

**Condensed Consolidated Interim
Financial Statements and Interim
Management Report for the six-month
period ended June 30, 2026**

DIGI Spain

DIGI SPAIN TELECOM, S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND CONDENSED CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30.06.26 Unaudited	31.12.25
ASSETS			
Non-current assets			
Property, plant and equipment	4	753,095	681,187
Right of use assets	5	98,548	105,693
Intangible assets	6	239,876	202,940
Subscriber acquisition costs	7	30,231	33,135
Financial investments		250	250
Long term receivables		2,736	2,537
Derivative financial assets	20	4,586	6,354
Deferred tax assets		4,669	-
Total non-current assets		1,133,991	1,032,096
Current assets			
Inventories	8	31,177	23,360
Trade and other receivables		103,236	85,503
Receivables from related parties	13	6,693	2,172
Income tax receivable	18	-	497
Contract assets		45,868	44,057
Other assets		21,872	5,647
Cash and cash equivalents		28,120	33,141
Total current assets		236,966	194,377
Total assets		1,370,957	1,226,473
EQUITY AND LIABILITIES			
Equity			
Share capital	9	27,000	1,000
Other reserves	9	6,012	812
Retained earnings		217,105	261,408
Equity attributable to owners of the Company		250,117	263,220
Non-controlling interest		116,129	119,676
Total equity		366,246	382,896
LIABILITIES			
Non-current liabilities			
Loans and borrowings	10	385,468	354,485
Lease liabilities	11	36,878	32,211
Deferred tax liabilities	18	-	3,404
Trade and other payables		145,211	107,640
Total non-current liabilities		567,557	497,740
Current liabilities			
Trade and other payables		221,088	200,089
Payables to related parties	13	1,717	1,464
Employee benefits		16,476	17,680
Loans and borrowings	10	150,065	72,467
Lease liabilities	11	32,749	42,867
Income tax payable	13	1,848	35
Provisions		895	875
Contract liabilities		12,316	10,360
Total current liabilities		437,154	345,837
Total liabilities		1,004,711	843,577
Total equity and liabilities		1,370,957	1,226,473

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(all amounts are in thousand euros (EUR), unless specified otherwise)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		30.06.26	30.06.25
		Unaudited	Unaudited
	Notes		
Revenues	14	515,012	444,983
Other income	15	14,913	31,172
Other expense		(242)	-
Operating expenses	16	(306,486)	(288,232)
Employee expenses	12	(88,733)	(74,075)
Depreciation and amortisation of non-current assets	16	(118,157)	(88,589)
Impairment and write-off of non-current assets	16	(9,954)	(1,698)
Operating profit/(loss)		6,353	23,561
Finance income	17	3,456	2,938
Finance costs	17	(22,878)	(22,712)
Net finance costs		(19,422)	(19,774)
Profit/(loss) before taxation		(13,069)	3,787
Income tax (expenses) / benefit	13	4,013	(12)
Profit/(loss) for the period		(9,056)	3,775
<i>Attributable to owners of the Company</i>		<i>(14,508)</i>	<i>(1,029)</i>
<i>Attributable to non-controlling interests</i>		<i>5,452</i>	<i>4,804</i>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Derivative financial assets	20		
Total comprehensive income for the year		(9,056)	3,775
<i>Attributable to owners of the Company</i>		<i>(14,508)</i>	<i>(1,029)</i>
<i>Attributable to non-controlling interests</i>		<i>5,452</i>	<i>4,804</i>
Earnings per share			
Earnings/ (loss) per share (amounts in EUR)	24	(0,07)	(0,01)

The notes on pages 10 to 50 are an integral part of these Condensed Consolidated Interim Financial Statements.

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH-PERIOD ENDED 30 JUNE 2026
(all amounts are in thousand euros (EUR), unless specified otherwise)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Other Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2026	1,000	812	261,408	263,220	119,676	382,896
Profit/(loss) for the period	-	-	(14,508)	(14,508)	5,452	(9,056)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the period	-		(14,508)	(14,508)	5,452	(9,056)
Transactions with owners of the Company, recognised directly in equity	24,300	5,200	(29,500)	-	-	-
Share capital additions/reserve	1,700	-	-	1,700	-	1,700
Dividends					(9,250)	(9,250)
Others			(295)	(295)	251	(44)
Total transactions with owners of the Company	-	-	-	-	-	-
Balance at 30 June 2026 (Unaudited)	27,000	6,012	217,105	250,117	116,129	366,246

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH-PERIOD ENDED 30 JUNE 2026
(all amounts are in thousand euros (EUR), unless specified otherwise)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONT.)

	Share capital	Other Reserves	Retained earnings	Equity attributable to owners of the Company	Non- controlling interest	Total equity
Balance at 1 January 2025	1,000	411	297,634	299,045	113,045	412,090
Profit/(loss) for the period	-	-	(1,029)	(1,029)	4,804	3,775
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(1,029)	(1,029)	4,804	3,775
Transactions with owners of the Company, recognised directly in equity						
Dividends	-	-	(20 000)	-	(1,750)	(21,750)
Others	-	-	(251)	(251)	250	(1)
Total transactions with owners of the Company	-	-	20 000	-	-	20 000
Balance at 30 June 2025 (Unaudited)	1,000	411	296,354	297,765	116,349	414,114

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Notes	30.06.2026 Unaudited	30.06.2025 Unaudited
Cash flows from operating activities			
Profit/(loss) before taxation		(13,069)	3,787
Adjustments for:			
Depreciation	4, 5	84,962	66,907
Amortisation for intangibles	6, 7	33,195	13,183
Impairment	4, 7	9,954	1,698
Interest expense	17	20,993	22,801
Interest income	17	(3,197)	(2,613)
Impairment of trade and other receivables	16	2,820	3,343
(Gain)/Losses on derivative financial instruments	20	1,870	8,430
Cash flows from operations before working capital changes		137,528	117,536
Changes in:			
(Increase)/decrease in trade receivables, other assets and contract assets		(40,489)	(36,096)
(Increase)/decrease in inventories	8	(7,817)	5,351
Increase/(decrease) in trade payables and other current liabilities		(22,122)	16,747
Cash flows from operations		67,100	103,538
Interest paid	10, 11	(11,801)	(8,423)
Interest received	17	259	414
Income tax (paid)/received	18	(1,747)	(1,476)
Net cash flows from operating activities		53,811	94,053
Cash flow from investing activities			
Purchases of property, plant and equipment	4	(121,386)	(132,184)
Purchases of intangibles	6	(12,237)	(10,860)
Payments for subscriber acquisition costs	7	(21,671)	(19,986)
Net cash flows from/(used in) investing activities		(155,294)	(163,030)
Cash flows from financing activities			
Dividends paid to shareholders	9	(3,000)	(21,750)
Proceeds from loans and borrowings	10	130,409	304,821
Repayment of loans and borrowings	10	(22,694)	(201,433)
Transaction costs paid		3,197	2,613
Payment of lease liabilities	11	(29,434)	(24,429)
Proceeds from issuance of share capital	9	1,700	-
Net cash flows (used in)/from financing activities		80,178	59,822
Net (decrease) / increase in cash and cash equivalents		(21,306)	(9,155)
Cash and cash equivalents at the beginning of the period		49,426	58,581
Cash and cash equivalents at the end of the period		28,120	49,426

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

These Condensed Consolidated Interim Financial Statements as at and for the six months ended 30 June 2026 comprise Digi Spain Telecom, S.A. ("DIGI Spain" or the "Company") and its subsidiaries (together referred to as the "Group", or "DIGI Spain Group").

