adjusted EBITDA Margin increase by 1.6% compared to prior period.

Exchange rates

Conversion into euros for presentation in the Financial Statements

Our operating subsidiary in Romania generates revenue and records the financial results in the Romanian leu. However, our consolidated financial results are reported in euros. See *"—Basis of Financial Presentation—Functional Currencies and Presentation Currency."* Therefore, a significant depreciation of one of our functional currencies in relation to the euro could significantly reduce our financial results as reported in euros and could have a significant negative impact on our financial position and cash flows.

Liabilities denominated in euro and the U.S. Dollar

In addition, we have significant exposure to the euro as a significant portion of our outstanding financial debt is denominated in that currency, and we also have certain limited exposure to the U.S. dollar, in which we purchase certain content for our cable TV and DTH businesses and certain CPE. As at December 31, 2024, we had €1,236.6 million of obligations denominated in euros and €68.4 million of obligations denominated in U.S. dollars (2023: €1,238.3 million and €63.7 million). See *"—Liquidity and Capital Resources—Financial Obligations."* Our euro exposure is partially mitigated by euro-denominated revenue from our operations in

Spain and Italy, which, together with revenue collected in local functional currencies, but denominated in euros, accounted for 42.9% of our total revenue for the year ended December 31, 2024. However, we still pay a significant portion of our euro- and U.S. dollar-denominated expenses out of revenue generated in our principal functional currencies.

Historic performance of our functional currencies against the euro and the U.S. Dollar

In the periods under review the Romanian leu has declined compared to the euro, with approximately 0.6%. Our obligations denominated in U.S. dollars are significantly smaller, so the appreciation of the U.S. dollar did not have a major effect on the Group. See *"—Quantitative and Qualitative Disclosures About Market Risks—Currency Risk."*

The following table sets out, where applicable, the period end and average exchange rates for the years ended December 31, 2024 and 2023 of the euro against each of our principal functional currencies and the U.S. dollar:

Value of one euro in the relevant currency	**As at and for the year ended December 31,**	
	2024	**2023**
Romanian leu (RON) [(1)]		
Period end rate	4.97	4.97
Average rate	4.97	4.95
U.S. dollar (USD) [(1)]		
Period end rate	1.04	1.11
Average rate	1.08	1.08

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

In the year ended December 31, 2024, we had a net foreign exchange loss of €2.7 million (year ended December 31, 2023: net loss of €4.7million). In each of those periods, our net foreign exchange loss was primarily due to the depreciation of the leu against the euro and the U.S. dollar valid on Romanian territory. See *"—Liquidity and Capital Resources—Financial Obligations."*

Depreciation, amortisation and impairment of assets

As we have invested, and continue to invest, significantly in the development of our fixed and mobile networks and customer acquisition through investment in CPE, our expenses relating to depreciation, amortisation and impairment of tangible and intangible assets have remained consistently high during the periods under review.

The following table shows the evolution of our depreciation, amortisation and impairment of assets expenses for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Depreciation of property, plant and equipment	204.2	165.7
Amortisation of non-current intangible assets	106.7	95.4
Amortisation of Subscriber acquisition costs	61.7	59.1
Depreciation of right of use asset	104.6	91.2
Impairment of property, plant and equipment and non-current intangible assets	4.7	6.2
Total	**481.9**	**417.5**

Churn

Loss of our customers (an effect known as "churn") is a factor which could negatively affect our growth in RGUs and revenue. The pay TV, fixed internet and fixed-line and mobile telecommunication services industries encounter churn as a result of high levels of competition. In addition to competitive alternatives, churn levels may be affected by changes in our competitors' prices, our level of customer satisfaction relocation of subscribers and any reduction of expenses by our customers in the context of a potential economic downturn. Increases in churn may lead to increased costs and reduced revenue. We believe that the following factors help to reduce our level of churn:

- *Cross-selling*. We believe that customers who subscribe to multiple services are less likely to leave our services. In Romania, our average number of services per residential customer was 2.1 (excluding DTH) and the percentage of customers using more than one service was approximately 75.0% as at December 31, 2024. In Spain, the average number of services per one network customer was 1.5 and the percentage of network customers using more than one service was approximately 35.0% of all our base subscribers in the country, as at the same date.
- *Quality of offerings and pricing.* Our attractive pricing and relatively advanced technology compared to our competitors and our premium content offerings often make it unattractive to replace our services with those offered by our competitors.

Although churn may have a negative effect on our business, we focus on growth in total number of RGUs, ARPU, revenue, Adjusted EBITDA and Adjusted EBITDA Margin as key indicators rather than churn.

Capital expenditure

Historically, we have pursued an ambitious growth strategy that required us to undertake substantial capital expenditure. The primary focus of our investment spending over the analyzed periods has been (i) the upgrade and expansion of our fixed network in Romania; (ii) the expansion of our 3G and 4G mobile networks, and the development of our 5G mobile network, in Romania; (iii) spectrum auctions in Romania and Portugal; (iv) the creation and development of our own television channels; (v) the creation and expansion of our MVNO services in Spain and Italy; (vi) the launch of fixed line services offered in Spain; (vii) costs to obtain a contract in all our business lines; and (viii) developing fixed and mobile network in Portugal to launch fixed and mobile services.

Consequently, our capital expenditures have been significant. In the year ended December 31, 2024, we had capital expenditure of €885.2 million and represented 45.8% our revenue and other income excluding the extraordinary sale of assets for this period. In the year ended December 31, 2023, we had capital expenditure of €729.7million and represented 42.8% of our revenue for this period.

Going forward we expect our capital expenditure to consist principally of amounts paid for:

- further expansion of our fixed networks;
- further expansion and development of our mobile network, as permitted by our existing licenses;
- payments for the acquisition of television content rights;
- payments for the acquisition of new telecommunication licenses or renewal of existing telecommunication licenses;
- expansion of our fixed internet and data and fixed telephony business in Spain;
- expansion of our business in Portugal and Belgium;
- the acquisition of CPE, including certain network equipment such as GPON terminals (which may not generally be treated as CPE by other members of our industry), and other equipment, such as set-top boxes, mobile data devices and fixed-line telephone handsets, satellite dishes, satellite receivers and smartcards; and
- potential acquisitions.

The majority of these capital expenditures (with the exception of certain obligations under content agreements that we have already entered into) are discretionary, and we will revise these plans as required to ensure the best possible alignment with our business strategies, opportunities and continuity. We believe that our ability to finance our capital expenditures largely from internal resources has strongly improved as our investment plan for the short to medium term is largely discretionary, thus giving us significant flexibility to adjust our capital expenditure plan.

The Company did not carry out research and development activities in 2024 or in 2023.

Payments to third-party service and content providers

In all of our business lines, a key cost item is payments to service and content providers. In the case of television services (both cable TV and DTH), this includes fees paid to third-party providers of channels that we carry. In the case of our own channels, we pay license fees to the holders of transmission/retransmission rights for sporting events, films and certain other programming. In the case of DTH services, these fees also include fees paid to the providers of satellite transmission services. In the case of internet and data, fixed-line telephony and mobile services, fees consist principally of interconnection fees paid to other network operators and, in the case of internet and data, international connectivity fees.

We carry both our own channels and channels produced by third parties over our DTH and cable TV services. Fees paid for channels produced by third parties are accounted for as operating expenses. Fees paid for content carried on our own channels is accounted for as capital expenditure and consist primarily of flat fees for the right to broadcast the relevant content.

Television programming fees, television license fees and internet and data connectivity fees are not determined by regulators and are subject to commercial negotiations. Our backbone network in Romania and Portugal (for national communications and for our internet connection with the global internet network) allow us to realize significant cost savings, as we only have to pay limited lease or transit fees for the use of other networks. Moreover, we benefit from competition among leading providers of global internet interconnection services, which tends to keep prices low.

Our current contract with Intelsat (which covers both satellites used to transmit our DTH signal) is effective until April 30, 2026. As at December 31, 2024, under this agreement we leased five transponders.

Telephone interconnection charges are regulated by national authorities and the European Union, and are capped at certain amounts, which have decreased over the past few years. In all our markets we pay fees to third-party service providers, such as banks, to help us collect revenue from customers, but also use our own network of collection points in Romania.

Our operations require us to purchase significant amounts of electricity from utility companies. In an effort to manage our future energy costs, in 2012 we started to invest in renewable energy by acquiring several companies developing solar energy projects. These projects are currently fully operational and have a combined installed capacity of 15.72 MW.

Acquisitions and disposals

Acquisitions

The additions for EUR 16.2 thousand of Customer relationships in the period ended 31 December 2024 relate mainly to the acquisition of customer contracts recognised as a result of the NOWO aquisition.
During the year, we acquired and paid for the acquisition of NOWO and acquired and paid installments for the acquisition of a number of other small telecommunication operators in Romania. See "*—Liquidity and Capital Resources—Historical cash flows—Cash flows used in investing activities.*"

As part of our strategy, we may undertake additional acquisitions in the future in our existing business lines or complementary to them as, and if, appropriate opportunities become available. We regularly monitor potential acquisition targets, while assessing their attractiveness relative to other strategic alternatives available to us. We also may acquire smaller businesses on an opportunistic basis. However, a decision to proceed with any such acquisition will be subject to a number of conditions that may or may not materialize, including regulatory support and availability of third-party financing. See "*—Capital expenditure*".

Historical Results of Operations

Results of operations for the years ended December 31, 2024 and 2023

Revenue

Our revenue (excluding intersegment revenue and other income) for the year ended December 31, 2024 was €1,924.3 million, compared with €1,690.4 million for the year ended December 31, 2023, an increase of 13.8%.

The following table shows the distribution of revenue by geographic segment and business line for the years ended December 31, 2024 and 2023:

	For the year ended December 31,		% change
Segment	**2024**	**2023**	**2024 v 2023**
			(€ millions)
Romania	1,099.0	1,019.4	7.8%
Spain	782.0	642.0	21.8%
Portugal	11.8	0.0	-
Other (1)	31.5	29.0	8.6%
Total revenue	**1,924.3**	**1,690.4**	**13.8%**

Category	**2024**	**2023**	**2024 v 2023**
Fixed services (2)	963.8	841.2	14.6%
Mobile services	795.4	714.2	11.4%
Other (3)	165.1	135.0	22.3%
Total	**1,924.3**	**1,690.4**	**13.8%**

1) Includes mainly 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 sale of handsets and other CPE, sale of electricity, s as well as advertising revenues.

Revenue in Romania for the year ended December 31, 2024 was €1,099.0 million, compared with €1,019.4 million for the year ended December 31, 2023, an increase of 7.8%. Revenue growth in Romania was primarily driven by increases in our mobile telecommunication services, fixed internet and data and pay TV RGUs.

Our Pay TV RGUs increased from approximately 5.7 million as at December 31, 2023 to approximately 5.9 million as at December 31, 2024, an increase of approximately 3.3%, and our fixed internet and data RGUs (residential and business) increased from approximately 4.6 million as at December 31, 2023 to approximately 4.9 million as at December 31, 2024, an increase of approximately 6.9%. These increases were primarily due to our attractive pay tv and fixed internet and data packages.

Mobile telecommunication services RGUs increased from approximately 5.8 million as at December 31, 2023 to approximately 6.6 million as at December 31, 2024, an increase of approximately 13.0%, mainly driven by our attractive offerings.

Fixed-line telephony RGUs (residential and business) decreased from approximately 890 thousand as at December 31, 2023 to approximately 849 thousand as at December 31, 2024, a decrease of approximately 4.6%, 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, 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 year ended December 31, 2024 was €782.0 million, compared with €642.0 million for the year ended December 31, 2023, an increase of 21.8%. The increase in revenue was principally due to an increase in the number of our mobile telecommunication services and fixed internet and date RGUs, mainly driven by our attractive offerings.

Mobile telecommunication services RGUs increased from approximately 4.7 million as at December 31, 2023 to approximately 5.9 million as at December 31, 2024, an increase of approximately 25.7%.

Fixed internet and data RGUs increased from approximately 1.4 million as at December 31, 2023 to approximately 2.0 million as at December 31, 2024, an increase of approximately 42.1%, and fixed-line telephony RGUs increased from approximately 445 thousand as at December 31, 2023 to approximately 626 thousand as at December 31, 2024, an increase of approximately 40.7%.

Revenue in Portugal for the year ended December 31, 2024 was €11.8 million. Starting with November 2024, we launched our fixed and mobile services in Portugal and as at December 31, 2024 we reached 321 thousand mobile telecommunications RGUs, 121 thousand pay TV RGUs, 127 thousand internet and data RGUs and 107 thousand fixed-line telephony RGUs. The acquisition of NOWO contributed approximately 596 thousand RGUs to those numbers.

Revenue in Other represented mainly revenue from our operations in Italy and for the year ended December 31, 2024 was €31.5 million, compared with €29.0 million for the year ended December 31, 2023, an increase of 8.6%. In Italy we had an increase of mobile telecommunications RGUs from approximately 420 thousand as at December 31, 2023 to approximately 490 thousand as at December 31, 2024, an increase of approximately 16.7%.

Total operating expenses

Our total operating expenses (excluding intersegment expenses and other expenses, but including depreciation, amortisation and impairment) for the year ended December 31, 2024 were €1,733.9 million, compared with €1,532.9 million for the year ended December 31, 2023, an increase of 13.1%.

Operating expenses

The table below sets out our expenses (excluding intersegment expenses, other expenses and depreciation, amortisation and impairment) per geographic segment for the years ended December 31, 2024 and 2023.

	For the year ended December 31,			
		2024		2023
	(€ millions)	(% of revenue)	(€ millions)	(% of revenue)
Romania	588.6	53.6%	573.6	56.3%
Spain	605.1	77.4%	508.0	79.1%
Portugal	27.4	231.6%	6.9	-
Other [(1)]	30.8	97.9%	26.8	92.6%
Total	**1,251.9**	**65.1%**	**1,115.4**	**66.0%**

(1) Includes mainly operating expenses of operations in Italy and operating expenses of the Company.

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Operating expenses in Romania for the year ended December 31, 2024 were €588.6 million, compared with €573.6 million for the year ended December 31, 2023, an increase of 2.6%. This was primarily due to increases in programming and salaries expenses during the period. In general, the increase of operating expenses follows the trend of the growth of business.

Operating expenses in Spain for the year ended December 31, 2024 were €605.1 million, compared with €508.0 million for the year ended December 31, 2023, an increase of 19.1%. This significant increase was primarily due to the increase in telephony related expenses (eg. MVNO fee, interconnection cost, etc) as a result of the growth in mobile and fixed RGUs. Salary expenses also increased significantly due to a larger employee base.

Operating expenses in Portugal for the year ended December 31, 2024 were €27.4 million compared with €6.9 million for the year ended December 31, 2023. This was primarily due to increases in direct telephony related expenses, salaries and mobile network costs, mainly related to the Portuguese operations.

Operating expenses in Other represented mainly expenses of our operations in Italy and expenses of the holding company and for the year ended December 31, 2024 were €30.8 million, compared with €26.8 million for the year ended December 31, 2023, an increase of 14.9%. In general, the increase of operating expenses follows the trend of the growth of business.

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 years ended December 31, 2023 and 2024.

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Depreciation of property, plant and equipment	204.2	165.7
Amortisation of non-current intangible assets	106.7	95.4
Amortisation of Subscriber acquisition costs	61.7	59.1
Depreciation of right of use asset	104.6	91.2
Impairment of property, plant and equipment and non-current intangible assets	4.7	6.2
Total	**481.9**	**417.5**

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment was €204.2 million for the year ended December 31, 2024, compared with €165.7 million for the year ended December 31, 2023, an increase of 23.2%. This increase was primarily due to the continued development of our networks with the main impact coming from our Spanish operation.

Amortisation of non-current intangible assets

Amortisation of non-current intangible assets was €106.7 million for the year ended December 31, 2024, compared with €95.4 million for the year ended December 31, 2023, an increase of 11.8%.

Amortisation of subscriber acquisition costs

Amortisation of subscriber acquisition costs was €61.7 million for the year ended December 31, 2024, compared with €59.1 million for the year ended December 31, 2023, an increase of 4.4%, primarily due to the increase in the RGU's in Romania and Spain.

Depreciation of right of use asset

Depreciation of right of use asset was €104.6 million for the year ended December 31, 2024 compared to €91.2 million for the year ended December 31, 2023, an increase of 14.7% due to the additions in the period.

Other income/expense

We recorded €407.2 million of other income and €0.3 million of other expenses in the year ended December 31, 2024, compared to €16.2 million of other income and €0.5 million of other expenses in the year ended December 31, 2023.

For the year ended December 31, 2023, other income represents the subvention related to electricity supply.

For the year ended December 31, 2024, other income represents the revenue from Digi Spain's sale of a Fibre-to-the-Home (FTTH) network across 12 provinces in Spain and the subvention related to electricity supply.

For the year ended December 31, 2024 (similarly for the year ended December 31, 2023), other expenses include the net result related to share option plans vested.

Operating profit

For the reasons set forth above, our operating profit was €597.3 million for the year ended December 31, 2024, compared with €173.2 million for the year ended December 31, 2023.

Net finance expense

We recognized net finance expense of €61.7 million in the year ended December 31, 2024, compared with net finance expense of €73.0 million in the year ended December 31, 2023, a decrease of 15.5%. This reduction was primarily driven by the valuation of a derivative financial asset that resulted in a finance income of € 10.7 million.

Share of loss of equity-accounted investees net of tax

We had share of loss of equity-accounted investees net of tax for the year ended December 31, 2024 of €1.0 million, compared with €6.5 million for the year ended December 31, 2023.

Profit before taxation

For the reasons set forth above, our profit before taxation was €534.6 million for the year ended December 31, 2024, compared with a profit of €93.7 million for the year ended December 31, 2023.

Income tax expense

An income tax expense of €110.0 million was recognized in the year ended December 31, 2024 compared to a tax expense of €1.4 million recognized in the year ended December 31, 2023. The increase is mainly due to the Spanish sale of assets.

Profit for the year

For the reasons set forth above, our net profit for the year ended December 31, 2024 was €424.6 million, compared with a profit of €92.2 million for the year ended December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our principal sources of liquidity have been our operating cash flows, as well as debt financing. 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 and fixed networks, acquiring new and renewing existing content rights, procuring CPE which we provide to our customers and exploring other investment opportunities in line with our current business model. We believe that we will be able to continue to meet our cash flow needs by the acceleration or deceleration of our growth and expansion plans.

We also believe that, for the coming 12 months, our operating cash flows will be adequate to fund our working capital and capital requirements.

The Company 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).

Further information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital as well as quantitative disclosures are included throughout the consolidated financial statements, *Note 32 "Financial risk management".*

Historical cash flows

The following table sets forth, for the years ended December 31, 2024 and 2023 our consolidated cash flows from operating activities, cash flows used in investing activities and cash flows from (used in) financing activities.

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Cash flows from operations before working capital changes	**699.6**	**597.1**
Cash flows from changes in working capital (1)	(65.5)	(73.0)
Cash flows from operations	**634.0**	**524.1**
Interest paid	(63.0)	(60.6)
Interest received	5.2	4.3
Income tax paid	(92.9)	(6.4)
Net cash flows from operating activities	**483.2**	**461.3**
Net cash flows from/ (used in) investing activities	**(433.1)**	**(717.4)**
Net cash flows from (used in) financing activities	**(204.9)**	**216.0**
Net increase/(decrease) in cash and cash equivalents	(154.8)	(40.1)
Cash and cash equivalents at the beginning of the period	221.3	261.4
Cash and cash equivalents at the closing of the period	**66.5**	**221.3**

(1) Cash flows from changes in working capital includes the sum of the (Increase)/decrease in trade receivables and other assets, (Increase)/decrease in inventories, Increase/(decrease) in trade payables and other current liabilities, Increase/(decrease) in contract liabilities.

Cash flows from operations before working capital changes were €699.6 million in the year ended December 31, 2024 and €597.1 million in the year ended December 31, 2023. The variance from 2023 to 2024 was due to the reasons discussed in *"—Historical Results of Operations—Results of operations for the years ended December 31, 2023 and 2024."*

The following table shows changes in our working capital:

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Decrease/(increase) in trade receivables, other and contract assets	(35.6)	(62.0)
Decrease/ (increase) in inventories	(12.4)	3.0
(Decrease)/increase in programming assets	(31.2)	(25.6)
(Decrease)/increase in trade payables and other current liabilities	15.4	8.3
(Decrease)/increase in contract liabilities	(1.7)	3.3
Total	**(65.5)**	**(73.0)**

We had a negative change in working capital of €65.5 million in the year ended December 31, 2024 (negative change in working capital of 73.0 million in the year ended December 31, 2023).

Cash flows from operating activities were €483.2 million in the year ended December 31, 2024 and €461.3 million in the year ended December 31, 2023. Interest paid was €63.0 million in the year ended December 31, 2024, compared with net interest paid of €60.6 million in the year ended December 31, 2023. Income tax paid was €92.9 million in the year ended December 31, 2024, compared with €6.4 million in the year ended December 31, 2023. The increase in cash flows from operating activities in the year ended December 31, 2024, as compared to the year ended December 31, 2023, was due to the reasons discussed in *"—Historical Results of Operations—Results of operations for the years ended December 31, 2023 and 2024."*.

Cash flows used in investing activities were €433.1 million in the year ended December 31, 2024, and cash flow from investing activities were €704.1 million in the year ended December 31, 2023. The variation includes the acquisition of NOWO and the cash received from the sale of the Spanish assets.

The following table shows our capital expenditures by category for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	**2023**
		(€ millions)
Network and equipment (1)	500.3	389.0
Customer Premises Equipment (CPE) (2)	50.5	73.1
Programme assets—content for our own channels (3)	56.5	39.8
License and software (4)	113.2	62.5
Customer relationships (5)	16.2	3.4
Other additions to tangible assets (6)	39.2	101.5
Other additions to intangible assets	113.8	64.1
Total additions to tangible and intangible assets	**889.5**	**733.5**
Differences between capital expenditures for tangible and intangible assets and additions to tangible and intangible assets (7)	(4.3)	(3.7)
Capital expenditures for the acquisition of tangible and intangible assets	**885.3**	**729.7**
Total	**885.3**	**729.7**

(1) Composed primarily of costs incurred for additions of materials and equipment to expand and upgrade our fiber optic networks; costs incurred for our personnel and subcontractors related to the expansion and upgrade of our fiber optic and mobile networks; costs incurred for materials and equipment to expand and maintain our mobile networks; costs incurred for equipment needed to operate our own channels; costs for acquisitions through business combinations, and allocated costs of construction in progress.

(2) Composed of costs incurred for additions to CPE, including certain network equipment such as GPON terminals (which may not generally be treated as CPE-related costs by other members of our industry), and other equipment such as set-top boxes, mobile data devices, fixed-line telephone handsets, satellite dishes and satellite receivers and smartcards, and allocated costs of construction in progress.

(3) Composed of costs incurred for additions of content for our own channels.

(4) Composed primarily of mobile network software licenses acquired in Romania; payments for spectrum acquired.

(5) Composed primarily of costs incurred when acquiring customer contracts from other companies directly by purchasing the assets of those companies.

(6) Composed primarily of costs incurred for additions to our land, buildings, vehicles and furniture, investment property and allocated costs of construction in progress.

(7) This is primarily composed of changes in trade payables owed to suppliers for tangible and intangible assets. Changes in trade payables owed to fixed asset suppliers is composed of payments for additions to tangible and intangible assets recognized in prior periods, advance payments for additions to tangible and intangible assets which we expect will be recognized in future periods and accruals for additions to tangible and intangible assets for which we are obligated to make payments in future periods.

In addition to cash flow from investing activities included in the capital expenditure above there is the increase in programe assets position from the cash flow from operations.

During the year ended December 31, 2024, we acquired tangible and intangible assets for €885.3 million. We had €500.3 million in additions to our network and equipment, primarily to expand and upgrade our fixed fiber optic and mobile networks in Romania, Portugal and Spain and also from the Nowo aquisition. We had additions of €50.5 million to acquire CPE, primarily set-top boxes, WI-FI routers and GPON terminals and for our cable TV and broadband customers. We had €56.5 million in additions to our programme assets, primarily reflecting recognition of costs related to rights to broadcast certain sports competitions for contracts entered into in this and prior years. We had €113.2 million in additions to our intangible assets, primarily to recognize mobile licences in Spain and Portugal (from the acquisition of NOWO), as well as software licenses for equipment for our mobile networks. We also had additions to customer relationships of €16.2 million, reflecting amounts maily associated to the acquisition of customer contracts recognised as a result of the NOWO aquisition and to a lesser extent customers from other cable and internet providers in Romania. Capital expenditures for the acquisition of tangible and intangible assets were €4.3 million lower than accounting additions to tangible and intangible assets during the year. This was primarily due to additions of equipment and CPE additions which are payable in the future period and longer payment terms, especially for part of the network.

Cash flows from financing activities were a €204.9 million outflow for the year ended December 31, 2024 (€202.7 million inflow for the year ended December 31, 2023).

On September 27, 2024 Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of €450 million. Also, the outstanding balance of the Bridge facility from Spain in amount €50 million was repaid together with partial repayments from the 2021 Senior Facilities Agreement Spain.

During the year, we fully drew the 2023 Senior Facilities Agreement, amounting to €250 million and made drawings of €185 million from the 2024 Senior Facilities Agreement. Additionally, we drew €127.9 million from the Export Credit Facilities (2023&2024).

Total payments of lease obligations in amount of €125.6 million were made during the year.

Planned Cash Requirements and Capital Expenditure Plan

We anticipate that our cash requirements in the near to medium term will consist principally of expenditures to service our debt, to upgrade and build expansions to our fixed and mobile networks, to further develop our mobile telecommunication services business, to purchase further broadcasting rights for our premium TV channels and finance acquisitions and spectrum licenses. We evaluate acquisition opportunities in line with, or complementary to, our current business as and when they become available. The following discussion sets out our principal cash needs based, among other things, on our existing capital expenditure plan, our outstanding bank loans and other contractual commitments.

Beyond our contractually committed capital expenditures (mainly relating to broadcasting rights) and our expected network-related capital expenditures (relating to maintenance capital expenditures), our investment plan for the near to medium term is largely discretionary. These expenditures could include:

- expansion of our fixed network;
- expansion and further development of our mobile network;
- acquisition of additional television content rights and licenses;
- costs associated with CPE and the acquisition of new customers;
- payments for the acquisition of telecommunication licenses or renewal of existing telecommunication licenses; and
- potential acquisitions.

As at December 31, 2024, our commitments to incur additional capital expenditures (consisting primarily of payments for content rights, and commitments to purchase of equipment and CPE) amounted to approximately €2,290 million discounted value (€4,260 million undiscounted value).

Contractual obligations

Our principal contractual obligations consist of our obligations in respect of financial indebtedness that is owed under the Notes, our credit facilities, the annual radio spectrum fees for our mobile telecommunication licenses in Romania, Spain and Portugal, payments for broadcasting rights.

The table below sets out the maturities of our financial liabilities and other major contractual commitments, including estimated payments and excluding the impact of netting agreements as at December 31, 2024, based on the agreements in place as at that date. We expect that our contractual commitments may evolve over time in response to current business and market conditions, with the result that future amounts due may differ considerably from the expected amounts payable set out in the table below.

	Carrying amount as at December 31, 2024	Contractual cash flows as at December 31, 2024	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
				(€ millions)			
Non-derivative financial liabilities							
Interest bearing loans and borrowings, including bonds	1,324.7	1,449.3	183.3	172.4	234.5	859.2	-
Lease liabilities	478.6	638.3	64.9	58.9	89.3	128.3	296.9
Trade and other payables and other liabilities	599.5	600.2	529.1	21.0	29.6	16.6	3.9
Capital expenditure and operating expenditure contractual commitments (1)	2,290.3	2,290.3	284.5	334.1	454.8	378.4	838.4
Total	**4,693.2**	**4,978.2**	**1,061.9**	**586.4**	**808.2**	**1,382.5**	**1,139.2**

(1) Includes discounted committed capital expenditures and committed operating expenditures.

Financial obligations

1) Senior Secured Notes due 2025 & 2028 (the Notes)

On February 5, 2020 Digi Romania S.A. issued Senior Secured Notes in total amount of EUR 850 million, in two tranches: (i) EUR 450 million 2.50% senior secured notes due 2025 and (ii) EUR 400 million 3.25% senior secured notes due 2028 (collectively, the "Notes").

The gross proceeds of the Offering were used (a) to redeem the entire aggregate principal amount outstanding of EUR 550 million 5.0% senior secured notes due 2023 issued by the Company (2016 Bonds) and pay redemption premium and accrued interest to holders thereof; (b) to prepay or repay partially the outstanding amounts under 2016 Senior Facility Agreement; (c) to prepay the entire aggregate principal amount 2018 Senior Facility Agreement; (d) to repay (without cancelling) certain overdraft facilities; (e) to pay costs, expenses and fees in connection with the Refinancing; and (f) for general corporate purposes (which may include acquisitions).

The Notes were secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.

On September 27, 2024 Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450 million.

2) 2021 Senior Facilities Agreement Spain ("2021 SFA")

On July 26, 2021, Digi Spain, acting as borrower together with the Company, Digi Romania S.A., Digi Hu and Invitel, as Original Guarantors, Banco Santander S.A. and a syndicate of banks, acting as lenders, entered into a facilities agreement for an initial duration of three and a half years with the possibility of extension up to 5 years, under which Digi Spain was made available: (i) a term loan facility in a total aggregate amount of EUR 57 million; (ii) a term loan facility in a total aggregate amount of EUR 65 million; and (iii) a revolving facility in a total aggregate amount of EUR 10 million to be used for several purposes, including CAPEX and general corporate purposes.

As of 27 July 2022, Digi Spain, acting as a borrower together with the Company and Digi Romania as original guarantors, ING Bank N.V. as sole bookrunner and mandated lead arranger and a syndicate of banks, acting as lenders, entered into an amendment agreement to the facility agreement dated 26 July 2021 under which was made available an additional term loan facility in a total aggregated amount of EUR 128 million for a period equal to five years, until 30 June 2027. The borrowed amount of the new term loan facility will be used by the borrower for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, Digi Spain Telecom S.L.U. ("Digi Spain"), the Company's Spanish subsidiary, acting as borrower, together with the Company and Digi Romania S.A., as original guarantors, ING Bank N.V. and Banco Santander as bookrunners and mandated lead arrangers and a syndicate of banks acting as lenders, entered into an amendment agreement to the Facility Agreement dated 26 July 2021, under which it will be made available to Digi Spain, an additional term loan facility in amount of EUR 100 million for a period equal to four years, until 30 June 2027. The borrowed amount of the new term loan facility will be used by the Borrower for the financing of capital expenditure on the fiber-optic network (and related equipment and infrastructure) in Spain and for associated personnel costs.

The interest rate under the SFA 2021 Facility A, Facility B and Facility C is composed of a margin of 2.225% per annum plus EURIBOR 3M, effective starting April 2022, for Facility D is 2.50% per annum plus EURIBOR 3M and for Facility E is 2.75% per annum plus EURIBOR 3M.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The 2021 Senior Facilities Agreement was unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

As at December 31, 2024, the outstanding balances were in amount of EUR 193.8 million.

3) Export Credit Facilities ("2023 ECA")

On 24 April 2023, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded two export credit facilities agreements in a total amount of EUR 132.7 million.

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 72.7 million and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 59.9 million. By the end of the year a total amount of EUR 72.7 million was withdrawn from Finnvera – ECA and EUR 59.7 million from EKN – ECA.

Finnvera – ECA shall be repaid in six (6) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 20 September 2023. Termination date is the date falling thirty (30) months after the first repayment date, being 20 March 2026. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in six (6) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 28 August 2023 for Facility A and 30 October 2023 for Facility B. Termination date is the date falling thirty (30) months after the first repayment date, being 28 February 2026 for Facility A and 30 April 2026 for Facility B. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The Export Credit Facilities are unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

4) *Export Credit Facilities (“2024 ECA”)*

On 14 May 2024, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and CITIBANK EUROPE PLC as original lender and facility agent and CITIBANK N.A. as arranger and ECA agent, have concluded two export credit facilities agreements in a total amount of EUR 116.9 million.

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company’s subsidiaries.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 35.7 milion and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 81.2 milion. By the end of the year a total amount of EUR 35.4 milion was withdrawn from Finnvera – ECA and EUR 78.3 milion from EKN – ECA.

Finnvera – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 December 2024. Termination date is the date falling four (4) years after the starting point of credit, being 30 June 2028. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 September 2024 for Facility A and 30 August 2024 for Facility B. Termination date is the date falling four (4) years after the starting point of credit, being 31 March 2028 for Facility A and 29 February 2028 for Facility B. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The Export Credit Facilities are unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

5) *Export Credit Facilities (“2024 ECA”)*

On 22 October 2024, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded an export credit facilities agreement in total amount of EUR 61.9 million.

The facility is intended to be used with the purpose of financing the purchase of good and services for developing the Romanian, Belgian, Portuguese and Spanish telecommunications networks of the Company’s subsidiaries. By the end of the year a total amount of EUR13.9 million was withdrawn from EKN – ECA.

EKN – ECA consist of four facilities A, B, C and D that shall be repaid in eight (8) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 1 October 2025 for Facility A, 31 March 2025 for Facility B, 2 June 2025 for Facility C and 14 August 2025 for Facility D.

Termination date is the date falling forty-two (42) months after the first repayment date, being 1 April 2029 for Facility A, 30 September 2028 for Facility B, 2 December 2028 for Facility C and 14 February 2029 for Facility D. An interest of 6M Euribor plus a margin of 0.45% is payable at each repayment date.

As at December 31, 2024, the outstanding balances were in amount of EUR 13.9 million.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The Export Credit Facilities are unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

6) Senior Facility Agreement 2023

On 21 April 2023, Digi Romania S.A. (the Company's subsidiary in Romania - "Digi Romania"), as borrower, the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, other financial institutions listed therein as original lenders have concluded a senior facility agreement (the "SFA") consisting of: (i) a term loan facility in a total aggregate amount of EUR 150 million, for a period not exceeding 31 January 2028; (ii) a revolving credit facility in a total aggregate amount of EUR 100 million, for three years from the signing of the SFA, and (iii) one or more incremental facilities not exceeding in aggregate EUR 250 million, which is not committed and which may be established and made available in accordance with the SFA. The borrowed amounts may be used by the Company's Romanian subsidiary for the purposes of debt refinancing, capital expenditure, investments, general corporate and working capital purposes.

The Company shall repay Facility A Loan in monthly installments as per the Facility A Repayment Schedule, while Facility B Loans shall remain outstanding until voluntarily prepaid or repaid in full on the Facility B Termination Date.

Termination date is the date falling four years and nine months after the starting point of credit, being 31 January 2028 for Facility A. For Facility B, the termination date is the date falling three years after the starting point of credit, with an extension option. Thus, in April 2024, the Company extended the maturity date of Facility B by one year, to 21 January 2028.

The interest rate under the 2023 SFA Facility A is composed of a margin of 2.55% per annum plus EURIBOR 1M and for Facility B is 2.45% per annum plus EURIBOR 1M.

As of 31 December 2024, the facility was fully drawn and the outstanding balances were in amount of EUR 235 million.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The 2023 Senior Facilities Agreement was unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

7) Senior Facility Agreement 2024

On 3 June 2024, Digi Romania S.A. (the Company's subsidiary in Romania - "Digi Romania"), as borrowers and original guarantors, Digi Spain Telecom S.L.U., as original guarantor, ING Bank N.V. as underwriter, mandated lead arranger, bookrunner and original lender and ING Bank N.V., London Branch as facility agent have concluded a term loan of EUR 150 million, with a maturity of 3 (three) years after the first utilization date. The borrowed amounts may be used by the Company and Digi Romania S.A. towards the refinancing of the EUR 450 million Senior Secured Notes issued by Digi Romania, which are due in 2025.

Senior Facility Agreement dated 3 June 2024 was amended and restated on 12 September 2024. Under this addendum was made available a term loan facility in a total aggregated amount of EUR 150 million for a period equal to five years after the first utilization date, until 16 September 2029. The loan requires equal monthly interest payments, with a 24-month grace period for principal repayment. Another addendum was signed on December 5, 2024. According to it, the new lenders are Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe PLC., ING N.V. Amsterdam, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and Unicredit Bank S.A. Additionally, the total commitments increased from EUR 150 million to EUR 220 million.

The interest rate under the SFA 2024 Facility A is composed of a margin of 2.5% per annum plus EURIBOR 1M.

As at December 31, 2024, the outstanding balances were in amount of EUR 185 million.

The net debt leverage covenant is 3.50 times and interest cover is 4.25 times.

The 2024 Senior Facilities Agreement was unconditionally guaranteed by the Company on a pari-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

Short term and working capital facilities

Digi Romania S.A. short term financing

Digi Romania S.A. entered into short term and working capital facilities with ING Bank N.V.-Bucharest Branch, Citibank Europe Plc, Dublin – Romania Branch, BRD and Unicredit. These facilities include uncommitted overdraft facilities, uncommitted facilities for letters of guarantee and letters of credit issuance.

DIGI Spain short term financings

DIGI Spain is party to several short term and working capital facilities with Banco Santander, Caixabank, Bankinter and BBVA.

Nowo Communications S.A. short term financings

Nowo Communications S.A. is party to several short term and working capital facilities with Bankinter and Novo Banco.

Lease liabilities

As at December 31, 2024, we had lease liabilities as per IFRS 16, in place for a total outstanding aggregate amount of €478.6 million (December 31, 2023: €389.6 million).

Contingent obligations

Apart from the commitments described under the section "*—Contractual Obligations*" we have no material contingent obligations.

See also *Note 35 from the Consolidated Financial Statements as at December 31, 2024*.

OFF-BALANCE SHEET ARRANGEMENTS

Other than commitments described under the caption "*—Contractual Obligations*" (including letters of guarantees in the aggregate amount of €86.7 million), we did not have any material off-balance sheet arrangements as at December 31, 2024. See also *Note 35 from the Consolidated Financial Statements as at December 31, 2024*.

Main variations of assets and liabilities as at December 31, 2024

Main variations for the consolidated financial position captions as at December 31, 2024 are presented below (for details, please see *Consolidated Financial Statements for the year ended 31 December 2024* included in this Annual report):

ASSETS

Financial assets at fair value through OCI

The available for sale financial assets at fair value through OCI of €78.0 million as at December 31, 2024 (December 31, 2023: €51.1 million) comprise of shares in RCSM obtained as result of the Share swap contracts between the Company and minority shareholders. The fair value assessment at year end was made based on the quoted price/share as of the valuation date, which is a relevant method of estimating the market value of a minority ownership in its equity.

For details, please see *Note 10 from the Consolidated Financial Statements as at December 31, 2024.*

Trade and other receivables and contract assets

As at December 31, 2024 trade and other receivables were €81.0 million and contract assets were €98.0 million (December 31, 2023: trade and other receivables €92.8 million; contract assets were €94.3 million), increase due to normal business development, mainly coming from Spain and Romania.

Derivative financial assets

As at December 31, 2024 derivative assets included embedded derivative assets for the Senior Notes measured at fair value, in amount of €1.3 million (December 31, 2023: €2.8 million) and non-current derivative financial assets for the transaction between Digi Spain and abrdn in amount of €14.0 million (December 31, 2023: €3.4 million). For details, please see *Note 34 from the Consolidated Financial Statements for year ended December 31, 2024.*

LIABILITIES

Loans and borrowings

As at December 31, 2024 the non-current portion of loans and borrowings were in amount of €1,019.5 million (December 31, 2023: €1,183.7 million) and the current portion was in amount of €305.2 million (December 31, 2023: €199.8 million) including the effect of borrowing costs. The increase is mainly due to withdrawals from the Export Credit Facilities and in Spain, from the Syndicated Facility. For details, please see caption *"Financial obligations"* from above.

FINANCIAL INDICATORS

Below are presented consolidated financial indicators for the year ended 31 December 2024:

Financial Indicator	**As at 31 December 2024**	**As at 31 December 2023**
Current ratio		
Current assets/Current liabilities	0.35	0.52
Debt to equity ratio		
Long term debt/Equity x 100 (where Long term debt = Borrowings over 1 year)	86%	160%
Long term debt/Capital employed x 100 (where Capital employed = Long term debt+ Equity)	46%	62%
Trade receivables turnover		
Average receivables/Revenues x 360	32.13 days	38.41 days
Non-current assets turnover		
(Revenues (including other income)/Non-current assets)	0.67	0.59

BOARD OF DIRECTORS' STATEMENTS

The Board of Directors is responsible for preparing the annual accounts and management board report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("EU-IFRS").

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the annual accounts prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year for the Company and its subsidiaries and that the board report provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, together with a description of the principal risks and uncertainties that the Company and its group face.

In accordance with the Dutch Decree Implementing Article 10 EU-Directive on Takeovers (Besluit artikel 10 overnamerichtlijn) the Company makes the following disclosures:

a. for information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, please refer to Corporate Governance in this annual report. For information on the rights attached to the Class A Shares, please refer to the Articles which can be found on the Company's website. For information on the rights attached to the Class B Shares, please refer to the Articles which can be found on the Company's website. As at 31 December 2024, the issued share capital of the Company amounted to €6,810,042.52 divided into 64,556,028 Class A Shares representing 64.56% of the total issued share capital and 35,443,972 Class B Shares representing 35.44% of the total issued share capital.

b. the Company has imposed no limitations on the transfer of Class A Shares and Class B Shares (with the exception of the Relationship Agreement). The Company is not aware of any depository receipts having been issued for shares in its capital.

c. for information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (Wet op het financieel toezicht) notification requirements apply, please refer to Corporate Governance of this annual report. There you will also find a list of shareholders who are known to the Company to have holdings of 3% or more.

d. Mr. Zoltán Teszári directly and indirectly, exercises control over 100% of the Company's Class A Shares. Mr. Zoltán Teszári owns 2.4% of the Class A Shares directly and controls the rest of the Class A Shares through his 94.9% share ownership of RCS Management S.A (economic interest). The Class A Shares have special rights in the Company. For information on the special rights attached to the Class A Shares, please refer to the Articles which can be found on the Company's website. To summarize, each Class A Share confers the right to cast 10 votes, members of the Board of Directors are appointed and dismissed on nomination of the meeting of holders of Class A Shares, the meeting of holders of Class A Shares holds the right to make proposals to the general meeting of shareholders for remuneration of members of the Board of Directors in the form of shares, certain decisions of the Board of Directors concerning disposal or encumbrance of assets requires the approval from the meeting of holders of Class A Shares and amendment of the Articles of association of the Company which affect the rights of the Class A Shares, require the prior approval of the meeting of holders of Class A Shares.

e. current equity incentive plans adopted by the Company are administered by the Remuneration Committee.

f. no restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The Articles do not allow the Company to cooperate with the issue of depository receipts for shares.

g. the Company is not aware of the existence of any agreements with shareholders which may result in restrictions on the transfer of shares or limitation of voting rights (with the exception of the Relationship Agreement).

h. the rules governing the appointment and dismissal of members of the Board of Directors of the Company are stated in the Articles of the Company. All members of the Board of Directors are appointed by the general meeting of shareholders upon a binding nomination by the meeting of holders of Class A Shares. The general meeting of shareholders has the power to dismiss any member of the Board of Directors at any time. The rules governing an amendment of the Articles are stated in the Articles and require a resolution of the general meeting of shareholders which can only be passed pursuant to a prior proposal of the Board of Directors of the Company. Any amendment of the Articles which affect the rights of the Class A Shares, requires the prior approval of the meeting of holders of Class A Shares.

i. the general powers of the Board of Directors are stated in the Articles of the Company which can be found on the Company's website. The Board of Directors does not hold the authority to resolve upon the issuance of shares. The Board of Directors is authorized to acquire shares in the capital of the Company for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 10 of the Articles.

j. the Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Act (Wet op het financieel toezicht), provided that certain financing and bonds agreements entered into by the Company do contain provisions that, as is customary for such documentation, may require early repayment or termination in the event of a change of control of the Company which in fact would mean that Mr. Zoltán Teszári would cease control of the Company Class A Shares. The Company's subsidiaries are also parties to a number of agreements concluded in the ordinary course of business that contain customary change of control clauses able to lead to the termination of the respective agreements.

k. the Company is not a party to any agreement with a Director or employee providing for payments upon termination of directorship or employment as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

In accordance with best practices 1.4.3 from the DCGC, the Board of Directors is of the opinion that:

(i) the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2.1. from the DCGC;

(ii) notwithstanding the measures that the Company is implementing in order to improve control on financial reporting, the aforementioned systems provide reasonable assurance that the financial reporting do not contain anymaterial inaccuracies;

(iii) it is justified that the financial reporting is prepared on a going concern basis; and

(iv) the report states the material risks, as referred to in best practice provision 1.2.1., and the uncertainties, to the extent that they are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

The sustainability statement is, as part of this management board report, included as last chapter of Annual report.

Annex management board report

ANNEX 1 IMPORTANT INFORMATION

Important Information

Cautionary Note Regarding Forward-Looking

Certain statements in this Report are not historical facts and are forward-looking. Forward- looking statements appear in various locations, including, without limitation, in the sections entitled *"Risk Factors"*, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Business"*. We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this Report includes forward- looking information that has been extracted from third-party sources. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

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

The forward-looking statements contained in this Report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve 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. These risks, uncertainties and other factors include, among other things, those listed in the section entitled "Risk Factors," as well as those included elsewhere in this Report. 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:

- significant competition in the markets in which we operate;
- rapid technological changes leading to increased competition and the rendering of our technologies or services obsolete;
- our capital expenditure not being able to generate a positive return or a significant reduction in costs or promote the growth of our business;
- deterioration of the general internal economic, political and social conditions in our principal countries of operation;
- continued uncertainties, challenging conditions in the global economy or volatile credit markets;
- currency transactional and translation risks associated with exchange rate fluctuations;
- a systems failure or shutdown in our networks;
- our ability to use Intelsat's and Telenor's satellites to broadcast our DTH services and failure to find a commercially acceptable alternative in a reasonable amount of time;
- difficulty in obtaining adequate managerial and operational resources as a result of our rapid growth and expansion in new areas of business;
- our ability to attract and retain key personnel without whom we may not be able to manage our business effectively;
- our ability to attract new customers and retain existing customers if we do not maintain or improve our reputation for quality of service;
- continued demand for cable TV and telecommunications products and services;
- our ability to retain or increase our subscriber base and increasing costs of operations if we cannot acquire or retain content or programming rights or do so at competitive prices;
- a decrease in our ARPU figures as a result of our business strategy;
- failure to manage customer churn;

- our insurance not adequately covering all potential losses, liabilities and damage related to our business and certain risks being uninsured or not insurable;
- problems with and interruptions to our billing and credit control systems that our business relies upon;
- discontinuing of products or services by terminating contracts with, or charging of non-competitive prices by our current hardware, software and service suppliers;
- volatility in the cost of electricity we supply to our customers;
- our dependence on various intellectual property rights that we license from or that may be claimed by third parties;
- our dependence on our interconnection, roaming and MVNO arrangements with other telecommunications operators and third party network providers, over which we have no direct control;
- concerns about health risks relating to the use of mobile handsets or the location of mobile telecommunication towers;
- leakage of sensitive customer data in violation of laws and regulations, and any other failure to fully comply with applicable data protection legislation, resulting in fines, loss of reputation and customer churn;
- undertaking future acquisitions on an opportunistic basis;
- downgrading of our credit ratings by an international rating agency;
- changes to IFRS standards for lease accounting and revenue recognition;
- changes in the determination of our tax residency;
- claims relating to breaches of competition law and investigations by competition authorities to which we may have been and may continue to be subject;
- our failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of our operations, which could result in substantial additional compliance costs or various sanctions or court judgments;
- difficulty in obtaining required licenses, permits or other authorisations to operate our existing network, and any subsequent amendment, revocation, suspension, or termination of licenses and permits obtained;
- disruption of service and additional expenses incurred as a result of being required to move some of our networks which are based on contracts and which may be terminated;
- inadvertent infringement of the intellectual property rights of others, which could lead to liability for infringements in relation to information disseminated through our network, protracted litigation and, in certain instances, loss of access to transmission technology or content;
- variation in payments related to copyrights;
- adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations;
- major litigation with the Antena Group and other parties and unfavorable court decisions;
- failure to comply with anti-corruption laws or allegations thereof;
- other contractual claims, complaints, litigation and negative publicity therefrom;
- higher vulnerability of the economies of the countries where we operate to fluctuations in the global economy;
- social, political and military conflicts in the region of our operations;
- political and economic uncertainty and risk resulting from the UK’s vote to leave the European Union;
- difficult business climate as a result of corruption in some of the markets where we operate;
- rapid or unforeseen economic or political changes characteristic of emerging markets such as the markets in which we operate;
- downgrading of Romania’s credit ratings by an international rating agency;
- Romania’s difficulties related to its integration with the European Union;
- less developed legal and judicial systems in some of our markets of operation;
- difficulty of service of process in, and enforcement of judgments rendered by courts of, the United States and the United Kingdom;
- our substantial leverage and debt servicing obligations;
- debt covenants that restrict our ability to finance our future operations and capital needs and to pursue business opportunities and activities;

- impairment of our ability to draw funds under the Senior Facilities Agreement, the ING Facilities Agreement and the Citi Facilities Agreement;
- the significant amount of cash required to service our debt and sustain our operations and the fact that our ability to generate cash depends on many factors beyond our control and we may not be able to generate sufficient cash to service our debt;
- our inability to refinance maturing debt on terms that are as favorable as those from which we previously benefited or on terms that are acceptable to us or at all;
- our exposure to unexpected risk and potential losses relating to derivative transactions;
- the other factors discussed in more detail under "Risk Factors"; and
- factors that are not known to us at this time.

This list of important factors and the other factors discussed in the section entitled "Risk Factors" is not exhaustive. Other sections of this Report describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as 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.

Presentation of Financial and Other Information

Presentation of Financial Information

The financial information presented in this Report is, unless otherwise indicated, the historical consolidated financial information for the Group. DIGI is the holding company for the Group and holds the majority of the outstanding shares of DIGI Romania. DIGI has no significant operations and has not engaged in any significant activities other than financing activities relating to the Group and acting as its holding company.

Included herein are the consolidated financial statements of the Group as at and for the year ended December 31, 2024, prepared in accordance with the IFRS as adopted by the EU (the "Annual Financial Statements") and with Section 2:362(9) of the Dutch Civil Code.

The Group's presentation currency is the euro, as further described in the sections entitled *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations and Capital Structure—Exchange Rates".* Accordingly, the Annual Financial Statements included herein are presented in euros.

In 2024 we have had operations in Romania, Spain, Italy and Portugal. In Note 4 of the Annual Financial Statements, as part of our "Other" segment we reported (i) revenue from, and expenses of, our (a) Italian operations and (b) Discontinued Operations, in each case, for the applicable periods and (ii) expenses of the Company. In this Report, unless otherwise stated, as part of our "Other" segment we only present the results of our Italian operations, for revenue, and the results of our Italian operations and expenses of the Company, for operating expenses.

Operating and Market Data

RGUs and ARPU

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 post-paid services, each separate SIM on a valid contract; (b) for pre-paid services, each mobile voice and mobile data SIM with active traffic in the last month of the relevant period.

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 labeled "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.

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.

ANNEX 2 CORPORATE GOVERNANCE COMPLIANCE STATEMENT AS PER BSE CGC

Corporate **Governance Compliance Statement as per the BSE CGC**

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	Section A - General Principles		
	The role of the Board of Directors in a one-tier board system and the role of the Supervisory Board/ Management Board in a two-tier board system should be clearly defined and documented in the company's articles of association, internal regulations and/ or other similar documents. The Board should ensure that company's articles of association, the resolutions of the general meeting of shareholders, and the internal regulations of the company include a clear distinction of powers and competencies between the general meeting of shareholders, the Board and the executive management.	YES	
	The Board should be structured in such a way that allows it to diligently fulfill its duties. The Board should meet sufficiently regularly to discharge its duties effectively.	YES	
	The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the appointment of new members to the Board.	YES (PARTIALLY)	The directors are appointed following a nomination made by the Class A Meeting, instead of a nomination proposal made by the nomination committee established by the Board of Directors based on a selection procedure. Although there is no nomination committee established and the Company has not implemented a specific selection procedure of the board members, the corporate governance standard sought by the BSE CGC is achieved by Class A Meeting nomination taking into account that the Board of Directors composition should reflect the requisite expertise, background, competences.
	There should be a clear division of responsibilities between the Board and the executive management.	YES	According to the Articles of Association
	The Board and its committees should have the appropriate balance of skills, experience, gender diversity, knowledge and independence to enable them to effectively perform their respective duties and responsibilities. It is recommended for the majority of non-executive members of the Board of Directors or Supervisory Board to be independent. All members of the Board should be able to allocate sufficient time to the company to discharge their responsibilities effectively. The Board should ensure that it is appropriately	YES (PARTIALLY)	Class A meeting takes into consideration these criteria when making the binding nomination of the board of directors. As regards the independence of non-executive directors –two non-executive directors are considered independent which is deemed by the Company to allow the Board to carry out the duties in a proper and robust manner.

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	informed to enable it to discharge its duties.		
	Board members must strictly observe the secrecy of the proceedings, debates and decisions taken, unless otherwise decided by the Board or unless regulations in force require the appropriate disclosure.	YES	According to the management agreements concluded with the Company, the Directors have the obligation to maintain the confidentiality of the information disclosed to them during their mandate unless otherwise approved by the Company.
	Section A – Specific Principles		
A.1.	All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	While the Board of Directors is not formally regulated by separate terms of reference, the composition, activity, functions and responsibilities of the Board of Directors of the Company are provided in detail within the Articles (in force since the 21 April 2017). (*See for reference Chapter VII (from clause 15 to 23) from the Articles*)
A.2.	Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES	Detailed provisions regarding the management of the Conflict of Interest matters regarding the Board of Directors are included in the following Company corporate regulations: clause 18 from the Articles, the Code of Conduct of the Company (applicable as of 14 May 2017), the Conflict of Interest Policy applicable to Board members (applicable as of 14 May 2017), and the Terms of Reference of the Audit Committee (applicable as of 14 May 2017).
A.3.	The Board of Directors or the Supervisory Board should have at least five members.	YES	The Board of Directors of the Company has 7 members.
A.4.	The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/ she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/ she is considered independent in character and judgement in practice and according to the following criteria: A.4.1. Not to be the CEO/executive officer of the company or	YES	5 members of the Board of Directors (out of 7) are non-executive. 2 members of the Board of Directors (out of 7) are considered independent non-executive directors – Bogdan Ciobotaru and Jose Manuel Arnaiz de Castro. The policy on the Profile for Non-Executive Directors provides for certain rules and criteria in connection with the non-executive directors *(See for reference in this respect the Company's website at http://www.digi-communications.ro/en/corporate-governance).*

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	of a company controlled by it and not have been in such position for the previous five years; A.4.2. Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years; A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director; A.4.4. Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it; A.4.5. Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity; A.4.6. Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it; A.4.7. Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director; A.4.8. Not to have been a non-executive director of the company for more than twelve years; A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4..		
A.5.	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/ her mandate.	YES	—
A.6.	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds	YES	—

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.		
A.7.	The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	The current company secretary is Ms. Eliza Popa.
A.8.	The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/ guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	YES (PARTIALLY)	According to the Terms of Reference of the Audit Committee, the Audit Committee performs such evaluation. The evaluation for the year 2024 was presented by the Audit Committee to the Non-executive and the Executive members of the Board during the meeting from 29 April 2025. The Company has not implemented a formal specific procedure with regards to the assessment of the members of the Board.
A.9.	The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	*(See for reference Section "Corporate Governance" from this report – In the case of the Board the no. of resolutions is disclosed.)*
A.10.	The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES	*(See for reference Section "Corporate Governance" from this report)*
A.11.	The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the Nomination Committee should be independent.	YES (PARTIALLY)	The directors are appointed following a nomination made by the Class A Meeting, instead of a nomination proposal by the nomination committee established by the Board of Directors and consisting of non-executive directors. Although, there is no nomination committee established and the Company has not implemented a specific formal nomination procedure for board members, the corporate governance standard sought by the BSE CGC is achieved by applying this nomination procedure, as the Class A Meeting takes into account that the Board of Directors composition should reflect the requisite expertise, background, competences and—as regards two non-executive directors—their independence, thus allowing the Board to carry out its duties in a proper and robust manner.
	Section B – General Principles		

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	The company should have in place an efficient risk management and internal control system. The Board should determine the principles of and approaches to the risk management and internal control system in the company.	YES	According to the Terms of Reference of the Audit Committee
	The company should arrange for internal audits to independently evaluate, on a regular basis, the reliability and efficiency of the risk management and internal control system and the corporate governance practices.	YES	According to the Terms of Reference of the Audit Committee
	The Board of Directors or Supervisory Board, as the case may be, should set up an independent audit committee capable of ensuring the integrity of financial reporting and of the internal control system, including the internal and external audit processes.	YES	According to the Terms of Reference of the Audit Committee
	The company will ensure that all related party transactions are considered on their merits in a manner that ensures independence and the protection of the interests of the company, compliant with the restrictions set out in related legislation and fairly disclosed to shareholders and potential investors. The definition of related parties follows that of International Accounting Standard 24.	YES	According to the Terms of Reference of the Audit Committee and the Related Parties Transactions Policy
	Section B - Specific Principles		
B.1.	The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES	The Audit Committee of the Company has 3 non-executive members. The members of the Audit Committee are qualified individuals, with audit, financial and management experience, including experience accumulated as members of audit committees and/or boards of other major companies. 2 out of the 3 members of the Audit Committee are considered independent non-executive Board members.
B.2.	The Audit Committee should be chaired by an independent non-executive member.	YES	The chair of the Audit Committee is an independent director, as required by the BSE CGC. The Board of Directors of the Company has approved the appointment of Mr. Jose Manuel Arnaiz de Castro as chairman of the Audit Committee.
B.3.	Among its responsibilities, the Audit Committee should	YES	*(See for reference in this respect the Terms of Reference of*

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	undertake an annual assessment of the system of internal control.		*the Audit Committee (applicable as of 14 May 2017) – available at http://www.digi-communications.ro/en/corporate-governance)*
B.4.	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	*(See for reference in this respect the Terms of Reference of the Audit Committee (applicable as of 14 May 2017) – available at http://www.digi-communications.ro/en/corporate-governance and the description of the Audit Committee's activity in 2024 in section "Corporate Governance" from this Report)*
B.5.	The Audit Committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	This assessment was performed by the Audit Committee and the other non-executive members of the Board of Directors on a case by case basis.
B.6.	The Audit Committee should evaluate the efficiency of the internal control system and risk management system.	YES	This assessment was performed by the Audit Committee during the meetings that have taken place in 2024. *(See for reference in this respect the Terms of Reference of the Audit Committee (applicable as of 14 May 2017) – available at http://www.digi-communications.ro/en/corporate-governance and the description of the Audit Committee's activity in 2024 in section "Corporate Governance" from this Report)*
B.7.	The Audit Committee should monitor the application of statutory and generally accepted standards of internal auditing. The Audit Committee should receive and evaluate the reports of the internal audit team.	YES	This assessment was performed by the Audit Committee during the meetings that have taken place in 2024. *(See for reference in this respect the Terms of Reference of the Audit Committee (applicable as of 14 May 2017) – available at http://www.digi-communications.ro/en/corporate-governance and the description of the Audit Committee's activity in* 2024 *in section "Corporate Governance" from this report)*
B.8.	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards	YES	The Audit Committee submitted to the Board a summary on the Audit Committee's activity in 2024, comprising main findings. Other ad-hoc reporting was performed during the year. In addition, whenever it was deemed necessary during the year, the Audit Committee reported to the Board of Directors particular matters that called for the Board of Directors' attention, care or decision.

Ref.	Code provisions	Compliance as at April 30, 2025	Note
B.9.	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES	There are numerous provisions in the Articles and in the other corporate governance documents of the Company precluding from any preferential treatment between the Company and one shareholder with regard to entering into transactions and agreements. The Board of Directors of the Company has also adopted a Policy on Bilateral Contacts with the Shareholders. *(See for reference in this respect the Company's website at http://www.digi-communications.ro/en/corporate-governance).*
B.10.	The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES (PARTIALLY)	There is no formal and separate policy regarding the transactions that the Company can enter into. However, the Articles contain for detailed provisions regarding the approval requirements for the entering by the Company into such agreements and transactions (*for example, see for reference clause 19 from the Articles*). The Company is also subject to the transparency requirements introduced by the revised EU Shareholders' Rights Directive (2017/828/EU), as transposed into Dutch law, which requires material related party transactions to be approved by the Board, as well as publicly announced.
B.11.	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	The internal audit function is ensured by a group of selected individuals lead by an appointed Internal Audit Director of the Company.
B.12.	To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	The relationship between the internal audit function and the Audit Committee is described and regulated in detail in the Terms of Reference of the Audit Committee *(See for reference in this respect the Company's website at http://www.digi-communications.ro/en/corporate-governance).*
	Section C - General Principles		
	The level of remuneration should be sufficient to attract, retain and motivate skillful and experienced people as members of the Board and the management. The Board should ensure transparency related to remuneration matters. The shareholders should be provided with relevant information in order to understand the principles applied by the company	YES	The revised Remuneration Policy and the Terms of Reference of the Remuneration Committee comply with these principles *(See for reference in this respect the Company's website at http://www.digi-communications.ro/en/corporate-governance).*

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	regarding the remuneration policy, which is based on fair rewards and motivation for Board members, and for the CEO or Management Board. A company should have a remuneration policy and rules defining that policy. It should determine the form, structure and level of remuneration of members of the Board, the CEO and when applicable, members of the Management Board.		
	Section C - Specific Principles		
C.1.	The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES	The 2024 GSM of the Company has approved a revised Remuneration Policy *(See for reference in this respect the Company's website at http://www.digi-communications.ro/en/corporate-governance)*. The remuneration report is included in Remuneration section.
	Section D - General Principles		
	The company should disseminate the most important information both in Romanian and English, to enable Romanian and foreign investors to have access to the same	YES	

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	information at the same time.		
	A company should do its best to enable its shareholders to participate in general meetings, aiming at using electronic communication means through (a) live broadcast of general meetings and/or (b) live bilateral communication where shareholders may express themselves during a general meeting from a location other than that of the general meeting, as long as this is in line with legislation regarding data processing. A company should aim to provide for an electronic voting system at general meetings, including remote electronic voting.	YES (PARTIALLY)	According to clause 32 from the Articles, the Company encourages its shareholders to vote and address questions by electronic means to the general meetings as per its convocation documents which are published on the Company's website. For more details and the conditions applicable to any shareholder's participation and voting, see for reference all provisions from clause 32 onwards from the Articles and the convocation documents available at section *https://www.digi-communications.ro/en/corporate/general-share-holders*. The Company does not provide live broadcasting of its general shareholders meetings.
	Section D - Specific Principles		
D.1.	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES	Currently, the IR is a cross-functional unit covered by an external service provider together with the PR function, the Chief Financial Officer of the Company and the Company Secretary.
D.1.1.	Principal corporate regulations: the articles of association, general shareholders' meeting procedures.	YES	The Articles contain detailed provisions on the corporate rules of the Company (including regarding the procedures of the general shareholders' meeting).
D.1.2.	Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	(*See for reference in this respect section"Corporate Governance" from this Report*).
D.1.3.	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non- compliance with the present Code;	YES	All such (current and periodic) reports are accessible on the Company's website - *http://www.digi-communications.ro/en/investor-relations/shares*.
D.1.4.	Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions	YES (PARTIALLY)	Please see the convocation documents available on the Company's website at section *https://www.digi-communications.ro/en/corporate/general-share-holders*. There is no formal procedure in place for the nomination of Board members. Currently, the nomination is carried out by the class A shareholders. Based on clause 32 of the Articles

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	taken;		and the convocation documents, shareholders can address and vote the general meeting including by electronic means. The Company did not receive questions from shareholders related to the agenda of the 2024 general meeting.
D.1.5.	Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	All relevant (current and periodic) reports, see for reference the Company's website - *http://www.digi-communications.ro/en/investor-relations/shares*
D.1.6.	The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	You can contact us at *investor.relations@digi-communications.ro*
D.1.7.	Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	All such (current and periodic) reports are accessible on the Company's website - *http://www.digi-communications.ro/en/investor-relations/shares/financial-results-presentations*.*http://www.digi-communications.ro/en/investor-relations/shares*
D.2.	A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES	The Reserves and Dividend Policy of the Company is accessible on the Company's website – *http://www.digi-communications.ro/en/see-file/Digi-Communications-NV-Dividend-policy-ENG.pdf*. Also, regarding dividend policy, see company disclosures in section "Dividend Policy" of the initial public offer prospectus of April 26, 2017 (page 73).
D.3.	A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature, such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should	NO	Neither the Company nor the Group subsidiaries have adopted formal policies with respect to forecasts. Also, forecasts are not made with a periodical regularity. However, the Company and/or its Group subsidiaries perform either *ad-hoc* and/or occasional forecasting based on relevant assumptions. Such forecasts (such as the business plans) are prepared either upon request from external partners (e.g., lending banks, regulatory authorities, etc.) or for internal analytical purposes (e.g., for assessing CAPEX previsions, etc.).

Ref.	Code provisions	Compliance as at April 30, 2025	Note
	be published on the corporate website.		
D.4.	The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect at the earliest as of the next general meeting of shareholders.	YES	Clause 32 from the Articles of the Company provides for the freedom of any shareholder to attend a general shareholders' meeting. For more details and the conditions applicable to any shareholder's participation and voting, see for reference all provisions from clause 32 onwards from the Articles.
D.5.	The external auditors should attend the shareholders' meetings when their reports are presented there.	N/A	The Company does not restrict the participation of the external auditors at the general shareholders' resolutions resolving upon the external auditors' report.
D.6.	The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	With respect to the annual results for 2024, see for reference Section Risk management, risks and internal control systems and Risk factors section to this report.
D.7.	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	NO	According to its corporate documentation, the Company publishes the annual results and the yearly management report on the BSE, AFM, on its website and on a national and international online newspaper, as well as the result of the general shareholders' meeting resolutions within the shortest deadlines.
D.8.	The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	All such periodic reports in both Romanian and English languages are accessible on the Company's website - *http://www.digi-communications.ro/en/investor-relations/shares*.
D.9.	A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	YES	All such presentations are accessible on the Company's website - *http://www.digi-communications.ro/en/investor-relations/shares/financial-results-presentations/investor-presentations*.
D.10.	If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	N/A	The Company occasionally supports forms of sports, cultural, religious, educational or artistic expressions.

ANNEX 3 CORPORATE GOVERNANCE COMPLIANCE STATEMENT AS PER THE DUTCH CORPORATE GOVERNANCE CODE (DCGC)

Corporate Governance Compliance Statement as per the Dutch Corporate Governance Code (DCGC)

Ref.	Code provisions	Compliance as at April 30, 2025	Explanation
1.1.1	**Strategy for sustainable long-term value creation:** The executive directors should develop a view on sustainable long-term value creation by the company and its affiliated enterprise and formulate a strategy in line with this. The executive directors should formulate specific objectives in this regard. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy. When developing the strategy, attention should in any event be paid to the following: i. the strategy's implementation and feasibility; ii. the business model applied by the company and the market in which the company and its affiliated enterprise operate; iii. opportunities and risks for the company; iv. the company's operational and financial goals and their impact on its future position in relevant markets; v. the interests of the stakeholders; vi. The impact of the company and its affiliated enterprise in the field of sustainability, including the effects in people and the environment; vii. Paying a fair share of tax to the countries in which the company operates; and viii. The impact of new technologies and changing business models..	YES	___
1.1.2	**Involvement of the non-executive directors:** The executive directors should engage the non-executive directors early on in formulating the strategy for realizing sustainable long-term value creation. The executive directors accounts to the non-executive directors for the strategy and the explanatory notes to that strategy.	YES	___
1.1.3	**Role of the non-executive directors:** The non-executive directors should supervise the manner in which the executive directors implement the strategy for sustainable long-term value creation. The non-executive directors should regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the non-executive directors, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation.	YES	___

1.1.4.	**Reporting by the executive directors:** In the management report, the executive directors should provide a more detailed explanation of its view on sustainable long-term value creation and the strategy to realise this and describe the contributions made to sustainable long-term value creation in the past financial year. The executive directors should report on both short and the long-term developments.	YES	___
1.1.5.	To ensure that the interests of the relevant stakeholders of the company are considered when the sustainability aspects of the strategy are determined, the company should draw up an outline policy for effective dialogue with those stakeholders. The relevant stakeholders and the company should be prepared to engage in a dialogue. The company should facilitate this dialogue unless, in the opinion of the executive directors, this is not in the interests of the company and its affiliated enterprise. The company should publish the policy on its website.	NO	The Company does not have a formal approved policy for dialogue with stakeholders although such interactions are envisaged by the non-financial section of the report.
1.2.1	**Risk assessment:** The executive directors should identify and analyze the risks associated with the strategy and activities of the company and its affiliated enterprise. The identification and analysis should cover in any case the strategic, operational, compliance and reporting risks. The executive directors are responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken.	YES	___
1.2.2	**Implementation:** Based on the risk assessment, as referred to in best practice provision 1.2.1., the executive directors should design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the company and its affiliated enterprise and should be familiar to those whose work they are relevant to.	YES	___
1.2.3	**Monitoring of design and operation:** The executive directors should monitor the design and operation of the internal risk management and control systems and should carry out a systematic assessment of their design and operation at least once a year. Attention should be paid to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems.	YES	___
1.3.1	**Appointment and dismissal:** The executive directors both appoint and dismisses the senior internal auditor. Both the appointment and the	YES	___

	dismissal of the senior internal auditor should be submitted to the non-executive directors for approval, along with the recommendation of the audit committee.		
1.3.2	**Assessment of the internal audit function:** The executive directors should assess annually the way in which the internal audit function fulfils its responsibility, after consultation with the audit committee. An independent third party should assess the performance of the internal audit function at least every five years.	YES	___
1.3.3	**Internal audit plan:** The internal audit function should draw up an audit plan, after consultation with the executive directors, the audit committee and the external auditor. The audit plan should be submitted to the executive directors, and then to the non-executive directors, for approval. In the internal audit plan, attention should be paid to the interaction with the external auditor.	YES	___
1.3.4	**Performance of work:** The internal audit function should have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function should have direct access to the audit committee and the external auditor. Records should be kept of how the audit committee is informed by the internal audit function.	YES	___
1.3.5	**Reports of findings:** The internal audit function should report the audit results to the executive directors and audit committee and inform the external auditor. The findings of the internal audit function should, at least, include the following: i. any flaws in the effectiveness of the internal risk management and control systems; ii. any findings and observations with a material impact on the risk profile of the company and its affiliated enterprise; and iii. any failings in the follow-up of recommendations made by the internal audit function. The internal audit function should report hierarchically to a member of the executive directors, preferably to the CEO.	YES	___
1.3.6	**Absence of an internal audit department:** If there is no separate department for the internal audit function, the non-executive directors will assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee and will consider whether it is necessary to establish an internal audit department. The non-executive directors should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the non-executive directors.	N/A	___

1.4.1	**Accountability to the non-executive directors:** The executive directors should discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 inclusive with the audit committee and render account of this to the non-executive directors.	YES	___
1.4.2	**Reporting on risk management:** In the management report, the executive directors should render account of: i. the execution of the risk assessment, with a description of the principal risks facing the company in relation to its risk appetite as referred to in best practice provision 1.2.1..; ii. the design and operation of the internal risk management and control systems during the past financial year; iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the audit committee and the non-executive directors; and iv. the sensitivity of the results of the company to material changes in external factors.	YES	___
1.4.3	**Statement by the executive directors:** The executive directors should state in the management report, with clear substantiation, that: i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as reffered to in the best practice provision 1.2.1.; ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and iv. the report states the material risks as reffered to in best practice provision 1.2.1. and the uncertainties, to the extent that they are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.	YES	___
1.5.1	**Duties and responsibilities of the audit committee:** The audit committee undertakes preparatory work for the non-executive directors' decision-making regarding the supervision of the integrity and quality of the company's financial and sustainability reporting and the effectiveness of the company's internal risk management and control systems, as	YES	___

	referred to in best practice provisions 1.2.1. to 1.2.3. inclusive. It focuses among other things, on the supervision of the executive directors with regard to: i. relations with, and compliance with recommendations and follow up of comments by, the internal and external auditors and any other external party involved in auditing the sustainability reporting; the funding of the company; and ii. the company's tax policy.		
1.5.2	**Attendance of the executive directors, internal auditor and external auditor at audit committee consultations:** The chief financial officer, the internal auditor and the external auditor should attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee should decide whether and, if so, when the chairman of the executive directors should attend its meetings.	YES	___
1.5.3	**Audit committee report:** The audit committee should report to the non-executive directors on its deliberations and findings. This report must, at least, include the following information: i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3, inclusive; ii. the methods used to assess the effectiveness of the internal and external audit processes; iii. material considerations concerning financial and sustainability reporting; and **iv.** the way in which the material risks and uncertainties referred to in best practice provisions 1.4.2. and 1.4.3 have been analysed and discussed, along with a description of the most important findings of the audit committee.	YES	___
1.5.4	**Non-executive directors:** The non-executive directors should discuss the items reported on by the audit committee on the basis of best practice provision 1.5.3.	YES	___
1.6.1	**Functioning and appointment:** The audit committee should report annually to the non-executive directors on the functioning of, and the developments in, the relationship with the external auditor. The audit committee should advise the non-executive directors regarding the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor. The audit committee should give due consideration to the executive directors' observations during the aforementioned work. Also, on this basis, the	YES	___

	non-executive directors should determine its nomination for the appointment of the external auditor to the general meeting.		
1.6.2	**Informing the external auditor about its functioning:** The non-executive directors should give the external auditor a general idea of the content of the reports relating to itsfunctioning.	YES (PARTIALLY)	The annual Audit Committee and Remmuneration Committee Reports
1.6.3	**Engagement:** The audit committee should submit a proposal to the non-executive directors for the external auditor's engagement to audit the annual accounts. The executive directors should play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be applied and remuneration for the audit. The non-executive directors should resolve on the engagement.	YES	___
1.6.4	**Accountability:** The main conclusions of the non-executive directors regarding the external auditor's nomination and the outcomes of the external auditor selection process should be communicated to the general meeting.	YES	___
1.6.5	**Departure of the external auditor:** The company should publish a press release in the event of the early termination of the relationship with the external audit firm. The press release should explain the reasons for this early termination.	YES	___
1.7.1	**Provision of information to the external auditor:** The executive directors should ensure that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The executive directors should give the external auditor the opportunity to respond to the information that has been provided.	YES	___
1.7.2	**Audit plan and external auditor's findings:** The external auditor should discuss the draft audit plan with the executive directors before presenting it to the audit committee. The audit committee should discuss annually with the external auditor: i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the annual accounts and the management letter.	YES	___
1.7.3	**Publication of financial reports:** The audit committee should determine whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements.	YES	___

1.7.4	**Consultations with the external auditor outside the executive directors' presence:** The audit committee should meet with the external auditor as often as it considers necessary, but at least once per year, without the presence of the executive directors.	YES	___
1.7.5	**Examination of discussion points arising between the external auditor and the executive directors:** The non-executive directors should be permitted to examine the most important points of discussion arising between the external auditor and the executive directors based on the draft management letter or the draft audit report.	YES	___
1.7.6	**External auditor's attendance of non-executive directors' meetings:** The external auditor should in any event attend the meeting of the non-executive directors at which the report of the external auditor on the audit of the annual accounts is discussed.	YES	___
2.1.1	**Profile:** The non-executive directors should prepare a profile, taking account of the nature and the activities of the enterprise affiliated with the company. The profile should address: i. the desired expertise and background of the non-executive directors; ii. the desired diverse composition of the non-executive directors, referred to in best practice provision 2.1.5; iii. the size of the non-executive directors; and iv. the independence of the non-executive directors. The profile should be posted on the company's website	YES	___
2.1.2	**Personal information:** The following information about each non-executive director should be included in the report of the non-executive directors: i. sex or, if desired by the person concerned, gender identity; ii. age; iii. nationality; iv. principal position (if appropriate); v. other positions, in so far as they are relevant to the performance of the duties of the non-executive directors; vi. date of initial appointment; and vii. current term of office.	YES	___
2.1.3	**Executive committee:** If the executive directors work with an executive committee, the executive directors should take account of the checks and balances that are part of the two-tier system. This means, among other things, that the executive directors' expertise and responsibilities are safeguarded and the non-executive directors are informed adequately.	N/A	The Company has one tier system.