DIGI Spain, the Parent Company of the Group was incorporated on 4 December 2006 for an indefinite period of activity, under the name Best Spain Telecom, S.L., before the Notary of Madrid, Ms. Milagros A. Casero Nuño, and registered in the Madrid Commercial Registry, on page 103 of general volume 23,521, sheet no. M-421936, and entry 1. DIGI Spain's registered office is located at Francisca Delgado 11, 28108, Alcobendas, Madrid. The Company is now denominated Digi Spain Telecom, S.A. pursuant to the re-registration of Digi Spain from a Spanish "*sociedad limitada*" to a Spanish "*sociedad anónima*", approved by the sole shareholder on 15 December 2025, and duly registered in the Madrid Commercial Registry on 8 January 2026. Furthermore, the Company was admitted to trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges in on 15 July 2026.

The Company's its corporate purpose, as stated in its bylaws, is as follows:

- (a) Implementation, development, and marketing of telecommunication, telematic, and multimedia products and services under Law 11/2022, (the "General Telecommunications Law"), and also of production and exploitation of audiovisual content.
- (b) Commercialization, maintenance, and technical assistance of telecom, IT, and office automation systems and equipment.
- (c) Planning, design, construction, deployment, installation, operation and maintenance of fixed and mobile electronic communications networks and other ancillary infrastructures.
- (d) Management and administration of shareholdings in resident and non-resident entities.
- (e) Advisory and support services to investees.

The main shareholder of DIGI Spain is Digi Romania S.A. ("the Main Shareholder"), a company incorporated in Romania with place of business and registered office in Bucharest, Romania. The Main Shareholder of Digi Romania, S.A. is Digi Communications N.V. ("The Ultimate Parent" and together with its subsidiaries "The DIGI Group") a company incorporated in The Netherlands and listed on the Bucharest Stock Exchange, being the ultimate entity preparing IFRS consolidated financial statements. As of 30 June 2026, Digi Communications N.V. directly holds 93.58% (31 December 2025: 93.58%) on Digi Romania S.A. who at this moment directly holds 81.6% on Digi Spain Telecom S.A.

The main activity of the Group consists of providing mobile telephone and internet services, fixed broadband services and fixed-line telephone services, as well as digital Pay TV services in all provinces of Spain. It is also deploying, installing and developing its own fiber-optic network in the country's urban areas.

The Group fixed services are offered through a combination of the FTTH network developed by us (the "SMART Footprint"), which also includes the FTTH network owned by DIGI Andalucía, the "DIGI Andalucía Network", and the FTTH network of other operators, accessed through wholesale access agreements, such as, the SOTA Network (see note 4 of the 2025 Audited Consolidated Annual Accounts) and the FTTH network owned by Telefónica de España, S.A. ("Telefónica"), pursuant to the "Telefónica Commercial NEBA Agreement". Under this Agreement, Telefónica provides the Group with wholesale indirect access to all its fixed broadband network in Spain for bitstream services on a mutual non-exclusive basis and subject to minimum active connections commitments by the Group, enabling the DIGI Spain Group to deliver electronic communications services to their end customers. This Telefónica Commercial NEBA Agreement was agreed for a period of 10 years from 9 July, 2024, which may be extended for an additional five years.

Until late 2024 the Group provided its mobile telecommunication services in the country as a mobile virtual network operator (MVNO) through Telefónica Móviles España, S.A.U. ("Telefónica Móviles") mobile network (based on the "MVNO Agreement", under which Telefónica Móviles provides DIGI Spain with access to its mobile communication network). Since 2025, following the acquisition by the Group

DIGI SPAIN TELECOM, S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

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

of the Spectrum Licences (defined below), and with the new agreements signed by the Group with Telefónica Móviles, also noted below, the Group currently provides mobile telecommunication services as a mobile network operator ("MNO").

Under this new model, the Group provides mobile telecommunication services via the network of Telefónica Móviles' macro sites (the "TME Mobile Network") through the "National Roaming Agreement", and via the "DIGI Spain Mobile Network", a network comprised of Telefónica Móviles' macro sites adapted for broadcasting the Group's mobile signal (based on the "RAN Sharing and Spectrum Sharing Agreement" with Telefónica Móviles) and our own macro sites. Mobile telecommunication services are provided through the DIGI Spain Mobile Network based on (i) 60 MHz of spectrum (the "Spectrum Licences") that we purchased as part of the remedies in the context of the 2024 business combination between Orange Spain and MásMóvil into MásOrange; and (ii) Telefónica Móviles' own spectrum in the 3,500 MHz band. Both the National Roaming Agreement and the RAN Sharing and Spectrum Sharing Agreement are effective up until at least 2040.

Group structure and changes in scope

During the six-month period ended 30 June 2026 there have been no changes in the consolidation scope.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**2.1. BASIS OF PREPARATION****(a) Statement of compliance**

These interim financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and should be read in conjunction with the Group's last annual consolidated accounts prepared in accordance with the Accounting Standards of the International Financial Reporting Standards endorsed by the European Union (IFRS or IFRS-EU), as well as the prevailing commercial laws in Spain, as stipulated in the revised Spanish Commercial Code (Royal Decree of 22 August 1885, as revised by Law 16/2007, of 4 July, on the reform and adaptation of commercial legislation on accounting matters for its international harmonisation based on European Union regulations) as at and for the year ended 31 December 2025, prepared for the purpose of being included in an Offering Memorandum ("2025 Audited Consolidated Annual Accounts"). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the 2025 Audited Consolidated Annual Accounts.

(b) Going concern

As of 30 June 2026, the Company had negative Working Capital amounting to EUR 200,188 and negative Working Capital of EUR 151,460 as of 31 December 2025.

In the opinion of the Company, a negative Working Capital is common in the industry in which the Group operates and is consistent with its financial structure. It primarily reflects a short average collection period, the Group's ability to negotiate extended payment terms with suppliers, and significant investments made in recent years in technological upgrades, new services, and the expansion of the SMART Footprint. These investments have been financed through (i) external financing that begins to mature, on a staggered basis, from March 2027 onwards, including, among others, amounts drawn under the Senior Facilities Agreement, (ii) a substantial portion of the cash surpluses generated by the Group's operations, and (iii) the sale of the SOTA Network and our partnership with Aberdeen in DIGI Andalucía.