	The non-executive directors should supervise this while paying specific attention to the dynamics and the relationship between the executive directors and the executive committee. In the management report, account should be rendered of: i. the choice to work with an executive committee; ii. the role, duty and composition of the executive committee; and iii. how the contacts between the non-executive directors and the executive committee have been given shape.		
2.1.4	**Expertise:** Each non-executive director and each executive director should have the specific expertise required for the fulfilment of his duties. Each non-executive director should be capable of assessing the broad outline of the overall management.	YES	___
2.1.5	**Policy on Diversity and Inclusion (D&I policy)**: The company should have a D&I policy for the enterprise. The D&I policy should in any case set specific, appropriate and ambitious targets in order to achieve a good balance in gender diversity and the other D&I aspects of relevance to the company with regard to the composition of the board, the supervisory board, the executive committee (if any) and a category of employees in managerial positions ("senior management") to be determined by the board.: The non-executive directors should adopt a D&I policy for the composition of the board. The board of directors should adopt the D&I policy for the senior management and for the rest of the workforce with the prior approval of the non-executive directors.	NO	The Company does not have a diversity and inclusion policy. The desired expertise and background for the board of directors are decisive when directors are appointed or reappointed. The members of the board, as well as all employees of the Company and of the group companies are recruited and promoted primarily based on professional achievements, experience and performance within the group, irrespective of gender, age, origin or any other personal or social feature. Although the Company does not have in place a formal diversity policy, in practice, the Company has not and does not intend to discriminate between potential candidates for any available board position due to their gender, age, origin or any other personal or social feature.
2.1.6	**Reporting on the D&I policy:** The corporate governance statement should explain the D&I policy and the way in which it is implemented in practice. This includes the following information: i. the goals of the D&I policy; ii. the plan to achieve the goals of the D&I policy; iii. the results of the D&I policy in the past financial year and – where relevant and applicable – insight into the flow, progression and retention of employees; and iv. the gender composition of the board of directors and senior management at the end of the past financial year. If one or more goals for the composition of the board of directors and/or the senior management are not achieved, an explanation of the reasons should be includedin the corporate governance statement, along with an	NO	The Company does not have a D&I policy. See explanation to principle 2.1.5. above.

	explanation as to which measures are being taken to attain the goals, and by when this is likely to be achieved.		
2.1.7	**Independence of the non-executive directors:** The composition of the non-executive directors is such that the members are able to operate independently and critically vis-à-vis one another, the executive directors, and any particular interests involved. In order to safeguard its independence, the non-executive directors are composed in accordance with the following criteria: i. any one of the criteria referred to in best practice provision 2.1.8, sections i. to v. inclusive should be applicable to at most one non-executive director; ii. the total number of non-executive directors to whom the criteria referred to in best practice provision 2.1.8 are applicable should account for less than half of the total number of non-executive directors; and iii. for each shareholder, or group of affiliated shareholders, directly or indirectly holding more than 10 per cent of the shares in the company, there is at most one non-executive director who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.	NO	The Company has five non-executive directors, of which three do not meet the independence criteria contained in the DCGC. This deviation from the DCGC exists since April 2017 and continued in 2024 and will last at least until the expiry of the mandate cycle of the present members of the board. When appointing the non-executive members of the board, the general shareholders meeting from April 21, 2017 and April 30, 2020 aimed to set-up a board made up from selected individuals with most extensive experience and insight into the group. Therefore, Mr. Teszari Zoltan was reappointed as the non-executive director and as the President of the board, while Mr. Marius Varzaru (current general manager of Digi Spain) and Mr. Emil Jugaru (Head of DIGI Romania Sales and Customer Care Business Unit) were reappointed as non-executive members of the board. Given the particularity of the business and operations of our group companies and the need for business continuity and internal and industry awareness, the general shareholders meeting from 21 April 2017, 30 April 2020 and 25 June 2024 gave priority to these functionality needs. However, the amended articles of association of the Company and the corporate governance documents of the Company establish clear and detailed rules regarding independent behavior and the management of any conflict of interest that any member of the board, and particularly all non-executive members of the board are strictly required to comply with.
2.1.8	**Independence of non-executive directors:** A non-executive director is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree: i. has been an employee or member of the management board of the company or an issuing institution associated with the company as referred to in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht/Wft*)) in the five years prior to the appointment; ii. receives personal financial compensation from the company, or an entity associated with it, other than the compensation received for the work performed as a non-executive director and in so far as this is not in keeping with the normal course of business; iii. has had an important business relationship with the company or an entity associated with it in the year prior to the appointment. This includes in any event the case where the non-executive director, or the firm of which he is a shareholder, partner, associate or advisor, has acted as advisor to the company	NO	See explanation to best practices 2.1.7. above.

	(consultant, external auditor, civil notary or lawyer) and the case where the non-executive director has been a management board member or an employee of a bank with which the company has a lasting and significant relationship; iv. is a member of the management board of a company in which a member of the management board of the company which he supervises is a non-executive director; v. has temporarily performed management duties during the previous twelve months in the absence or incapacity of management board members; vi. has a shareholding in the company of at least 10 per cent, taking into account the shareholding of natural persons or legal entities collborating with him on the basis of an express or tacit, verbal or written agreement; vii. is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which directly or indirectly holds at least 10 per cent of the shares in the company, unless the entity is a group company.		
2.1.9	**Independence of the chairman of the board:** The chairman of the board should not be a former member of the board of the company and should be independent within the meaning of best practice provision 2.1.8.	NO	The president (chairman) of the board does not meet the independence criteria contained in the DCGC. Mr. Zoltan Teszari's appointment as the president was voted by the general shareholders meeting of the Company from 21 April 2017, reappointed by the general meeting of the Company from 30 April 2020 and 25 June 2024 and will last during the entire period for which Mr. Teszari Zoltan will be a member of the board. The president is the principal shareholder of the Company. The president is not a member of the audit committee.
2.1.10	**Accountability regarding non-executive directors' independence:** The report of the non-executive directors should state that, in the opinion of the non-executive directors, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which non-executive director(s), if any, it does not consider to be independent.	NO	The report of the non-executive directors only states which non-executive directors are not independent under the Bucharest Stock Exchange Corporate Governance Code.
2.2.1	**Appointment and reappointment periods – executive directors:** An executive director is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The D&I objectives from best practice provision 2.1.5 should be considered in the preparation of the appointment or reappointment.	YES	___
2.2.2	**Appointment and reappointment periods – non-executive directors:** A non-executive director is appointed for a period of four years and may then be reappointed once for another four-year period. The non-executive	NO	The president (chairman) of the board may be reappointed for an indefinite number of terms. For details regarding the expected applicability period of and rationale for the deviation, please see the explanations from above.

	director may then be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of reappointment after an eight-year period, reasons should be given in the report of the non-executive directors. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed.		
2.2.3	**Early retirement:** A non-executive director or an executive director should retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the non-executive directors. In the event of the early retirement of an executive director or non-executive director, the company should issue a press release mentioning the reasons for the departure.	N/A	During 2024 there were no early retirements events for non-executive directors or executive directors.
2.2.4	**Succession:** The non-executive directors should ensure that the company has a sound plan in place for the succession of executive directors and non-executive directors that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for non-executive directors. The non-executive directors should also draw up a retirement schedule in order to avoid, as much as possible, non-executive directors retiring simultaneously. The retirement schedule should be published on the company's website.	NO	The Company has a retirement schedule. However, in light of his position as principal shareholder of the Company and with the General Meeting of shareholders' approval, the retirement schedule will not be applicable to the President (chairman) of the Board. Mr. Zoltan Teszari, the main shareholder of the Company, holds the position of President of the Board. According to the Rotation Schedule for the non-executive directors of the Company established by the Board pursuant to article 15 paragraph 6 of the Articles on 15 May 2017, Mr. Zoltan Teszari is expressly excluded from the agreed rotation schedule.
2.2.5	**Duties of the selection and appointment committee:** The selection and appointment committee should prepare the non-executive directors' decision-making and report to the non-executive directors on its deliberations and findings. The selection and appointment committee should in any event focus on: i. drawing up selection criteria and appointment procedures for executive directors and non-executive directors; ii. periodically assessing the size and composition of the executive directors and the non-executive directors, and making a proposal for a composition profile of the non-executive directors; iii. periodically assessing the functioning of individual executive directors and non-executive directors, and reporting on this to the non-executive directors; iv. drawing up a plan for the succession of executive directors and non-executive directors; v. making proposals for appointments and reappointments; and vi. supervising the policy of the executive directors regarding the	NO	The Company does not have a nomination committee (and did not allocate such tasks to another board committee). The Company has decided not to set up a nomination committee as referred to in the DCGC, since the general meeting of holders of class A shares as a whole will perform the duties of such nomination.

	selection criteria and appointment procedures for senior management.		
2.2.6	**Evaluation by the non-executive directors:** At least once per year, outside the presence of the executive directors, the non-executive directors should evaluate its own functioning, the functioning of the various committees of the non-executive directors and of the individual non-executive directors and discuss the conclusions of this evaluation. In doing so, attention should be paid to: i. substantive aspects, conduct and culture the mutual interaction and collaboration and the interaction with the executive directors; ii. events that occurred in practice from which lessons may be learned; and iii. the desired profile, composition, competencies and expertise of the non-executive directors. The evaluation should take place periodically under the supervision of an external expert.	NO	However, due valuation by the Audit Committee and the Remuneration Committee of their own activity is performed on yearly basis.
2.2.7	**Evaluation of the executive directors:** At least once per year, outside the presence of the executive directors, the non-executive directors should evaluate both the functioning of the executive directors as a whole and that of the individual executive directors and should discuss the conclusions that must be attached to the evaluation, such also in light of the succession of executive directors. At least once annually, the executive directors, should also evaluate its own functioning as a whole and that of the individual executive directors.	NO	However, due valuation of the Executives Directors' activity is performed on a yearly basis by the Audit Committee and the Remuneration Committee.
2.2.8	**Evaluation accountability:** The non-executive directors' report should state: i. how the evaluation of the non-executive directors, the various committees and the individual non-executive directors has been carried out; ii. how the evaluation of the executive directors and the individual executive directors has been carried out; iii. the main findings and conclusions of the evaluations; and iv. what has been or will be done with the conclusions from the evaluations.	NO	See explanation to best practices 2.2.6 and 2.2.7 above.
2.3.1	**Non-executive director's terms of reference:** The division of duties within the non-executive directors and the procedures of the non-executive directors should be laid down in terms of reference. The non-executive director's terms of reference should include a paragraph dealing with its relations with the executive directors, the general	YES	Although there are no separate rules in place for the non-executive directors, Chapter VII from the Articles include detailed provisions and rules regarding the board, including on the composition, remuneration, the allocation of tasks and duties among the executive directors and the non-executive directors, on the decision-making process and the management of any conflict of interest. The

	meeting, the employee participation body (if any) and the executive committee (if any). The terms of reference should be posted on the company's website.		Articles are available on the company's website.
2.3.2	**Establishment of committees:** If the board consists of more than four non-executive directors, it should appoint from among its non-executive directors an audit committee, a remuneration committee and a selection and appointment committee. Without prejudice to the collegiate responsibility of the non-executive directors, the duty of these committees is to prepare the decision-making of the non-executive directors. If the non-executive directors decide not to establish an audit committee, a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committees should apply to the non-executive directors together.	YES (PARTIALLY)	The Company does have audit and remuneration committees, but does not have a nomination committee. See explanation to principle 2.2.5 above.
2.3.3	**Committees' terms of reference:** The non-executive directors should draw up terms of reference for the audit committee, the remuneration committee and the selection and appointment committee. The terms of reference should indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference should be posted on the company's website.	YES	___
2.3.4	**Composition of the committees:** The audit committee or the remuneration committee should not be chaired by the chairman of the board or by a former executive of the board of the company. More than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8.	YES	The Audit Committee and the Remuneration Committee are chaired by non-executive independent directors of the Company. More than half of the members of the committees are independent.
2.3.5	**Committee reports:** The non-executive directors should receive from each of the committees a report of their deliberations and findings. In the report of the non-executive directors, it should comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.	YES	___
2.3.6	**Chairman of the board:** The chairman of the board should in any case ensure that: i. the non-executive directors have proper contact with the executive directors, the employee participation body (if any) and the general meeting; ii. the board elects a vice-chairman; iii. there is sufficient time for deliberation and decision-making by the board;	YES	___

	iv. the board members receive all information that is necessary for the proper performance of their duties in a timely fashion; v. the board and its committees function properly; vi. the functioning of individual executive directors and non-executive directors is assessed at least annually; vii. the board members follow their induction programme; viii. the board follow their education or training programme; ix. the board performs activities in respect of culture; x. the non-executive directors recognize signs from the enterprise affiliated with the company and ensures that any actual or suspected material misconduct and irregularities are reported to the supervisory board without delay; xi. the general meeting proceeds in an orderly and efficient manner; xii. effective communication with shareholders is assured; and xiii. the non-executive directors are involved closely, and at an early stage, in any merger or acquisition processes. The chairman of the board should consult regularly with the executive directors.		
2.3.7	**Vice-chairman of the board:** The vice-chairman of the board should deputize for the chairman when the occasion arises.	YES	___
2.3.8	**Delegated non-executive director:** A delegated non-executive director is a non-executive director who has a special duty. The delegation must not extend beyond the duties of the board itself and must not include the management of the company. Its purpose is more intensive supervision and advice and more regular consultation with the executive directors. The delegation should only be of a temporary nature. The delegation must not detract from the duties and powers of the non-executive directors. The delegated non-executive director continues to be a member of the board and should report regularly on the execution of his special duty to the plenary board.	N/A	___
2.3.9	**Temporary executive function of a non-executive director:** A non-executive director who temporarily takes on the management of the company, where the executive directors are absent or unable to fulfil their duties, should resign as a non-executive director of the board.	N/A	___
2.3.10	**Company secretary:** The non-executive directors should be supported by the company secretary. The secretary: i. should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with; ii. should facilitate the provision of information of the board; and	YES	___

	iii. should support the chairman of the board in the organisation of the affairs of the board, including the provision of information, meeting agendas, evaluations and training programmes. The company secretary should, either on the initiave of the non-executive directors or otherwise, be appointed and dismissed by the executive directors, after the approval of the non-executive directors has been obtained. If the secretary also undertakes work for the executive directors and notes that the interests of the executive directors and the non-executive directors diverge, as a result of which it is unclear which interests the secretary should represent, the secretary should report this to the chairman of the board.		
2.3.11	**Report of the non-executive directors:** The annual statements of the company include a report by the non-executive directors. In this report, the non-executive directors should render account of the supervision conducted in the past financial year, reporting in any event on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.	YES (PARTIALLY)	Information with respect to these matters are not comprised in a separate report of non-executive directors but in the Corporate Governance section of this report.
2.4.1	**Stimulating openness and accountability:** The executive directors and the non-executive directors are each responsible for stimulating openness and accountability within the body of which they form part, and between the different bodies within the company.	YES	___
2.4.2	**Other positions:** Executive directors and non-executive directors should report any other positions they may hold to the non-executive directors in advance and, at least annually, the other positions should be discussed at the non-executive directors meeting. The acceptance of membership of a supervisory board by an executive director requires the approval of the non-executive directors.	YES	___
2.4.3	**Point of contact for the functioning of non-executive directors and executive directors:** The chairman of the board should act on behalf of the board as the main contact for the executive directors, non-executive directors and shareholders regarding the functioning of executive directors and non-executive directors. The vice-chairman should act as a contact for individual non-executive directors and executive directors regarding the functioning of the chairman.	YES	___
2.4.4	**Attendance at non-executive directors' meetings:** Non-executive directors should attend non-executive directors' meetings and the meetings of the committees of which they are a part. If non-executive directors are frequently absent from these meetings, they should be held to account on this. The report of the non-executive directors should state	YES	___

	the absenteeism rate from non-executive directors and committee meetings of each non-executive directors.		
2.4.5	**Induction programme for non-executive directors:** All non-executive directors should follow an induction programme geared to their role. The induction programme should in any event cover general financial, social and legal affairs, financial and sustainability reporting by the company, any specific aspects that are unique to the relevant company and its business activities, the company culture and the relationship with the employee participation body (if any), and the responsibilities of a non-executive director.	YES	___
2.4.6	**Development:** The executive directors and non-executive directors should each conduct an annual review for their own body to identify any aspects with regard to which the non-executive directors and executive directors require training or education.	YES	___
2.4.7	**Information safeguards:** The executive directors should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the executive directors and the non-executive directors in a timely fashion. The non-executive directors should supervise the establishment and implementation of these procedures.	YES	___
2.4.8	**Non-executive directors' responsibility for obtaining information:** The non-executive directors and each individual non-executive director have their own responsibility for obtaining the information from the executive directors, the internal audit function, the external auditor and the employee participation body (if any) that the non-executive directors need in order to be able to carry out its duties properly as a supervisory body.	YES	___
2.4.9	**Obtaining information from officers and external parties:** If the non-executive directors consider it necessary, it may obtain information from officers and external advisers of the company. The company should provide the necessary means to this end. The non-executive directors may require that certain officers and external advisors attend its meetings.	YES	___
2.5.1	**Executive directors' responsibility for culture:** The executive directors should adopt values for the company and its affiliated enterprise that contribute to a culture focused on sustainable long-term value creation and discuss these with the non-executive directors. The executive directors are responsible for the incorporation and maintenance of these values within the company and its affiliated enterprise. The executive	YES	___

	directors should encourage a behavior that is in keeping with the values and propagate these values through leading by example. Attention must be paid to the following, among other things: i. the strategy and the business model; ii. the environment in which the enterprise operates; and iii. the existing culture within the enterprise, and whether it is desirable to implement any changes in this; and iv. the social safety within the enterprise and the ability to discuss and report actual or suspected misconduct or irregularities.		
2.5.2	**Code of Conduct:** The executive directors should draw up a code of conduct and monitor its effectiveness and compliance with this code, on the part of both itself and the employees of the company. The executive directors should inform the non-executive directors of its findings and observations with regards to the effectiveness of, and compliance with, the code. The code of conduct should be posted on the company's website.	YES	___
2.5.3	**Employee participation:** If the company has established an employee participation body, the following should also be discussed in the consultations between the executive directors, the non-executive directors and such employee participation body: i. the conduct and culture in the company and its affiliated enterprise; ii. the values adopted by the board of directors on the basis of best practice provision 2.5.1, and iii. the company's D&I policy.	N/A	___
2.5.4	**Reporting on culture:** In the management report, the executive directors should provide explanatory notes on: i. the culture within the enterprise, and whether it is desirable to implement any changes in this; ii. how the culture, the underlying values and conduct promoted within the enterprise contribute to sustainable long-term value creation and, if it is considered desirable to amend these, which initiatives are taken to further increase this contribution;; and iii. the effectiveness of, and compliance with, the code of conduct.	YES	___
2.6.1	**Procedure for reporting actual or suspected misconduct or irregularities:** The executive directors should establish a procedure for reporting actual or suspected misconduct or irregularities within the company and its affiliated enterprise. The procedure should be posted on	YES	___

	the company's website. The executive directors should ensure that employees have the opportunity to file such a report without jeopardizing their legal position.		
2.6.2	**Informing the chairman of the board:** The executive directors should inform the chairman of the board without delay of any signs of actual or suspected material misconduct or irregularities within the company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of one or more executive directors, employees can report this directly to the chairman of the board.	YES	___
2.6.3	**Notification by the external auditor:** The external auditor should inform the executive directors and the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspect an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of one or more executive directors, the external auditor should report this directly to the chairman of the board.	N/A	___
2.6.4	The internal audit function should inform the executive directors and the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspects an instance of material misconduct or irregularity. If the actual or suspected material misconduct or irregularity pertains to the functioning of one or more executive directors, the internal audit function should report this to the chairman of the board.	YES	___
2.6.5	**Oversight by the non-executive directors:** The non-executive directors monitor the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the executive directors their selves are involved, the non-executive directors should have the option of initiating its own investigation into any signs of misconduct or irregularities and to coordinate this investigation.	YES	___
2.7.1	**Preventing conflicts of interest:** Executive directors and non-executive directors are alert to conflicts of interest and should in any case refrain from the following:	YES	___

	i. competing with the company; ii. demanding or accepting substantial gifts from the company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree; iii. providing unjustified advantages to third parties at the company's expense; iv. taking advantage of business opportunities to which, the company is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.		
2.7.2	**Terms of reference:** The terms of reference of the non-executive directors should contain rules on dealing with conflicts of interest, including conflicting interests between executive directors and non-executive directors on the one hand and the company on the other. The terms of reference should also stipulate which transactions require the approval of the non-executive directors. The company should draw up regulations governing ownership of, and transactions in, securities by executive or non-executive directors, other than securities issued, by the company.	NO	See explanation to principle 2.3.1 above.
2.7.3	**Reporting:** A conflict of interest may exist if the company intends to enter into a transaction with a legal entity: i. in which a member of the board personally has a material financial interest; or ii. which has a member of the board who is related under family law to a member of the board of the company. An executive director should report any potential conflict of interest in a transaction that is of material significance to the company and/or to such executive director to the chairman of the board and to the other members of the board without delay. The executive director should provide all relevant information on this subject, including the information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. A non-executive director should report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the company and/or to such non-executive director to the chairman of the board without delay and should provide all relevant information in that regard, including relevant information regarding to his spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree. If the chairman of the	N/A	___

	board has a conflict of interest or potential conflict of interest, he should report this to the vice-chairman of the board without delay. The non-executive directors should decide, outside the presence of the executive director or non-executive director concerned, whether there is a conflict of interest.		
2.7.4	**Accountability regarding transactions: board members:** All transactions in which there are conflicts of interest with board members should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with board members that are of material significance to the company and/or to the relevant board members should require the approval of the non-executive directors. Such transactions should be published in the management report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with.	YES	___
2.7.5	**Accountability regarding transactions: majority shareholders:** All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the company and/or to such persons should require the approval of the non-executive directors. Such transactions should be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with.	YES	___
2.7.6	**Personal loans:** The company should not grant its board members any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the non-executive directors. Loans should not be forgiven.	YES	___
2.8.1	**Non-executive directors involvement:** When a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Article 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the company, the executive directors should ensure that the non-executive directors is involved in the takeover process and/or the change in the structure closely and in a timely fashion.	YES	___
2.8.2	**Informing the non-executive directors about a request for inspection by a competing bidder:** If a takeover bid has been announced for the shares, or depositary receipts for shares, in the company, and the	YES	Until the date of this report such event did not occur.

	executive directors receive a request from a competing bidder to inspect the company's records, the executive directors should discuss this request with the non-executive directors without delay.		
2.8.3	**Executive directors' position on a private bid:** If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Article 2:107a(1)(c) of the Dutch Civil Code, the executive directors of the company should as soon as possible make public its position on the bid and the reasons for this position.	YES	Until the date of this report such event did not occur.
3.1.1	**Remuneration policy proposal:** The remuneration committee should submit a clear and understandable proposal to the non-executive directors concerning the remuneration policy to be pursued with regard to the executive directors. The non-executive directors should present the policy to the general meeting for adoption.	YES	___
3.1.2	**Remuneration policy:** The following aspects should in any event be taken into consideration when formulating the remuneration policy: i. the objectives of the strategy for the implementation of sustainable long-term value creation within the meaning of best practice provision 1.1.1; ii. the scenario analyses carried out in advance; iii. the pay ratios within the company and its affiliated enterprise; iv. the development of the market price of the shares; v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character; vi. if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and vii. if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. In any case share options cannot be exercised during the first three years after they are awarded.	NO	If shares options are being awarded, share options can be exercised before three years have lapsed after they have been awarded (minimum term required by the DCGC). This deviation was implemented to match the Romanian tax provisions for the granting of stock option to employees and management and also to ensure sooner transfer of stocks to eligible employees, officers and directors.
3.1.3	**Remuneration – executive committee:** If the board has an executive committee, the executive directors should inform the non-executive directors about the remuneration of the members of the executive committee who are not executive directors. The executive directors should discuss this remuneration with the non-executive directors	N/A	___

	annually.		
3.2.1	**Remuneration committee's proposal:** The remuneration committee should submit a proposal to the non-executive directors concerning the remuneration of individual executive directors. The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise.	YES	___
3.2.2	**Executive directors' views on their own remuneration:** When drafting the proposal for the remuneration of executive directors, the remuneration committee should take note of individual executive directors' views with regard to the amount and structure of their own remuneration. The remuneration committee should ask the executive directors to pay attention to the aspects referred to in best practice provision 3.1.2.	YES	___
3.2.3	**Severance payments:** The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pays will not be awarded if the agreement is terminated early at the initiative of the executive director, or in the event of seriously culpable or negligent behavior on the part of the executive director.	YES	These conditions are provided in the management agreements concluded by the Company with each Director.
3.3.1	**Time spent and responsibility:** The remuneration of the non-executive directors should reflect the time spent and the responsibilities of their role.	YES	The revised Remuneration Policy provides for principles applicable to both the executive and the non-executive members of the board of directors of the Company. According to the revised Remuneration Policy, the remuneration of the non-executive directors is a fixed fee – which also takes into account holding seats on committees, e.g. Audit Committee, Remuneration Committee etc.) of the Company and which shall be set at market appropriate levels. The level of the remuneration is different from that of the executives. Non-executive directors who are directors in other Group companies or employees of other Group companies may, in consideration of such separate roles and/or positions, be awarded fixed and/or variable remuneration (in the form of stock options under the ESOP or variable cash compensation as determined by the Board in full compliance with Conflict of Interest rules). No variable compensation will be offered in respect of their role as non-executive director of the Company and the Company will at all times take into account potential conflicts of interest.
3.3.2	**Remuneration of non-executive directors:** non-executive directors must not be awarded remuneration in the form of shares and/or rights to shares.	NO	Non-executive directors who are directors in other Group companies or employees of other Group companies may, but only in consideration of such separate roles and/or positions, be awarded fixed and/or variable remuneration (in the form of stock options under the ESOP or variable cash compensation as

			determined by the Board in full compliance with Conflict of Interest rules). No variable compensation will be offered in respect of their role as non-executive director of the Company and the Company will at all times take into account potential conflicts of interest.
3.3.3	**Share ownership:** Shares held by a non-executive director in the company on whose supervisory board they serve should be long-term investments.	YES	___
3.4.1	**Remuneration report:** The remuneration committee should prepare the remuneration report. This report should in any event describe, in a transparent manner, in addition to the matters required by law: i. how the remuneration policy has been implemented in the past financial year; ii. how implementation of the remuneration policy contributes to sustainable long-term value creation; iii. how scenario analyses have been taken into consideration; iv. the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios compared to at least five previous financial years; v. in the event that an executive director receives variable remuneration, how this remuneration contributes to sustainable long-term value creation, the measurable performance criteria determined in advance on which the variable remuneration depends, and the relationship between the remuneration and performance; and vi. in the event that a current or former executive director receives a severance payment, the reason for this payment.	YES	The Remuneration Committee prepares, annual reports outlining its activity within the Company, as well as outlining the remuneration conditions at the level of the most relevant subsidiaries of the Company. In 2024, the activity of the Remuneration Committee mainly focused on the implementation of the new revised remuneration policy.
3.4.2	**Agreement of executive director:** The main elements of the agreement of an executive director with the company should be published on the company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting at which the appointment of the executive director will be proposed.	YES (PARTIALLY)	The main elements regarding the remuneration of the executive directors from the agreement concluded with the Company have been published on the Company's website https://www.digi-communications.ro/en/see-file/Remuneration-of-the-executive-members-of-the-Board-of-Directors-1.pdf
4.1.1	**Non-executive directors supervision:** The non-executive directors' supervision of the executive directors should include the supervision of relations with shareholders.	YES	___
4.1.2	**Proper conduct of business at meetings:** The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a meaningful discussion at the meeting.	YES	___
4.1.3	**Agenda:** The agenda of the general meeting should list which items are	YES	___

	up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items: i. material changes to the articles of association; ii. proposals relating to the appointment of board members; iii. the policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend); iv. any proposal to pay out dividend; v. resolutions to approve the management conducted by the executive directors (discharge of executive directors from liability); vi. resolutions to approve the supervision exercised by the non-executive directors (discharge of non-executive directors from liability); vii. any substantial change in the corporate governance structure of the company and in the compliance with this Code; and viii. the appointment of the external auditor.		
4.1.4	**Proposal for approval or authorization:** A proposal for approval or authorization by the general meeting should be explained in writing. In its explanation the executive directors should deal with all facts and circumstances relevant to the approval or authorization to be granted. The notes to the agenda should be posted on the company's website.	YES	___
4.1.5	**Shareholder's explanation when exercising the right to put items on the agenda:** If a shareholder has arranged for an item to be put on the agenda, he should explain this at the meeting and, if necessary, answer questions about it.	YES	___
4.1.6	**Placing of items on the agenda by shareholders:** A shareholder should only exercise the right to put items on the agenda after having consulted the executive directors. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example as a result of the dismissal of one or more board members, the executive directors should be given the opportunity to stipulate a reasonable period in which to respond (the response time). The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Article 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the executive directors, within the meaning of best practice provision 4.1.7.	YES	___
4.1.7	**Stipulation of the response time:** If the executive directors stipulate a response time, it should be a reasonable period that does not exceed 180	YES	___

	days from the moment the executive directors are informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The executive directors should use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder (or shareholders), and should explore the alternatives. At the end of the response time, the executive directors should report on this consultation and the exploration to the general meeting. This should be monitored by the non-executive directors. The response time may be stipulated only once for any given general meeting and should not apply to an item in respect of which a response time or a statutory reflection period as referred to in Article 2:114b of the Dutch Civil Code has already been stipulated, or to meetings where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public bid.		
4.1.8	**Attendance of members nominated for the board:** Board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination.	YES	___
4.1.9	**External auditor's attendance:** The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor should attend and be entitled to address the meeting for this purpose.	YES	___
4.1.10	**Report of the general meeting:** The report of the general meeting should be made available, on request, to the shareholders no later than three months after the end of the meeting, after which shareholders should have the opportunity to react to the report in the following three months. The report should then be adopted in the manner provided for in the articles of association.	NO	The deed of record from the General Shareholder's Meeting of June 25, 2024 was posted on the Company's website in a notarized form.
4.2.1	**Substantiation of invocation of overriding interest:** If the executive directors and the non-executive directors do not provide the general meeting with all information desired with the invocation of an overriding interest on the part of the company, they must give reasons for this.	YES	___
4.2.2	**Contacts and dialogue with shareholders:** The company should formulate an outline policy on bilateral contacts with the shareholders and should post this policy on its website. Shareholders and the company should be prepared to enter into a dialogue, where appropriate and at their own discretion. The company is expected to facilitate the dialogue unless, in the opinion of the board of directors, this is not in the interests of the company and its affiliated enterprise. Shareholders are expected to be prepared to enter into a constructive dialogue with the company. If a	YES	___

	shareholder enters into a dialogue with the company outside the context of a general meeting, the shareholder shall disclose his full share disclose his full share position (long and short and through derivatives) at the request of the company.		
4.2.3	**Meetings and presentations:** Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences should be announced in advance on the company's website and by means of press releases. Analyst meetings and presentations to investors should not take place shortly before the publication of the regular financial information. All shareholders should be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations should be posted on the company's website.	YES	___
4.2.4	**Posting information in a separate section of the website:** The company should post and update information which is relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law applicable to it in a separate section of its website.	YES	___
4.2.5	**Executive directors contacts with press and analysts:** The contacts between the executive directors on the one hand and the press and financial analysts on the other should be handled and structured carefully and with due observance of the applicable laws and regulations. The company should not do anything that might compromise the independence of analysts in relation to the company and vice versa.	YES	___
4.2.6	**Outline of anti-takeover measures:** The executive directors should outline all existing or potential anti-takeover measures in the management report and should also indicate in what circumstances and by whom these measures may likely be used.	YES	___
4.3.1	**Voting as deemed fit:** Shareholders, including institutional investors (pension funds, insurance companies, investment institutions and asset managers), should exercise their voting rights on an informed basis and as they deem fit. Institutional investors that use the services of proxy advisors (i) should encourage those proxy advisors to be prepared to enter into a dialogue with the company regarding their voting policy, voting guidelines and voting recommendations, and (ii) ensure that their votes are cast in line with their own voting policy.	YES	___
4.3.2	**Providing voting proxies or voting instructions:** The company should give shareholders and other persons entitled to vote the possibility of	YES	___

	issuing voting proxies or voting instructions, to an independent third party prior to the general meeting.		
4.3.3	**Cancelling the binding nature of a nomination or dismissal:** The general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may adopt a resolution to cancel the binding nature of a nomination for the appointment of a member of the board and/or a resolution to dismiss a member of the board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion must not be set higher than one-third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favor of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be adopted by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.	NO	Such resolution can be adopted by the general meeting with a two-third majority representing at least half of the issued share capital (default position under Dutch statutory law). This deviation is provided within the Articles as approved by the Company's general shareholders resolutions from April 21, 2017. This deviation is meant to avoid vote inefficiencies or blockage upon the appointment or dismissal of any relevant director.
4.3.4	**Voting right on financing preference shares:** The voting right attaching to financing preference shares should be based on the fair value of the capital contribution.	YES	___
4.3.5	**Publication of institutional investors' engagement policy:** Institutional investors should implement principle 4.4 when drawing up their engagement policy. Istitutional investors should publish their engagement policy on their website.	N/A	___
4.3.6	**Report on the implementation of institutional investors' engagement policy:** Institutional investors should report at least annually, on their website on how they implemented their engagement policy. The report should provide in any case a general description of their voting behaviour, as well as an explanation of the most significant votes and the use of the services of proxy advisors. "Most significant votes" should be understood in any event to mean: i. votes on matters that have received substantive media attention or votes on items that are regarded by institutional investors as a priority in of the run-up to the general meeting season; ii. votes on a resolution on the agenda of a general meeting (a) that are of strategic importance, or (b) where the institutional investor disagree with the resolution of the company's board of directors; or iii. votes in general meetings of the companies in which the institutional investor has a large holding compared to the institutional investor's holding in other investee companies.	N/A	___

	In addition, institutional investor should report on their website at least once per quarter on whether and, if so, how they have voted as shareholders for each company and voting item. In the report, institutional investors should disclose the key points of the dialogues they have conducted with companies. If an institutional investor votes against a resolution of the board of directors ar abstains from voting on a resolution of the board of directors, the institutional investor should explain the reasons for voting behaviour to the board of directors either proactively or at the company's request.		
4.3.7.	**Abstaining from voting in the event of a larger short position than long position:** Shareholders will abstain from voting if their short position in the company is larger than their long position.	N/A	
4.3.8.	**Share lending:** Shareholders should recall their lent shares before the voting record date for a general meeting of the company if the agenda for that meeting includes one or more significant matters. The shareholder should determine what is regarded as a significant matter, but this will include, in any event, resolutions on the agenda of a general meeting: i. that is of strategic importance; ii. where the shareholder disagrees with the resolution of ht ebaord of directors.	N/A	
4.5.1	**Trust office board:** The board of the trust office should have the confidence of the holders of depositary receipts and operate independently of the company that has issued the depositary receipts. The trust conditions should specify in what cases and subject to what conditions holders of depositary receipts may request the trust office to call a meeting of holders of depositary receipts.	N/A	___
4.5.2	**Appointment of board members:** The board members of the trust office should be appointed by the board of the trust office, after the vacancy has been announced on the website of the trust office. The meeting of holders of depositary receipts may make recommendations to the board of the trust office for the appointment of persons to the position of board member. No executive directors or former executive directors, non-executive directors or former non-executive directors, employees or permanent advisors of the company should be a member of the board of the trust office.	N/A	___
4.5.3	**Board appointment period:** A person may be appointed to the board of the trust office for a maximum of two four-year terms, followed by a	N/A	___

	maximum of two two-year terms. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board of the trust office.		
4.5.4	**Attendance of the general meeting:** The board of the trust office should attend the general meeting and should, if desired, make a statement about how it proposes to vote at the meeting.	N/A	___
4.5.5	**Exercise of voting rights:** In exercising its voting rights, the trust office should be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and the enterprise affiliated with it into account.	N/A	___
4.5.6	**Periodic reports:** The trust office should report periodically, but at least once per year, on its activities. The report should be posted on the company's website.	N/A	___
4.5.7	**Contents of the reports:** The report referred to in best practice provision 4.5.6 should in any event set out: i. the number of shares for which depositary receipts have been issued and an explanation of changes to this number; ii. the work carried out in the financial year; iii. the voting behaviour in the general meetings held in the financial year; iv. the percentage of votes represented by the trust office during the meetings referred to in section iii.; v. the remuneration of the members of the board of the trust office; vi. the number of meetings held by the board and the main items dealt with in them; vii. the costs of the activities of the trust office; viii. any external advice obtained by the trust office; ix. the positions or ancillary held by the board members of the trust office; and x. the contact details of the trust office.	N/A	___
4.5.8	**Voting proxies:** The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.	N/A	___
5.1.1	**Composition of the board of directors:** The majority of the board of directors is made up of non-executive directors. The requirements for independence stipulated in best practice provisions 2.1.7 and 2.1.8 apply to the non-executive directors.	NO	The majority of the board is made up of non-executive directors. However, the Company does not apply to the requirements for independence. See explanation to principle 2.1.7 above.

5.1.2	**Chairman of the board of directors:** The chairman of the board of directors chairs the meetings of the board of directors. The chairman of the board of directors should ensure that the board collectively and its committees, have a balanced composition and function properly.	YES	___
5.1.3	**Independence of the chairman of the board of directors:** The chairman of the board of directors should not be an executive director or former executive director of the company and should be independent within the meaning of best practice provision 2.1.8.	NO	The chairman is a non-executive director However, the chairman is not independent within the meaning of principle 2.1.8. See explanation to principle 2.1.9 above.
5.1.4	**Composition of committees:** The committees referred to in best practice provision 2.3.2 should comprise exclusively non-executive directors. Neither the audit committee nor the remuneration committee can be chaired by the chairman of the board of directors or by a former executive director of the company	YES	___
5.1.5	**Reporting on supervision by non-executive directors:** The non-executive directors render account of the supervision exercised in the past financial year. They should, as a minimum, report on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.	YES (PARTIALLY)	Information with respect to these matters are not comprised in a separate report of non-executive directors but in the Corporate Governance section of this report.

Consolidated Financial Statements for the year ended 31 December 2024

DIGI COMMUNICATIONS N.V.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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GENERAL INFORMATION

Directors:

Serghei Bulgac
Bogdan Ciobotaru
Valentin Popoviciu
Jose Manuel Arnaiz de Castro
Emil Jugaru
Marius Catalin Varzaru
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Auditors:

KPMG Accountants N.V.

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Consolidated Financial Statements for the year ended 31 December 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,203,388	1,969,936
Right of use assets	6	480,314	395,674
Intangible assets and goodwill	8	469,763	362,679
Subscriber acquisition costs	9	62,151	60,684
Investment property	7	12,762	11,687
Financial assets at fair value through OCI	10	77,976	51,183
Equity accounted investees	11	617	1,617
Long term receivables	12	69,747	13,617
Loans receivable from related parties	25	56,250	-
Other non-current assets		3,758	4,466
Derivative financial assets	34	14,030	3,366
Other long term assets		1,420	3,019
Deferred tax assets	30	30,328	16,035
Total non-current assets		**3,482,504**	**2,893,963**
Current assets			
Inventories	14	46,640	12,918
Programme assets	15	29,643	19,148
Trade and other receivables	16	80,984	92,752
Loans receivable from related parties	25	31,679	18,455
Contract assets	16	98,022	94,292
Other assets	17	21,499	14,198
Derivative financial assets	34	1,263	2,768
Cash and cash equivalents	18	66,529	221,342
Total current assets		**376,259**	**475,873**
Total assets		**3,858,763**	**3,369,836**
EQUITY AND LIABILITIES			
Equity			
Share capital	19.1	6,810	6,810
Share premium		3,406	3,406
Treasury shares		(13,614)	(14,135)
Reserves	19.1	25,584	(3,014)
Retained earnings		1,033,804	667,179
Equity attributable to owners of the Company		**1,055,990**	**660,246**
Non-controlling interest	19.2	180,210	124,048
Total equity		**1,236,200**	**784,294**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	20	1,019,525	1,183,650
Lease liabilities	21	376,534	312,537
Deferred tax liabilities	30	96,883	82,209
Decommissioning provision	24	15,202	11,302
Trade and other payables	22.2	44,666	71,640
Contract liabilities	26	6,161	3,428
Total non-current liabilities		**1,558,971**	**1,664,766**
Current liabilities			
Trade and other payables	22.1	554,857	563,193
Employee benefits	22.3	59,473	54,994
Loans and borrowings	20	305,202	199,814
Lease liabilities	21	102,104	77,039
Income tax payable	30	13,245	2,389
Provisions	23	7,636	614
Contract liabilities	26	21,075	22,733
Total current liabilities		**1,063,592**	**920,776**
Total liabilities		**2,622,563**	**2,585,542**
Total equity and liabilities		**3,858,763**	**3,369,836**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2024	2023
Revenues	26	1,924,301	1,690,376
Other income	27	407,157	16,180
Operating expenses	28	(1,401,027)	(1,242,830)
Employee benefits	28	(332,840)	(290,056)
Other expenses	27	(337)	(504)
Operating profit		**597,254**	**173,166**
Finance income	29	23,028	7,658
Finance costs	29	(84,704)	(80,645)
Net finance costs		**(61,676)**	**(72,987)**
Share of loss of equity-accounted investees net of tax	**11**	**(985)**	**(6,507)**
Profit before taxation		**534,593**	**93,672**
Income tax expense	30	(109,960)	(1,428)
Profit for the period		**424,633**	**92,244**
Attributable to owners		*389,192*	*84,541*
Attributable to non-controlling interests	19.2	*35,441*	*7,703*
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of income tax			
Foreign operations – foreign currency translation differences		(380)	(3,164)
Items that will never be reclassified to profit or loss			
Derivative financial assets	19.2	-	3,366
Revaluation of equity instruments measured at fair value through OCI	10	23,267	14,541
Revaluation of land and buildings and investment property, net of tax		6,384	-
Other comprehensive income/(expense) for the period, net of income tax		**29,271**	**14,743**
Total comprehensive income for the period		**453,904**	**106,987**
Attributable to owners of the Company		*418,077*	*99,270*
Attributable to non-controlling interests	19.2	*35,827*	*7,717*
Earnings per share			
Basic earnings per share	13	0.8870	0.8889
Diluted earnings per share	13	0.8851	0.8872

The notes on pages 10 to 113 are an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2024	2023
Cash flows from operating activities			
Profit before taxation	30	**534,593**	**93,672**
Adjustments for:			
Depreciation for PPE & RoUA	5, 6	308,822	256,930
Amortization for intangibles	8, 9	168,362	154,405
Impairment	5, 9	4,033	6,171
Net movement in decommissioning provision	24	1,126	754
Revaluation decreases recognised in profit or loss		709	-
Interest expense	29	68,594	64,810
Interest revenue	29	(5,165)	(4,259)
Impairment of trade and other receivables	28	12,560	11,739
Reversal of provisions		(926)	(635)
(Gain)/Losses on derivative financial instruments	29	(9,159)	2,269
Share of loss of equity-accounted investees, net of tax	11	985	6,507
Equity settled share-based payments expense	33	1,663	1,340
Unrealised foreign exchange gain(loss)		(1,829)	1,087
(Gain)/loss on sale of non-current assets	27	(384,807)	2,356
Cash flows from operations before working capital changes		**699,561**	**597,146**
Changes in:			
Increase in trade receivables, other assets and contract assets	16,17	(35,647)	(61,978)
(Increase)/decrease in inventories	14	(12,415)	2,980
Increase in programme assets	15	(31,162)	(25,595)
Increase in trade payables and other current liabilities	22	15,390	8,301
(Decrease)/increase in contract liabilities		(1,709)	3,250
Cash flows from operations		**634,018**	**524,104**
Interest paid	20,21	(63,019)	(60,619)
Interest received		5,165	4,259
Income tax paid		(92,919)	(6,402)
Net cash flows from operating activities		**483,245**	**461,342**
Cash flow from investing activities			
Purchases of property, plant and equipment	5, 7	(620,481)	(552,597)
Purchases of intangibles	8	(65,675)	(92,716)
Purchases of investment property	7	(1,075)	-
Payments for subscriber acquisition costs	9	(55,309)	(58,516)
Payments for acquisition of subsidiaries, net of cash	11	(109,075)	(258)
Acquisition of equity-accounted investees, net of cash	11	-	(31)
Acquisition of associate		(2,500)	-
Loans to related parties	25	(64,480)	(13,240)*
Proceeds from sale of property, plant and equipment	5,27	485,474	-
Net cash flows (used in)/from investing activities		**(433,121)**	**(717,358)**
Cash flows from financing activities			
Dividends paid to shareholders	19	(45,838)	(21,577)
Proceeds from loans and borrowings	20	825,824	330,338
Repayment of loans and borrowings	20	(873,035)	(65,405)
Transaction costs paid	20	(14,776)	(8,206)
Payment of lease liabilities	21	(125,612)	(100,200)
Proceeds from issuance of share capital and share premium from minority shareholder	19	28,500	81,000
Net cash flows (used in)/from financing activities		**(204,937)**	**215,950**
Net increase/(decrease) in cash and cash equivalents		**(154,813)**	**(40,066)**
Cash and cash equivalents at the beginning of the year	18	**221,342**	**261,408**
Effect of exchange rate fluctuations of cash and cash equivalents held			-
Cash and cash equivalents at the end of the year	18	**66,529**	**221,342**

The 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 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
During 2024, the group paid interest in total amount of EUR 79,751 (2023: EUR 63,703), of which EUR 15,990 (2023: EUR 3,084) is presented in investing activities in line Purchases of property, plant and equipment
**Loans to related parties in amount of EUR 13,240 in 2023 were included in the cash flow from financing activities in 2023. In 2024 Loans to related parties were included in cash flows from investing activities in order to reflect the investment nature of loans to related parties, in line with IAS 7.*

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Translation reserve[1)]	Revaluation reserve[1]	Fair value Reserve[1)]	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 year										
Profit for the period	-	-	-	-	-	-	389,192	**389,192**	35,441	**424,633**
Foreign currency translation differences	-	-	-	(355)	-	-	-	**(355)**	(25)	**(380)**
Reevaluation of property, plant and equipment and investment property, net of tax (Note 5 and 7)	-	-	-	-	5,973	-	-	**5,973**	411	**6,384**
Revaluation of equity instruments measured at fair value through OCI (Note 10)	-	-	-	-	-	23,267	-	**23,267**	-	**23,267**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(287)	-	287	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(355)**	**5,686**	**23,267**	**389,479**	**418,077**	**35,827**	**453,904**
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions (Note 33)	-	-	521	-	-	-	1,120	**1,641**	22	**1,663**
Dividends distributed (Note 19)	-	-	-	-	-	-	(23,974)	**(23,974)**	(8,187)	**(32,161)**
Total contributions by and distributions to owners	**-**	**-**	**521**	**-**	**-**	**-**	**(22,854)**	**(22,333)**	**(8,165)**	**(30,498)**
Changes in ownership interests in subsidiaries										
Issuance of share capital and share premium from a minority shareholder (Note 19.2)	-	-	-	-	-	-	-	-	28,500	**28,500**
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,500**	**28,500**
Total transactions with owners of the Company	**-**	**-**	**521**	**-**	**-**	**-**	**(22,854)**	**(22,333)**	**20,335**	**(1,998)**
Balance at 31 December 2024	**6,810**	**3,406**	**(13,614)**	**(22,102)**	**14,732**	**32,954**	**1,033,804**	**1,055,990**	**180,210**	**1,236,200**

1) Translation reserve, Reevaluation reserve and Fair value reserve aggregate to "Reserve" Position of the Consolidated Statement of Financial Position as at December 31, 2024

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

	Share capital	Share premium	Treasury shares	Translation reserve[1)]	Revaluation reserve[1)]	Fair value Reserve [1)]	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)**	**(18,785)**	**9,308**	**(8,004)**	**600,841**	**578,808**	**36,922**	**615,730**
Comprehensive income for the year										
Profit for the period	-	-	-	-	-	-	84,541	**84,541**	7,703	**92,244**
Foreign currency translation differences	-	-	-	(2,962)	-	-	-	**(2,962)**	(202)	**(3,164)**
Revaluation of equity instruments measured at fair value through OCI (Note 10)	-	-	-	-	-	14,541	-	**14,541**	-	**14,541**
Derivative Financial Assets	-	-	-	-	-	3,150	-	**3,150**	216	**3,366**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(262)	-	262	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(2,962)**	**(262)**	**17,691**	**84,803**	**99,270**	**7,717**	**106,987**
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions (Note 33)	-	-	633	-	-	-	675	**1,308**	32	**1,340**
Dividends distributed (Note 19)	-	-	-	-	-	-	(19,140)	**(19,140)**	(1,623)	**(20,763)**
Total contributions by and distributions to owners	**-**	**-**	**633**	**-**	**-**	**-**	**(18,465)**	**(17,832)**	**(1,591)**	**(19,423)**
Changes in ownership interests in subsidiaries										
Issuance of share capital and share premium from a minority shareholder (Note 19.2)	-	-	-	-	-	-	-	-	**81,000**	**81,000**
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**81,000**	**81,000**
Total transactions with owners of the Company	**-**	**-**	**633**	**-**	**-**	**-**	**(18,465)**	**(17,832)**	**79,409**	**61,577**
Balance at 31 December 2023	**6,810**	**3,406**	**(14,135)**	**(21,747)**	**9,046**	**9,687**	**667,179**	**660,246**	**124,048**	**784,294**

1) Translation reserve, Reevaluation reserve and Fair value reserve aggregate to "Reserve" Position of the Consolidated Statement of Financial Position as at December 31, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Digi Communications Group ("the Group", or "DIGI Group") comprises Digi Communications N.V., Digi Romania S.A. and their subsidiaries. RCS&RDS S.A. has officially changed its name to Digi Romania S.A., effective May 15, 2024.

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. ("DIGI Romania") and respectively DIGI.

The main operations are carried by Digi Romania S.A. ("DIGI Romania"), Digi Spain Telecom SLU ("DIGI Spain"), Digi Portugal LDA (DIGI Portugal) and Digi Italy SL ("DIGI Italy").

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

The Group provides telecommunication services of cable TV (television), fixed internet and data, fixed-line telephony ("CBT"), mobile telephony and internet and direct to home television ("DTH") services in Romania and Spain and mobile telephony services in Italy. In November and respectively December we started operations in Portugal and Belgium, where we were attributed mobile spectrum at the 5G auction from 2021 and, respectively, 2022. This allowed the Group to expand its business on the Portuguese and Belgian market, in order to provide high quality, affordable telecommunication services. The development of our presence in the 2 new territories continued over the course of 2024. In Portugal we continued building both a fixed and a mobile network while in Belgium we signed agreements that allowed us to operate with a limited phisical footprint.

Digi Spain and Sota Investments Spain OpCo S.L.U. have completed the first delivery under the transaction having as subject matter the sale by Digi Spain of a Fibre-to-the-Home ("FTTH") network in 12 provinces across Spain. The first delivery covers 4,4 million homes passed (for which the revenue is presented in notes 4 and 27, the related receivable in note 12 and the cost in note 5 and), while the development of the entire Network will take place gradually over approximately 3 years and will cover an additional number of 1,6 millions homes passed. Detailed disclosures regarding the figures are provided in the relevant notes to the financial statements (notes 4, 5, 12, 14, and 27).

The largest operating company of the Group is DIGI Romania. At the end of 2024, DIGI Group had a total of 24,448 employees (2023: 22,149 employees), all the employees are outside Netherlands.

The consolidated financial statements were authorized by the Board of Directors of DIGI on 29 April 2025.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of the Company are part of the statutory financial statements of the Company. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Section 2:362(9) of the Dutch Civil Code. The consolidated financial statements of the Company were authorized on 29 April 2025.

(b) Consolidated financial statements

These financial statements (consolidated and stand-alone) are the statutory financial statements of DIGI prepared in accordance with the IFRS as adopted by the EU and Section 2:362(9) of the Dutch Civil Code, to be filed with the Dutch Authority for the Financial Markets ("AFM") and with the Bucharest Stock Exchange and to serve as a basis for determining distributions to shareholders.

(c) Basis of measurement

The 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 as described in the accounting policies under Note 2.2 below.

(d) Going concern assumption

In the past years the Group managed to achieve consistently strong revenue streams and cash flows from operating activities and 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 Group scrutinizes its financing structure in the most efficient way by striving to fund investments and borrowing repayment obligations as much as possible from its cash flows from operating activities.

Significant investments continue in the upcoming period, leading to capital expenditure commitments of EUR 676.3 million in 2025 and borrowing repayment obligations in 2025 amounting to EUR 305 million. In the context of the aforementioned Group's funding strategy the risk of investing and financing cash flows was mitigated by the new loans agreements signed by the company in 2025.

The Group has obtained new loan facilities totaling to EUR 529,7 million with a maturity of 4 respective 5 years to refinance the existing facilities, for capital expenditures and general corporate and working capital, refer to note 36 Subsequent Events.

The Board of Directors thoroughly analyzed the Group's forecasted cash flow from operating activities and concluded that the Group has sufficient liquidity, loan facilities and operating cash flows to fulfill its commitments.

Accordingly, the Board of Directors is of the view that the Group will continue to act as a going concern for at least twelve months from the date of approval of these consolidated financial statements and hence deemed appropriate to prepare these consolidated financial statements using the going concern assumption.

(e) Functional and presentation currency

The functional currency 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).

These consolidated financial statements are presented in Euro ("EUR") and all values are rounded to the nearest thousand except when otherwise indicated. The Group uses EUR as the presentation currency of the consolidated financial statements 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;

The Group's Senior Secured Notes (the "Notes", "Bonds") (held by Digi Romania S.A.) are denominated in EUR. The translation into presentation currency of the financial information of each group entity with a functional currency other than EUR is described under Note 2.2 below.

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

(f) Significant estimates and judgements

In the process of applying the Group's accounting policies when preparing these consolidated financial statements, management has made the following significant judgements and estimates, including assumptions, that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the estimates affect that period only, and future periods, if the change affects both.

Information about critical judgements and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note	Topic	Judgements	Estimates
2.2 (a) and 11	Equity-accounted investees	X	
2.2 (a) and 31.1	NCI	X	
2.2 (c) and 5	Property, plant and equipment and Investment property	X	X
2.2 (d) and 8, 9	Intangible assets and subscriber acquisition costs		X
2.2 (c) and 5	Customer premises equipment	X	
2.2 (h), 6 and 14	Allowance for inventories and construction in progress	X	
2.2 (k)	Leases	X	X
2.2 (j) and 24	Provision for dismantling and restoring sites		X
5,6,7,8,9	Impairment test of non-current assets, including goodwill		X
2.2 (d) and 15	Programme assets	X	
16 and 32 (i)	Allowance for trade receivables and contract assets		X
30	Current and deferred taxes	X	X
35	Litigations	X	X
3, 20, 32 (iv), 34, 2(e), 10	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	X	X
3, 20, 32 (iv), 2(e), 10	Fair value of financial instruments, including financial assets at fair value through OCI	X	X
2.2 (e) (ii)	Supplier finance arrangements	X	
2.2 (k), 5	Sale and leaseback	X	

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

Use of judgements

In addition to the accounting alternative methods selected by management and presented in the respective accounting policies notes, management exercises judgement in order to define the accounting policies for certain elements and transactions:

Notes	Topic	Nature of accounting judgement
2.2 (a) and 11	Equity-accounted investees	Assessment of (joint) control. Assessment of whether the Group has significant influence over an investee and whether there is joint operation and control
2.2. (a), 19 and 31.1.	NCI	Assessment of (joint) control. Assessment of whether the risks and rewards of ownership transfer to the Group or remain with the NCI. Assessment of unanimous consent, veto rights and protective rights over the relevant activities.
2.2 (c) and 5	Property, plant and equipment	Determining the costs associated with tangible assets construction and installation activities.
2.2 (c) and 7	Investment property	Determining whether a property qualifies as investment property or owner-occupied property.
5	Customer premises equipment	Determining whether equipment is 'distinct' for the purpose of IFRS 15 and whether arrangements involving equipment contain a lease for the purpose of IFRS 16.
2.2 (k)	Leases	Determination of whether changes in lease agreements represent a remeasurement or a new lease; Determining the non-cancellable lease term and assessment of the exercise or not of termination and extension. Separating the service and lease components of leases.
2.2 (d)	Acquired programme assets	Determining the timing for recognition and the appropriate presentation in the consolidated statement of financial position and consolidated statement of cash flows.
2.2 (h), 6 and 14	Allowance for inventories and construction in progress	The judgment used in determining the allowance for inventories and fixed assets in progress aged by more than one year.
30	Current and deferred taxes	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances applicable to current income tax and assessing the recovery timeline of deferred tax assets.
35	Litigations	Measurement of technical merits of the interpretations and legislative positions and qualification of the facts and circumstances.
3, 20, 32 (iv), 34, 2.2 (e), 10	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Initial recognition and measurement (if the case) of the NCI put option as a derivative financial liability at the present value of the redemption amount. Significant judgement in determination of whether it is in the control of the Company to avoid the contractual obligation for the issuer to deliver cash or other financial asset on the occurrence of a future event. Measurement of the NCI call option as derivative financial asset at FVTPL with a

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

Notes	Topic	Nature of accounting judgement
		coresponding reserve in equity. Judgement in respect for fixed test as well as different probabilities for the call to be exercisable or not.
3, 20, 32 (iv), 34, 2.2 (e), 10	Subsequent recognition of NCI put and call options	Measurement of the NCI put and call option in accordance with IFRS 9 at FVTPL. Judgement in respect of different probabilities for the put/call being to be exercisable or not.
3, 20, 32 (iv), 2.2 (e), 10	Fair value of financial instruments, including financial assets at fair value through OCI	Determination if the host contracts contain or not an embedded derivative at inception. Presentation for the investment in the parent company as either a financial asset or a deduction in equity.
2.2 (e) (ii), 22	Supplier finance arrangement	The group assesses how to present and account for SFAs based on the specific terms and conditions of each arrangement. There is significant judgement involved in both the presentation of liabilities under SFAs and the presentation of cash flows. Judgement might be required to assess whether a specific arrangement is dissimilar in nature to other arrangements. The judgement involved in determining the most appropriate presentation based on the specific terms of the SFA is further disclosed in note 22.
2.2 (k), 5	Sale and lease-back	Determining who maintains control of the assets or the right to use them affected by the ownership of the network facilities sold, considering the sale and transfer of subsequent use operation. The judgement involved in determining the most appropriate presentation is further disclosed in note 5

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

Use of estimates

In preparing the Group's consolidated financial statements, management made estimates, insofar as many elements included in the consolidated financial statements cannot be measured precisely. Management revises these estimates if the underlying circumstances evolve or in light of new information or more experience. Consequently, the estimates made as at 31 December 2024 may subsequently be changed.

Notes	Topic	Key sources of estimates on future income and/or cash flows
2.2 (c) 5 and 7	Property, plant and equipment Investment property	Assessing assets' useful life according to the change in the technological, regulatory or economic environment; assessing fair value of land and buildings and investment property.
2.2 (d) and 8	Intangible assets and subscriber acquisition costs	Assessing the useful life and the recoverable value of customer-related intangibles and subscriber acquisitions costs depending on rate of customer churn.
2.2 (k)	Leases	Determination of the term of leases; Determination of the incremental borrowing rate of the lease when the implied interest rate is not identifiable in the lease.
2.2 (j) and 24	Provision for dismantling and restoring sites	Determination of the dismantling timeframe, discount rate, expected cost.
5,6,7,8,9	Impairment test of non-current assets, including goodwill - measurement of the recoverable values for the impairment tests (goodwill, property, plant and equipment and intangible assets, investments accounted for under the equity method)	Sensitivity of discount rates, perpetual growth rate and business plans assumptions which affect the expected cash flows; assessing the competitive, economic and financial environment of the countries where the Group operates.
2.2 (c), 5	Evaluation of the recoverable value for customer premises equipment	The main assumptions used in determining the purchase price used to evaluate the value of the equipment recovered from the customers' location and the reusage rate of the recovered assets.
16 and 32 (i)	Allowance for trade receivables and contract assets	Key assumptions in determining the weighted-average loss rate.
30	Measurement of the recoverable value of deferred tax assets	Assessing the deferred tax assets' recovery timeline when a tax entity reverts to profitability or when the tax legislation limits the use of tax loss carry forwards.
35	Litigations - risk of resources outflow linked to claims and litigations	Underlying assumptions of the assessment of legal and fiscal positions; identifying and releasing of uncertain legal and tax positions.
3, 20, 32 (iv), 34, 2(e), 10	Initial recognition and subsequent measurement of Put and Call options associated with the abrdn transaction	Determination of the initial and subsequent value of the liability associated with the transaction with abrdn is associated with significant estimation uncertainties on the occurrence of future events, not in the control of the entity.
3, 20, 32 (iv), 2.2 (e), 10	Fair value of financial instruments, including financial assets at fair value through OCI	Models, selection of parameters, fair value hierarchy, evaluation of non-performance risks. The call and put options fair value was determined considering the timing of the calls/puts during the length of the contract, and different agreed returns considered reasonable and market aligned for both parties, considering both the initially agreed global return of the project and the different moments and condition. Different fluctuation scenarios have been considered as well as different WACC levels,

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

Notes	Topic	Key sources of estimates on future income and/or cash flows
		using Monte-Carlo simulations.
2.2. (t), 31.1	Business combination	Estimation of fair values of asset and liabilities acquired (including provisional amounts) and fair value of purchase consideration in a business combination. Please see details in note 31.1

(g) Changes in material accounting policies

A. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The Group has adopted *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* from 1 January 2024. The amendments were originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024. These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. Following the amendments, the Group reviewed the classification of liabilities as current and non-current and concluded that these amendments had no impact on its consolidated financial statements.

B. IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The Group has adopted *IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)* from 1 January 2024. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. Following the amendments, the Group reviewed the sale and leaseback arrangements and concluded that these amendments had no impact on its consolidated financial statements.

C. *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7*

The amendments introduce two new additional disclosure requirements for companies that enter into supplier finance arrangements – one in IAS 7 scope and another in IFRS 7 scope. The Group need to provide information about their supplier finance arangements that would enable users to assess the effects of these arrangements on the Group's liabilities and cash flows and its exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of finance arrangements. The amendments are applicable for periods beginning on 1 January 2024, with early application permitted.

Following the amendment, the Group made updates to the information disclosed in Note 22.2 in certain instances, if the case, in line with the amendments.

2.2. MATERIAL ACCOUNTING POLICIES

This section describes the material accounting policies applied in the current reporting period that relate to the consolidated financial statements as a whole and the critical accounting judgements and estimates that management has identified as having a potentially material impact on the Group's consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except if mentioned otherwise. The Company prepared the consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances for all Group entities.

These consolidated financial statements do not include certain information or disclosures that, not having to be presented due to their qualitative significance, were deemed to be immaterial or of no relevance pursuant to the concepts of materiality or relevance defined in the IFRS conceptual framework, insofar as the DIGI Group's consolidated financial statements, taken as a whole, are concerned.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of DIGI and its subsidiaries and the Group's interest in equity-accounted investees as at 31 December 2024 and as of 31 December 2023. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in profit or loss immediately.

Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. If the business combination in effect settles a pre-existing relationship, the acquirer recognises a gain or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay the contingent consideration that meets the criteria of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group accounts for all business combination under the acquisition method, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred,
- the liabilities incurred to the former owners of the acquired business,
- the equity interests issued by the group,
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.
The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Subsidiaries

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies

Non-controlling interests ("NCI")

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When assessing joint control, the Group asseses if the group of venturers unanimously agree on all decisions over the "relevant activities", meaning the activities which significantly affect an investee's returns and if each of the parties that share joint control has a veto right (e.g they can block key decisions if they do not agree).

Joint control only exists if decisions require the unanimous consent of the parties sharing control. If decisions are made by simple majority, the Group analyses the following factors:

- the directors are not agents or employees of the shareholders
- the shareholders have not retained veto rights
- there are no side agreements requiring directors vote together
- a quorum of Board members can be achieved without all members being in attendance

If control exist over the subsidiary, the arrangement is not a joint venture and is accounted under IFRS 10.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity, unless it can be clearly demonstrated that the Group lacks the ability to exercise such influence over its investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The considerations made in determining significant influence, or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates and joint ventures are accounted for using the equity method. Under the equity method, these are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture and the Group's other comprehensive income includes its share of the investee's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group's share of losses equals or exceeds its interest in an equity-accounted investee, including any other unsecured long-term receivables, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the Group does not recognise further losses unless it has obligations or has made payments on behalf of the investee.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit/(loss) of equity-accounted investees net of tax' in the consolidated statement of profit or loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Transactions eliminated on consolidation

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are also eliminated in the same way as unrealised gains unless the transaction provides evidence of an impairment of the transferred asset.

b) Foreign currency

As previously stated, items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in EUR, which is the Group's presentation currency and all values are rounded to the nearest thousand EUR except when otherwise indicated.

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

Foreign currency - Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currencies using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated to the functional currencies using the exchange rates at the date when the fair value was determined.

Foreign currency differences are generally recognised in profit or loss and presented within finance costs. However, foreign currency differences arising from the translation of financial assets at fair value through OCI, are recognized in OCI, except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss.

Translation to presentation currency

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on acquisition) are translated into EUR (presentation currency) at the rate of exchange ruling at the reporting date. The income and expenses of foreign operations are translated into EUR at average exchange rate updated quarterly.

The exchange differences arising on the translation from functional currencies to presentation currency are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation reserve is allocated to NCI.

On disposal of a foreign operation (in its entirety or partially such that control, significant influence or joint control is lost), 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. The cumulative amount in the translation reserve related to that operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate, or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

Currency	2024			2023		
	Jan – 1	Average for the year	Dec – 31	Jan – 1	Average for the year	Dec – 31
RON per 1EUR	4.9746	4.9746	4.9741	4.9474	4.9465	4.9746
USD per 1EUR	1.1065	1.0821	1.0389	1.0666	1.0814	1.1065

c) Property, plant and equipment

Property, plant and equipment is carried:

- using the cost model, at purchase or construction cost less accumulated depreciation and accumulated impairment losses: network, customer premises equipment, vehicles, equipment and devices, furniture and office equipment; and
- using the fair value model, less any subsequent accumulated depreciation and subsequent accumulated impairment losses: land and buildings.

Property, plant and equipment using the cost model

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to their present location and condition necessary for their intended use. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

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

The costs of internally developed Property, plant and equipment include direct material and labour costs, as well as costs relating to subcontracting the development services, and capitalized interest and borrowing costs, when applicable. The cash flow for interest paid is presented in the Statement of Cash Flows in investing activities, in line Purchase of property, plant and equipment.

Cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives. Maintenance and repair costs are expensed as incurred.

Customer premises equipment consists of: routers and modems; handsets and other mobile devices; Set-top boxes and other decoders; satellite receivers; servers and other IT equipment; cables and other network equipment.

Property, plant and equipment using the revaluation model

Fair value assessments are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. The most recent revaluation of land and buildings was performed as at 31 December 2024, by an independent evaluator, using revaluation methods such as Market Approach, Income Approach and Cost Approach.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in the profit or loss. A revaluation deficit is recognized in profit or loss, except where a deficit is directly offsetting a previous surplus on the same asset in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is considered to be realized as the asset is used by the entity or when the asset is derecognized. In the first case, the amount of the reserve realised, hence transferred to retained earnings, is the difference between the depreciation based on the revalued carrying amount and the depreciation based on the original cost of the asset.

For details regarding the revaluation performed and differences recorded, please see Note 5.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives applied as at 31 December 2024 and 31 December 2023 are as follows:

	Useful life
Buildings	40-50 years
Fixed Network	up to 25 years
Mobile Radio Network (sites)	20 years
Equipment and devices	3-10 years
Customer premises equipment	5-10 years
Vehicles	6-10 years
Furniture and office equipment	3-9 years

The residual values, useful lives and the depreciation method of the assets are reviewed at each financial yearend and adjusted if appropriate. If expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

The carrying value of property, plant and equipment is tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year when the asset is derecognized.

Decommissioning

The present value of the expected cost for the decommissioning of the mobile radio network sites after their use, is included in the cost of the respective assets if the recognition criteria for a provision are met. See 2.2 j) for more information.

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. Investment property comprises of real estate property located in Hungary (residential, commercial and industrial properties, as well as land) which the Group is holding for purposes of capital appreciation.

d) Intangible assets, goodwill, programming assets and subscriber acquisition costs

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use. In case of volume discounts received from suppliers, the estimated value of the discount is applied to the cost of all similar items purchased and the carrying value is depreciated over their individual useful lives.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets relate mainly to software specific to our industry, developed within the group for own use purposes. Costs capitalized include the payroll costs of those employees directly associated with software development, services consumed in the development effort, as well as travel costs related to development work.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Customer relationships

Customer relationships represent the cost incurred by the Group to acquire customer contracts from other companies directly or by acquiring control of those companies.

Customer relationships acquired directly from other companies are recognized at the cost of acquisition, which is the fair value of the consideration paid. Customer relationships obtained by acquiring control of certain companies are recognized at their acquisition cost (based on fair value assessment) at the date of the acquisition and are presented separately from any residual goodwill resulting from the acquisition.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 2.2 (a). Goodwill is not amortised and is subsequently measured at cost less accumulated impairment losses, being tested at least annually for impairment. Where goodwill forms part of cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Programme assets

The Group is concluding multi-annual contracts for the acquisition of broadcasting rights for national and international sports competitions (“sports rights”), as well as contracts for the acquisition of film and television broadcasting rights.

When entering into such contracts, the rights acquired are classified as contractual commitments. These rights are recognised in the Consolidated Statement of Financial Position and classified as current intangible assets (program assets) if all of the following conditions are met: a) there is no doubt that the content will be delivered as agreed in the contract b) the non-cancellable term of the contract is of maximum 12 months and c) the cost of the content rights can be reliably estimated.

They are recognised as follows:

- Sports broadcasting rights for the current season are recognized at their acquisition cost, at the opening of the broadcasting period (in average the same number of competitions are broadcasted in a year) of the related sports season. Sports rights are amortized over the broadcasting period on a straight-line basis. Any rights not expected to be utilized are written off;
- Film and television broadcasting rights are recognized at their acquisition cost, when the programme is available for screening, and are amortised over their broadcasting period.

Advance payments for sports rights related to film and television rights related to the following 3-6 months are also presented as current intangible assets (programme assets).

Acquisitions of programme assets are presented within working capital changes, within the consolidated statement of cash flows.

Other intangible assets

Other intangible assets that are acquired by the Group are represented by mobile telephony licenses in Romania and Portugal (“radio spectrum licenses”), software and other intangible assets which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

When a radio spectrum license is granted, the authorization to use the spectrum requires an upfront payment, payable either as a single payment or in instalments, and an annual fee payable over the lifetime of the license. An asset is recognized for the amount of the upfront payment; annual fees are accounted for as operating expenses. Annual spectrum fees do not meet the criteria to be capitalized as the spectrum license can be cancelled at any time by the Group companies without any obligation of further such annual payments.

Subscriber acquisition costs

Subscriber acquisition costs represent the incremental costs for acquiring and connecting new subscribers by the Group companies, consisting of incremental commissions paid to employees or third parties for contracting new subscribers at the point at which the contracts are signed with the customers. Costs that will be incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract are expensed as they are incurred.

Amortisation

Intangible assets, except for goodwill, are amortized to expense their cost (with no residual value deducted) on a basis that reflects the pattern in which their future economic benefits are expected to be consumed. The straight-line basis is applied. The useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. If changes in accounting estimates occur, they are recognized prospectively.

Costs to obtain a contract are recognised for post-paid mobile services and for fixed services (Romania, Portugal) and for prepaid, post-paid mobile services and for fixed services (Spain). The amortisation periods for costs to obtain a contract are based on the minimum contractual period.

Main categories	**Amortisation period (average)**
Customer relationships	7 years
Subscriber acquisition costs	2 years
Trademarks	up to 8 years
Mobile telecommunications equipment licenses and radio spectrum licenses	10 years for fixed network licenses and software licenses, server licenses, CBU licenses
	5 to 7 years for Cisco licenses, Fortinet licenses
	1 year for television software licenses
	10 to 15 years - radio spectrum licenses – the amortisation periods are the grant (contractual) periods, from the date when the networks are technically ready and the services can be marketed; in case of contract extensions, these are used to extend the amortisation period

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.l) Revenues.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Classification

The Group classifies financial assets into the following categories: cash and cash equivalents, financial assets at amortised cost, financial assets designated at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits at banks.

Cash and cash equivalents in the consolidated statement of cash flows comprise cash at bank and in hand and short-term deposits at banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes, mainly, trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group elected to classify irrevocably its unquoted equity investments as equity instruments designated at fair value through OCI. This category only includes equity instruments which the Group intends to hold for the foreseeable future. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

Over-the-counter derivatives in cash settled with a financial underlying (shares), including intrinsic and temporary value is classified as financial assets at fair value through profit or loss (FVPL) in accordance with IFRS 9.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as interest-bearing loans and borrowings, payables, other financial liabilities, as derivatives designated as hedging instruments in an effective hedge, as appropriate or as derivative financial instruments.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, issued bonds and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, payables and other financial liabilities net of directly attributable transaction costs.

Derivatives on an interest in a subsidiary are accounted for as financial instruments unless the derivative meets the definition of an equity instrument of the entity. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Subsequent measurement

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR" method). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

After initial recognition, derivative financial liabilities are measured at FVPL.

The Group established vendor financing with suppliers and supplier finance arrangements agreements with financial institutions.

Liabilities from vendor financing agreements represents liabilities to pay for goods or services which are invoiced following a formal agreement with the supplier. In some cases, payment terms are extended in agreements between the supplier and the Group. If these agreements imply payment terms beyond one year, these are classified as non-current liabilities.

The supplier finance arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment terms with the amounts paid by the financial institutions that participate in the supplier finance arragement structure. Generally, the Group will repay the financial institutions the full invoice amount, on the scheduled payment date as required by the supplier finance agreement.

When the payment terms are extended beyond the contractual agreement with the supplier, interest is charged by the financial institutions and the amounts are reclassified under Loans and borrowings. In such case, in the consolidated statement of cash flows corresponding cash flows are presented under financing activities. If the payment terms are not extended beyond the contractual agreement with the supplier the related cash flows are presented under operating activities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(3) Derivative financial instruments

Initial recognition

The Group applied the policy choice of continuing with hedge accounting requirements of IAS 39 and all the existing hedging relationships were eligible to be treated as continuing hedging relationships. On initial designation of a derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The call option embedded in a host financial liability contract is closely related to the host contract. The exercise price of the prepayment option reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract. 'Lost interest' is the product of the principal amount prepaid, multiplied by the interest rate differential. The 'interest rate differential' is the excess of the effective interest rate of the host contract over the effective interest rate that the entity would receive at the prepayment date if it reinvested the principal amount prepaid in a similar contract for the remaining term of the host contract. This exception is conditional on the exercise price compensating the lender for loss of interest by reducing the economic loss from reinvestment risk.

Within the DIGI Andalucia SLU (former Primafati S.L.U.) transaction, the Group was granted with certain voluntary purchase call options. The derivatives, corresponding to these call options derivatives are valued initially at their fair value. The value of these call options was derived from the fair value of the shares of the underlying entity determined by independent valuation experts based on a discounted-cash-flow method.

Subsequent measurement

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The derivatives, corresponding to the call options on DIGI Andalucia SLU (former Primafati S.L.U.), are subsequently measures as in the case of initial recognition at fair value. The value of these call options is subsequently measured applying both a Monte-Carlo simulation and a Forward valuation methodology

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Transactions between shareholders with the Company's A shares are considered completed at the date when the transfer of ownership has been agreed upon by the parties in a written contract. Transactions with B shares are trading on the stock exchange and are considered completed at the transaction date.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. Transactions with non-controlling interest which result in surplus or deficit on the transaction are credited or debited to retained earnings. When treasury shares are cancelled the excess of cost above nominal value is debited to retained earnings.

Share and repurchase agreements related to treasury shares do not result in derecognition of the respective treasury shares and do not affect their cost.

Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share for continuing operations - as follows:

- basic earnings per share is calculated by dividing net profit for the year attributable to the equity holders of the Parent, by the weighted average number of ordinary shares outstanding during the year;
- diluted earnings per share is calculated based on the net profit. Average number of outstanding shares are adjusted by the dilutive effect of employee stock-options.

g) Impairment

Non-financial assets

Property, plant and equipment, investment property, right of use assets and intangible assets other than goodwill

The carrying amount of the Group's property, plant and equipment, investment property, right of use assets and intangible assets other than goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment of Customer Premises Equipment ("CPE")

At each reporting period, the Group recognizes an impairment charge equal with the carrying amount of the Customer premises equipment "CPE" held in custody by disconnected customers.

Impairment on Subscriber acquisition costs

At each reporting period, the Group recognizes an impairment charge computed as the percentage of churn applied to the carrying amount of costs to obtain.

Impairment on installation costs related to fixed network

At each reporting period, the Group recognizes an impairment charge based on the percentage of churn applied to the carrying amount of installation costs related to fixed network. The depreciation charge is adjusted in future periods in order to allocate the revised carrying amount of the fixed network, less any residual value, systematically, over the remaining useful life.

Key assumptions in the performance of impairment test

An asset's or cash generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the asset. In determining fair value less costs of disposals, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss, except for property, plant and equipment previously revalued where the revaluation was recognised in other comprehensive income. In this case the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless that asset is carried at revalued amount, in which case the reversal in excess of previous impairment loss recognised in profit or loss is treated as a revaluation increase.

After recording impairment losses or reversals the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill

Goodwill is tested, at least annually, for impairment, based on the recoverable amounts of the cash generating unit to which the goodwill has been allocated.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lower level within the Group at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized in profit or loss.

Impairment losses recognized for goodwill cannot be subsequently reversed.

Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets not held at fair value through profit or loss. 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 receivables from customers, from contract assets and other current financial assets.

For trade receivables, contract assets and other current financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrices that comprise of the grouping of customers, in accordance with similar loss patterns (namely by geography, type of service and type of customer, namely residential and business clients). The provision rates are based on the Group's observed historical credit loss experience and default rates, adjusted for specific factors referring to the debtors, such as reciprocal payments and offsets of debts. At every reporting date, the historical observed default rates are updated and changes in the forward-looking information are analysed, if the case.

Trade receivables overdue by more than 6 months are fully impaired. The Group considers a financial asset in default when contractual payments are 60 days past due. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 16 and Note 32. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group exhausted all practical recovery efforts and has no reasonable expectations of recovering a financial asset. The Group has a policy of writing-off the gross carrying amount when the financial asset is 5 years past due, based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amounts written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for amounts due. The write-off represents a derecognition event. Financial assets write-offs are recognised in the Consolidated Statement of Profit or Loss on the line "operating expenses".

h) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is determined on a first-in first-out basis and it comprises all costs of purchase, costs of conversion and other costs in bringing the inventories to their current location and condition.

Net realizable value of the inventories sold is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Employee benefits

Short-term employee benefits

Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions and other post-employment benefits

Under the regulatory regimes applicable in the countries where it operates, the Group is required to make payments to national social security funds for the benefit of its employees (defined contribution plans financed on a pay-as-you go basis). The Group has no legal or constructive obligation to pay future contributions if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Its only obligation is to pay the contributions as they fall due and if it ceases to employ members of the state plan, it will have no obligation to pay the benefits earned by its own employees in previous years.

Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered.

The Group does not operate any other pension schemes or post employment benefit plans.

Accumulated paid absences accrual ("Untaken Holiday")

The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

j) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as a finance cost.

Decommissioning provision

The Company records a provision for decommissioning costs of its mobile telecommunication sites. Decommissioning costs are provided for at the present value of expected costs of dismantling using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at the risk-free rate. In determining the value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the site and the expected timing of those costs.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

k) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Right-of-use asset

The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices at the commencement or on modification of a contract that contains a lease component.
The group recognizes a right-of-use asset at the lease commencement date (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are adjusted for certain remeasurements of the corresponding lease liabilities and are also subject to impairment, following the same principle as the property, plant and equipment. Refer to the accounting policies in note 2.2 (c).

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rates were assessed by an external valuator.

The ranges used as incremental borrowing rates take into account:

- company specific rates that reflect the credit worthiness of the company; and
- the term of the arrangement;
- the amount of funds borrowed;
- the nature and quality of the underlying asset;
- the economic environment encompassing the jurisdiction, the currency and the date at which the lease is entered into.

As the incremental borrowing rates take into account a 10-year maturity, an adjustment of the discount rates was considered in order to align them with contracts maturities using the yield spread for sovereign bonds. The incremental borrowing rates used by the Group also include inflation rate for each currency in which contracts are denominated.
The lease payments included in the measurement of the lease liability include fixed payments (including in-substance fixed payments less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for early terminating a lease unless the Group is reasonably certain not to terminate early. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms that range from 1 month up to 30 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. For these specific cases, the Group took into consideration the characteristics of the leased assets as well as the Group's estimations included in the Group's business plans. For leases where we consider it reasonably certain that the extension option will be exercised, we considered the extended lease term for the purpose of the computation of lease liabilities (on top of the non-cancellable period) with a period in the range of one to five years.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Sale and lease back

A sale and leaseback transaction is one where the Group (the seller-lessee) transfers an asset to another entity (the buyer-lessor) for consideration and leases that asset back from the buyer-lessor.

To determine how to account for a sale-and-leaseback transaction, the Group first considers whether the initial transfer of the underlying asset from the seller-lessee to the buyer-lessor is a sale under IFRS 15. If the transfer meets the requirements for a sale in IFRS 15, then the sale has occurred and and the transaction is accounted for as a sale-and-leaseback transaction under IFRS 16. If the transfer does not meet the requirements for a sale in IFRS 15, then there is no sale and the transaction is accounted for as a financing arrangement under IFRS 9.

If the transaction qualifies as a sale, the seller recognizes the gain or loss on the sale of the asset. The gain or loss is measured as the difference between the sale price and the carrying amount of the asset.

The leaseback is measured at the present value of lease payments, and a right-of-use asset and lease liability are recognized on the balance sheet if the agreement qualifies under IFRS 16 or as a monthly rent if it doesn't qualify under IFRS 16.

l) Contingencies

Management applies its judgment to the fact patterns and advice it receives from its attorneys and other advisors in assessing if an obligation is probable or not or remote. This judgment application is used to determine if the obligation is recognized as a liability or disclosed as a contingent liability.

Contingent liabilities are not recognized in the accompanying consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the accompanying consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

m) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Below section summarizes how and when revenue is recognized for each category of revenue.

- ***Revenue from services***

The Group's main sources of revenue from contracts with customers are:

- Subscription revenue from the provision of video, cable TV ("CATV") and direct-to-home ("DTH") TV;
- Subscription revenue from the provision of internet and data communication services (fixed and mobile);
- Subscription revenue from the provision of fixed-line and mobile telephony;
- Voice traffic revenue from fixed-line and mobile telephony services;
- Interconnection;

Video services subscriptions, pay TV fees, internet and data subscriptions, telephony subscriptions and voice minutes consumption revenues are recognised over time, based on the period when the services are provided. These revenues are collected through subscription fees that arise from the monthly billing of subscribers for these services and monthly billing of voice traffic. Revenue is recognized in the month the service is rendered. Contracts contain cancelation clauses which require payment of penalties. Revenue from penalties is recognised when the cancelation occurs.

Next to the monthly subscription fees, the Group charges separately the voice traffic which exceeds the voice minutes included in the subscription. The revenue for any additional voice traffic is recognized in the profit or loss over time, based on minutes consumed and contracted fees at the time services are provided (when the call is made).

Revenue from interconnect fees is recognised over time, when the services are performed.

Service arrangements can involve both the delivery of services and the use of a customer premises equipment (“CPE"). The Group has considered whether the CPE is ‘distinct’ for the purposes of IFRS 15.

The Group has analysed the relevant criteria and concluded that the CPE is not a distinct performance obligation. The following criteria were considered:

- the customer does not direct how and for what purpose they are used;

- the customer does not control the equipment, nor does it make any significant decisions about its use;

- the equipment is an input that is being used to produce the output for which the customer actually contracted the services;

- the equipment and the service are required to continually interact in order to fulfil the promise to the customer, hence the goods and services are highly interdependent, because the Group would not be able to fulfil its promise by transferring each of these goods independently;

- the Group does not sell separately the CPE to the customers.

- ***Variable consideration***

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

- ***Sales of mobile, CPE, CATV and DTH devices***

The Group recognizes revenue when a customer takes possession of the device. This usually occurs when the customer signs the contract. For devices sold separately (not in a bundled package), customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments, over a period of 12 months or 24 months. Where a finance component is significant this is accounted for as a reduction in revenue from sales of handsets against interest income. The discount rate used in determining the financing component is the effective interest rate at which a client could obtain financing on the free financial market for the amount required for the purchase of mobile devices at the moment of the assesment (it is estimated as the average of the effective annual interest rates from public offers for individuals).

- ***Bundled services***

Certain packaged offers comprise of the subscription service and the device. For bundled services, the Group accounts for individual products or services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list price at which the Group sells the devices and the telecommunication, CATV, DTH services.

Where a promotional offer includes a period of free service, the respective discount is allocated proportionally to each distinct performance obligation. Payment terms are, usually, up to 30 days since the invoice is issued.

- ***Advertising***

Revenues obtained from publicity sales on our broadcasting channels (TV & radio) are recognized over time, when the relating advertising is performed. Payment terms are, usually, between 30-90 days since the invoice is issued.

- ***Supply of electricity***

Revenues from electricity production are recognized in the period when these have been delivered into the Romanian national electric grid and / or to customers. Payment terms are, usually, up to 30 days since the invoice is issued.

Revenue from sale of green certificates granted under Romania's renewable energy support scheme is recognized at a point in time, when control is transferred to the customers. Deferred green certificates are recognized at fair value, which includes for the green certificates for which trading is deferred, the assessment of the related under-absorption risk.

- ***Government grants for supply of electricity***

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants are recognised in profit or loss on a systematic basis as the entity recognises as expenses the costs that the grants are intended to compensate. The Group presents the grants for electricity supply under "Other income", applying a gross presentation, with a corresponding entry in "Other receivables".

- ***Contract balances***

Contract assets

The contract assets primarily relate to the Group's rights to consideration for services completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group recognized contract assets for revenue from promotions, energy and sales in instalments. The revenue related to promotions is recorded by the Group based on straight-line method (divided equally during the contractual period).

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Costs of obtaining the contract

We recognise incremental costs of obtaining the contract as non-current assets (in accordance with IFRS 15), as disclosed in Notes 2 d).

n) Finance income and finance expense

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance expense comprises interest expense on borrowings, lease liabilities, unwinding of the discount on provisions and deferred consideration, losses on derivative financial instruments that are recognised in profit or loss Unamortised borrowing fees are expensed upon termination of related borrowings.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

All foreign exchange gains and losses are presented in the income statement within 'finance income or cost' position.

o) Related parties

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. Related parties include individuals that are principal owners, key management personnel of Group's subsidiaries and members of the Board of Directors and members of their families, and any company that is related party to Group's entities.

p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments (when and if applicable), do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group is within the scope of the OECD Pillar Two model rules, and accounts for it as a current tax, applying the IAS 12 temporary mandatory relief to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate, in the jurisdictions in which the Group operates and the legislation is enacted.

Minimum turnover tax in Romania

Starting from the fiscal year 2024, a minimum tax on turnover has been introduced in Romania for companies paying corporate income tax if their turnover exceeds 50 million euros in the previous year. Companies with a corporate income tax lower than the minimum turnover tax, are required to pay the corporate income tax at the level of the minimum turnover tax. The minimum turnover tax is calculated as 1% from the total revenues which is then reduced by certain non-taxable items, the value of fixed assets in progress as at the start of each year and accounting depreciation based on historical cost related to assets purchased or produced as of 1 January 2024.

Digi Romania S.A. does not qualify to pay minimum turnover tax as the current income tax is currently greater.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or are recognized when their utilisation has become probable.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

r) Dividends

Dividends are recognized as distributions within equity in the period in which they are declared to shareholders (at the date of the approval by the shareholders). Dividends for the year are declared after the reporting date.

q) Share-based payment transactions

Certain members of the management team and certain employees of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted, as evidenced by their market price.

The cost of equity-settled transactions is recognized as "Salaries and related taxes" expense, together with a corresponding increase in retained earnings, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting period'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income in profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed by the Group as best estimate of the number of equity instruments that will ultimately vest. Market conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service / performance conditions.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided that the original terms of the award are met. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately through profit or loss. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

s) Segment reporting

The information by operating segment is based on internal reporting to the Board of Directors, identified as "Chief Operating Decision-Maker", as defined by IFRS 8 *Operating Segments*. The Board of Directors reviews segment information on revenue and non-current assets on a monthly basis and segment EBITDA (earnings before interest, taxes, depreciation and amortisation) on a quarterly basis.

The Group considers EBITDA, a non-IFRS measure, to be the key operating performance measure of its operating segments. The method used in calculating EBITDA and its reconciliation to the line items in the statement of profit or loss and other comprehensive income is disclosed in Note 37. All other information included in the disclosure per segment is prepared under IFRSs as adopted by EU applicable to the consolidated financial statements.

The Chief Operating Decision-Maker has chosen to review geographical operating segments because the Group's risks and rates of return are affected predominantly by the fact that it operates in different countries.

As part of our "Other" segment we reported (i) revenue from, and expenses of, our Italian and (ii) expenses of the Company.

2.3. NEW ACCOUNTING PRONOUNCEMENTS

a) **Standards Issued But Not Yet Effective And Not Early Adopted**

Several new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. Neither of these IASB Standards or interpretations are yet endorsed by the EU.

- *Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).*

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

The Group is currently assessing the impact of the amendments on its financial statements.

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).*

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently assessing the impact of the amendments on its financial statements.

- *IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).*

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group is currently assessing the impact of the amendments on its financial statements.

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).*

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

- *Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The Group is closely monitoring the developments and currently assessing the impact the amendments will have on current practice.

- *Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).*

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

The Group is closely monitoring the developments and currently assessing the impact the amendments will have on current practice

- *Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).*

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

The Group is closely monitoring the developments and currently assessing the impact the amendments will have on current practice.

b) **New or amended standards and interpretations, as endorsed by the EU as at December 2024, that are effective for annual periods beginning on 1 January 2024**

The following new and amended standards did not have a significant impact on the Group's consolidated financial statements.

A. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The Group has adopted *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* from 1 January 2024. The amendments were originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024. These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. Following the amendments, the Group reviewed the classification of liabilities as current and non-current and concluded that these amendments had no impact on its consolidated financial statements.

B. IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The Group has adopted *IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)* from 1 January 2024. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. Following the amendments, the Group reviewed the sale and leaseback arrangements and concluded that these amendments had no impact on its consolidated financial statements.

C. *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7*

The amendments introduce two new additional disclosure requirements for companies that enter into supplier finance arrangements – one in IAS 7 scope and another in IFRS 7 scope. The Group need to provide information about their supplier finance arangements that would enable users to assess the effects of these arrangements on the Group's liabilities and cash flows and its exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of finance arrangements. The amendments are applicable for periods beginning on 1 January 2024, with early application permitted.

Following the amendment, the Group made updates to the information disclosed in Note 32 and Note 22 in certain instances, if the case, in line with the amendments.

3. DETERMINATION OF FAIR VALUES

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment (Note 5) and Investment property (Note 7)

The fair value of property, plant and equipment recognised as a result of a business combination and of land and buildings and investment property carried under the revaluation model is the estimated amount for which property could be exchanged between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, on the date of acquisition and respectively on the revaluation date. The fair value of items land and buildings and of investment property is based on the market approach. Market approach relies on quoted market prices for similar items when available, or on valuation models that use inputs observable or unobservable on the market (such as the income approach for certain buildings).

b) Intangible assets (Note 8)

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that contributed to the related cash flows. Main assumptions used are the churn rate, EBITDA % and the discount rate.

c) Derivatives (Note 32 and 34)

The fair value of the derivative financial instruments is based on generally accepted valuation techniques. It reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

d) Non-derivative financial assets and liabilities (Note 19.2 and 32)

Non-derivative financial assets and liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

e) Equity-settled share-based payment transactions (Note 33)

The fair value of the options granted to employees is measured using a generally accepted valuation technique, in which the main input is the market price of shares at the grant date (please refer to Note 33 for additional details). Given the short life of the options and the low volatility in the market value of the Group’s shares, management estimates that the time value of the share options is not significant.

f) Financial assets at fair value through OCI (Note 10)

From 2017 the Company’s class B shares are listed on the Bucharest Stock Exchange. Consequently, the fair value assessment of these shares held in RCSM at the end of each reporting period was performed based on the quoted price/share of the shares of the Company as at the valuation date, adjusted for the impact of other assets and liabilities of RCSM if material, given that the main asset of RCSM is the holding of the majority of the shares of the Company.

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

4. SEGMENT REPORTING

31 December 2024	Romania	Spain	Portugal	Other[1]	Eliminations	Reconciling item	Total
Continuing operations							
Segment revenue	1,099,378	781,974	11,827	31,122			**1,924,301**
Other income	7,857	-	-	-			**7,857**
Inter-segment revenues	4,128	767	-	75	(4,970)		-
Segment operating expenses	(588,870)	(608,057)	(27,385)	(32,599)	4,970		**(1,251,941)**
Adjusted EBITDA (Note 37)	**522,493**	**174,684**	**(15,558)**	**(1,402)**	-	-	**680,217**
Depreciation, amortisation and impairment of non-current assets	-	-	-	-	-	(481,926)	**(481,926)**
Other revenues	-	399,300	-	-	-	-	**399,300**
Other expenses (Note 27)	(337)	-	-	-	-	-	**(337)**
Operating profit							**597,254**
Finance income	8,570	14,458					**23,028**
Inter-segment finance income	20,783	748	545	-	(22,076)		-
Finance costs	(53,424)	(26,558)	(4,571)	(151)			**(84,704)**
Inter-segment finance costs	(2,014)	(3,051)	(16,716)	(295)	22,076		-
Share of profit/(loss) of equity-accounted investees	(985)	-	-	-	-	-	**(985)**
Income tax expense	(23,948)	(99,939)	14,252	(325)			**(109,960)**
Net profit / (loss)							**424,633**
Additions to non-current assets	**301,499**	**345,817**	**236,652**	**19,229**	-	-	**903,197**
Carrying amount of:							
Non-current assets	**1,856,495**	**798,621**	**719,887**	**28,907**	-	-	**3,403,910**
Investments in associates and financial assets at fair value through OCI	**617**	**-**		**77,976**	-	-	**78,593**

1) Other represents, operations mainly in Italy for Segment revenue line, operation in Italy and Netherlands for segment operating expenses line.

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

31 December 2023	**Romania**	**Spain**	**Portugal[3]**	**Other[2]**	**Eliminations**	**Reconciling item**	**Total**
Continuing operations							
Segment revenue	1,019,381	642,004	24	28,967	-	-	**1,690,376**
Other income	16,180	-	-	-	-	-	**16,180**
Inter-segment revenues	3,146	413	-	132	(3,691)	-	-
Segment operating expenses	(574,184)	(510,282)	(6,898)	(27,717)	3,691	-	**(1,115,390)**
Adjusted EBITDA (Note 37)	**464,523**	**132,135**	**(6,874)**	**1,382**	**-**	**-**	**591,166**
Depreciation, amortisation and impairment of non-current assets	-	-		-	-	(417,496)	**(417,496)**
Other expenses (Note 27)	(504)	-		-	-	-	**(504)**
Operating profit							**173,166**
Finance income	7,180	475	3	-	-	-	**7,658**
Inter-segment finance income	15,093	0	-	764	(15,857)	-	-
Finance costs	(58,091)	(24,015)	1,240	221	-	-	**(80,645)**
Inter-segment finance costs	(1,017)	(8,450)	(6,277)	(113)	15,857	-	-
Share of profit/(loss) of equity-accounted investees	(6,507)	-	-	-	-	-	**(6,507)**
Income tax expense	(13,147)	3,401	8,482	(164)	-	-	**(1,428)**
Net profit / (loss)							**92,244**
Additions to non-current assets	302,252	328,548	241,264	11,525	-	-	**883,590**
Carrying amount of:							
Non-current assets	1,714,786	700,213	413,676	12,488	-	-	**2,841,163**
Investments in associates and financial assets at fair value through OCI	1,617	-	-	51,183	-	-	**52,800**

2) Other represents, operations in Italy for Segment revenue line, operation in Italy and Netherlands for segment operating expenses line.
3) In 2023 Portugal was included in Other. In 2024 it was presented as separate segment so the comparatives were represented.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2024	**18,491**	**95,956**	**1,566,646**	**298,341**	**371,538**	**318,970**	**77,474**	**38,431**	**2,785,847**
Additions	20,730	4,115	79,759[2)]	419,752	5,253	3,596	2,662	3,200	**539,067**
Acquisitions through business combinations (note 31.1)	276	333	41,629	4,119	4,227	1,502	-	314	**52,400**
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	3,340	408,163	(563,919)	43,418	105,361	932	2,705	-
Other transfers	-	-	-	-	-	410	0	(410)	-
Transfers from/to Right of use assets	2,314	-	-	(227)	13,782	3,837	2,105[1)]	-	**21,811**
Transfer to inventories[4)]	-	-	(4,702)	(16,604)	-	-	-	-	**(21,306)**
Revaluation impact - acc depn eliminated against cost	-	(8,830)	-	-	-	-	-	-	**(8,830)**
Revaluation increase recognised in other comprehensive income	1,722	5,540	-	-	-	-	-	-	**7,262**
Revaluation decrease recognised in profit or loss	-	(709)	-	-	-	-	-	-	**(709)**
Disposals[3)]	-	(170)	(163,741)	(1,745)	(26)	(1,373)	(6,319)	(131)	**(173,505)**
Effect of movements in exchange rates	4	11	101	6	30	37	6	3	**198**
At 31 December 2024	**43,537**	**99,586**	**1,927,855**	**139,723**	**438,222**	**432,340**	**76860**	**44,112**	**3,202,235**
Depreciation and impairment									
At 1 January 2024	**-**	**22,512**	**436,782**	**2,261**	**159,109**	**123,126**	**44,342**	**27,779**	**815,911**
Depreciation charge	-	2,732	122,016	0	36,542	34,807	5,120	3,013	**204,230**
Impairment set-up	-	-	(161)	(156)	2,400	-	-	-	**2,083**
Other transfers	-	-	78	-	-	35	-	(113)	-
Transfers from Right of use assets	-	-	-	-	2,764	1,383	418	-	**4,565**
Revaluation impact - accumulated depreciation eliminated against cost	-	(8.830)	-	-	-	-	-	-	**(8,830)**
Disposals[3)]	-	(13)	(12,724)	-	(23)	(597)	(5,792)	(82)	**(19,231)**
Effect of movements in exchange rates	-	2	41	-	16	54	3	3	**119**
At 31 December 2024	**-**	**16,403**	**546,032**	**2,105**	**200,808**	**158,808**	**44,091**	**30,600**	**998,847**
Net book value									
At 1 January 2024	**18,491**	**73,444**	**1,129,864**	**296,080**	**212,429**	**195,844**	**33,132**	**10,652**	**1,969,936**

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

At 31 December 2024	**43,537**	**83,183**	**1,381,823**	**137,618**	**237,414**	**273,532**	**32,769**	**13,512**	**2,203,388**

[1)]During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.
[2)] Additions on the Network category include the amount EUR 2,773 representing the reassessment of the decommissioning asset.

[3)]Included in Disposal is the net amount of EUR 150,538 on Network, representing the cost of the first delivery within the transaction having as subject matter the sale of a FTTH network in 12 provinces in Spain. The first delivery covers 4,412,500 homes passed, while the development of the entire Network will take place gradually over approximately 3 years and will cover an additional number of 1,587,500 homes passed. The cost of the first delivery was netted of from the revenue from sale distinctly presented in line "Other income" in the Consolidated Statement of Profit and Loss.
[4)] Included in Tranfers to Inventory is an amount of EUR 21,424 representing the further development of the FTTH network in 12 provinces in Spain and subject to the next deliveries.

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

	Land	Buildings	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost									
At 1 January 2023	**18,598**	**95,415**	**1,257,337**	**213,010**	**296,123**	**253,846**	**63,453**	**34,037**	**2,231,819**
Additions	23	-	73,298 [2)]	471,488	3,126	3,609	9,418	2,608	**563,570**
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	1,114	245,826	(385,624)	69,944	66,262	515	1,963	-
Other transfers	-	-	-	-		-	-	-	
Transfers from/to Right of use assets	-	-	-	-	4,161	1,931	5,899[1]	-	**11,991**
Disposals	(27)	(27)	(3,833)[3)]	(29)	(323)	(4,937)	(1,485)	(30)	**(10,691)**
Effect of movements in exchange rates	(103)	(546)	(5,982)	(504)	(1,493)	(1,741)	(326)	(147)	**(10,842)**
At 31 December 2023	**18,491**	**95,956**	**1,566,646**	**298,341**	**371,538**	**318,970**	**77,474**	**38,431**	**2,785,847**
Depreciation and impairment									
At 1 January 2023	**-**	**20,005**	**343,827**	**2,274**	**127,781**	**97,285**	**40,557**	**25,160**	**656,889**
Depreciation charge	-	2,654	95,533	-	31,381	29,269	4,127	2,752	**165,716**
Impairment set-up	-	-	3,008	-	1,041	-	-	-	**4,049**
Transfers from Right of use assets	-	-	-	-	-	1,329	1,351	-	**2,680**
Disposals	-	(2)	(3,834)	-	(324)	(4,108)	(1,459)	(2)	**(9,729)**
Effect of movements in exchange rates	-	(145)	(1,752)	(13)	(770)	(649)	(234)	(131)	**(3,694)**
At 31 December 2023	**-**	**22,512**	**436,782**	**2,261**	**159,109**	**123,126**	**44,342**	**27,779**	**815,911**
Net book value									
At 1 January 2023	**18,598**	**75,410**	**913,510**	**210,736**	**168,342**	**156,561**	**22,896**	**8,877**	**1,574,930**
At 31 December 2023	**18,491**	**73,444**	**1,129,864**	**296,080**	**212,429**	**195,844**	**33,132**	**10,652**	**1,969,936**

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[1)]During the year, we had leasing contracts for which we have fully paid all contractual liabilities and gained ownership of the respective assets. These assets were transferred from Right of use assets into Property plant and equipment, at the moment we have gained ownership over them.
[2)] Additions on the Network category include the amount EUR 3.498representing the reassessment of the decommissioning asset.
[3)] Disposals include the amount EUR 3,834 representing the gross value of writen-off assets, from the "Networks" category

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

Property, plant and equipment additions

Most of the additions in 2024 relate to the triple play network, as the Group has continued to invest in expanding to new areas; continued the upgrade of the existing networks and adding new customers. Another significant portion of additions relate to continued investment in the mobile radio network coverage in Romania and the development of fixed internet and data and fixed-line telephony services in Spain. Additions in Portugal are represented by fixed and mobile internet network equipment, telecommunications equipment and vehicles.

The Group has constructions in progress incurred up to 31 December 2024 totaling EUR 139,724 (2023: 298,341). Included in this amount are capitalized borrowing costs related to the construction of network in Portugal, of EUR 15,990 (2023: EUR 3,084), calculated using an average capitalization rate of 5.1 percent (2023: 4.9 percent). Additionally capitalized borrowing cost from interest on leased assets was in amount of EUR 8,970 (2023: EUR 7,721).

Reconciliation to Cash flow statement

	31 December 2024	**31 December 2023**
Additions to PPE	539,067	563,570
Additions in CFS	620,481	552,597
Difference	(81,414)	10,973
Out of which:		
Increase / (decrease) in payables in balance	(81,414)	10,973

At 31 December 2024, the Group recognized an expense charge for written off obsolete networks of EUR 2,197(2023: EUR 3,812) presented under the *Depreciation charge* line.

At 31 December 2024, the Group presented under the line *Impairment set-up/(reversal)* an impairment expense of EUR 1,041 (2023: EUR 1,041) for customer premises equipment, based on the quantities of recovered equipment presented in inventory warehouses with an aging of over one year and the acquisition price of each equipment at the level of the net book value of each equipment as at 31 December 2024.

At 31 December 2024, included in the *Equipment* category are assets with gross book value of EUR 29,857 (2023: EUR 18,001) still in use that reached the end of their useful lives. Their continued use is attributable to the fact that these are not technologically obsolete and also because weather conditions and specific location of the site did not lead to the wear and tear of these equipment.

Revaluation of land and buildings

At 31 December 2024, land and buildings were revalued using several methods:

The market approach, i.e., the Direct Comparison Method (DCM) was applied to some of the real estate assets (free land, properties). This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition indicated by the company's representatives and found at the time of the field valuation of the assets, as well as the information available in relation to the analysed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value. Thus, the information on the offer prices of similar goods on the secondary market or the offers to which they are exposed on the market was analysed and some adjustments were made where necessary.

The income approach**,** i.e., the Revenue Capitalization Method (RCM) has been applied to most real estate assets, commercial real estate (office buildings, TV studio, cashiers, etc.). The value obtained by applying the income approach has been compared with the specific market information (global values for apartment properties and unit values for commercial real estate). Thus, the value of the real estate consisting of land and construction was estimated, and the value thus obtained was allocated on the component elements of the property (land and construction). The allocation was made, generally based on the net replacement cost of the buildings, and the value of the land resulting in residual value after deducting the value of the building from the value of the real estate.

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

The valuation is sensitive to its main inputs, being the sales value per sqm (which was in the range of 442 EUR/sqm to 1,906 EUR/sqm for real estates located in different cities in Romania and 35 EUR/sqm to 1,356 EUR/sqm for market values estimated for the main land plots), the estimated replacement cost per unit for buildings in Romania ranging from 200 EUR/sqm to 1.350 EUR/sqm.

Measurement of fair values

Fair value hierarchy

The fair value measurements of the real estate assets have been recognized as Level 2 fair values based on observable market sales data.

If land was measured using the cost model, the carrying amounts would be as follows:

	31 December 2024	**31 December 2023**
Cost	**37,400**	**14,514**
Fair value	**43,537**	**18,491**

If buildings were measured using the cost model, the carrying amounts would be as follows:

	31 December 2024	**31 December 2023**
Cost	91,040	83,404
Accumulated depreciation	(20,116)	(17,384)
Net carrying amount	**70,924**	**66,020**
Fair value	**83,183**	**73,444**

Collateral

For details regarding the pledges placed on the Group assets refer to Note 20 (vi).

Commitments for property, plant and equipment

For details regarding commitments for property, plant and equipment please see Note 35.

Asset sale transaction

Transaction Background

On April 4, 2024 Digi Spain Telecom, S.L.U. ("Digi Spain") entered into a Asset Sale Agreement with Macquarie Corporate Holdings Pty Limited for the sale of a portion of its FTTH access network, alongside a Bitstream Services Agreement (WSA) with SOTA allowing DIGI continued access to the network to serve its clients. The transaction involved the sale of up to 6 million Building Units (BUs) located in 12 provinces of Spain, for a total consideration of up to EUR 750 million. The transaction was completed on September 5, 2024, following the satisfaction of all conditions precedent.

The first tranche of the sale, delivered at closing, included 4.25 million homes passed and generated gross other operating income of up to EUR 531 million. This portion of the transaction has been presented as straightforward asset sale in the financial statements. Related disclosures are included in Notes 4 and 27 (revenue from sale), Note 12 (receivable), and Note 5 (cost of assets sold). The consideration received at closing is reflected in the cash flow statement under cash flows from investing activities. The gain generated from the transaction has contributed to the increase in profit for the period, and a corresponding increase in income tax expense has been recognized in the income statement.

The remaining development of the network, comprising an additional 1.6 million homes passed, is scheduled to be delivered progressively over an estimated three-year period and as it is being built is presented as inventories (Note 14). The useful life of the underlying fiber network components had been estimated at 25 years and was amortized accordingly until the date of disposal.

Accounting Treatment

The Sale component of the transaction does not qualify as a business combination under IFRS because no personnel or organized business activities were transferred - only assets.

Under IFRS 15, the transfer of control was achieved as the legal ownership and physical possession were transferred, the acquirer accepts the asset and bears the risks and benefits and there is no repurchase or call option.

Under IAS 16, DIGI will derecognize the network assets from its books. The difference between sale price and book value will be recorded as profit. A receivable will be recognized under IFRS 9, discounted for payments extending over three years.

Following the transaction, fiber network developments intended for sale will be classified as inventories under IAS 2 as these assets are no longer held for use but are developed for sale in the ordinary course of business. Revenue from the sale of such inventories will be recognized under IFRS 15.

Post sale Digi enters into the WSA (the agreement was negotiated alongside the asset sale but serves a distinct commercial objective, ensuring Digi Spain's continued ability to serve existing and future customers), where it acquires a long-term capacity service for fiber-related assets. From an accounting perspective, the payments tied to the service provision are recognized as expenses as they accrue. This agreement is not considered a lease under IFRS 16, as the wavelength, that Digi uses, is an intangible and does not represent a separable, tangible asset. Therefore, it is not recognized as a leased asset.

For the guarantees embedded in the transaction, there is no expected breach by either party, as there are no economic incentives for default. As a result, no provision is made for contingent liabilities in accordance with IAS 37.

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

6. RIGHT OF USE ASSETS

The Group has lease contracts for various items of land, commercial spaces, network, vehicles and equipment used in its operations.
The carrying amounts of right-of-use assets recognized and the movements during the period are presented below:

	Land	Buildings	Network[1)]	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2024	**2,314**	**22,328**	**305,464**	**49,579**	**3,465**	**12,524**	**395,674**
Depreciation	-	(19,708)	(74,975)	(5,341)	(379)	(4,189)	**(104,592)**
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	2,762	1,385	418	**4,565**
Additions	-	25,049	128,589	23,510	-	26,763	**203,911**
Acquisitions through business combinations (note 31.1)	-	1,257	952	-	-	335	**2,544**
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	(2,314)	-	-	(13,555)	(3,837)	(2,105)	**(21,811)**
Effect of movement in exchange rates	-	-	21	-	-	2	**23**
At 31 December 2024	**-**	**28,926**	**360,051**	**56,955**	**634**	**33,748**	**480,314**

1) Under the "Network" category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks

	Land	Buildings	Network[1)]	Customer premises equipment	Equipment and devices	Vehicles	Total
As at 1 January 2023	**2,330**	**21,544**	**238,873**	**20,727**	**3,454**	**20,173**	**307,101**
Depreciation	-	(17,255)	(66,588)	(3,904)	(471)	(2,984)	**(91,202)**
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation)	-	-	-	-	1,329	1,351	**2,680**
Additions	(4)	18,083	133,948	36,918	1,093	(110)	**189,928**
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment	-	-	-	(4,161)	(1,931)	(5,899)	**(11,991)**
Effect of movement in exchange rates	(12)	(44)	(769)	(1)	(9)	(7)	**(842)**
At 31 December 2023	**2,314**	**22,328**	**305,464**	**49,579**	**3,465**	**12,524**	**395,674**

1) Under the "Network" category are included right of use assets for both pillars and lands on which the Group built fixed and mobile networks.

During the year, the Group transferred from RouA in Non-current assets the net amount of EUR 17,246 (2023: EUR 9,311)

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

7. INVESTMENT PROPERTY

	Land	Buildings	Total
Cost			
At 1 January 2024	**4,695**	**7,110**	**11,805**
Acquisitions	-	508	508
Transfers from work in progress	-	64	64
Revaluation increase recognised in other comprehensive income		502	502
Revaluation impact - accumulated depreciation eliminated against cost		(117)	(117)
At 31 December 2024	**4,695**	**8,067**	**12,762**
Depreciation			
At 1 January 2024	**-**	**118**	**118**
Effect of movements in exchange rates	-	(1)	(1)
Revaluation impact - accumulated depreciation eliminated against cost		(117)	(117)
At 31 December 2024	-	-	-
Net book value			
At 1 January 2024	**4,695**	**6,992**	**11,687**
At 31 December 2024	**4,695**	**8,067**	**12,762**

	Land	Buildings	Total
Cost			
At 1 January 2023	**4,721**	**7,149**	**11,870**
Effect of movements in exchange rates	*(26)*	*(39)*	(65)
At 31 December 2023	**4,695**	**7,110**	**11,805**
Depreciation			
At 1 January 2023	**-**	**119**	**119**
Other transfers	-	***(1)***	**(1)**
At 31 December 2023	**-**	**118**	**118**
Net book value			
At 1 January 2023	**4,721**	**7,030**	**11,751**
At 31 December 2023	**4,695**	**6,992**	**11,687**

Investment property comprises of real estate property located in Hungary (residential, commercial and industrial properties, as well as land).

In 2024, the fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as Level 2 of the fair value hierarchy based on the inputs to the valuation technique used, specifically observable market sales data.

For valuation purposes, the comparative approach method ("DCM") was used (market-comparison method) based on which similar properties sold or offered for sale on the market were analyzed and compared with the properties that were subject to the valuation. This method was considered appropriate due to the nature of the assets valued, which have an active market.

In estimating the value, it was taken into account the physical condition of the assets and found at the time of the field valuation of the assets, as well as the information available in relation to the analyzed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value.

The properties valuated using comparative approach are:

- residential properties and business premises located in Csango Budapest, Hungary;
- building located in Veszprem city, Hungary comprising of warehouses and related land plots;
- building located in Tengerszem Budapest, Hungary comprising of one building and two land plots;
- land plot located on Vaci ut. Street, Budapest Hungary.

The value was in the range of 514 EUR/sqm to 2,430 EUR/sqm for real estates located in different cities in Hungary and 1,898 EUR/sqm for market values estimated for the main land plot. The income approach, i.e., the Revenue Capitalization Method ("RCM") has been applied to one real estate property – building located in Miskolc city, Hungary. The income approach was applied as the building purpose is more suitable for commercial function than as a residential property. The property was valued considering the market rent for similar properties that can be offered on the rental market. When applying the income approach, the real-estate property was considered as an investment type-asset. The value was 885 EUR/sqm.

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

8. INTANGIBLE ASSETS

NON-CURRENT INTANGIBLE ASSETS

	Goodwill	Customer relationships	Trademarks	Licences and software[1]	Total non-current intangible assets
Cost					
At 1 January 2024	**51,459**	**147,359**	**2,747**	**440,409**	**641,974**
Additions		3,570	-	56,263	**59,833**
Additions from acq of subsidiaries	24,885	14,190	1,258	68,303	**108,636**
Disposals	-	-	-	(268)	**(268)**
Effect of movement in exchange rates	(9)	(33)	-	(539)	**(581)**
At 31 December 2024	**76,335**	**165,086**	**4,005**	**564,168**	**809,594**
Accumulated amortisation					
At 1 January 2024	**-**	**110,622**	**2,613**	**166,060**	**279,295**
Amortisation	-	13,978	-	46,722	**60,700**
Effect of movement in exchange rates	-	(120)	-	(43)	**(163)**
At 31 December 2024	**-**	**124,480**	**2,613**	**212,739**	**339,832**
Net Book Value					
At 1 January 2024	**51,459**	**36,737**	**134**	**274,349**	**362,679**
At 31 December 2024	**76,335-**	**40,606**	**1,392**	**351,430**	**469,763**

(1) Includes internally generated software of EUR 9,054 (2023: EUR 7,568). Addition from Portugal contains acquisition for licenses related to tangible assets in progress.

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

	Goodwill	Customer relationships	Trademarks	Licences and software	Total non-current intangible assets
Cost					
At 1 January 2023	**51,741**	**144,840**	**2,760**	**381,528**	**580,869**
Additions	-	3,412	-	62,543[(1)]	**65,955**
Disposals	-	-	-	(1,860)	**(1,860)**
Effect of movement in exchange rates	(282)	(893)	(13)	(1,802)	**(2,990)**
At 31 December 2023	**51,459**	**147,359**	**2,747**	**440,409**	**641,974**
Accumulated amortisation					
At 1 January 2023	**-**	**97,357**	**2,626**	**124,430**	**224,413**
Amortisation	-	13,883	-	42,553	**56,436**
Disposals	-	-	-	(154)	**(154)**
Effect of movement in exchange rates	-	(618)	(13)	(769)	**(1,400)**
At 31 December 2023	**-**	**110,622**	**2,613**	**166,060**	**279,295**
Net Book Value					
At 1 January 2023	**51,741**	**47,483**	**134**	**257,098**	**356,456**
At 31 December 2023	**51,459**	**36,737**	**134**	**274,349**	**362,679**

[(1)]*Includes internally generated software of EUR 7,568(2022: EUR 7,115).*

At 31 December 2024, Customer relationships category contains fully amortized assets with a gross book value of EUR 76,865(2023: EUR 71,822).

Except for acquisitions through business combinations the main additions of non-current intangible assets relate to acquisitions of customer relationships and licences as detailed below.

Customer relationships

The additions of Customer relationships in the period ended 31 December 2024 relate to the acquisition of customer contracts in Romania from various smaller entities for EUR 3,570 (2023: EUR 3,412).

Radio spectrum licences

During 2024, Digi did not acquire additional spectrum.

The total carrying amount of the 2600 MHz bandwidth as at 31 December 2024 is EUR 23,092 (2023: EUR 28,308). For commitments, please see note 35.

Other Software licenses

Approximately EUR 38,101 (2023: EUR 50,556) additions represent custom software licenses required for the functioning of various telecommunications hardware from vendors of the hardware (Ericsson, Nokia, Huawei etc).

The remainder additions of Licenses and Software represent various other software for purposes like office, administrative, engineering, geo-mapping, television etc.

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

Reconciliation to Cash Flow statement:

	31 December 2024	**31 December 2023**
Additions to Intangible assets (non-current)	59,833	65,955
Additions in CFS	65,675	92,716
Difference	(5,842)	(26,761)
Out of which:		
Increase / (decrease) in payable balance	(5,842)	(26,761)

Impairment testing for cash-generating units containing goodwill

The Group defines cash-generating group of CGUs based on three criteria:

- country;
- infrastructure used in providing the services;
- bundling of services affecting independence of cash flows.

The Group's cash-generating group of CGUs with allocated goodwill are:

- CBT Romania;
- Portugal
- Mobile Spain;
- DTH Romania.

Goodwill allocated to Mobile Spain and DTH Romania is not material and is included in category "Other".

Goodwill	**31 December 2024**	**31 December 2023**
CBT Romania	51,132	51,134
Portugal (Note 31.1)	24,885	-
Other	318	325
Total	**76,335**	**51,459**

Recoverable amounts for the CGUs in Romania, Portugal and Spain have been determined based on discounted cashflows using cash flow projections based on financial budgets approved by the board of directors covering a five-year period (identified as value in use).

Measurement of fair values

Fair value hierarchy

The fair value measurements of the recoverable amounts of the cash-generating units (CGUs) used during the impairment testing process have been recognized as Level 2 fair values based on observable market sales data.

Key assumptions used

Key assumptions used in the calculation of the recoverable amounts are revenues, EBITDA margins, discount rate, terminal value growth rate and capital expenditure.

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

Weighted Average Cost of Capital

Country	**Discount rate (post –tax)**		**Discount rate (pre –tax)**	
	2024	**2023**	**2024**	**2023**
Romania	8.7%	8.3%	10.4%	9.9%
Portugal	6.2%	6.3%	7.8%	8.0%

The discount rate applied to the cash flows of each CGU is based on the Group's Weighted Average Cost of Capital in the respective territory (WACC). WACC is the average cost of sources of financing (debt and equity), each of which is weighted by its respective use in the market.

Key inputs to the WACC calculation are the risk-free rate, beta (reflecting the risk of the Group relative to the market as a whole) as well as assumptions regarding the spread for credit risk and the market risk premium for the cost of equity. Group WACC is adjusted for risk relative to the country in which the CGU operates.

Terminal growth rates

The terminal growth rate for all CGUs was considered to be 2% p.a (2023: 2% p.a.).

The growth rate in perpetuity has been determined based on the long-term compounded annual growth rate in EBITDA estimated by management considering market maturity and market share in Romania and Portugal, being also in line with publicly available market expectations.

EBITDA margins

For the Romanian CBT CGU, budgeted EBITDA is based on past experience and incremental increase in future years generated from incremental increase in revenues from new subscribers to our cable Tv, internet and mobile telephony business; budgeted EBITDA for the Portugal CGU is based on past experience from the Group and growth expectation and revenue from new subscribers connected to the network.

Capital expenditure

Budgeted capital expenditure (tangible and intangible assets including programme assets) is based on past experience, forecasted growth of subscribers (new subscribers connected to the network) and other business drivers.

Revenues

Budgeted revenues are based on forecasted growth of subscribers (new subscribers connected to the network) and ARPU (Average Revenue Per Unit) levels based on experience and other business drivers.

Management believes that as at 31 December 2024 no reasonable possible change in main assumptions would result in an impairment charge (31 December 2023: no reasonable change).

Collateral

For details on the pledges placed on the Group assets refer to Note 20 (vi).

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

9. SUBSCRIBER ACQUISITION COSTS

	Subscriber acquisition costs
Cost	
At 1 January 2024	**341,476**
Additions	61,310
Additions from acq of subsidiaries	3,784
Disposals	(4,480)
Effect of movement in exchange rates	19
At 31 December 2024	**402,109**
Accumulated amortisation	
At 1 January 2024	**280,792**
Amortisation	61,685
Impairment	1,949
Disposals	(4,423)
Effect of movement in exchange rates	(45)
At 31 December 2024	**339,958**
Net Book Value	
At 1 January 2024	**60,684**
At 31 December 2024	**62,151**

In 2024 SAC were recognized in relation with contracting customers in Romania (EUR 22,014), Spain (EUR 35,945), Italy (EUR 2,473) and Portugal (EUR 902).

	Subscriber acquisition costs
Cost	
At 1 January 2023	**282,622**
Additions	64,136
Disposals	(4,470)
Effect of movement in exchange rates	(812)
At 31 December 2023	**341,476**
Accumulated amortisation	
At 1 January 2023	**224,610**
Amortisation	59,050
Impairment	2,123
Disposals	(4,147)
Effect of movement in exchange rates	(844)
At 31 December 2023	**280,792**
Net Book Value	
At 1 January 2023	**58,012**
At 31 December 2023	**60,684**

In 2023 SAC were recognized in relation with contracting customers in Romania (EUR 27,028), Spain (EUR 34,556) and Italy (EUR 2,552).

For accounting policy, please see Note 2.2 (d).

At 31 December 2024, Subscriber acquisition costs category contains fully amortized assets with a gross book value of EUR 195,309 (2023: EUR 198,128).

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

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2024	2023
Balance at 1 January	**51,183**	**36,844**
Additions	3,566	-
Fair value adjustment – OCI	23,267	14,541
Effect of movements in exchange rates	(40)	(202)
Balance at 31 December	**77,976**	**51,183**

The above financial assets at fair value through OCI comprise shares in RCSM (which is the parent of the Company). As at 31 December 2024 the percentage of ownership of DIGI in RCSM is 10%, similar to previous period. For additional disclosures on the fair values of financial assets at fair value through OCI refer to Note 32 (iv).

11. EQUITY ACCOUNTED INVESTEES

	Note	31 December 2024	31 December 2023
Interest in joint ventures	(A)	-	985
Interests in associates		617	632
Balance at 31 December		**617**	**1,617**

A. <u>Joint Ventures</u>

In 2023, Digi Romania S.A. and Citymesh NV entered into an agreement for the set-up of DIGI Communications Belgium NV to act as an operator that provides electronic communication services over mobile network. This is a joint venture in which the Group has joint control. DIGI Communications Belgium NV is not a publicly listed entity.

The contractual arrangements signed in 2022 and 2023 between Digi Romania S.A. and Citymesh NV give both parties the right to joint control, because they both act together to direct the relevant activities of the special purpose vehicles. The relevant activities are controlled through the agreement of both shareholders which collectively agree on the following:

- the funding structure and obtaining funding;
- selecting, acquiring or disposing of assets;
- selling services;
- purchasing of goods and services, as well as hiring of own employees.

In respect of control over relevant activities, there are rights specifically stipulated in the signed agreements and reserved maters to be decided by the Board of Directors and Shareholders. The relevant activities mentioned above are stipulated in the agreements and jointly agreed by both shareholders, and as such there is unanimous consent of both shareholders over those activities, indicator of joint control.

The Reserved Board matters must be decided by both shareholders, as these decisions need the agreement of one director from Digi Romania S.A. and one from Citymesh NV. The relevant activities and substantive rights are mainly represented by the decisions related to the spectrum and the approval of budgets. Also, the distribution of dividends included in the reserved shareholder matters is also a relevant activity which gives substantive rights to both joint venture partners, because these require a vote in favor by Digi Romania S.A. and a vote in favor by Citymesh NV.

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

The following table summarizes the financial information of Citymesh Mobile NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in Citymesh Mobile NV.

	2024	**2023**
Percentage ownership interest (49%)		
Non-current assets	149,918	133,276
Current assets	4,715	8,735
Non-current liabilities [1)]	(102,626)	(105,422)
Current liabilities [1)]	(66,227)	(44,345)
Net assets (100%)	**(14,220)**	**(7,756)**
Group's share of net assets (49%)	(6,968)	(3,800)
Goodwill	-	-
Carrying amount of interest in joint venture	**-**	-
Operating expenses	(11,419)	(5,835)
Depreciation and amortisation	(8,882)	(7,305)
Interest expenses	(8)	43
Gain from a bargain purchase	5,067	-
Deferred and income tax	8,776	-
Loss and total comprehensive income (100%)	**(6,466)**	**(13,097)**
Loss and total comprehensive income (49%)	(3,168)	(6,418)
Group's share of total comprehensive income	**-**	**(5,168)**
Unrecognised Group share of loss carried forward[2)]	**(3,168)**	**(1,250)**

[1)]Non-current liabilities of 98,501 EUR (2023: EUR 105,422) represent the present value of future payments in relation to the acquisition of Spectrum in the multiband frequency. Included in Current liabilities is the corresponding short-term liability, in amount of 6,920 EUR (2023: EUR 6,920).

[2)]Unrecognised Group share of loss carried forward as at 31 December 2024 is EUR 4,419.

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

The following table summarizes the financial information of InSKy NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in InSKy NV.

	2024	**2023**
Percentage ownership interest (51%)		
Non-current assets	90,756	6,455
Current assets	13,706	1,882
Non-current liabilities	(87,610)	(155)
Current liabilities	(24,198)	(6,250)
Net assets (100%)	**(7,346)**	**1,932**
Group's share of net assets (51%)	(3,746)	985
Carrying amount of interest in joint venture	**-**	985
Operating expenses	(7,545)	(2,514)
Depreciation and amortisation	(3,591)	(51)
Interest expense	(2,136)	-
Financial expense	(18)	-
Deferred and income tax	4,018	-
Loss total comprehensive income (100%)	**(9,272)**	(2,565)
Loss and total comprehensive income (51%)	(4,729)	(1,308)
Group's share of total comprehensive income	**(985)**	(1,308)
Unrecognised Group share of loss carried forward[1)]	**(3,744)**	-

[1)] Unrecognised Group share of loss carried forward as at 31 December 2024 is EUR 3,744.

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

The following table summarizes the financial information of DIGI Communications Belgium NV as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the recognized financial information to the carrying amount of the Group's interest in DIGI Communications Belgium NV.

	2024	**2023**
Percentage ownership interest (51%)		
Non-current assets	3,850	63
Current assets	324	95
Non-current liabilities	(29)	-
Current liabilities	(12,681)	(981)
Net assets (100%)	**(8,536)**	(823)
Group's share of net assets (51%)	(4,353)	(420)
Carrying amount of interest in joint venture	**-**	-
Revenues	41	-
Operating expenses	(10,508)	(885)
Depreciation and amortisation	(2)	-
Interest expense	(106)	-
Deferred and income tax	2,862	-
Loss total comprehensive income (100%)	**(7,713)**	(885)
Loss and total comprehensive income (51%)	(3,934)	(451)
Group's share of total comprehensive income	**-**	(31)
Unrecognised Group share of loss carried forward[1)]	**(3,934)**	(420)

[1)]Urecognised Group share of loss carried forward as at 31 December 2024 is EUR 4,354.

The movement in Group's interest in net assets of investees during the year is presented as follows:

	2024	**2023**
Group's interest in net assets of investees at the beginning of the year	**1,617**	**7,980**
Increase in interest in joint venture	-	-
Share of total comprehensive income	(985)	(6,507)
Other movements	(15)	144
Carrying amount of interest in investees at the end of the year	**617**	**1,617**

12. LONG TERM RECEIVABLES

	31 December 2024	**31 December 2023**
Long term receivables	69,747	13,617
Total	**69,747**	**13,617**

In long term receivables as of 31 December 2024 an amount of 9,934 EUR represents the value related to instalments sales, with maturities of more than one year and also the value of discounts with maturities of more than one year (31 December 2023: EUR 11,274). In the current period we also present the impact of Spanish extraordinary sale of assets in amount of EUR 57,047.

13. EARNINGS PER SHARE (EPS)

	31 December 2024 Total
Net profit for the year	424,633
Non-controlling interests	(35,441)
Net profit attributable to equity holders of the parent	**389,192**

	31 December 2023 Total
Net profit for the year	92,244
Non-controlling interests	(7,703)
Net profit attributable to equity holders of the parent	**84,541**

Weighted-average number of ordinary shares (basic)

In thousands of shares	2024	2023
Issued ordinary shares at 1 January	95,215	94,993
Effect of share options exercised	183	222
Issued ordinary shares at 31 December	95,398	95,215
Weighted-average number of ordinary shares at 31 December	**95,306**	**95,104**

Weighted-average number of ordinary shares (diluted)

In thousands of shares	31 December 2024	31 December 2023
Weighted-average number of ordinary shares (basic)	95,306	95,104
Effect of share options	210	183
Weighted-average number of ordinary shares (diluted) at 31 December	95,516	95,287

In accordance with IAS 33 *Earnings per share*, DIGI uses a reasonable approximation method to calculate the weighted average number of shares outstanding, by calculating the average between closing and opening balance of outstanding shares, considering that there are no significant movements during the year and taking into account that dividend rights of class A and class B are equal.

Several share options plans have been implemented for management and key employees. These share options have a dilutive effect on earnings. For details, please see Note 33.

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

14. INVENTORIES

	31 December 2024	31 December 2023
Merchandise and equipment	34,744	3,409
Materials and consumables	12,569	10,004
Allowance for inventories	(673)	(495)
Total inventories	**46,640**	**12,918**

In 2024, inventories of EUR 61,082 (2023: EUR 52,218) were recognized as an expense during the year and included in 'cost of goods sold'.

Merchandise and equipment

This category includes terminal equipment to be sold to customers and for current period part of the network subject to the Spanish extraordinary sale of assets.

Materials and consumables

This category mainly includes inventory used in the development and maintenance of the telecommunications networks, such as fiber optic cables, nodes and amplifiers.

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 20 (vi).

15. PROGRAMME ASSETS

Program assets include broadcasting rights for national and international sports competitions, as well as contracts for the acquisition of film and television broadcasting rights. The balance as of 31 December 2024 is of EUR 29,643 (31 December 2023: EUR 19,148).

Contractual obligations related to future seasons are presented as commitments in Note 35.

16. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	31 December 2024	31 December 2023
Trade receivables	52,972	58,516
Contract assets	98,022	94,292
Grants for electricity supply	8,897	10,212
Other taxes receivable	5,785	7,613
Other receivables	13,232	12,372
Other receivables from related parties	98	4,039
Total trade and other receivables	**179,006**	**187,044**

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle Digi Romania S.A. to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 31 March 2025. At the date of these financial statements, there are no unfulfilled conditions or contingencies attached to these grants.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 32.

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of 31 December 2024 are as below. The remaining performance obligations arise from promotional campaigns. All remaining performance obligations are expected to be recognized within two years.

	31 December 2024	**31 December 2023**
Unsatisfied performance obligations	18,513	25,296
Total	**18,513**	**25,296**

Collateral

For details regarding the pledges placed on the Group's assets refer to Note 20 (x).

17. OTHER ASSETS

	31 December 2024	**31 December 2023**
Advances to suppliers	5,054	3,870
Prepayments (insurances and other)	16,445	10,328
Total other assets	**21,499**	**14,198**

18. CASH AND CASH EQUIVALENTS

	31 December 2024	**31 December 2023**
Bank accounts	66,474	221,303
Petty cash	55	39
Total cash and cash equivalents	**66,529**	**221,342**

Collateral

For details regarding the pledges placed on the Group's assets and restricted cash please refer to Note 20 (x).

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

19. EQUITY

19.1 Share capital and reserves

The issued and paid-up capital as at 31 December 2024 was in amount of EUR 6,810 divided into 100,000,000 shares (out of which (i) 64,556,028 class A shares with a nominal value of ten eurocents (EUR 0.10) each and (ii) 35,443,972 class B shares, with a nominal value of one eurocent (EUR 0.01) each.

Class B Shares are listed on the Romanian Stock Exchange ("BVB") starting from 16 May 2017.

	31 December 2024	31 December 2023
Class A:		
Ordinary Shares – Issued and Paid (No.)	64,556,028	64,556,028
Ordinary Shares – Unissued (No.)	35,443,972	35,443,972
Nominal Value	0.10 EUR per share	0.10 EUR per share
Class B:		
Ordinary Shares – Issued and Paid (No.)	35,443,972	35,443,972
Ordinary Shares – Unissued (No.)	64,556,028	64,556,028
Nominal Value	0.01 EUR per share	0.01 EUR per share
Share Capital Value (EUR) thousand	6,810	6,810

The rights attaching to class B shares are uniform in all respects except for the voting rights attached to class A shares.

Treasury shares buy-back

In 2018, the Board of Directors of the Company decided upon the initiation of the class B to be used for the purpose of several stock option programs. During year ended 31 December 2024 and 31 December 2023 there were no shares repurchased through the buy-back program. As at 31 December 2024 there is a number of 4,602,387 outstanding treasury shares (2023: 4,784,887).

Please see Note 33 for Stock Option Plans vested in 2024 and 2023.

Dividends

The profit available for distribution is the profit for the year and retained earnings recorded in the IFRS stand-alone statutory financial statements, which will differ from the result in these consolidated financial statements.

At the AGM from 25 June 2024, the dividend of RON 1.25 per share (EUR 0.25 equivalent) in respect of 2023 was approved by the Shareholders, which resulted in a total dividend of EUR 23,9 million (using 31 December 2024 fx rate).

Nature and purpose of reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial information from the functional currencies of foreign operations to the presentation currency.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through other comprehensive income.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.

The transfer of the revaluation reserve through depreciation to the reported result represents the surplus realized from revaluation reserves, formed by transferring corresponding amounts from the revaluation reserve of assets as they are used by the Group. The surplus realized from these revaluation reserves is distributable, while the revaluation reserve is not distributable. In the event that the surplus realized from revaluation reserves is distributed, it will be taxed to the extent that, in accordance with the applicable tax legislation at the time of the revaluation, depreciation expenses related to revalued buildings have been considered deductible expenses in the calculation of income tax, and the surplus realized from revaluation reserves has not already been included in taxable income for the calculation of income tax. As of the date of these consolidated financial statements, there is no decision to distribute the surplus realized from revaluation reserves in the balance at 31 December 2024.

Reinvested profit

The reinvested profit reserve relates to the profit tax exemptions and, in particular, the non-taxation of the reinvested profit for purchasing of new equipment, in accordance with legislation in force. The amount of profit for which the reinvested profit tax exemption was granted is distributed to reserves at the end of each financial year. The reserve is distributable in accordance with the AGM decision. If the reserve is distributed, it is included in the tax result as an element similar to income. At the date of these consolidated financial statements, Digi Romania S.A., subsidiary of the Group, does not intend to distribute the reserve on reinvested profit in balance as at 31 December 2024 226 million EUR (31 December 2023: 181 million EUR).

Appropriation of result

At the AGM held on 25 June 2024, the dividend of RON 1.25 per share (EUR 0.25 equivalent) in respect of 2023 was approved by Shareholders. At the AGM held on 18 August 2023, the dividend of RON 1 per share (EUR 0.2 equivalent) in respect of 2022 was approved by Shareholders.

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

19.2 Non-controlling interests

The following table summarizes the consolidated financial information of Digi Romania S.A. before intra-group eliminations which has non-controlling interest.

	31 December 2024	**31 December 2023**
Non-current assets	3,436,050	2,858,688
Current assets	1,133,057	1,079,565
Non-current liabilities	(1,559,794)	(1,672,460)
Current liabilities	(1,848,739)	(1,532,551)
Net assets	**1,160,574**	**733,242**
Net assets attributable to NCI	**180,210**	**124,048**
Revenues	1,932,157	1,706,553
Profit	428,890	96,353
OCI	6,006	218
Total comprehensive income	**434,896**	**96,571**
Profit allocated to NCI	35,441	7,703
Total comprehensive income allocated to NCI	35,827	7,717
Cash flows from operating activities	**31,046**	**29,639**
Cash flows from investment activities	**(27,826)**	**(45,236)**
Cash flows from financing activities	**14,418**	**91,421**
Net increase from cash flows	**17,639**	**75,824**

In 2024 non-controling interest was computed based on 6.42%, percent of non-controling shareholders and also 50% non-controling of DIGI Andalucia S.L.U. (former Primafati S.L.U.) (DIGI Andalucia S.L.U is not a publicly listed entity).

Dividends distributed	23,974	19,140
Dividends allocated to NCI	8,187	1,623

NCI recognized in respect of DIGI Andalucia S.L.U. ("abrdn transaction")

Transaction background

The Company announced in October 2023, the completion by Digi Spain Telecom S.L.U. ("Digi Spain"), the Company's subsidiary in Spain and abrdn plc, of the first investment within the transaction having as subject matter the financing of the roll out of a FTTH network with the aim of covering up to 2.5 million homes passed in Andalucia, Spain (the "Network"), pursuant to the fulfilment of the conditions under the investment agreement concluded on 21 March 2023. This first investment covers 1.35 million homes passed, while the deployment of the entire Network will cover an additional number of 1.15 million homes passed, implying a total investment amount of up to EUR 300,000. The total investment is committed in substantially equal parts by Digi Spain and abrdn plc, potentially also involving bank financing, at the discretion of the shareholders.

In order to structure this transaction, in September 2023 a new company with registered office in Spain was incorporated, called DIGI Andalucia S.L.U. (former Primafati S.L.U.), with Digi Spain contributing 100% of the initial share capital, amounting to EUR 3. Subsequently, on 2 October 2023, two capital increases were carried out, one for the amount of EUR 3 (3,000 shares of EUR 0,001 nominal value) subscribed and paid out by Nispero Bidco, S.A.R.L., a subsidiary of abrdn plc) and another for the amount of EUR 1,620 of share capital (809,970 shares of EUR 0,001 nominal value) subscribed and paid up by Digi Spain, and 809,970 shares of EUR 0,001 nominal value subscribed and paid up by Nispero Bidco, S.A.R.L., and EUR 160,374 of share premium, in this case with a contribution of EUR 80,187 by Digi Spain and EUR 80,187 by Nispero Bidco, S.A.R.L. Subsequently, on July 1, 2024, a share capital increase of €570 was carried out (285,000 shares with a par value of €1 each subscribed and paid up by Digi Spain Telecom, S.L.U. and 285,000 shares with a par value of €1 each subscribed and paid up by Nispero Bidco, S.A.R.L.) and €56,430 in share premium; reaching a total of €2,196 in capital and €216,804 in share premium, respectively, at the end of the 2024 financial year.

Control assessment

The contractual arrangements signed in 2023 between Digi Spain and Nispero Bidco, S.A.R.L. give Digi Spain the unconditional right to control DIGI Andalucia S.L.U. (former Primafati S.L.U.) Digi Spain has the majority of the voting rights and the power to appoint or remove the majority of the members of the Board of Directors of DIGI Andalucia S.L.U. (former Primafati S.L.U.), and based on the analysis performed, Digi Spain has:

- significant power over the investee (existing rights that give it the current ability to direct the relevant activities based on substantive rights);

- exposure, or rights to variable returns from its involvement with the investee; and

- the ability to use its significant power over the investee to affect the amount of the investor's return.

Although there are certain reserved maters to be decided by the Board of Directors and Shareholders of DIGI Andalucia S.L.U. (former Primafati S.L.U.), these are considered protective rights. The relevant activities of the entity (day-to-day operational management of the company, funding, annual budget and business plan, dividends distribution, etc.) are controlled by the Board of Directors, controlled by Digi Spain, as well as by the CEO and the management team, all being appointed by Digi Spain.

As this is an entity over which the Group has control, it has been consolidated following the full consolidation method. As a result of the consolidation process, an amount of EUR 113,296 representing the contribution and the profit attributable to NCI was recognized as Non-Controlling Interests (NCI) (2023: EUR 82,617).

Accounting for call and put options

Within the above transaction, Digi Spain was granted with certain voluntary purchase call options during the length of the contract. An amount of EUR 3,336 was recorded as financial derivative asset, corresponding to the fair value of the call options on the minority investor's stake in DIGI Andalucia S.L.U. (former Primafati S.L.U.) The value of these call options was derived from the fair value of the shares of the underlying entity DIGI Andalucia S.L.U. (former Primafati S.L.U.) determined by independent valuation experts based on a discounted cash flow method, and subsequently for the value of the call options applying both a Monte-Carlo simulation and a Forward valuation methodology.

In addition, Digi Spain and the guarantor of the transaction, parent company Digi Romania S.A, have granted the minority shareholder an irrevocable and unconditional right to sell and transfer all the shares held by them in DIGI Andalucia S.L.U. (former Primafati S.L.U.), along with the associated debt, to DIGI Spain or the guarantor in the event of a material breach by Digi Spain (referred to as the 'Minority Shareholder Put Option'). This material breach event could result from various situations, including non-payment of ICO balances, change of control, transfer to a restricted person, or other special circumstances related to scenarios akin to liquidation, all of which are considered protective in nature. When an instrument includes contingent settlement provisions, the issuer does not possess an unconditional right to avoid making payments. Consequently, the instrument is classified as a financial liability, unless one of the following conditions applies:

1. The portion of the contingent settlement provision that might necessitate settlement in cash or another financial asset is not genuine.

2. The issuer can be compelled to settle in cash or another financial asset only in the event of its own liquidation (provided that liquidation is neither predetermined nor at the option of the holder).

It's important to recognize that scenarios other than liquidation, such as insolvency (which doesn't necessarily lead to liquidation), should also be acknowledged. Therefore, neither Digi Spain nor any other Digi entity consolidating Digi Spain can avoid this triggering event.

Consequently, based on the conclusion drawn earlier, the Group cannot entirely avoid a material breach, which would typically result in classifying the written put as a liability. However, in the event of a material breach and the investor's desire to exercise the written put option, the Shareholder Agreement with Abrdn provides the Group two alternatives:

(i) to acquire our shares under the Minority Shareholder Put Option; or

(ii) to accept the consequence defined in the so-called Failed Put mechanism.

Group management has concluded that activating this Failed Put mechanism is under its control and has determined that the financial liability arising from this alternative has a value which is not material and therefore has not recorded this failed put financial liability under IFRS 9 Financial Instruments.

At 31 December 2024 the financial derivative assets were evalued at EUR 14,030 and a gain on derivative financial instruments of EUR 10,664 was recognized in Net Finance Cost.

Summary of accounting impact in respect of Digi Andalucia S.L.U. ("abrdn transaction")

The abovementioned transaction has impacted Net assets / NCI in amount of EUR 113,296 (2023: EUR 82,617), the Proceeds from issuance of share capital and share premium from minority shareholder line from the Cash flows from financing activities in amount of EUR 28,500 (2023: EUR 81,000) and the Dividends paid to shareholders line from the Cash flows from financing activities with EUR 6,250 dividents paid to minority shareholder of Digi Andalucia.

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

20. LOANS AND BORROWINGS

Long term portion		**Nominal interest rate**	**31 December 2024**	**31 December 2023**
Senior Secured Bonds	(i)	3.25% p.a.	400,388	850,548
2021 Senior Facilities Agreement	(ii)	3M EURIBOR + 2.22%-2.75% p.a.	121,072	268,836
2023&2024 Senior Facilities Agreement	(v), (vi)	1M EURIBOR + 2.45% - 2.55% p.a	368,932	-
Export Credit Facilities	(iii), (iv), (vii)	6M EURIBOR + 0.5% - 0.7% p.a.	98,664	64,266
Other long-term loans	(viii)	1M EURIBOR+2.25% p.a., 6%	30,469	-
Total long term			**1,019,525**	**1,183,650**

Current portion		**Nominal interest rate**	**31 December 2024**	**31 December 2023**
2021 Senior Facilities Agreement	(ii)	3M EURIBOR + 2.22% - 2.75% p.a.	68,174	68,713
2023 Senior Facilities Agreement	(v)	1M EURIBOR + 2.45% - 2.55% p.a.	44,261	-
Export Credit Facilities	(iii), (iv), (vii)	6M EURIBOR + 0.5% - 0.7% p.a.	71,961	42,559
Short portion of long-term loans	(x)	1M EURIBOR + 2.25% p.a., 5.912%	9,943	-
Short term loans and working capital facilities	(ix)	Variable linked to EURIBOR/ROBOR/LIBOR+ respective margin	110,863	88,542
Total current			**305,202**	**199,814**

For details regarding cash inflows and outflows for loans and borrowings please see the table below:

	Long term loans, including short term portion	**Bonds**	**Short term loans**	**Interest payable**	**Total**
Balance as at 1 January 2024	**444,375**	**850,548**	**77,364**	**11,177**	**1,383,464**
Acquisitions through business combinations (note 31.1)	-	-	5,300	-	**5,300**
Proceeds from borrowings	673,692	-	152,132	-	**825,824**
Repayment of borrowings	(292,171)	(450,000)	(130,864)	-	**(873,035)**
Interest expense	-	-	-	48,168	**48,168**
Capitalised borrowing costs (note 5)	-	-	-	15,990	**15,990**

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

Interest paid	-	-		(68,351)	**(68,351)**
Finance cost [(1)]	(15,379)	-	(221)	-	**(15,600)**
Amortisation of deferred finance costs [(2)]	2,958	(161)	164	-	**2,961**
Effects of movements in exchange rates	2	-	4	-	**6**
Balance as at 31 December 2024	**813,477**	**400,387**	**103,879**	**6,984**	**1,324,727**
Out of which:					
Short term	**194,339**	**-**	**103,879**	**6,984**	**305,202**
Long term	**619,138**	**400,387**	**-**	**-**	**1,019,525**

1) In the Cashflow statement, the amount of EUR 14,776 represents finance costs paid in 2024 related to Groups' borrowings (presented in the table above).

2) The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

	Long term loans, including short term portion	**Bonds**	**Short term loans**	**Interest payable**	**Total**
Balance as at 1 January 2023	**208,965**	**850,705**	**53,126**	**9,858**	**1,122,654**
Proceeds from borrowings	270,516	-	59,822	-	**330,338**
Repayment of borrowings	(30,257)	-	(35,148)	-	**(65,405)**
Interest expense	-	-	-	47,746	**47,746**
Capitalised borrowing costs (note 5)	-	-	-	3,084	**3,084**
Interest paid	-	-	-	(49,511)	**(49,511)**
Finance cost [(1)]	(8,084)	-	(149)	-	**(8,233)**
Amortisation of deferred finance costs [(2)]	3,244	(157)	121	-	**3,208**
Effects of movements in exchange rates	(9)	-	(408)	-	**(417)**
Balance as at 31 December 2023	**444,375**	**850,548**	**77,364**	**11,177**	**1,383,464**
Out of which:					
Short term	**111,272**	**-**	**77,364**	**11,178**	**199,814**
Long term	**333,102**	**850,548**	**-**	**-**	**1,183,650**

[1)]In the Cashflow statement, the amount of EUR 8,206 represents finance costs paid in 2023 related to Groups' borrowings (presented in the table above).

[2)]The amortisation of deferred finance cost may be higher than finance costs due to previous capitalization of finance costs

i) Senior Secured Notes due 2025 & 2028 (2020 Bonds)

On 5 February 2020, Digi Romania S.A. issued Senior Secured Notes in total amount of EUR 850,000, in two tranches: (i) EUR 450,000 2.50% senior secured notes due 2025 and (ii) EUR 400,000 3.25% senior secured notes due 2028 (collectively, the "Notes").

The gross proceeds of the Offering were used:

(a) to redeem the entire aggregate principal amount outstanding of EUR 550,000 5.0% senior secured notes due 2023 issued by the Company (2016 Bonds) and pay redemption premium and accrued interest to holders thereof;

(b) to prepay or repay partially the outstanding amounts under 2016 Senior Facility Agreement;

(c) to prepay the entire aggregate principal amount 2018 Senior Facility Agreement;

(d) to repay (without cancelling) certain overdraft facilities;

(e) to pay costs, expenses and fees in connection with the Refinancing; and

(f) for general corporate purposes (which may include acquisitions).

On September 27, 2024 Digi Romania S.A. redeemed in full the outstanding 2.5% Senior Secured Notes due in 2025, in principal amount of EUR 450,000.

Arrangement fees

The total cost of concluding the 2020 Bonds is amortised using the effective interest method over the life of the Bonds.

As at 31 December 2024, the unamortized balance of bond issuance related fees was EUR 3,065 (2023: EUR 6,012). During the year, there were net borrowing costs recognized as a decrease in expenses in amount of EUR 161 after netting off with the amortization of the embedded derivative. For details, please see table above.

Drawings

As at 31 December 2024, the nominal balance is EUR 400,000 (EUR 400,387 presented net of borrowing fees and including fair value of embedded derivative at inception date, i.e., February 2020).

Pledges

Details on pledges are presented further in section x) of the Note 20.

ii) 2021 Senior Facilities Agreement Spain ("2021 SFA")

On 26 July 2021, Digi Spain, acting as borrower together with the Company, Digi Romania S.A., Digi Hu and Invitel, as Original Guarantors, Banco Santander S.A. and a syndicate of banks, acting as lenders, entered into a facilities agreement for an initial duration of three and a half years with the possibility of extension up to 5 years, under which Digi Spain was made available: (i) a term loan facility in a total aggregate amount of EUR 57,000; (ii) a term loan facility in a total aggregate amount of EUR 65,000; and (iii) a revolving facility in a total aggregate amount of EUR 10,000 to be used for several purposes, including CAPEX and general corporate purposes.

As of 27 July 2022, Digi Spain, acting as a borrower together with the Company and Digi Romania S.A. as original guarantors, ING Bank N.V. as sole bookrunner and mandated lead arranger and a syndicate of banks, acting as lenders, entered into an amendment agreement to the facility agreement dated 26 July 2021 under which was made available an additional term loan facility in a total aggregated amount of EUR 128,000 for a period equal to five years, until 30 June 2027. The borrowed amount of the new term loan facility will be used by the borrower for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, Digi Spain Telecom S.L.U. ("Digi Spain"), the Company's Spanish subsidiary, acting as borrower, together with the Company and Digi Romania S.A., as original guarantors, ING Bank N.V. and Banco Santander as bookrunners and mandated lead arrangers and a syndicate of banks acting as lenders, entered into an amendment agreement to the Facility Agreement dated 26 July 2021, under which it will be made available to Digi Spain, an additional term loan facility in amount of EUR 100,000, for a period equal to four years, until 30 June 2027. The borrowed amount of the new term loan facility will be used by the Borrower for the financing of capital expenditure on the fiber-optic network (and related equipment and infrastructure) in Spain and for associated personnel costs.

The interest rate under the SFA 2021 Facility A, Facility B and Facility C is composed of a margin of 2.225% per annum plus EURIBOR 3M, effective starting April 2022, for Facility D is 2.50% per annum plus EURIBOR 3M and for Facility E is 2.75 % per annum plus EURIBOR 3M.

As at 31 December 2024, the outstanding balances were in amount of EUR 193,825 (2023: EUR 341,863).

Drawing

Term loans under the 2021 Senior Facility Agreement were used for the purposes of refinancing long-term loans of Digi Spain and investments.

Maturities

There are quarterly equal repayments of interest for the term loans. There is an 18-month grace period for principal repayment.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2021 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 4,579 (2023: EUR 4,313).

Pledges

The 2021 Senior Facilities Agreement was unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

The obligations of the Group under the Bonds, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest as presented below x).

iii) Export Credit Facilities ("2023 ECA")

On 24 April 2023, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded two export credit facilities agreements in total amount of EUR 132,683.

As at 31 December 2024, the outstanding balances were in amount of EUR 66,238 (2023: EUR 110,396).

Drawing

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries.
Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 72,766 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 59,917. By the end of the year a total amount of EUR 72,766 was withdrawn from Finnvera – ECA and EUR 59,742 from EKN – ECA.

Maturities

Finnvera – ECA shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 20 September 2023. Termination date is the date falling thirty (30) months after the first repayment date, being 20 March 2026. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in six (6) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/6th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 28 August 2023 for Facility A and 30 October 2023 for Facility B. Termination date is the date falling thirty (30) months after the first repayment date, being 28 February 2026 for Facility A and 30 April 2026 for Facility B. An interest of 6M Euribor plus a margin of 0.7% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 1,972.

Pledges

The Export Credit Facilities are unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

iv) Export Credit Facilities ("2024 ECA")

On 14 May 2024, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and CITIBANK EUROPE PLC as original lender and facility agent and CITIBANK N.A. as arranger and ECA agent, have concluded two export credit facilities agreements in a total amount of EUR 116,949.

As at 31 December 2024, the outstanding balances were in amount of EUR 99,216.

Drawing

The two facilities are intended to be used with the purpose of financing the purchase of good and services for developing the Romanian and Portuguese telecommunications networks of the Company's subsidiaries.

Finnvera – Covered Export Credit Facility Agreement (Finnvera – ECA) is in total amount of EUR 35,740 and EKN – Covered Export Credit Facility Agreement (EKN – ECA) in amount of EUR 81,208. By the end of the year a total amount of EUR 35,441 was withdrawn from Finnvera – ECA and EUR 78,394 from EKN – ECA.

Maturities

Finnvera – ECA shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 December 2024. Termination date is the date falling four (4) years after the starting point of credit, being 30 June 2028. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

EKN – ECA consist of two facilities A and B, that shall be repaid in eight (8) equal instalments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 30 September 2024 for Facility A and 30 August 2024 for Facility B. Termination date is the date falling four (4) years after the starting point of credit, being 31 March 2028 for Facility A and 29 February 2028 for Facility B. An interest of 6M Euribor plus a margin of 0.5% is payable at each repayment date.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 4,151.

Pledges

The Export Credit Facilities are unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

v) Senior Facility Agreement ("2023 SFA")

On 21 April 2023, Digi Romania S.A. (the Company's subsidiary in Romania - "Digi Romania"), as borrower, the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., BRD-Groupe Societe Generale S.A., Citibank Europe plc, Dublin – Romania Branch, Raiffeisen Bank S.A. and UniCredit S.A., as mandated lead arrangers, other financial institutions listed therein as original lenders have concluded a senior facility agreement (the "SFA") consisting of: (i) a term loan facility in a total aggregate amount of EUR 150,000, for a period not exceeding 31 January 2028; (ii) a revolving credit facility in a total aggregate amount of EUR 100,000, for three years from the signing of the SFA, and (iii) one or more incremental facilities not exceeding in aggregate EUR 250,000, which is not commited and which may be established and made available in accordance with the SFA.

The interest rate under the 2023 SFA Facility A is composed of a margin of 2.55% per annum plus EURIBOR 1M and for Facility B is 2.45% per annum plus EURIBOR 1M. As of 31 December 2024, the facility was fully drawn and the outstanding balances were in amount of EUR 235,000.

Drawing

The borrowed amounts are intended to be used by the Company's Romanian subsidiary for the purposes of debt refinancing, capital expenditure, investments, general corporate and working capital purposes.

Maturities

The Company shall repay Facility A Loan in monthly installments as per the Facility A Repayment Schedule, while Facility B Loans shall remain outstanding until voluntarily prepaid or repaid in full on the Facility B Termination Date.

Termination date is the date falling four years and nine months after the starting point of credit, being 31 January 2028 for Facility A. For Facility B, the termination date is the date falling three years after the starting point of credit, with an extension option. Thus, in April 2024, the Company extended the maturity date of Facility B by one year, to 21 January 2028.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2023 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 3,732.

Pledges

The 2023 Senior Facilities Agreement was unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vi) Senior Facility Agreement ("2024 SFA")

On June 3, 2024, Digi Romania S.A. (the Company's subsidiary in Romania - "Digi Romania"), as borrowers and original guarantors, Digi Spain Telecom S.L.U. as original guarantor, ING Bank N.V. as underwriter, mandated lead arranger, bookrunner and original lender and ING Bank N.V., London Branch as facility agent have concluded a term loan of EUR 150,000, with a maturity of 3 (three) years after the first utilization date. The borrowed amounts may be used by the Company and Digi Romania S.A. towards the refinancing of the EUR 450,000 Senior Secured Notes issued by Digi Romania, which are due in 2025.

Senior Facility Agreement dated 3 June 2024 was amended and restated on 12 September 2024. Under this addendum was made available a term loan facility in a total aggregated amount of EUR 150,000 for a period equal to five years after the first utilization date, until 16 September 2029. Another addendum was signed on December 5, 2024. According to it, the new lenders are Banca Transilvania S.A., BRD Group Societe Generale S.A., Citibank Europe PLC., ING N.V. Amsterdam, Banca Comerciala Intesa Sanpaolo Romania S.A., Raiffeisen Bank S.A. and Unicredit Bank S.A. Additionally, the total commitments increased from EUR 150,000 to EUR 220,000.