The Company's management expects to have sufficient resources to meet its short-term liabilities, taking into account:

- (i) the cash available on its balance sheet (EUR 28,120 as of 30 June 2026);
- (ii) the Group's short- to medium-term predictability of cash flows, reflecting its predominantly subscription-based revenue model and its ability to secure long-term contracts covering major operating costs (for the six months ended 30 June 2026, the Group's net cash flows from operating activities amounted to EUR 53,811 (EUR 228,780 for the full year ended 31 December 2025);
- (iii) the liquidity available under the Senior Facilities Agreement, which was renewed in March 2025 and includes an additional Accordion Facility of EUR 100,000, of which EUR 75,000 has been drawn and EUR 25,000 remains undrawn and fully available for future drawings as of 30 June 2026; and
- (iv) the recurring cash flows generated in connection with the SOTA Transaction, including the early collection in December 2026 of the deferred portion of total sales originally scheduled for the first quarter of 2027, which is expected to increase cash flow after 30 June, 2026 by EUR 120.250.

There have been no changes to the assessment carried out by the Directors of the Parent Company regarding the going concern principle, and the conclusion reached in the preparation of the Group's Consolidated Annual Accounts as at 31 December 2025 remains valid at the date of these Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2026. The Board of Directors is confident in the Group's ability to obtain any additional funds required to meet financing needs in 2027, taking into account the Group's revenue and profitability growth profile, as well on the projected improvement in EBITDA-based measures and leverage ratios, which strengthen its financial position by the end of 2026.

(c) Material accounting policies

The material accounting policies applied in these Condensed Consolidated Interim Financial Statements are consistent with those applied in the Group's Audited Consolidated Annual Accounts for the year ended 31 December 2025, except for the adoption of new standards and amendments effective as of 1 January 2026. The adoption of these new standards and amendments did not have a material impact on the Group's Condensed Consolidated Interim Financial Statements.

2.2. NEW AND AMENDED STANDARDS FOR 2026 AND FORTHCOMING REQUIREMENTS

New or amended Standards and Interpretations, as endorsed by the European Union, that are effective for annual periods beginning on or after 1 January 2026

The following amended standards are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted. The Group has not early adopted any of these amended standards in preparing these Condensed Consolidated Interim 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). The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised. Under the amendments, a company generally derecognises its trade payable on the settlement date. Normally this is the date on which payment is completed. The amendments also provide an optional exception (available when the company uses an electronic payment system that meets certain criteria), which allows the company to derecognise its trade payable earlier than the settlement date, potentially on the date when payment is initiated and cannot be cancelled.

The adoption of this amendment does not have a material effect on the Group's Condensed Consolidated Interim Financial Statements for the periods presented.

- Annual Improvements to IFRS Accounting Standards – volume 11 (Issued in July 2024 and effective from 1 January 2026). The adoption of this amendment does not have a material effect on the Group's Condensed Consolidated Interim Financial Statements for the periods presented.
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026). The adoption of this amendment does not have a material effect on the Group's Condensed Consolidated Interim Financial Statements for the periods presented
- 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). IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes in the requirements are summarised below.

A more structured statement of profit or loss

IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either:

- nature;
- function; or
- using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

MPMs – Disclosed and subject to audit

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Greater disaggregation of information

The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so.

Other changes applicable to the primary financial statements

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet.

Transition

In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between:

- the restated amounts presented applying IFRS 18; and
- the amounts previously presented applying IAS 1.

The Group plans to apply the amendments from 1 January 2027. The Group is currently assessing the impact of the amendments on its financial statements.

New or amended Standards and Interpretations that are effective for annual periods beginning after 1 January 2027, not yet endorsed by the European Union.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, Amendments issued 21 August 2025 and effective for annual periods beginning on or after 1 January 2027, subject to European Union endorsement), and The Group plans to apply the amendments from 1 January 2027. The Group is currently assessing the impact of the amendments on its financial statements.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025) (Effective for annual reporting periods beginning on or after 1 January 2027). The Group is currently assessing the impact of the amendments on its financial statements.
- IFRS 20 – Regulatory Assets and Regulatory Liabilities - In May 2026, the IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities, which is effective for annual reporting periods beginning on or after 1 January 2029, with earlier application permitted. The standard has not yet been endorsed by the European Union. The Group is currently assessing the potential impact of its application on the consolidated financial statements.

3. USE OF JUDGEMENTS AND ESTIMATES AND DETERMINATION OF FAIR VALUES

Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the 2025 Audited Consolidated Annual Accounts.

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) Derivatives (Note 20)

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.

b) Non-derivative financial assets and liabilities (Note 20)

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Network	Construction in progress	Customer premises equipment	Equipment and devices	Vehicles	Furniture and office equipment	Total
Cost							
At 1 January 2026	768,125	2,766	174,801	11,766	29,562	15,880	1,002,900
Additions	58,643	59,265	10,160	1,427	2,864	1,041	133,400
Transfer from construction in progress ("CIP")/reallocation (assets taken into use)	-	(610)	(29)	57	-	582	-
Transfers from/to Right of use assets (Note 5)	-	-	16,513	-	-	-	16,513
Disposals	(4,526)	-	(4,310)	-	(128)	(457)	(9,421)
At 30 June 2026	822,242	61,421	197,135	13,250	32,298	17,046	1,143,392
Depreciation and impairment							
At 1 January 2026	246,914	-	47,567	8,139	14,010	5,083	321,713
Depreciation charge	53,810	-	7,248	895	2,212	984	65,149
Impairment	3,635	-	2,269	-	-	-	5,904
Transfers from Right of use assets (Note 5)	-	-	4,987	-	-	-	4,987
Disposals	(4,526)	-	(2,573)	-	(103)	(254)	(7,456)
At 30 June 2026	299,833	-	59,498	9,034	16,119	5,813	390,297
Net book value							
At 1 January 2026	521,211	2,766	127,234	3,627	15,552	10,797	681,187
At 30 June 2026	522,409	61,421	137,637	4,216	16,179	11,233	753,095

Property, plant and equipment additions

Most of the additions and disposals in 2026, relate to the FTTH network, as the Group has continued to invest in expanding to new areas; continued the upgrade of the existing networks and adding new customers.

The Group has constructions in progress incurred up to 30 June 2026 totalling EUR 61,421.

The expenses capitalised by the Group related with property, plant and equipment are described in Note 16.

Reconciliation to the statement of cash flows:

	30 June 2026	30 June 2025
Additions to PPE	133,400	125,895
Additions in CFS	121,386	132,184
Difference	12,014	(6,289)
<i>Out of which:</i>		
Increase / (decrease) in payables in balance	12,014	(6,289)

At 30 June 2026, included in the property, plant and equipment category there are assets with gross book value of EUR 165,542 still in use that reached the end of their useful lives.

Collateral

There are no pledges placed on Group property, plant and equipment.

Commitments for property, plant and equipment

For details regarding payment commitments with suppliers for property, plant and equipment see Note 21.

Impairment of property, plant and equipment

The Group has analysed the potential existence of indicators of impairment of property, plant and equipment taking into account the industry in which it operates and the financial forecasts drawn up by Group Management. The analysis evaluates the existence of circumstances that could indicate that the carrying amount of the property, plant and equipment owned by the Group may not be recoverable. As a consequence of this analysis, the Group has registered an impairment amounting to EUR 5,904 for certain equipment and installation costs (Note 16).

At 30 June 2026, the Group presented under the *Impairment* line an impairment expense of EUR 2,269 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 30 June 2026. It also presented an impairment expense for Network assets of EUR 3,635 based on the customer churn applied to the carrying amount of installation cost.

Asset sale transaction (SOTA)

During the six-month period ended 30 June 2026 and in line with the asset purchase agreement signed in 2024, the Group has continued to deliver the agreed batches of BUPs belonging to the SOTA Network, with the aim of reaching a total of 6 million BUPs by 31 December 2026.

In February and April 2026 the company has fulfilled, as agreed, an additional delivery of 275.000 BUs to reach a total of 5,725,000 BUs transferred to SOTA for a total amount of EUR 34,375.

The batches delivered in the six-month period ended 30 June 2026 cover a total of 275,000 BUPs (30 June 2025: 500,000), for a total of 5,725,000 BUPs delivered as at 30 June 2026, and generated income in the period amounting to EUR 14,913 (30 June 2025: EUR 31,172), see note 15 “Other income”. A short-term receivable was also registered in “Other receivables” amounting to EUR 82,677. These subsequent transactions are registered through inventories (see Note 8).

5. RIGHT OF USE ASSETS

The Group has lease contracts for various items of commercial spaces, network, vehicles and equipment used in its operations. The carrying amounts of right-of-use assets recognised and the movements during the period are presented below:

	Buildings	Network	Customer premises equipment	Vehicles	Total
At 1 January 2026	18,098	14,870	56,139	16,586	105,693
Depreciation	(6,080)	(8,407)	(3,007)	(2,319)	(19,813)
Transfer to property, plant and equipment – Accumulated depreciation/ (Transfer from property, plant and equipment – Accumulated depreciation) (Note 4)	-	-	4,987	-	4,987
Additions	5,579	3,900	11,557	3,158	24,194
(Transfer to property, plant and equipment)/Transfer from property, plant and equipment (Note 4)	-	-	(16,513)	-	(16,513)
At 30 June 2026	17,597	10,363	53,163	17,425	98,548

At 30 June 2026 and 2025, additions in Buildings were mainly due to the rental of offices, warehouses, stores and stands as a result of the logistic and commercial strong nationwide expansion process, and specifically in 2025 the start of our own stores distribution channel.

At 30 June 2026 and 2025, additions in Network, were mainly due to the rental of dark fiber circuits as a result of the expansion of the backbone network and the network deploy process, as well as Telefónica rent agreements related with datacentre and ducts space. Also, in Customer premises equipment, the additions mainly relate to leasing of routers due to the significant increase in the customer base.

The right-of-use assets are also subject to impairment indicators’ analysis, following the same principle as for property, plant and equipment. No impairment indicators were identified during the six-month period ended 30 June 2026 or 30 June 2025.

6. INTANGIBLE ASSETS

	Wholesale access connection rights and other intangibles assets	Spectrum licences	Licences and software	Total non-current intangible assets
Cost				
At 1 January 2026	76,920	108,901	54,744	240,565
Additions	45,288	-	4,318	49,606
Disposals	-	-	(195)	(195)
At 30 June 2026	122,208	108,901	58,867	289,976
Amortisation				
At 1 January 2026	10,406	3,652	23,567	37,625
Amortisation	3,892	3,593	5,185	12,670
Disposals	-	-	(195)	(195)
At 30 June 2026	14,298	7,245	28,557	50,100
Net Book Value				
At 1 January 2026	66,514	105,249	31,177	202,940
At 30 June 2026	107,910	101,656	30,310	239,876

The Group additions of intangible assets mainly comprise contractual access rights to networks, licences and software applications. The contractual access rights correspond to Wholesale access connection rights and fees for customer block connections in FTTH networks.

At 30 June 2026, included in licences and software category, there are assets with gross book value of EUR 16,355 (30 June 2025: EUR 11,437) still in use that reached the end of their useful lives.

The expenses capitalised by the Group related with intangible assets are described in Note 16.

Wholesale access connection rights and other intangible assets

Starting July 2025 includes the RAN IRU additions relating to the RAN Sharing and Spectrum Sharing Agreement signed with Telefónica Móviles until 2040 amounting EUR 107,501 as at 30 June 2026 (EUR 65,500 as at 31 December 2025), representing the contractual right to access and use the radio-mobile infrastructure and capacities of this operator (based on an agreed number of mobile antennas), necessary to broadcast our own signal and render our own mobile services. DIGI Spain Group is paying a fixed amount for this right to access which is deferred in monthly instalments for more than 12 months.

Spectrum Licences

Spectrum Licences corresponds to the specific frequency blocks acquired during 2025. The total amount of the Spectrum Licences registered at present value as at 30 June 2026 and 31 December 2025 is EUR 108,901. For payment commitments, please see Note 21.

Licences and software

At 30 June 2026, Licences and software category include licences amounting to EUR 3,449 (31 December 2025: EUR 3,407) and software amounting to EUR 26,862 (31 December 2025: EUR 27,770).

Impairment losses on intangible assets

The Group has analysed the possible existence of indicators of impairment of intangible assets, taking into consideration the industry in which it operates and the financial forecasts made by Group's management. As a result of the analysis performed, no impairment indicators were identified as of 30 June 2026 and 2025.

Collateral

There are no pledges placed on the Group intangible assets.

Reconciliation to the Statement of Cash Flow:

	30 June 2026	30 June 2025
Additions to Intangible assets (non-current)	49,606	4,421
Additions in CFS	12,237	10,860
Difference	37,369	(6,439)
<i>Out of which:</i>		
Increase / (decrease) in payable balance	37,369	(6,439)

7. SUBSCRIBER ACQUISITION COSTS

	Subscriber acquisition costs
Cost	
At 1 January 2026	218,540
Additions	21,671
Disposals	(6,789)
At 30 June 2026	233,422
Accumulated amortisation	
At 1 January 2026	185,405
Amortisation	20,525
Write-off	4,050
Disposals	(6,789)
At 30 June 2026	203,191
Net Book Value	
At 1 January 2026	33,135
At 30 June 2026	30,231

At 30 June 2026, Subscriber acquisition costs category contains fully amortised assets with a gross book value of EUR 161,545.

Write off of subscriber acquisition costs

The Group write off annually subscriber acquisition costs associated with customer terminations, in line with the cancellation of the corresponding service. This write-off amounted to EUR 4,050 in the six-month period ended 30 June 2026, reflecting the impact of customer churn and also the increase in customer base on the carrying amount of these assets.

8. INVENTORIES

	30.06.2026	31.12.2025
Merchandise and equipment – Network built to sale (SOTA)	31,177	23,360
Total inventories	31,177	23,360

Merchandise and equipment

This category includes the subsequent part of the network subject to the SOTA transaction sale of assets (Note 4).