The interest rate under the SFA 2024 Facility A is composed of a margin of 2.5% per annum plus EURIBOR 1M.

As at December 31, 2024, the outstanding balances were in amount of EUR 185,000.

Drawing

The borrowed amount of the new term loan facility will be used by the borrower for general corporate purposes.

Maturities

The loan requires equal monthly interest payments, with a 24-month grace period for principal repayment**.**

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2024 Senior Facilities Agreement. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 3,075.

Pledges

The 2024 Senior Facilities Agreement was unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

vii) Export Credit Facilities ("2024 ECA")

On 22 October 2024, Digi Romania S.A., as borrower, together with the Company and Digi Spain Telecom S.L.U. as original guarantors and ING Bank N.V., as original lender, arranger, facility agent and ECA agent, have concluded an export credit facilities agreement in total amount of EUR 61,922.

Drawing

The facility is intended to be used with the purpose of financing the purchase of good and services for developing the Romanian, Belgian, Portuguese and Spanish telecommunications networks of the Company's subsidiaries. By the end of the year a total amount of EUR 13,984 was withdrawn from EKN – ECA.

Maturities

EKN – ECA consist of four facilities A, B, C and D that shall be repaid in eight (8) equal installments by repaying on each repayment date an amount which reduces the amount of outstanding loans by an amount equal to 1/8th of the loans borrowed. The first repayment date is the date falling six months after the starting point of credit, being 1 October 2025 for Facility A, 31 March 2025 for Facility B, 2 June 2025 for Facility C and 14 August 2025 for Facility D.

Termination date is the date falling forty-two (42) months after the first repayment date, being 1 April 2029 for Facility A, 30 September 2028 for Facility B, 2 December 2028 for Facility C and 14 February 2029 for Facility D. An interest of 6M Euribor plus a margin of 0.45% is payable at each repayment date.

As at December 31, 2024, the outstanding balances were in amount of EUR 13,984.

Arrangement fees

The total cost of concluding the loan is amortised using the effective interest method over the term of the facilities. As at 31 December 2024, the unamortized balance of borrowings related fees was EUR 2,690.

Pledges

The Export Credit Facilities are unconditionally guaranteed by the Company on a parri-passu basis, and shares the Collateral, together with other outstanding facilities, pursuant to the terms of the Intercreditor Agreement.

viii) Other long term loans

Besides the Senior Facilities and the Senior Secured Notes, the Group has several long-term loans in Romania (31 December 2024: EUR 24,552; 31 December 2023: EUR 0) and in Spain (31 December 2024: EUR 5,916; 31 December 2023: EUR 0).

ix) Short term and working capital facilities

Besides the Senior Facilities and the Senior Secured Notes, the Group has several short-term loans and working capital facilities (overdrafts, facilities for issuing letters of guarantees, letters of credit, etc.) in Romania (31 December 2024: EUR 49,275; 31 December 2023: EUR 47,354), in Spain (31 December 2024: EUR 30,595; 31 December 2023: EUR 12,680), in Portugal (31 December 2024: EUR 5,300). Other short-term facilities include EUR 18,711 reverse factoring arrangements (31 December 2023: EUR 17,331) and interest of EUR 6,985(31 December 2023: EUR 11,177).

x) Collateral

The obligations of the Group under the Senior Secured Notes, as well as their obligations under the Senior Facilities Agreements and other bank facilities, on a pari-passu basis pursuant to the terms of the Intercreditor Agreement dated 4 November 2013 and amended on 26 October 2016, are secured by a first-ranking security interest in the following:

(a) Certain Capital Stock that DIGI holds in Digi Romania S.A., which as at 31 December 2024 accounted for 93.58% of the issued Capital Stock of Digi Romania S.A., as per Trade Register;

(b) All bank accounts of DIGI, including any new bank accounts;

(c) 100% of the issued Capital Stock of DIGI Spain Telecom S.L.U.; and

(d) Subject to certain exclusions, all present and future movable assets of Digi Romania S.A. including bank account moneys, trade and other receivables, intragroup receivables, inventories, movable tangible property (including networks, machinery, equipment, vehicles, furniture and other similar assets), intangible assets, intellectual property rights, insurance and proceeds related to any of the foregoing as described in the General Movable Mortgage Agreement between Digi Romania S.A. and Wilmington Trust (London) Limited.

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

xi) Covenants

All of the above facilities include certain financial ratios ("loan covenants"), which are calculated based on the consolidated figures of the Group.

The breach of these ratios may constitute an event of default that can lead, unless waived or cured under the terms of the applicable instruments, to early repayment of indebtedness.

The Group undertakes to ensure that, at each period end, the Group leverage, computated as the ratio of Consolidated Total Net Indebtedness to EBITDA is less than 3.5 and Interest cover, computed as the ratio of EBITDA to Net Total Interest, is more than 4.25.

As at 31 December 2024 the Group is in compliance with all loan covenants from all facilities presented above.

21. LEASE LIABILITIES

The Group leases mainly network pillars, land, commercial spaces, cars and equipment. Set out below are the carrying amounts of lease liabilities and the movements during the period ended 31 December:

	2024	**2023**
As at 1 January	**389,576**	**295,600**
Additions	199,225	186,036
Acquisitions through business combinations (note 31.1)	2,545	-
Interest expense	15,448	10,790
Capitalised borrowing costs (note 5)	8,970	7,721
Interest paid	(11,687)	(10,974)
Payments of principal portion of lease liabilities	(125,612)	(100,200)
Translation	173	603
As at 31 December	**478,638**	**389,576**
Current	**102,104**	**77,039**
Non-current	**376,534**	**312,537**

The maturity analysis of lease liabilities is disclosed in Note 32.

The following are the amounts recognised in the Consolidated statement of profit or loss:

	2024	**2023**
Depreciation expense of right-of-use assets	104,592	91,202
Interest expense on lease liabilities	15,448	10,790

For the rent contracts which include a renewal clause, the lease liability computation was made based on the estimation that these clauses will be enforced up to a date which falls after the reporting date.

For details about the right of use asset, please see Note 6.

The ranges used as incremental borrowing rates are between 5.1% to 5.4% (2023: 5.6% to 6.6%).

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

22. TRADE AND OTHER PAYABLES

22.1 TRADE AND OTHER PAYABLES (current)

	31 December 2024	31 December 2023
Trade payables	175,104	136,527
Payables to non-current assets suppliers	191,962	267,874
Accruals	131,161	97,412
Value added tax ("VAT")	25,412	20,103
Amounts payable to related parties (Note 25)	9	9
Dividends payable (Note 25)	5,991	19,673
Other	25,218	21,595
Total trade and other payables	**554,857**	**563,193**

Included in payables to non-current suppliers, there is the short-term part of the deferred consideration payable for customer relationship acquired in amount of EUR 11,694 (31 December 2023: EUR 5,102), please see Note 8.

Other include mainly payables related to taxes.

22.2 TRADE AND OTHER PAYABLES (non-current)

	31 December 2024	31 December 2023
Payables to non-current assets suppliers	44,666	71,640

Non-current trade and other payables balance as at 31 December 2024 also comprise of the discounted future payments over 6 years for the 50% of the license price of spectrum awarded in Portugal in 2021, which was recognized as a long-term liability.

Supplier finance arrangements

Our vendors obtain factoring financing facilities from banks in order to be able to accommodate different commercial terms in relation with the Group. These do not represent financing liabilities for the Group, since liabilities arise as part of the commercial negotiations with the vendors. The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

The Group, therefore, includes the amounts subject to the arrangements within trade payables as "Payables to Non-current assets suppliers (current)" and respectively "Other long -term liabilities" (depending on the payment terms negotiated with the vendors which are currently for maximum 3 years), because the nature and function of these payables remains the same as those of ther trade payables.

If the payment terms are extended beyond the terms of the contractual agreement with the supplier, the financial institutions charge interest, and the amounts are reclassified as interest-bearing loans. In this case, in the consolidated statement of cash flows, the corresponding cash flows are presented under financing activities. If the payment terms are not extended beyond the terms of the contractual agreement with the supplier, the corresponding cash flows are presented within operating activities.

The terms and conditions of the supplier finance arrangement are unchanged from the trade payables from this supplier, other than:

- the due date has been extended to an average of 221 days after the invoice date from the original average of 85 days, and
- the acquired payables are no longer able to be offset against credit notes received from the supplier.

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

The supplier finance agreements are presented in the consolidated statement of cashflows under Cash flows from financing activities

Additional information about the Group's liabilities under supplier finance arrangement is provided in the table below:

	2024
Range of payment due dates	
Liabilities under supplier finance arrangement	135-360 days after invoice date
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	0-120 days after the invoice date
Carrying amount of liabilities under supplier finance arrangement	2024
Liabilities under supplier finance arrangement	18,711

(*) the Group applied the transitional relief available under Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 and has not provided comparative information in the first year of adoption.

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

22.3 EMPLOYEE BENEFITS LIABILITIES

	31 December 2024	**31 December 2023**
Wages and salaries	26,454	27,978
Social security contributions	33,019	27,016
Total	**59,473**	**54,994**

Employee benefits include all amounts regarding salaries and related taxes. For details on the related expenses, please see below:

22.4 EMPLOYEE BENEFITS EXPENSES

	31 December 2024	**31 December 2023**
Wages and salaries	293,779	258,590
Social security contributions	37,736	30,626
Share based payments -recurring	1,326	840
Share based payments -non recurring	336	504
Total employee benefits expenses	**333,177**	**290,560**

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

23. PROVISIONS

As at 31 December 2024, the provision for litigations amounts to EUR 7,636 (31 December 2023: EUR 614).

24. DECOMMISSIONING PROVISIONS

Provision for decommissioning costs for the telecom sites was recognized as at 31 December 2024 in amount of EUR 15,202 (31 December 2023: EUR 11,302). Decommissioning costs are measured at the present value of internally estimated expected costs of dismantling using estimated future cash flows. The estimated cash flows were discounted using the S0225 Bloomberg RON zero curve swap, derived from observable sources for maturities between 1 and 30 years. The 6.520% rate reflects the interest rates for future periods reflected in the interest rates on the spot market for debts with different maturities, adjusted on yearly basis (2023: 6.271%).

Please see below the movement table of the decommissioning provision:

	31 December 2024	**31 December 2023**
Opening balance	**11,302**	**7,056**
Unwinding of discount and revision in estimates	3,899	4,287
Effect of movement in exchange rates	1	(41)
Closing balance	**15,202**	**11,302**

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

25. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of DIGI and its subsidiaries (the main subsidiaries are included in Note 31); RCSM is the Group's ultimate holding company. Ultimate beneficial shareholder is Mr. Zoltan Teszari.

The following tables provide the total amount of balances with related parties:

Loans and other receivable from related parties

		31 December 2024	31 December 2023
Party			
Ager Imobiliare S.R.L.	(ii)	166	165
Joint Ventures in Belgium	(iv)	88,482	22,003
Other		(621)	326
Total		**88,027**	**22,494**

Payables to related parties

		31 December 2024	31 December 2023
Party			
RCSM	(i)	5,616	18,968
Mr. Zoltan Teszari	(iii)	361	585
Other		23	129
Total		**6,000**	**19,682**
Of which: dividends payable (Note 22.1)		*5,991*	*19,673*

(i) *Shareholder of DIGI*
(ii) *Entities affiliated to a shareholder of the parent*
(iii) *Ultimate beneficial shareholder*
(iv) Joint Venture

Included in Loans and Other receivables from Joint Ventures in Belgium is the updated Shareholder Loan Agreement between Digi Romania and Insky, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2026. The outstanding balance as at 31 December 2024 is EUR 55,225 (2023: EUR 80) and accrued interest of EUR 1,025 (2023: EUR 17). The Consolidated Loan Agreement between Digi Romania and Citymesh Mobile, bearing an annual interest rate of 2.625 percent plus the higher of the 3 months EURIBOR or zero, with repayment date on 31 December 2025, has also been updated and the outstanding balance as at 31 December 2024 is EUR 26,795 (2023: EUR 17,460) and accrued interest of EUR 2,029 (2023: EUR 701).

Outstanding trade balances at year-end are interest free. For details regarding the guarantees and pledges between Group's companies please refer to Note 20 (vi). For the year ended 31 December 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 December 2023: nil).

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

In 2024, DIGI Romania declared dividends in amount of RON 150 million (EUR 30,2 million equivalent), from 2023 profit. In 2023, Digi Romania S.A. declared dividends in amount of RON 125 million (EUR 25,1 million equivalent), from 2022 profit. For dividends distributed by the Company, please refer to Note 19.

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

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

	2024	**2023**
Short-term employee benefits	6,664	5,844
Share-based payments	1,662	1,343
Total	**8,326**	**7,187**

In 2024, the amount of remuneration of executive directors is EUR 7,652 (2023: EUR 5,242) and non-executive directors is EUR 674 (2023: EUR 740)

Included in key management personnel are the Board members and top management of the Group. Compensation of the Group's key management personnel include salaries.

In 2024 and 2023 several share option plans were implemented for certain members of management and employees. Several shares option plans vested in 2024 and 2023. For details, please refer to Note 33.

During 2024 and 2023, the Company distributed dividends to its shareholders. For details, please see Note 19.

Transactions with related parties			
		31 December 2024	**31 December 2023**
Sale of services			
Ager Imobiliare S.R.L.	(ii)	-	4
Fundatia Man	(ii)	169	172
Joint Ventures in Belgium	(iv)	11,686	3,780
Total		**11,855**	**3,956**
Others			
Sponsorships and donations			
Fundatia Man	(ii)	2,243	892
Total		**2,243**	**892**
Transfer under finance agreements			
Loans and borrowings			
Joint Ventures in Belgium	(iv)	2,380	738
Total		**2,380**	**738**

(i) *Shareholder of DIGI*
(ii) *Entities affiliated to a shareholder of the parent*
(iii) *Ultimate beneficial shareholder*
(iv) Joint Venture

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

26. REVENUES

A. Revenues streams

The Group generates revenues mainly from revenue from fixed and mobile services invoiced mainly as, subscription, traffic and interconnection.

Other sources of revenue include mainly revenues from sale of energy, green certificates, handsets and other CPE, as well as advertising revenues.

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

	2024	2023
Continuing operations		
Country		
Romania	1,099,018	1,019,381
Spain	781,974	642,004
Portugal	11,826	24
Other (1)	31,483	28,967
Total Revenues from continued operations	**1,924,301**	**1,690,376**
Category		
Fixed services (2)	963,797	841,173
Mobile services	795,371	714,213
Other (3)	165,133	134,990
Total Revenues from continued operations	**1,924,301**	**1,690,376**

1) Includes mainly revenue from operations in Italy.
2) Includes mainly revenues from subscriptions for CATV, fixed internet and fixed telephony and DTH services.
3) Includes mainly revenues from sale of handsets and other CPE, energy, green certificates, as well as advertising revenues.

The tables below provide the split of revenues by activity:

For the year ended 31 December 2024	Romania	Spain	Portugal	Other	Total
Fixed	659,434	299,271	5,838	106	964,649
Mobile	281,148	482,337	4,421	31,066	798,972
Other	162,564	1,133	1,567	386	165,650
Total before intersegment elimination	**1,103,146**	**782,741**	**11,826**	**31,558**	**1,929,271**
Intersegment elimination	(4,128)	(767)	-	(75)	**(4,970)**
Total consolidated	**1,099,018**	**781,974**	**11,826**	**31,483**	**1,924,301**

For the year ended 31 December 2023	Romania	Spain	Portugalia	Other	Total
Fixed	628,871	212,302	-	-	**841,173**
Mobile	259,141	429,669	-	29,076	**717,886**
Other	134,514	446	24	24	**135,008**
Total before intersegment elimination	**1,022,526**	**642,417**	**24**	**29,100**	**1,694,067**
Intersegment elimination	(3,145)	(413)	-	(133)	**(3,691)**
Total consolidated	**1,019,381**	**642,004**	**24**	**28,967**	**1,690,376**

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

26. REVENUES (CONTINUED)

The table below provides the standalone and consolidated revenues in accordance to *IFRS 15 Revenue from Contracts with Customers* for the years ended 31 December 2024 and 2023.

Revenues split IFRS 15	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
Fixed	964,649	841,173
Mobile	798,972	717,886
Total telecom	**1,763,621**	**1,559,059**
Other	165,650	135,008
Total before intersegment elimination	**1,929,271**	**1,694,067**
Intersegment elimination	(4,970)	(3,691)
Total consolidated	**1,924,301**	**1,690,376**

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

Timing of revenue recognition	**2024**	**2023**
Goods transferred at a point in time	62,549	54,815
Services transferred over time	1,861,752	1,635,561
Total revenues	**1,924,301**	**1,690,376**

The transfer of goods to the customer at a point in time are presented in the first table above as part of *Other revenues*.

Revenues recognised in the year ended 31 December 2024, which were included in contract liability at the beginning of the year (of EUR 26,161) amounted to EUR 22,220. The amounts in balance as at 31 December 2024 are to be recognised gradually as revenues until 31 December 2026.

Revenues recognised in the year ended 31 December 2023, which were included in contract liability at the beginning of the year (of EUR 22,923) amounted to EUR 20,422. The amounts in balance as at 31 December 2023 are to be recognised gradually as revenues until 31 December 2025.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Note	**2024**	**2023**
Receivables, which are included in 'trade and other receivables'		52,972	58,516
Contract assets		98,022	94,292
Contract liabilities (long and short-term part)		(27,236)	(26,161)

The contract assets primarily relate to the Group's services rendered and right to consideration for handsets sold in installments that are not yet billed at the reporting date. The contract assets are transferred to receivables when the right becomes unconditional. This occurs when the Group issues an invoice to the clients.

Contract liabilities primarily relate to the advance consideration received from clients for subscriptions, advance consideration for right of use contracts, as well as advance consideration for future sports competitions, for which revenue is recognized over time.

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

27. OTHER INCOME AND EXPENSES

	2024	2023
Other income from extraordinary sale of assets	399,300	-
Other income from subvention of electricity supply	7,857	16,180
Other expenses	(337)	(504)

Other income from extraordinary sale of assets are presented within the cash flows as gain on sale of non-current assetst in amount of EUR 384,807 and the rest respresnts sale of inventory.

A. Other income

For the period ended 31 December 2024, other income from extraordinary sale of asstes represents revenue from Digi Spain's sale of a Fibre-to-the-Home (FTTH) network across 12 provinces in Spain.

Government grants have been recorded in accordance with the applicable Romanian laws and regulations in the energy sector which entitle Digi Romania S.A. to the receipt of compensation for the cap on energy prices. The scheme is currently valid until 31 March 2025. At the date of these financial statements, there are no unfulfilled conditions or contingencies attached to these grants.

B. Other expenses

For the period ended 31 December 2024, similar to prior period, other expenses include expenses related to share option plans vested, which are expected to be one-time events.

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

28. OPERATING EXPENSES

	2024	**2023**
Depreciation of property, plant and equipment (Note 5)	204,230	165,716
Amortisation of right of use asset (Note 6)	104,592	91,202
Amortisation of non-current intangible assets and programme assets (Note 8-1)	106,677	95,355
Amortisation of subscriber acquisition costs (Note 9)	61,685	59,051
Impairment of property, plant and equipment (Note 5)	2,084	4,049
Impairment of subscriber acquisition costs (Note 9)	1,949	2,123
Revaluation decrease recognised in profit or loss	709	-
Employee benefits	332,840	290,056
Costs related to fixed services	192,515	167,986
Telephony expenses	408,215	372,800
Cost of materials sold	61,082	52,218
Invoicing and collection expenses	18,870	20,423
Taxes and penalties	12,711	10,679
Electricity cost and other utilities	85,246	91,332
Impairment of receivables and other assets, net of reversals	12,560	11,739
Taxes to authorities	17,163	16,088
Other materials and subcontractors	9,118	10,632
Other services	35,313	31,647
Other operating expenses	66,308	39,790
Total	**1,733,867**	**1,532,886**

The 2023 and 2024 share option plans expenses accrued in the year are included under the caption "Salaries and related taxes". For details, please see Note 33.

Employee benefits capitalized by the Group from continuing operations during the year ended 31 December 2024 amount to EUR 276,160(2023: EUR 239,467). *Other services*, *Other operating expenses* and *Other materials and subcontractors' expenses* mainly include expenses related to advertisings costs, expenses related to own TV channels, settlements of contracts, network maintenance expenses and various other fees and commissions to third parties.

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

29. NET FINANCE COSTS

	2024	2023
Finance income		
Interest from banks	5,165	4,259
Other financial revenues	7,199	3,399
Gain on derivative financial instruments	10,664	-
	23,028	**7,658**
Finance costs		
Interest expense	(53,146)	(54,020)
Interest for lease liability	(15,448)	(10,790)
Loss on derivative financial instruments (net)	(1,505)	(2,269)
Other financial expenses	(11,885)	(8,821)
Foreign exchange differences (net)	(2,720)	(4,745)
	(84,704)	**(80,645)**
Net Finance Costs	**(61,676)**	**(72,987)**

As at 31 December 2024, the fair value of the embedded derivative assets attached to our EUR 400,000 Senior Secured Notes is EUR 1,263 (December 2023: EUR 2,768). The fair value movement of EUR 1,505 (2023: EUR 2,269) was recognised as a loss on derivative financial instruments. For details, please see Note 34.

30. INCOME TAX

The Company was incorporated under Dutch law but is a Romanian tax resident as it is having its place of effective management in Bucharest, Romania, where all the strategic and commercial decisions are made, as well as the day-to-day management is carried out.

The statutory tax rate applied in Romania during 2024 and 2023 was 16%, in Spain during 2024 and 2023 was 25%, in Italy during 2024 and 2023 was 24% and in Portugal during 2024 and 2023 was 21%.

Components of income tax expense for the year ended 31 December 2024 and 2023 respectively were:

	31 December 2024	31 December 2023
Current tax expense	104,500	8,208
Deferred tax expense/ (income)	5,460	(6,780)
Tax expense	**109,960**	**1,428**

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

Reconciliation of effective tax rate

Reconciliation of income tax expense at the statutory income tax rate applicable to the net result before tax to the income tax expense at the Group's effective income tax rate for the financial years 2024 and 2023 is as follows:

	2024	2024	2023	2023
Profit before tax		**534,593**		**93,668**
At statutory income tax rate of the Company	16.00%	85,535	16.00%	14,987
Effect of tax rates in foreign jurisdictions	6.48%	34,633	-2.40%	(2,252)
Tax effect of:				
Share of profit of equity-accounted investees reported, net of tax	-0.18%	(985)	-6.95%	(6,507)
Non-deductible expenses/(Tax-exempt income)	0.59%	3,133	5.79%	5,424
Tax incentives (tax credit for reinvested profit and sponsorship)	-2.40%	(12,813)	-14.26%	(13,360)
Losses for which no deferred tax asset is recognized	0.09%	457	3.35%	3,136
Effective tax expense	20.57%	**109,960**	1.52%	**1,428**

Deferred taxes in the consolidated statement of financial position are**:**

	31 December 2024	31 December 2023
Deferred tax assets	30,328	16,035
Deferred tax liabilities	(96,883)	(82,209)

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

The movement in deferred tax liability for the financial year 2024 comprises the tax effect of temporary differences related to:

								31 December 2024
	Net balance at 1 January	**Recognised in profit and loss**	**Recognised directly in equity**	**Business combination (acquisition)**	**Effect of movement in exchange rates**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment[1)]	**(75,641)**	(4,113)	(1,381)	-	(8)	**(81,143)**	**-**	**(81,143)**
Intangibles	**(8,502)**	(2,727)	-	(5,201)	(1)	**(16,431)**	**(4,757)**	**(11,674)**
Accounts receivable	**317**	411	-	-	-	**728**	**1,330**	**(602)**
Inventory	**212**	(178)	-	-	-	**34**	**34**	**-**
Accounts payable	**687**	(11,108)	-	-	-	**(10,421)**	**-**	**(10,421)**
Leases assets [1)]	**(48,538)**	(4,574)	-	-	-	**(53,112)**	**-**	**(53,112)**
Leases liabilities	**51,982**	9,096	-	-	1	**61,079**	**61,079**	**-**
Decommissioning	**1,864**	661	-	-	-	**2,525**	**2,525**	**-**
Untaken holiday	**554**	54	-	-	-	**608**	**608**	**-**
ICO share	**384**	(7)	-	-	(377)	**-**	**-**	**-**
Tax losses carried forward	**10,507**	7,025	-	12,047	-	**29,579**	**29,579**	**-**
Tax assets (liabilities) before set-off	**(66,174)**	**(5,460)**	**(1,381)**	**6,846**	**(385)**	**(66,554)**	**90,398**	**(156,952)**
Set-off of tax							**(60,069)**	**60,069**
Net tax assets (liabilities)						**(66,554)**	**30,328**	**(96,883)**

1) The Group applied Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12) from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the accounting policy, please refer to Note 2.2.

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

The movement in deferred tax liability for the financial year 2023 comprises the tax effect of temporary differences related to:

							31 December 2023
	Net balance at 1 January	**Recognised in profit and loss**	**Recognised directly in equity**	**Effect of movement in exchange rates**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment[1)]	**(68,480)**	(7,620)	50	409	**(75,641)**	**-**	**(75,641)**
Intangibles	**(8,736)**	182	-	52	**(8,502)**	**1,925**	**(10,427)**
Accounts receivable	**(378)**	692	-	3	**317**	**1,032**	**(715)**
Inventory	**34**	178	-	-	**212**	**212**	**-**
Accounts payable	**7**	682	-	(2)	**687**	**2,009**	**(1,322)**
Leases assets [1)]	**(16,664)**	(31,907)	-	33	**(48,538)**	**-**	**(48,538)**
Leases liabilities	**16,149**	35,968	-	(135)	**51,982**	**51,982**	**-**
Decommissioning	**1,090**	844	-	(70)	**1,864**	**1,864**	**-**
Untaken holiday	**494**	62	-	(2)	**554**	**554**	**-**
ICO share	**-**	384	-	-	**384**	**384**	**-**
Tax losses carried forward	**3,192**	7,315	-	-	**10,507**	**10,507**	**-**
Tax assets (liabilities) before set-off	**(73,292)**	**6,780**	**50**	**288**	**(66,174)**	**70,469**	**(136,643)**
Set-off of tax					**-**	**(54,434)**	**54,434**
Net tax assets (liabilities)					**(66,174)**	**16,035**	**(82,209)**

[1)] The Group applied *Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)* from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. For further discussion about the accounting policy, please refer to Note 2.2.

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

Global minimum top-up tax

The Digi Group operates in Romania, Italy, Spain, and Portugal, all enacted new legislation to implement the global minimum top-up tax starting with 1 st January 2024.

The Group is subject to the top-up tax in relation to its operations in Romania where the statutory tax rate is 16 percent, but the additional tax deductions (i.e. mainly reinvested profit incentive) reduce its effective tax rate below 15 percent.

The Group's assessment indicates for Romania the weighted average effective tax rate based on accounting profit is 11% for the annual financial year ended 31 December 2024. Considering the impact of specific adjustments in the Pillar Two legislation, the Group recognised a current income tax expense of EUR 1,957 for the year. This is included in income tax in the statement of profit or loss.

Weighted average effective tax based on accounting profit for Italy is 33%, Spain 24%, both higher then effective tax rate of 15%; while Portugal register statutory loss for year 2024.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2024		2023	
	Gross amount	Tax effect	**Gross amount**	Tax effect
Tax losses	12,675	2,495	36,118	8,236
	12,675	**2,495**	**36,118**	**8,236**

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2024	**Expiry date**	**2023**	**Expiry date**
Never expire	5,834		30,715	-
Expire	1,438	2024-29		
Expire	1,576	2023-30	1,576	2023-30
Expire	1,412	2022-29	1,412	2022-29
Expire	1,109	2021-28	1,109	2021-28
Expire	1,306	2020-27	1,306	2020-27
Total	**12,675**		**36,118**	

Deferred tax asset in respect of the fiscal loss from Portugal was recognised in amount of EUR 26,825 (2023: EUR 5,625) which is subject to indefinitely expired period and for Spain in amount of EUR 543 (2023: EUR 422).

For statutory purposes, Digi Romania S.A. has performed several revaluations of its land and buildings. Should the statutory revaluation reserves of Digi Romania S.A be distributed to its shareholders it would become taxable, i.e. they would generate a tax liability of EUR 1,381 (2023: EUR nil), for which a deffered tax liability is recognised.

The Company did not recognise deferred tax liabilities on taxable temporary differences arising from investments in direct subsidiaries (mainly Digi Romania S.A.) due to the fact that it enjoys a participation exemption status. Uncertainties associated with the fiscal and legal system are disclosed in Note 35.

The Romanian Tax Code currently in force, defines the categories of assets for which companies may apply the tax exemption on reinvested profit as follows: technological equipment, electronic computers and peripheral equipment, cash machines, control and billing machines, software programs, and the right to use software, products and / or purchased software, including on the basis of financial leasing contracts, and commissioned, used for the purpose of development of economic activity.

The amount of the profit for which the reinvested corporate tax exemption was granted shall be distributed at the end of the financial year to reserves.

In line with IAS 12, no deferred tax was recognized in this respect as there is no intention to distribute the reinvested profits in the foreseeable future (Note 19).

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

31. SUBSIDIARIES

Below are presented the subsidiaries of the Group, excluding dormant subsidiaries and subsidiaries with only intra-group transactions:

Subsidiary	Country of Incorporation	Field of activity	Legal Ownership	
			2024	**2023**
Digi Romania S.A.	Romania	CATV, Internet, DTH, Telephony	93.58%	93.58%
Digi Spain Telecom S.L.U.	Spain	Telephony	93.58%	93.58%
DIGI Andalucia S.L.U. (former Primafati S.L.U.)	Spain	Telecom	46.78%	46.78%
Digi Portugal LDA.	Portugal	Telecom	93.58%	93.58%
Nowo Communications SA	Portugal	Telecom	93.58%	93.58%
Digi Italy SL	Italy	Telephony	93.58%	93.58%
Campus Radio SRL	Romania	Advertising	93.58%	93.58%
CFO Integrator SRL	Romania	Duct Rent	93.58%	93.58%
Energia Foto SRL	Romania	Solar energy	93.58%	93.58%
Novitas SRL	Romania	Solar energy	93.58%	93.58%
Delalina SRL	Romania	Solar energy	93.58%	93.58%

Digi Communications N.V holds 93.58% (2023: 93.58%) from Digi Romania S.A. Digi Romania S.A. has a direct and indirect ownership of 100% (2023: 100%) from Digi Spain Telecom S.L.U., Digi Portugal LDA, Digi Italy SL, Campus Radio SRL, CFO Integrator SRL, Energia Foto SRL, Novitas SRL, Delalina SRL and 50%+1 share (2023: 100%) from DIGI Andalucia S.L.U. (former Primafati S.L.U.).

The entity was consolidated because the Group has power to direct the relevant activities of the entity that significantly affect their returns, has exposure, or rights, to variable returns from its involvement with the entity, and has the ability to use its power over the investees to affect the amount of the investor's returns.

31.1. ACQUISITION OF SUBSIDIARY

On 31 October 2024, Digi Portugal acquired 100% of the shares in Cabonitel. Cabonitel is a holding company which owns 100% of the shares in its operating subsidiary, Nowo. Nowo is the 4th Portuguese telecommunications operator offering mobile and fixed services (internet, television, mobile, and fixed voice services). It operates primarily as a low-cost alternative in the market and is known for its MVNO (Mobile Virtual Network Operator) model, meaning it does not own a mobile network infrastructure. NOWO has limited national coverage, focusing on specific regions, and has historically struggled with brand perception and customer satisfaction.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs property, plant and equipment, licenses, and other assets and liabilities, a list of customers and an organized workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Acquiring Cabonitel and its subsidiary, enables the Group to increase the presence with a faster speed in the Portugues market which leands to an increase in market share in this industry as well as reduce costs through economies of scale.

For the two months ended 31 December 2024, Cabonitel and its subsidiary contributed revenue of EUR 11,547 and loss of EUR 3,302 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been EUR 76,026 and the consolidated loss for the year would have been EUR 26,871.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2024.

Details of the consideration transferred, the net assets acquired and goodwill are as follows:

	EUR '000
Purchase consideration:	**150,000**
Cash paid	110,660
Debt	29,340
Agreed deduction	10,000

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
Cash and cash equivalents	1,578
Trade receivables	916
Other receivables	5,576
Property, plant and equipment	52,400
Intangible assets	3,226
Subscriber acquisition costs	3,785
Trade payables	(18,947)
Loans and borrowings	(5,300)
Other payable	(34,816)
Contract liabilities	(2,772)
Provisions	(7,242)
Lease liabilities	(2,544)
Right of use assets	2,544
Mobile license	55,077
Customer relations	**14,190**
Deferred tax asset	**6,846**
Other intangibles identified in PPA	**11,258**
Total identifiable net assets acquired	**85,775**

The valuation techniques used for measuring the fair value of Customer relationship and the mobile licenses acquired was multi-period excess earnings.

The majority of the receivables is represented by telecom customers and the remainder is represented by receivables from other telecom peers. The fair value is EUR 916 while the gross amount is EUR 3,132 the difference of 2,216 representing the bad debt provision.

As part of the purchase price allocation ("PPA") related to the acquisition of the subsidiary, the Group applied the requirements of IFRS 3 – Business Combinations, which allow the use of provisional values when the initial accounting is incomplete at the end of the reporting period.

Due to the technical complexity and the time constraints following the acquisition, the Group has not yet completed a detailed valuation of the acquired fixed network infrastructure, nor of the associated equipment. As a result, the values attributed to these tangible assets in the financial statements are provisional, based on management's best estimates using available information as at the acquisition date.

The Group is currently in the process of finalizing the valuation of these assets, with the support of external specialists, and expects to complete this exercise within the 12-month measurement period allowed under IFRS 3. Any changes to the provisional fair values will be retrospectively adjusted against goodwill and other affected balances as required.

Goodwill arising from the acquisition has been recognised as follows:

	EUR'000
Consideration transferred	110,660
Fair value of identifiable net assets	85,775
Goodwill	**24,885**

The goodwill is attributable mainly to the footprint of the fixed network as a similar asset would require a lot of time and effort to be rebuild, and to the skills and technical talent of the Nowo's work force and the synergies expected to be achieved from integrating Nowo into the Group's existing business. The goodwill will not be deductible for tax purposes.

The Group incurred acquisition costs of EUR 41 on legal fees, due diligence. These costs have been included in "Operating expenses".

Purchase consideration – cash outflow:

	EUR'000
Cash consideration	110,660
Less balances acquired	
Cash	3.5
Bank Accounts	1,574
Net outflow of cash – investing activities	**(109,081)**

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

32. 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 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 analyze 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.

i) Credit risk

Credit risk exposure

The Group regularly monitors its customers' debts and expected credit losses are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt.

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.

The maximum exposure to credit risk at the reporting date was:

Derivative and non-derivative financial assets by category – exposure to credit risk

	Note	31 December 2024	31 December 2023
Trade and other receivables	16	71,989	78,501
Loans receivable from related parties	25	87,929	18,455
Other receivables from related parties	16	98	4,039
Contract assets	16	98,022	94,292
Other non-current assets		3,758	4,466
Grants for electricity supply	16	8,897	10,212
Cash and cash equivalents	18	66,529	221,342
Long term receivables	12	69,747	13,617
Financial assets at fair value through OCI	10	77,976	51,183
Total		**484,945**	**496,107**

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.

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

- ***Cash & cash equivalents***

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	31 December 2024	**31 December 2023**
Citibank	21	50,055
ING Bank	3,340	81,712
Banca Comerciala Romana	633	109
BRD Groupe Societe Generale	33	885
Unicredit Tiriac Bank	1,030	21,244
Banco Santander	48,126	36,781
Banco La Caixa	7,303	27,669
Banco BBVA	932	702
Banco Sadabell	513	48
Novo Bank	276	-
Banco Bankinter	1,747	-
Petty Cash	55	39
Other	2,520	2,098
Total	**66,529**	**221,342**

Cash and cash equivalents are placed in financial institutions, which are considered 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 with external ratings above BBB+, according to Standard & Poor's Trade and other receivables and contract assets***

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has determined that the trade receivables do not include a significant financing component and, hence, the time value of money component is considered immaterial.

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

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for business, residential, advertising and energy customers as at 31 December 2024 and 2023.

31-Dec-2024	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	0%	125,261	(574)	124,687
Below 30 days	4%	30,035	(1,148)	28,887
31–90 days past due	15%	15,116	(2,324)	12,792
91–180 days past due	43%	8,656	(3,759)	4,897
181–360 days past due	79%	10,196	(8,044)	2,152
More than 360 days past due	64%	15,347	(9,854)	5,493
Total		**204,611**	**(25,703)**	**178,908**

31-Dec-2023	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net
Current (not past due)	1%	128,328	(1,212)	127,116
Below 30 days	4%	30,144	(1,215)	28,929
31–90 days past due	27%	13,435	(3,658)	9,777
91–180 days past due	22%	12,771	(2,767)	10,004
181–360 days past due	70%	8,094	(5,704)	2,390
More than 360 days past due	59%	11,602	(6,812)	4,790
Total		**204,374**	**(21,368)**	**183,006**

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	2024	2023
Balance at 1 January	21,368	19,488
Amounts written off	(9,741)	(9,647)
Acquisitions through business combinations (note 31.1)	2,676	-
Reclassification	(148)	653
Net remeasurement of loss allowance	11,758	11,440
Translation reserve	(210)	(566)
Balance at 31 December	**25,703**	**21,368**

ii) 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 supplier finance arrangements. Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

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

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2024:

			31 December 2024				
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
Non derivative financial liabilities							
Loans and borrowings	**1,324,727**	**1,449,314**	183,290	172,368	234,500	859,156	-
Lease liabilities	**478,638**	**638,325**	64,950	58,854	89,302	128,344	296,875
Trade and other payables and other liabilities	**599,523**	**600,235**	529,123	21,018	29,634	16,601	3,859
Total	**2,402,888**	**2,687,874**	777,363	252,240	353,436	1,004,101	300,734

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 31 December 2023:

			31 December 2023				
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
Non derivative financial liabilities							
Loans and borrowings	**1,383,464**	**1,496,133**	119,037	129,268	636,858	610,970	-
Lease liabilities	**389,576**	**528,251**	51,057	46,151	69,997	115,634	245,412
Trade and other payables and other liabilities	**634,833**	**637,217**	524,924	39,355	44,642	28,296	-
Total	**2,407,873**	**2,661,601**	**695,018**	**214,774**	**751,497**	**754,900**	**245,412**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future.

iii) 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.

The Group imports services and equipment and attracts substantial amount of foreign currency denominated borrowings.

The Board of Directors actively manages the exposure to EUR and USD currency only for borrowings.

The Group's exposure to foreign currency risk was:

	31 December 2024		**31 December 2023**	
	USD	**EUR**	**USD**	**EUR**
Trade and other receivables	1,675	5,714	1,902	4,140
Cash and cash equivalents	58	89	33	150,090
Loans and Borrowings	-	(892,536)	-	(916,238)
Bank overdraft	(12,392)	(144,393)	(21,384)	(51,708)
Lease liabilities	(7,333)	(123,462)	(11,539)	(108,171)
Trade and other payables	(48,683)	(76,199)	(30,824)	(162,210)
Gross exposure	**(66,675)**	**(1,230,787)**	**(61,812)**	**(1,084,097)**

The amounts presented in the table above are expressed in EUR thousands, the denomination of the basis amounts is in the currencies mentioned in the header of the table. The same presentation was applied also to comparatives which were previously presented in the originating currencies.

The following significant exchange rates applied for the year ended 31 December 2024 and 31 December 2023:

	2024	**2023**
Romania (RON)		
USD	4.7768	4.4958
EUR	4.9741	4.9746

Sensitivity analysis for currency risk

A 10 percent strengthening of the currencies listed above against the functional currencies of the Parent and of the subsidiaries at 31 December would have decreased profit before tax/increased the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax	**Effect on profit before tax**
	2024	**2023**
EUR	123,079	108,410
USD	6,668	6,181
Total	**129,747**	**114,591**

A 10 percent weakening of the above-mentioned currencies against the functional currencies of the Parent and of the subsidiaries at 31 December would have had the equal but opposite effect on profit or loss, on the basis that all other variables remain constant.

The effect in equity is the effect in profit or loss before tax, net of tax (16%) (excluding translation effect into presentation currency).

Exposure to 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 (USD and EUR) through market fluctuations of interest rates. The interest rates of borrowings are disclosed in Note 20 and for lease liabilities see Note 21.

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

The Board of Directors performs from time-to-time ad-hoc analysis of exposure to variable rate borrowings and decides if it should change the structure of variable / fixed rate borrowings or whether to hedge through Interest Rate Swap.

At the reporting date the interest rate repricing profile of the variable rate interest-bearing financial instruments was:

	All repriced at 6 months or less	
	31 December 2024	**31 December 2023**
Senior Facility Agreement (2021)	193,825	341,863
Senior Facility Agreement (2023&2024)	420,000	-
Export Credit Arrangements	179,438	110,396
Other long-term loans	40,516	-
Total	**833,779**	**452,259**

The Senior Facility Agreements are interest bearing. Except for the ones presented in the table above there are no other major interest-bearing financial instruments.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates, at the reporting date would have increased (decreased) profit or loss before tax by:

	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2024		
Variable rate instruments	(8,338)	8,338
	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2023		
Variable rate instruments	(4,523)	4,523

The effect in equity is the effect in profit or loss before tax, net of tax (16%).

iv) Fair values

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

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: valuation techniques with all significant inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: valuation techniques using significant inputs that are not observable or based on observable market data (i.e., unobservable inputs).

The significance of a valuation input is assessed against the fair value measurement in its entirety.

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

Recurring fair value measurements

Recurring fair value measurements are those that are required or permitted by the accounting standards in the statement of financial position as at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements of financial instruments are categorised are as follows:

	Level 1	**Level 2**	**Total**
31 December 2024			
Financial assets at fair value through OCI	77,976	-	**77,976**
Financial derivative assets	14,030	-	**14,030**
Embedded derivatives	-	1,263	**1,263**
Total	**92,006**	**1,263**	**93,269**

	Level 1	**Level 2**	**Total**
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**

Financial assets at fair value through OCI

As at 31 December 2024, the fair value assessment of the financial assets at fair value through other comprehensive income shares held in RCSM was consequently performed based on the quoted price/share of the shares of the Company as at the valuation date of RON/share 64 (daily closing) (31 December 2023: RON/share 44), 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.

Sensitivity analysis for financial assets at fair value through OCI

A change in share price at the reporting date would have an impact as follows:

	Share price	
	10% increase	10% decrease
31 December 2024		
Financial assets at fair value through OCI	7,445	(7,445)
31 December 2023		
Financial assets at fair value through OCI	5,118	(5,118)

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

Embedded derivatives

Redemption Options Bonds

As at 31 December 2023 and 31 December 2024, a discounted cash flow valuation technique was used in order to estimate the option-free value of the bond at this date. Main inputs were the callable bond market value, coupon, payment terms and maturity date. The fair value of the redemption option is the difference between market price of the bond and the estimated option free value. The fair value was obtained from an independent valuation specialist. The management has determined that such prices were developed in accordance with the requirements of IFRS 13.

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2024		
Embedded derivative asset	(1,122)	1,126

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2023		
Embedded derivative asset	(1,798)	1,805

Financial derivative assets

In order to perform the valuation of several call options and one put option regarding the transaction between Digi Spain and abrdn, a valuation model based on Monte-Carlo simulations was carried on by an independent evaluator. A wacc rate of 9.4% was used. A change of wacc rate with 10 bps would result in the following change of the financial derivative asset:

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2024		
Financial derivative assets	(644)	644

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2023		
Financial derivative assets	566	(566)

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

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2024 is as follows:

	Financial assets at fair value through OCI (Notes 10, 19)	**Financial Derivative Assets**	**Embedded Derivatives**
1 January 2024	**51,183**	**3,366**	**2,768**
Additions	3,566	-	-
Gains or (losses) recognised in profit or loss for the year (derecognition)	-	10,664	(1,505)
Gains or (losses) recognised in other comprehensive income	23,267	-	-
Effect of movements in exchange rates	(40)	-	-
31 December 2024	**77,976**	**14,030**	**1,263**

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2023 is as follows:

	Financial assets at fair value through OCI (Notes 10, 19)	**Financial Derivative Assets**	**Embedded Derivatives**
1 January 2023	**36,844**	**-**	**5,052**
Gains or (losses) recognised in profit or loss for the year (derecognition)	-	-	(2,269)
Gains or (losses) recognised in other comprehensive income	14,541	3,366	-
Effect of movements in exchange rates	(202)	-	(15)
31 December 2023	**51,183**	**3,366**	**2,768**

The asset at FV through OCI and the embedded derivative are fully unrealized.

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

Assets and liabilities not measured at fair value but for which the fair value is disclosed

The fair value of long-term loans and their corresponding carrying amount (excluding the interest accrued at 31 December 2024 and 2023) and fair value measurement hierarchy are presented in the table below:

			31 December 2024
	Carrying amount	**Fair Value**	**Hierarchy**
Loans (Note 20)	**1,213,863**	**1,225,237**	
Bonds*	400,388	393,968	Level 1
Senior Facility Agreement (2021)	189,246	193,111	Level 3
Senior Facility Agreement (2023&2024)	413,193	418,843	Level 3
Export Credit Facilities	170,625	178,921	Level 3
Other long-term loans	40,411	40,393	Level 3
			31 December 2023
	Carrying amount	**Fair Value**	**Hierarchy**
Loans (Note 20)	**1,294,922**	**1,262,912**	
Bonds*	850,548	812,142	Level 1
Senior Facilities 2021	337,549	340,750	Level 3
Export Credit Facilities	106,825	110,020	Level 3

** Fair value of bonds is disclosed at mid-market price, which includes the embedded derivative asset*

The fair value of bonds is calculated on the basis of the market price while the fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR/ROBOR reset rate, after giving effect to interest rate swaps, plus the market credit spread received by the Group for financial liabilities with similar features).

Financial instruments which are not carried at fair value on the statement of financial position also include trade and other receivables, cash and cash equivalents, other interest-bearing loans and borrowings, other long-term liabilities and trade and other payables.

The carrying amounts of these financial instruments are considered to approximate their fair values, due to their short-term nature (or recognized recently carrying values for other long-term liabilities) and low transaction costs of these instruments.

v) Capital management

The Group's objectives when managing capital are to safeguard the Group's 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, the value of capital investments, the commercial offerings or the level of assets under property.

Management monitors "total net debt to EBITDA" ratio which is computed in accordance with the Senior Facilities Agreements' requirements and in accordance with the Senior Notes.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the net leverage ratios under 3.25.

The Group has complied with all externally imposed capital requirements throughout 2024 and 2023. These are set out in the Group's notes and syndicated loan agreements, as mentioned in the Note 20, above.

vi) Climate risks

In the 2024 financial year, 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.

vii) Situation in Ukraine

The evolution of the situation in Ukraine is uncertain and is closely followed by the Group with respect to potential indirect consequences on the financial markets that could impact refinancing conditions in the future. The Group has no direct interests in Ukraine and the areas at conflict and as a result the Group estimates that the situation in Ukraine will have limited effect on its operations and financial performance for future periods.

33. SHARE- BASED PAYMENTS

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.

Measurement of fair values

The fair value of the employee share purchase is measured at the fair values at grant date of the equity-settled share-based payment plans.

Currently, the following share option plans are in place or impacted the period ended 31 December 2024:
33.1 On 11 January 2023, the Company's Board of Directors has approved the grant of a number of 32,500 stock options within the stock option program granted to the benefit of employees of the Company's Romanian subsidiary, Digi Romania S.A., pursuant to the Company's Stock Option Plan. The fair value at grant date was EUR 228.

33.2 On 2 March 2023, Mr. Valentin Popoviciu (Executive Director of the Company) have been granted a number of 20,000 stock options by the Company conditional stock options pursuant to the decision of the Company's general meeting of shareholders dated 28 December 2023. The further vesting of all option shares granted are conditional upon several performance criteria (EBITDA, RGUs and leverage ratio levels) and the passage of a minimum duration of 1 year. The fair value at grant date was EUR 134.

33.3 On 19 May 2023, Mr. Serghei Bulgac (Chief Executive Officer and Executive Director of the Company) and Mr. Valentin Popoviciu (Executive Director of the Company) have been granted by the Company conditional stock options pursuant to the decision of the Company's general meeting of shareholders dated 18 May 2021. The total number of options shares granted as part of this stock option plan (applicable for the year 2023) amounts to 130,000. The further vesting of all option shares granted are conditional upon several performance criteria (EBITDA, RGUs and leverage ratio levels) and the passage of a minimum duration of 1 year. The fair value at grant date was EUR 943.

33.4 On 27 June 2024, Mr. Serghei Bulgac (Chief Executive Officer and Executive Director of the Company) and Mr. Valentin Popoviciu (Executive Director of the Company) have been granted by the Company conditional stock options pursuant to the decision of the Company's general meeting of shareholders dated 25 June 2024. The total number of options shares granted as part of this stock option plan (applicable for the year 2024) amounts to 140,000. The further vesting of all option shares granted are conditional upon several performance criteria (EBITDA, RGUs and leverage ratio levels) and the passage of a minimum duration of 1 year. The fair value at grant date was EUR 1,851.

33.5 On 12 august 2024, the Company's Board of Directors has approved the grant of a number of 70,000 stock options within the stock option program granted to the benefit of employees of the Company's Romanian subsidiary, Digi Romania S.A, pursuant to the Company's Stock Option Plan.

The vesting of the options is conditional upon the fulfilment of the performance criteria, with the vesting period being set at a minimum of 1 year as at the grant date. The fair value at grant date was EUR 852.

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

For details regarding the movement of share options during the period, please see below:

	2024		2023	
Class B treasury shares	**Number**	**WAEP***	**Number**	**WAEP***
Outstanding as at 1 January	**182,500**		**381,700**	-
Exercised during the year	(150,000)	6.95	(221,700)	7.13
Granted during the year	210,000		182,500	
Outstanding as at 31 December	**242,500**		**182,500**	
Expired	-		*160,000*	

** Weighted average exercise price is average price of shares at vesting.*

As at 31 December 2024 the related share option expense of EUR 1,663 (31 December 2023: EUR 1,344) is presented within *Operating expenses* in the Consolidated statement of profit or loss and other comprehensive income.

34. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2024 the Group had derivative financial assets.

	31 December 2024		31 December 2023	
	Fair value	**Notional**	**Fair value**	**Notional**
Derivative financial asset (see also Note 32)				
Financial derivative assets	14,030	n/a	3,366	n/a
Embedded derivatives	1,263	n/a	2,768	n/a

Embedded derivatives of EUR 1,263 relate to the bond (31 December 2023: EUR 2,768) (the 2020 Bond include several call options as well as one put option, for which the combined fair value of these embedded options was assessed and recognized a separate embedded derivative asset).

As at 31 December 2024 and 31 December 2023, a discounted cash flow valuation technique was used in order to estimate the option-free value at this date. The fair value was obtained from an independent valuation specialist.

As at 31 December 2024 the Group had no derivative financial liabilities (31 December 2023: nil).

In relation with the transaction completed during October 2023 between Digi Spain and abrdn for the roll out of a FTTH Network, several call options and one put option embedded in the signed Shareholders Agreement, were analysed. Their features allow us to consider all of the options (both the call options and one put option) as American options. Therefore, in order to perform their valuation, we have implemented a valuation model based on Monte-Carlo simulations. The fair value was obtained from an independent valuation specialist.

At inception date, 1 October 2023, the derivative was recognised in other comprehensive income, in amount of EUR 3,366. At 31 December 2024 a fair value evaluation was performed and the difference booked through profit and loss account. In 2024, the gain from valuation was EUR 10,664.

35. CONTINGENCIES AND COMMITMENTS

Uncertainties associated with the fiscal and legal system

The tax legislation in Romania and other Eastern and Central Europe countries are subject to frequent changes (some of them resulting from EU membership, others from the domestic fiscal policy) and often subject of contradictory interpretations, which might be applied retrospectively.

Furthermore, the Romanian and other Eastern and Central Europe governments work via a number of agencies authorized to carry on audits of the companies operating in these countries. These audits cover not only fiscal aspects but also legal and regulatory ones that are of interest to these agencies.

The Dutch, Romanian and other Eastern and Central Europe Fiscal legislation include detailed regulations regarding transfer pricing between related parties and includes specific methods for determining transfer prices between related prices at arm's length. Transfer pricing documentation requirements have been introduced so that taxpayers who carry out transactions with affiliated parties are required to prepare a transfer pricing file that needs to be presented to the tax authorities upon request.

The Company and its subsidiaries entered into various transactions within the Group, as well as other transactions with related parties. In light of this, if observance of arm's length principle cannot be proved, a future tax control could challenge the values of transactions between related parties and adjust the fiscal result of the Company and/ or its subsidiaries with additional taxable revenues/ non-deductible expenses (i.e., assess additional profit tax liability and related penalties).

Group management believes that it has paid or accrued all taxes, penalties and interest that are applicable, at the Company and subsidiaries level.

The Group is currently involved in a number of legal proceedings, including inquiries from, or discussions with, government authorities that are incidental to their operations. In the opinion of the management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements. 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 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[12] joint-venture agreement between Digi Romania 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's acquisition of the Bodu S.R.L. events hall in 2016[13].

[12] In 2009 Digi Romania 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 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**").

[13] 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. entered into a settlement agreement with Bodu S.R.L. In 2016, in accordance with that settlement agreement, Digi Romania 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. 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 '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.

On 15 January 2019, the Bucharest Tribunal, convicted Digi Romania 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 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 and director of Integrasoft S.R.L.) was convicted, while the rest of the directors were acquitted in connection with all the accusations brought against them by the DNA. The decision also cancels the joint-venture agreement from 2009 concluded between Digi Romania S.A and Bodu S.R.L., as well as all the agreements concluded between Digi Romania S.A., Bodu S.R.L. and Integrasoft S.R.L. in 2015 and 2016.

The first court decision was appealed. On 1 November 2021, the Bucharest Court of Appeal granted the appeals of Digi Romania S.A , Integrasoft S.R.L. and of certain directors and quashed the decision of the Bucharest Tribunal from 15 January 2019 in its entirety. The file was sent for retrial, to the competent court, which is the Bucharest Court of Appeal, starting with the procedure of the preliminary chamber. On 1 July 2022, in the course of the preliminary chamber procedure, the Bucharest Court of Appeal dismissed as unfounded the claims and exceptions raised by Digi Romania 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. 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 Bucharest Court of Appeal will retrial the case with the next hearing term set for 13 May 2025.

We strongly believe that Digi Romania 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.

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

Material commitments

Capital commitments are presented both on a discounted and an undiscounted basis, using the weighted average cost of capital for each geographical segment.

	31 December 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 amounts						
Annual fee for spectrum license	815,205	21,497	21,497	60,759	172,598	538,854
Capital expenditure	956,076	217,023	271,459	366,604	88,915	12,075
Contractual obligations for programme assets	85,374	32,592	32,592	18,232	1,958	-
Contractual obligations for rent and energy contracts[1]	2,403,568	39,832	39,831	91,720	260,079	1,972,106
	4,260,223	**310,944**	**365,379**	**537,315**	**523,550**	**2,523,035**
Discounted amounts						
Annual fee for spectrum license	430,254	19,654	19,654	50,865	122,068	218,013
Capital expenditure	833,037	199,484	249,112	312,027	66,272	6,142
Contractual obligations for programme assets	74,483	29,216	29,216	14,680	1,371	-
Contractual obligations for rent and energy contracts[1]	952,538	36,162	36,162	77,232	188,697	614,285
	2,290,312	**284,516**	**334,144**	**454,804**	**378,408**	**838,440**
Total						
-undiscounted	**4,260,223**	**310,944**	**365,379**	**537,315**	**523,550**	**2,523,035**
-discounted	**2,290,312**	**284,516**	**334,144**	**454,804**	**378,408**	**838,440**

1)Included in material commitments for the year ended 31 December 2024, there is the WSA agreement concluded with Sota. Please see note 5 for details.

	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 amounts						
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 programme 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 amounts						
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 programme 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**

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

Total						
-undiscounted	**536,135**	**82,887**	**52,719**	**131,142**	**107,995**	**161,391**
-discounted	**364,879**	**75,653**	**48,527**	**112,111**	**71,864**	**56,724**

In addition to these commitments, which are expressed in monetary terms, the Group made certain commitments to the national regulatory authorities such as ensuring certain coverage of the population regarding fixed or mobile networks, particularly in the context of assignment of licenses and quality of service. These commitments (the part which pertains to 2021 as well as 2022 awarded licences, as all the others are already fulfilled) will require investment expenditure in future years to roll out and enhance the networks. They are not shown in the note above if they have not been expressed in monetary terms, which is usually the case. The Group has accordingly agreed to meet the following conditions:

2100 MHz, 2600 MHz bands license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for inhabited zones of at least 30% of the population in Romania by the 5 April 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

800 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- to provide coverage with mobile data services with at least 2 Mbps speed for 56 specific settlements by the 31 December 2023 (obligation fulfilled);
- obligations to provide national roaming services;
- obligations regarding network access to mobile virtual network operators;
- fulfilment of technical indicators of service quality.

3400 MHz license (Romania)

The obligations included in the authorization to use the additional spectrum are as follows:

- network development obligations to install and maintain proper operation of 2000 base transmission stations with a capacity to ensure a speed of at least 100 Mbit/s / 20 Mhz in Romania in specific areas;
- network coverage obligations of international airports in Romania with a download speed of at least 100 Mbit/s with a probability of 85% indoor reception and on demand providing car telecommunication services for airport vehicles.

900 MHz, 1800 MHz, 2.6 GHz, 3.6 GHz bands license (Portugal)

The obligations included in the authorization to use the acquired spectrum are as follows:

- to ensure within 3 years (from the moment of entering into a national roaming agreement) that DIGI Portugal will provide a mobile coverage of 25% of the Portugal population and within a total of 6 years to reach a mobile coverage of 50% of the Portugal population. These coverages will be considered fulfilled with the provision of a broadband service with a minimum speed of 30 Mbps;
- within 3 years of the issue of the license DIGI Portugal must offer commercial services to the public.

700 MHz, 3600 MHz, 2600 MHz, 900 MHz, 1800 MHz and 2100 MHz bands license (Belgium)

Capital commitments in respect of the Group's share of the annual fee for spectrum licenses, representing 49% of total commitment, are included above, both on a discounted and an undiscounted basis, using an interest rate of 5.25%, which is the interest rate applied by the Belgian Institute for Postal Services and Telecommunication ("BIPT") for the spectrum licences auctioned in 2022.

1,800 MHz, 2,100 MHz and 3,500 MHz bands (Spain)

The obligations included in the authorization to use the spectrum are as follows:

- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban areas of cities with more than 250,000 inhabitants;

- after the technical migration of the spectrum is completed by the former licensor, to provide coverage with mobile services at a national level, and ensuring coverage in urban and intermediate areas of cities with more than 200,000 inhabitants.

Significant agreements with Telefónica Móviles España, S.A.U. ("Telefónica") (Spain)

These agreements are concluded for a minimum period of 16 years and are intended to replace starting with 1 January 2025 the existing MVNO agreement concluded between DIGI Spain and Telefónica. Under the RAN Sharing Agreement, the parties agree to also share the mobile spectrum owned by them in Spain, in the 3.500 MHz frequency band. In addition, DIGI Spain has concluded a new fixed broadband bitstream wholesale agreement with Telefónica (NEBA) for a period of 10 years (with the possibility to extend such term).

Letters of guarantee and letters of credit

As at 31 December 2024, there were bank letters of guarantee and letters of credit issued in amount of EUR 86,658 mostly in favour of leasing, content and satellite suppliers and for participation to tenders (31 December 2023: EUR 56,979).

36. SUBSEQUENT EVENTS

Digi Romania S.A., signed in March 2025 two export credit facilities agreements in a total principal amount of EUR 54,7 million, with a maturity of 4 (four) years as of the starting point of each credit (i.e. the starting point of credit being 30 April 2025, respectively 30 June 2025), to be used for the expansion of the telecommunications networks of the Company's subsidiaries in Romania and Portugal.

Additionally, Digi Spain Telecom, S.L.U. and Banco Santander S.A., Banco Bilbao Vizcaya Argentaria S.A., ING Bank N.V., Sucursal en España, as bookrunners and mandate lead arrangers, and a syndicate of banks acting as original lenders, have signed on 28 March 2025 a credit facility agreement for an amount of EUR 275 million, with a tenor of 5 (five) years after the date of the facilities agreement. The borrowed amounts will be used by Digi Spain, for the purposes of: (a) refinancing of the existing facilities under the facility agreement dated 26 July 2021, as further amended and restated; (b) capital expenditure in Spain; and (c) general corporate and working capital.

In April 2025, Digi Romania S.A., as borrower, the Company and Digi Spain Telecom, S.L.U. as original guarantors, ING Bank N.V., London Branch as facility agent and other financial institutions as incremental facility lenders have executed an incremental facility notice under the Senior Facilities Agreement dated 21 April 2023, pursuant to which the parties thereto established an additional facility for an amount of EUR 200 million with a maturity of 5 (five) years after the signing date. The borrowed amounts will be used by DIGI Romania for capital expenditure and general corporate purposes.

In October 2024 DIGI Romania S.A. ("DIGI") entered into a memorandum of understanding (the "MoU") with Hellenic Telecommunications Organization S.A. ("OTE") and Vodafone Romania S.A. ("VF") having as subject matter the OTE divestment from Telekom Romania Mobile Communications S.A. ("TKRM") (the "Transaction"). According to the MoU, the parties intend to carry out a series of interdependent operations and transactions pursuant to which DIGI will acquire certain assets from TKRM and VF will acquire indirectly the shares held by OTE in TKRM. The completion of the Transaction is still subject to several conditions obtaining the necessary approvals from competent authorities and the completion and signing of the documentation related to the Transaction.

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

37. EBITDA

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

	2024	**2023**
Revenues	**1,924,301**	**1,690,376**
Other income	**407,157**	**16,180**
Operating profit	597,254	173,166
Depreciation, amortisation, impairment and revaluation impact (Note 5 – 9, 15)	481,926	417,496
EBITDA	**1,079,180**	**590,662**
Other income	(399,300)	-
Other expenses	337	504
Adjusted EBITDA total	**680,217**	**591,166**
Adjusted EBITDA total (%)	35.21%	34.64%

For the year ended 31 December 2024 and 31 December 2023, EBITDA was adjusted to exclude non-recurring *Other income* and *Other expense, as presented in the table above.*

For the period ended 31 December 2024 and 31 December 2023, other expenses include expenses related to share option plans vested and are expected to be one-time event.

Serghei Bulgac,	Bogdan Ciobotaru,	Valentin Popoviciu,	Jose Manuel Arnaiz de Castro,	Emil Jugaru,	Marius CatalinVarzaru,	Zoltan Teszari,
CEO	*Independent Non-Executive*	*Executive Director*	*Independent Non-Executive Director*	*Non-executive Director*	*Non-executive Director*	*President*

[redacted]

[redacted]

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

37. EBITDA

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

	2024	**2023**
Revenues	**1,924,301**	**1,690,376**
Other income	**407,157**	**16,180**
Operating profit	597,254	173,166
Depreciation, amortisation, impairment and revaluation impact (Note 5 – 9, 15)	481,926	417,496
EBITDA	**1,079,180**	**590,662**
Other income	(399,300)	-
Other expenses	337	504
Adjusted EBITDA total	**680,217**	**591,166**
Adjusted EBITDA total (%)	35.21%	34.64%

For the year ended 31 December 2024 and 31 December 2023, EBITDA was adjusted to exclude non-recurring *Other income* and *Other expense, as presented in the table above.*

For the period ended 31 December 2024 and 31 December 2023, other expenses include expenses related to share option plans vested and are expected to be one-time event.

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CEO	*Independent Non-Executive Director*	*Executive Director*	*Independent Non-Executive Director*	*Non-executive Director*	*Non-executive Director*	*President*
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Stand-alone Financial Statements for the year ended 31 December 2024

DIGI COMMUNICATIONS N.V.

STAND-ALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 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, Phase 1, 4th floor, 5th District, Bucharest, Romania

Auditors:

KPMG Accountants N.V.

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

STAND-ALONE STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Financial assets	3	59,733	59,397
Financial assets at fair value through OCI	3	74,455	51,183
Total non-current assets		**134,188**	**110,580**
Current assets			
Trade and other receivables	4	8,079	20,340
Cash and cash equivalents	6	76	83
Total current assets		**8,155**	**20,423**
Total assets		**142,343**	**131,003**
EQUITY AND LIABILITIES			
Equity	7		
Share capital		6,810	6,810
Share premium		3,406	3,406
Fair value reserve		30,282	7,015
Other legal reserve		(3,048)	(3,063)
Retained earnings		73,735	76,523
Undistributed result		23,952	19,523
Total equity		**135,137**	**110,214**
Current liabilities			
Trade and other payables		7,206	20,789
Total current liabilities		**7,206**	**20,789**
Total liabilities		**7,206**	**20,789**
Total equity and liabilities		**142,343**	**131,003**

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

STAND-ALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2024	2023
Dividend income	9	28,209	23,639
Employee benefits	10	(2,809)	(2,544)
Operating expenses	10	(1,435)	(1,580)
Operating profit		**23,965**	**19,515**
Finance income	11	21	46
Finance costs	11	(34)	(38)
Net finance income(costs)		**(13)**	**8**
Profit before tax		**23,952**	**19,523**
Income tax expenses	12	-	-
Profit for the period		**23,952**	**19,523**
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of tax			
Foreign operations – foreign currency translation differences		15	(306)
Items that will never be reclassified to profit or loss			
Revaluation of equity instruments measured at fair value through OCI	3	23,267	14,540
Other comprehensive income for the period, net of tax		**23,282**	**14,234**
Total comprehensive income for the period		**47,234**	**33,757**

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

STAND-ALONE STATEMENT OF CASH FLOWS

	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		**23,952**	**19,523**
Adjustments for:			
Equity-settled share-based payment transactions	10	1,325	840
Unrealised foreign exchange (gain)/ loss		(45)	(59)
Dividend income	9	(28,209)	(23,639)
Cash flows used in operations before working capital changes		**(2,977)**	**(3,335)**
Changes in:			
Decrease in trade receivables and other assets		75	6
Decrease in trade and other payables		(22)	(301)
Cash flows used in operations		**(2,924)**	**(3,630)**
Dividends received from investments		40,449	23,804
Net cash flows from operating activities		**37,525**	**20,174**
Cash flows from financing activities			
Dividends paid to shareholders		(37,532)	(20,166)
Net cash flows used in financing activities		**(37,532)**	**(20,166)**
Net increase(decrease) in cash and cash equivalents		**(7)**	**8**
Cash and cash equivalents at the beginning of the year	6	83	75
Cash and cash equivalents at the end of the year		**76**	**83**

The Statement of individual 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 individual Cash flow statement distinguishes between operating, investing and financing activities. Cash flow in foreign currencies are converted at the exchange rate at the dates of the transactions.

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 used in financing activities.

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

STAND-ALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Fair value reserve*	Translation reserve*	Retained earnings	Undistributed result	Total equity
Balance at 1 January 2024	**6,810**	**3,406**	**7,015**	**(3,063)**	**76,523**	**19,523**	**110,214**
Comprehensive income for the period							
Appropriation of result	-	-	-	-	19,523	(19,523)	**-**
Net profit for the period	-	-	-	-	-	23,952	**23,952**
Revaluation of equity instruments measured at fair value through OCI	-	-	23,266	-	-	**-**	**23,266**
Foreign currency translation differences	-	-	-	15	-	-	**15**
Total comprehensive income for the period	**-**	**-**	**23,266**	**15**	**19,523**	**4,429**	**47,233**
Transactions with owners of the Company, recognized directly in equity							
Distributions to owners (Note 7)					(23,974)		**(23,974)**
Treasury shares granted as part of share-based payment transactions (Note 14)					1,663		**1,663**
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(22,311)**	**-**	**(22,311)**
Balance at 31 December 2024	**6,810**	**3,406**	**30,282**	**(3,048)**	**73,735**	**23,952**	**135,137**

* Fair value and Translation reserves represent Legal reserves

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

	Share capital	Share premium	Fair value reserve*	Translation reserve*	Retained earnings	Undistributed result	Total equity
Balance at 1 January 2023	**6,810**	**3,406**	**(7,525)**	**(2,757)**	**79,254**	**15,068**	**94,256**
Comprehensive income for the period	-	-	-	-	-	-	-
Appropriation of result					15,068	(15,068)	**-**
Net profit for the period	-	-	-	-	-	19,523	**19,523**
Revaluation of equity instruments measured at fair value through OCI	-	-	14,540	-	-	**-**	**14,540**
Foreign currency translation differences	-	-	-	(306)	-	-	**(306)**
Total comprehensive income for the period	**-**	**-**	**14,540**	**(306)**	**15,068**	**4,455**	**33,757**
Transactions with owners of the Company, recognized directly in equity							
Distributions to owners (Note7)	**-**	**-**	-	-	(19,139)	**-**	**(19,139)**
Treasury shares granted as part of share-based payment transactions (Note 14)	-	-	-	-	1,340	**-**	**1,340**
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(17,799)**	**-**	**(17,799)**
Balance at 31 December 2023	**6,810**	**3,406**	**7,015**	**(3,063)**	**76,523**	**19,523**	**110,214**

* Fair value and Translation reserves represent Legal reserves

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

NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Digi Communications N.V. ("DIGI" or "the Company") is a company incorporated in the Netherlands, Chamber of Commerce registration number 34132532/29.03.2000, with place of business and registered office in Romania. DIGI registered office is located in 75 Dr. Nicolae Staicovici Street, Forum 2000 Building, Phase 1, 4th floor, 5th District, Bucharest, Romania and statutory seat Amsterdam Netherlands. On 11 April 2017 the Company changed its name to Digi Communications N.V., its former name being Cable Communications Systems N.V. ("CCS").

The Company was established on March 29, 2000 and mainly acts as a holding company

The principal shareholder of DIGI is RCS Management S.A. ("RCSM") a company incorporated in Romania. The ultimate shareholder of DIGI is Mr. Zoltan Teszari, the controlling shareholder of RCSM. DIGI and RCSM have no operations, except for holding and financing activities, and their primary/only asset is the ownership of DIGI Romania and respectively DIGI.

In addition to these stand-alone financial statements the Company prepares consolidated financial statements. The The stand-alone financial statements were authorized by the Board of Directors of DIGI on 29 April 2025.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

(a) Statement of compliance

These stand-alone financial statements for the year ended 31 December 2024 have been prepared in accordance with with the IFRS as adopted by the EU and Section 2:362(9) of the Dutch Civil Code, to be filed with the Dutch Authority for the Financial Markets ("AFM") and with the Bucharest Stock Exchange and to serve as a basis for determining distributions to shareholders.

(b) Basis of measurement

The stand-alone financial statements have been prepared on the historical cost basis, except for financial assets at fair value through OCI.

(c) Going concern assumption

Management believes that the Company will continue as a going concern for the foreseeable future. For more details, please see Consolidated Financial Statements of the Group as at 31 December 2024.

(d) Significant estimates and judgements

Preparing the stand-alone 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the estimates affect that period only, and future periods, if the change affects both.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note	Topic	Key sources of estimates on future income and/or cash flows
3	Fair value of financial instruments, including financial assets at fair value through OCI	Models, selection of parameters, fair value hierarchy, evaluation of non-performance risks. Nature of accounting judgement: Presentation for the investment in the parent company as either a financial asset or a deduction in equity.

(e) Functional and presentation currency

The functional currency for the Company's financial statements is the primary currency of the main economic transactions which influence its activity as a holding and finance company.

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

In February 2020, the Company has repaid the outstanding 2016 Notes which were denominated in EUR. Management has performed an analysis of the main transactions of the Company following the repayment of the 2016 Bonds and concluded that the functional currency of the Company going forward should be lei ("RON").

The Company uses the EUR as a presentation currency of the stand-alone financial statements under IFRS based on the following considerations:

- Management analysis and reporting is prepared in EUR;
- EUR is used as a reference currency in telecommunication industry in the European Union;

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

Currency	**2024**			**2023**		
	Jan – 1	**Average for the year**	**Dec – 31**	**Jan – 1**	**Average for the year**	**Dec – 31**
RON per 1EUR	4.9746	4.9746	4.9741	4.9474	4.9465	4.9746
USD per 1EUR	1.1065	1.0821	1.0389	1.0666	1.0814	1.1065

2.2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are consistent with accounting policies applied for the Consolidated Financial Statements of the Group, in addition with the following:

Financial instruments

(i) Non-derivative financial assets

Financial assets (Investments in subsidiaries)

The investments of the Company in the shares of its subsidiaries are measured at historical cost in its standalone financial statements, as allowed by IAS 27.

(ii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Transactions with the Company's shares (Class A shares) between shareholders are considered completed at the date the transfer of ownership has been agreed upon by the parties in a written contract. Transactions with the B shares are trading on the stock exchange and are considered completed at the transaction date.

Repurchase, disposal and reissue of share capital (treasury shares)

When the share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. When treasury shares are cancelled the excess of cost above nominal value is debited to retained earnings.

Share and repurchase agreements related to treasury shares do not result in the derecognition of the respective treasury shares and do not affect their valuation.

Dividend income

Dividend income is recognised in profit or loss on the date that DIGI's right to receive payment is established.

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

3. FINANCIAL ASSETS

3.1 Investments in subsidiaries

Changes in investments in subsidiaries are presented below:

	31 December 2024	31 December 2023
Opening balance 1 January	**59,397**	**58,897**
Share based payments (Note 14)	332	500
Impact of foreign exchange differences	4	-
Closing balance 31 December	**59,733**	**59,397**

Investments in Group companies

The Company's investments in Group companies comprise the following:

Name	Registered office	Ownership 31 December 2024	Ownership 31 December 2023	Acquisition cost 31 December 2024
DIGI Romania S.A.	Bucharest, Romania	93.58%	93.58%	59,733
Total				

3.2 Financial assets at Fair value through OCI

	31 December 2024	31 December 2023
Balance at 1 January	**51,183**	**36,844**
Revaluation of equity instruments measured at fair value through OCI	23,267	14,540
Impact of foreign exchange differences	5	(201)
Balance at 31 December	**74,456**	**51,183**

The above financial assets at fair value through OCI comprise shares in RCS Management S.A. that the Company owns. As at 31 December 2024 the percentage of ownership of Digi in RCSM is 10%.

The movement in balances represents mainly difference in fair value as at reporting date.

Since 2017 the Company's class B shares have been listed on the Bucharest Stock Exchange. Consequently, the fair value assessment of the financial assets at fair value through OCI shares held in RCSM at year end 2023 and 2024 was performed based on the quoted price/share of the shares of the Company as of the valuation date, 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.

4. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Amounts due from Group companies (Note 5)	8,076	20,262
Other receivables	269	282
Provision for other receivables	(269)	(269)
Prepaid expenses	3	65
Total	**8,079**	**20,340**

All receivables fall due in less than one year.

Amounts due from Group companies represent mainly dividends receivable.

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

5. RELATED PARTY DISCLOSURES

Receivables from Group companies	**Object**	**31 December 2024**	**31 December 2023**
DIGI Romania	Dividend receivable	8,076	20,262
Total		**8,076**	**20,262**

Payables to Group companies	**Object**	**31 December 2024**	**31 December 2023**
DIGI Romania	Other	(6)	(12)
Total		**(6)**	**(12)**

Payables to Related parties	**Object**	**31 December 2024**	**31 December 2023**
RCS Management S.A.	Dividends	(5,616)	(18,968)
Zoltan Teszari	Dividends	(361)	(570)
Total		**(5,977)**	**(19,538)**

Transactions with Group companies Income	**Object**	**2024**	**2023**
DIGI Romania	Dividend	28,209	23,639
DIGI Romania	Interest	-	-
DIGI Romania	Services	11	3
Total		**28,220**	**23,642**

Transactions with Group companies Expenses	**Object**	**2024**	**2023**
DIGI Romania	Services	9	10
Total		**9**	**10**

The remuneration of the key management personnel includes share options granted (Note 14) amounting to EUR 1,325 (2023: EUR 840), and short-term employee benefits amounting to EUR 1,319 (2023: EUR 1,318).

6. CASH AND CASH EQUIVALENTS

As at 31 December 2024 Cash and cash equivalents balance was of EUR 76 (31 December 2023: EUR 83). All cash is freely disposable.

7. SHAREHOLDER'S EQUITY

7.1 SHARE CAPITAL

As at 31 December 2024, the authorized capital of the company amounts to EUR 11,000. The authorized capital is divided into shares as follows:

(a) one hundred million (100,000,000) class A shares, with a nominal value of ten eurocents (EUR 0.10) each; and

(b) one hundred million (100,000,000) class B shares, with a nominal value of one eurocent (EUR 0.01) each.

The issued and paid-up capital as at 31 December 2024 and 31 December 2023 in amount of EUR 6,810 is divided into 100,000,000 shares (out of which (i) 64,556,028 class A shares with a nominal value of ten eurocents (EUR 0.10) each and (ii) 35,443,972 class B shares, with a nominal value of one eurocent (EUR 0.01) each).

Class B Shares are listed on the Romanian Stock Exchange (“BVB”) starting from 16 May 2017.

Proposal for profit appropriation 2024

The result after tax for 2024 is included in the item unappropriated result within the equity. At the annual general meeting to be held in June 2025 the board of directors will propose to pay-out from retained earnings a dividend per share of RON 1.35. This proposed dividend payment shall only be reflected in the statement of financial position when it is approved by the annual general meeting.

7.2 DIVIDENDS

The AGM from 25 June 2024, the dividend of RON 1.25 per share (EUR 0.25 equivalent) in respect of 2023, approved by the Shareholders, which resulted in a total dividend of EUR 23,9 million (using 31 December 2023 fx rate) 2023: EUR 19,1 million.

7.3 NATURE AND PURPOSE OF RESERVES

Legal Reserves

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through OCI until the assets are derecognized or impaired.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements from the functional currencies of foreign operations to the presentation currency.

The fair value reserve and the translation reserve are considered legal reserves.