During the six-month period ended 30 June 2026 an amount of EUR 25,325 (EUR 22,270 in the six-month period ended 30 June 2025) of capitalised internal costs, and EUR 1,701 (EUR 2,571 in 2025) of other external materials and equipment have been capitalised in inventories in relation with the SOTA network.

Collateral

There are no pledges placed on the Group inventories.

9. EQUITY**Share capital and reserves**

On 9 March 2026, Digi Romania, S.A., by then the sole shareholder of DIGI Spain and now the Main Shareholder, approved an increase in the Company's share capital of EUR 1,700 through the issue of 170,000,000 new shares, with the amount of the capital increase having been paid up in full. This decision was notarised on 11 March 2026 before the notary of Alcobendas, Mr. Gerardo Von Wichmann Rovira, under number 567 of his protocol and was registered in the Madrid Commercial Registry on 17 March 2026.

The Main Shareholder has decided on 12 June 2026 to increase the Company's capital, at that date set at two million seven hundred thousand euros (EUR 2,700), by twenty-four million three hundred thousand euros (EUR 24,300), that is, to twenty-seven million euros (EUR 27,000). The capital increase has been carried out by increasing the par value of the existing registered shares, which increase their par value from one euro cent (0.01 euros) to ten euro cents (0.10 euros) per share, entirely charged to the Company's available voluntary reserves, without issuing new shares. Accordingly, this transaction does not have any impact on the calculation of earnings per share, as defined in IAS 33.

The Main Shareholder also decides to increase the Company's legal reserve by charging it with voluntary reserves, allocating it in the amount of four million eight hundred and sixty thousand euros (EUR 4,860), that is, from five hundred and forty thousand euros (EUR 540) to five million four hundred thousand euros (EUR 5,400), which represents 20% of the Company's share capital after the capital increase.

These decisions was notarised on 22 June 2026 before the notary of Alcobendas, Mr. Gerardo Von Wichmann Rovira, under number 1585 of his protocol and was registered in the Madrid Commercial Registry on 30 June 2026.

The share capital amounting as at 30 June 2026 to EUR 2,700, was represented by 270,000,000 fully subscribed and paid-up shares of 0.01 euros par value each, which have the same rights and are not listed on the stock exchange. The Main Shareholder is Digi Romania, S.A. (see note 1), and by 30 June 2026 the Company was registered in the Commercial Registry as a Sole-Shareholder Company.

On 10 July 2026, the Main Shareholder resolved to increase the Company's share capital with cash contributions, in the amount of €2,680,000, through the issue and placement of 26,800,000 new ordinary shares, representing 15.87% of the share capital.

DIGI SPAIN TELECOM, S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026***(all amounts are in thousand euros (EUR), unless specified otherwise)*

On 16 July 2026, the shares of DIGI Spain were admitted to trading on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection System (Continuous Market).

The Company's issued share capital following the completion of the Offering amount to 29,680,000 euros divided into 296,800,000 shares.

The Offering price was set at 5.6 euros per share, reaching a total amount of 333.5 million euros in the initial offering, comprised of a subscription offer of 150 million euros (26,800,000 shares) and a sale offer of 159.3 million euros (24,500,000 shares). The Offering also incorporates an additional over-allotment option for a maximum of 7,695,000 additional shares.

As a result of the IPO, and after the over-allotment option, Digi Romania, S.A. stake decreased from 100% to 81,6%.

The Company's shares owned by the Main Shareholder are pledged as collateral for certain DIGI Group loans (Note 10).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or carrying amount of a non-financial asset or non-financial liability.

Retained earnings

Retained earnings reserve includes retained earnings from previous periods.

Other reserves

	30.06.2026	31.12.2025
Legal reserve	5,400	200
Other shareholder contributions	211	211
Hedging reserve	401	401
Total	6,012	812

In accordance with Article 274 of the Spanish Companies Act, the Company has established a legal reserve equivalent to 20% of the share capital.

Dividends

The General Meeting of the affiliate Digi Andalucia unanimously resolves on 29 May 2026 to distribute a dividend of EUR 18,500, chargeable to the profits for the financial year ended 31 December 2025. The first payment shall be made to the shareholders, in one or more instalments, on 30 July 2026 at the latest, distributing the amount of EUR 9,500 in proportion to their shareholding in the company's capital. The second payment shall be made to the shareholders, in one or more instalments, no later than 31 January 2027, distributing the amount of EUR 9,000 in proportion to their shareholding in the company's capital.

Following this agreement, Digi Andalucia has distributed on 16 June 2026 a first installment amounting EUR 6,000, of which 2,999,998.62 euros corresponds to the minority shareholder Nispero BidCo S.A.R.L. and the remaining to Digi Spain Telecom, S.A.

10. LOANS AND BORROWINGS

Long term portion	Nominal interest rate	30 June 2026	31 December 2025
2025 Senior Facilities Agreement (i)	3M EURIBOR + 2.5%% p.a.	303,474	271,332
2025 Digi Andalucia Facility Agreement (iii)	3M EURIBOR + 2.35 % p.a.	79,966	79,792
Other long-term loans (iv)	Fix 5,912%	2,028	3,361
Total long term		385,468	354,485

Current portion	Nominal interest rate	30 June 2026	31 December 2025
2025 Senior Facilities Agreement	3M EURIBOR +2,5%	43,551	-
Other long terms loans	FIX 5,912%	2,607	2,532
Short term loans and working capital facilities (v)	Variable linked to EURIBOR + respective margin	103,907	69,935
Total current		150,065	72,467

For details regarding cash inflows and outflows for loans and borrowings please see the table below:

	Long term loans, including short term portion	Short term loans	Interest payable	Total
Balance as at 1 January 2026	357,016	69,936	-	426,952
Proceeds from borrowings	73,744	56,665	-	130,409
Repayment of borrowings	-	(22,694)	-	(22,694)
Interest expense	-	-	10,436	10,436
Interest paid	-	-	(10,436)	(10,436)
Deferred transaction cost	(692)	-	-	(692)
Amortisation of deferred transaction cost	1,558	-	-	1,558
Balance as at 30 June 2026	431,626	103,907		535,533
<i>Out of which:</i>				
<i>Short term</i>	46,158	103,907	-	150,065
<i>Long term</i>	385,468	-	-	385,468

As at 30 June 2026, the non-cash movements were in amount of EUR 67,151, and are mainly related to reclassifications from trade payables to short term loans of confirming transactions at the moment extended payment terms are applied.

(i) 2025 Senior Facilities Agreement (“2025 SFA”)

DIGI Spain 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, signed on 28 March 2025 a credit facility agreement for an amount of EUR 275,000, with a tenor of five years after the date of the facilities agreement. The borrowed amounts will be used by the Group for the purposes of: (a) refinancing of the existing facilities under the facility agreement dated 26 July 2021, as further amended and restated on 27 July 2022 and 29 June 2023; (b) capital expenditure in Spain; and (c) general corporate and working capital.