Retained earnings

Contains cumulative retained earnings of past periods.

Treasury shares are a part of retained earnings and contains cost of treasury shares. As at 31 December 2024 there is a number of outstanding treasury shares 4,602,387 (4,409,361 class A shares and 193,026 class B shares) (2023: 4,784,887 (4,409,361 class A shares and 375,526 class B shares).

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

7.4 Equity reconciliation in the Stand-alone financial statements to the consolidated financial statements

31-Dec-2024	Share capital	Share premium	Treasury shares	Retained earnings	Fair value reserve	Translation reserve	Revaluation reserve	Undistributed result	Total equity
Stand-alone	**6,810**	**3,406**	**-**	**73,735**	**30,282**	**(3,048)**	**-**	**23,952**	**135,137**
Difference in result for the period (result of the subsidiaries)	-	-	-	365,240	-	-	-	-	**365,240**
Difference in accumulated results	-	-	-	556,998	-	-	-	-	**556,998**
Appropriation of result	-	-	-	23,952	-	-	-	(23,952)	-
Difference in accumulated results during the period	-	-	-	266	-	-	-	-	**266**
Accumulated revaluation of PP&E	-	-	-	-	-	-	14,732	-	**14,732**
Derivative Financial Assets	-	-	-	-	3,150	-	-	-	**3,150**
Translation differences for the period	-	-	-	-	-	(361)	-	-	**(361)**
Accumulated translation differences	-	-	-	-	(477)	(18,693)	-	-	**(19,170)**
Difference in treasury shares presentation	-	-	(13,614)	13,614	-	-	-	-	-
Consolidated	**6,810**	**3,406**	**(13,614)**	**1,033,804**	**32,954**	**(22,102)**	**14,732**	**-**	**1,055,991**

31-Dec-2023	Share capital	Share premium	Treasury shares	Retained earnings	Fair value reserve	Translation reserve	Revaluation reserve	Undistributed result	Total equity
Stand-alone	**6,810**	**3,406**	**-**	**76,523**	**7,015**	**(3,063)**	**-**	**19,523**	**110,214**
Difference in result for the period (result of the subsidiaries)	-	-	-	65,018	-	-	-	-	**65,018**
Difference in accumulated results	-	-	-	491,753	-	-	-	-	**491,753**
Appropriation of result	-	-	-	19,523	-	-	-	(19,523)	-
Difference in accumulated results during the period	-	-	-	227	-	-	-	-	**227**
Accumulated revaluation of PP&E	-	-	-	-	-	-	9,046	-	**9,046**
Derivative Financial Assets	-	-	-	-	3,150	-	-	-	**3,150**
Translation differences for the period	-	-	-	-	-	(2,658)	-	-	**(2,658)**
Accumulated translation differences	-	-	-	-	(477)	(16,026)	-	-	**(16,503)**
Difference in treasury shares presentation	-	-	(14,135)	14,135	-	-	-	-	-
Consolidated	**6,810**	**3,406**	**(14,135)**	**667,179**	**9,687**	**(21,747)**	**9,046**	**-**	**660,246**

(all amounts are in EUR ’000, unless specified otherwise)

7.5 NET RESULT RECONCILIATION

	2024	2023
Stand-alone net result	**23,952**	**19,523**
Result subsidiaries in stand-alone profit or loss statement (dividends)	(28,209)	(23,639)
Result subsidiaries on a consolidated basis	428,890	96,360
Result subsidiary attributable to non-controlling interest	(35,441)	(7,703)
Consolidated net result	**389,192**	**84,541**

8. REMUNERATION OF BOARD OF DIRECTORS

Board member compensation comprised the following:

	2024	2023
Short-term employee benefits	1,196	1,188
Share-based payments	1,325	840
Total	**2,521**	**2,028**

In 2024, the amount of remuneration of executive directors is EUR 1,834 (2023: EUR 1,356) and non-executive directors is EUR 677 (2023: EUR 672)

9. DIVIDEND INCOME

	2024	2023
Dividend income	28,209	23,639
Total income	**28,209**	**23,639**

In 2024, DIGI Romania declared dividends in amount of RON 150 million (equivalent of EUR 30,1 million), out of which EUR 28,2 million represents the share distributed to the Company.

In 2023, Digi Romania declared dividends in amount of RON 125 million (equivalent of EUR 25,1 million), out of which EUR 23,5 million represents the share distributed to the Company.

10. OPERATING EXPENSES AND EMPLOYEE BENEFITS

	2024	2023
Salaries and related taxes	1,484	1,704
Share-based payment expense	1,325	840
Other operating expenses	1,435	1,580
Total operating expenses and employee benefits	**4,244**	**4,124**

For details about the share option plan implemented in 2024 and 2023, please see Note 14.

11. NET FINANCE INCOME

	2024	2023
Finance income		
Other finance income	11	3
Foreign exchange differences (net)	10	43
Total finance income	**21**	**46**
Finance expenses		
Other financial expenses	(34)	(38)
Total finance expenses	**(34)**	**(38)**
Net finance income/(costs)	**(13)**	**8**

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

12. INCOME TAX

Up to 21 April 2017 the Company was a Dutch Tax resident. In the context of the IPO from 2017, we became a tax resident in Romania. As from April 21, 2017 the Company is no longer a Dutch tax resident and is regarded as solely resident in Romania. The Company is a Romanian tax resident having its place of effective management in Bucharest, Romania, where all the strategic and commercial decisions are made, as well as the day-to-day management is carried out.

The statutory tax rate applied in Romania during 2024 and 2023 was 16%.

Reconciliation of income tax expense

Reconciliation of income tax expense at the statutory income tax rate applicable to the net result before tax to the income tax expense at the Company's effective income tax rate for the financial years 2024 and 2023 is as follows:

		2024		2023
Profit before tax		**23,952**		**19,523**
At statutory income tax rate of the Company	16.00%	3,832	16.00%	3,124
Non-deductible expenses	1.88%	451	2.07%	405
Tax-exempt income*	(18.84)%	(4,513)	(19.37)%	(3,782)
Losses for which no deferred tax asset is recognized	6.00%	230	1.29%	252
Effective tax expense	0.00%	-	0.00%	-

**Tax-exempt income refers to dividend income.*

	2024	2023
Current year losses for which no DTA was reconized	1,438	1,576

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

		2024		2023
	Gross amount	**Tax effect**	**Gross amount**	**Tax effect**
Tax losses	6,841	1,095	5,404	865
	6,841	**1,095**	**5,404**	**865**

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2024	Expiry date	2023	Expiry date
Expire	1,438	2024-31	-	2023-31
Expire	1,576	2023-30	1,576	2023-30
Expire	1,412	2022-29	1,412	2022-29
Expire	1,109	2021-28	1,109	2021-28
Expire	1,306	2020-27	1,306	2020-27
Total	**6,841**		**5,404**	

13. FINANCIAL RISK MANAGEMENT

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

- credit risk
- liquidity risk
- market risk (including currency risk, and price risk).

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

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is not exposed to credit risk as the balance of receivables relates to receivable on Company's subsidiary.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

Management monitors on a monthly basis the forecast of cash outflows and inflows in order to determine its funding needs.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, equity prices will affect the Company'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.

For more details, please see Consolidated Financial Statements of the Group as at 31 December 2024.

14. 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 were vested in prior periods and were closed.

Please see Remuneration report in the 2024 Annual Report.

As at 31 December 2024 the related share option expense of of EUR 1,325 (2023: EUR 840) was recorded in the Statement of profit or loss and Other comprehensive income in the line-item Operating expenses, within salaries and related taxes (Note 10).

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

15. AUDIT FEES

The below table specifies the fees charged by KPMG Accountants N.V. (KPMG NL) and the remainder of the global KPMG Network ("KPMG Other") for 2024 and 2023.

	31 December 2024			31 December 2023		
	KPMG NL	**KPMG Other**	**Non-KPMG firms**	**KPMG NL**	**KPMG Other**	**Non-KPMG firms**
Examination of the financial statements	631	1,488	24	547	1,137	-
Other audit engagements	253	242	-	-	4	-
Tax-related advisory services	-	-	-	-	-	-
Other non-audit services	-	-	-			-
Total	**884**	**1,731**	**24**	**547**	**1,141**	-

Fees disclosed under 'Other audit engagements' for 2024 relate to fees associated with CSRD reporting.

The method of disclosing the auditor fees is disclosing all fees relating to 2024.

16. NUMBER OF EMPLOYEES AND EMPLOYEE COSTS

The average number of persons employed by the Company during the period ended 31 December 2024 was 10 (31 December 2023: 11). All employees are stationed outside the Netherlands.

For employees' cost, please see Note 10.

17. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

(a) Contractual commitments

The Company is a Guarantor for several credit facilities of Digi Romania S.A. concluded with different banks and for the Bonds issued by Digi Romania S.A.

For details about Collateral please see the Group's Consolidated Financial Statements, Note 35.

(b) Legal proceedings

During the financial period, the Company was not involved in court proceedings (as a defendant). In the opinion of 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 Company and which have not been accrued or disclosed in these financial statements.

18. SUBSEQUENT EVENTS

For subsequent events of the Group please see Subsequent Events Note in Consolidated Financial Statements.

These stand-alone financial statements were authorized by the Board of Directors on 29 April 2025 represented by:

Serghei Bulgac,	Bogdan Ciobotaru,	Valentin Popoviciu,	Jose Manuel Arnaiz de Castro,	Emil Jugaru,	Marius CatalinVarzaru,	Zoltan Teszari,
CEO	*Independent Non-Executive Director*	*Executive Director*	Independent Non-Executive Director	*Non-executive Director*	*Non-executive Director*	*President*

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_________	_________	_________	_________	_________	_________	[redacted]

Other information

PROFITS, DISTRIBUTION AND LOSSES

As per the Company’s Articles of Association (Article 28), from the profits, shown in the annual accounts, as adopted, the board of directors shall determine which part shall be reserved. Any profits remaining thereafter shall be at the disposal of the general meeting. The board of directors shall make a proposal for that purpose.

Distributions on the shares shall be made to each share equally, irrespective of the class and nominal value of such share. Distributions may be made only insofar as the company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law.

If a loss was suffered during any one year, the board of directors may resolve to offset such loss by writing it off against a reserve which the company is not required to keep by virtue of the law.

The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted. The board of directors may, with due observance of the policy of the company on reserves and dividends, resolve to make an interim distribution in certain circumstances.

At the proposal of the board of directors or the class A meeting, the general meeting may resolve to make a distribution on shares, which can be either (wholly or partly) in cash or in shares. At the proposal of the board of directors or the class A meeting, the general meeting may resolve that distributions are made in another currency than Euro.

The board of directors may, subject to due observance of the policy of the company on reserves and dividends and with the prior approval of the class A meeting, resolve that distributions to holders of shares shall be made out of one or more reserves.

Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four (4) weeks after declaration thereof - and notice thereof shall be given, as the board of directors shall determine. The board of directors may determine that entitled to dividends and other distributions of profits shall be, the shareholders, usufructuaries and pledgees, as the case may be, at a record date within four (4) weeks after notification thereof. A claim of a shareholder for payment of a distribution shall be barred after five years have elapsed.

For details regarding the Company’s dividend polcy, please see chapter Dividend Policy from this Annual report.

AUDIT REPORT

The consolidated financial statements of the Group presented have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and Section 2:362(9) of the Dutch Civil Code, and were audited by KPMG Accountants N.V.. The independent auditor’s report is included below.

Independent auditor's report

To: the General Meeting of Shareholders and the Audit Committee of Digi Communications N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Digi Communications N.V. and its subsidiaries (the "Group") as at 31 December 2024 and of its consolidated result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying stand-alone financial statements give a true and fair view of the stand-alone financial position of Digi Communications N.V. (the "Company") as at 31 December 2024 and of its stand-alone result and cash flows for the year then ended in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of Digi Communications N.V. based in Amsterdam. The financial statements include the consolidated financial statements and the stand-alone financial statements.

The financial statements comprise:

1. the consolidated and stand-alone statement of financial position as at 31 December 2024;
2. the following consolidated and stand-alone statements for 2024: the statement of profit or loss and other comprehensive income, cash flows and changes in equity; and
3. the notes comprising material accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

Consolidated financial statements

- Materiality of EUR 16 million
- 2.3% of EBITDA

Stand-alone financial statements

- Materiality of EUR 1.3 million
- 0.9% of total assets

Group audit

- Performed substantive procedures for 96% of total assets
- Performed substantive procedures for 97% of revenue

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- Fraud risks: presumed risk of management override of controls, presumed risk of revenue recognition, risk related to the significant judgement with regards to the capitalisation of expenditures (eligibility of costs), risk of bribery and corruption and risk of conflicts of interest arising from attention areas within the Corporate Governance of the Group, as further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.

- Non-compliance with laws and regulations (NOCLAR) risk: risk related to non-compliance with anti-bribery and corruption laws and regulations identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'
- Going concern risk: no significant going concern risk identified.

Key audit matters

- Corporate Governance
- Cost capitalisation
- Compliance with laws and regulations

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at EUR 16.0 million (2023: EUR 13.7 million) and for the stand-alone financial statements as a whole at EUR 1.3 million (2023: EUR 1.2 million).
The materiality for the consolidated financial statements is determined with reference to earnings before interest, tax, depreciation and amortization (EBITDA) as defined by the Group in note 37 EBITDA as the benchmark. We consider EBITDA as the most appropriate benchmark based on the nature of the business, the level of activities and focus of the users of the consolidated financial statements for the purpose of evaluation the Group's financial performance in the telecom sector. We consider EBITDA as the key metric for stakeholders and it reflects the Group's size, growth and performance.

The materiality for the stand-alone financial statements is determined with reference to total assets as the benchmark. We consider total assets as the most appropriate benchmark because Digi Communications N.V. is a holding company and there are no other activities besides the holding investment in its subsidiary. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee that misstatements identified during our audit in excess of EUR 640 thousand and EUR 52 thousand of the consolidated and stand-alone financial statements respectively, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Digi Communications N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Digi Communications N.V.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the Group. As a result, we determine coverage differently and comparisons to prior period coverage figures are not meaningful.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified five components associated with a risk of material misstatement. For all of these components we involved component auditors. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 97% of Group revenue and 96% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- Issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed.
- Held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and we attended meetings with local management in Romania and Spain.
- Inspected the work performed by all component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on key audit matters, significant risks and key judgement areas.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter "Risk management, risks and internal control systems'' of the annual report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Group and its business environment and the Group's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, the Board of Directors, the Audit Committee and other relevant functions, such as Internal Audit and the compliance officer. We have also incorporated elements of unpredictability in our audit, such as: modifying the timing and extent of audit procedures which address identified significant areas, and involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Anti-bribery and corruption laws and regulations;
- Trade Sanctions and export controls;
- Data privacy legislation;
- Environmental regulations (e.g. radiation from mobile base station);
- Anti-competition laws and regulations;
- Health and safety laws and regulations;
- Telecom regulations.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Response:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and financial reporting.
- As part of the fraud risk assessment, we performed a data analysis of high-risk journal entries such as those related to reclassification entries within the statement of profit or loss which increase EBITDA, or journal entries which increase assets and decrease operating expenses. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We evaluated key estimates and judgments for bias by the Group’s management including retrospective reviews of prior years’ estimates.

- **Revenue recognition (a presumed risk)**

Risk:

— We identified a fraud risk in relation to the recognition of revenue. This risk inherently includes the fraud risk that management deliberately overstates revenue, throughout the period, as management may feel pressure to achieve results for the current year. We assessed the fraud risk on revenue recognition to be specifically related to journal entries outside the normal course of business, where revenue increases with an unusual counter entry as would be expected based on our sales process understanding (i.e. non-routine transactions).

Response:

- We evaluated the design and the implementation of internal controls related to the revenue process.
- We investigated whether non-routine revenue journal entries outside of the normal course of business were present, where revenue increases with an unusual counter entry in order to verify the appropriateness of the journal entry by performing additional audit procedures, including testing of transactions back to source information.

These two identified risks of fraud did not result in a key audit matter.

- **Risk of conflict of interest arising from the attention areas within the Corporate Governance of the Group**

Refer to Key Audit Matter titled: “Corporate Governance”.

- **Risk related to the significant judgement with regards to capitalisation of expenditures (eligibility of costs)**

Refer to Key Audit Matter titled: “Cost capitalisation”.

- **Fraud risk of bribery and corruption, including risk of non-compliance with anti-bribery and corruption laws and regulations**

Refer to Key Audit Matter titled: “Fraud risk of bribery and corruption, including risk of non-compliance with anti-bribery and corruption laws and regulations”.

As mentioned above, our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did result in key audit matters.

We communicated our risk assessment, audit responses and results to the Board of Directors and the Audit Committee.

Other than already disclosed in the annual report, our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in note 2.1(d) going concern assumption, the Board of Directors has performed its going concern assessment and has identified going concern risks related to the Group’s financial position, including significant short-term borrowings, and significant capital expenditures planned. To assess the Board of Director’s assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inspected the financing agreements in terms of conditions that could lead to going concern risks, including the term of the agreements and any covenants;
- we analysed the Group's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- we evaluated the forecasted operating results and the related cash flows in comparison to the previous financial year and assessed the forecasted investing and financing cash flows;
- we compared the Board of Director's liquidity forecasts with our own independent scenario based on supporting information such as 2024 and Q1, 2025 actuals, analysis of peer companies, agreements and correspondence with third parties;
- we determined whether the going concern risks and the related mitigating measures are adequately disclosed in note 2.1(d) going concern assumption.

The outcome of our procedures support the Board of Director's conclusion on the application of the going concern basis of accounting. We also find the disclosure in note 2.1(d) going concern assumption of the consolidated financial statements to be adequate.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors and Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to accounting for the transaction between Digi Spain and Abrdn is not included, as the complexity in the accounting of this transaction specifically relates to the financial year 2023.

Corporate Governance

Description

In accordance with Dutch Standard on Auditing 315 "Identifying and assessing the risks of material misstatements through understanding the entity and its environment" we have obtained an understanding of the Group's control environment. The control environment includes the governance and management functions and the attitudes, awareness, and actions of those charged with governance and management concerning the entity's internal control and its importance in the entity. This has resulted in the identification of attention areas within the Corporate Governance of the Group further detailed below.

The Group is required to comply with the Dutch Corporate Governance Code. As disclosed by the Group in the section "Management Structure. Corporate Governance" of the Annual Report, the Group complies with the majority of the articles of the Dutch Corporate

Governance Code. Reasons for non-compliance with the remaining articles have been explained by the Board of Directors in Annex 3 of the Annual Report.

The president of the Board of Directors, a function held by the controlling shareholder since inception, has power to control the decision making within the Board of Directors through:

- being entitled to cast as many votes as can be cast by all other Directors present or represented at that meeting in respect of whom no conflict of interest exists. This could impact the outcome of the vote;
- having the possibility to impact the composition of the Board of Directors;
- continuing in its role as President of the Board of Directors indefinitely.

Furthermore, we noted that the Group has five Non-executive Directors. Three of the five Non-executive Directors are not independent in appearance. The deviations from the Dutch Corporate Governance Code and the imbalance in the voting rights of the President as described above, may impact the proportional representation of the interests of all of the Group's shareholders and/or other applicable parties. This imbalance results in an increased risk for potential conflicts of interest.

Our response

Our procedures or actions taken to address the attention areas within the Corporate Governance of the Group included amongst others:

- we performed procedures on the completeness and appropriateness of related party transactions, with specific attention to potential conflicts of interest;
- conducted a review of the minutes and decision-making processes of the Board of Directors and Shareholder's meetings up to the date of signing, to identify any controversial or disputed resolutions;
- we increased the number of experienced team members, which resulted in a more experience team compared to an average audit engagement;
- we used internal specialists in a number of areas, including IT, forensic, valuation and tax both at components (subsidiaries) and group level;
- we appointed experienced quality reviewers with specific industry knowledge both at components (subsidiaries) and at group level;
- we assessed the appropriateness of the disclosures on Corporate Governance and on the deviations compared to the Dutch Corporate Governance Code.

Our observation

As explained by the Board of Directors in Annex 3 of the Annual Report, the Group does not comply with a number of best practice provisions for Corporate Governance which results in an ineffective Corporate Governance environment. Our procedures did not result in the identification of transactions where the proportional representation of the interests of all of the Group's shareholders and/or other applicable parties were materially impacted.

Cost capitalisation

Description

The Group incurs significant capital expenditure, mainly within property, plant and equipment for network and construction in progress as a result of the expansion of its business across all territories. Such additions to the network and construction in progress amounted to EUR 79 million and EUR 420 million respectively for the year ended 31 December 2024. Significant judgement is required in measuring the cost of these assets (both in respect of the initial and subsequent expenditure), primarily with regards to the capitalisation eligibility of the related expenditure, pursuant to the relevant requirements of IAS 16, Property, plant and equipment.

Under this Standard, the Property, plant and equipment cost include all expenditure directly attributable to bringing them to the location and condition necessary for their intended use, including, among other things, the cost of any eligible employee benefits.

We identified this matter as a key audit matter due to the magnitude of the amounts involved and the risk of fraud and error related to the significant judgement applied by management to evaluate the criteria for cost capitalisation.

Our response

Our audit procedures in this area, performed where relevant with the support from our own information technology (IT) audit specialists, included, among other things, the following:

- we evaluated the accounting policies used in the determination of the cost of network and construction in progress against the relevant requirements of the financial reporting standards;
- we tested the design and implementation of selected controls relied upon by the Group in the process of measuring the costs capitalized, including those in respect of review and approval of the capitalisation eligibility and of the amounts capitalised, as well as the general IT controls that support the effective operations of those controls;
- for a sample of asset additions, separately for network and construction in progress during the year, we evaluated the capitalisation eligibility and the amounts of the capital expenditure incurred, by, among other things:
  - assessing the appropriateness of the capitalised cost categories against the requirements of the financial reporting standards. As part of the procedure, we, among other things, challenged whether the nature of the costs capitalised reflected the nature of the underlying capital project;
  - tracing the purchase price, directly attributable expenditure (including material costs, personnel cost incurred and others) to respectively external invoices, internal delivery notes and internal timesheets and payroll records;
  - evaluating whether any expenditure incurred subsequent to initial recognition of an item of property, plant and equipment is capitalised as part of its cost only if it is probable that future economic benefits associated with the item will flow to the Group.

Our observation

The results of our procedures are that the capitalised costs in 2024 that have been recognised and disclosed in the financial statements in accordance with the relevant requirements of IAS 16, Property, plant and equipment are considered eligible.

Fraud risk of bribery and corruption, including risk of non-compliance with the anti bribery and corruption laws and regulations

Description

In the normal course of the Group's business, potential exposures arise from various court and regulatory proceedings, including those resulting from alleged non-compliance with laws and regulations. Among other things, as described in Note 35 of the 2024 consolidated financial statements, an ongoing criminal court case was brought to court by the Romanian National Anti-Corruption Agency (DNA) for the offences of bribery and accessory to bribery, money laundering and accessory to money laundering.

Our response

Our procedures, in response to the fraud risk (including risk of non-compliance with anti-bribery and corruption laws and regulations), consist of a combination of inquiry, test of details and inspection of supporting documentation. We performed among other things the following procedures:

- we evaluated the design and the implementation of internal controls related to compliance with anti-bribery and corruption laws and regulations.
- on a sample basis, we challenged the rationale for and/or the amounts of:
  - transactions with governments and government-controlled entities and local authorities;
  - sponsorships, donations and transactions with related parties;
  - transactions with suppliers based in higher-risk jurisdictions; and
  - telecommunications licenses and programme asset acquisitions.

  As part of the procedure, we analysed the counterparties' digital footprint and line of business and, where potential risks were identified, performed a detailed assessment of the legitimacy of supplier and related acquisitions;
- we inspected relevant legal documentation, decisions of the Board of Directors meetings and communications between the Group and its lawyers, including legal analyses of the matters and any developments through the date of our auditor's report;
- we inspected the registry of open legal cases and minutes of the Board of Directors' meetings to corroborate our understanding of the status of material litigations and claims and to satisfy ourselves regarding the completeness of current and potential litigations identified by the Group;
- We evaluated the Group's in-house and external lawyers' responses to our audit inquiry letters, and inquired with selected members of the Board of Directors,

accounting personnel and the Group's lawyers as to the nature and status of the proceedings and potential related exposures, with particular attention paid to the above mentioned DNA criminal court case;
- we performed procedures on the appropriateness of the disclosures on compliance with laws and regulations.

Our observation

Our procedures did not result in material findings in respect of non-compliance with anti-bribery and corruption laws and regulations. The disclosure in note 35 of the consolidated financial statements in relation to the criminal court case mentioned earlier is considered adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Digi Communications N.V. on 4 November 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Digi Communications N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Digi Communications N.V., complies in all material respects with the RTS on ESEF.

The Board of Directors is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Board of Directors combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Audit Committee for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Directors, under supervision of the Audit Committee, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Group's ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix I of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 30 April 2025

KPMG Accountants N.V.

P.G.W. Takken RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix I

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

KPMG

Limited assurance report of the independent auditor on the sustainability statement

To: the Board of Directors and the Audit Committee of Digi Communications N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statements for 2024 of Digi Communications N.V., based in Amsterdam, Netherlands (hereinafter: the Company) in the section ‘Sustainability Statement’ of the accompanying annual report, including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the Company to identify the information reported pursuant to the ESRS and in accordance with the Company specific supplemental reporting criteria; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N ‘Assurance-opdrachten inzake duurzaamheidsverslaggeving’ (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) ’Assurance engagements other than audits or reviews of historical financial information’. Our responsibilities under this standard are further described in the section ‘Our responsibilities for the assurance engagement on the sustainability statement’ section of our report.

We are independent of the Company in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

We draw attention to the section ‘Basis for preparation’ of the sustainability statement which sets out that the sustainability statement has been prepared in a context of new sustainability reporting standards. These standards require making entity-specific interpretations and addressing inherent measurement and/or evaluation uncertainties.

This section furthermore describes value chain uncertainty and sources of estimation and outcome uncertainty. It identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical information in accordance with the ESRS. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

We also draw attention to the ‘General disclosures’ section in the sustainability statement. These disclosures explain the future improvements in the double materiality assessment process and the development of a sustainability due diligence process, including robust engagement with affected stakeholders. Due diligence is an on-going process that responds to and may trigger changes in the Company’s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosures that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect to this emphasis of matter.

Corresponding information not subject to assurance procedures

No assurance procedures have been performed on the comparative sustainability information. Consequently, the corresponding sustainability information and thereto related disclosures for the period 2023 have not been subject to assurance procedures.

Our conclusion is not modified in respect to this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Board of Directors and the Audit Committee for the sustainability statement

The Board of Directors is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the Company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).The Board of Directors is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company’s sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Audit Committee is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the Company.

Our responsibilities for the assurance engagement on the sustainability statement

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

A further description of our responsibilities for the assurance engagement on the sustainability statement is included in the appendix of this assurance report. This description forms part of our assurance report.

Amstelveen, 30 April 2025

KPMG Accountants N.V.

P.G.W Takken RA

Appendix:

Description of our responsibilities for the assurance engagement on the sustainability statement

Appendix

Description of our responsibilities for the assurance engagement on the sustainability statement

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the Company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS;
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the information systems and the Company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the Company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls;
- Assessing the double materiality assessment process carried out by the Company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement are free from material misstatements responsive to this risk analysis;
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Board of Directors is consistent with the process carried out by the Company;
- Based on our professional judgement we determined materiality levels for each relevant part of the sustainability statement. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the Company.
- Determining the nature and extent of the procedures to be performed both centrally and at component level. For this, the nature, extent and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at corporate level;
- Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however,

our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management’s estimates;

— Analysing, on a limited sample basis, relevant internal and external documentation available to the Company (including publicly available information or information from actors throughout its value chain) for selected disclosures;

— Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement and reconciling the relevant financial information with the financial statements;

— Considering whether:

  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the Company and are consistent or coherent with the sustainability statement;
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.

— Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation); and

— Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

SUBSIDIARIES

The Company operates in different jurisdictions through various subsidiaries.

Legal entity	Country of Incorporation
Digi Romania S.A.	Romania
Campus Media TV SRL (former Campus Radio SRL)	Romania
CFO Integrator SRL	Romania
Delalina SRL	Romania
Digisoft IT SRL	Romania
Energia Foto SRL	Romania
Foto Distributie SRL	Romania
Novitas Electro SRL	Romania
Profimusic SRL	Romania
Digi Infrastructura SRL	Romania
Topo Network and Design SRL	Romania
UCR SRL	Romania
Integrasoft SRL	Romania
Digi Spain Telecom S.L.U.	Spain
Digi Spain Call Center S.L.U.	Spain
Digi Spain Sale Force S.L.U.	Spain
DIGI Andalucia S.L.U. (former Primafati S.L.U.)	Spain
Douafaty SLU	Spain
Tresfaty SLU	Spain
Patrafaty SLU	Spain
Cinceafaty SLU	Spain
Saseafaty SLU	Spain
Digi Portugal LDA	Portugal
Nowo Communications S.A.	Portugal
Digi Italy SRL	Italy

Sustainability Statement
DIGI Group
2024

1. GENERAL DISCLOSURES

ESRS 2

1.1 Basis for Preparation

1.1.1 General basis for preparation of sustainability statement

BP-1

DIGI Communications N.V. (hereinafter referred to as "**DIGI Group" or "the Group"**) is proud to share its first sustainability statement (Sustainability report) prepared in accordance with the Corporate Sustainability Reporting Directive's (CSRD) European Sustainability Reporting Standards (ESRS) as set out in Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council.

For over 30 years, DIGI Group has significantly contributed to advancing digitization and market development in the regions it serves by providing accessible connectivity to European consumers. Throughout this time, DIGI Group, along with its subsidiaries in Romania, Spain, Italy, Portugal, and Belgium, has responsibly developed a sustainable vision for the future of connectivity. This is achieved through continuous investment in infrastructure and cutting-edge technologies, empowering individuals, delivering excellent services at competitive prices, and prioritizing customer care. Aware of the impact of their actions and driven by a bold vision for the future, the Group is dedicated to fostering an organizational culture rooted in trust, integrity, and transparency with employees, customers, partners, communities, and society at large.

DIGI Group aims to present their stakeholders with a sustainability statement that addresses the ESRS disclosure requirements and reports transparently on their performance today and their goals for the future. This first year of CSRD compliance, financial year 2024 –01.01.2024 - 31.12.2024 – was a challenging but valuable project. While the preparation of the sustainability statement was complex and detailed, the process was a learning opportunity and an important part of the Group's sustainability journey.

During challenging periods, the Group believes it is crucial to reinforce the values that underpin their corporate culture. By taking proactive measures, the Group collaborates with all stakeholders to foster a sustainable and assured future. In 2024, the Group also remained an important contributor to economic activity as a telecommunications operator and a catalyst for community well-being.

Thus, today the Group considers itself ready to report on sustainability matters; nevertheless, informed by the challenges experienced, the Group has identified areas for improvement regarding the availability and quality of data. As a result, projects have been initiated to enhance efficiency in collecting the relevant data and to strengthen the policies and procedures used to steer and improve sustainability performance.

Our 2024 double materiality assessment (DMA) revealed new sustainability matters for DIGI Group and helped us with more precise definitions and reporting requirements. The DMA will be reviewed annually to see if the list of significant stakeholders needs to be updated or if new topics, sub-topics and sub-subtopics can be identified. If new significant stakeholders or topics are identified the DMA will be updated to address new insights or developments that affect the Group's sustainability matters.

This statement covers every aspect of the Group, including the scope of consolidation and the intricacies of their value chain. Presented below is a comprehensive explanation of the basis for preparation, in accordance with the guidelines of ESRS 2 BP-1 and BP-2.

Consolidation and scope

This sustainability statement for the financial year 2024 has been prepared on a consolidated basis. The scope of consolidation mirrors that of DIGI Group's financial statements, ensuring consistency and completeness in the reporting. None of the subsidiaries listed below are exempt from being included in the consolidated sustainability reporting as required by Articles 19a (9) or 29a (8) of Directive 2013/34/EU. This means that all the subsidiaries contribute to and are accounted for in the overall sustainability statement of the Group:

- **DIGI Communications N.V**.,
- **DIGI Romania** S.A.and its subsidiaries: Integrasoft S.R.L, Topo Network & Design S.R.L, DIGI Infrastructura S.R.L, Foto Distributie S.R.L, Energiafoto S.R.L, Delalina S.R.L, Novitas Electro S.R.L, CFO Integrator S.R.L, Campus Media TV S.R.L , Profimusic S.R.L, Digisoft IT S.R.L, U.C.R. S.R.L, hereinafter referred to as **DIGI Romania**
- **DIGI Italy S.R.L**, hereinafter referred to as **DIGI Italy**
- **DIGI Spain Telecom S.L.U**, including DIGI Spain Call Center S.L.U, DIGI Spain Sale Force S.L.U. Primafati S.L.U, Douafaty S.L.U, Patrafaty S.L.U, Cinceafaty S.L.U, Saseafaty S.L.U, hereinafter referred to as **DIGI Spain**
- **Digi Portugal L.D.A**., Nowo Communications S.A., Cabonitel S.A. hereinafter referred to as **DIGI Portugal**[1]
- **DIGI Communications Belgium N. V**., Citymesh Mobile N.V., INSKY N.V., hereinafter referred to as **DIGI Belgium**[2]

Nowo Communications, part of DIGI Portugal, was consolidated starting from November 1, 2024 and is not included it in the 2024 Sustainability Statement, it is excluded because is considered unmaterial to the group level considering both the financial information presented below and it also shares the same activities as the other Group companies.

Where the information pertains to a specific division within the Group, it has been specified as such in the corresponding section. Where the information refers to Romania, Spain, Italy, Portugal or Belgium it describes the activity of the entities in that specific country, and where no specific reference to a particular division is made, the information disclosed is applicable to the entire Group.

Value chain coverage

This sustainability statement extends beyond the Group’s own operations to include information from the entire value chain, both upstream and downstream. The materiality assessment evaluates impacts related to DIGI Group’s operations, products, services, and business relationships, involving data collection from suppliers, partners, and customers when relevant.

Each chapter addresses specific disclosure requirements for material topics, identifying significant impacts, risks, and opportunities. Upon identifying a significant element, DIGI Group determines the necessary information for ESRS reporting or prepares a relevant presentation.

Key sustainability metrics from the value chain, including customers and suppliers, are addressed in relevant sections. Policies, actions, and targets are applied throughout the value chain, engaging with suppliers on energy usage and emissions data, and consulting customers to understand material impacts, risks, and opportunities.

DIGI Group does not omit information related to intellectual property, know-how, or innovation results, per ESRS 1 section 7.7. While eligible for certain disclosure exemptions under articles 19a(3) and 29a(3) of Directive 2-13/34/EU, the Group has not utilized these exemptions.

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[1] Nowo, a company acquired on October 27, 2024, in Portugal, Nowo Communications was consolidated starting from November 1, 2024. are not including it in the 2024 Sustainability Statement as it is not material.
As of November 1, the subsidiary has on its balance sheet:

Number of employees: 116 employees, which is 0.5% of the total 24,448 employees in the group.

- GBV tangible assets of 53 million EUR, which is 0% of the total 3,202.2 billion EUR tangible asset value for the entire group.
- The consolidation is only for 2 out of the 12 months of 2024.

[2] DIGI Belgium is a joint venture and is presented only in scope of E1.

1.1.2 Disclosures in relation to specific circumstances

BP-2

1.1.2.1 Time horizons

For this reporting period, the time horizons used are in line with the timelines proposed by the ESRS: short-term time horizon – the period adopted by the entity as the reporting period in its financial statements; medium-term horizon – from the end of the short-term reporting period to five years; and long-term horizon – more than five years. These definitions also align with DIGI Group's strategic planning cycles and help effectively monitor and achieve sustainability objectives.

1.1.2.2 Value chain estimation

In this statement, DIGI Group has identified all sustainability metrics that rely on data estimated through indirect sources, including sector averages, third-party data, or proxy values. For Scope 3 greenhouse gas (GHG) emissions, DIGI Group prioritizes using primary data from its suppliers whenever feasible. When primary data is unavailable, the Group turns to reputable sources and adheres to GHG Protocol-compliant methodologies to achieve a robust level of accuracy in our reported emissions. Furthermore, DIGI Group is dedicated to improving the accuracy of the calculation of emissions data by strengthening supplier engagement and advancing data management practices through the integration of automation and monitoring systems. At this stage we used estimation in the calculation of the carbon footprint and in scope of E1. Should such uncertainties arise in other areas, they will be addressed in the relevant topical standards accordingly.

1.1.2.3 Sources of estimation and outcome uncertainty

Regarding the sources of each of the estimates used and outcome uncertainty, DIGI Group discloses the sources contributing to such uncertainty for each quantitative metric and monetary amount. Furthermore, the Group has defined the assumptions and judgments made in measuring the estimation sources and outcome uncertainty. DIGI Group has disclosed information about the sources of measurement uncertainty for each applicable quantitative metric and monetary amount. The assumptions and judgments in measuring each quantitative metric and monetary amount are also presented, they will be covered under the applicable chapters of the Sustainability Statement.

DIGI Group acknowledges the uncertainty associated with forward-looking information and notes that such information may be subject to change.

1.1.2.4 Changes in preparation or presentation of sustainability information

Unlike the previous reporting period, when DIGI Group adhered to Global Reporting Initiative (GRI) standards, this sustainability statement has been prepared in line with the CSRD and the European Sustainability Reporting Standards (ESRS). The key impacts of this shift include:

1. Additional disclosures around policies, actions, metrics, and targets regarding sustainability matters
2. New calculation methodologies for metrics previously reported under GRI; if this resulted in restatements of prior period disclosures, this is explained in the relevant chapters
3. Sustainability matters being subject to more qualitative and quantitative ESRS reporting requirements
4. Performed a double materiality assessment in line with the ESRS's requirements
5. The report will now be subject to a third-party audit

No other changes in the preparation or presentation of our sustainability information compared to previous periods have occurred, nor were material errors in prior reporting periods identified.

1.1.2.5 Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Applicable legislation or other standards used in reporting are presented where relevant in the report text. In preparing this report, we have, at times, included information drawn from other recognized sustainability reporting standards and legislative requirements. These disclosures, stemming from external frameworks, have been integrated to present a complete and transparent picture of our sustainability performance. Where applicable, the corresponding standards and/or legislation are cited alongside each disclosure to ensure clarity and alignment with widely accepted practices. Please see details in *1.7.2 Tracking the effectiveness of policies and actions through targets.*

1.1.2.6 Incorporation by reference

A list of reported disclosure requirements and references to other content can be found in section *1.7.2 Tracking the effectiveness of policies and actions through targets* of this statement.

1.2 Governance and business practices

1.2.1 The role of the administrative and management bodies

GOV-1

Digi Communications N.V. is a limited company (naamloze vennootschap) organized under the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands, and its tax residence and main place of business in Bucharest, Romania.

Digi Group applies a one-tier board structure comprising of two Executive Directors and five Non-executive Directors, of which two are considered to be independent Non-executive Directors. The members of the Board of Directors possess experience relevant to the sectors, products and geographic locations of the undertaking.

The board members have extensive experience in the telecommunications sector, which enables them to understand the industry's specific impacts, risks, and opportunities. They are fully aware of the strategic and operational challenges associated with sustainability and actively integrate these considerations into decision-making processes. Additionally, the board has access to external consultants and internal experts who have received specialized ESG training, ensuring informed oversight and continuous improvement in managing sustainability-related matters.

Moreover, DIGI Group's board comprises of 0% female board members, 100% male board members.

Of all our board members, 29% are independent. This percentage corresponds to the independent non-executive board members.

Within the Group, employee representation is primarily facilitated through departmental and human resources (HR) management. HR managers and the heads of departments with significant workforce concentrations—such as the Construction Department—act as intermediaries, conveying employee's concerns and feedback directly to members of the executive board. This informal, management-led channel serves as the current mechanism for employee representation within governance processes.

The composition of the Board of Directors of DIGI Group is presented in the table below.

The composition and diversity of the members of the Board of Directors

Number of members with executive functions	2
Number of members with non-executive functions	5
Percentage of board members with administrative, executive, management and supervisory roles	29%
Percentage of independent board members	29%

Details on the composition of the Board of Directors of DIGI Group, as well as the current senior management teams of its main subsidiaries (in addition to the Board members listed above), can be found in the *Corporate Governance* section.

The Board of Directors is collectively responsible for the Group's general affairs. The duties of the Board of Directors are divided among its members. The Executive Directors are responsible for the continuity of the Group and its business, focusing on long-term value creation thereby taking into account the interests of the Group's stakeholders and directing the day-to-day strategy of the Group. The Executive Directors are tasked with overseeing the daily operations of the Group. Their responsibilities include achieving the Group's objectives and strategy, managing the Group's risk profile, monitoring performance trends and results, and addressing corporate social responsibility matters relevant to the Group and its subsidiaries. The Non-executive Directors are, inter alia, responsible for the supervision of the management of the Executive Directors and of the general affairs of the Group and the business connected with it and providing advice to the Executive Directors.

The President of the Board of Directors of Digi Communications N.V. is a non-executive member and holds no other executive position in the Group. The Group is organized under a unitary management system - the Board of Directors being the highest management body. The long-term objectives and strategy of the Group are the responsibility of the Executive Directors, in accordance with the provisions of the Articles of Incorporation and the provisions of the Dutch Corporate Governance Code.

In addition to the Board of Directors listed above, each division within the Group has its own management structures.

The Group doesn't have formal committees responsible for decision-making on and overseeing the management of the organization's impacts, risks and opportunities on the economy, environment, and people. Nevertheless, our goal is to establish an ESG committee who will be overseen by the Board. The ESG committee will assume responsibility for developing the Group's sustainability strategy, policies, and goals. Following the finalization of DIGI Group's strategic framework and objectives, key performance indicators (KPIs) that align with the sustainability strategy will be integrated into the Board's performance assessment process. Moreover, a priority for DIGI Group will be to develop the double materiality procedure and a reporting manual for the KPIs included in sustainability reporting.

The Group has not formally defined all its processes, policies, and targets related to sustainable development. At the time of publication of this sustainability statement, DIGI Group is, for the fourth consecutive year, in the process of developing policies, procedures, and processes, as well as adopting relevant measures to aid in designing its sustainable development strategy and objectives.

In 2024, the board members delegated the responsibility for managing the Group's impacts on sustainability matters to managers of the relevant departments within DIGI Group, such as human resource, technical departments, legal departments, and an ESG Sustainability responsible person, who monitors the progress of collecting data and reporting sustainability topics.

Currently, DIGI Group has not yet established a formal governance framework in line with ESRS requirements for overseeing impacts, risks, and opportunities. There is no specific management-level position or committee formally assigned to this responsibility, nor a defined process for exercising oversight in this area.

In each department relevant to sustainability reporting, a designated person is responsible for monitoring and implementing specific sustainability tasks. These individuals are appointed by department managers in collaboration with the ESG responsible person, to ensure an organized and efficient framework for managing sustainability aspects.

Since we do not currently have a structured transition plan, we focus on specific actions aimed at mitigating risks and leveraging opportunities. Examples of activities are presented under each topical standard. These actions are directed toward departments that possess the relevant expertise in the respective fields. The environmental initiatives are managed by technical departments that have both the necessary knowledge and practical experience in this sector.

The Board of Directors, and the Management Team at DIGI Group review, periodically, various aspects of sustainability, with insights provided by the Group's operational management. These reviews help senior executives stay informed about the most significant impacts, risks, and opportunities related to sustainability, as well as the Group's progress toward its sustainability goals and ongoing sustainability initiatives. Through these discussions, management ensures it remains up to date and competent in sustainability matters. Additionally, any necessary follow-up actions or the need for external expertise are determined during these reviews. The topics covered in the 2024 meetings are detailed in Disclosure Requirement GOV-2. There are no additional specific controls or procedures in place related to sustainability matters.

Employees involved in sustainability reporting have undergone ESG training to enhance their understanding and ability to manage sustainability-related tasks effectively, also the process of collecting and reporting of sustainability aspects was supervised by external experts.

To ensure effective monitoring, results are reported monthly to board members, providing transparency on progress and the impact of the implemented actions.

The Board of Directors is responsible for reviewing and approving the information reported in the Sustainability Statement, including the Group's material sustainability topics.

The Board of Directors' performance evaluation process does not include KPIs related to the sustainability strategy.

1.2.2 Information provided to and sustainability matters addressed by the undertaking's administrative and management bodies

GOV-2

Although the detailed plans and policies regarding sustainability are still under development, administrative and management bodies are monthly informed about sustainability-related aspects or whenever it is requested. Specifically, the opportunities and risks associated with sustainability are assessed and included in the Group's strategic decisions through periodic updates. Currently, the Group is in the process of establishing a more structured framework for assessing these factors.

This process will involve monthly updates to the Board of Directors from the Senior Management team regarding material impacts, risks, opportunities, due diligence implementation, and the outcomes and effectiveness of policies, actions, metrics, and adopted targets. These bodies consider impacts, risks, and opportunities when overseeing the strategy, making decisions on major transactions, and managing risks. They also weigh the trade-offs associated with these factors. Given the structure of our organization, overarching targets are established by the Board of Directors.

The identification of material IROs (Impacts, Risks, and Opportunities) has been carried out in collaboration with department managers and supervisory bodies. This process starts with analyzing actions that arise from our core activities and assessing their positive or negative influence on operations. The decisions made before the reporting obligation aligned with the directive's requirements, and the decision to continue the implemented investments is in accordance with the IRO.

The company's business strategy is built on actions designed to mitigate negative effects and capitalize on positive impacts. The administrative and management bodies play a key role in overseeing this process, ensuring that sustainability-related IROs are effectively integrated into decision-making and business planning.

During the reporting period, the administrative and management bodies of DIGI Group, along with their relevant committees, were actively engaged in the identification and evaluation of material impacts, risks, and opportunities (IROs) as part of the Group's double materiality assessment and board-level interviews. This process covered a broad spectrum of sustainability topics, including climate-related risks (both physical and transition), workforce well-being and inclusion, customer privacy and data protection, digital inclusion, supply chain compliance, and energy efficiency.

Climate Change

Climate change adaptation, Energy

- **Impact**: Natural disasters affecting telecom infrastructure (Negative)
- **Risk**: Increased operational and energy costs due to climate transition (Negative)
- **Opportunity**: Investments in flexible networks for disaster recovery (Positive)

Circular Economy

Waste

- **Impact: E-waste generation and GHG emissions from equipment lifecycle (Negative)**

Own Workforce

Working conditions, Equal treatment and opportunities for all

- **Impact:**
    - Secure employment improving retention and productivity (Positive)
    - Work-life balance enhancing employee satisfaction (Positive)
    - Health and safety protocols reducing absenteeism and legal risks (Negative)
    - Workplace harassment prevention promoting fair environment (Mixed: Positive in design, risks if lacking → Negative)

Workers in the Value Chain

Working conditions, Skills development

- **Impact**: Secure employment standards promote economic stability (Positive)
- **Risk**: Poor training leading to low product/service quality (Negative)

Business Conduct

Whistle-blower protection, Corruption and bribery

- **Impact:**
    - Lack of whistle-blower mechanisms → unethical practices (Negative)
    - Corruption reduces trust in governance (Negative)
- **Risk:** Legal and reputational consequences due to non-compliance (Negative)

Consumers and End-users

Privacy, Access to information

- **Risk:** Poor data protection may result in legal risk and loss of trust (Negative)
- **Opportunity:** Quality journalism builds public trust and brand visibility (Positive)

Digital Security

Data protection and security

- **Impact:** Cyber incidents threaten customer data safety (Negative)
- **Opportunity:** Investments in security technology bolster resilience (Positive)

1.2.3 Integration of sustainability-related performance in incentive schemes

GOV-3

Our policy regarding incentive schemes and remuneration for members of the Board of Directors and our Senior management team is not linked to sustainability matters. The performance evaluation includes no specific sustainability-related targets and impacts. Sustainability-related performance metrics are not utilized as performance benchmarks and are not included in remuneration policies. DIGI Group does not integrate climate-related considerations into its remuneration strategies for members of its administrative and management bodies. Decisions regarding the terms of incentive schemes are approved and updated at Group level by the Board of Directors. Our compliance with the Disclosure Requirement aligns with the remuneration report outlined in articles 9a and 9b of Directive 2007/36/ EC on the exercise of certain rights of shareholders in listed companies.

1.3 Risk management and control systems

1.3.1 Statement on due diligence

GOV-4

The DIGI Group's sustainability due diligence process is still being developed, but future sustainability reporting will reflect its key aspects, such as identifying and assessing risks, implementing mitigation actions, and monitoring the effectiveness. Stakeholder engagement will also be highlighted as part of the due diligence process, ensuring a comprehensive approach in future reports.

Carry out supplier due diligence in line with the Anti-Bribery, Anti-Corruption and Business Ethics Policy, originally adopted in 2020.

In relation to affected stakeholder categories, we carry out a due diligence process for all new suppliers to ensure alignment with our ethical and compliance standards. And starting from 2025 we plan to formalize the code of conduct for suppliers and the procurement procedure where criteria for supplier selection and from a sustainability point of view are mentioned. We will engage suppliers through dedicated questionnaires to evaluate their compliance and sustainability performance.

	Core elements of due diligence	ESRS Disclosure	Chapter in the sustainability statement
a	Embedding due diligence in governance, strategy and business model	ESRS G1-3, ESRS G1-4	GOVERNANCE INFORMATION
b	Engaging with affected stakeholders in all key steps of the due diligence	ESRS S2-1 ESRS S1-2 ESRS S4-2	WORKERS IN THE VALUE CHAIN OWN WORKFORCE PROTECTION OF CONSUMERS AND END-USERS
c	Identifying and assessing adverse impacts	IRO1 SBM-3	ESRS 2
d	Taking actions to address those adverse impacts	-	-
e	Tracking the effectiveness of these efforts and communicating	-	-

1.3.2 Risk management and internal controls over sustainability reporting

GOV-5

In the corresponding sections of material topics, the main risks identified within the risk assessment performed are detailed in double materiality assessment. Currently, DIGI Group did not develop a risk management mechanism as part of the internal control system for sustainability reporting., although it is in the process to implement a risk management and internal control system to address these identified risks.

DIGI Group will apply a risk prioritization methodology to identify key sustainability risks, integrating findings into internal processes and governance.

In the next period we will develop the matrix of risks resulting from the double materiality analysis and will implement a risk management procedure for Digi Group.

At the time of reporting, the metrics disclosed by DIGI Group across all sustainability topics—including energy consumption, GHG emissions, climate risk assessments, workforce-related matters, and other ESG disclosures—have not been externally validated by an independent body other than the Group's statutory financial auditor and the designated assurance provider for sustainability reporting. All reported information has been subject to internal review processes and internal controls to ensure its consistency, reliability, and alignment with internal reporting standards.

1.4 Strategy

1.4.1 Strategy, business model and value chain

SBM 1

DIGI Group's market position depends on effective marketing initiatives and its ability to anticipate and respond to various competitive factors affecting the industry, including new services, pricing strategies by competitors, changes in consumer preferences and economic, political and social conditions in the markets where DIGI Group operates. Any failure to compete effectively or any inability to respond to, or effectively anticipate, consumer sentiment, including in terms of pricing of services, acquisition of new customers and retention of existing customers, could have a material adverse effect on our business, prospects, results of operations or financial condition.

DIGI Group entities do not currently operate in any ESRS-designated significant sectors. No significant changes were made to DIGI Group's products, services, or markets during the reporting period, and DIGI Group has not yet implemented a formal sustainability strategy.

According to ESRS Annex II, the value chain encompasses the entire range of activities, resources, and relationships related to a Group's business model and its external environment. This includes all key activities, resources, and partnerships the Group relies on to create its products or services, from the initial concept to delivery, consumption, and the end-of-life stage.

DIGI Group's approach has played a significant role in advancing digital connectivity across the markets it serves in Europe. By focusing on building a sustainable future for connectivity, the Group and its subsidiaries in Romania, Spain, Italy, Portugal and Belgium have consistently invested in infrastructure and new technologies. This approach helps empower communities, focuses on strong customer relationships, and ensures that their services are both accessible and reliable.

Currently, Digi Group did not implement any sustainability strategy as it is defined by the ESRS standard, although their objectives and strategic directions related to the business overall integrate also elements of Group's strategy that relate to or impact sustainability matters.

The upstream value chain involves DIGI's suppliers of goods and services, including national and international operators that provide the products and equipment essential to DIGI's operations.

DIGI Group's business depends on several key activities within its value chain, including:

Product/Service Development: Creating and refining their offerings, whether digital products, telecommunications services, or other tech-related solutions.

Procurement and Sourcing: Securing the necessary resources, technologies, and partnerships to deliver their products and services, often involving hardware, software, or digital infrastructure suppliers.

Distribution and Delivery: Ensuring their services or products are effectively delivered to customers, possibly through digital platforms, retail outlets, or service networks.

Sales and Marketing: Promoting and selling their services or products to a wide audience, including both direct sales and online marketing strategies.

Customer Support and Maintenance: Offering after-sales services, technical support, and maintenance to ensure a high level of customer satisfaction and loyalty.

Data and Network Infrastructure: As DIGI Group is involved in telecommunications and digital services, the group relies on robust data and network infrastructure to keep services running smoothly.

DIGI Group has assessed its current significant products, services, markets, and customer groups as part of its broader business strategy, recognizing their relevance to sustainability. Read more about Group significant products and services, and significant markets, see in section Business Overview

These activities form the backbone of DIGI Group's business and are crucial for its operations and overall value chain. The downstream value chain consists of the consumers and end users of the services DIGI provides. In mapping the Group's value chain, a clear distinction was made between the upstream section, which includes suppliers, and the related or supporting activities and services essential to DIGI's operations. This segmentation of value chain activities aligns with DIGI's core revenue-generating services, ensuring that all key activities are captured. By conducting this assessment, DIGI gains a deeper understanding of potential ESG risks and opportunities throughout the entire value chain, enabling more informed decision-making and supporting a more sustainable business model.

DIGI Group only covers the key value chains as it has multiple value chains. DIGI Group provides contextual information to users of its sustainability statement to understand the extent to which the disclosures contain upstream and/or downstream value chain information. DIGI Group has identified the key value chains in its operations and described their main features. Where applicable, DIGI Group provides a high-level overview of the entities in its value chain and their contribution to DIGI Group's performance and position, as well as their impact on value creation.

Region	Revenues (m EUR)
Romania	1,099
Spain	782
Portugal	12
Other	31.3
Total	**1,924.3**

	ROMANIA	SPAIN	ITALY	PORTUGAL	Total
Number of employees (Headcount)	13,599	9,385	284	1,180	**24,448**

The company does not generate revenue from fossil fuels (coal, oil, and gas), chemical products, controversial weapons, or tobacco cultivation and production. As such, these disclosures are not necessary.

The analysis of DIGI Group's value chain is essential for a deep and comprehensive understanding of it in order to identify material topics and Impacts, Risks, and Opportunities that manifest both within its own operations and outside of them

Below is a summary of the Group's value chain analysis, focusing on upstream, own, and downstream operations. The analysis of upstream operations specifically examined the following aspects:

First-Tier Operations (Direct Inputs):

- Network infrastructure components: fibre optics, 5G equipment, routers, and modems.
- Content acquisition: rights for TV shows, movies, sports, and other media content.
- Technology services: software platforms for billing, customer relationship management (CRM), and content distribution.
- Support services: cloud hosting, cybersecurity, and IT support.

- Devices and equipment: smartphones, set-top boxes, routers, and other customer-premises equipment (CPE).
- Transport services: logistics for delivering hardware and network equipment from suppliers.

Tier 2 and 3 Operations:
- Global technology providers supplying raw materials and advanced components for network hardware.

Tier 4 Operations and Beyond:
- Mineral sourcing for electronic components (e.g., cobalt for batteries) and environmental impacts of material extraction.
- International standards bodies influencing technological advancements and compatibility.

Regarding the Group's own operations, the following were analysed:
- **Infrastructure Development and Maintenance**: Deployment of telecom infrastructure: laying fibre-optic cables, building towers, and setting up data centres. Continuous network upgrades, including 5G rollouts and broadband enhancements.
- **Customer Service and Support**: Call centres, online chat, and self-service portals for technical support and billing inquiries. Service customization for enterprise customers (e.g., private networks or managed IT services).
- **Storage and Warehousing**: Warehousing for hardware products such as routers, modems, and set-top boxes.
- **Logistics and Transportation**: Delivery of devices and installation equipment to customers.
- **Repairs and Maintenance**: Technical support teams for field operations and on-site repairs. Maintenance of network infrastructure to ensure minimal downtime.

In terms of downstream operations, the following were analysed:
- **Partnerships**: Collaboration with local and international content providers. Technology partnerships with hardware and software providers.
- **Customers and End Users**: Retail customers: individuals subscribing to mobile, broadband, and media services. Enterprise customers: businesses using DIGI's network solutions, managed IT services, and media platforms. Advertisers utilizing DIGI's media channels for promotions.
- **Waste Management**: E-waste recycling and responsible disposal of obsolete network equipment. Eco-friendly packaging and distribution of customer devices.

Community impacts beyond activities key downstream factors include:
- **Job Opportunities**: Employment in technology development, customer service, network maintenance, and content production.
- **Economic Activity**: Stimulating local economies through infrastructure investments and partnership. Enabling digital transformation for small and medium-sized enterprises (SMEs).
- **Environmental Factors**: Responsible land use for network expansions. Water consumption during the production of electronic devices. Energy efficiency initiatives for data centres and network operations.
- **Public Health**: Enabling remote healthcare through broadband services. Supporting emergency services with reliable communication networks.

Throughout its value chain, the Group encounters various potential impacts, risks, and opportunities arising from regulatory challenges, cybersecurity threats, and competitive pressures. Increased transparency and strategic alignment, thereby contributing to the efficient management of risks and opportunities throughout the entire value chain.

Supply chain risks, such as disruptions and price fluctuations, can significantly impact DIGI group's operations as a telecommunications company. Disruptions may delay the delivery of essential components like mobile phones and network equipment, affecting service quality and customer satisfaction. Price fluctuations can increase costs, potentially leading to higher consumer prices and reduced profit margins.

DIGI group employs a strategic approach to gathering and securing inputs by diversifying its supplier base to reduce supply chain disruptions and price volatility risks. This includes establishing relationships with multiple vendors and enhancing logistical infrastructure to ensure consistent delivery of essential components like network equipment and mobile phones.

Furthermore, the Group allocates resources to market research and customer feedback initiatives (refer to the "Consumers and End-Users" section of this report) to gain deep insights into the needs of diverse customer segments. This approach supports the Group's strategy to broaden its revenue base beyond individual customer categories. In parallel, robust cybersecurity measures are in place to safeguard sensitive customer information and maintain operational resilience, thereby ensuring the quality and security of its telecommunications services.

1.4.2 Interests and views of stakeholders

SBM-2

DIGI Group continuously and actively engages with its stakeholders to ensure that their interests and views regarding sustainability matters are incorporated into its strategy and business model.

DIGI Group's stakeholders are individuals or organizations that influence or are impacted by its activities. The two main stakeholder groups for DIGI Group are their affected stakeholders and users of DIGI’s Sustainability Statement, who play a key role in shaping the company’s decisions and operations.

(a) Affected stakeholders: individuals or groups whose interests are or could be affected – positively or negatively – by DIGI Group's activities and its direct and indirect business relationships along its value chain

(b) Users of sustainability statements: the primary users of general-purpose financial reporting (existing and potential investors, lenders, and other creditors, including asset managers, credit institutions, insurance companies), as well as other users of sustainability statements, including the Group’s business partners, trade unions and social partners, civil society and non-governmental organizations, public administration, analysts, and academics.

For the financial year 2024, the Group carried out a process, at least annually, of identification and prioritization of stakeholders. Thus, the Group has identified several stakeholder groups that it constantly consults through tailored communication channels. Each stakeholder group was rated (on a scale of 1 to 10) by members of the sustainability working group. For each stakeholder group, their "Interest in the organization" and "Their influence on the organization" was assessed. Based on the marks awarded, a final average score was calculated, and a stakeholder priority scale was obtained.

For the 2024 sustainability reporting year, the group of stakeholders are as follows:

- Clients B2B and B2C (Affected)
- Employees (Affected)
- Management (Affected)
- Suppliers (strategic) (Affected)
- Professional associations (Affected)
- Shareholders (Users/ Affected)
- Public authorities (Users)
- Banks and insurers / Financial entities (Users)

Although not listed as a specific stakeholder group, local communities were taken into consideration. Consultation with the local community was done through the questionnaire posted on the digi.ro website. Due to the nature of DIGI’s business which is an actual network service to local communities, the stakeholder group is also included in clients B2C.

DIGI Group engaged in an external consultation with the identified stakeholders to determine which sustainability (ESG) aspects they consider most important in relation to DIGI Group's activities.

In addition to the process described above, the Group may engage with stakeholders at any time, as needed. DIGI also identified and engaged various stakeholder groups through multiple channels—such as surveys, designated email addresses for feedback and complaints, and both fixed and mobile communication lines.

The outcomes of our stakeholder engagement activities are systematically integrated into our strategy and business model, ensuring that DIGI Group's strategy remains responsive to and closely aligned with the evolving needs of our stakeholders.

The purpose of stakeholder engagement at DIGI Group is to foster open communication and collaboration, ensuring that diverse perspectives are integrated into the Group's sustainability strategies to drive mutual value and address the needs and expectations of all parties involved.

The Group's administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders concerning the Group's sustainability-related impacts. Critical concerns regarding their potential and actual negative impacts raised by their stakeholders through compliance mechanisms are presented to the CEO and Board of Directors as soon as they are received.

DIGI Group regularly reviews its business model and strategy to make sure they reflect the needs and expectations of its stakeholders. So far, no major changes have been made, but some improvements have been introduced—for example, stronger focus on customer satisfaction and more responsible supplier engagement. Starting in 2025, we plan to introduce a Supplier Code of Conduct and include sustainability criteria in how we select and work with suppliers. These steps are expected to build more trust with both customers and business partners. The company's leadership is kept informed about the views and interests of affected stakeholders through feedback from customers, employee surveys, internal reports, and the materiality assessment process, helping guide important decisions.

1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

This is the first year that DIGI Group reports according to the ESRS and conducts a double materiality assessment. Environmental, social and governance impacts, risks and opportunities were identified and assessed as part of the double materiality assessment within an internal workshop, top management interviews, external consultation and consultation with other relevant sources, such as consulting specialist literature and industry peers' reporting.

The link between the identified impacts and the associated risks and opportunities (IROs) are presented for each topic/sub-topic according to the ESRS, in section *Qualitative results of the IRO analysis*, but a detailed quantification of the anticipated financial effects in monetary terms has not been carried out, on medium and long term.

DIGI Group's operations have both negative and positive impacts on people and the environment. Negatively, activities can increase carbon emissions and lead to resource depletion, which harm the climate and ecosystems, while data breaches pose risks to consumer privacy, necessitating strong safeguarding measures. Positively, DIGI Group reduces its carbon footprint through renewable energy initiatives (e.g replacing the connection of mobile tower and data centers to electricity national network) and improves workforce conditions for better safety and satisfaction.

The company's strategy and business model acknowledge these impacts by progressively integrating sustainability into its operations. Efforts are being made to ensure that environmental and social aspects are considered in decision-making, contributing to positive developments while addressing potential adverse effects. DIGI Group is actively reviewing these factors to support the continuous improvement of its policies, actions, and objectives.

DIGI Group categorizes impacts determinate in double materiality assessment in conformity with ESRS requirements, as either

- positive or negative;
- actual or potential;
- short-, medium- and/or long term;
- Occur in DIGI Group's own operations or in the supply chain, upstream and downstream.

DIGI Group has identified that its material impacts, risks, and opportunities are primarily concentrated in downstream activities, particularly in customer-facing operations and service distribution channels across Romania, Spain, and Portugal, where the Group operates key infrastructure and engages with large volumes of end-users.

Furthermore, for each sustainability material topic there have been identified impact, risks and opportunities which were categorized to short, medium and/or long-term time horizon, defined the same way as the ESRS time horizons.

DIGI Group has identified several material impacts, risks, and opportunities that influence its strategy, operations, and value chain, including those related to data privacy, network reliability, digital inclusion, and energy efficiency. Although no major changes to the business model have been required to date, the Group has implemented targeted actions—such as enhancing cybersecurity measures, developing more energy-efficient infrastructure, and preparing a Supplier Code of Conduct—to better manage these issues and respond to stakeholder expectations.

Sustainability-related risks and opportunities currently have a moderate financial impact, particularly on operating costs and investment planning, with the most notable areas being energy procurement, compliance activities, and infrastructure upgrades. At present, no material risks have been identified that are expected to cause significant changes to the carrying amounts of assets or liabilities in the next reporting period.

During the reporting period, DIGI Group did not conduct a full qualitative resilience analysis of its business model against multiple climate scenarios. Instead, a Climate Risk and Vulnerability Assessment (CRVA) was performed, focusing on the identification of physical and transition risks across the Group's own operations.

Compared to the previous reporting period, the main evolution in material matters concerns the growing importance of the circular economy and supply chain compliance, which have now been newly assessed as significant and integrated into future planning.

1.5 Impact, risk and opportunity management.

1.5.1 Description of the process to identify and assess material impacts, risks and opportunities

IRO 1

Double materiality assessment is one of the key steps in the reporting process. It not only identifies the most significant ESG topics (environment, social and governance) for stakeholders, but also the substantial financial effect on the Group that a particular subject may have, considering the Group's business strategy, the impact of Group operations, the associated risks and opportunities, in accordance with the requirements of the CSRD's ESRS.

This procedure and reporting will be updated as necessary to align with all current and future EU regulatory requirements.

This procedure applies to DIGI Group at the group level, including all its member companies (subsidiaries, associates, and joint ventures) and their employees. The goal is to ensure that the entire group complies with the requirements for a double materiality assessment as mandated by the European Sustainability Reporting Standards (ESRS).

The implementation of a double materiality assessment at the group level, and its extension to all subsidiaries, associates, and joint ventures.

As part of the obligations derived from the transposition of the ESRS, DIGI Group prepared a double materiality assessment, following which the material topics from sustainability perspective have been identified. Furthermore, related impact, risks and opportunities have been presented. Materiality analysis is the process by which the Group determines the material aspects and related information to be reported in its Sustainability Statement. Making an objective assessment of materiality is central to sustainability reporting, which must include relevant and truthful information about all impacts, risks, and opportunities (IRO) on environmental, social and governance issues determined to be significant from the perspective of materiality of impact or the perspective of financial materiality, or from both perspectives. A subject is material if it meets the defined criteria for impact materiality OR financial materiality OR both.

The Group has carried out its materiality assessment by applying a combination of both:

(a) a top-down approach, where the assessment was conducted at the group level with input and engagement from subsidiaries to gather the necessary information; and/or

(b) a bottom-up approach, where assessments were first performed at the subsidiary level and then consolidated at the group level.

The assessment is not limited to the Group's own operations, as it also includes the upstream and downstream value chain. Once an impact, risk or opportunity has been identified as significant, DIGI Group refers to the requirements in the related ESRS to identify the relevant information to be considered for the disclosure in question. If the impact, risk or opportunity is not covered or insufficiently covered by the ESRS, a relevant presentation specific to the entity is prepared. Relevance is the criteria that support the identification of information to be disclosed. Relevance is based on the significance of the information in relation to the problem it describes or its decision-making utility.

DIGI Group have furthermore established a process to identify, assess, prioritize, and monitor risks and opportunities that have financial effects on DIGI Groups operations. The assessment also concentrated on identifying activities, partnerships, and locations within DIGI Group that contribute to or heighten the risk of adverse impacts. This process carefully examines the connections between The Group's impacts and dependencies of natural, human and social resources with the risks and opportunities that may arise from these impacts and dependencies. To ensure this process functions efficiently, the Group monitors and evaluates key risk indicators, engages with stakeholders, and integrates risk management into strategic decision-making. This approach allows the Group to proactively address potential challenges, leverage emerging opportunities, and enhance resilience in a dynamic business environment. Regular reviews and updates ensure that risk assessments remain aligned with evolving market conditions, regulatory changes, and sustainability considerations. When assessing financial materiality, we assess likelihood of occurrence and magnitude.

The Group identifies and assesses sustainability-related impacts, risks, and opportunities using a combination of quantitative thresholds and qualitative insights. Within this process, negative impacts are prioritized based on their relative severity and likelihood, in line with double materiality principles. While these are integrated into the broader risk management system, they are not ranked above other risk categories. Where applicable, positive impacts and opportunities are also considered, particularly when they support the Group's long-term strategic and sustainability objectives.

The Group's decision-making process is outlined in their Risk Management Framework, which incorporates a structured approach to identifying, assessing, and mitigating risks across all business functions, and our internal control procedures are detailed as a set of governance mechanisms, policies, and monitoring systems designed to ensure compliance, accountability, and effective risk mitigation.

Opportunities identified and assessed are integrated into overall management process through investment and innovation programs. Opportunities, such as transitioning to renewable energy or deploying green network technologies are evaluated through established investment approval processes, ensuring sustainability is factored into capital allocation.

For identification and assessment of impacts, risks, and opportunities, DIGI Group have used industry benchmarks, management and top management industry insights, stakeholder feedback, and market analyses while ensuring coverage of all business units, supply chain activities, and geographic regions where DIGI Group operates. Key assumptions include projected market trends, regulatory developments and potential shifts in consumer behavior, all of which are based on historical data and expert insights.

For the financial year 2024, the Group has updated (DIGI Group had previously reported under GRI) its material topics in accordance with the requirements of the European ESRS (according to the first set of ESRS, adopted on 31 July 2023), but has not omitted the characteristics of the industry in which it operates. The interests of stakeholders, the significant external economic, social and environmental impacts of the Group, the substantial financial impact on the Group that a particular subject may have, and the associated risks and opportunities, have been considered throughout the entire value chain.

The materiality analysis for the financial year 2024 consisted of a structured process, which involved:

- **May:** Conducted Preliminary Meetings to gain a more in depth understanding of the CSRD and ESRS and outlined the DMA and sustainability reporting steps.
- **June:** Hosted the First Workshop and conducted an Initial Evaluation of Important Reporting Objectives. Conducted Interviews with Top Management and began Collecting Responses from External Stakeholders.
- **August:** Continued Interviews with Top Management and collected additional External Stakeholder Responses. Held a Meeting with Top Management in Spain and conducted a Second Workshop focused on key department managers in Spain.
- **Subsequent Steps:** Conducted Departmental Meetings and finalized the Important Reporting Objectives.

Conclusion: Throughout this process, collaboration between key departments and the external consultant was essential for the successful implementation of the ESRS. The meetings and workshops held provided valuable opportunities for exchanging ideas, clarifying responsibilities, and aligning with reporting requirements. The results of the consultation and interviews are analyzed based on the final score of each material topic and summarized in IRO analysis presented below.

The results of the double materiality analysis are used in prioritizing the reported sustainability topics for each relevant topic. However, regardless of the outcome of the consultation and interviews, the Group reports the information required in the ESRS 2 and E1 – Climate Change standards. Furthermore, in the case of a potential negative human rights impact, the severity of the impact took precedence over its likelihood during the double materiality assessment.

The list of sustainability issues considered for the financial year 2024 at Group level is highlighted in the table below, with arguments for those sustainability issues that have been omitted:

List of sustainability topics considered for financial year 2024	Sub-topic	Comments
E1 Climate change	Climate change mitigation	**Material topic** - Topic identified as material - following the double materiality assessment carried out for DIGI Group.
	Climate change adaptation	**Material topic** - Topic identified as material - following the double materiality assessment carried out for DIGI Group.
	Energy	**Material topic** - Topic identified as material - following the double materiality assessment carried out for DIGI Group.
E2 Pollution	Pollution of air	**Not material** - DIGI activities have not produced incidents of air pollution. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Pollution of water	**Not material** - There have been no recorded incidents of water pollution resulting from DIGI Group's activities to date. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Pollution of soil	**Not material** - DIGI activities have not produced incidents of soil pollution. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Pollution of living organisms and food resources	**Not material** - the activity does not affect crops or other food sources

	Substances of concern	**Not material** - DIGI does not use substances of particular concern – i.e. substances considered dangerous. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Substances of very high concern	**Not material** - DIGI does not use substances of particular concern – i.e. substances considered very dangerous.
	Microplastics	**Not material** - DIGI does not use, trade or generate microplastics in its activity.
E3 Water and marine resources	Water	**Not material** - no significant amount of water consumption, withdrawals or discharges in the case of DIGI's activities. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Marine resources	**Not material** - no water from marine sources is used and no water is discharged into the ocean
E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	**Not material** - no biodiversity or ecosystem exploitation activities are carried out by DIGI. Furthermore, Digi has permits from authorities for activity in protected areas. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Impacts on the state of species	**Not material** - no such risks were identified in the authorization studies
	Impacts on the extent and condition of ecosystems	**Not material** - there is no direct activity on areas at risk of desertification
	Impacts and dependencies on ecosystem services	**Not material** - the activity is not associated with the footprint in protected areas
E5 – Resource use and circular economy	Resources inflows, including resource use	**Not material** - following the final IRO analysis. This includes consultation of external stakeholders, DIGI management and DIGI top management as well as consultation on sector specific literature and an analysis of industry peers' material topics. Furthermore, no material impact in the supply chain, downstream or upstream, could be identified.
	Resource outflows related to products and services	
	Waste	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
ESRS S1 – Own workforce	Working conditions	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Equal treatment and opportunities for all	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Other work-related rights	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.

ESRS S2 – Workers in the value chain	Working conditions.	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Equal treatment and opportunities for all.	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Other work-related rights.	**Not material** – not the subject of the DIGI activity. Moreover, during the second workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
ESRS S3 – Affected communities	Communities' economic, social and cultural rights	**Not material** – not the subject of the DIGI activity. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Communities' civil and political rights	**Not material** – not relevant to DIGI's activity. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
	Rights of indigenous peoples	**Not material** – not material to the activity. There are no indigenous populations in Romania. Moreover, during the workshop no material impact in the supply chain, downstream or upstream, could be identified. Our main suppliers are rated by reputable organizations such as Eco Vadis, Sustainalytics and CDP on their ESG performance.
ESRS S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Personal safety of consumers and/or end-users	**Not material** - following the final IRO analysis. This includes consultation of external stakeholders, DIGI management and DIGI top management as well as consultation on sector specific literature and an analysis of industry peers' material topics. Furthermore, no material impact in the supply chain, downstream or upstream, could be identified.
	Social inclusion of consumers and/or end-users	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
ESRS G1 – Business Conduct	Corporate culture	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Protection of whistle-blowers	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
	Animal welfare	**Not material** - Not applicable as DIGI does not conduct animal experiments
	Political engagement and lobbying activities	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.

	Management of relationships with suppliers including payment practices	**Not material** - following the final IRO analysis. This includes consultation of external stakeholders, DIGI management and DIGI top management as well as consultation on sector specific literature and an analysis of industry peers' material topics. Furthermore, no material impact in the supply chain, downstream or upstream, could be identified.
	Corruption and bribery	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.
Additional topic 1 – Digital security	Data protection	**Topic identified as material** - following the double materiality assessment carried out for DIGI Group.

Qualitative results of the IRO analysis are presented below:

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive /Negative	Actual / Potential	Risk type	Timeframe	Upstream	Own Operations	Downstream
Climate change	Climate change adaptation		Impact	Natural disasters like wildfires, floods, or extreme weather events (e.g., heatwaves, hurricanes) can damage telecom infrastructure, causing frequent service interruptions and operational challenges due to high temperatures, as it resulted from climate risk and vulnerability assessment	NEGATIVE	Actual		Short	☑	☑	☑
Climate change	Climate change mitigation		Impact	Rising costs due to green technology investments, limited access to materials, and compliance with evolving regulations may increase service prices and strain supply chains, while also raising potential environmental concerns.	NEGATIVE	Potential		Long	☑	☑	☑
Climate change	Energy		Impact	Increased energy use for cooling telecom equipment and reliance on fossil fuel-powered energy grids contribute to higher carbon emissions and air pollution, exacerbating environmental issues like ozone layer depletion.	NEGATIVE	Actual		Short	☑	☑	☑

Circular economy	Waste		Impact	At the end of its life cycle, equipment generates significant electronic waste, which requires proper disposal to prevent pollution, while the production and transportation of such equipment contribute to greenhouse gas emissions, exacerbating climate change and air pollution.	NEGATIVE	Actual	Short	☑	☑	☑
Own workforce	Working conditions	Secure employment	Impact	Providing secure employment ensures economic stability for workers, enhancing job satisfaction and fostering a loyal workforce, which can lead to higher productivity and reduced turnover.	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Working time	Impact	Efficient time management prevents burnout and maintains work-life balance, boosting productivity and efficiency. Overworking, however, can cause health issues, reducing effectiveness and increasing turnover.	POSITIVE	Actual	Short	☒	☑	☒

Own workforce	Working conditions	Adequate wages	Impact	Offering stable employment guarantees workers' financial security, improves job happiness, and cultivates a devoted workforce—all of which can result in increased productivity and lower employee turnover.	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Work-life balance	Impact	Promoting a healthy work-life balance leads to increased job satisfaction, higher productivity, and employee retention.	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Health and safety	Impact	Implementing strong health and safety measures ensures employee well-being, reducing workplace accidents and promoting a more productive workforce.	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact	Ensuring gender equality and equal pay for work of equal value is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE	Actual	Short	☒	☑	☒

Own workforce	Equal treatment and opportunities for all	Diversity	Impact	Promoting diversity is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Training and skills development	Impact	Offering training is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE	Actual	Short	☒	☑	☒

Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Impact	Combating workplace harassment and taking action against violence in workplaces are essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Impact	Including persons with disabilities is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE	Actual	Short	☒	☑	☒
Own workforce	Other work related rights	Privacy	Impact	Respecting privacy – Protecting employee data is crucial in telecom. Breaches can cause mistrust, anxiety, and legal risks.	POSITIVE	Actual	Short	☒	☑	☒

Own workforce	Other work related rights	Adequate housing	Impact	Providing adequate housing – Safe housing for field workers boosts well-being and productivity. Poor conditions harm health and morale.	POSITIVE	Actual	Short	☒	☑	☒
Workers in the value chain	Working conditions.	Secure employment	Impact	Supporting measures for secure employment in the value chain promotes economic stability, reduces poverty, and fosters long-term, ensures diversity and aligns with international labor standards, ethical relationships between companies and suppliers.	POSITIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Working conditions.	Adequate wages	Impact	Supporting measures for a fair wage in the value chain promotes economic stability, reduces poverty, and fosters long-term, ensures diversity and aligns with international labor standards, ethical relationships between companies and suppliers.	POSITIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Working conditions.	Working time	Impact	Effective management of working conditions, including fair working hours, gender equality, and privacy protection within the value chain, ensures healthier, more productive labor, reduces gender inequality, and fosters trust.	POSITIVE	Actual	Short	☑	☒	☑

Workers in the value chain	Working conditions.	Health and safety	Impact	Prioritizing workplace safety measures ensures the health and safety of employees.	POSITIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Impact	Investing in training and skills development empowers employees to excel in their roles.	POSITIVE	Actual	Short	☑	☒	☑
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Impact	Ensuring privacy protection safeguards individuals' rights and builds trust in the organization.	POSITIVE	Actual	Short	☒	☒	☑
Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Impact	The company's media platforms separate facts from opinions, ensuring accurate public information. Freedom of expression allows diverse viewpoints.	POSITIVE	Actual	Short	☒	☒	☑
Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information	Impact	Diversity of opinions. The company’s tv, radio, and telecom platforms makes a clear distinction between informational journalism and opinion journalism. As a rule, our journalists provide information, not opinions. this way, the public is not misled.	POSITIVE	Actual	Short	☒	☒	☑

Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Impact	Ensuring access to products and services for all consumers, including vulnerable populations such as low-income individuals, people with disabilities, or those living in remote areas, is crucial for promoting digital inclusion.	POSITIVE	Actual	Short	☒	☒	☑
Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Impact	Guaranteeing access to products and services enhances digital inclusion and accessibility.	POSITIVE	Actual	Short	☒	☒	☑
Business conduct	Corporate culture		Impact	A culture that values social responsibility can positively impact the workforce and local communities by ensuring fair labor practices, fostering employee well-being, and supporting local economies through ethical supply chain management.	POSITIVE	Actual	Short	☑	☑	☑
Business conduct	Protection of whistle-blowers		Impact	In the absence of a whistle-blower protection mechanism, companies may experience increased unethical business practices.	NEGATIVE	Actual	Short	☑	☑	☑
Business conduct	Political engagement and lobbying activities		Impact	The company maintains a strict apolitical stance and does not engage in political lobbying or support any political parties.	POSITIVE	Actual	Short	☑	☑	☑

Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corruption and bribery undermine public trust in both corporations and government institutions, leading to societal cynicism and diminishing confidence in public and private sectors.	NEGATIVE	Actual	Short	☑	☑	☑
Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corruption can result in environmental harm through the circumvention of regulations, while also distorting market competition, harming ethical businesses, and contributing to increased poverty and economic instability in affected regions.	NEGATIVE	Actual	Short	☑	☑	☑
Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corrupt practices can exacerbate social inequalities by limiting access to essential resources and services, particularly in underserved communities, thereby prioritizing wealthier regions over disadvantaged populations.	NEGATIVE	Actual	Short	☑	☑	☑
Additional topic 1 – digital security	Data protection		Impact	Data security incidents or accidents pose significant risks, as customers depend on the company to provide secure services and protect their data.	NEGATIVE	Actual	Short	☑	☑	☑

Own workforce	Working conditions	Secure employment	Impact	Providing secure employment ensures economic stability for workers, enhancing job satisfaction and fostering a loyal workforce, which can lead to higher productivity and reduced turnover. However, instability or job insecurity can result in decreased morale, leading to higher absenteeism and potential loss of talent.	NEGATIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Working time	Impact	Inefficient time management contributes to burnout and disrupts work-life balance, reducing productivity and efficiency. Overworking exacerbates health issues, diminishing employee effectiveness and increasing turnover.	NEGATIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Adequate wages	Impact	Failing to provide stable employment jeopardizes workers' financial security, decreases job satisfaction, and fosters a disengaged workforce—leading to lower productivity and higher employee turnover.	NEGATIVE	Actual	Short	☒	☑	☒

Own workforce	Working conditions	Work-life balance	Impact	Promoting a healthy work-life balance leads to increased job satisfaction, higher productivity, and employee retention. Failing to support this balance can result in employee burnout, reduced efficiency, and a negative workplace atmosphere.	NEGATIVE	Actual	Short	☒	☑	☒
Own workforce	Working conditions	Health and safety	Impact	Strong health and safety measures enhance employee well-being, reduce accidents, and boost productivity. Poor protocols risk injuries, absenteeism, legal issues, and reputational damage.	NEGATIVE	Actual	Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact	Ensuring gender equality – Promoting equal pay and workplace fairness boosts morale, reduces turnover, and enhances productivity. Ignoring pay gaps can foster inequality and dissatisfaction, especially in closely regulated markets.	NEGATIVE	Actual	Short	☒	☑	☒

Own workforce	Equal treatment and opportunities for all	Diversity	Impact	Promoting diversity – A diverse workforce enhances decision-making and market reach. Lack of diversity may limit connections with multicultural customer bases, affecting competitiveness.	NEGATIVE	Actual		Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Training and skills development	Impact	Providing training and skills development – Continuous training keeps employees adaptable in a fast-changing telecom industry. Neglecting it leads to skill gaps and hampers innovation.	NEGATIVE	Actual		Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Impact	Effective measures against violence and harassment – Ensuring a safe workplace improves employee well-being and productivity. Without safeguards, a toxic culture can harm reputation and efficiency.	NEGATIVE	Actual		Short	☒	☑	☒
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Impact	Employment and inclusion of persons with disabilities – A diverse workforce aligns with EU regulations and enhances innovation. Exclusion limits perspectives and social responsibility.	NEGATIVE	Actual		Short	☒	☑	☒

Own workforce	Other work related rights	Privacy	Impact	Respecting privacy: Protecting employee data is vital in telecom, where handling sensitive information is inherent. Breaches or misuse can erode trust, cause anxiety, and lead to legal consequences.	NEGATIVE	Actual	Short	☒	☑	☒
Own workforce	Other work related rights	Adequate housing	Impact	Providing adequate housing for field workers supports well-being and productivity. Poor conditions can harm health and morale, especially in remote network expansion projects.	NEGATIVE	Actual	Short	☒	☑	☒
Workers in the value chain	Working conditions.	Secure employment	Impact	Secure employment in the value chain supports economic stability and fair labor, reducing poverty. Insecurity can lead to worker exploitation and inequality in supplier regions.	NEGATIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Working conditions.	Adequate wages	Impact	Fair wages for value chain workers support stability and strong supplier relationships, while inadequate pay risks poverty, exploitation, and unrest.	NEGATIVE	Actual	Short	☑	☒	☑

Workers in the value chain	Working conditions.	Working time	Impact	Poor management of working conditions, including a lack of fair working hours, insufficient gender equality, and inadequate privacy protection within the value chain, can lead to decreased labor productivity, exacerbate gender inequality, and harm trust among employees and stakeholders. These shortcomings negatively impact overall working conditions, creating an environment of dissatisfaction and inefficiency.	NEGATIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Working conditions.	Health and safety	Impact	Health and safety – Strong safety measures prevent workplace accidents, especially in high-risk industries. Lack of protocols increases injury risks.	NEGATIVE	Actual	Short	☑	☒	☑
Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Impact	Supporting training and skills development – Investing in training improves supplier capabilities and service quality. Without it, unskilled labor lowers efficiency.	NEGATIVE	Actual	Short	☑	☒	☑

Climate change	Climate change adaptation	Risk	Increased Costs and Investment in Resilience: Rising energy costs, higher operating expenses from carbon taxes, and adaptation costs for resilient infrastructure are driving up financial demands to maintain profitability.	Transition	Short
Climate change	Climate change adaptation	Risk	Supplier and Equipment Challenges: Compliance with stricter environmental standards for suppliers, higher costs for energy-efficient equipment, and investment in green tech may increase expenses and reduce flexibility in sourcing.	Transition	Short
Climate change	Climate change adaptation	Risk	Financial risk: Increased costs for more efficient cooling systems and heat protection solutions may impact the company's profitability.	Physical	Short
Climate change	Climate change adaptation	Risk	Exposure to increased UV radiation: Ozone layer depletion raises UV levels, which can accelerate the degradation of materials used in telecommunications equipment, such as cables, antennas, and other external components.	Physical	Short

Climate change	Energy		Risk	Infrastructure vulnerability: In the event of extreme weather, such as floods or storms, the physical infrastructure of telecom networks (antennas, base stations, data centers) can be damaged, leading to service interruptions and repair costs	Physical	Short
Climate change	Energy		Risk	Increased costs: Extreme weather and rising temperatures demand higher investments in infrastructure, maintenance, and cooling.	Physical	Short
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Risk	Poor work-life balance, inadequate health and safety, or lack of inclusion for persons with disabilities can hurt the company’s reputation, reduce its attractiveness as an employer, and lead to legal risks, especially under EU regulations.		Short
Workers in the value chain	Working conditions.	Health and safety	Risk	Non-compliant suppliers risk delays from accidents or legal issues, hindering network rollouts and operations.		Short
Workers in the value chain	Working conditions.	Adequate wages	Risk	Reputational and Compliance Risks from Poor Working Conditions and Wages in Supply Chain		Short

Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Risk	A lack of training and skills development in the supply chain can result in poor-quality products or services, leading to potential delays and increased costs for the company, particularly in highly technical industries like telecom.	Short
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Risk	Inadequate protection of personal data can lead to legal consequences and loss of consumer trust, particularly in regions with strict data regulations, driving customers to seek more secure alternatives.	Short
Business conduct	Corruption and bribery	Prevention and detection including training	Risk	Legal consequences are a significant risk, as many countries have strict anti-bribery and anti-corruption laws, also corruption can lead to poor decision-making	Short
Data protection	Data protection		Risk	Risk of losing all customer data as a result of cyber-attacks	Short
Climate change	Climate change adaptation		Opportunity	Building flexible mobile networks and investing in technology can strengthen telecommunications for disaster recovery.	Short

Climate change	Energy	Opportunity	Environmental Sustainability Initiatives: Using renewable energy in data centers and telecom infrastructure, along with recycling programs for equipment, can reduce costs, protect the environment, and improve the company's reputation.	Short
Climate change	Energy	Opportunity	Remote Work and Digital Solutions: Encouraging remote work and expanding online services can reduce commuting emissions and support communities while improving internet access.	Short
Circular economy	Waste	Opportunity	Engaging in environmental restoration projects, launching educational campaigns for consumers, and investing in durable equipment can enhance the company’s reputation while minimizing environmental impact.	Short
Circular economy	Waste	Opportunity	Utilizing advanced technologies, implementing resource-efficient solutions, and partnering with suppliers that provide recycling programs can reduce costs and minimize environmental impact.	Short

Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information	Opportunity	By promoting fact-based, well-researched journalism on its TV and radio platforms, the company can increase viewership and become a reliable source of information for the public.	Short
Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Opportunity	Focusing on personal safety, increasing access to products in underserved areas, and working with regulators to meet accessibility standards can boost the company's social responsibility and open new markets.	Short
Additional topic 1 – digital security			Opportunity	Investments in researching for information security	Short

1.5.2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

IRO-2

Information on the management of DIGI Group's significant impacts, risks and opportunities is provided in each specific chapter of the thematic ESRS and is correlated together with the minimum disclosure requirements regarding the policies, actions and targets established at the Group level.

The presentation requirements for this report are included in the table below.

Table ESRS 2_IRO-2_AR 19 – to be edited once final

#	Standard	Cross-cutting / Topic	Disclosure Requirement	Reporting Area	Designation of the DRs	Data Point	Page
1	ESRS 2	General disclosures	BP-1	General	General basis for preparation of the sustainability statement	5 (a); 5 (b) i.; 5 (b) ii.; 5 (c); 5 (d); 5 (e)	2
2	ESRS 2	General disclosures	BP-2	General	General basis for preparation of the sustainability statement Disclosures in relation to specific circumstances Disclosures in relation to specific circumstances - Time horizons Disclosures in relation to specific circumstances - Value chain estimation Disclosures in relation to specific circumstances - Sources of estimation and outcome uncertainty Disclosures in relation to specific circumstances - Changes in preparation or presentation of sustainability information Disclosures in relation to specific circumstances -	9 (a); 9 (b); 10 (a); 10 (b); 10 (c); 10 (d); 11 (a); 11 (b) i.; 11 (b) ii.; 13 (a); 13 (b); 13 (c); 14 (a); 14 (b); 14 (c); 15; 16; 17 (a); 17 (b); 17 (c); 17 (d); 17 (e)	4

					Reporting errors in prior periods Disclosures in relation to specific circumstances - Disclosures stemming from other legislation or generally accepted sustainability reporting		
3	ESRS 2	General disclosures	GOV-1	Governance (GOV)	The role of the administrative and management bodies	19; 20 (a); 20 (b); 20 (c); 21 (a); 21 (b); 21 (c); 21 (d); 21 (e); 22 (a); 22 (b); 22 (c) i.; 22 (c) ii.; 22 (c) iii.; 22 (d); 23 (a); 23 (b)	5
4	ESRS 2	General disclosures	GOV-2	Governance (GOV)	Information provided to and sustainability matters addressed by the undertaking's administrative and management bodies	26 (a); 26 (b); 26 (c)	7
5	ESRS 2	General disclosures	GOV-3	Governance (GOV)	Integration of sustainability-related performance in incentive schemes	29 (a); 29 (b); 29 (c); 29 (d); 29 (e)	8
6	ESRS 2	General disclosures	GOV-4	Governance (GOV)	Risk management and control systems: Description of the due diligence on sustainability matters	30; 31; 32	8
7	ESRS 2	General disclosures	GOV-5	Governance (GOV)	Risk management and internal controls over sustainability reporting	34; 35; 36 (a); 36 (b); 36 (c); 36 (d);	8
8	ESRS 2	General disclosures	SBM-1	Strategy (SBM)	Strategy, business model and value chain	38; 39; 40 (a) i.; 40 (a) ii.; 40 (a) iii.;); 40 (f); 40 (g); 42 (a); 42 (b); 42 (c)	9
9	ESRS 2	General disclosures	SBM-2	Strategy (SBM)	Interests and views of stakeholders	43; 44; 45 (a) i.; 45 (a) ii.; 45 (a) iii.; 45 (a) iv.; 45 (a) v.; 45 (b); 45 (c) i.; 45 (c) ii.; 45 (c) iii.; 45 (d)	12

10	ESRS 2	General disclosures	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	46; 47; 48 (a); 48 (b); 48 (c) i.; 48 (c) ii.; 48 (c) iii.; 48 (c) iv.; 48 (d); i.; 48 (e) ii.; 48 (f); 48 (g); 49	13
11	ESRS 2	General disclosures	IRO-1	Impact, risk and opportunity management (IRO)	Disclosures on the materiality assessment process	51; 52; 53 (a); 53 (b) i.; 53 (b) ii.; 53 (b) iii.; 53 (b) iv.; 53 (c) i.; 53 (c) ii.; 53 (c) iii.; 53 (d); 53 (e); 53 (f); 53 (g); 53 (h)	14
12	ESRS 2	General disclosures	IRO-2	Impact, risk and opportunity management (IRO)	Disclosure requirements in ESRS covered by the undertaking's sustainability	56; 59	34
13	ESRS 2	General disclosures	MDR-P	Minimum disclosure requirements on policies and actions	Policies adopted to manage material sustainability matters	63; 64; 65 (a); 65 (b); 65 (c); 65 (d); 65 (e); 65 (f)	43
14	ESRS 2	General disclosures	MDR-A	Minimum disclosure requirements on policies and actions	Actions and resources in relation to material sustainability matters	66; 67; 68 (a); 68 (b); 68 (c); 68 (d); 68 (e); 69 (a); 69 (b); 69 (c)	43
15	ESRS 2	General disclosures	MDR-M	Metrics and targets (MT)	Metrics in relation to material sustainability matters	75; 76;77 (a); 77 (b); 77 (c); 77 (d)	43
16	ESRS 2	General disclosures	MDR-T	Metrics and targets (MT)	Tracking effectiveness of policies and actions through targets	80 (a); 80 (b); 80 (c); 80 (d); 80 (e); 80 (f); 80 (g); 80 (h); 80 (i); 80 (j); 81 (a) ; 81 (b) i.; 81 (b) ii.	44
17	ESRS E1	Climate change	GOV-3	Governance (GOV)	Strategic orientation and concepts for climate protection: Percentage of remuneration recognized that is linked to climate related considerations	13	61
18	ESRS E1	Climate change	E1-1	Strategy (SBM)	Transition plan	14; 16g; 17	61

19	ESRS E1	Climate change	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	18; 19 (a); 19 (b); 19 (c)	61
20	ESRS E1	Climate change	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	20 (a); 20 (b) i.; 20 (b) ii.; 20 (c) i.; 20 (c) ii.; 21	61
21	ESRS E1	Climate change	E1-2	Impact, risk and opportunity management (IRO)	Policies	22; 25 (b); 25(c);	67
22	ESRS E1	Climate change	E1-3	Impact, risk and opportunity management (IRO)	Actions	26;	67
23	ESRS E1	Climate change	E1-4	Metrics and targets (MT)	Targets	30; 31; 32; 33; 34 (a); 34 (b); 34 (c); 34 (d); 34 (e); 34 (f)	67
24	ESRS E1	Climate change	E1-5	Metrics and targets (MT)	Energy and emissions: Energy consumption and mix	35; 36; 37 (a); 37 (b); 37 (c) i.; 37 (c) ii.; 37 (c) iii.; 38 (a); 38 (b); 38 (c); 38 (d); 38 (e); 39; 40; 41; 42; 43	68
25	ESRS E1	Climate change	E1-6	Metrics and targets (MT)	Gross Scopes 1, 2, 3 and Total GHG emissions GHG Intensity based on net revenue	44 (a); 44 (b); 44 (c); 44 (d); 45 (a); 45 (b); 45 (c); 45 (d); 46; 47; 48 (a); 48 (b); 49 (a); 49 (b); 50 (a); 50 (b); 51; 52 (a); 52 (b); 53; 54; 55	69
50	ESRS E5	Resource use and circular economy	IRO-1	Impact, risk and opportunity management (IRO)	Concepts and measures related to resource use and circular economy: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	11 (a); 11 (b)	74

51	ESRS E5	Resource use and circular economy	E5-1	Impact, risk and opportunity management (IRO)	Policies	12; 13; 14; 15 (a); 15 (b); 16	75
52	ESRS E5	Resource use and circular economy	E5-2	Impact, risk and opportunity management (IRO)	Actions	17; 18;	76
55	ESRS E5	Resource use and circular economy	E5-5	Metrics and targets (MT)	Waste	33; 34 (a); 34 (b); 35; 36 (a); 36 (b); 36 (c); 37 (a); 37 (b) i; 37 (b) ii; 37 (b) iii; 37 (c) i; 37 (c) ii; 7 (c) iii; 37 (d); 8 (a); 38 (b); 39; 40	77
57	ESRS S1	Own Workforce	SBM-2	Strategy (SBM)	Interests and views of stakeholders	12	80
58	ESRS S1	Own Workforce	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	13 (a); 13 (b); 14 (a); 14 (b); 14 (c); 14 (d); 14 (e); 14 (f) i.; 14 (f) ii.; 14 (g) i.; 14 (g) ii.; 15; 16	80
59	ESRS S1	Own Workforce	S1-1	Impact, risk and opportunity management (IRO)	Policies	17; 18; 19; 20 (a); 20 (b); 20 (c); 21; 22; 23; 24 (a); 24 (b); 24 (c); 24 (d)	84
60	ESRS S1	Own Workforce	S1-2	Impact, risk and opportunity management (IRO)	Processes for engaging with own workforce and workers' representatives about impacts	25; 26; 27 (a); 27 (b); 27 (c); 27 (d); 27 (e); 28; 29	86
61	ESRS S1	Own Workforce	S1-3	Impact, risk and opportunity management (IRO)	Processes to remediate negative impacts and channels for own workers to raise concerns	30; 31; 32 (a); 32 (b); 32 (c); 32 (d); 32 (e); 33; 34	87
62	ESRS S1	Own Workforce	S1-4	Impact, risk and opportunity management (IRO)	Actions	35; 36 (a); 36 (b); 37; 38 (a); 38 (b); 38 (c); 38 (d); 39; 40 (a); 40 (b); 41; 42; 43	88
63	ESRS S1	Own Workforce	S1-5	Metrics and targets (MT)	Targets	51	90

64	ESRS S1	Own Workforce	S1-6	Metrics and targets (MT)	Characteristics of the Undertaking's Employees	48; 49; 50 (a); 50 (b) i.; 50 (b) ii.; 50 (b) iii.; 50 (c); 50 (d) i.; 50 (d) ii.; 50 (e); 50 (f); 51; 52 (a); 52 (b)	90	
67	ESRS S1	Own Workforce	S1-9	Metrics and targets (MT)	Diversity metrics	64; 65; 66 (a); 66 (b)	92	
68	ESRS S1	Own Workforce	S1-10	Metrics and targets (MT)	Adequate wages	67; 68; 69; 70; 71	93	
69	ESRS S1	Own Workforce	S1-11	Metrics and targets (MT)	Social protection	72; 73; 74 (a); 74 (b); 74 (c); 74 (d); 74 (e); 75; 76	93	
70	ESRS S1	Own Workforce	S1-12	Metrics and targets (MT)	Persons with disabilities	77; 78; 79; 80	93	
71	ESRS S1	Own Workforce	S1-13	Metrics and targets (MT)	Training and skills development for own workforce	81; 82; 83 (a); 83 (b); 84; 85	94	
72	ESRS S1	Own Workforce	S1-14	Metrics and targets (MT)	Health and safety	86; 87; 88 (a); 88 (b); 88 (c); 88 (d); 88 (e); 89; 90	96	
73	ESRS S1	Own Workforce	S1-15	Metrics and targets (MT)	Work-life balance	91; 92; 93 (a); 93 (b); 94	96	
74	ESRS S1	Own Workforce	S1-16	Metrics and targets (MT)	Remuneration metrics (pay gap and total remuneration)	95; 96; 97 (a); 97 (b); 97 (c); 98; 99	97	
75	ESRS S1	Own Workforce	S1-17	Metrics and targets (MT)	Incidents, complaints and severe human rights impacts	100; 101; 102; 103 (a); 103 (b); 103 (c); 103 (d); (a); 104 (b)	97	
76	ESRS S2	Workers in the value chain	SBM-2	Strategy (SBM)	Interests and views of stakeholders	9	98	
77	ESRS S2	Workers in the value chain	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	(a) i.; 10 (a) ii.; 10 (b); 11 (a) i.; 11 (a) ii.; 11 (a) iii.; 11 (a) iv.; (a) v.; 11 (b); 11 (c); 11 (d); 11 (e); 12; 13	98	
78	ESRS S2	Workers in the value chain	S2-1	Impact, risk and opportunity management (IRO)	Policies	14; 15; 16; 17 (a); 17 (b); 17 (c); 18; 19	100	
79	ESRS S2	Workers in the value chain	S2-2	Impact, risk and opportunity management (IRO)	Processes for engaging with value chain workers about impacts	24	101	

80	ESRS S2	Workers in the value chain	S2-3	Impact, risk and opportunity management (IRO)	Processes to remediate negative impacts and channels for value chain workers to raise concerns	25; 26; 27 (a); 27 (b); 27 (c); 27 (d); 28;	101
81	ESRS S2	Workers in the value chain	S2-4	Impact, risk and opportunity management (IRO)	Actions	36	101
90	ESRS S4	Consumers and end-users	SBM-2	Strategy (SBM)	Interests and views of stakeholders	8	102
91	ESRS S4	Consumers and end-users	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	9 (a); 9 (b); 10 (a) i.; 10 (a) ii.; 10 (a) iii.; 10 (a) iv.; 10 (b); 10 (c); 10 (d); 11; 12	102
92	ESRS S4	Consumers and end-users	S4-1	Impact, risk and opportunity management (IRO)	Policies	13; 14; 15; 16 (a); 16 (b); 16 (c); 17	105
93	ESRS S4	Consumers and end-users	S4-2	Impact, risk and opportunity management (IRO)	Processes for engaging with consumers and end-users about impacts	18; 19; 20 (a); 20 (b); 20 (c); 20 (d); 21; 22	106
94	ESRS S4	Consumers and end-users	S4-3	Impact, risk and opportunity management (IRO)	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	23; 24; 25 (a); 25 (b); 25 (c); 25 (d); 26; 27	106
95	ESRS S4	Consumers and end-users	S4-4	Impact, risk and opportunity management (IRO)	Actions	28; 29 (a); 29 (b); 30; 31 (a); 31 (b); 31 (c); 31 (d); 32 (a); 32 (b); 32 (c); 33 (a); 33 (b); 34; 35; 36; 37	107
96	ESRS S4	Consumers and end-users	S4-5	Metrics and targets (MT)	Targets	40; 41 (a); 41 (b); 41 (c)	107
97	ESRS G1	Business Conduct	GOV-1	Governance (GOV)	The role of the administrative, management and supervisory bodies	5 (a); 5 (b)	111
98	ESRS G1	Business Conduct	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material impacts, risks and opportunities	6	111

99	ESRS G1	Business Conduct	G1-1	Impact, risk and opportunity management (IRO)	Business conduct policies and corporate culture	7; 8; 9; 10 (a); 10 (b); 10 (c) i.; 10 (c) ii.;; 10 (g); 10 (h);	113
101	ESRS G1	Business Conduct	G1-3	Impact, risk and opportunity management (IRO)	Prevention and detection of corruption and bribery	16; 17; 18 (a); 18 (b); 18 (c); 19; 20; 21 (a); 21 (b); 21 (c)	115
102	ESRS G1	Business Conduct	G1-4	Impact, risk and opportunity management (IRO)	Incidents of corruption or bribery	24 a; 24 b	118
103	ESRS G1	Business Conduct	G1-5	Impact, risk and opportunity management (IRO)	Political influence and lobbying activities	29 a; 29 b;29 b I;29 c;29 d;30	118

DIGI Group recognizes the interdependency between impacts on people and the environment, as well as the risks and opportunities they present. As such, the Group has implemented policies that cover several material sustainability matters, including matters addressed by more than one topical ESRS.

DIGI Group is working to establish a baseline for assessing progress against the impacts, risks, and opportunities that underpin the materiality of this matter.

1.6 Minimum disclosure requirements on policies and actions

1.6.1 Policies adopted to manage material sustainability matters

Policies MDR-P

Material topics are managed by DIGI Group through a series of policies and actions to prevent, mitigate and remedy actual and potential significant impacts, address significant risks and/or pursue significant opportunities. These are included in DIGI Group's management systems, which ensure not only compliance with legal requirements, but also alignment with international best practices.

Not all ESRS material topics have policies and actions in place to help mitigate negative impacts. If there are no adopted policies or actions, the time frame in which DIGI Group intends to adopt them is presented in the reports material ESRS sections.

1.6.2 Actions and resources in relation to material sustainability matters

Actions MDR-A

Actions required for each relevant ESRS topic are presented in the respective report sections, when applicable. It is specified whether the implementation of an action plan requires significant operational expenditure (OPEX) and/or significant capital expenditure (CAPEX) in the Taxonomy report, where the amount of current financial resources is provided and explain how they relate to the most relevant values presented in the financial statements. See section *EU Taxonomy Regulation: Disclosure pursuant to Article 8 of Regulation 2020/852* for more details regarding green activities carried out by DIGI Group during financial year 2024.

1.7 Metrics and targets

1.7.1 Metrics in relation to material sustainability matters

MDR-M

Indicators and targets for each relevant ESRS topic are presented in the respective ESRS report sections. If indicators and targets are not adopted, the reasons why they have not been adopted and the time frame in which DIGI Group intends to adopt them shall be presented in the sections of the report related to the ESRS topic.

The indicators are also presented in the section of the report - ESRS disclosure requirements covered by the enterprise sustainability statement - which centralizes the material topics, disclosure requirements and material data points related to the material topic and indicators that DIGI Group uses to assess performance and effectiveness in matters of significant impact, risk, or opportunity.

1.7.2 Tracking the effectiveness of policies and actions through targets

MDR-T

DIGI Group monitors the effectiveness of its actions in addressing significant impacts, risks and opportunities, through annual performance monitoring and reporting in the Sustainability Statement, including performance on the indicators it uses for this purpose presented in the report's section - Disclosure requirements of ESRS covered by the corporate sustainability statement. Where the group does not monitor the effectiveness of its actions, this will be noted in the relevant sections of the report.

Below, DIGI Group has included a list of all datapoints that derive from other EU legislation as listed in Appendix B of ESRS 2.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation:

Disclosure Requirement and related datapoint	**Description**	**SFDR (23) reference**	**Pillar 3 (24) reference**	**Benchmark Regulation (25) reference**	**EU Climate Law (26) reference**
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	☒	☒	☑	☒
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)	☒	☒	☑	☒
ESRS 2 GOV-4	Statement on due diligence paragraph 30	☒	☒	☒	☒
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	☒	☒	☒	☒
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	☒	☒	☒	☒
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	☒	☒	☒	☒
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	☒	☒	☒	☒
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14	☒	☒	☒	☑
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	☒	☒	☑	☒
ESRS E1-4	GHG emission reduction targets paragraph 34	☒	☒	☑	☒
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	☒	☒	☒	☒
ESRS E1-5	Energy consumption and mix paragraph 37	☒	☒	☒	☒
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	☒	☒	☒	☒

ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	☒	☒	☑	☒
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	☒	☒	☑	☒
ESRS E1-7	GHG removals and carbon credits paragraph 56	☒	☒	☒	☑
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	☒	☒	☑	☒
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	☒	☒	☒	☒
ESRS E1-9	Location of significant assets at material physical risk paragraph 66 (c).	☒	☒	☒	☒
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	☒	☒	☒	☒
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities paragraph 69	☒	☒	☑	☒
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	☒	☒	☒	☒
ESRS E3-1	Water and marine resources paragraph 9	☒	☒	☒	☒
ESRS E3-1	Dedicated policy paragraph 13	☒	☒	☒	☒
ESRS E3-1	Sustainable oceans and seas paragraph 14	☒	☒	☒	☒
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	☒	☒	☒	☒
ESRS E3-4	Total water consumption in m 3 per net revenue on own operations paragraph 29	☒	☒	☒	☒
ESRS 2- SBM 3	E4 paragraph 16 (a) i	☒	☒	☒	☒
ESRS 2- SBM 3	E4 paragraph 16 (b)	☒	☒	☒	☒

ESRS 2- SBM 3	E4 paragraph 16 (c)	☒	☒	☒	☒
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	☒	☒	☒	☒
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	☒	☒	☒	☒
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	☒	☒	☒	☒
ESRS E5-5	Non-recycled waste paragraph 37 (d)	☒	☒	☒	☒
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	☒	☒	☒	☒
ESRS 2- SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	☒	☒	☒	☒
ESRS 2- SBM3 - S1	Risk of incidents of child labour paragraph 14 (g)	☒	☒	☒	☒
ESRS S1-1	Human rights policy commitments paragraph 20	☒	☒	☒	☒
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	☒	☒	☑	☒
ESRS S1-1	processes and measures for preventing trafficking in human beings paragraph 22	☒	☒	☒	☒
ESRS S1-1	workplace accident prevention policy or management system paragraph 23	☒	☒	☒	☒
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c)	☒	☒	☒	☒
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	☒	☒	☑	☒
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	☒	☒	☒	☒
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	☒	☒	☑	☒

ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	☒	☒	☒	☒
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	☒	☒	☒	☒
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	☒	☒	☑	☒
ESRS 2- SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	☒	☒	☒	☒
ESRS S2-1	Human rights policy commitments paragraph 17	☒	☒	☒	☒
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	☒	☒	☑	☒
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19	☒	☒	☑	☒
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	☒	☒	☒	☒
ESRS S3-1	Human rights policy commitments paragraph 16	☒	☒	☒	☒
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	☒	☒	☑	☒
ESRS S3-4	Human rights issues and incidents paragraph 36	☒	☒	☒	☒
ESRS S4-1	Policies related to consumers and end-users paragraph 16	☒	☒	☒	☒
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	☒	☒	☑	☒
ESRS S4-4	Human rights issues and incidents paragraph 35	☒	☒	☒	☒

ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	☒	☒	☒	☒
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	☒	☒	☒	☒
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	☒	☒	☑	☒
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	☒	☒	☒	☒

2. EU TAXONOMY

This report presents information pursuant to art. 8 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy Regulation") and is to be included in DIGI Communications N.V.'s (hereinafter "DIGI Group") Sustainability Statement for financial year 2024. An overview of the eligible economic activities to the EU Taxonomy carried out by DIGI Group during the financial year January 1, 2024 - December 31, 2024, is provided.

The information complies with the reporting requirements under art. 8 of the EU Taxonomy Regulation and its supplementing acts: Delegated Regulation (EU) 2021/2178 (*Disclosure Delegated Act*) Delegated Regulation (EU) 2021/2139 *(Climate Delegated Act)*, Delegated Regulation (EU) 2022/1214 *(Complementary Climate Delegated Act)*, Delegated Regulation (EU) 2023/2485 and Delegated Regulation (EU) 2023/2486 *(Environmental Delegated Act)*.

ARTICLE 8 of the EU Taxonomy REGULATION

The Taxonomy regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050, in line with EU targets, as Taxonomy is a classification system for sustainable economic activities.

According to art. 8 of the EU Taxonomy Regulation, non-financial undertakings must include in their Sustainability Statements the following information:

- the proportion of turnover derived from products or services associated with environmentally sustainable economic activities.
- the proportion of capital expenditures (CapEx) and operating expenditures (OpEx) related to assets or processes associated to environmentally sustainable economic activities.

An economic activity is considered Taxonomy eligible if it is described in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), of Article 14 paragraph (2) and Article 15 paragraph (2) of Regulation (EU) 2020/852, regardless of whether the respective economic activity meets all the technical screening criteria provided for in the respective delegated acts.

To qualify as environmentally sustainable or "aligned," eligible economic activities must, cumulatively meet the conditions outlined in art. 3 of the EU Taxonomy Regulation:

- contribute substantially to one or more of the six environmental objectives.
- do not significantly harm any of the environmental objectives.
- comply with the minimum social safeguards.
- comply with the applicable technical screening criteria.

The following sections present Digi Group's analysis for reporting specific information on its economic activities during the 2024 financial year (January 1 – December 31, 2024) in compliance with art. 8 of the EU Taxonomy Regulation. For this reporting period, Digi Group must disclose the proportion of eligibility and alignment of its economic activities, emphasizing their contribution to the six environmental objectives: *Climate Change Mitigation (CCM), Climate Change Adaptation (CCA), Water and Marine Resources (WTR), Circular Economy (CE), Pollution Prevention and Control (PPC), Biodiversity and ecosystems (BIO).*

General presentation

The following figures represent the consolidated financial data of DIGI Group, which includes DIGI Romania, DIGI Spain, DIGI Portugal, and DIGI Italy.

Proportion of taxonomy-eligible, aligned, and non-eligible economic activities in total Turnover, CapEx and OpEx – Financial Year 2024				
Consolidated amounts	**Total (m EUR)**	**Proportion of eligible economic activities (%)**	**Proportion of aligned economic activities (%)**	**Proportion of non-eligible economic activities (%)**
Turnover	1,924.3	19.3%	-	80.7%
Capital expenditure (CapEx)	1,070.6	57.2%	-	42.8%
Operating expenditure (OpEx)	893.0	29.6%	-	70.4%

Description of activity

DIGI Group is a leading European telecommunications provider specializing in regionally focused solutions and recognized by its high number of revenue-generating units (RGUs). The company is a major telecommunications service provider in Romania and Spain, with operations also extending to Italy, Portugal, and Belgium[4]

For over 30 years, DIGI has been a key driver of digitalization and market development in the regions it serves, ensuring accessible connectivity for European consumers. Throughout this time, DIGI and its subsidiaries in Romania, Spain, Italy, and Portugal have fostered a sustainable vision for the future of connectivity. This commitment is reflected in continuous investments in infrastructure and cutting-edge technologies, enabling individuals, delivering high-quality services at competitive prices, and prioritizing customer care and community engagement.

Assessment in determining the eligibility of the economic activities

To identify eligible activities performed by DIGI, we conducted a comprehensive assessment of all relevant activities and compared them with the descriptions of economic activities/products listed in Annexes I and II of the Climate Delegated Act (including its amendments) and Annexes I, II, III, and IV of the Environmental Delegated Act.

The sections below outline the economic activities we have identified as eligible for each of the three financial KPIs:

TURNOVER

In 2024, DIGI Group reported a total turnover of **1,924.3 million EUR**, with **19.3%** derived from the following eligible economic activities:

- **Production of electricity from renewable sources** conducted by DIGI Group under NACE code D35.11, can be associated with Activity *4.1 – Electricity generation using solar photovoltaic technology*, as outlined in Annex I of the Climate Delegated Act. This activity is an enabling activity that substantially contributes to the environmental objective of Climate Change Mitigation. Production of electricity generated 5.4 million EUR, representing **0.3%** from the total turnover.
- **Radio broadcasting and audio distribution activity** conducted by DIGI Group under NACE code J60.10 is associated with Activity *8.3 - Programming and broadcasting activities*, listed in Annex II of the Climate Delegated Act. This activity is classified as an adapted-enabling* activity that substantially contributes to the environmental objective of Climate Change Adaptation and generated 349.2 million EUR, representing **18.1%** from the total turnover.
- **Motion picture, video and television programme production activities** conducted by DIGI Group under NACE code J59.11 are associated with Activity *13.3 – Motion picture, video and television programme production, sound recording and music publishing activities*, listed in Annex II of the Climate Delegated Act. This activity is classified as an adapted-enabling* activity that substantially contributes to the environmental objective of Climate Change Adaptation and generated 16.4 million EUR, representing **0.9%** from the total turnover.

*Note: According to the EU Taxonomy Regulation and in line with Commission Notices 2022/C 385/01 (FAQ #5) and C/2023/305 (FAQs #18 and #19), adapted-enabling activities can make a substantial contribution to Climate Change Adaptation either by adapting themselves to contribute directly to the objective or by enabling other activities to contribute to Climate Change Adaptation. In order to become "adapted", these activities must comply with the generic criteria for substantial contribution to Climate Change Adaptation set out in Annex II to the Climate Delegated Act. According to the substantial contribution criteria, a Climate Risk and Vulnerability Assessment should be conducted to identify physical climate risks that are material to the activity. Additionally, physical and non-physical solutions ("adaptation solutions") should be implemented to substantially reduce the most significant physical climate risks that are material to that activity.

In 2024, DIGI Group conducted a Climate Risk and Vulnerability Assessment covering its operations in Romania,

4 DIGI Belgium was not in scope for eligibility and alignment to EU Taxonomy for financial year 2024.

Spain, Italy, and Portugal. According to the conclusions of these assessments, no significant climate risks or vulnerabilities were identified. Therefore, no adaptation plan was required to comply with the abovementioned requirements.

According to the Climate Delegated Act and the interpretation provided by the European Commission in the Commission notice published on February 2nd, 2022, activities 8.3 and 13.3 are classified as adapted-enabling activities. As stated in the response to FAQ no. 5 in the mentioned document, adapted-enabling activities may qualify for eligibility if a climate risk and vulnerability assessment (CRVA) has been conducted.

Digi Group did not carry out the required CRVA as at 31.12.2023. In 2024, DIGI Group conducted a Climate Risk and Vulnerability Assessment covering its operations in Romania, Spain, Italy, and Portugal. Therefore, these activities have not been considered as eligible in 2023 but are considered eligible in 2024.

CAPITAL EXPENDITURE (CapEx)

According to point 1.1.2.1 of Annex I of the Disclosure Delegated Act, the CapEx *denominator* shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The *denominator* shall also cover additions to tangible and intangible assets resulting from business combinations. CapEx *numerator* includes the following categories of CapEx:

- **Type A** includes capital expenditures that are associated with assets or processes eligible or aligned with the EU Taxonomy.
- **Type B** includes capital expenditures associated with a CapEx Plan aimed at expanding Taxonomy-aligned economic activities or transitioning eligible activities to become aligned with the EU Taxonomy.
- **Type C** includes capital expenditures related to the purchase of output (products or services) from Taxonomy-aligned economic activities or individual measures enabling the transition to low-carbon processes or contribute to greenhouse gas reductions.

The total capital expenditure recorded by DIGI Group in the 2024 financial year amounted to **1,070.6 million EUR**, of which **57.2%** was allocated to expenditures in Taxonomy-eligible economic activities, as follows:

— *Type A CapEx:*

- **Expansion of electricity generation capacities from renewable sources** – this investment represents **1.1%** of the total capital expenditures and falls under enabling Activity *CCM 4.1 - Electricity generation using solar photovoltaic technology*, as outlined in Annex I of Climate Delegated Act.
- **Investments in the development and expansion of broadcasting activities** represent **44.1%** of the total capital expenditures and fall under Activity *CCA 8.3 - Programming and broadcasting activities*, as listed in Annex II of the Climate Delegated Act.
- **Investments in the television programme production activities** represent **5.3%** of the total capital expenditures and fall under Activity *CCA 13.3 – Motion picture, video and television programme production, sound recording and music publishing activities*, as listed in Annex II of the Climate Delegated Act.

— *Type C CapEx:*

- **Purchasing of M1 passenger cars and N1 light commercial vehicles** represent **2.9%** of the total capital expenditures and fall under Activity *CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles*, as listed in Annex I of the Climate Delegated Act.

  Note: In 2023, vehicle acquisitions and operational costs for the vehicle fleet were initially classified under Activity *6.6 – Freight transport services by road*. However, a reassessment of the vehicle types used for recurring operations revealed that their mass is below 2,610 kg. Consequently, both capital expenditures (CapEx) and operational expenditures (OpEx) have been reclassified under Activity *6.5 – Transport by motorbikes, passenger cars, and light commercial vehicles*.
- **The building renovation activities carried out by DIGI Group** accounted for **0.2%** of total capital expenditures. This activity can make a substantial contribution to 2 environmental objectives: Climate Change Mitigation (CCM 7.2) and Transition to a Circular Economy (CE 3.2), but considering the nature and purpose of the work performed, it is deemed to make a substantial contribution to the environmental objective of *Transition to a Circular Economy* (Activity 3.2 – Renovation of existing buildings, as outlined in Annex II of Delegated Act 2023/2486).
- **The acquisition and management of real estate assets** accounted for **3.7%** of total capital expenditures. These investments are associated with the Activity *CCM 7.7 Acquisition and ownership of buildings*, as listed in Annex I of the Climate Delegated Act.

OPERATING EXPENDITURE (OpEx)

According to point 1.1.3.1 of Annex I of Delegated Act 2021/2178, the denominator of operating expenses includes direct non-capitalized costs related to research and development, building renovation measures, short-term leasing contracts, maintenance and repairs, as well as other direct expenses necessary for the ongoing maintenance of tangible assets by the company or the third party to which these activities are outsourced, necessary to ensure the continuous and effective operation of these assets.

The OpEx numerator represents the portion of operating expenditures within the denominator that aligns with Taxonomy criteria. It includes:

- **Type A** includes expenditures related to Taxonomy-eligible or aligned assets or processes, including training, human resources adaptation, and research & development costs.
- **Type B** includes costs associated with a CapEx plan aimed at expanding Taxonomy-aligned activities or transitioning eligible activities to alignment within a predefined timeframe.
- **Type C** includes expenses for purchasing output from Taxonomy-aligned activities and individual measures that support low-carbon transitions, greenhouse gas reductions, or building renovations.

To identify the operating expenses corresponding to these criteria, an analysis of the financial statements was conducted, based both on the provisions of the Delegated Act 2021/2178 and subsequent Communications from the European Commission, specifically 2022/C 385/01 (FAQ #12) and C/2023/305 (FAQ #34). Thus, the denominator value determined from the total operating expenses amounted to **893.0 million EUR** of which **29.6%** was allocated to expenditures in Taxonomy-eligible economic activities, as follows:

— *Type A OpEx:*

- **Expenditure associated with the broadcasting activities** represent **26.5%** of the total operating expenditures and fall under Activity *CCA 8.3 - Programming and broadcasting activities*, as listed in Annex II of the Climate Delegated Act.
- **Expenditure associated with the television programme production activities** represent **0.4%** of the total capital expenditures and fall under Activity *CCA 13.3 – Motion picture, video and television programme production, sound recording and music publishing activities*, as listed in Annex II of the Climate Delegated Act.

— *Type C OpEx:*

- **Expenditures related to the operation of passenger and light commercial vehicle fleet** represent **1.5%** of the total operating expenditures and fall under Activity *CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles*, as listed in Annex I of the Climate Delegated Act.
- **Expenditure related to building renovation activities** accounted for **1.2%** of total operating expenditures and fall under the Activity *CE 3.2 - Renovation of existing buildings*, as outlined in Annex II of Delegated Act 2023/2486.

EU Taxonomy alignment assessment

To be considered environmentally sustainable or EU Taxonomy “aligned”, eligible activities should contribute substantially to one or more of the six environmental objectives, do not significantly harm any of the environmental objectives and comply with the minimum social safeguards.

The assessment of eligible economic activities to determine the proportion of alignment was conducted for activities that significantly contribute to Climate Change Mitigation, Climate Change Adaptation and Transition to a Circular Economy, against the technical screening criteria for substantial contribution and “do not significant harm”, as outlined in both Climate and Environmental Delegated Acts. Additionally, the evaluation considered four key areas related to minimum social safeguards: human rights, anti-corruption, taxation, and fair competition practices.

According to the internal assessment conducted, it was determined that the applicable technical screening criteria for substantial contribution or “do not significant harm” are not fully met for the following activities: *CCM 4.1 – Electricity generation using solar photovoltaic technology, CCM 6.5 – Transport by motorbikes, passenger cars, and light commercial vehicles, CE 3.2 - Renovation of existing buildings* and *CCM 7.7 – Acquisition and ownership of buildings.*

Considering that the activities *8.3 – Programming and broadcasting activities* and *13.3 – Motion picture, video, and television programme production, sound recording, and music publishing activities* listed in Annex II of the Climate Delegated Act are classified as adapted-enabling activities, they can make a substantial contribution to Climate Change Adaptation either by adapting themselves to contribute directly to the objective or by enabling other activities to contribute to Climate Change Adaptation.

In order to claim eligibility and potential alignment of these activities with the EU Taxonomy, DIGI Group conducted a Climate Risk and Vulnerability assessment for its operations in Romania, Spain, Italy and Portugal. According to the conclusions of these assessments, no significant climate risks or vulnerabilities were identified.

Our internal assessment against the requirements for Minimum Social Safeguards, revealed that the following required policies are currently not in place or have not been implemented at the Group level:

- A Human Rights Background Check Process to identify, prevent, and mitigate human rights impacts across operations and supply chains.
- A Complaints Mechanism, ensuring access to legal rights, including action in court.
- A comprehensive Tax Risk Management Policy.
- A Labor Practices Policy encompassing the Labor Code and the Collective Labor Agreement.
- A robust Health and Safety Policy to ensure safe working conditions.

DIGI Group is committed to implementing the necessary policies and procedures in its operations in the near future to ensure full alignment with the Minimum Social Safeguards in the upcoming reporting periods.

Key Performance Indicators ('KPI'): Turnover, CapEx and OpEx.

For the 2024 financial year, the eligibility and alignment of economic activities must be disclosed for the three KPIs. The proportion of eligibility and alignment of economic activities was determined in accordance with the provisions of the Disclosure Delegated Act No. 2021/2178, as follows:

TURNOVER

Definition - The share of taxonomy-eligible/aligned economic activities in our total turnover was calculated as the share of net turnover derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by net turnover (denominator), in EUR million, in each case for the financial year 2024.

The net turnover is disclosed within the *Notes to the Consolidated Financial Statements - Note 26*, totaling **1,924.3 EUR million.**

CAPITAL EXPENDITURE (CapEx)

Definition - The CAPEX KPI is defined as taxonomy-eligible CAPEX (numerator) divided by total CAPEX for the financial year 2024.

The denominator used in calculating the Capex KPI comprises additions to tangible assets, investment property, right-of-use assets, and intangible assets recorded during the financial year, prior to accounting for depreciation, amortization, or any subsequent remeasurements. It also includes additions resulting from asset revaluations, impairments, and business combinations.

These include additions and business combinations related to property, plant, and equipment *(Notes to the Consolidated Financial Statements - Note 5)*, investment property *(Notes to the Consolidated Financial Statements - Note 7)*, and intangible assets excluding goodwill *(Notes to the Consolidated Financial Statements - Note 8).*

OPERATING EXPENDITURE (OpEx)

Definition: The OpEx KPI measures the share of taxonomy-eligible or taxonomy-aligned operating expenditures (numerator) in relation to the total operating expenditures (denominator).

The relevant non-capitalized expenses included in the OpEx component, relate exclusively to the salaries and social security contributions of maintenance and technical support teams. They also include maintenance and repair, services performed by third parties.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

Financial year 2024		**2024**		**Substantial contribution criteria**						**DNSH criteria ("Do not cause significant harm")**									
Economic activities (1)	Codes (2)	Turnover (3)	Proportion of Turnover year 2024 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change Mitigation (11)	Climate change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Million EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation using solar photovoltaic technology	**CCM 4.**1 /CCA 4.1	5.4	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.12%		
Programming and broadcasting activities	CCA 8.3	349.2	18.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	16.4	0.9%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**371.0**	**19.3%**	**0.3%**	**19.0%**	**0%**	**0%**	**0%**	**0%**								**0.12%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**371.0**	**19.3%**	**0.3%**	**19.0%**	**0%**	**0%**	**0%**	**0%**								**0.12%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy on-eligible activities		**1,553.3**	**80.7%**																
Total (A + B)		**1,924.3**	**100%**																

The reference to letters (b), (c) and (f) is available at:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486

	Proportion of CapEx/Total CapEx	
	Taxonomy - aligned per objective	**Taxonomy - eligible per objective**
CCM	0%	**0.3%**
CCA	0%	**19.0%**
WTR	0%	0.0%
CE	0%	0.0%
PPC	0%	0.0%
BIO	0%	0.0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

Financial year 2024	**2024**			**Substantial contribution criteria**						**DNSH criteria ("Do not cause significant harm")**									
Economic activities (1)	**Codes (2)**	**CapEx (3)**	**Proportion of CapEx year 2024 (4)**	**Climate change Mitigation (5)**	**Climate change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate change Mitigation (11)**	**Climate change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)**	**Category enabling activity (19)**	**Category Transitional activity (20)**
		Million EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation using solar photovoltaic technology	**CCM 4.1**/ CCA 4.1	11.3	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.1%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/ CCA 6.5	30.7	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.1%		
Renovation of existing buildings	CCM 7.2/**CE 3.2**	2.0	0.2%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Acquisition and ownership of buildings	CCM 7.7	40.0	3.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.5%		
Programming and broadcasting activities	CCA 8.3	471.9	44.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	56.5	5.3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**612.5**	**57.2%**	**7.7%**	**49.4%**	**0%**	**0%**	**0.2%**	**0%**								**5.2%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**612.5**	**57.2%**	**7.7%**	**49.4%**	**0%**	**0%**	**0.2%**	**0%**								**5.2%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		**458.2**	**42.8%**																
Total (A + B)		**1,070.6**	**100%**																

The reference to letters (b), (c) and (f) is available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486

		Proportion of CapEx/Total CapEx
	Taxonomy - aligned per objective	**Taxonomy - eligible per objective**
CCM	0%	**7.7%**
CCA	0%	**49.4%**
WTR	0%	0.0%
CE	0%	**0.2%**
PPC	0%	0.0%
BIO	0%	0.0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities.

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ("Do not cause significant harm")									
Economic activities (1)	**Codes (2)**	**OpEx (3)**	**Proportion of OpEx (4)**	**Climate change Mitigation (5)**	**Climate change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate change Mitigation (11)**	**Climate change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)**	**Category enabling activity (19)**	**C t**
		Million EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/ CCA 6.5	13.7	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Renovation of existing buildings	CCM 7.2/ CCA 7.2/**CE 3.2**	10.4	1.2%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.9%		
Programming and broadcasting activities	CCA 8.3	236.4	26.5%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	3.8	0.4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**264.2**	**29.6%**	**1.5%**	**26.9%**	**0%**	**0%**	**1.2%**	**0%**								**2.2%**		
A. OpEx of Taxonomy		**264.2**	**29.6%**	**1.5%**	**26.9%**	**0%**	**0%**	**1.2%**	**0%**								**2.2%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy on-eligible activities		**628.7**	**70.4%**																
Total (A + B)		**893.0**	**100.0%**																

The reference to letters (b), (c) and (f) is available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486

	Proportion of OpEx/Total OpEx	
	Taxonomy - aligned per objective	**Taxonomy - eligible per objective**
CCM	0%	**1.5%**
CCA	0%	**26.9%**
WTR	0%	0.0%
CE	0%	**1.2%**
PPC	0%	0.0%
BIO	0%	0.0%

DIGI Communications is not engaged in any activities related to nuclear or fossil gas.

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Considering that DIGI doesn't perform any nuclear and fossil gas related activities, the additional tables provided in Annex III to the Delegated Act no. 1214/2022 were not applicable.

3. CLIMATE CHANGE

ESRS E1

3.1 Strategic orientation and concepts for climate protection

3.1.1 Integration of sustainability-related performance in incentive schemes

ESRS GOV-3

For the reporting year 2024, there were no climate/sustainability considerations in the remuneration of DIGI Group's management members. There is no percentage of remuneration recognized in the reporting period that is linked to climate considerations.

3.1.2 Transition plan for climate change mitigation

E1-1

Currently, DIGI Group does not have a transition plan aimed at mitigating climate change in accordance with the Paris Agreement's climate neutrality goals, nor have any OpEx and CapEx been allocated within an action plan. Additionally, there are no GHG emission reduction targets or key performance indicators related to taxonomy-aligned capital expenditures in place. DIGI Group currently does not have a Transition Plan. Although, the Group is in the evaluation phase of the process. Our goal is to settle a plan starting 2026.

The Group is not excluded from the EU Paris-aligned Benchmarks. This accords with the exclusion criteria set out in Articles 12.1 (d) to (g) and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation). Thus, our transition plan will be embedded in and aligned with our overall business strategy and financial planning. Also, our transition plan will be approved by management structures.

3.1.3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM 3, IRO-1

Recognizing the physical risks of climate change

For the financial year 2024, a climate risk and vulnerability assessment were developed at the group level, which was updated for the financial year 2024. The purpose of the analysis was to understand the current and future situation of the risk factors that may affect DIGI Group activity.

For the DIGI Group, this assessment was carried out using climate projections within a series of future scenarios, in accordance with the expected lifetime of the activity, in the present case, of 25 years.

Future scenarios included several Representative Concentration Pathways (RCPs) established by the Intergovernmental Panel on Climate Change (IPCC), namely **RCP2.6** (the lowest in terms of radiative forcing among the four representative concentration pathways)**, RCP4.5** (Representative Concentration Pathway 4.5 is a scenario that stabilizes radiative forcing at 4.5 Watts per meter squared in the year 2100 without ever exceeding that value), **RCP6.0** (uses a high greenhouse gas emission rate and is a stabilisation scenario where total radiative forcing is stabilised after 2100 by employment of a range of technologies and strategies for reducing greenhouse gas emissions) and **RCP8.5** (refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square meter across the planet. The RCP 8.5 pathway delivers a temperature increase of about 4.3˚C by 2100, relative to pre-industrial temperatures). These trajectories describe different future climate scenarios, all of which are considered possible based on the volume of greenhouse gases (GHG) in the coming years.

The **two primary types of climate risks are**: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change. Transition risks – regulatory, market, technology, and reputational risks – relate to the challenges of transitioning to a low-carbon (or zero-carbon) economy. Physical risks are related to the direct impact of climate change on activity and can be event driven (acute) or longer-term shifts (chronic) in climate patterns.

In the analysis, **climate risks and vulnerabilities were evaluated and structured according to the probability and intensity of the impact**. The vulnerabilities of the Group were determined by analyzing the following two aspects:

1) Sensitivity - how sensitive are the components of DIGI's activity, infrastructure, products, or services that could be affected by external factors such as climate hazards
2) Exposure - the likelihood that these hazards will occur at the location now and in the future.

These two aspects can be evaluated, in detail, separately or together. Depending on the location of the branches, some of the specific climate hazards may be considered relevant or not in terms of sensitivity analysis.

Based on the physical risks (acute or chronic) defined by TCFD, those climate risks that can affect the performance of DIGI Group's economic activity over its anticipated lifespan were identified.

In general, **Romania, Spain, Italy and Portugal** are vulnerable to a number of natural climatic and geological hazards: floods, landslides, hurricanes, droughts, extreme temperatures, as well as earthquakes. Given that climate change contributes to increased disaster risk, disaster risk management becomes a vital and urgent component.

The physical climate risk variables and hazards that were included in the climate vulnerability studies conducted are:

- Flooding/Cloud breaks – Acute
- Forest fires – Acute
- Thunderstorms – Acute
- Landslides/Earthquakes – Acute
- Estimated sea level rise – Chronic
- Changes in average precipitation, soil moisture and air humidity – Chronic
- Droughts – Acute
- Heatwaves – Acute

Due to the geographical characteristics of each country analysed (Romania, Spain, Italy and Portugal), as well as climate projections, these **climate risks were assessed as medium vulnerability risks.** While some countermeasures are already in place, more details at E1-5 section, there are multiple opportunities for development in order to combat the increasingly worrying forecasts of the future climate.

Climatic vulnerability was assessed by considering both the exposure and sensitivity of DIGI Group's activities and locations to a number of climate risks. **The most notable climate risks concluded through the study** were flooding, droughts, heatwaves, and forest fires.

DIGI Romania – climate vulnerability assessment summary

VULNERABILITY ANALYSIS				
Indicative table on vulnerability:		**Exposure (current + future climate)**		
		High	**Medium**	**Low**
Sensitivity (Highest for the four themes)	**High**			
	Medium		Floods, Cloudbursts, Storms, Drought and heatwaves, Wildfires, Changes in average precipitation soil moisture, and air humidity	Landslides, Earthquakes, Projected Sea level rise
	Low			

Vulnerability levels:

low	medium	high

DIGI Spain – climate vulnerability assessment summary

VULNERABILITY ANALYSIS				
Indicative table on vulnerability:		**Exposure (current + future climate)**		
		High	**Medium**	**Low**
Sensitivity (Highest for the four themes)	**High**			
	Medium		Flooding and Cloudbursts, Droughts and Heatwaves, Forest Fires	Landslides, Earthquakes, Wind Gusts/Storms, Potential Sea Level Rise
	Low		Changes in Precipitation, Soil Humidity and Air Humidity	

Vulnerability levels:

low	medium	high

DIGI Italy – climate vulnerability assessment summary

VULNERABILITY ANALYSIS				
Indicative table on vulnerability:		**Exposure (current + future climate)**		
		High	**Medium**	**Low**
Sensitivity (Highest for the four themes)	**High**			
	Medium		Floods/Cloudburst, Drought/heatwaves, wildfires, Storms, Changes in average precipitation, soil moisture, and air humidity	Landslides, Earthquake,
	Low			

Vulnerability levels:

low	medium	high

DIGI Portugal – climate vulnerability assessment summary

VULNERABILITY ANALYSIS				
Indicative table on vulnerability:		**Exposure (current + future climate)**		
		High	**Medium**	**Low**
Sensitivity (Highest for the four themes)	**High**			
	Medium		Wildfires, Cloudbursts, Storms, Floods, Landslides, Earthquake, Drought and heatwaves	Changes in average precipitation, soil moisture, and air humidity, Projected Sea level rise
	Low			

Vulnerability levels:

low	medium	high

Based on the sensitivity, exposure and vulnerability analyses, it appears that there are no significant potential hazards that warrant a detailed analysis of physical risks related to climate change at the group level, except for DIGI Portugal for which landslides, storms, floods and forest fires, present a potential danger that could justify a detailed risk analysis

The landslides situation in Portugal needs additional measures to mitigate because a limited number of sites and equipment are already located in the risk area (north side). However, mitigation measures are already in place, the DIGI plans mandate that all the buildings are built according to European construction standards, as these standards take into consideration location specific risks, in particular landslides and avoiding flood prone areas. Heavy storms can affect the services provided, by making the broadcasting and the internet signal weaker. However, this a temporary impact until the storm passes. Also, there are DIGI teams ready to intervene and restore connection in a timely manner. The forest fires can represent a risk for activity of DIGI, even though there are regulations and measures in place to reduce the impact of fire, these measures reduce the final risk (forest vulnerability to fires) to medium.

In Romania, the risk of forest fires is lower because Romania experiences a temperate-continental climate, characterized by higher rainfall and milder summer temperatures, particularly in mountainous and northern areas. Its forests are predominantly composed of broadleaf and mixed species, which tend to retain more moisture. As a result, the country records fewer wildfires, and those that do occur are generally smaller in scale.

Floods represent one of the most important climatic risks to be addressed for Spain, as proven historically and geographically. Moreover, the IPCC reports indicate an increase in the intensity and frequency of extreme events, urging the Spanish administration to respond appropriately. Following catastrophic flooding events, such as the flood in the Ebro River in February and March 2015, the Spanish administration promised investments in dredging and other hydraulic works to combat flooding risks. The European Flood Directive, however, confronts the inefficiency of such countermeasures and instead advocates for territorial planning of flood areas and the re-naturalization of floodplains to better manage flash floods.

In Italy, potential exposure (medium risk) is already mitigated by existing structures in urban areas, such as drainage systems, or embankments (in the case of hydrographic networks), avoiding floodplains and forested areas and equipping DIGI Italy locations with fire-fighting equipment. From a compliance perspective, all DIGI buildings are designed in accordance with the latest provision and legal obligations. As the global climate continues to change, however, it is necessary to stay up to date with any regulatory changes and monitor the dynamic nature of climatic risks in order to implement the adequate safeguards that would help prevent disruption of operational activity.

Climate risk and vulnerability assessment is conducted on Group operations.

The **anticipated financial effects** from material physical and transition risks and potential climate-related opportunities were not determined during the reporting period since this is the first year of reporting under ESRS requirements. Further estimations and quantitative data will be presented in subsequent Sustainability Statements.

The Climate Risk and Vulnerability Assessment (CRVA) screened the Group’s assets and activities against a range of climate-related hazards, including floods, droughts, heatwaves, wildfires, and landslides, using high-emission scenarios developed under the IPCC Representative Concentration Pathways (RCP2.6, RCP4.5, RCP6.0, and RCP8.5).

Physical risks were evaluated across short-term (up to 2029), medium-term (2030–2040), and long-term (2040–2050) horizons, consistent with the anticipated operational lifetime of the Group’s infrastructure and strategic planning timelines. The analysis mapped exposure and sensitivity at a regional level, relying on localized climate projections for Romania, Spain, Italy, and Portugal.

By adopting a conservative approach based on high-emission climate scenarios, DIGI Group ensured that the identification and assessment of physical risks fully captured the likelihood, magnitude, and location-specific vulnerability of its operations to future climate hazards.

DIGI Group identified and assessed climate-related transition risks and opportunities through its internal processes for climate risk management and materiality analysis. The assessment focused solely on own operations and covered potential regulatory, technological, market, and reputational events that could impact the Group over the short-, medium-, and long-term.

DIGI Group considered future climate scenarios based on the IPCC's RCP2.6, RCP4.5, RCP6.0, and RCP8.5 pathways to assess physical climate risks, while transition risks—such as stricter environmental regulations, rising carbon pricing, evolving customer expectations, and emerging green technologies—were identified using scenario analysis aligned with the Paris Agreement and guided by IPCC and IEA Net Zero Emissions frameworks.

At the time of reporting, DIGI Group did not identify any material assets or business activities as incompatible with the transition to a climate-neutral economy. The Group evaluated the potential exposure and vulnerability of its assets and operations to the identified transition events, considering the likelihood, magnitude, and duration of these events. Although no significant exposures were found, DIGI Group remains vigilant by continuously monitoring evolving regulatory requirements, technological developments, and market expectations.

DIGI Group's Climate Risk and Vulnerability Assessment (CRVA) focused only on own operations and did not include a full resilience analysis of the business model against multiple climate scenarios. Financial effects of climate risks were not assessed, and transition risks were evaluated mainly at the operational level, without detailed modeling of market, regulatory, or technological changes. These constraints affect the ability to fully integrate climate risks into financial planning, reducing the accuracy and comprehensiveness of the overall risk assessment.

The process of identifying and assessing climate-related impacts, risks and opportunities (IROs) in relation to ESRS E1 - Climate Change subtopics (climate change mitigation, climate change adaptation and energy) was part of double materiality assessment.

DIGI Group has established a structured process for identifying and assessing climate-related impacts, risks, and opportunities, integrated within its environmental management system and double materiality analysis.

Impacts on climate change (GHG emissions):

The Group monitors its operational activities to identify sources of greenhouse gas (GHG) emissions, as part of its commitment to environmental responsibility and disclosure obligations (linked to Disclosure Requirement ESRS E1-6). Emissions from energy use and operational processes are tracked, with the goal of informing future mitigation strategies.

Climate-related physical risks:

To assess physical risks, DIGI Group conducted a Climate Risk and Vulnerability Assessment at Group level for the financial year 2024.

Identification of climate-related hazards: The analysis considered multiple high-emission climate scenarios (IPCC RCP2.6, RCP4.5, RCP6.0, and RCP8.5) and evaluated hazards including floods, droughts, heatwaves, wildfires, landslides, and changes in precipitation and sea levels.

Assessment of exposure and sensitivity: Exposure and sensitivity of DIGI's assets and operations were mapped against identified hazards across Romania, Spain, Italy, and Portugal. The assessment concluded medium vulnerability overall, with DIGI Portugal identified as the most exposed to acute hazards like landslides, floods, storms, and forest fires.

Climate-related transition risks and opportunities:

Identification of climate-related transition events: Transition risks such as regulatory changes, market shifts, and technological advancements toward a low-carbon economy were considered, using a forward-looking approach aligned with the 1.5°C climate scenario goal with limited overshoot.

Assessment of exposure to transition risks and opportunities: DIGI Group evaluated its operational and strategic positioning against emerging regulatory requirements (e.g., carbon reduction policies), technological trends (energy efficiency demands), and market expectations, identifying both risks (compliance costs, market changes) and opportunities (expanding digital services to support decarbonization trends).

The process involved cross-functional internal workshops, expert consultation, and scenario analysis, ensuring that the climate-related risks and opportunities are understood, prioritized, and integrated into future business planning.

DIGI Group used climate-related scenario analysis aligned with IPCC Representative Concentration Pathways (RCP2.6, RCP4.5, RCP6.0, and RCP8.5) to assess plausible physical and transition risks over the short-, medium-, and long-term, focusing primarily on a long-term horizon (25 years) for the evaluation of physical risks and vulnerabilities; the scenarios were selected based on state-of-the-art science, considering drivers such as policy developments, technological advances, and energy trends, and using regional-level climate data relevant to the Group's main markets.

DIGI Group acknowledges that while climate-related scenario assumptions have been considered, they are not currently aligned with the investment horizons reflected in the Group's financial statements. This misalignment will be further examined in future reporting cycles to improve consistency between climate risk assessments and financial disclosures.

DIGI Group did not conduct a full qualitative resilience analysis during the reporting period. Only a Climate Risk and Vulnerability Assessment (CRVA) was performed, focusing on the identification of physical and transition risks across the Group's own operations, without testing the resilience of the business model against multiple climate scenarios. As a result, the assessment of DIGI Group's ability to adjust or adapt its strategy and business model to climate change over the short-, medium-, and long-term — including securing access to finance, redeploying assets, shifting products and services, or reskilling the workforce — was not carried out this year. Similarly, the evaluation of areas of uncertainty and the integration of climate risks into investment decisions, strategy definition, and mitigation actions were not part of the resilience analysis. Future reports will address these aspects in a more structured manner.

The table below summarizes the conclusions of the IROs identified.

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive or Negative
Climate change	Climate change adaptation		Impact	Natural disasters like wildfires, floods, or extreme weather events (e.g., heatwaves, hurricanes) can damage telecom infrastructure, causing frequent service interruptions and operational challenges due to high temperatures, as it resulted from climate risk and vulnerability assessment	NEGATIVE
Climate change	Climate change mitigation		Impact	Rising costs due to green technology investments, limited access to materials, and compliance with evolving regulations may increase service prices and strain supply chains, while also raising potential environmental concerns.	NEGATIVE
Climate change	Energy		Impact	Increased energy use for cooling telecom equipment and reliance on fossil fuel-powered energy grids contribute to higher carbon emissions and air pollution, exacerbating environmental issues like ozone layer depletion.	NEGATIVE
Climate change	Climate change adaptation		Risk	Increased Costs and Investment in Resilience: Rising energy costs, higher operating expenses from carbon taxes, and adaptation costs for resilient infrastructure are driving up financial demands to maintain profitability.	

Climate change	Climate change adaptation	Risk	Supplier and Equipment Challenges: Compliance with stricter environmental standards for suppliers, higher costs for energy-efficient equipment, and investment in green tech may increase expenses and reduce flexibility in sourcing.
Climate change	Climate change adaptation	Risk	Financial risk: Increased costs for more efficient cooling systems and heat protection solutions may impact the company's profitability.
Climate change	Climate change adaptation	Risk	Exposure to increased UV radiation: Ozone layer depletion raises UV levels, which can accelerate the degradation of materials used in telecommunications equipment, such as cables, antennas, and other external components.
Climate change	Energy	Risk	Infrastructure vulnerability: In the event of extreme weather, such as floods or storms, the physical infrastructure of telecom networks (antennas, base stations, data centers) can be damaged, leading to service interruptions and repair costs
Climate change	Energy	Risk	Increased costs: Extreme weather and rising temperatures demand higher investments in infrastructure, maintenance, and cooling.
Climate change	Climate change adaptation	Opportunity	Building flexible mobile networks and investing in technology can strengthen telecommunications for disaster recovery.
Climate change	Energy	Opportunity	Environmental Sustainability Initiatives: Using renewable energy in data centers and telecom infrastructure, along with recycling programs for equipment, can reduce costs, protect the environment, and improve the company's reputation.
Climate change	Energy	Opportunity	Remote Work and Digital Solutions: Encouraging remote work and expanding online services can reduce commuting emissions and support communities while improving internet access.

More details in section ESRS IRO 1

3.1.4 Policies related to climate change mitigation and adaptation

ESRS E1-2

As this is DIGI Group’s first year of reporting in accordance with the ESRS, the DIGI Group has not yet adopted policies to manage its material impacts, risks, and opportunities related to climate change mitigation and adaptation in accordance with Minimum Disclosure Requirements with regards to policies (MDR-P) as defined in ESRS 2. However, while formal procedures for climate change mitigation and adaptation have not yet been adopted across all subsidiaries, local teams have implemented flows based on guidance and instructions received from the Romania-based environmental team.

DIGI Romania has adopted an internal procedure focused on the identification, evaluation, and management of environmental aspects related to its activities, products, and services. The procedure aims to establish objectives and environmental management programs to control and minimize significant environmental impacts across the organization.

This procedure addresses material impacts, risks, and opportunities related to climate change mitigation and adaptation by implementing systematic identification, analysis, and evaluation processes for environmental aspects. It includes the definition and approval of environmental objectives and programs by the Vice President of the Board of Directors, based on inputs provided by the Environmental Management Officer (RMM) and department heads.

The environmental management system covers all departments and operational functions and extends to upstream value chain activities (through procurement and sourcing practices) and partially to downstream services by promoting environmental efficiency in service delivery.

DIGI Romania’s environmental procedures mainly address climate change mitigation, with additional contributions toward energy efficiency improvements.

Implementation is monitored by the Environmental Management Officer (RMM), who updates the environmental aspects register and drafts the Environmental Management Programs (PMM), while the Vice President of the Board approves the actions and management programs. The procedure is made available through internal channels of communication.

By achieving ISO 14001 certification in 2024, DIGI Romania has formally committed to maintaining rigorous environmental standards. The company works with specialized partners, who uphold these high standards, ensuring their disposal methods meet regulatory requirements and help minimize their environmental footprint. These practices are implemented for disposing of hardware from the Group's data centers and offices.

DIGI Group recognizes the importance of sustainable practices and is continuously exploring ways to integrate more environmentally friendly solutions into its business model. DIGI Group’s ongoing efforts reflect its dedication to contributing to the planet while working towards developing a formalized climate change policy.

3.1.5 Actions and resources in relation to climate change policies

ESRS E1-3

The internet and telecommunications industry impacts the environment through the creation and maintenance of infrastructure including networks and data centers, contributing to greenhouse gas emissions and climate change. The production and disposal of electronic devices also lead to pollution and waste. However, the industry has the potential to mitigate these effects by reducing emissions through remote communication and optimizing supply chains. To further minimize its environmental footprint, adopting renewable energy and circular economy practices is essential.

As this is the first year of disclosing according to the ESRS, DIGI Group does not yet have a formal action plan for addressing climate change. However, the Group is actively working on developing one and is committed to presenting it in their upcoming Sustainability Statements. Furthermore, the Group is in the process of consulting experts and evaluating effective strategies to ensure that its climate-related actions are well-informed and impactful. As part of this future formalized plan, significant monetary amounts of CapEx and OpEx will also be presented.

DIGI Group is aware that a significant part of its direct negative environmental impact comes from the energy consumed. Therefore, DIGI Group aims to invest every year in technology and measures that can help reduce this consumption.

Thus, DIGI Group has implemented measures to reduce energy consumption, as reflected in its energy efficiency documentation and internal procedures, and is planning to introduce the following initiatives:

- **Installation of photovoltaic systems on telecommunication sites** to offset electricity consumption. With this energy efficiency method, DIGI Group aims to use green renewable energy for its own consumption.
- **Phased replacement of external lighting fixtures with LED models**, more energy efficient, the new fixtures being equipped with solar panels with motion sensors.
- **Mounting timers on the sockets that supply the water dispensers/purifiers installation**. The timer systems will be adjusted according to the specifics of the space served and set up to interrupt the electricity supply one hour after the end of the program and to reconnect them to the electrical network one hour before the start of the program.

- **Installing cold aisles between two rows of racks (rows with equipment) for the data centers**. The estimates are conducted for the data center with the highest consumption, the one in Bucharest. These cold aisles represent a system used for specific cooling of certain areas within the data center, in our case two rows of racks.
- **Installing advanced systems for monitoring the electricity consumption**, by purchasing smart meters.
- **Installing fans and temperature/humidity sensors on the shelters**, to take over the load of the air conditioners during the cooler season. The shelters where the telecommunications equipment is located are cooled using air conditioners (high consumption of electricity), set to start when a certain temperature is exceeded inside. When the outside temperature is below 18 degrees, the air will be cooled using fans that have lower energy consumption.
- **Installing a heat pump heating system**, replaces fossil-fuel-based heating with an efficient electric heat pump, reducing emissions and energy use in buildings.
- **Thermal insulation for the shelters**, improves insulation in shelters to reduce heating and cooling energy demand.

All these actions are being implemented progressively, with the full rollout scheduled for completion by 2027.

3.1.6 Targets related to climate change mitigation and adaptation

ESRS E1-4

DIGI Group has not set any measurable outcome-oriented targets concerning climate-change mitigation and adaptation. All countries under the scope of this report (Romania, Spain, Italy, Portugal and Belgium) are still in an evaluation phase for setting specific targets to reduce GHG emissions.

DIGI Group intends to designate the year 2024 as the baseline for measuring its CO_2 equivalent emissions. Commencing in 2030, the company plans to reassess the baseline year or its targets for reducing greenhouse gas emissions every five years.

DIGI Group’s GHG emission reduction targets will be presented in the following Sustainability Statements. DIGI Group’s GHG emission reduction targets will be gross targets, and will not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets.

Currently, DIGI Group does not monitor the effectiveness of its policies and actions regarding significant impacts, risks, and sustainability-related opportunities. The company does not have a well-defined process for evaluating these aspects and does not conduct periodic analyses or internal evaluations. However, starting in 2026, DIGI Group intends to develop such a process, including analysis and internal evaluations. Additionally, the company will establish a clear level of ambition and use both qualitative and quantitative indicators to assess progress.

3.2 Energy and emissions

3.2.1 Energy consumption & mix

ESRS E1-5

Energy consumption from conventional sources can have a notably adverse impact, with energy production being a major contributor to climate change. In the realm of internet and telecommunication services, both the quantity and origin of consumed energy can significantly influence economic outcomes, as energy costs constitute a large portion of the operational expenses for data centers and telecom networks. Rising energy prices can elevate the cost of providing these services, potentially leading to higher prices for consumers. Moreover, energy consumption is subject to energy policies and regulations, which can further affect business costs.

For DIGI Group, its own energy consumption comes from the fuel used by its fleet and the electricity and thermal energy consumed in its data centers, stores, and headquarters. At the same time, DIGI Group is an energy supplier. In the energy market, DIGI Group focuses on residential clients, where at this moment, the price of the energy is dictated by legislation in force.

In the timeframe January- December of the reporting period, DIGI Group produced 41,128 MWh of energy from renewable sources. None of the quantities presented in the tables below were assured by an independent assurance provider.

Energy production from non-renewable sources and energy production from renewable sources in MWh

	Romania	Italy	Spain	Portugal	Belgium
Energy production from non-renewable sources (MWh)	-	-	-	-	-
Energy production from renewable sources (MWh)	41,128	-	-	-	-

The table below shows total energy consumption in MWh and the breakdown by various categories in connection with our own operations.

The methodology used for reporting DIGI Group's energy consumption involved aggregating data from all countries where the Group operates. Energy consumption was reported in MWh, with fuel consumption initially measured in liters and natural gas in cubic meters (m^3), both converted into MWh using standard energy conversion factors. The calculation included both purchased energy and energy produced internally in Romania. The breakdown of energy sources was estimated based on DIGI Romania's national energy label, applying the quantity of energy acquisitions for 2024 to estimate the source mix. For other countries, the respective national estimated energy labels were used. Significant assumptions include the reliance on national average energy source mixes where specific supplier data was unavailable. Limitations of the methodology include potential discrepancies between national averages and actual supplier energy mixes, as well as the use of standard conversion factors that may not fully capture variations in fuel quality or local energy production efficiency. These estimates represent the best available data at the time of reporting and will be refined as more granular and supplier-specific information becomes accessible.