On 18 December 2025, DIGI Spain signed a new incremental accordion facility amounting EUR 100,000, incorporating the same purpose, conditions and tenor of the previous facility agreement. At 30 June 2026 a total of EUR 75,000 of these additional funds have been withdrawn (EUR 0 at 31 December 2025).

As at 30 June 2026, the outstanding balances were in amount of EUR 347,025.

The interest rate under the 2025 SFA Facility A, Facility B and Facility C is composed of a margin of 2.5% per annum plus EURIBOR 3M.

Drawing

Term loans under the 2025 SFA were used for the purposes of refinancing previous long-term loans of DIGI Spain (full repayment of outstanding amounts of 2021 SFA), capital expenditure and general corporate and working capital.

Maturities

There is a 24-month grace period for principal repayment and there are quarterly equal repayments of interest for the term loans starting March 2027.

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the 2025 SFA. As at 30 June 2026, the unamortised balance of borrowings related fees was EUR 2,975.

Pledges

In October 2025, the Main Shareholder, Digi Romania, S.A., successfully launched and closed an offering of EUR 600,000 senior secured Notes.

Under the terms of the new Notes, all previous cross-guarantees or security of financial indebtedness between DIGI Romania and the Spanish sub-group have been terminated. Consequently, none of the Spanish subsidiaries (including DIGI Spain) will guarantee or provide security to support the new Notes or any financial indebtedness at the Main Shareholder and Ultimate Parent level within the DIGI Group. On the other side, Digi Romania, S.A. will not guarantee or provide security for any financial indebtedness of the Spanish subsidiaries; however, shares in DIGI Spain held by Digi Romania, S.A. will form part of the collateral for the new Notes.

The Notes include broad permissions for the Spanish sub-group to incur financial indebtedness calculated by reference to its own EBITDA (as defined in the Senior Facilities Agreement), irrespective of the Group's overall leverage position, which have been designed to ensure that Spanish sub-group is not dependent on the Group in this respect.

The Notes also provide for the release of the pledge of part of the shares in DIGI Spain and a carve-out from asset sales covenant, permitting disposal of part of the shares in DIGI Spain if required in the future.

On 3 March 2026, DS Mobile Networks, S.L.U. acceded as an additional guarantor to the Senior Facilities Agreement entered into on 28 March 2025 between among others, DIGI Spain as borrower and Banco Santander, S.A. as facility agent (as amended, restated and/or increased from time to time, including, without limitation, as amended and restated on 17 October 2025, and as increased on 18 December 2025).

Covenants

The 2025 SFA includes certain financial ratios ("loan covenants"), which are calculated based on the consolidated figures of the DIGI Spain Group and are tested quarterly, semi-annually and annually.

A 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 DIGI Spain Group undertakes to ensure that, at each period end, the DIGI Spain Group leverage, computed as Consolidated Total Net Indebtedness to EBITDA ex-operating leases (in each case, as defined in the Senior Facilities Agreement) is less than 3.5 and Interest cover ratio, computed as EBITDA ex-operating leases to Net Total Interest (in each case, as defined in the Senior Facilities Agreement), is greater than 4.25.

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

On 26 July 2021, DIGI Spain, acting as borrower together with Digi Communications, NV, Digi Romania S.A., Digi Hungary 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 five 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 (Facilities A, B and C).

As of 27 July 2022, DIGI Spain, acting as a borrower together with Digi Communications, NV 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 (Facility D). The borrowed amount of the new term loan facility was set to be used by the borrower for the financing of capital expenditure in Spain and associated personnel costs.

On 29 June 2023, DIGI Spain, acting as borrower, together with Digi Communications, NV 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 (Facility E). The borrowed amount of the new term loan facility was set to 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 was composed of a margin of 2.225% per annum plus EURIBOR 3M, effective starting April 2022, for Facility D was 2.50% per annum plus EURIBOR 3M and for Facility E was 2.75 % per annum plus EURIBOR 3M.

(iii) 2025 Digi Andalucía Facility Agreement

On 14 May 2025, Digi Andalucía, S.L. as Borrower and Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A. and ING Bank N.V., Sucursal en España, acting as mandated lead arrangers, signed a credit facility agreement for an amount of EUR 84,000, with a tenor of seven years from the date of the agreement. The borrowed amounts have been used by Digi Andalucía, S.L. to finance the acquisition from DIGI Spain of the remaining compromised Digi Andalucía Network under the transaction described in Note 14.2. On that same date, DIGI Spain and Digi Andalucía, S.L. agreed the transfer of a third batch comprising additional 425 thousand BUPs for a consideration of EUR 51,000. The fourth and latest transfer of the outstanding 250 thousand BUPs was finally concluded in 1 October 2025 for a consideration of EUR 30,000, also financed with this external debt.

As at 30 June 2026, the outstanding balances were in amount of EUR 79,966.

The interest rate under the 2025 Digi Andalusia Facility Agreement is composed of a margin of 2.35% per annum plus EURIBOR 3M, effective from May 2025 until June 2027. From that point onward the interest rate will be composed of a margin of 2.5% (2.75% until June 2030, 3.00% until June 2029 and 3.25% until the termination date) per annum plus EURIBOR 3M.

Drawing

Acquisition from DIGI Spain of the remaining compromised Digi Andalusia Network in 2025.

Maturities

Repayment of the aggregate Facility loans in full on the Termination date, seven years from the date of the agreement

Arrangement fees

The total cost of concluding the loan was amortised using the effective interest method over the remaining term of the Facilities Agreement. As at 30 June 2026, the unamortised balance of borrowings related fees was EUR 1,034.

Cash-flow hedge derivatives

The Group has entered into six Interest Rate Swaps (IRS) contracts executed in two tranches: three on 26 June 2025 (with BBVA, ING and Banco Santander) and three on 1 October 2025 (with the same counterparties), covering a percentage of the total notional amount of the facility. Given the underlying debt is bullet, the IRS under the scope have fixed notional with no amortization schedules. All the IRS have a quarterly frequency with a variable rate referenced to EURIBOR 3M.

Pledges

Digi Andalusia's Facilities Agreement includes three different pledges as collateral: (i) pledge agreement over credit rights arising from certain bank accounts in order to secure all payments obligations; (ii) pledge agreement over credits rights arising from Material Agreements securing the prompt and complete performance of all obligations of the Borrower under Digi Andalusia's Facilities Agreement and the Hedging Agreements and (iii) pledge agreement over the shares of the Borrower.

Covenants

The Digi Andalusia Facility Agreement includes certain financial ratios ("loan covenants"), which are calculated based on the individual figures of the Digi Andalusia, S.L. and are tested quarterly, semi-annually and annually.

A 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.

Digi Andalusia, S.L. undertakes to ensure that, at each period end, Financial leverage computed as Net Financial Indebtedness to Adjusted EBITDA (in each case, as defined in the Facilities Agreement) is less than 4 and Interest cover ratio, computed as Adjusted EBITDA to Finance Charges (in each case, as defined in the Facilities Agreement), is greater than 3.

As at 30 June 2026 the DIGI Spain Group was in compliance with all loan covenants from all facilities presented above (2025 SFA and 2025 Digi Andalusia Facility Agreement).

(iv) Other long term loans

Besides the Senior Facilities, in March 2024 an additional loan was contracted with Banco Santander, for an amount of EUR 10,000 at an EURIBOR rate plus a market margin and maturing in March 2028 (30 June 2026: EUR 4,635; 31 December 2025: EUR 5,893)

(v) Short term and working capital facilities

Besides the Senior Facilities, the Group has several short-term loans and working capital facilities (overdrafts, letters of credit, etc.) for an amount of EUR 103,907 as of 30 June 2026 (31 December 2025: EUR 69,935).

The Company has a credit line with Banco Santander with a maximum limit of EUR 5,000 at a variable interest rate of EURIBOR 3M plus a market spread. The credit line expired on 19 October 2024, was initially renewed until October 2025, and in February 2025 the maximum limit was increased to EUR 5,000 with an expiration date of February 2026. (EUR 5,000 30 June 2026; EUR 5,000 31 December 2025), that has been renewed until February 2027 in the same conditions.

In April 2026 the Group entered into a loan agreement with Banco Santander, for an amount of EUR 35,000 at a 3.40 % fix rate and maturing in April 2027. The purpose of this short-term loan is to finance the payment of the annual spectrum fee. As of 30 June 2026, the Company had an outstanding amount of EUR 29,249

In 2023, the Company entered into a Confirming facility with Banco Santander with a maximum limit of EUR 5,000, which was extended to EUR 10,000 in 2024 and to EUR 15,000 in 2025 and to EUR 20,000 in 2026. As of 30 June 2026, the Company had an outstanding amount of EUR 19,680 (31 December 2025: EUR 14,951).

As of 30 June 2026, and 31 December 2025, the Company has a Confirming facility with the financial institution La Caixa, with a maximum limit of EUR 10,000 that in 2025 was increased to EUR 15,000. As of 30 June 2026, the Company had an outstanding amount of EUR 14,850 (EUR 13,870 as of 31 December 2025). In addition, the Company has entered during 2026 into a foreign currency financing with Caixa with a maximum limit of €13,000. As of 30 June 2026, the Company had an outstanding amount of EUR 2,185.

During 2024, a Confirming facility was contracted with the financial institution BBVA, with a maximum limit of EUR 10,000. As of 30 June 2026, the Company had an outstanding amount of EUR 9,690 (31 December 2025: EUR 9,990).

During 2025, a Confirming facility was contracted with the financial institution Banco Sabadell, with a maximum limit of EUR 12,000. As of 30 June 2026, the Company had an outstanding amount of EUR 8,253 (31 December 2025: EUR 11,124).

In addition, the Company has entered into a credit agreement with BBVA for the payment of taxes, with a maximum limit of €15,000. As of 30 June 2026, the Company had an outstanding amount of EUR 15,000 (EUR 15,000 as of 31 December 2025).

(vi) Guarantees

The Group has deposited guarantees for a total amount of EUR 13,143, the majority of which correspond to the guaranteed debts related to the Tax on Economic Activities (IAE) that are under appeal, and a EUR 2,500 guarantee granted to DIGI Portugal as a financial guarantee for its operations. The guarantees provided to DIGI Portugal had been cancelled as at the date of preparation of these interim financial statements,

11. LEASE LIABILITIES

The Group leases mainly offices, commercial spaces, cars and equipment. Set out below are the carrying amounts of lease liabilities and the movements during the period ended 31 December:

	30.06.2026
As at 1 January	75,078
Additions	23,983
Interest expense (Note 17)	1,365
Interest paid	(1,365)
Payments of principal portion of lease liabilities	(29,434)
As at 30 June	69,627

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Current	32,749
Non-current	36,878

The maturity analysis of lease liabilities is disclosed in Note 19.

The following are the amounts recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2026 and 30 June 2025:

	30.06.2026	30.06.2025
Depreciation expense of right-of-use assets (Note 16)	19,813	16,239
Interest expense on lease liabilities (Note 17)	1,365	1,726

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. Furthermore, low value or short-term lease contracts are not significant.

For details about the right of use asset, see Note 5.

The ranges used as incremental borrowing rates are between 4.62% to 5.46% (2025: 4.89% to 5.46%) depending on the type of asset.

12. EMPLOYEE EXPENSES

	30.06.2026	30.06.2025
Wages and salaries	69,945	57,085
Social security contributions	18,788	16,990
Total employee expenses	88,733	74,075
Employee expenses capitalised (Note 16)	120,761	107,238
Total employee expenses incurred	209,494	181,313

The detailed employee expenses incurred by DIGI Spain Group companies is as follows:

	30.06.2026	30.06.2025
Employee expenses related with DIGI Spain Telecom, S.A. activities (formerly Digi Spain Telecom, S.L.U.)	35,535	28,361
Employee expenses related with DIGI Spain Sales Force, S.L. (internalized face to face sales channels activity)	30,297	25,573
Employee expenses related with DIGI Spain Call Center, S.L. (customers support and outbound sales activities)	22,901	20,141
Total employee expenses incurred	88,733	74,075

The increase in total personnel expenses incurred is mainly driven by the growth in the number of employees, which totals 11,927 employees as at 30 June 2026, entailing a 12% increase with respect to 30 June 2025.

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The detailed employee expenses capitalised by DIGI Spain Group companies is as follows:

	30.06.2026	30.06.2025
Employee expenses capitalised related with DIGI Spain Telecom, S.A. activities (formerly Digi Spain Telecom, S.L.U.)	114,076	101,557
Employee expenses capitalised related with DIGI Spain Sales Force, S.L. (internalized face to face sales channels activity)	6,273	5,098
Employee expenses capitalised related with DIGI Spain Call Center, S.L. (customers support and outbound sales activities)	412	583
Total employee expenses capitalised	120,761	107,238

13. RELATED PARTY DISCLOSURES

The following tables provide the total amount of balances with related parties:

Loans and other receivable with related parties			
Party		30 June 2026	31 December 2025
DIGI Romania S.A.	(i)	2,851	1,634
DIGI Italy S.R.L.	(ii)	298	27
DIGI Portugal LDA	(ii)	3,506	507
DIGI Telecom Ltd	(ii)	38	4
Total		6,693	2,172

Payables and loans with related parties			
Party		30 June 2026	31 December 2025
DIGI Romania S.A.	(i)	(1,537)	(1,440)
DIGI Portugal LDA	(ii)	(179)	(24)
DIGI Italy S.R.L.	(ii)	(1)	-
Total		(1,717)	(1,464)

(i) Shareholder of DIGI Spain (ii) Entities affiliated to a shareholder of the Main Shareholder

Outstanding trade balances at year-end are interest free. For details regarding the guarantees and pledges between Group's companies please refer to Note 10 (i). For the six-month period ended 30 June 2026 and 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

The main operations between DIGI Spain and DIGI Romania, S.A. relate to purchases of equipment, materials and fixed assets for network construction and services related to interconnection, maintenance services for the purpose of interconnection and call center services.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Refer to Note 22 for information about the remuneration paid to members of the Board of Directors and Senior Management.