Energy consumption mix	**Unit**	**Digi Group**
		2024
(1) Fuel consumption from coal and coal products (MWh)	MWh	20,038
(2) Fuel consumption from crude oil and petroleum products (MWh)	MWh	171,952
(3) Fuel consumption from natural gas (MWh)	MWh	30,068
(4) Fuel consumption from other fossil sources (MWh)	MWh	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	MWh	2,367
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**MWh**	**224,425**
Share of fossil sources in total energy consumption (%)	*%*	*54%*
(7) Consumption from nuclear sources (MWh)	MWh	68,336
Share of consumption from nuclear sources in total energy consumption (%)	*%*	*16%*
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	MWh	81,937
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	MWh	15
(10) Consumption of self-generated non-fuel renewable energy fuels (MWh)	MWh	41,128
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**MWh**	**123,081**

Share of renewable sources in total energy consumption (%)	*%*	*30%*
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**MWh**	**415,842**

In the energy market, DIGI Group' attention is on the household sector. Presently, the offers are regulated by current legislation, with the authorities capping the maximum sale price. For purchasing energy for its customers and for self-consumption, DIGI Group aims to secure the needed quantities through long-term contracts, minimizing reliance on the PZU.

3.2.2 Gross Scopes 1, 2, 3 and Total GHG emissions GHG Intensity based on net revenue

ESRS E1-6

Recognizing the environmental impact of its operations, DIGI Group has conducted a Carbon Footprint assessment for financial year 2024.

The inventory constitutes the quantification of greenhouse gas (GHG) emissions directly attributable to the organization's operations within the defined boundary and scope for the reporting period. It is pertinent to note that this assessment was conducted with limited data availability, with the aim of enhancing granularity in future evaluations.

The carbon footprint embodies the total volume of greenhouse gas (GHG) emissions generated along its value chain. This quantification method primarily relies on calculation rather than direct measurement. GHG emissions are computed by multiplying activity data with an emission factor (kg CO_2e = Activity Data × Emission Factor).

The GHG Protocol methodology was used to calculate Scope 1, 2 and 3 generated emissions, for both market and location-based assessments.

The data for GHG emissions related to the ESRS report corresponds to the date of the general-purpose financial statements, financial year 2024.

DIGI Romania carbon footprint details

For DIGI Romania, Scope 1 emissions primarily involve stationary and mobile combustion. The activity data for gasoline and diesel consumption, and DEFRA 2024 emission factors were used to assess the generated emissions. Additionally, fugitive emissions from refrigerants used in air conditioning systems were calculated based on the quantities of refrigerants directly purchased, with DEFRA 2024 emission factors applied to calculate the emissions.

Scope 2 emissions for DIGI Romania are related to electricity consumption. The company uses a location-based emission factor due to the lack of detailed supplier-specific data. This approach was necessary because DIGI Romania has numerous suppliers and could not provide specific information for each warehouse. The reported consumption data was confirmed by DIGI Romania, and the location-based emission factor was applied to calculate the emissions.

Scope 3 included the internal purchasing journal was divided into multiple categories, 3.1.1-Purchased Goods and Services for Internal Use, 3.1.2-Purchased Goods and Services for Retail and 3.2-Capital Goods, to assess emissions accurately. The emissions from sold products, mainly smartphones, were calculated using the LCA (life cycle assessment) approach. As DIGI Romania acts as both a purchaser and distributor of electricity, it qualifies as an electricity supplier. Consequently, emissions associated with the electricity sold have been reported under this category, in line with GHG Protocol Scope 3.3, Category D.

For DIGI Romania, the following categories were included for the computation of Scope 3 emissions:

- 3.1.1 Purchased Goods and Services for Internal Use
- 3.1.2 Purchased Goods and Services for Retail
- 3.2 Capital Goods
- 3.3 Fuel- and energy-related activities
- 3.4 Upstream Transportation and Distribution
- 3.5 Waste Generated in Operations
- 3.6 Business Travel

- 3.7 Employee Commuting
- 3.11 Use of sold products
- 3.12 End-of-Life treatment of sold products
- 3.13 Downstream leased assets

DIGI Spain carbon footprint details

Scope 1 included direct emissions from sources owned or controlled by the company, mobile combustion (use of vehicles in the company's own fleet), and fugitive emissions, which were included as an estimation based of Romanian reported figures on the quantities of refrigerants purchased from suppliers to cover the leaked refrigerants.

Scope 2 emissions for DIGI Spain involve electricity consumption. DIGI Spain provided monthly electricity consumption data, and emissions were calculated using supplier-specific and location-based emission factors.

For DIGI Spain, the following categories were included for the computation of Scope 3 emissions:

For Scope 3, DIGI Spain provided an internal purchasing journal, and emissions were calculated using EXIOBASE emission factors.

- 3.1.1 Purchased Goods and Services for Internal Use
- 3.2 Capital Goods
- 3.3 Fuel- and energy-related activities
- 3.4 Upstream Transportation and Distribution
- 3.5 Waste Generated in Operations
- 3.6 Business Travel
- 3.7 Employee Commuting
- 3.13 Downstream leased assets

DIGI Italy carbon footprint details

For Scop 1, regarding stationary combustion**,** DIGI Italia has provided the activity data regarding natural gas consumption. The Consultant calculated the emissions generated by this consumption using the DEFRA 2024 emission factor. For mobile combustion it was used fuel consumption (L). Emissions from Gasoline, Diesel, LPG and CNG were assessed under this category, using emission factors from DEFRA 2024.

Scope 2 emissions for DIGI Italy involve electricity consumption. DIGI Italy provided monthly electricity consumption data for each location and supplier. For suppliers using renewable energy, emissions were considered zero. For others, location-based emission factors were used.

For Scope 3 emissions, DIGI Italy provided a purchasing journal, and emissions were calculated using EXIOBASE emission factors based on supplier sector and country. Only categories strictly related to DIGI Italy's operations were considered.

For DIGI Italy, the following categories were included for the computation of Scope 3 emissions:

- 3.1.1 Purchased Goods and Services for Internal Use
- 3.2 Capital Goods
- 3.3 Fuel- and energy-related activities
- 3.4 Upstream Transportation and Distribution
- 3.5 Waste Generated in Operations
- 3.6 Business Travel
- 3.7 Employee Commuting

DIGI Portugal carbon footprint details

For DIGI Portugal, Scope 1 emissions data collection involves stationary and mobile combustion. DIGI Portugal provided activity data for gasoline and diesel consumption, and DEFRA 2024 emission factors were used to assess the emissions.

Scope 2 emissions for DIGI Portugal are related to electricity consumption. Due to the lack of supplier-specific data, the national energy mix for Portugal was used for both location-based and market-based calculations.

For Scope 3 emissions, DIGI Portugal provided a data collection template with information on purchased goods and capital goods, and emissions were calculated using EXIOBASE emission factors. Employee commuting emissions were estimated based on previous year's data, adjusted for the current number of employees.

For DIGI Portugal, the following categories were included for the computation of Scope 3 emissions:

- 3.1.1 Purchased Goods and Services for Internal Use
- 3.2 Capital Goods
- 3.3 Fuel- and energy-related activities
- 3.4 Upstream Transportation and Distribution
- 3.5 Waste Generated in Operations
- 3.6 Business Travel
- 3.7 Employee Commuting
- 3.13 Downstream leased assets

DIGI Belgium carbon footprint details

For DIGI Belgium, Scope 1 emissions data collection involves stationary and mobile combustion. DIGI Belgium provided activity data for gasoline, and diesel, and DEFRA 2024 emission factors were used to assess the emissions.

for DIGI Belgium, Scope 2 emissions for DIGI Belgium are related to electricity consumption.

Due to the lack of supplier-specific data, the national energy mix for Belgium was used for calculations.

For DIGI Belgium, the following categories were included for the computation of Scope 3 emissions:

- 3.1.1 Purchased Goods and Services for Internal Use
- 3.3 Fuel- and energy-related activities

For the calculation of Scope 3 emissions, 3.1.1 Purchased Goods and Services for Internal Use, the data for DIGI Belgium was estimated using reporting assumptions and activity profiles similar to those applied for DIGI Italy. In the case of 3.3 Fuel- and Energy-Related Activities, the emissions calculation was based on the records registered in the system.

DIGI Group measured Scope 3 GHG emissions primarily using information derived from supplier invoices, complemented by estimations where direct data was not available. The Group acknowledges that the current Scope 3 calculation involves a mix of primary and estimated data

DIGI Group considers Digi Belgium as an investee classified as a joint venture, which is not fully consolidated in the Group's financial statements. In reporting Scope 3 GHG emissions, the Group acknowledges that emissions from Digi Belgium are included based on the operational control exercised, and not limited to the share of equity held. The approach reflects the impacts connected to DIGI Group's products and services through its business relationship with the joint venture.

DIGI Group used several key databases and emission factors to support its environmental reporting. EXIOBASE 3 (2021), a multi-regional environmental supply-use and input-output database, provided monetary emission factors (kg CO_2e/euro) based on 2019 data. DEFRA 2024 factors from the UK Department for Environment, Food & Rural Affairs were applied for emissions from road transport activities. Additionally, HitHorizons was used to identify the NACE codes of suppliers to match emissions factors by business sector, drawing from a database of over 80 million European companies.

Based on the 2024 Carbon Footprint Analysis, at the group level, the significant categories are those that contribute substantially to the total Scope 1, 2, and 3 emissions.

From the reported data:

Scope 1:

- **Mobile Combustion** (38,531 tCO_2e) is highly significant, accounting for approximately 91% of Scope 1 emissions. This category includes all direct greenhouse gas emissions resulting from the combustion of fuels in vehicles or mobile equipment under the company's operational control during the reporting year. These include road transport vehicles and other mobile transport or equipment powered by fossil fuels.

Scope 2:

Purchased Electricity is significant under both market-based (21,634 tCO_2e) and location-based (39,645 tCO_2e) approaches. This category includes all indirect emissions associated with the purchase of electricity. These emissions can be calculated based on the company's specific supplier or the national energy mix. The energy used may originate from various renewable or fossil fuel sources, and emissions are attributed to the company based on its specific consumption, excluding internal energy generation processes.

Scope 3:

- **Purchased Goods and Services for Internal Use** – 155,054 tCO_2e (approximately 32% of Scope 3 emissions). - this category includes all upstream emissions (cradle-to-gate) from the production of products purchased and services acquired by the company during the reporting year. These products include both goods (tangible products) and services (intangible products).
- **Capital Goods** – 68,629 tCO_2e (approximately 14% of Scope 3 emissions). Emissions from capital goods are those resulting from the goods purchased and depreciated by the company. This includes items used by the organization to manufacture a product, provide a service, or sell, store, and deliver goods.
- **Downstream Leased Assets** – 204,680 tCO_2e (approximately 42% of Scope 3 emissions). Downstream leased assets represent network equipment or terminals that DIGI Group leases to clients for the provision of internet and/or television services. These assets are located in the later stages of the value chain, closer to end-users, and are essential to the Group's downstream service delivery.

The table below shows the GHG emissions, broken down into scope 1-3 emissions for all the countries is scope of the current Sustainability Statement. Since this is the first year of reporting under ESRS, 2024 being baseline year, no comparatives were disclosed. The figures below apply to reporting period 2024.

	Carbon Footprint Analysis Results			2024
	Scope	Category	kg CO2e	tonnes CO2e
Scope 1	1.1	Stationary Combustion	2,414,708	2,415
	1.2	Mobile Combustion	38,531,201	38,531
	1.3	Fugitive Emissions	1,550,190	1,550
Scope 2	2.1	Purchased Electricity (market-based)	21,634,180	21,634
	2.2	Purchased Electricity (location-based)	39,644,975	39,645
	2.3	Purchased Heat	28,961	29
Scope 3	3.1.1	Purchased Goods and Services for Internal Use	155,053,504	155,054
	3.1.2	Purchased Goods and Services for Retail	18,356,018	18,356
	3.2	Capital Goods	68,629,258	68,629
	3.3	Fuel- and energy-related activities	14,045,223	14,045
	3.4	Upstream Transportation and Distribution	3,012,382	3,012
	3.5	Waste Generated in Operations	2,655,155	2,655
	3.6	Business Travel	3,108,905	3,109
	3.7	Employee Commuting	10,506,806	10,507
	3.8	Upstream Leased Assets	-	-
	3.9	Downstream Transportation and Distribution	-	-
	3.10	Processing of sold products	-	-
	3.11	Use of sold products	1,373,986	1,374
	3.12	End-of-Life treatment of sold products	408,990	409
	3.13	Downstream leased assets	204,680,189	204,680
	3.14	Franchises	-	-
	3.15	Investments	-	-
Total	**1**	**Scope 1**	**42,496,099**	**42,496**
	2	**Scope 2 market-based**	**21,663,141**	**21,663**
	2	**Scope 2 location-based**	**39,673,936**	**39,674**
	3	**Scope 3**	**481,830,417**	**481,830**
	`1+2+3	**Scope 1-2-3 (market-based)**	**545,989,657**	**545,990**
	`1+2+3	**Scope 1-2-3 (location-based)**	**564,000,452**	**564,000**

* Total GHG emissions location-based (tCO_2 equivalent) = Gross GHG emissions Scope 1 + Gross GHG emissions Scope 2 location-based + Gross GHG

emissions Scope 3

** Total GHG emissions market-based (tCO_2 equivalent) = Gross Scope 1 GHG emissions + Gross GHG emissions Scope 2 market-based + Gross GHG emissions Scope 3

GHG intensity based on net revenue shows the number of emissions generated per unit of revenue, providing insight into the carbon efficiency of the Group's operations.

GHG intensity based on net revenue	tonnes CO2e (thousand)	Revenues	GHG intensity ratio
		(mil EUR)	
Scope 1-2-3 (market-based)	546	1,924.3	0.28
Scope 1-2-3 (location-based)	564	1,924.3	0.29

Numerator (Top): Total greenhouse gas (GHG) emissions, expressed in tonnes of CO_2 equivalent (tCO_2e), including Scope 1, Scope 2, and optionally Scope 3 emissions.

Denominator (Bottom): Net revenue earned by the company during the reporting period, as pe *Financial Statement*, in monetary terms.

This indicator shows the carbon efficiency of the company's revenue generation — a lower ratio indicates a more carbon-efficient business model.

DIGI Group reports an emission intensity of approximately 0.28 thousand tonnes of CO_2e per 1 million EUR of revenue. This indicator reflects the Group's overall carbon efficiency relative to its financial performance and will serve as a baseline for future improvement efforts.

3.2.3 GHG removals and GHG mitigation projects financed through carbon credits

ESRS E1-7

During the reporting period, DIGI Group did not develop, nor partake in GHG removal and storage plans. No GHG removal or reduction projects were financed during the financial year in consideration.

Currently DIGI Group does not have carbon credits and did not use them during the financial year under consideration. At the moment, the group is still developing a plan to neutralize its GHG emissions, and did not make public GHG neutrality claims.

3.2.4 Internal carbon pricing

ESRS E1-8

DIGI Group, operating within the telecommunications sector, does not currently employ an internal carbon pricing scheme.

3.2.5 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

ESRS E1-9

For the reporting period, DIGI Group did not assess the anticipated financial effects of material physical and transition risks and the potential to benefit from significant climate-related opportunities.

DIGI Group plans to evaluate and report material physical and transition risks and the potential to benefit from significant climate-related opportunities, in upcoming reports, and to comply with standard requirements.

4. RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5

4.1 Concepts and measures related to resource use and circular economy

4.1.1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

ESRS 2 IRO-1

Waste management is a priority for us, as we generate a significant amount of waste through our direct operations and across our value chain. This includes waste from our data centers, network infrastructure, and the electronic devices used by the Group's customers. Electronic devices such as smartphones, laptops, and routers have limited lifespans and are often discarded or replaced after a few years, contributing to e-waste. This disposal involves hazardous materials and pollutants that harm the environment and human health.

Data centers are another significant source of waste. Additionally, outdated equipment replacement leads to further e-waste production.

Network infrastructure, including fiber optic cables and transmission towers, also contributes to waste through production, installation, and maintenance. This process often involves non-renewable resources, such as petroleum-based plastics and metals, and results in material disposal at the end of their lifespan.

Our main activities include the external purchase of various electrical and electronic equipment, batteries, and accumulators for installation at our customers' premises. Additionally, we import a range of other equipment essential for our operations, which often arrives in packaging materials that contribute to waste generation.

DIGI Group carried out a double materiality assessment as part of its risk management process. The results showed that waste management can cause significant negative environmental impacts but also offers financial opportunities, such as saving resources and improving efficiency. As part of this assessment, DIGI consulted external stakeholders to include their views. For more information, see the section Disclosures on the Materiality Assessment Process.

In response, DIGI Group has implemented a comprehensive screening to pinpoint the actual and potential waste-related impacts, risks, and opportunities within its own operations, as well as throughout its upstream and downstream value chain.

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive/Negative
CIRCULAR ECONOMY	Waste		Impact	At the end of its life cycle, equipment generates significant electronic waste, which requires proper disposal to prevent pollution, while the production and transportation of such equipment contribute to greenhouse gas emissions, exacerbating climate change and air pollution.	NEGATIVE
Circular economy	Waste		Opportunity	Engaging in environmental restoration projects, launching educational campaigns for consumers, and investing in durable equipment can enhance the company's reputation while minimizing environmental impact.	
Circular economy	Waste		Opportunity	Utilizing advanced technologies, implementing resource-efficient solutions, and partnering with suppliers that provide recycling programs can reduce costs and minimize environmental impact.	

More details in section ESRS IRO 1

Specific business units associated with resource use and circular economy material impacts, risks and opportunities in the context of the products and services have not yet been established by DIGI Group.

In regard to DIGI's value chain, the production of infrastructure equipment requires a significant number of natural resources, such as rare earth metals, minerals, and fossil fuels. To address this, DIGI Group aims to apply circular economy principles wherever possible. This approach helps them minimize waste and decrease their dependence on new materials by recovering, repairing, and reusing products and components. Additionally, it provides economic benefits, as the product-as-a-service model allows the Group to lower costs by reclaiming devices and equipment installed at the Group's customers' locations.

4.1.2 Policies related to resource use and circular economy

ESRS E5-1

In Romania, there is in place a procedure related to waste management, *Waste Procedure*. The purpose of this procedure is to establish methods for the collection, sorting, recovery, and disposal of waste in a way that does not endanger public health or the surrounding environment. Also, the Group companies follow national laws aligned with EU directives, with oversight by National Environmental Protection Agency. Waste generated across DIGI Group's operations is classified at the point of generation according to national waste codes and relevant European classifications (e.g., EWC codes). It is then stored securely in compliance with environmental permits issued by local environmental authorities, which define the specific handling, storage, and reporting requirements for each waste category.

DIGI Romania has established a Waste Management Procedure applicable to all operations and activities that generate waste. The key objectives of this procedure are to ensure the proper collection, sorting, recovery, and disposal of waste in a manner that does not endanger public health or the environment. It sets out methods for minimizing waste generation, defines types of waste produced (such as non-conforming products, contaminated materials, or residues from operations), and outlines preventive measures against unauthorized waste disposal.

The most senior level accountable for the implementation and oversight of this procedure is the Environmental Management Officer (RMM), who coordinates waste management activities, supported by all departments responsible for collection and sorting at the source.

The procedure is aligned with national legislation and respects relevant third-party legal standards and environmental protection norms, although no formal international voluntary standards are directly referenced.

When setting this procedure, the interests of key stakeholders were considered, particularly regarding public health and environmental safety, in line with regulatory expectations and the operational needs of all company departments involved in waste generation and management.

The procedure is made available internally to all relevant departments through the company's internal document management system.

Digi Romania is ISO 14001 certified, ensuring structured environmental management focused on compliance, waste reduction, and operational efficiency.

Although for Digi Spain there is no policy related waste management in place for year 2024, the company follow the local regulation. Regional environmental authorities oversee compliance with applicable waste management regulations. Waste is classified in accordance with the European List of Waste, as established by Commission Decision 2000/532/EC with subsequent amendments and updates, which defines standardized waste codes based on origin and composition. Authorized waste companies handle collection and treatment under formal agreements. All movements are tracked through regional electronic systems such as the Integrated Waste Information System. Regular inspections and mandatory reporting ensure legal compliance.

The Waste Management Procedure implemented by DIGI Portugal establishes a structured approach for the registration, collection, sorting, storage, and disposal of waste generated across its fixed and mobile network activities, aiming to minimize environmental impacts and promote sustainable practices. The key contents of the procedure include mandatory rules for waste segregation at the source, requirements for appropriate disposal through authorized operators, and obligations to maintain traceability through records such as eGAR (electronic waste tracking guides). The most senior level accountable for implementing and overseeing this procedure is the

Environmental Responsible from the Human Resources Directorate, who ensures compliance through audits, reporting, and coordination with external contractors. The procedure respects third-party standards, being aligned with national waste legislation (such as Law 211/2011 in Romania and Portuguese environmental regulations) and general EU waste management directives, ensuring consistent application of sustainable waste practices. In setting the procedure, the interests of key stakeholders, particularly employees, subcontractors, and waste management operators, were considered through clear assignment of roles and mandatory training and awareness activities. DIGI Portugal has not formally adopted a standalone group-wide waste management policy at this stage, choosing instead to operate under country-specific procedures adapted to national legal frameworks and operational realities.

DIGI Italy has not yet adopted policies to address the identification, assessment, management and remediation of its material impacts, risks and opportunities related to resource use and circular economy. Although it is one of the most established entities within the Group, Digi Italy initially operated under an MVNO model, providing telephony services without the need to develop its own network infrastructure. Until the end of reporting period the volume of waste generated was not significant, however, with the commencement of network construction activities, which started in 2023, Digi Italy has initiated the development of waste management policies and procedures, which are expected to be finalized in the near term.

Due to the nature of this topic, each country is subject to distinct environmental and waste management regulations. As a result, a Group-wide policy has not yet been adopted. Instead, each entity within the Group has been allowed to develop and implement its own environmental and waste management procedures—either formally or informally—based on local regulatory requirements and operational context.

While DIGI Group has not yet adopted a formal policy focused on transitioning away from virgin materials, a program is in place to promote reuse and resource efficiency. The Group encourages the reuse of electronic equipment, such as routers and set-top boxes, particularly through technical servicing and customer returns, reducing the need for new material input.

4.1.3 Actions and resources related to resource use and circular economy

ESRS E5-2

DIGI Group's commitment to promoting a safer and healthier environment is demonstrated through several key initiatives, particularly in the area of waste management. The company has introduced measures to minimize waste generation across its operations, with a focus on increasing recycling rates through selective collection and encouraging responsible use of equipment and technology.

Although DIGI Group has not established formal actions, DIGI Group's commitment to fostering a safer and healthier environment is reflected in several key initiatives. This includes proper waste management where DIGI Group has implemented measures to reduce waste generated through its activities. This includes increasing the volume of recycled waste through selective collection and the prudent use of its equipment and technology.

Although The Group cannot control how their customers dispose of the devices they purchase, the Group offer them the option to return these items. In 2024, with the assistance of Environ, DIGI Romania successfully expanded the Digi Cornerrr project to all stores in Romania. Launched in 2021, this initiative aims to assist customers and employees in properly disposing of their electronic waste, such as smartphones, landline phones, routers, as well as batteries and accumulators. The collected waste is either utilized in their projects, recycled, or disposed of, depending on the condition of each item.

Due to the national scope of DIGI Romania's activities, substantial amounts of various waste types are generated, including packaging, electrical and electronic equipment, household waste, paper, cardboard, and cables. To manage this waste, they have established contracts with licensed operators who collect, recycle, or dispose of these materials appropriately. DIGI Romania's primary business is "Telecommunication activities through wired networks," which involves purchasing electrical and electronic equipment, batteries, and accumulators for customer installations. This equipment, along with other necessary items, is imported and packaged, generating waste. Once imported, the equipment is temporarily stored in one of the three main warehouses before being distributed nationwide for various projects. DIGI Romania's maintain stock of various equipment, storing items in their warehouses as space permits.

Often, imported items are unpacked and repacked for efficient storage. Most of reusable packaging, such as undamaged pallets and cardboard boxes, is reused when shipping equipment within the country.

In addition to DIGI Romania's main activities, they conducted nationwide operation in 2024 (as they did in 2023) to recover and replace old networks. These efforts resulted in cable waste and metal boxes as electrical equipment waste. All waste is stored on concrete platforms or in special containers provided by authorized operators for collection, recycling, or disposal. Furthermore, the employees generate household waste both in the field and at DIGI Romania's offices. This type of waste is given to local sanitation operators authorized to collect it.

In Romania, DIGI started a campaign to provide selective waste collection containers, both at their warehouses and at their headquarters, to reduce the municipal waste produced and to recycle as much as possible the waste produced by both DIGI Romania's employees and the people who visit their cashiers. According to the law, they collect it separately.

DIGI Italy currently does not have a formal action plan for resource use and the circular economy, and as a result, the company has not allocated specific resources for these initiatives. DIGI Italy recognizes that developing a comprehensive and structured waste management plan may require significant operational and capital expenditure and is in the early stages of evaluating potential actions. Furthermore, until 2023, the company's sole service offering was mobile telephony, which resulted in minimal waste generation. Recently, fixed internet and telephony services have been introduced, but are currently in the testing phase and limited to the city of Turin. The waste generated to date has been primarily from office activities, such as paper, cardboard, glass, and municipal waste. For this, the company pays a local waste management tax based on the surface area of its office located in Milan, at Via Giovanni Bensi 11.

In terms of waste management, DIGI Portugal monitors and manages waste according to its Environmental and Sustainability Policy. DIGI Portugal focuses on recoverable waste to help improve the financial performance of waste management. DIGI Portugal prioritizes the reuse and recovery of waste materials whenever possible. Reusable items such as wood and pallets are either donated or sold, similar to how we handle recyclable metals like copper, iron, and aluminum. However, donating reel wood remains a challenge, as currently only two waste management companies accept it free of charge. We make every effort to deliver all such materials to these providers. Employees receive environmental training on the use of waste and the rules to collect and deposit waste to be taken into account, field teams must collect any waste generated during their work activities and deliver it to the DIGI warehouses, which will then be sent to licensed waste operators for treatment.

In Spain, the waste generated by the organization in its own activities is always managed by a third party. The third party is a company specializing in waste management that manages the waste in accordance with the local regulation requirements. The third-party company issues and provides DIGI Spain with a certificate regarding the destination of the waste.

Employees at DIGI Spain receive instructions focused on waste management. This program covers the company's specific rules and responsibilities, provides detailed explanations, and addresses any uncertainties employees may have about waste disposal and management processes.

DIGI Group and its subsidiaries do not currently track the effectiveness of its policies and actions regarding impacts, risks and opportunities related to resource use and circular economy.

4.1.4 Targets related to resource use and circular economy

ESRS E5-3

The Group does not have established specified targets related to the waste hierarchy as per ESRS 2 MDR-T. However, objectives have been achieved through goals that were set and met without a comprehensive, formal policy in place at group level. The targets, especially regarding sustainability impact and efficiency, were realized through project implementations and waste reduction measures.

DIGI Group does not currently track the effectiveness of its policies and actions concerning material sustainability-related impacts, risks, and opportunities.

4.1.5 Waste

ESRS E5-5

The tables below presents a mapping of information on the total amount of waste from the Group's different subsidiaries' own operations, in tonnes: (a) the total amount of waste generated, (b) the total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types and (c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. These metrics support the Group's waste reduction objectives and compliance with national and EU regulations. Data is primarily based on waste transfer notes and reports from certified waste contractors.

Given the nature of DIGI Group's operations in the telecommunications and media sector, the most relevant waste streams include electronic and electrical equipment waste (WEEE), such as modems, routers, set-top boxes, and network components, as well as packaging materials (cardboard, plastic, and film) associated with logistics and customer deliveries. Additionally, small quantities of hazardous waste may arise from batteries, cables, and certain electronic components. Non-hazardous waste generated from office activities—such as paper, cardboard, municipal waste, and recyclable materials—is also relevant across administrative and customer service sites. The Group also handles construction and installation-related waste in connection with network expansion, including cable offcuts, plastics, and wooden reels or pallets. All waste streams are managed in compliance with national legislation and the EU Waste Framework Directive, with a focus on recovery and recycling where feasible.

Waste sent for disposal (with or without energy recovery) includes materials that cannot currently be recycled by any operator in the country. DIGI Romania has engaged with multiple operators to explore recycling or recovery processes for this waste, but no suitable process has been identified.

Starting 2023, and including 2024, each county has a representative who reports waste management records online in the Integrated Environmental System (SIM). This breakdown of waste types is only available for DIGI Romania:

Currently, DIGI Group has not yet adopted a formal policy specifically dedicated to managing material impacts, risks, and opportunities related to resource use and the circular economy. However, the Group applies operational procedures at local level, primarily focused on waste management and compliance with national environmental regulations. These procedures aim to minimize environmental impact and promote responsible resource handling, but they do not constitute a Group-wide policy aligned with circular economy principles. The Group plans to further develop its approach in the future as sustainability practices mature across its operations.

The table below provides an overview of the waste generated by DIGI Group in Romania, Spain, and Portugal, categorized as hazardous and non-hazardous waste. For each waste type, quantities are reported according to the final treatment method, including recovery operations (such as preparation for reuse, recycling, and other recovery) and disposal methods (incineration, landfill, or other disposal operations). Waste volumes from Italy are excluded, as current operations are limited and not considered material for this reporting period.

Total waste	-	**9,883**
Non-Hazardous		**9,881**
Recovery operations from disposal:		***1,775***
	Preparation for reuse	-
	Recycling	*1,660*
	Other recovery operations.	*114*
		-
Waste treatment types to disposal:		***8,107***
	Incineration	-
	Landfill	*8,107*
	Other disposal operations	-
Hazardous		**2**
Recovery operations from disposal:		***2***
	Preparation for reuse	-
	Recycling	*2*
	Other recovery operations.	-
		-
Waste treatment types to disposal:		-
	Incineration	-
	Landfill	-
	Other disposal operations	-
Non-Recycling waste	***17%***	***1,662***

Digi Group does not generate any radioactive waste; however, a limited amount of hazardous waste is produced, primarily in the form of electronic waste (e-waste) and used batteries, resulting from the operation and maintenance of telecom infrastructure and customer equipment.

The materials present in DIGI Group's waste streams include metals (e.g. copper, aluminum), plastics, non-metallic minerals, glass, and electronic components; in the case of battery disposal, small quantities of critical raw materials may also be present.

DIGI Group's key waste streams comprise waste from electronic and electrical equipment (e.g. routers, decoders, cables), packaging waste (cardboard, plastics), and general office-related waste (paper, municipal waste), reflecting the operational nature of the telecommunications and technology service sector.

In accordance with our environmental compliance obligations and the extended producer responsibility (EPR) requirements set out under Romanian Government Emergency Ordinance no. 5/2015 on waste electrical and electronic equipment with subsequent amendments and additions (which transposes Directive 2012/19/EU), Digi Romania has systematically collected and reported data on recyclable materials, electrical and electronic equipment, and batteries and accumulators placed on the market.

The reported quantities reflect our commitment to responsible waste management, proper classification, and collaboration with authorized organizations. The following tables present the volumes reported to the Organization for the Implementation of Extended Producer Responsibility (OIREP) and the Authorized Organization for the Transfer of Responsibility (OTR) by December 31, 2024, in line with applicable regulatory deadlines.

Recyclable materials reported to the Organization for the Implementation of Extended Producer Responsibility (OIREP) by December 31, 2024

Type of packaging waste		Quantity [kg]
Glass		-
Plastic	*PET*	-
	Other plastics	41,864
Paper - Cardboard		362,001
Metal	*Steel*	3,244
Aluminum		-
Wood		124,588
Total		**531,697**

Electrical and electronic equipment reported to the Authorized Organization for the Transfer of Responsibility (OTR) by December 31, 2024

Category name	Quantity [pieces]	Quantity [kg]
6.1 IT and telecommunication equipment <= 0.2kg	275,996	24,314
6.2 IT and telecommunication equipment >0.2kg <= 0.5kg	277,815	85,338
6.3 IT and telecommunication equipment >0.5kg <= 1kg	348,471	193,978
6.5 IT and telecommunication equipment >3kg	521	7,065
6.8 Mobile phones, GPS	10,658	1,554
Total		**312,249**

Batteries and accumulators reported to the Authorized Organization for the Transfer of Responsibility (OTR) by December 31, 2024

Category name	Quantity [pieces]	Quantity [kg]
2D - LITHIUM ION (0 - 50 GR)	10,658	218
4C Others	4,040	162
Total		**380**

DIGI Italy does not monitor the total amount of waste generated from their operations. DIGI Italy's waste is handled by the waste management company. Thus, the disposal and how the waste will be treated will depend on this specific waste management company. The waste DIGI Italy generates mostly consists of biomass, paper, aluminium, plastics, glass, and other waste that are not hazardous. DIGI Italy does not produce radioactive waste and does not maintain a waste management reporting system for it.

4.1.6 Anticipated financial effects from resource use and circular economy-related to impacts, risks and opportunities

ESRS E5-6

DIGI Group did not identify the anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities. The Group plans to perform the assessment in the future, within the next 2 reporting years.

5. OWN WORKFORCE

5.1 Own workforce

5.1.1 Strategy and concepts related to the own workforce

ESRS 2

Human resources are an essential asset and play a pivotal role in the operation, growth, success, and innovation of entities, regardless of their activities. To achieve organizational objectives and support economic growth while maintaining high service standards, it is important to invest in identifying, attracting, motivating, retaining, and continuously developing human capital. This enables employees to reach their potential, enhance their skills, and dedicate themselves responsibly and effectively to achieving organizational goals. By doing so, they contribute significantly to process improvements, leading to increased efficiency, higher productivity, and cost reductions. Furthermore, investing in professional development fosters employee motivation, performance, and job satisfaction.

DIGI Group considers the views of workers' representatives, where applicable, by collecting feedback through internal meetings and consultations conducted with the Human Resources department, ensuring that observations regarding operational and workforce matters can inform adjustments to the business model and strategic planning. Where workers' representatives are not in place, DIGI Group ensures that employees can raise their views and concerns through established internal communication channels.

At DIGI Group, employee rights and responsibilities are clearly defined in individual employment contracts and internal regulations. These frameworks ensure compliance with human rights and labor laws, aligning with the International Charter of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. These principles, incorporated into national labor laws, are upheld through values of mutual agreement and good faith, forming the foundation of all workplace interactions.

5.1.1.1. Interests and views of stakeholders

ESRS 2 SBM 2

DIGI Group's own workforce is a key stakeholder affected by its business activities. Their interests, views, and rights—especially regarding human rights—actively shape the company's strategy and business model. This is achieved through regular feedback loops, surveys, and ongoing dialogue. The impact the Group has on their workforce and the financial risks the Group faces if they do not nurture, support, and inspire their people in the right way are at the core of their sustainability matters.

By incorporating employee input, DIGI Group works to minimize significant impacts and risks on its workforce. To address these challenges, the company adapts its strategy by offering flexible work arrangements, strengthening health and safety measures, investing in training and development, and prioritizing sustainability.

As summarized below, DIGI Group's sustainability matters related to their own workforce are grouped under three social themes: Diversity and equality, fair and secure working conditions, protection of human rights and employee well-being and development metrics.

5.1.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM 3

Since DIGI Group's workforce constitutes a key stakeholder group affected by the Group's business activities, their interests, views, and rights—including respect for workers' human rights—actively inform and shape our strategy and business model by ensuring that the Group prioritizes secure employment, ethical working time, adequate wages, a work-life balance, health and safety, equality, diversity and ethical practices.

DIGI Group's workforce consists of both permanent and fixed-term employees, 88% percentage of the Group's employees hold full-time or part-time indefinite employment contracts, while the remainder are engaged through fixed-term contracts based on specific business needs. For specialized projects or temporary assignments, DIGI Group collaborates with subcontractors who may be present at company locations for varying durations, depending on the nature of the projects they are undertaking. These subcontractors are required to adhere to the labor provisions outlined in the service contracts signed with DIGI, ensuring that ethical labor standards are maintained across all operations.

As part of the Group's commitment to responsible workforce management, the Group assessed the material impacts, risks, and opportunities associated with its business activities. These assessments cover all individuals in their workforce, whether they are directly employed by the Group or involved in their broader value chain. The risks and opportunities related to their workforce vary depending on the location of their operations, whether at corporate offices or operational sites. In terms of material negative impacts, DIGI Group evaluates both systemic risks—such as child labor or forced labor— and individual incidents that may affect employees. Conversely, for material positive impacts, the Group discloses the specific activities that generate positive outcomes. All employees and non-employees benefit from these initiatives.

DIGI Group identifies actual and potential impacts on its own workforce through internal risk assessments and consultations, recognizing that some impacts originate from or are connected to its business model and operational strategy; the insights gained through this process contribute to adapting workforce management practices and, where relevant, inform broader strategic adjustments.

DIGI Group's human resources initiatives positively impact various categories within its own workforce, including permanent and fixed-term employees, part-time staff, interns and trainees, remote or hybrid workers, as well as non-employees working under the company's direction such as subcontracted.

Certain workforce-related risks and opportunities are specific to particular groups rather than the entire workforce. For instance, staff retention and skill development are particularly relevant to specialized employees who require continuous training to remain competitive in their roles. To address this, DIGI Group subsidiaries offer targeted training programs designed to enhance the skills of employees involved in specialized technical activities. Additionally, as DIGI Group moves toward a more sustainable future, they recognize that transitioning to greener operations may require parts of their workforce to undergo reskilling and adapt to new sustainable processes. Although a formal transition plan is not yet in place, the Group acknowledges the importance of equipping their workforce with the necessary skills to navigate this shift effectively.

DIGI Group has identified that impacts and dependencies related to secure employment, working conditions, health and safety, diversity, and skills development can generate material risks and opportunities. Positive management of these areas supports productivity and retention, while failures may lead to reduced satisfaction, turnover, reputational damage, and legal risks. No systemic material risks were recorded in the reporting period, but DIGI Group continues to monitor emerging risks and opportunities to maintain workforce engagement and competitiveness.

Ethical labor practices remain a core focus for DIGI Group, and as part of their risk management approach, they continuously assess and mitigate potential labor-related risks. To date, the Group has not identified any significant risk of forced or compulsory labor, or child labor, in any of their operational locations. To ensure a structured and comprehensive evaluation of workforce impacts, DIGI Group incorporates these considerations into its double materiality assessment. This approach is fully integrated in Group business strategy and risk management framework, allowing them to identify key risks and dependencies related to own workforce.

DIGI Group has considered how individuals within its own workforce may face greater risks of harm based on particular characteristics, contexts, or activities. Through internal risk assessments and consultations with Human Resources, the Group monitors risks for categories such as workers involved in field operations, employees with disabilities, and workers with caregiving responsibilities, recognizing that these groups may be more vulnerable to occupational, physical, or work-life balance-related challenges. Although no systemic material risks were identified during the reporting period, DIGI Group remains committed to monitoring these factors and integrating protections into its workforce practices.

Digi Group will not disclose any data about own workforce for Digi Belgium, since Digi Belgium represents a joint venture, without being consolidate.

In conducting this assessment, DIGI Group employs a thorough methodology that includes internal workshops, interviews with top management, consultations with external stakeholders, and reviews of relevant industry literature. The insights gathered from these assessments are systematically analyzed, summarized in the following table, and further elaborated in the subsequent sections of this report.

Table S1_SBM-3_14b_Negative impacts and S1_SBM-3_14c_Positive impacts

Topic	**Sub-topic**	**Sub-sub-topics**	**IRO TYPE**	**IRO name**	**Positive/Negative**
Own workforce	Working conditions	Secure employment	Impact	Providing secure employment ensures economic stability for workers, enhancing job satisfaction and fostering a loyal workforce, which can lead to higher productivity and reduced turnover.	POSITIVE
Own workforce	Working conditions	Working time	Impact	Efficient time management prevents burnout and maintains work-life balance, boosting productivity and efficiency. Overworking, however, can cause health issues, reducing effectiveness and increasing turnover.	POSITIVE
Own workforce	Working conditions	Adequate wages	Impact	Offering stable employment guarantees workers' financial security, improves job happiness, and cultivates a devoted workforce—all of which can result in increased productivity and lower employee turnover.	POSITIVE
Own workforce	Working conditions	Work-life balance	Impact	Promoting a healthy work-life balance leads to increased job satisfaction, higher productivity, and employee retention.	POSITIVE
Own workforce	Working conditions	Health and safety	Impact	Implementing strong health and safety measures ensures employee well-being, reducing workplace accidents and promoting a more productive workforce.	POSITIVE
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact	Ensuring gender equality and equal pay for work of equal value is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE
Own workforce	Equal treatment and opportunities for all	Diversity	Impact	Promoting diversity is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE

Own workforce	Equal treatment and opportunities for all	Training and skills development	Impact	Offering training is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE
Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Impact	Combating workplace harassment and taking action against violence in work places are essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Impact	Including persons with disabilities is essential for creating a fair, innovative, and productive workplace, while failure to address these aspects risks perpetuating inequality, limiting innovation, and damaging company reputation, especially in competitive and diverse markets	POSITIVE
Own workforce	Other work-related rights	Privacy	Impact	Respecting privacy – Protecting employee data is crucial in telecom. Breaches can cause mistrust, anxiety, and legal risks.	POSITIVE
Own workforce	Other work-related rights	Adequate housing	Impact	Providing adequate housing – Safe housing for field workers boosts well-being and productivity. Poor conditions harm health and morale.	POSITIVE
Own workforce	Working conditions	Secure employment	Impact	Providing secure employment ensures economic stability for workers, enhancing job satisfaction and fostering a loyal workforce, which can lead to higher productivity and reduced turnover. However, instability or job insecurity can result in decreased morale, leading to higher absenteeism and potential loss of talent.	NEGATIVE
Own workforce	Working conditions	Working time	Impact	Inefficient time management contributes to burnout and disrupts work-life balance, reducing productivity and efficiency. Overworking exacerbates health issues, diminishing employee effectiveness and increasing turnover.	NEGATIVE

Own workforce	Working conditions	Adequate wages	Impact	Failing to provide stable employment jeopardizes workers' financial security, decreases job satisfaction, and fosters a disengaged workforce—leading to lower productivity and higher employee turnover.	NEGATIVE
Own workforce	Working conditions	Work-life balance	Impact	Promoting a healthy work-life balance leads to increased job satisfaction, higher productivity, and employee retention. Failing to support this balance can result in employee burnout, reduced efficiency, and a negative workplace atmosphere.	NEGATIVE
Own workforce	Working conditions	Health and safety	Impact	Strong health and safety measures enhance employee well-being, reduce accidents, and boost productivity. Poor protocols risk injuries, absenteeism, legal issues, and reputational damage.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact	Ensuring gender equality – Promoting equal pay and workplace fairness boosts morale, reduces turnover, and enhances productivity. Ignoring pay gaps can foster inequality and dissatisfaction, especially in closely regulated markets.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Diversity	Impact	Promoting diversity – A diverse workforce enhances decision-making and market reach. Lack of diversity may limit connections with multicultural customer bases, affecting competitiveness.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Training and skills development	Impact	Providing training and skills development – Continuous training keeps employees adaptable in a fast-changing telecom industry. Neglecting it leads to skill gaps and hampers innovation.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Impact	Effective measures against violence and harassment – Ensuring a safe workplace improves employee well-being and productivity. Without safeguards, a toxic culture can harm reputation and efficiency.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Impact	Employment and inclusion of persons with disabilities – A diverse workforce aligns with EU regulations and enhances innovation. Exclusion limits perspectives and social responsibility.	NEGATIVE

Own workforce	Other work-related rights	Privacy	Impact	Respecting privacy: Protecting employee data is vital in telecom, where handling sensitive information is inherent. Breaches or misuse can erode trust, cause anxiety, and lead to legal consequences.	NEGATIVE
Own workforce	Other work-related rights	Adequate housing	Impact	Providing adequate housing for field workers supports well-being and productivity. Poor conditions can harm health and morale, especially in remote network expansion projects.	NEGATIVE
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Risk	Poor work-life balance, inadequate health and safety, or lack of inclusion for persons with disabilities can hurt the company's reputation, reduce its attractiveness as an employer, and lead to legal risks, especially under EU regulations.	

More details in section ESRS IRO 1

5.1.1.3 Policies related to own workforce

ESRS S1-1

DIGI Group's commitments in relation to its own workforce are outlined in the Code of Conduct, Internal Regulations, and a set of workforce-related policies developed under the Code of Conduct. These include the Anti-Bribery, Anti-Corruption, and Business Ethics Policy, Conflict of Interest Policies, and Anti-Money Laundering Policy, all of which have been approved by the Board of Directors, ensuring the highest level of corporate governance oversight.

These policies play a crucial role in shaping DIGI Group's approach to managing material impacts, risks, and opportunities affecting its workforce. By establishing clear ethical guidelines, they promote integrity, transparency, and accountability within the workplace, ensuring that employees are treated fairly and work in an environment free from corruption, conflicts of interest, and unethical behavior. The Group's policies also reinforce fair employment practices by safeguarding against discrimination, favoritism, and exploitative labor conditions. For more details see section *Other corporate governance practices of this report*

Furthermore, these policies are closely aligned with DIGI Group's broader workforce risk management strategies, which focus on securing fair wages, maintaining ethical working hours, and upholding strict health and safety standards.

Currently, there is no standalone Human Rights Policy; however, principles related to human rights are integrated into the approved internal documents such as the Code of Conduct, Internal Regulations, and other subsequent documents. The Code of Conduct and Policies, which are public documents, and can be accessed at DIGI's corporate governance *page*.

Policies, procedures, and other internal documents addressing human rights compliance are developed and implemented by the human resources departments in collaboration with the quality department, validated by legal department, within the Group companies. These policies, procedures, and related documents are approved by the Board.

DIGI's **Code of Conduct** states that every employee is entitled to a work environment without harassment, intimidation, discrimination, or threats of violence. This includes behaviour based on gender, sexual orientation or identity, race, disability, national origin, religious beliefs, or citizenship.

DIGI Group's management of its workforce is governed by the **Internal Work Regulation**, which outlines key principles such as workplace safety, equality, dignity, and fair treatment. This Regulation applies to all employees across the Group's operations and is adapted to comply with the legal requirements of each country where DIGI operates.

The Human Resources Department, under the oversight of senior management, is responsible for ensuring the effective implementation and monitoring of the Regulation. It reflects DIGI Group's commitment to internationally recognized standards, including the Universal Declaration of Human Rights (UDHR), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, while also aligning with EU labor laws.

The Internal Work Regulation specifically addresses material risks and impacts related to working conditions, non-discrimination, occupational health and safety, fair remuneration, and protection against unfair dismissal. It is accessible to all employees through internal platforms and is communicated during onboarding as well as through regular information and training sessions.

This alignment is reflected in the Group's commitments to principles such as non-discrimination, fair employment, safe working conditions, and respect for privacy, which are embedded into internal policies such as the Code of Conduct, Internal Regulations, and workforce procedures. The Group ensures that its internal rules mirror the key obligations and ethical standards set by these international instruments, particularly by integrating respect for human rights, equality, and ethical conduct into daily operations, employee management practices, and compliance frameworks.

While DIGI Group's current policies do not explicitly address issues such as human trafficking, forced labor, compulsory labor, or child labor, the company acknowledges the importance of these concerns. As part of its commitment to ethical labor practices, DIGI Group is actively developing dedicated policies to address these issues and plans to implement them within the upcoming financial years.

Article 20 of the Romanian Constitution ratifies universal treaties and European human rights. DIGI addresses compliance, ethical business conduct, and social responsibility at both national and international levels. Organizations in Romania assess potential negative impacts associated with their operations, including GDPR compliance, corruption risks, whistleblowing mechanisms and other key social issues. All DIGI operational policies and procedures apply across the entire organization. Regarding Romania's own workforce, there have not been reported cases of gender discrimination, gender-based violence, forced labor or labor exploitation of minors within the subsidiary. However, there are exceptions for cases occurring within family contexts. The Constitution of Romania stipulates that minors under 15 cannot be employed as employees, and the exploitation and use of minors in activities that would harm their health, morals or that would endanger their life or normal development are prohibited.

While there isn't a universal policy for preventing workplace accidents, some of DIGI Group's subsidiaries have their own specific measures.

For instance, Spain implements regular training sessions for employees, focusing on workplace health and safety, particularly in relation to vehicle driving activities. These sessions are organized by health and safety inspectors and approved by company management.

In Romania, workplace safety, especially for third-party workers like subcontractors, emphasizes prevention. On their first day, these workers participate in collective training led by Occupational Health and Safety (OH&S) inspectors, in collaboration with the department manager. This training focuses on equipping them with the skills to identify and report potential risks or hazardous situations to designated safety officers in their department, reinforcing a culture of proactive risk prevention.

While a centralized Group policy is not yet in place, priority is given to respecting and fulfilling local health and safety obligations to safeguard all workers.

Although DIGI Group lacks a formal Diversity and Inclusion Policy. Nevertheless, though its own code of conduct, the Group respects and upholds internationally recognized human rights and implements fair rewards (meritocracy) and equal opportunities for all its employees, without discrimination and respecting the diversity of its staff. Within the organization, any form of discrimination can be reported anonymously through the compliance department, ensuring confidentiality. Actions promoting diversity and inclusion include ensuring equality in recruitment, selection, hiring, training, career development, and working conditions.

The Group supports professional diversification and facilitates easy access to job opportunities via well-known recruitment platforms.

DIGI Group's management of material sustainability matters related to its own workforce is governed by several internal policies, specifically designed to prevent, mitigate, and remediate actual or potential impacts. These include the Anti-Bribery, Anti-Corruption, and Business Ethics Policy, the Whistleblowing Policy, the Non-Retaliation Policy, the Personnel Conflict-of-Interest Policy, and the Remuneration Policy. Each policy outlines clear principles and rules that promote ethical behaviour, fair treatment, transparency, and respect for human rights within the workplace.

These policies cover all employees across the Group's operations, extending across the geographies where DIGI operates. They apply without exclusion to own operations and ensure that every member of the workforce benefits from a secure and fair working environment.

The Board of Directors holds the ultimate accountability for the approval and oversight of these policies, while the Human Resources Department, in coordination with the Compliance Department, is responsible for their operational implementation and monitoring.

In designing and updating these policies, DIGI Group considered the interests of key stakeholders, particularly employees and business partners, ensuring that their expectations regarding ethics, fair remuneration, anti-retaliation protection, and business integrity are respected.

Moreover, the Group's workforce-related policies are aligned with internationally recognised standards, such as the Universal Declaration of Human Rights (UDHR), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. These alignments ensure consistency with European and national regulations applicable to labour rights, anti-corruption, and business ethics.

All policies are publicly disclosed on DIGI Group's Corporate Governance webpage and are also made available internally to employees through dedicated platforms and training programmes, ensuring accessibility and awareness across the Group.

DIGI Group tracks the effectiveness of its workforce-related policies and actions through internal monitoring processes coordinated by the Human Resources Department and reviewed at management level. While there is no formalized standalone process dedicated exclusively to tracking policy effectiveness, the Group uses qualitative indicators such as employee feedback from dialogue sessions, compliance monitoring reports, training participation rates, and employee retention rates to evaluate progress. Progress is measured against a defined ambition of maintaining high employee satisfaction, strong compliance with ethical standards, and promoting a safe and inclusive workplace. The base period for assessing improvements is the previous financial year, and results are reviewed annually.

5.1.1.4 Processes for engaging with own workforce and workers' representatives about impacts

ESRS S1-2

At the Group level, the human resources department oversees employee relations. The HR department operates an internal information system that stores and maintains all necessary data arising from HR management activities.

DIGI Romania operates without a union representation or a collective labour agreement, relying instead on individual employment contracts that adhere to the Labor Code's requirements. Employee collaboration occurs directly through local management, as there is no union established within the organization. Employees submit requests via their direct coordinators, who present these requests to board members during weekly meetings. Romanian labour laws, particularly the Labor Code, govern the notice period and consultation and negotiation provisions in these individual employment contracts.

In Spain, DIGI's subsidiaries are regulated by the Collective Agreement of the Metal Industry, Services, and Installations Sector. All workers are covered by the sector agreement. Union representation is present in DIGI Spain's offices in multiple cities, such as Alicante, Almeria, Barcelona, Bilbao, Burgos, Castellón, Coruña, Guipuzcoa, Granada, Leon, Lleida, Logroño, Madrid, Malaga, Murcia, Oviedo, and Zaragoza. DIGI Call Center in Madrid has had union representation since 2019. The management team and HR department, with support from the legal department, maintain an ongoing and positive relationship with workers' representatives.

As foreseen in Belgian labor law, there is a formal framework for employees and workers' representatives in different forms: the workers' council, the committee for prevention and protection in the workplace, a workers' delegation, and a process for direct consultation of employees for all matters regarding their wellbeing. The required form depends on different factors: the workforce size during a reference period and the presence (or not) of a worker's delegation.

DIGI Italy and DIGI Portugal do not have a formal process for engaging with own workforce representatives about impacts, however they support the process conducted at Group level

DIGI Group is required to consult with its workforce on all matters related to their wellbeing. This consultation process is formal and is currently conducted via email, involving direct engagement with all employees. In addition to these consultations, DIGI Group also conducts anonymous surveys to evaluate the wellbeing of its staff.

Employee representation within the Group is informally managed through human resources and departmental leadership, who relay workforce concerns directly to the executive board as part of current governance processes.

Internal employees are provided with organizational updates and information through the following established communication channels:

Our Communication Methods	Frequency	Communication Channels
• Periodic Information; • Internal Communication Campaigns; • Internal Communication Platform; • Stakeholder consultation as part of the sustainability reporting process;	• Weekly (internal communication); • Quarterly (internal competitions and sports events); • Annual (events);	• Intranet – DIGIONEVOICE; • E-mail; • Internal competitions and events; • Display boards; • Newsletters; • Social media;

All received feedback are reviewed by the Human Resources departments in collaboration with the Legal and Compliance departments. As a next step, an investigation is carried out with the involvement of the parties concerned, and upon conclusion, appropriate measures are taken based on the specific circumstances.

The Board of Directors holds the ultimate accountability for the approval and oversight of these policies, while the Human Resources Department, in coordination with the Compliance Department, is responsible for their operational implementation and monitoring.

The Group has not yet implemented specific measures but is involved to understand the perspectives of individuals within their workforce, especially those who may face marginalization, such as women, migrants, and people with disabilities.

Feedback from DIGI Group's workforce is primarily collected through dialogue sessions coordinated by the Human Resources Department, complemented by periodic employee surveys and internal communication channels. Feedback is recorded in internal reports, reviewed by HR and departmental managers, and escalated to senior management where relevant. Based on the review, adjustments to policies, processes, or initiatives are proposed, and outcomes are communicated back to employees via the Group's internal communication platform (DIGI OneVoice) and dedicated HR briefings, ensuring transparency about how feedback has influenced decisions. Engagement activities mainly occur at the site or project level; however, feedback from these local engagements is systematically centralized through reports submitted to the Group's HR Department. The HR Department consolidates and analyses all inputs at the organizational level to ensure a unified and informed decision-making process that reflects the workforce's voice across all operational areas.

5.1.1.5 Processes to remediate negative impacts and channels for own workers to raise concerns

ESRS S1-3

DIGI Group is dedicated to operating with fairness, honesty, and integrity. This commitment includes strict compliance with all relevant laws and regulations, and a zero-tolerance stance on bribery, corruption, money laundering, and terrorism financing. All employees, officers, directors, and contractors must adhere to the Group's principles and rules, as outlined in the Anti-Corruption and Business Ethics Procedure. DIGI Group expects all business partners to either follow this procedure or implement equivalent rules and principles.

DIGI Group is providing channels for employees to voice their concerns. The Whistleblowing Policy, adopted in 2017 and revised in 2023, outlines the framework under which employees can report concerns or complaints related to any activity that infringes applicable laws, regulations, or generally accepted Group practices, which could have significant negative impacts on the Group's operations.

The Group has established internal reporting channels for each main subsidiary, managed by the respective Compliance Officer. Additionally, a Group wide reporting platform is available. The reporting channels for each subsidiary are as follows:

- Romania: https://www.digi.ro/raportare-nereguli
- Spain: https://www.digimobil.es/canaletico
- Italy: https://www.digimobil.it/it/whistleblowing/
- Portugal: whistleblowing@digi.pt (published internally, only for employees)

Complaints, if any, are addressed promptly following current regulations and the Whistleblowing Policy. Retaliation against employees or business partners who report genuine concerns is strictly prohibited.

The Group has established clear processes and structures through which employees can raise concerns or express needs. These include open reporting lines, ethics committees, and feedback mechanisms. Policies are in place to protect employees who use these channels, ensuring confidentiality and safeguarding against any form of retaliation.

Employees participate in regular training sessions on ethics and organizational conduct, which emphasize the importance of speaking up and using the available reporting mechanisms. As part of the training roadmap, we will implement dedicated training programs that explain in detail the procedures and communication channels through which employees can raise concerns or report issues.

There is documented evidence that the organization periodically reviews the use of these structures and mechanisms. Outcomes are reported either publicly or internally, including to the Audit Committee and through the annual report. These disclosures provide information on the number and typology of the concerns raised, the actions taken, and the results achieved.

Additionally, various channels are provided inside the Group for employees to report concerns, non-compliance with work standards, discriminatory incidents, and other issues to the compliance department or the human resources or legal departments. These reports can be made anonymously to ensure confidentiality and protection. As outlined in the Whistleblowing Policy, any concerns or complaints can be reported through the following channels:

- Email: raportare.nereguli@conformitate.digi.ro
- Anonymous reporting form, available online at Digi Communications Contact Page
- Postal address: Dr. Staicovici Street no. 75, Forum 2000 Building, postal code 050557, Sector 5, Bucharest – Attention: Compliance Officer
- Directly, through meetings requested with the Compliance Officer or a designated person within the Compliance Department.

For advice on implementing Digi Group’s policies and practices, employees in Romania can use the following email addresses:

- conformitate@digi.ro
- grup.conformitate@digi-communications.ro

Within the HR department, there is an alias available to employees at feedback@digi.ro, where colleagues can address any situation, recommendation, or proposal for HR team activities.

The organization uses several communication tools, including the internal platform Digi One Voice. This platform connects employees, updates them on Group actions, events, documentation, and provides HR contacts by region, allowing employees to report issues for escalation and resolution. Individual incidents can be addressed directly to supervisors or coordinators via in-person conversations, email, or the internal chat system.

Critical concerns about potential and actual negative impacts raised by stakeholders through grievance mechanisms are promptly presented to the CEO or Board of Directors by the HR department. During the reporting period, no critical concerns were reported through the Group's reporting channels. The reporting channels comply with the EU Directive 2019/1937 on whistleblower protection and have been implemented in the countries where the Group operates.

Workers can always reach out to the HR department for support. In the event of an incident or accident, DIGI Group actively informs staff about the available reporting channels.

Currently, the Group does not have a formal evaluation framework to assess the effectiveness of these channels. While established procedures are in place to handle reports submitted to the whistleblower officer through the internal reporting system, there is no dedicated system to track or measure overall effectiveness.

To address this, DIGI Group is developing a strategy to evaluate the impact of these policies starting in the 2025 reporting year. Additionally, the Group is working on a process to assess employee awareness and trust in the existing reporting mechanisms, ensuring that concerns and needs are effectively addressed.

5.1.1.6 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS S1-4

The Group actively prevents and mitigates negative impacts on the workforce by conducting regular workplace inspections (SSM). To address challenges related to work-life balance, it offers flexible work schedules and remote work options. Additionally, it maintains a structured work environment that prevents discrimination and harassment while providing clear reporting channels for any concerns.

DIGI Group's approach to ensuring the health and safety of its employees is multifaceted and proactive. The Romanian subsidiaries have implemented an Occupational Health and Safety Management System in accordance with ISO 45001:2018, which is grounded in established risk management standards and guidelines. This system underscores the Group's dedication to maintaining a safe working environment. Furthermore, to protect employees from occupational health and safety risks, the Group provides Personal Protective Equipment to workers who, following assessments by OHS inspectors, are identified as being exposed to risks that cannot be avoided.

The provision of Personal Protective Equipment is a crucial step in reducing or eliminating these risks, highlighting the Group's commitment to the well-being of its workforce.

Beyond workplace safety initiatives, The Group focuses on employee development by offering training opportunities and resources. Employees are encouraged to set personal goals, and the effectiveness of actions and initiatives is monitored through direct employee feedback, regularly collected via performance evaluations.

DIGI Romania has implemented a systematic process to identify necessary actions when addressing actual or potential negative impacts on the workforce. This includes using an incident reporting system to identify risks and reviewing reports to determine root causes. Based on these insights, corrective actions are developed and executed.

DIGI Group recognizes that they have not adopted formal actions at this time; however, this is being addressed as part of their ongoing development process through the following companies listed below:

Employer Branding Campaigns & Job Fairs Participation

DIGI maintains a consistent presence at job fairs to boost employer brand visibility and attract suitable candidates. Participation supports talent acquisition goals and strengthens DIGI’s reputation as a top employer. DIGI uses creative booths, custom promotional materials, and interactive games to create a memorable presence. The impact is measured by tracking conversion from attendees to applicants. Internal and external promotion includes interviews with employees and visitors.

Academic Internships

DIGI runs annual internship programs for students from technical universities, during spring and summer. These allow students to apply theoretical knowledge in real-life telecom environments, gaining exposure to modern technologies and processes in areas such as networking, software, and cybersecurity. Students also develop social and professional skills like teamwork, communication, and adaptability. The program introduces them to DIGI's organizational culture and structure and supports career exploration and future employment opportunities. DIGI also fosters academic partnerships to develop joint projects and relevant curricula.

Wellbeing Campaign

The campaign promotes employees' mental, emotional, and physical health and encourages work-life balance. Activities include stress-reducing exercises, fitness challenges, gym discounts, and healthy lifestyle tips. The goal is to build a supportive, wellness-focused workplace culture.

Annual Onboarding Campaign

DIGI's onboarding campaign ensures smooth integration of new employees by familiarizing them with the company's values, services, and structure. The campaign aims to reduce adaptation time, clarify roles, enhance brand experience, and gather real-time feedback to improve the onboarding process.

Employee Recognition – DIGI Awards

DIGI Awards aim to boost motivation and engagement by recognizing outstanding employee contributions and achievements. The program highlights visible and behind-the-scenes efforts, encourages innovation, initiative, and team spirit, and fosters long-term retention through a transparent and inspiring recognition system.

Team Coaching Campaign

The annual coaching campaign focuses on professional and personal growth. In 2024, it emphasized leadership, team management, conflict resolution, decision-making, and emotional intelligence. Coaching helps enhance self-awareness, improve communication, and create a more productive and innovative work environment.

DIGI Learn Internal Platform

DIGI Learn is an internal learning platform that supports continuous development by providing flexible access to educational resources and customized training. It reduces training costs through digitalization, allows progress tracking, and improves employee retention by fostering a culture of learning and growth.

Monthly Employee Newsletters

The newsletter strengthens communication between leadership and employees, increasing transparency and engagement. It shares updates, success stories, internal and European initiatives, and professional development opportunities such as courses and webinars. It helps reinforce DIGI's mission, vision, and company culture, while boosting the sense of belonging.

Furthermore, in 2024, DIGI Group launched several initiatives to support employee well-being, community spirit, and sustainability, under its #DigiBenefit and #DigiWell programs. These included:

- A reforestation project planting 3,100 trees in Giurgiu.
- Participation in a charity cycling event funding a home for children with disabilities.
- Organizing team-building fishing competitions with over 170 employees.

- Participation in national running events (Predeal and Baneasa Forest Run) promoting health and teamwork, with full registration support for employees and families.

DIGI Group allocates dedicated human, financial, and operational resources to the management of its material impacts related to its own workforce. The Human Resources Department, in coordination with the Compliance, Legal, and Quality Departments, is responsible for implementing and monitoring workforce-related policies. Resources include staff training programs, compliance monitoring tools, internal communication platforms, and employee support initiatives. Budgetary allocations for health and safety measures, professional development, and diversity initiatives are included annually in the Group's operational budgets. Management oversight ensures that sufficient resources are directed toward maintaining fair, safe, and inclusive working environments across all locations.

Although, DIGI Group has not adopted dedicated actions plan, the Group has disclosed this throughout the report and provided explanations that such principles are currently embedded within broader internal documents like the Code of Conduct and Internal Regulations. DIGI Group intends to progressively formalize specific action plans in the upcoming financial years.

DIGI Group acknowledges that external developments, such as changes in labor market dynamics, regulatory frameworks, and evolving social expectations, can influence how workforce-related dependencies may turn into material risks. While these aspects are monitored informally through regular market and legal updates, a formal process for systematically assessing external developments against dependency risks is not yet established.

DIGI Group tracks the effectiveness of its workforce-related policies and actions through internal monitoring processes coordinated by the Human Resources Department and reviewed at management level. While there is no formalized standalone process dedicated exclusively to tracking policy effectiveness, the Group uses qualitative indicators such as employee feedback from dialogue sessions, compliance monitoring reports, training participation rates, and employee retention rates to evaluate progress. Progress is measured against a defined ambition of maintaining high employee satisfaction, strong compliance with ethical standards, and promoting a safe and inclusive workplace. The base period for assessing improvements is the previous financial year, and results are reviewed annually.

5.1.1.7 **Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

ESRS S1-5

At the DIGI Group level, no formal targets have yet been set regarding the management of significant impacts, the promotion of positive impacts, or the management of material risks and opportunities related to its own workforce. However, the Group tracks the effectiveness of its workforce-related policies through internal processes such as employee feedback, compliance checks, training participation rates, and retention monitoring. Progress is assessed annually, using the previous financial year as a baseline, with the ambition of maintaining a safe, fair, and inclusive working environment. While specific sustainability targets are not yet in place, DIGI Group plans to introduce workforce-related KPIs focused on development, diversity, and occupational safety in its future ESG strategy.

5.2 Diversity and equal opportunities

5.2.1 Characteristics of the undertaking’s employees

ESRS S1-6

The subsequent table provides a comprehensive breakdown of DIGI Group’s total employee by headcount, categorized by gender and country.

The data includes every active employee as at 31.12.2024.

S1-6 50a breakdown by gender and region

Number of employee s (Headcount) – breakdown by gender and region						
Year	**Gender**	**ROMANIA**	**SPAIN**	**PORTUGAL**	**ITALY**	**Total**
2024	Female	4,092	2,686	249	66	7,093
	Male	9,507	6,697	931	218	17,353
	Other		2	-	-	2
	Not reported			-	-	-
	Total	**13,599**	**9,385**	**1,180**	**284**	**24,448**
	Average number of employees (head count)	13,564	8,568	787	251	23,169

The following table illustrates the total number of employees by headcount for the subsequent categories, offering a breakdown by gender and region, as permanent employees, temporary employees, non-guaranteed hours employees.

The data is calculated as headcount: the total number of leavers in this period divided by the average number of employees in this period (where the average is the average of the number of employees for each month in this period).

The "permanent/temporary" classification was made based on contract type (permanent = no termination date in contract; temporary = termination date specified in contract)

Table S1-6_50b_Employee breakdown

Headcount					Total number of employees
Numbers of employees in Romania					
Year	**Gender**	**Permanent**	**Temporary**	**Non-guaranteed hours**	
2024	Female	3,619	473	0	**13,599**
	Male	8,859	648	0	
	Other	0	0	0	
	Not reported	0	0	0	
	Total	**12,478**	**1,121**	**-**	

Headcount					Total number of employees
Numbers of employees in Spain					
Year	**Gender**	**Permanent**	**Temporary**	**Non-guaranteed hours**	
2024	Female	2,518	168	0	**9,385**
	Male	6,226	471	0	
	Other	2		0	
	Not reported			0	
	Total	**8,746**	**639**	**-**	

Headcount					Total number of employees
Numbers of employees in Portugal					
Year	**Gender**	**Permanent**	**Temporary**	**Non-guaranteed hours**	
2024	Female	66	183	0	**1,180**

	Male	112	819	0	
	Other			0	
	Not reported			0	
	Total	**178**	**1,002**	**-**	
		Headcount			**Total number of employees**
Numbers of employees in Italy					
Year	**Gender**	**Permanent**	**Temporary**	**Non-guaranteed hours**	
2024	Female	46	20	0	**284**
	Male	104	114	0	
	Other			0	
	Not reported			0	
	Total	**150**	**134**	**-**	

Employees working 8 hours a day are considered full-time, while those working fewer than 8 hours a day are classified as part-time.

*Table S1-6_50b **(Headcount)***

Year	**Gender**	**Romania**		**Spain**		**Portugal**		**Italy**	
		Full-time	Part time	Full-time	Part time	Full-time	Part time	Full-time	Part time
2024	Female	3,945	147	2,045	641	249	-	51	15
	Male	9,354	153	6,386	311	929	2	194	24
	Other			2					
	Not reported								
	Total	**13,299**	**300**	**8,433**	**952**	**1,178**	**2**	**245**	**39**

For its own employee turnover calculation, the Group aggregates the number of employees who leave voluntarily, are dismissed, retire, or pass away while in service. This total is used as the numerator in the employee turnover rate. The Group may define the denominator used for this calculation and should describe the methodology applied.

Table S1-6_50c_ Employee turnover

	Romania	**Spain**	**Italy**	**Portugal**
Number of employees who have left	2,028	2,425	176	213
Percentage of employee turnover	14.95%	28%	70.23%	27%

In 2024, DIGI Group monitored turnover rates across its key markets. Romania showed a relatively low turnover rate (14.84%) reflecting stable, predominantly full-time employment (97% full-time). Spain and Portugal recorded higher turnover (28% and 27% respectively), partly influenced by greater shares of part-time contracts (Spain: 10% part-time; Portugal: 3%). Italy's high turnover rate (70.23%) is mainly due to the proportion of temporary and part-time employment (14% part-time), reflecting the market's seasonal and flexible labor practices. Exit data is reviewed periodically to identify retention risks and workforce planning improvements.

DIGI Romania complied the employee data using information exported from Socrate Open and Socrate Salarii, the subsidiary's HR and payroll management systems. The dataset includes the number of individual employment contracts at the end of the reporting period, specifically the last day of December 2024. This count reflects all employees with individual employment contracts, whether active or suspended, ensuring a comprehensive representation of the workforce at that point in time.

The number of employees is reported in headcount, meaning each individual employee is counted as one, regardless of their working hours or contract duration. Employees working part-time or under flexible arrangements are included in the total without conversion to full-time equivalent (FTE). The reported data is a point-in-time figure, capturing the workforce as of the end of the reporting period, without averaging or other time-based aggregation.

To ensure clarity in data interpretation, the count includes employees on temporary leave, maternity/paternity leave, medical leave, or other suspensions, as long as their employment contracts remained valid at the end of December 2024. This methodology ensures consistency with internal HR reporting practices and aligns with best practices for workforce reporting, providing a transparent and accurate representation of the company's employee structure, more information *detailed in section Note to the consolidated financial statement: Corporate information from this report.*

5.3 Fair and secure working conditions

5.3.1 Diversity metrics

ESRS S1-9

DIGI Group appreciates their employees' contributions, both within the company and in the wider community. The Group is dedicated to creating a diverse and inclusive workplace, recognizing that a variety of perspectives and experiences drive their success. The Group's hiring practices are designed to attract and celebrate the unique talents of each team member.

DIGI Group has presented in the following table:

- the gender distribution in number and percentage at top management level.

Top management personnel are individuals who are positioned at one or two hierarchical levels below the administrative and supervisory bodies.

Table S1-9_66a_Gender distribution at top management level – Consolidate values

Gender distribution at top management level		
Gender	**Numerical value**	**% value**
Female	31	31%
Male	70	69%
Other	0	0
Total	101	100%

- the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old.

Table S1-9_66b Number and percentage of employees (headcount) – Consolidate values

Age distribution of employees (headcount)		
Age	**Numerical value**	**% value**
under 30	3,936	16%
30 - 50	13,856	57%
over 50	6,656	27%
Total	**24,448**	**100%**

5.3.2 Adequate wages

ESRS S1-10

DIGI Group is committed to providing an adequate salary by ensuring that all employees receive fair and competitive remuneration that aligns with market trends and legal requirements. Salaries are regularly reviewed and adjusted to maintain fairness, equity, and industry alignment.

At the Group level, all employees earn at least the reference salary, meaning no one is paid below the legally mandated minimum wage in any country where DIGI operates. Additionally, DIGI's compensation structure upholds equal pay principles, ensuring that salaries are not influenced by factors such as race, gender, ethnicity, or sexual orientation.

In Romania, DIGI employs a standard Individual Employment Contract for both fixed-term and indefinite-term employees. This contract complies with national labor laws and adheres to the framework set by Order no. 64/2003 regarding employment contracts.

To further support adequate and fair wages, DIGI Group ensures progressively closing wage gaps by conducting regular salary reviews, implementing market-based adjustments, and ensuring full compliance with local labor regulations. Through continuous assessment and improvement, the Group maintains a compensation framework that promotes fairness, transparency, and financial well-being for all employees.

5.3.3 Social protection

ESRS S1-11

DIGI Group ensures compliance with state-mandated employment benefits—including unemployment insurance, disability insurance, health insurance, parental leave, and retirement contributions. The Group also supports employees who experience loss of livelihood due to circumstances beyond their control. In such cases, managers will report the situation to the Human Resources department, which provides ongoing assistance to affected employees.

5.3.4 Persons with disabilities

ESRS S1-12

Ensuring that the Group's workplace is accessible to all employees, including those with disabilities and individuals from diverse socio-economic backgrounds, reinforces our commitment to an inclusive work environment. By proactively meeting accessibility standards, the Group enhances its reputation as an inclusive employer, fosters employee trust, and contributes to bridging workplace inequities. Compliance with regulatory requirements also helps mitigate risks associated with potential fines or restrictions, particularly in regions where workplace accessibility and inclusivity are recognized as fundamental rights.

The following table discloses the proportion of employees with disabilities within DIGI Group's subsidiaries in the reporting year.

The calculation of the percentage of employees with disabilities is based on the number of employees holding a disability certificate, relative to the total number of active employees (by headcount).

S1-12 Disabilities				
Employees with disabilities, by gender				
	Romania	**Spain**	**Portugal**	**Italy**
Males (% ratio)	0.40%	0.55%	0.00%	0.00%
Females (% ratio)	0.76%	0.41%	0.00%	0.00%

DIGI Group is dedicated to fostering an inclusive work environment that supports individuals with disabilities. At the same time, certain roles within the organization have specific health requirements based on legal standards applicable to our industry. To ensure workplace safety and compliance, each employee's health is assessed both during the hiring process and at regular intervals by DIGI Group's specialized occupational medicine service. This proactive approach helps align employees’ well-being with the occupational risk factors associated with their specific roles, ensuring a safe and supportive work environment for all.

5.3.5 Training and skills development for own workforce

ESRS S1-13

A **regular performance review**, as understood by DIGI Group refers to a structured evaluation process conducted at least once per year. It is based on pre-established criteria that are known to both the employee and their direct superior. The review is carried out with the employee’s knowledge and may involve input from the direct manager, peers, or other relevant team members. In some cases, the human resources department may also participate to ensure fairness, consistency, and alignment with organizational goals.

The strategic development of employee skills is a continuous priority at DIGI Group. This focus includes annual professional training courses designed to enhance internal potential and facilitate professional retraining. This initiative enables employees to quickly adapt to new operational needs and helps the company maintain a competitive edge as an employer.

In response to the competitive environment fostered by the free movement of labor within the European Community, DIGI Group aims to align its human resources policies with those of leading European telecommunications operators. As such, DIGI provides ongoing opportunities for employee development through continuous training and evaluation. A high level of professional competence among employees is viewed as essential for achieving organizational objectives, making investment in human resources a profitable endeavor across all fields of activity.

Performance reviews play a crucial role in providing employees with constructive feedback, recognizing achievements, and supporting ongoing development. These evaluations focus on offering feedback on strengths and areas for improvement, setting goals, and discussing career development, thereby fostering a high-performance work culture.

Key components of this strategic development include:

- Engaging management in recognizing and valuing employee performance.
- Adjusting course content to align with business strategy implementation as needed.
- Creating innovative learning methods that leverage technology advancements and cater to adult learning preferences, such as coaching, webinars, online platforms, and hybrid training.
- Providing opportunities for professional and personal growth through performance management.
- Establishing a learning community within the organization that promotes best practices, encourages collaboration, and supports innovative thinking.
- Enabling access to professional conferences and conducting conflict mediation sessions.

Employee training, improvement, and professional development are guided by the "Annual Program for Training and Professional Development of Employees," developed at the Group level. This program adheres to the provisions of articles 194 and 195 of Law no. 53/2003 (Labor Code), which mandate that employers with over 20 employees develop annual professional training programs and ensure employee participation in courses at least once every two years.

The training subjects cover various fields crucial to the company's development, including legal, human resources, strategy and corporate management, information technology and communications, quality, environment, safety and health at work, security, internal audit, internal control, and financial management, as well as other topics of interest necessary for the Group's activity.

In 2024, the External Training and Career Management Service, in collaboration with the Performance Evaluation and Growth Office and the Authorizations and Compliance Office, initiated and conducted training and professional development courses. Training activities with internal resources (internal trainers) continued in 2024, building on successful initiatives from 2022 and 2023, ensuring the availability of qualified personnel in needed disciplines and occupations.

In 2024, professional skills development courses were organized to optimize and enhance work efficiency. Topics included:

- Teamwork Skills
- Interpersonal Communication
- Advanced Communication Techniques
- Remote Team Management
- Conflict Management and Self-Control
- Emotional Intelligence
- Time Management
- Leadership

These courses, conducted by internal trainers from the Human Resources Development Department, were scheduled throughout the year.

During 2024, the Internal Training and Professional Development Service conducted training sessions with internal trainers, targeting the development of professional skills of their employees. The main categories of courses organized by DIGI Group include:

- Teamwork Skills Training
- Interpersonal Communication Training
- Time Management Training
- Advanced Communication Techniques Training
- Emotional Intelligence Training
- Specialization Course for Trainers
- Qualification Training for Maintenance and Repair Mechanic Locksmiths
- Interpersonal Communication, Advanced Communication Techniques, and Emotional Intelligence Training

Through these initiatives, DIGI Group remains committed to fostering an environment of continuous learning and professional growth, equipping employees with the skills necessary to thrive in a dynamic and competitive industry.

The table outlines the percentage of employees who took part in regular performance and career development reviews in 2024.
It also shows the average number of training hours per employee, broken down by gender

S1-13 – Training and skills development - Group level

	Percentage of employees that participated in regular performance and career development reviews in 2024	Average number of training hours per employee and by gender
Male	66%	28.50
Female	77%	23.94
Other	100%	0

The percentage of employees participating in regular performance and career development reviews in 2024 was calculated by dividing the number of employees who underwent formal review processes by the total number of employees, segmented by gender. For training, the average number of training hours per employee was calculated by dividing the total number of completed training hours by the total headcount per gender. The methodology assumes full consistency in how training hours and performance reviews are recorded across all Group entities. A limitation is that informal or on-the-job training and mentorship activities were not included, which may lead to an underestimation of the actual development efforts.

5.5 Employee Well-being and Development Metrics

5.5.1 Health and safety metrics

ESRS S1-14

Ensuring the health and safety of the Group's employees is a continuous priority. As such, the Romanian branches of the Group have implemented an Occupational Health and Safety Management System aligned with ISO 45001:2018 standards. This system encompasses all employee categories within the Group's subsidiaries, including operational, managerial, and contractor roles.

Although only Digi Romania is ISO certified, the knowledge and workflow related to health and safety is applicable on the group level. Risk identification is conducted at the workstation level by a dedicated evaluation team comprising senior managers, risk assessors, workers, and workplace managers. They visit all workplaces to identify potential accident sources and employees who might be exposed to risks. The team schedules visits across the Group and monitors workflows at each location. In administrative office areas, each office is visited individually, involving workers and managers in the evaluation process to familiarize them with the identified risks and workstations.

The table presents key occupational health and safety indicators at Group level, including coverage by health and safety systems, number of work-related fatalities, accidents, and ill health cases.
It also includes country-level data (Italy, Romania, Spain, Portugal) on hours worked and the rate of recordable work-related accidents within the own workforce.

Table S1_S1-14_88_Health and safety metrics

Group level	**Employees**
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	2
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	751
No. of hours worked per country/total	**40,442,864**
Italy	*433,364*
Romania	*23,725,210*
Spain	*14,850,816*
Portugal	*1,433,473*
Rate of recordable work-related accidents for own workforce	18.57
Number of cases of recordable work-related ill health of employees	11
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	20,699

In reporting on health and safety performance, DIGI Group relies on internal monitoring systems implemented across all operational entities. Data regarding fatalities, recordable work-related accidents, cases of work-related ill health, and lost workdays were systematically collected and consolidated at Group level. The calculation of the accident rate was performed using a standard methodology, by dividing the number of recordable incidents by the total number of hours worked (40,442,864 hours) and multiplying by one million, resulting in a recordable accident rate of 18.57 for 2024.

All employees (100%) across the Group's operations in Romania, Spain, Italy, and Portugal are covered by occupational health and safety management systems, aligned with national legal requirements and, where applicable, recognized international standards. The methodology assumes consistent incident classification and reporting practices across countries, although minor local variations in interpretation may introduce slight inconsistencies. Furthermore, while data related to DIGI's own workforce has been fully integrated, information concerning contractors or external workers has only been captured in relation to fatalities, for which no incidents were recorded.

It is important to note that while internal control mechanisms ensure reasonable accuracy, the reported data has not undergone third-party external validation beyond the scope of statutory financial and sustainability assurance. Despite these limitations, the Group continuously works to enhance data quality and harmonize reporting procedures, recognizing health and safety as a key area for workforce well-being and operational resilience.

Regarding non-employees there were no cases of fatalities as a result of work-related injuries and work-related ill health

5.4.2 Work-life balance metrics

ESRS S1-15

The percentage of DIGI Group's employees eligible for family-related leave is 100%.

The following table shows the percentage of employees entitled to take family-related leave and the percentage of entitled employees that took family-related leave, and a breakdown by gender.

Table S1_S1-15_93_Parental leave

	Gender	Romania	Spain	Portugal	Italy
The percentage of employees entitled to take family-related leave	Total	100%	100%	100%	100%
The percentage of entitled employees that took family- related leave	Headcount - Female	392	516	4	18
	Headcount - Male	999	1,210	29	14
	Percentage - Female	10%	19%	2%	27%
	Percentage - Male	11%	18%	3%	6%

Employees are entitled to family-related leaves through local social policy regulation.

Absence reasons:

- Medical consultation for minor child
- Serious illness, hospitalization, surgical intervention of relatives up to 2nd degree
- Maternity leave
- Paternity leave
- Paternity nursing leave
- Partial Paternity

5.4.3 Remuneration metrics (pay gap and total remuneration)

ERS S1-16

The gender pay gap is reported in accordance with the reporting requirements of the ESRS. Please note that the gender pay gap is not to be confused with pay equality.

The gender pay gap is calculated as the percentage difference between the average gross hourly pay of male employees and that of female employees, expressed as a proportion of the average gross hourly pay of male employees. This indicator reflects the relative difference in earnings between genders.

This calculation helps the Group assess pay equity and identify any potential gender-based disparities in compensation.

Annual total remuneration ratio is calculated by dividing the annual total remuneration of the undertaking's highest paid individual by the median annual total remuneration of all other employees (excluding the highest paid individual).

This indicator provides insight into internal pay equity and highlights the disparity between executive and employee compensation within the organization.

Table S1-16_97_Gender pay gap and pay ratio at Group level

Gender pay gap	11.93%
Annual total remuneration ratio	114

5.5 Protection of human rights

5.5.1 Incidents, complaints and severe human rights impacts

ESRS S1-17

DIGI Group reported the total number of discrimination incidents, including harassment, that occurred during the reporting period. This report includes the number of complaints filed through both internal channels and, where applicable, to the National Contact Points for OECD Multinational Enterprises. Excluding those mentioned in Table S1_S1-17_104. Additionally, DIGI Group confirms that no fines, penalties, or compensation for damages resulted from such incidents or complaints across the entire Group. As such, no reconciliation with the financial statements is required.

During the reporting period, a limited number of work-related grievances were received through the company's whistleblowing channels, including cases related to harassment. These were addressed in line with the internal Whistleblowing Procedure, which ensures confidentiality, impartial assessment, and timely resolution.

Each case was reviewed following our established methodology, which includes categorization by type of issue, severity assessment, and appropriate follow-up actions. Although the number of incidents was not considered significant from a materiality perspective, corrective measures were implemented to prevent recurrence. These included disciplinary action (including dismissal where appropriate) and internal communication to raise awareness on expected standards of behavior.

Table S1_S1-17_103_Discrimination and harassment incidents

Category	Romania	Spain
Reported incidents of discrimination (including harassment)	0	5
Number of complaints filed through internal channels	1	72
Total amount of fines/compensation related to the above incidents (€)	0	0

DIGI Group monitors incidents of discrimination, harassment, and employee grievances through internal reporting channels established in each country of operation. The figures disclosed for 2024 were compiled based on official internal registers maintained by Human Resources and Compliance departments. Reported incidents of discrimination include confirmed cases investigated at the local level, with Romania recording 1 case and Spain 5 cases during the reporting period. Additionally, 72 complaints were filed through internal grievance mechanisms in Spain, while no formal complaints were registered in Romania.

The methodology applied consists of aggregating reported and documented incidents across operations. It assumes that employees are aware of, and have access to, internal reporting channels and that local HR and Compliance units consistently classify and report cases. However, a limitation of the approach is the potential underreporting of cases due to cultural differences, fear of retaliation, or limited awareness of reporting mechanisms, despite DIGI's efforts to encourage safe and confidential reporting environments.

No financial penalties or compensations related to these incidents were recorded during the reporting period, reflecting the company's approach of addressing grievances internally through resolution and prevention mechanisms rather than through external litigation processes.

During the reporting period, there were no severe human rights incidents, such as forced labor, human trafficking, or child labor, connected to DIGI Group's workforce. This statement also reflects that there were no violations of international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

6. WORKERS IN THE VALUE CHAIN

ESRS S2

6.1 Strategy and concepts related to the workers in the value chain

6.1.1 Interests and views of stakeholders

ESRS 2 SBM-2

DIGI Group engages with various stakeholders within its value chain, including network equipment suppliers, technology providers, infrastructure partners, as well as transportation companies and retailers that distribute our products to end users. The Group maintains a structured and ethical approach in its collaborations, promoting sustainable and responsible practices. DIGI Group's value chain includes a wide range of product and service suppliers, sourced both from within Europe and from other continents, particularly those engaged in telecommunications equipment manufacturing, network construction, logistics services, and customer support, as previously outlined.

At this stage, DIGI Group has not identified material impacts on the interests, views, or rights of value chain workers that would inform or influence the Group's strategy or business model, including in relation to the respect of their human rights.

The Group considers the role that their strategy may play in creating, exacerbating or mitigating significant material impacts on value chain workers by setting mandatory conditions for collaboration with potential suppliers. As such, DIGI Group is currently working on a Suppliers Code of Conduct, which will be approved until the end of next reporting period. Through Suppliers Code of Conduct, Digi Group is committed to upholding to high standards of ethics and business responsibility, acting in accordance with the principles set out in the DIGI Group's Code of Conduct and the Policy on Anti-Bribery, Anti-Corruption, and Business Ethics (available in the Corporate Governance section at https://www.digi-communications.ro/en/corporate/corporate-governance). These principles will be documented internally through procedures and will be communicated to both our internal teams and partners to ensure alignment with our values concerning working conditions and social responsibility

6.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

DIGI Group perceives the workers in their value chain as a key category of the Group's affected stakeholders since they could be materially impacted by the Group's activities. Therefore, their interests, views, and rights have a significant impact and have therefore been factored into DIGI Group's business model and strategy. The connection between DIGI Group's strategy and business model and the material risks and opportunities related to their value chain workers stems from the impacts and dependencies on these workers. Essentially, the way DIGI Group addresses the risks and opportunities involving their value chain workers is directly linked to how they shape their strategy and business model.

By fulfilling the requirements of paragraph ESRS 2 SBM-3 paragraph 48, DIGI Group includes all value chain workers who are likely to be materially impacted by its activities. This includes workers affected by the Group's own operations and value chain, through its products or services, and through its business relationships. To ensure continuity in the process of providing quality services, DIGI Group collaborates both with suppliers from the local market as well as with suppliers from the foreign market.

DIGI Group's value chain workers primarily include individuals involved in the manufacturing and supply of telecommunications equipment, network construction and upgrades, logistics services, and customer service support, mainly located in Romania, Spain, Italy, Portugal, and Belgium. Workers engaged in electronic component production and network-related technical services may represent more vulnerable groups, particularly in regions where labor rights protection is less robust.

DIGI Group has not identified any widespread or systemic material negative impacts related to its operations or business relationships; however, the Group remains attentive to potential individual incidents and emerging risks in the value chain—particularly those that may arise from the transition to climate-neutral operations, such as impacts on workers involved in equipment manufacturing, network upgrades, or the sourcing of electronic components.

The interests and viewpoints of workers within the value chain are typically identified through internal consultations with suppliers. This process involves gathering insights and feedback from those directly engaged in the supply chain to better understand the concerns, views, and rights of the workers. By relying on supplier analysis, the company ensures that the perspectives of value chain workers are considered in shaping its business practices and strategies.

As defined by ESRS S1 standard Workers in the value chain include:

- On-site workers not self-employed or from employment agencies;
- Workers in the upstream value chain (e.g., raw material extraction, refining, manufacturing);
- Workers in the downstream value chain (e.g., logistics, distribution, retail);
- Workers in joint ventures, here is included Digi Belgium.

The impacts, risks, and opportunities associated with value chain workers are identified and assessed as part of the double materiality assessment process. The identified IROs covered categories of workers in value chain This is done through an internal workshop and by consulting other literature sources, which are summarized in the table below and addressed in the following sections.

Table S2_SBM-3_11e_Materially impact and risks on value chain workers

Topic	**Sub-topic**	**Sub-sub-topics**	**IRO TYPE**	**IRO name**	**Positive or Negative**
Workers in the value chain	Working conditions.	Secure employment	Impact	Supporting measures for secure employment in the value chain promotes economic stability, reduces poverty, and fosters long-term, ensures diversity and aligns with international labor standards, ethical relationships between companies and suppliers.	POSITIVE
Workers in the value chain	Working conditions.	Adequate wages	Impact	Supporting measures for a fair wage in the value chain promotes economic stability, reduces poverty, and fosters long-term, ensures diversity and aligns with international labor standards, ethical relationships between companies and suppliers.	POSITIVE
Workers in the value chain	Working conditions.	Working time	Impact	Effective management of working conditions, including fair working hours, gender equality, and privacy protection within the value chain, ensures healthier, more productive labor, reduces gender inequality, and fosters trust.	POSITIVE
Workers in the value chain	Working conditions.	Health and safety	Impact	Prioritizing workplace safety measures ensures the health and safety of employees.	POSITIVE
Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Impact	Investing in training and skills development empowers employees to excel in their roles.	POSITIVE
Workers in the value chain	Working conditions.	Secure employment	Impact	Secure employment in the value chain supports economic stability and fair labor, reducing poverty. Insecurity can lead to worker exploitation and inequality in supplier regions.	NEGATIVE
Workers in the value chain	Working conditions.	Adequate wages	Impact	Fair wages for value chain workers support stability and strong supplier relationships, while inadequate pay risks poverty, exploitation, and unrest.	NEGATIVE

Workers in the value chain	Working conditions.	Working time	Impact	Poor management of working conditions, including a lack of fair working hours, insufficient gender equality, and inadequate privacy protection within the value chain, can lead to decreased labor productivity, exacerbate gender inequality, and harm trust among employees and stakeholders. These shortcomings negatively impact overall working conditions, creating an environment of dissatisfaction and inefficiency.	NEGATIVE
Workers in the value chain	Working conditions.	Health and safety	Impact	Health and safety – Strong safety measures prevent workplace accidents, especially in high-risk industries. Lack of protocols increases injury risks.	NEGATIVE
Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Impact	Supporting training and skills development – Investing in training improves supplier capabilities and service quality. Without it, unskilled labor lowers efficiency.	NEGATIVE
Workers in the value chain	Working conditions.	Health and safety	Risk	Non-compliant suppliers risk delays from accidents or legal issues, hindering network rollouts and operations.	
Workers in the value chain	Working conditions.	Adequate wages	Risk	Reputational and Compliance Risks from Poor Working Conditions and Wages in Supply Chain	
Workers in the value chain	Equal treatment and opportunities for all.	Training and skills development	Risk	A lack of training and skills development in the supply chain can result in poor-quality products or services, leading to potential delays and increased costs for the company, particularly in highly technical industries like telecom.	

More details in section ESRS IRO 1

6.1.3 Policies related to value chain workers

ESRS S2-1

DIGI Group is currently working on implementing a Supplier Code of Conduct.

The Supplier Code of Conduct reflects the standards and principles set out in DIGI Group's Code of Conduct and the Anti-bribery, Anti-corruption, and Business Ethics Policy, translating them into specific requirements and obligations applicable to all suppliers.

Through this policy, Digi Group encourages all collaborators, consultants, agents, suppliers of goods and services, and any entity with which the DIGI Group engages in business relationships and transactions—referred to in this Code as a "Business Partner"—to align with the principles set out in this policy throughout their entire supply chain.

DIGI Group's policies regarding value chain workers, including its Supplier Code of Conduct, are aligned with internationally recognised instruments such as the United Nations (UN) Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. These frameworks are embedded in the Group's Supplier Code of Conduct, Code of Conduct, and Anti-bribery, Anti-corruption, and Business Ethics Policy, setting clear expectations for ethical behavior, respect for human rights, and fair labor practices across the value chain.

The responsibility for the implementation of DIGI Group's policies, including those concerning value chain workers and ethical business conduct, lies with the Group's Executive Management. Oversight is provided at the highest level by the Board of Directors, which ensures that policy commitments are embedded into operational practices and that appropriate monitoring mechanisms are in place.

Furthermore, Digi Romania is in final face of approving and implementing the Supplier Evaluation Procedure. The purpose of this procedure is to regulate how suppliers of goods and services are evaluated in order to ensure appropriate selection for initiating or continuing collaboration with the company.

This document includes a sustainability questionnaire that evaluates suppliers based on Environmental, Social, and Governance (ESG) criteria.

As part of this process, the Group will third parties whether they have human rights policies in place. If they do not, they are required to provide an implementation plan.

In the next years, DIGI Group will also introduce an ESG framework, which will further define the criteria and process for evaluating third parties from an ESG perspective.

It is important to note that during the reporting financial year, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights or the ILO Declaration on Fundamental Principles and Rights at Work were reported in DIGI Group's activities or across its value chain, including both upstream and downstream operations.

6.1.4 Processes for engaging with value chain workers about impacts

ESRS S2-2

Although DIGI Group has not adopted a general process to engage with value chain workers, the Group annually conducts a double materiality analysis to assess the impacts, risks and opportunities associated with suppliers and their employees in the value chain. As part of this process, the Group distributes an online questionnaire to all relevant stakeholders, including suppliers. This approach allows value chain workers to provide direct input, which is analysed and implemented whenever feasible.

6.1.5 Processes to remediate negative impacts and channels for value chain workers to raise concerns

ESRS S2-3

The Group’s Whistleblowing policy as well as the related channels are applicable and available including to workers in the value chain. Anyone who wishes to submit a public interest whistleblower, under the law, can submit it according to the options available on the Group's website, section Whistleblowing Channels (*https://www.digi.ro/raportare-nereguli*). All referrals are considered for resolution, with the perspectives of value chain workers influencing decisions aimed at managing actual and potential impacts.

Currently, DIGI Group does not assess that value chain workers are aware of and trust structures or processes as a way to raise their concerns or needs and have them addressed.

DIGI Group works with a vast majority of local suppliers, and as a result the Group is able support local economies. There are, however, no formal commitments to remediate negative impacts. All negative impacts are remediated in accordance with the European or each country national legal provisions in place.

Also, the Group has implemented a Non-Retaliation Policy (the "Policy") which applies to all employees, officers, directors, and contractors of the DIGI Group (collectively referred to as "Personnel"), as well as to business partners, shareholders, and any other stakeholders identified in the Whistleblowing Policy. Together, these individuals are referred to as "Whistleblowers" under this Policy.

DIGI Group has not yet implemented a formal system to track the effectiveness of its sustainability policies through specific KPIs or structured evaluations. Current monitoring relies on internal operational feedback. Enhancements to establish measurable tracking methods are planned for future reporting cycles.

6.1.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

ESRS S2-4

At the Group level, no specific actions on material impacts on value chain workers about impacts have been adopted.

Although, as mention in the section ESRS S2-3 Policies, the Group is in the process of implementing the Supplier Code of Conduct in which one of the main objectives being that For DIGI Group, sustainability assessments are essential to ensure that Business Partners comply with appropriate Environmental, Social, and Governance (ESG) standards. In order to validate this DIGI Group will apply ESG assessments to ensure compliance, manage risks, build trust through transparency, and support access to new markets.

DIGI Group collaborates with its partners and suppliers to promote transparency and prevent violations of fundamental rights. This partnership includes clear communication of ethical principles and providing support and information to suppliers to meet standards.

During the reporting period, DIGI Group did not identify material negative impacts related to value chain workers that would have required the adoption of specific remedial actions. As a result, no additional targeted actions were implemented beyond existing preventive policies and monitoring practices. The Group remains committed to continuously monitoring its value chain and will take appropriate actions should material impacts be identified in the future.

6.1.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S2-5

At the Group level, no Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities have been set.

However, as part of its sustainability strategy, The Group aims to increase communication with suppliers for ESG requirements by 2030, ensuring that the interests and protection of supplier employees are aligned with company’s internal sustainability standards.

7. CONSUMERS AND END-USERS

ESRS S4

7.1 Strategy and concepts related to the protection of consumers and end-users

7.1.1 Interests and views of stakeholders, including material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-2, SBM-3

The Group's commitment to non-discrimination plays a key role in fostering an inclusive environment for all consumers. By ensuring that its telecommunications services and media platforms are equally accessible to all, regardless of gender, race, ethnicity, or socioeconomic background, the Group can positively contribute to social cohesion and empowerment. However, a potential negative impact could occur if discriminatory practices—whether in terms of customer service, pricing, or content—are perceived, the Group risks marginalizing certain groups and contributing to broader social inequality.

DIGI Group provides mobile, internet, and television services. The company recognizes that its strategic decisions—such as those related to product and service quality, as well as distribution channels—can have actual and potential impacts on consumers. DIGI Group places great importance on respecting the interests, views, and rights of consumers and end users, including human rights, as integral to its strategy and business model.

DIGI Group's business model—centered on providing internet, mobile, and TV services—has a direct impact on consumers and end-users, generating both positive effects such as improved digital inclusion and risks related to data privacy and cybersecurity. To mitigate negative impacts and enhance positive outcomes, DIGI has integrated GDPR-compliant data governance, strengthened cybersecurity, expanded customer support, and adopted inclusive pricing. The company continuously monitors these impacts through audits and feedback, with future plans including digital literacy support and circular initiatives like equipment recovery.

The Group is committed to engaging with all consumers and end users who may be significantly affected by its operations.

DIGI Group includes within the scope of its disclosure all consumers and end-users who might be materially impacted by its operations and value chain. This involves impacts stemming directly from their operations or via their products, services, and business relationships.

Types of Consumers and/or End-Users Potentially Subject to Material Impacts

DIGI Group does not provide products that are inherently harmful or that directly increase the risk of chronic diseases. However, we acknowledge that excessive screen time or digital exposure may indirectly contribute to sedentary lifestyles or mental health issues; we promote responsible usage through public awareness.

DIGI provides digital services (internet, television, customer platforms) that involve the processing of personal data. Therefore, we recognize the potential privacy risks and have implemented strict GDPR-compliant data protection policies, encryption protocols, and user consent mechanisms. We do not restrict freedom of expression or engage in discriminatory service practices.

Our consumers rely on clear service terms, user guides (TV boxes, modems), pricing plans, and billing information. We ensure that all materials are accessible, available online, and provided in the national language(s), with dedicated support through customer service centers and technical helplines.
We recognize that certain users—such as children (via TV content) and financially vulnerable individuals (regarding service affordability)—require additional care. We implement parental controls, age-based content filters, and offer social tariffs or discounted packages to support accessibility.

While DIGI Group has not yet developed a formalized assessment of specific consumer or end-user groups at greater risk of harm, the Group remains attentive to such risks through ongoing supervision of its service delivery and customer engagement practices. Particular attention is given to consumers with limited digital access or financial vulnerability, with operational teams in Romania and other subsidiaries monitoring these areas to ensure fair treatment, accessible services, and timely resolution of issues.

The interests and perspectives of DIGI Group’s customers differ according to various aspects, including personal experience, general perception of the institution and the services offered, as well as individual expectations. In essence, the interests and views of customers can be summarized as follows:

- **Efficiency and Quality**: DIGI Group customers prioritize reliable, fast, and efficient telecommunications services, including uninterrupted internet connections, high-quality mobile phone coverage, and dependable television streaming. They expect services that fulfil their needs consistently, with minimal disruptions and in accordance with promised performance standards.
- **Transparency and Fairness**: Customers value clear and transparent information about service plans, pricing, data limits, and terms of service. They expect DIGI Group to act fairly and equitably, providing impartial treatment to all users and avoiding hidden fees or discriminatory practices.
- **Accessibility and Ease of Use**: Customers desire easily accessible and user-friendly services, whether through intuitive websites, mobile apps, or customer support portals. They appreciate platforms that simplify account management, bill payments, service upgrades, and troubleshooting.
- **Quality and Safety Assurance**: Customers are increasingly concerned about the reliability and security of telecommunications infrastructure. They expect DIGI Group to ensure the safety of its networks, adhere to stringent data protection protocols, and follow responsible practices to minimize environmental impacts, such as energy-efficient infrastructure and sustainable practices.
- **Effective Information and Support Services**: Customers highly value responsive and professional customer support to address their questions, technical issues, or service disruptions. They expect DIGI Group to provide easily accessible help through multiple channels, such as live chat, phone support, and self-service tools, with timely and effective resolutions.

Material negative impacts may arise both systemically and through individual incidents. Systemic issues, such as state surveillance, could affect user privacy, while individual incidents might involve service outages or data breaches. Specific business relationships may also present risks, such as partners engaging in inappropriate marketing targeting vulnerable populations. Incident-specific impacts such as a billing discrepancy or a case where a business partner engages in misleading advertising. Such issues are managed on a case-by-case basis through established complaint resolution procedures and ongoing monitoring of partner practices

DIGI Group strives for positive impacts through initiatives like designing user-friendly interfaces and improving service accessibility for individuals with disabilities. They also focus on enhancing network reliability and investing in energy-efficient infrastructure to reduce environmental impacts. While these efforts largely benefit all users, they may be particularly beneficial in regions with previously limited access to high-quality telecommunications services.

DIGI Group acknowledges the risks of privacy breaches and service disruptions, which may affect customer trust and satisfaction. Conversely, opportunities arise from improving service quality, adopting new technologies, and maintaining transparent communications—all beneficial for strengthening customer relationships.

To ensure transparency, DIGI Group provides accurate and up-to-date information to consumers by regularly updating technical documents, websites, and disseminating relevant information to the public.

DIGI Group conducts regular assessments to understand how specific groups, particularly those using certain products or services, are at a higher risk of harm. This involves analyzing user feedback, industry trends, and regulatory guidelines to adapt services and communication strategies accordingly.

The Group's strategy and business model are designed to create long-term positive impacts on consumers and end users, thereby contributing to societal development. Risks and opportunities arising from customer interactions are actively managed to align with these objectives.

Impacts, risks, and opportunities related to consumers and end users are identified and assessed through the double materiality assessment process, which includes internal workshops and reviews of relevant literature. These findings are summarized in the table below and addressed in subsequent sections.

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive/Negative
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Impact	Ensuring privacy protection safeguards individuals' rights and builds trust in the organization.	POSITIVE
Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Impact	The company's media platforms separate facts from opinions, ensuring accurate public information. Freedom of expression allows diverse viewpoints.	POSITIVE
Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information	Impact	Diversity of opinions. The company’s TV, radio, and telecom platforms make a clear distinction between informational journalism and opinion journalism. As a rule, our journalists provide information, not opinions. This way, the public is not misled.	POSITIVE
Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Impact	Ensuring access to products and services for all consumers, including vulnerable populations such as low-income individuals, people with disabilities, or those living in remote areas, is crucial for promoting digital inclusion.	POSITIVE
Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Impact	Guaranteeing access to products and services enhances digital inclusion and accessibility.	POSITIVE
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Risk	Inadequate protection of personal data can lead to legal consequences and loss of consumer trust, particularly in regions with strict data regulations, driving customers to seek more secure alternatives.	
Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information	Opportunity	By promoting fact-based, well-researched journalism on its TV and radio platforms, the company can increase viewership and become a reliable source of information for the public.	

Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Opportunity	Focusing on personal safety, increasing access to products in underserved areas, and working with regulators to meet accessibility standards can boost the company's social responsibility and open new markets.

More details in section ESRS IRO 1

7.1.3 Policies related to consumers and end-users

ESRS S4-1

Customer-Focused Policies and Procedures – Digi Group

DIGI Group acknowledges its responsibility to safeguard the rights, expectations, and well-being of its consumers and end-users across all jurisdictions where it operates. As part of its broader governance and risk management approach, DIGI has established a series of internal procedures and standards aimed at ensuring service quality, legal compliance, secure data handling, and a consistent customer experience.

A similar set of procedures concerning customers and end-users has been developed and implemented in each subsidiary of the Group.

Residential Customer Contracting Procedure

This procedure ensures new customer contracts and service upgrades are executed fairly and transparently. It addresses the risk of customer dissatisfaction or contractual disputes and supports the opportunity to enhance customer trust. Monitoring is performed through internal audits and system controls on documentation flow. The procedure is applied to all DIGI Romania residential sales operations. It impacts upstream processes such as client onboarding and downstream processes such as billing and service support. The procedure is overseen by the Executive Management, with operational responsibility delegated to the Business Sales Director. It ensures compliance with national number portability regulations and is shaped by input from business clients and legal compliance requirements. The procedure is communicated internally to relevant teams and externally to business clients as part of the porting agreement.

Service Portability FOR Business Clients

This procedure regulates the porting process to ensure legal compliance and uninterrupted service. It mitigates the risk of service disruption and improves client retention. Porting requests are tracked in real time. It covers DIGI's business clients across Romania and other operating countries where porting rules apply. Involves both sales and processing teams. The Service Portability for Business Clients procedure ensures that number porting is conducted in a compliant, efficient, and client-oriented manner. It is overseen by Executive Management, with operational responsibility assigned to the Business Sales Director. The procedure is aligned with national number portability regulations and incorporates feedback from business clients as well as legal requirements. It is communicated internally across relevant teams and clearly outlined to clients during the porting process.

Governance of Personal Data Procedure

This policy ensures GDPR compliance through legal, technical, and organizational measures. It addresses privacy risks and includes processes for breach prevention and remediation. Applies to DIGI Romania and EU-based subsidiaries. Covers all departments processing personal data. No exclusions, but localization is applied as required by national laws. The Chief Data Protection Officer and Executive Management are responsible person in-charge with the implementation of the procedure. The procedure is also aligned with GDPR (Regulation EU 2016/679) being designed with input from legal advisors and aligned with customer data rights. This can be shared internally through training and platforms; privacy notices shared externally with customers.

Mobile Network Maintenance and Operational Safety Procedure

Defines safety rules and workflows for network maintenance to ensure continuous service. Also, the procedure aims to prevent safety incidents and service outages. This applies to field maintenance teams and business technicians in Romania. The responsible persons for implementing the procedure are the Head of Technical Operations and Network Safety Manager. The procedure is also aligned with national labor safety regulations and internal safety standards. Developed with input from field engineers and incident reports. Shared internally with relevant technicians and safety teams through digital platforms and field guides. In each subsidiary of the Group is developed and implemented a similar procedure.

Residential Customer Contracting – Standardizing the Onboarding Experience

This policy ensures that all new residential customers are onboarded through a standardized and transparent contracting process. It mitigates the risk of misunderstandings or disputes and supports the opportunity to build long-term customer trust. The policy is implemented across DIGI Romania's residential sales teams and impacts the upstream process of service initiation. The Executive Management is accountable for its enforcement, with operational control under the Head of Residential Sales. It aligns with national telecom regulations and reflects customer expectations for clarity and fairness. Key contract elements are shared with customers during onboarding. In each subsidiary of the Group is developed and implemented a similar procedure.

Personal Data Governance – Protecting Customer Privacy Across the Group

DIGI has adopted a group-wide policy on personal data governance to ensure compliance with GDPR and other applicable data protection laws. The policy includes legal, technical, and procedural safeguards to prevent and address privacy breaches and maintain the lawful processing of customer data. It applies to DIGI Romania and all EU-based subsidiaries and is overseen by the Chief Data Protection Officer. The policy is aligned with Regulation (EU) 2016/679 and was developed with legal counsel and stakeholder privacy expectations in mind. It is made accessible to employees internally and disclosed to customers via privacy notices. In each subsidiary of the Group is developed and implemented a similar procedure.

Data Handling in Retail Sales – Safeguarding Information in Physical Touchpoints

This procedure ensures that customer personal data collected in retail environments is processed securely and transparently. It mitigates the risk of unauthorized data access and enhances the protection of data in physical service channels. The policy applies to all DIGI stores in Romania and is monitored by the Retail Operations Director and Data Protection Officer. It supports GDPR implementation and is shaped by in-store operational practices and customer feedback. Privacy information is communicated directly to customers during the sales process. In each subsidiary of the Group is developed and implemented a similar procedure.

Network Maintenance Safety – Minimizing Risk During Technical Interventions

DIGI's network maintenance policy outlines safety and operational procedures to protect field personnel and maintain service continuity during interventions. It reduces the risk of work-related accidents and service disruptions. This policy applies to technical staff in Romania, particularly field maintenance and radio teams, and is managed by the Technical Operations and Safety Management leadership. The procedure is based on national safety standards and internal incident analysis and is shared with all technical teams via internal guides and platforms. In each subsidiary of the Group is developed and implemented a similar procedure.

Service Portability for Business Clients – Ensuring Fair and Efficient Transitions

This procedure governs the portability of fixed and mobile telephone numbers for business clients, ensuring compliance with local regulations and seamless service transitions. It minimizes risks of business service interruptions and supports client retention. The procedure is used by DIGI Romania's Business Sales and Processing departments and is overseen by the Business Sales Director. The policy complies with national porting frameworks and was developed in consultation with clients and legal teams. Information is shared directly with clients during the porting process. In each subsidiary of the Group is developed and implemented a similar procedure.

Transparency in Customer Billing – Enhancing Access and Understanding

DIGI’s billing transparency policy ensures that all residential customers can access and understand their invoices via the "My Digi" digital platform. It addresses the risk of billing confusion and supports digital empowerment and satisfaction. The policy is applied throughout DIGI Romania’s residential customer base and is monitored by the Billing Operations team. It supports fair billing practices and is informed by customer experience feedback. Invoices are directly accessible to customers through their personal accounts. In each subsidiary of the Group is developed and implemented a similar procedure.

Managing Missing Invoices – Addressing Customer Issues Proactively

This internal procedure defines how DIGI handles cases where customers do not receive their invoices. It ensures timely resolution and minimizes billing-related complaints. The policy applies to customer service and billing departments and is managed by the Customer Operations division. It is aligned with service quality standards and shaped by recurring customer inquiries. Updates and resolutions are communicated to affected customers directly through support channels. In each subsidiary of the Group is developed and implemented a similar procedure.

Financial Flexibility – Supporting Vulnerable Customers

DIGI provides financial flexibility for customers facing temporary difficulties through structured payment commitments and postponement options. This approach mitigates the risk of service loss for vulnerable groups and strengthens customer retention. It is applied by the credit control and customer support teams in Romania and supervised by the Customer Experience Director. The policy responds to economic challenges and was shaped by financial behavior analysis and customer needs. Options are discussed and formalized with customers individually.

Device Replacement – Efficient Technical Support for Mobile Services

The device replacement policy facilitates the fast and fair replacement of faulty mobile equipment for residential users. It reduces service disruption risks and improves customer satisfaction. The procedure is applicable in all DIGI Romania service centers and is managed by the Technical Support Department. It is based on manufacturer standards and internal repair protocols. Replacement terms are communicated clearly to the customer at the time-of-service request. In each subsidiary of the Group is developed and implemented a similar procedure.

Quality Assurance in Call Centers – Monitoring Service Performance

DIGI's call center quality assurance policy establishes performance benchmarks and evaluation methods to ensure consistent and effective customer service. It addresses the risk of poor service delivery and promotes operational excellence. The policy is implemented across all call center units and monitored by the Customer Service Management team. It follows internal quality standards and is regularly updated based on service audits and feedback. Performance is tracked through KPIs and coaching programs.

Cybersecurity and Consumer Protection

DIGI protects its customers from cyber threats by implementing strong network security controls, including DDoS protection and threat detection systems. A dedicated reporting channel is available for customers and staff to report incidents. These measures prevent data breaches and service interruptions. The cybersecurity framework applies across all operations and is overseen by the Chief Information Security Officer. It aligns with best practices and is shaped by evolving threat intelligence. While not publicly disclosed in full, security guidance is provided through terms of use and customer communications.

DIGI Group has adopted a range of internal policies and procedures that contribute to the prevention and management of impacts on consumers and end-users, aligned with applicable legal and regulatory requirements, as well as recognised standards for service quality, data protection, and customer engagement.

Digi Group has implemented a series of internal procedures during the current reporting period and also, DIGI Romania is certified under the ISO 9001 Quality Management System, and the associated practices are applied across the DIGI Group. The standard supports DIGI in delivering reliable and consistent services, establishing efficient complaint resolution processes, and fostering a culture of continuous operational improvement. This approach enhances customer satisfaction and builds long-term trust.

DIGI Group has implemented these policies through formalized procedures, dedicated operational teams, staff training, and digital tools that support customer onboarding, service accessibility, complaint resolution, data protection, and transparency, enabling the Group to effectively manage material impacts, mitigate risks, and leverage opportunities across its consumer-facing operations.

DIGI Group is committed to respecting and promoting the human rights of its consumers and end-users across all markets in which it operates. Our policies integrate key principles from internationally recognised frameworks, including the **UN Guiding Principles on Business and Human Rights**, the **ILO Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**, particularly in the areas of non-discrimination, access to services, privacy, and ethical treatment. These commitments are embedded in internal procedures governing customer engagement, data protection, contract transparency, and service accessibility. DIGI ensures ongoing compliance through internal audits, dedicated customer support channels, and escalation processes for complaints and service issues. Engagement with consumers is facilitated through direct communication (call centers, digital platforms, retail locations), enabling continuous feedback collection and responsiveness. In cases where customer rights may be impacted, DIGI has mechanisms in place to provide timely remedies—such as service corrections, financial adjustments, and data protection responses. As of the reporting period, there have been **no reported cases** of non-compliance with the above-mentioned international standards within DIGI’s downstream value chain related to consumers or end-users.

7.1.4 Processes for engaging with consumers and end-users about impacts

ESRS S4-2

The Group is oriented towards understanding and fulfilling the present and future needs of customers. Customer satisfaction is measured through surveys, feedback, and media monitoring. The results from customer satisfaction surveys are used to establish quality goals and improve processes, products, and services.

Compliance with the legal requirements and the requirements mentioned in the regulatory acts issued by the authorities is considered. Consultations with the local community take place during the procedure for obtaining regulatory acts.

Key actions to enhance consumer protection and service quality are embedded in the Group’s strategy.

Quantitative monitoring shows no severe complaints or violations to date, while qualitative improvements include faster resolution of billing-related issues and increased transparency on monitoring practices, as supported by updated privacy notices. DIGI continuously evaluates the effectiveness of its actions through internal audits, feedback mechanisms, and performance tracking, ensuring its business model remains aligned with consumer expectations and regulatory standards.

DIGI Group regularly collects feedback from consumers and end-users through call centers, digital platforms, and in-store interactions. This input is reviewed by the Customer Experience team and monitored by senior management to help improve services and update internal policies. The effectiveness of these engagement efforts is measured through indicators such as issue resolution time and customer satisfaction levels.

7.1.5 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3

At Group level, DIGI has established structured processes aimed at identifying, addressing, and remediating actual or potential negative impacts on consumers and end-users. These processes ensure that any issues affecting customers are promptly identified, assessed, and resolved. By focusing on delivering efficient and effective solutions, DIGI Group reinforces its commitment to maintaining high standards of customer service and satisfaction.

The Group's complaints policy and related reporting channels are accessible to consumers and end-users. Anyone wishing to submit a complaint in the public interest can do so through the options available on the Group's website: , a pre-define form, by sending an email or by calling the available call centers. All complaints are reviewed, and consumer and end-user perspectives are considered in decisions aimed at managing actual and potential impacts.

When intervention is necessary, negative impacts are addressed in compliance with applicable European and national laws. Additionally, consultations with consumers and end-users are conducted, particularly in relation to obtaining environmental consents and permits.

Digi Group has established dedicated channels through which individuals can raise concerns or express needs related to their working conditions or rights. These mechanisms include safeguards to protect individuals against retaliation and ensure that all reports are handled confidentially, fairly, and followed up appropriately.

DIGI Group assesses consumer awareness and trust in its feedback and complaint-handling processes through customer satisfaction, service interactions, and monitoring the use of available channels such as call centers and digital platforms. These insights help ensure that consumers feel confident using these structures to raise concerns or needs. Additionally, DIGI has internal policies in place to protect individuals from retaliation when they provide feedback or file complaints, ensuring a safe and respectful environment for open communication.

DIGI Group recognizes its responsibility to identify, prevent, and manage actual and potential material impacts on consumers and end-users arising from its operations, products, and services. This includes impacts related to service accessibility, digital inclusion, data privacy, and service security. To address these areas, DIGI has implemented a series of internal procedures focused on customer onboarding, billing transparency, contractual fairness, personal data protection, and cybersecurity.

At DIGI Group, the implementation of policies relevant to sustainability matters, including those impacting consumers, end-users, and workforce, is overseen at the highest governance level by the Board of Directors. Operational accountability is delegated to specific executive management roles depending on the policy domain, such as the Chief Data Protection Officer for privacy matters, the Head of Residential Sales for customer onboarding, or the Group Compliance Officer for ethical and legal compliance.

7.1.6 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

ESRS S4-4

DIGI Group has not yet adopted formal action plans specifically dedicated to mitigating material risks or pursuing material opportunities related to its impacts and dependencies on consumers and end-users. However, at the level of the DIGI Group, a series of actions have been implemented to protect consumers and end-users.

DIGI has taken key actions to prevent harm and support remedial processes, where applicable. These actions include: the establishment of formal grievance and reporting channels available to all customers and end-users; documented procedures such as the *Early Contract Termination Procedure* and *Non-Receipt of Invoices Procedure* to address specific consumer complaints; and the deployment of robust technical safeguards and incident response mechanisms to ensure data security and service continuity. During the reporting **period, no actual material adverse impacts** on consumers and end-users were identified that required formal remediation; however, DIGI remains prepared to cooperate in providing remedy should such cases arise.

Customer Onboarding and Contracting

Refers to DIGI Group's structured and compliant approach for activating services, verifying customer identity, and

managing number portability in accordance with regulatory and data protection requirements.
This is supported by the implementation of the Residential Customer Contracting Procedure, which regulates the required documentation and steps for activating services.
Additionally, the Business Sales Portability Procedure ensures the lawful and seamless transfer of numbers for business clients.
The Personal Data Governance Procedure, aligned with GDPR, secures the handling of personal information throughout the onboarding process.

Billing Transparency and Customer Financial Support
Describes DIGI's commitment to accessible, reliable billing and its support for financially vulnerable customers through flexible payment options.
The My Digi Invoice Procedure allows customers to access billing information digitally.
The Non-Receipt of Invoices Procedure addresses complaints related to missing or undelivered invoices.
To support customers in hardship, DIGI has introduced the Payment Commitments and Postponements Procedure, offering payment flexibility.

Service Quality and Technical Support
Covers DIGI's processes to ensure service continuity, effective technical support, and consistent customer care.
The Mobile Phone Replacement Procedure enables efficient handling of equipment-related issues reported by users.
The Call Center Performance Evaluation Guide sets measurable KPIs to ensure high-quality and standardized customer service delivery.

Contract Management and Customer Autonomy
Defines how DIGI supports transparent and fair processes for modifying or terminating service agreements, enhancing customer control.
The Early Contract Termination Procedure gives residential customers the ability to end service contracts prior to expiry.
For business clients, the Business Service Termination Procedure provides a formal framework to manage the closure of telecom services.

Data Protection and In-Store Privacy
Encompasses DIGI's approach to securing customer data, particularly during physical store interactions, while ensuring transparency about monitoring practices.
The In-Store Data Processing Flow – Residential Sales ensures GDPR-compliant handling of customer data collected on-site.
The Customer Notification on Monitoring Systems informs clients about surveillance measures and reinforces their privacy rights.

Cybersecurity and Consumer Protection
Reflects DIGI's investments in cybersecurity to safeguard digital services and protect consumer data and system availability.
DDoS protection has been implemented to prevent service disruption caused by external cyberattacks.
All customer-facing applications include robust security controls to prevent unauthorized access.
A dedicated security incident reporting channel is available for customers, employees, and partners.
Reported issues and feedback are continuously analyzed to strengthen cybersecurity systems and improve customer trust.

DIGI Group has established structured processes to monitor, assess, and continuously improve the effectiveness of actions taken to support consumers and end-users. The company identifies appropriate actions in response to actual or potential material negative impacts through ongoing monitoring of customer feedback, service performance data, and complaint trends. When specific impacts are identified, actions such as service corrections, product adjustments, or policy updates are implemented, with effectiveness measured through resolution time, recurrence rates, and customer satisfaction indicators. To ensure meaningful remedy, DIGI maintains dedicated complaint-handling procedures and escalation channels that are accessible, actively used, and regularly evaluated for impact. In managing risks related to customer experience, data protection, and access to services, DIGI tracks mitigation efforts and their outcomes using both internal audits and operational KPIs. At the same time, opportunities—such as digital inclusion initiatives or simplified service access—are pursued through targeted programs led by customer-facing teams. The company also takes active steps to ensure its own practices do not cause or contribute to material harm to consumers, aligning operations with privacy regulations, fairness standards, and ethical engagement principles. Resources allocated to these efforts include dedicated staff in customer experience, legal, compliance, and IT security teams, as well as investments in digital platforms and customer communication systems.

7.1.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S4-5

Although no formal targets have been established concerning the management of significant impacts, promotion of positive outcomes, or mitigation of key risks related to consumers and end-users, DIGI Group continues to enhance its security framework to foster trust and provide a safe digital environment.

In 2024, there have been two incidents reported on the official channels, related to customer complaints regarding Digi employees. The Compliance Department appreciates that the notification is plausible, with measures taken.

8. DATA PROTECTION AND INFORMATION SECURITY

DIGI Group is dedicated to enhancing cybersecurity and safeguarding digital data in response to emerging risks and the dynamic cyber environment. Key strategic goals include the continuous enhancement of security measures and the mitigation of both technical and human vulnerabilities.

DIGI Group actively works to prevent risks associated with advanced cyber-attacks and closely track legislative changes to ensure its policies align with local and European regulations. DIGI Group prioritizes ongoing employee education to minimize risks like social engineering and human error. Furthermore, DIGI Group is exploring new technologies to swiftly adapt to unexpected threats and ensure its infrastructure remains secure.

The Group has established an Information Security (Infosec) unit and implemented comprehensive cybersecurity policies.

The Digi InfoSec Department has developed simulations and prevention materials tailored for internal users to enhance employee awareness of these threats and improve their responses. Additionally, they have created and distributed educational materials, e-learning resources, and guides to staff, supplemented by ongoing communication through a dedicated internal cybersecurity blog.

For clients, essential security information is accessible on the DIGI Group website, including guidelines for using the Digi network, insights into IoT risks and threats, types of cyber-attacks, details on filtered/blocked or restricted ports, a device vulnerability checking tool, and a FAQ section. The list of channels are: digi.ro; digimobil.es; digi.pt.

The InfoSec Department, in the reporting period, conducts communication campaigns targeting a diverse audience, including residential and corporate users, as well as DIGI Group employees. These campaigns are shared through various channels, such as the DIGI.ro website, the internal portal DigiOneVoice, newsletters, direct mail, and press releases. For instance, users can assess the security level of their connected devices on DIGI.ro, where public information about misleading or fraudulent campaigns and cybersecurity threats is also available in the Clients guide (https://www.digi.ro/ghid-clienti?promo_name=slider_2_ghid_clienti&promo_content=fii_in_siguranta_cu_digi) section.

The content and frequency of campaigns are adapted based on emerging cyber threats and seasonal risk patterns.

8.1 Digital security policies and how to apply them through specific procedures:

To ensure robust digital security, the Group has established a comprehensive framework. Key aspects of our digital security policies and how they are applied through specific procedures:

DIGI Group has adopted an **Information Security Regulation (ISR)** that defines the strategic and operational framework for managing **material impacts and risks related to information security**, such as breaches of confidentiality, data loss, and regulatory non-compliance. The policy aims to ensure the **confidentiality, integrity, and availability** of information assets across the Group, and to maintain compliance with applicable legislation in each jurisdiction in which DIGI operates.

The ISR applies to all employees and relevant third parties (e.g., contractors, partners, suppliers) and covers the **entire value chain** where DIGI processes or controls information, including internal systems and assets, customer data, and third-party access. The policy includes specific procedures for monitoring, risk assessment, training, incident response, and third-party due diligence. The ISR must be harmonized locally by DIGI entities operating in foreign jurisdictions to reflect national legal requirements.

The **Board of Directors** holds ultimate accountability for the policy’s implementation and for defining the acceptable level of information security risk. Oversight and operational responsibility are delegated to the **Information Security Function**, which reports directly to the Board and coordinates with the IT and Legal departments to implement technical and procedural controls.

The policy aligns with relevant **international information security standards and legal frameworks**. It incorporates **stakeholder interests** by protecting customer data, safeguarding intellectual property, and ensuring uninterrupted service delivery.

The regulation is mandatory and internally distributed to all relevant parties. All employees, as well as any external stakeholders who are granted access to DIGI's information systems, are required to understand and comply with its provisions. In such cases, the regulation is formally provided to external parties by DIGI to ensure proper awareness and adherence.

Implementation of ISO 27001 Certified ISMS: The Group has implemented an Information Security Management System (ISMS), certified according to the international ISO 27001 standard. This ensures rigorous management of information security risks, adherence to industry best practices, and regular reviews to stay aligned with new threats and regulatory changes.

The Information Security Regulation (ISR) issued by Digi Romania sets out clear guidelines to ensure the confidentiality, integrity, and availability of information across DIGI Group entities. It supports the implementation of robust security practices, aligned with legal requirements and tailored to each jurisdiction. The ISR also defines conduct rules for responsible use of information resources, protection of digital assets, and raising user awareness. Overall, it aims to safeguard the Company's operations, reputation, and information systems in all operating countries.

8.2 Description of the processes to identify and assess material impacts, risks and opportunities

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive/Negative
Additional topic 1 – Digital security	Data protection		Impact	Data security incidents or accidents pose significant risks, as customers depend on the company to provide secure services and protect their data.	NEGATIVE
Additional topic 1 – Digital security	Data protection		Opportunity	Investments in researching for information security	

More details in section ESRS IRO 1

8.3 Actions taken, planned or ongoing to prevent or mitigate significant negative impacts related to digital security

DIGI Group adopts a proactive and multi-layered approach to information security, aiming to protect its own assets as well as those of its partners (clients, suppliers, investors), while ensuring business continuity. Our strategy regarding digital security is built on prevention, rapid detection, effective response, and continuous improvement.

Multi-Layered Security Architecture

We implement a defense-in-depth model by combining technical, administrative, and physical measures to minimize the risk of security breaches. The network is segmented into distinct zones with strict access policies and granular controls to limit the potential impact of incidents. Access control is based on the principles of "need-to-know" and "least privilege," supported by multi-factor authentication for accessing critical resources.

Proactive Monitoring and Threat Detection

DIGI operates its own Security Operations Center (SOC), with a dedicated team of analysts who continuously monitor networks, systems, and applications for suspicious activity and potential threats. We have also developed an in-house Security Information and Event Management (SIEM) solution, which consolidates and correlates data from multiple sources, providing comprehensive visibility and enabling fast incident detection. Our internally developed firewall and DNS solutions provide advanced protection and granular control over network traffic.

We actively collaborate with threat intelligence providers to stay informed of emerging vulnerabilities and cyber threat trends. Regular vulnerability scans and penetration tests are conducted to proactively identify and address infrastructure weaknesses.

Implemented Security Measures
Security measures implemented across the Group include strong encryption for data in transit and at rest, a strict patch management process to ensure timely updates, and robust endpoint protection tools. Access to sensitive resources (e.g., VPN, internal networks) is granted only through a formal approval process, which includes mandatory training and knowledge checks. Access rights are reviewed periodically to ensure alignment with current roles and responsibilities.

Training and Awareness
We prioritize awareness and training by offering periodic security sessions for employees and organizing awareness campaigns that highlight the importance of information protection and the role of each employee in maintaining a secure environment.

Audits and Compliance
To ensure compliance, DIGI conducts regular internal and external audits to evaluate the effectiveness of security measures. We adhere to international standards, including ISO 27001 and GDPR.

Customer Protection
Client protection is a key priority. DIGI offers DDoS protection to ensure service availability and applies robust security measures to safeguard its applications. Channels for reporting irregularities, including potential security vulnerabilities, are available to both employees and third parties. All reports of abuse or security vulnerabilities are treated with urgency, investigated promptly, and followed by appropriate corrective actions. Feedback from these reports contributes to the continuous improvement of our processes and security controls.

Continuous Innovation
We also invest in research and development to stay ahead of emerging cyber threats and work closely with strategic partners to further strengthen our security capabilities.

Through this comprehensive and evolving approach, DIGI Group is committed to maintaining a secure and trustworthy environment for its customers and to safeguarding its digital assets.

These actions highlight our continued commitment to adaptively managing and mitigating risks.

8.4 Action plans and resources to manage the Group's significant digital security impacts, risks and opportunities

DIGI Group has developed and implemented strategic plans to manage significant digital security impacts and risks. These plans involve allocating appropriate resources, such as specialized teams and advanced technologies, to effectively address emerging challenges. Through periodic evaluations and proactive measures, DIGI Group ensures optimal use of resources to prevent and minimize relevant risks and opportunities.

Furthermore, DIGI Group’s information security management is structured around the ISO 27001 framework. This foundation enables DIGI Group to define and implement various security policies, processes, and procedures designed to ensure and safeguard the authenticity, traceability, confidentiality, integrity, and availability of its information assets.

DIGI Group utilizes the Magerit methodology for the analysis and management of security risks, ensuring compliance with all applicable regulations. This comprehensive approach guarantees the continuous protection and security of its digital assets.

DIGI Group has not yet formalized time-bound action plans for cybersecurity, but its information security measures are integrated into ongoing operations, reviewed and updated continuously in response to emerging risks. Key actions such as system upgrades, monitoring, and training occur on a rolling basis.

Where security breaches or threats are detected, DIGI follows a structured incident response protocol involving prompt investigation, stakeholder notification, corrective measures, and follow-up evaluations. A dedicated reporting channel ensures both employees and third parties can report vulnerabilities or abuse. These actions have successfully mitigated risks and strengthened internal safeguards.

Although formal targets were not disclosed in prior periods, qualitative progress includes the launch of an internal Security Operations Center (SOC), improved incident response times, and broader employee awareness through training campaigns. Ongoing audits help monitor effectiveness.

No external data validation was conducted outside of statutory financial audit and sustainability assurance. All metrics were subject to internal control reviews.

8.5 Digital security incidents/accidents in the reporting year

Despite the inherent challenges of digital security, DIGI Group is pleased to report that, to date, there have been no incidents compromising the integrity, confidentiality, or availability of its data.

8.6 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DIGI Group has not yet established formal outcome-oriented targets for all material sustainability-related topics, the effectiveness of current policies and actions is monitored through internal processes such as compliance reviews, employee feedback loops, and service quality audits.

For Digital Security, however, the Group has defined specific ambitions and tracks performance. These include zero tolerance for major breaches, system and user activity especially critical systems covered by SIEM tools and systems, and periodic vulnerability scans across all subsidiaries. Performance is evaluated using metrics such as the number of events detected and resolved, training participation rates, and system uptime. While these do not yet constitute externally validated targets, they represent the Group's level of ambition. The financial year 2024 serves as the base year from which digital security progress is measured. DIGI Group plans to expand this approach to other ESG areas in future cycles by defining targets and developing more formal measurement processes.

9. BUSINESS CONDUCT

9.1 Business conduct

9.1.1 The role of the administrative, management and supervisory bodies

ESRS 2 GOV-1

Within the Group, the Board of Directors is the body responsible for setting the guidelines concerning professional conduct and overseeing the implementation of integrity, ethics, and compliance policies adopted to ensure that the standards of professional conduct are maintained, ensuring that corporate governance principles are respected.

The Board of Directors of DIGI Group has delegated the supervision of operational compliance and the mitigation of integrity and compliance risks, including criminal conduct and other ethical concerns, to the Group Compliance Officer. The Group Compliance Officer is supported, on an advisory and informal basis, by a Compliance group composed of the Compliance Officer, the Group Legal Representative, and the Group Head of Internal Audit.

This Group provides additional support and advice to the Group Compliance Officer, as needed, to assist in ensuring compliance with relevant regulations and internal policies. Nevertheless, an operational Compliance Committee has been established at the Digi Group's subsidiary level in Spain, where it plays a key role in advancing the subsidiary's compliance initiatives.

Within the Group, the Board of Directors sets guidelines for professional conduct and oversees the implementation of policies related to integrity, ethics, and compliance. It ensures alignment with corporate governance principles by actively engaging in the development of internal regulations (policies and procedures) and training materials (presentations and awareness resources). Board members actively update their knowledge on professional conduct by accessing specialized resources and being involved in the preparation of internal regulatory (policies/procedures) and training materials (presentations/awareness materials). This continuous training ensures the Group adopts and aligns with standards that meet current regulations and industry best practices.

While the Board members do not hold formal certifications in compliance or business conduct, the topic is actively supported by the Compliance function, whose officers possess extensive expertise in this area.

DIGI Group's administrative discuss key aspects of corporate culture—such as ethical conduct, anti-corruption, transparency—during regular quarterly reviews and whenever specific risks or developments arise. These discussions are part of the Group's governance and compliance oversight, helping to ensure that cultural values are actively maintained and adapted when necessary.

In this regard, it is important to note the participation of the Chairman of the Board of Directors in discussions during the 2024 DIGI Group Compliance Week with compliance officers across the Group and its subsidiaries, discussions which aimed primarily to identify best compliance practices, align professional conduct strategies, and strengthen an ethical culture throughout the Group. The active participation of the Chairman of the Board of Directors emphasized the high-level commitment to integrating compliance into all operational aspects and continuously improving supervision and control mechanisms. This initiative - Group Compliance Week - is intended to have an annual occurrence, with each session taking place in a different subsidiary. The CEO, as well as senior executives from the relevant subsidiary, will be invited in each session, ensuring that the leadership team of the host subsidiary remains actively involved in the concerns and objectives presented by the compliance officers. This approach reinforces the Group's commitment to upholding the highest standards of integrity and ethical conduct, while promoting cross-subsidiary collaboration and knowledge-sharing.

9.1.2 Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO-1

DIGI Group has implemented a structured and systematic approach to identify and assess the impacts, risks, and opportunities, presented in the table below, associated with professional conduct, as follows:

Compliance Function: The Board of Directors established the Compliance function under its direct supervision. This function is responsible for implementing the compliance program in accordance with the ethical and integrity standards contained in the dedicated policies and procedures adopted by the Group. It also conducts regular reviews to ensure these policies adapt to the evolving activities, expectations, and regulatory requirements.

Professional Conduct: The Group's Compliance Program includes internal policies, procedures, and control mechanisms aimed at ensuring alignment with applicable legal, ethical, and regulatory requirements. It is coordinated centrally by the Group Compliance Officer and supported locally at subsidiary level.

As the foundation of the Compliance Program, professional conduct is tailored through an action plan that follows the annual compliance risk assessment and is approved by the Audit Committee.

This plan addresses the concerns and expectations of stakeholders expressed through the internal and external reporting channels provided by DIGI Group.

Risk Evaluation: Following the adoption of the compliance framework and subsequent processes, the risks associated with behaviours covered by internal regulations in the compliance area—generally corruption, bribery, and conflicts of interest—are evaluated annually. These compliance risks are incorporated into the evaluation matrix.

Risk Identification and Classification: Risks associated with professional conduct are identified and classified through an analysis of all applicable laws and regulations, data collection and analysis regarding misconduct incidents, employee feedback, and best practices in the field. This evaluation also considers the potential impact of these risks on the organization. For significant risks (medium/high risk levels), DIGI Group develops and implements action plans aimed at mitigating these risks. These plans include revisions of internal policies/procedures and the creation and implementation of training programs for employees to ensure the improvement of professional conduct. These action plans are monitored by the Board of Directors/Audit Committee, which tracks the progress and effectiveness of the actions derived from the compliance risk assessment based on the periodic reports of the Compliance Department.

DIGI Group has implemented a structured approach to managing the risk associated with corruption and bribery, which is a cornerstone of its corporate ethics framework, see in section Management structure. Corporate Governance. The Group has clear action plans in place, including regular employee training programs on anti-corruption and anti-bribery practices, which are mandatory for all Personnel regardless of seniority or form of employment within the group.

The Group also perform regular risk assessments and due diligence on potential business partners and third-party relationships. Additionally, the Group established whistleblower channels and processes that allows confidential reporting of potential violations of the laws or internal regulations.

Through ongoing monitoring, including the Compliance Risk Assessment, DIGI Group assess the effectiveness of its compliance and ethics programs and makes adjustments as needed. To ensure continuous monitoring, DIGI Group has either compliance teams or compliance responsible in charge of enforcing the policy and managing risk mitigation efforts.

Therefore, DIGI Group has disclosed all relevant criteria used in the process to identify material impacts, risks, and opportunities related to business conduct. The process is structured around a formal compliance risk assessment conducted annually and covers the full scope of the Group's operations, including its geographic footprint, business activities, sector-specific risks, and types of transactions.

Risk identification and classification are based on applicable laws and regulations, incident reports, stakeholder feedback, and industry best practices. This assessment considers the nature and severity of risks such as corruption, bribery, and conflicts of interest, and includes tailored mitigation plans that are monitored at Group level by the Board of Directors and Audit Committee.

Topic	Sub-topic	Sub-sub-topics	IRO TYPE	IRO name	Positive/Negative
Business conduct	Corporate culture		Impact	A culture that values social responsibility can positively impact the workforce and local communities by ensuring fair labor practices, fostering employee well-being, and supporting local economies through ethical supply chain management.	POSITIVE
Business conduct	Protection of whistle-blowers		Impact	In the absence of a whistle-blower protection mechanism, companies may experience increased unethical business practices.	NEGATIVE
Business conduct	Political engagement and lobbying activities		Impact	The company maintains a strict apolitical stance and does not engage in political lobbying or support any political parties.	POSITIVE
Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corruption and bribery undermine public trust in both corporations and government institutions, leading to societal cynicism and diminishing confidence in public and private sectors.	NEGATIVE
Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corruption can result in environmental harm through the circumvention of regulations, while also distorting market competition, harming ethical businesses, and contributing to increased poverty and economic instability in affected regions.	NEGATIVE
Business conduct	Corruption and bribery	Prevention and detection including training	Impact	Corrupt practices can exacerbate social inequalities by limiting access to essential resources and services, particularly in underserved communities, thereby prioritizing wealthier regions over disadvantaged populations.	NEGATIVE
Business conduct	Corruption and bribery	Prevention and detection including training	Risk	Legal consequences are a significant risk, as many countries have strict anti-bribery and anti-corruption laws, also corruption can lead to poor decision-making	

More details in section ESRS IRO 1

9.2 Governance and business practices

9.2.1 Business conduct policies and corporate culture

ESRS G1-1

DIGI Group prioritizes maintaining high standards of ethics and integrity in business operations. The creation, implementation, monitoring, and continuous improvement of internal policies and procedures aimed at upholding these principles are key concerns for the Group. The leadership's commitment to complying with all applicable laws in every country where it operates has led to the adoption of internal policies and procedures that all employees must adhere to, regardless of their position or contract type within the Group.

This section outlines the policies that guide DIGI Group's approach to business conduct matters, emphasizing their commitment to ethical practices and integrity.

Code of Conduct

This is the cornerstone of the Compliance framework, guiding all employees to adopt ethical behaviour in interactions both within and outside the DIGI Group, and in decision-making processes. It emphasizes honesty, fairness, integrity, and respect towards stakeholders as fundamental values. The DIGI Group's Code of Conduct is publicly disclosed on the corporate website.

Anti-Bribery, Anti-Corruption, and Business Ethics Policy

DIGI Group's Anti-Bribery, Anti-Corruption and Business Ethics Policy demonstrates its commitment to integrity and lawful business practices. The policy aims to prevent corrupt behavior and unethical conduct across all operations, being applicable to all officers, directors, employees and contractors of DIGI. It includes procedures for declaring and registering gifts and hospitality, and third-party due diligence, ensuring business partners are selected based on ethics and integrity, assessed through questionnaires and compliance clauses. Oversight rests with the Board of Directors and the Compliance function, and the policy aligns with international standards, including ISO 37001. By integrating stakeholder expectations—such as those of regulators, shareholders and business partners—the policy reinforces trust and accountability. It is publicly available on the corporate website.

Directors' Conflict of Interest Policy

The Directors' Conflict of Interest Policy defines the rules and responsibilities regarding potential conflicts involving the Company's Directors. It ensures that directors act in the best interest of the Group and avoid any situations that could compromise their independence or impartiality. Any potentially conflictual situation or incident are to be solved by members of the Audit Committee who are not in a situation of conflict of interest or by the independent Non-executive Directors who are not in a situation of conflict of interest in accordance with the corporate governance rules of the Company.

Personnel Conflict of Interest Policy

This policy outlines the expected conduct for the Group's officers, directors, employees, and contractors to ensure that all reasonable measures are taken to avoid or manage any actual, potential, or perceived conflicts of interest—whether arising from personal financial interests, the interests of family members, or past, present, or prospective involvement in external activities that may conflict with the Group's interests. The Compliance function is responsible for implementation, ensuring impartiality and accountability in professional conduct. It is included in employee onboarding materials and is supported by a dedicated training course to promote awareness and compliance. This policy is also published on the corporate website.

Non-Retaliation Policy

The Non-Retaliation Policy supports a culture of openness by protecting those who raise concerns in good faith from any form of retaliation. Applicable to all of DIGI Group's Personnel (employees, officers, directors, and contractors), business partners, shareholders and any other stakeholders of Digi Group, it is monitored by the Compliance function, HR and Legal departments. Closely tied to whistleblower protections, the policy focuses on creating a culture of openness and safety within the entire Group.

Anti-Money Laundering Policy

DIGI's Anti-Money Laundering Policy mandates adherence to all applicable laws and regulations related to anti-money laundering and counter-terrorism financing. It explicitly prohibits any form of money laundering or terrorism financing and establishes a clear set of rules and procedures to be followed to ensure compliance. It requires all officers, directors, employees and contractors of the DIGI Group to comply with all applicable laws and regulations requiring reporting of cash transactions. The policy aligns with EU AML directives and FATF standards, promoting financial transparency and regulator confidence and is also available on the corporate website.

Related Party Transactions Policy

This policy sets out the measures for declaring, assessing, approving, and reporting related party transactions, with the goal of protecting the interests of the Company and its stakeholders, and ensuring compliance with applicable legal requirements. By implementing this policy, DIGI reinforces stakeholder trust and mitigates conflicts of interest. It is publicly disclosed on the company's corporate website.

Donations and Sponsorship Policy

DIGI's Donations and Sponsorship Policy's objective is to regulate and provide transparency around all charitable donations and sponsorships. It applies to all members of the Boards of Directors, its directors, and employees with leading or executive positions, who are involved in the process of approving donations and sponsorships and is managed by the Corporate Social Responsibility function. The policy addresses community engagement and stakeholder trust and is part of the Group's wider compliance framework. It is publicly available on the corporate website.

More details about the above-mentioned Policies can be found in Section: Management structure. Corporate Governance – Other corporate governance practices

Business Partners' Code of Conduct

Currently in the approval process, this will be sent to all representative partners. Until its adoption, compliance clauses are included in business initiation documents, demanding guarantees against conflicts of interest, corruption, bribery, money laundering, and sanctions list entries. Partners are also informed of their right to report any legal or compliance violations through DIGI Group's reporting channels.

ISO37001

In alignment with DIGI Group's commitment to ethical business practices and sustainability, Digi Romania is ISO 37001 certificated, reflecting their anti-bribery management system. This certification underscores their dedication to preventing bribery and promoting integrity across all operations. ISO 37001, as the international standard for anti-bribery management systems, is integrated into the sustainability framework by supporting the governance and business conduct disclosures under ESRS G1. It provides a structured approach to preventing, detecting, and responding to bribery risks, and contributes to meeting the requirements related to policies, risk management, and control processes in the area of ethical business practices. The achievement of being certified not only enhances their credibility with stakeholders but also strengthens the trust and integrity upon which the Group's sustainable business practices are built.

All policies are published on the Group's website for external access(*https://www.digi-communications.ro/en/corporate/corporate-governance*).

Internally, compliance policies and procedures are communicated to employees upon adoption or revision and are available for consultation on the Group's intranet.

The roles within the Group most susceptible to risks of corruption, bribery, and accepting or offering bribes are identified based on industry best practices and recognized guidelines. At the moment, the identified functions susceptible to the risks mentioned above include personnel with coordination and guidance roles, Human Resources, Financial, Accounting, Reporting, Treasury, Information Technology (helpdesk, software and hardware for Personnel use), Legal, GDPR, Audit, Procurement and Logistics, Information Security, Occupational Safety and Health, Commercial, Processing, Tendering.

9.3 Anti-corruption and fair competition

9.3.1 Prevention and detection of corruption and bribery

ESRS G1-3

DIGI Group has adopted a comprehensive Compliance Program to detect and prevent unethical behaviour, including corruption and bribery. This program includes several control mechanisms to ensure adherence to ethical and integrity standards.

The Whistleblowing Procedure Group Policy provides a general framework for the prevention, detection, investigation, and resolution of non-compliance incidents, such as corruption and bribery and outlines the types of actions subject to reporting. The internal subsequent procedure contains a detailed process for verifying the plausibility of reports, conducting internal investigations, and identifying appropriate solutions based on investigation results. The procedure also includes extensive provisions on maintaining the confidentiality of whistleblowers and other individuals involved. In addition, the procedures include clearly defined exceptions that do not fall within the scope of this mechanism, such matters being managed through alternative internal processes, in accordance with the nature and relevance of the issue, sets clear deadlines, according to applicable law, for internal process activities and assigns responsibilities to various individuals and structures involved in the process. It mandates the implementation of measures resulting from the analysis of received reports by the respective department coordinators and stipulates potential sanctions for failure or unjustified delay in implementing these measures.

Considering available resources, legal requirements, and technical solutions, the subsidiaries of the Group have developed local whistleblowing policies and procedures. These have been designed by adopting the minimum Group requirements while ensuring alignment with local needs and regulations.

In application of the Whistleblowing Policies and procedures, DIGI Group has implemented channels for both written and oral reporting, allowing for named or anonymous submissions, applicable at group level, however, each subsidiary developed its own whistleblowing channels.

DIGI Group provides dedicated reporting channels for concerns related to ethics and compliance, including country-specific channels such as *https://www.digi.ro/raportare-nereguli*, *https://www.digimobil.it/en/whistleblowing* , *https://www.digimobil.es/canaletico* , *https://www.digi.ro/raportare-nereguli* , and the email address whistleblowing@digi.pt (for DIGI Portugal employees only). At the Group level, general concerns may be submitted via the contact form available at *https://www.digi-communications.ro/en/contact*.

However, although anonymous reporting is allowed by all subsidiaries of the group, the Whistleblowing Policies and procedures encourage named reporting, as anonymous reports can complicate or even hinder the verification and resolution process.

The Compliance Department / responsible is in charge with verifying the plausibility of reports. For complex investigations, the investigation team, investigation timeline, and final report are approved by the Board of Directors. The Compliance Department/ responsible must periodically report the number and types of received reports to the Board while maintaining the confidentiality of the whistleblower and other involved parties.

DIGI Group addresses breaches of procedures and standards related to anti-corruption and anti-bribery through a series of preventive measures, including:

- *Code of Conduct:* Establishes clear standards of integrity and professional conduct for employees, with strict provisions against corruption and bribery.
- *Regular Training:* Conducted in accordance with the annual Compliance Training Plan approved by the Board of Directors/Audit Committee, primarily based on the results of the annual compliance risk assessment.
- *Awareness Campaigns:* Activities such as anti-corruption themed contests, the annual conflict of interest declaration campaign, and reminder messages on specific topics (e.g., acceptance/offering of gifts).

- *Confidential Whistleblowing Reporting Channels:* Mechanisms allowing employees and collaborators to report any non-compliant behaviour or breaches of DIGI standards without fear of retaliation.

DIGI Group makes sure their policies reach everyone in several ways. After the approval, the policies are first communicated to the targeted employees for electronic acceptance. At the same time, they are shared on their intranet, publicly available on their websites, periodically sent out via email, and covered during training sessions. This variety of methods helps ensure that everyone who needs to know about the policies can access and understand them.

To better understand, delve into, and report cases of non-compliance, DIGI Group provides a consultation channel for employees to seek clarity on compliance standards and ethical conduct at *conformitate@digi.ro*. Additionally, the Board of Directors annually approves the Compliance Training Plan, proposed by the Compliance Department, which includes course topics, target groups, delivery methods, and testing formats.

Introduction to Compliance –

The classroom training is conducted on an employee's first day of work and integrated with the Health and Safety training. Due to resource constraints and the nature of the training, it is available only to new employees in Bucharest. However, solutions are currently being sought for its nationwide expansion.

This training provides a brief introduction to the Compliance framework, covering key policies, procedures, and guidelines. Employees also learn where to access these resources for future reference and how to report any compliance violations. Currently implemented in Romania, solutions to implement this training in other Group subsidiaries are in progress, intended to be implemented over two reporting period, at the latest.

In 2024, 82% of new hires in Bucharest (226 out of 276 employees) completed this training.

The training program covers essential topics, including the Group's values and principles, anti-corruption and business ethics, gifts and hospitality services, conflicts of interest, anti-money laundering, and the reporting of irregularities. The primary objective of this training is to ensure new employees gain a comprehensive understanding of their regulatory and ethical responsibilities. Currently implemented in Romania, solutions to implement this training in other Group subsidiaries are in progress, intended to be implemented over two reporting period, at the latest.

Anti-Corruption Rules in the Digi Group –

An e-learning course, consisting of a presentation and a five-question test, is provided to employees in high-risk positions for corruption exposure.

Since its implementation, 81% of the targeted employees (3,728 out of 4,586) have completed the course. During the reporting period, an additional 183 employees successfully completed the training.

The training program focuses on key areas such as bribery and corruption, individual conduct, gifts and hospitality services, and the reporting of incidents related to the Anti-Corruption Policy. The primary objective of this training is to ensure participants fully understand their regulatory and ethical responsibilities, empowering them to act in accordance with the Group's standards and comply with relevant laws. Currently implemented in Romania, solutions to implement this training in other Group subsidiaries are in progress, intended to be implemented over two reporting period, at the latest.

Code of Conduct – What is it and why is it necessary?

The "Code of Conduct - What is it and why is it necessary?" e-learning course, launched on December 7, 2023, includes a presentation and a test and is designed for employees in coordination roles.

As of the reporting date, 557 coordination-role employees (meaning 81% out of total percentage of coordination-role employees) have completed the training, exceeding the internal established training target by 3%.

Additionally, 567 employees without coordination role in high-risk positions for corruption exposure (12% of the 4,586 total high-risk employees) have also completed the course online.

The training provides an introduction to the concept of a Code of Conduct (CoC), highlighting its benefits and its role in promoting ethical behavior within the workplace. Participants will also be introduced to DIGI's specific Code of Conduct. The primary objective of this training is to ensure a clear understanding of what constitutes appropriate workplace conduct and the importance of maintaining good business ethics in everyday operations. This training was also delivered in Italy to managers with a participation rate of 100%, for the rest of subsidiaries, solutions to deliver this training within the above-mentioned timeframe are currently being in progress.

Conflict of Interest –

The mixed-format "Conflict of Interest" course (classroom and e-learning) was launched on September 12, 2024. By the reporting date (December 31, 2024), completion rates were as follows:

Classroom training: Attended by 51 employees in coordination roles, representing 27% of Bucharest-based managers (191 total).

E-learning: Completed by 2,264 employees in high-risk positions, accounting for 49% of the 4,586 targeted employees.

In total, 2,315 employees (50% of the target group) completed the course, across both formats.

The training covers the concept of conflict of interest, including how to recognize and avoid potential conflicts in the workplace. It also outlines the different types of conflicts of interest specific to DIGI Group and the responsibilities employees have in managing them. The primary objective of this training is to help employees understand, identify, and avoid conflicts of interest, as well as to know how to address and maintain transparency when such conflicts arise. The timeframe and coverage at Group level is as above.

Out of a total of 4,586 employees identified, 3,242 have received relevant training. This represents approximately 71% of the targeted group.

Table G1-3_21b_AR4 Percentage of functions-at-risk covered by training programmes:

DIGI Group	Romania	Spain	Portugal	Italy
Percentage of functions-at-risk covered by training programmes	71%	0%	0%	100%

It is important to note that the percentages indicated also included members of the Board of Directors. The active involvement of the Board of Directors in identifying topics and effectively preparing in all training materials – at the proposal of the Compliance Department – is the best way to ensure continuous training in Compliance areas for top management, given the analyses, debates, and opinions presented in support of a topic of interest.

As part of the Company's commitment to compliance, awareness efforts are integrated into daily operations through periodic reminder messages on key compliance topics. In addition, to mark International Anti-Corruption Day, in Romania contests focused on anti-corruption themes, further promoting awareness and reinforcing the importance of ethical conduct across the organization are organized. The Company plans to extend the anti-corruption contest initiative across the Group within the next two reporting periods.

9.3.2 Incidents of corruption or bribery

ESRS G1-4

During the reporting period, no confirmed incidents of corruption or bribery were identified within DIGI Group. As there were no breaches in procedures and standards regarding anti-corruption and anti-bribery, no specific actions were taken to address breaches. No convictions or fines for violation of anti-corruption and anti-bribery laws.

9.3.3 Political influence and lobbying activities

ESRS G1-5

DIGI Group is committed to conducting its business with integrity, transparency, and in compliance with all relevant regulations. As part of this commitment, the company provides the following disclosure regarding political influence and lobbying activities.

At present, DIGI Group does not engage in political influence or lobbying activities, either directly or indirectly. The company does not make financial or in-kind contributions to political parties, candidates, or other political entities. Additionally, DIGI Group does not participate in lobbying efforts related to its material impacts, risks, and opportunities.

Since DIGI Group does not engage in political influence or lobbying, there are currently no designated representatives within its administrative, management, or supervisory bodies responsible for overseeing such activities. As such, the Group is not registered in the EU Transparency Register or any equivalent transparency register in a Member State.

Should the company choose to engage in political influence or lobbying in the future, it will ensure compliance with all relevant disclosure and transparency requirements

During the current reporting period, no members of DIGI Group's administrative, management, or supervisory bodies have held comparable positions in public administration, including regulatory bodies, in the two years preceding their appointment.