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Transactions with related parties			
		30 June 2026	30 June 2025
Services provided by			
DIGI Romania S.A.	(i)	126	60
DIGI Italy S.R.L.	(ii)	194	114
Other operating Income			
DIGI Romania S.A.	(i)	962	497
DIGI Italy S.R.L.	(ii)	77	103
DIGI Portugal L.D.A.	(ii)	3,000	2,558
Insky N.V.	(ii)	157	54
DIGI Telecom Ltd	(ii)	34	-
Service received from			
DIGI Romania S.A.	(i)	(4,042)	(1,678)
DIGI Portugal L.D.A.	(ii)	(155)	(43)

*(i) Shareholder of DIGI Spain (ii) Entities affiliated to a shareholder of the Main Shareholder***14. REVENUES**

While revenues are generated through different sources, such as subscriptions, usage-based charges and interconnection fees, they arise from the provision of various fixed and mobile telecommunications services, as well as Pay TV services, and are presented by service category below.

The table below provides the standalone and consolidated revenues in accordance to IFRS 15 Revenue from Contracts with Customers for the six-month period ended 30 June 2026 and 2025:

Revenues split IFRS 15	Six-month period ended 30 June 2026	Six-month period ended 30 June 2025
Mobile telecommunications services	283,498	261,828
Fixed broadband services	209,716	172,691
Fixed telephony services	8,026	6,597
Pay TV services	7,472	1,537
Total telecom	508,712	442,653
Other	6,300	2,330
Total revenues	515,012	444,983

Other revenues include EUR 2,366 (30 June 2025 EUR 2,046) for different agreed services billed to SOTA, EUR 988 (30 June 2025 EUR 0) of rebilled intercompany services (Digi Portugal) and other minor billed revenues.

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

Timing of revenue recognition	Six-month period ended 30 June 2026	Six-month period ended 30 June 2025
Goods and services transferred at a point in time	6,300	2,332
Services transferred over time	508,712	442,653
Total revenues	515,012	444,983

Revenues recognised in the six-month period ended 30 June 2026, which were included in contract liability at the beginning of the year amounted to EUR 10,360. The amounts in balance as at 30 June 2026 amounted to EUR 12,316 are to be recognised gradually as revenues until 31 December 2026.

Revenues recognised in the six-month period ended 30 June 2025, which were included in contract liability at the beginning of the year amounted to EUR 10,609.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	31.03.2026	31.12.2025
Receivables, which are included in 'trade and other receivables'	20,075	8,305
Other receivables	83,161	77,198
Contract assets	45,868	44,057
Long term receivables	2,736	2,537
Contract liabilities	12,316	10,360

The contract assets primarily relate to the Group's services rendered. The contract assets are transferred to receivables when the right becomes unconditional. This occurs when the Group issues an invoice to the clients. The year-on-year increase the contract assets in 2026 and 2025 is consistent with the corresponding growth in revenue.

Contract liabilities primarily relate to the advance consideration received from clients for subscriptions, advance consideration for right of use contracts, for which revenue is recognised over time.

15. OTHER INCOME

	30.06.2026	30.06.2025
Gain from sale of inventory	14,913	31,172
	14,913	31,172

Other income (from SOTA transaction sale of assets) is presented within the cash flows as gain on sale of non-current assets.

For the period ended 30 June 2026 and 2025, Other income from SOTA transaction sale of assets represents revenue from DIGI Spain's sale of a Fibre-to-the-Home (FTTH) network across 12 provinces in Spain. Gain from sale of inventory relates to subsequent network development specifically for sale to SOTA, see Note 8.

16. OPERATING EXPENSES

	30.06.2026	30.06.2025
Depreciation of property, plant and equipment (Note 4)	65,149	50,668
Amortisation of right of use asset (Note 5)	19,813	16,239
Amortisation of non-current intangible assets (Note 6)	12,670	4,846
Amortisation of subscriber acquisition costs (Note 7)	20,525	16,836
Total Depreciation and amortisation of non-current assets	118,157	88,589
Impairment of property, plant and equipment (Note 4)	5,904	554
Write-off of subscriber acquisitions cost (Note 7)	4,050	1,144
Total Impairment and write-off of non-current assets	9,954	1,698
Costs related to fixed services	76,535	67,144
Telephony expenses	174,193	185,482
Invoicing and collection expenses	4,490	4,468
Taxes	3,498	2,903
Fees and levies	16,136	-
Electricity cost and other utilities	1,675	1,753
Impairment of receivables and other assets, net of reversals (Note 19.i)	2,820	3,343
Other materials and subcontractors	508	565
General and professional services expense	5,013	4,433
Other operating expenses	21,618	18,141
Total Operating expenses	306,486	288,232
Total	434,597	378,519

Other operating expenses category mainly includes advertising expenses, maintenance costs and insurance expense.

For the years presented, the Group has capitalised certain costs relating to work performed for its own assets, mainly in connection with the construction of the FTTH network using the Group's own personnel. As these costs meet the criteria for capitalisation, they are recorded directly as property, plant and equipment or intangible assets rather than being expensed in the statement of profit or loss. If they were recognised in the statement of profit or loss, they would have been presented as operating expenses of the period. This treatment is a natural consequence of the vertical integrated business model of the Group and its recurrent operations.

The value of work performed by the Group for its own tangible and intangible assets is determined by adding the acquisition cost of consumable materials to the direct costs attributable to those assets.

For the six-month period ended 30 June 2026, the total expenses capitalised by the Group associated with the deployment of the Group's network infrastructure amount to EUR 162,118 (EUR 143,500 at 30 June 2025). Of these total capitalised expenses EUR 111,813 (EUR 98,608 in 2025) relates to its property, plant and equipment, including "Construction in progress".

For the six-month period ended 30 June 2026, the expenses capitalised by the Group for its software infrastructure in the intangible assets, amount to EUR 3,309 (EUR 2,740 in 2025).

For the six-month period ended 30 June 2026, the expenses capitalised by the company for its Subscriber Acquisition Costs amount to EUR 21,671 (EUR 19,882 in 2025).

For the six-month period ended 30 June 2026, EUR 25,325 has been capitalised through inventories corresponding to SOTA subsequent FTTH BUPs deliveries (EUR 22,270 in 2025). Note 8.

The main increase within "Fees and levies" is due to the Spectrum fee amounting to EUR 16,136 (30 June 2025: null), see Note 1.

The total amounts capitalised mainly include employee expenses, equipment, tooling and materials, transport and accommodation and other costs directly related to the construction of the network and subscriber acquisition costs, as follows:

	30.06.2026	30.06.2025
Employee expenses (Note 12)	120,761	107,238
Dealers commissions	11,025	10,766
Equipment	5,193	4,959
Tooling and materials	4,088	5,094
Transport and accommodation	6,846	5,630
FTTH Installers commissions	3,877	3,806
Other capitalised expenses	10,328	6,007
Total	162,118	143,500

17. NET FINANCE COSTS

	30.06.2026	30.06.2025
Finance income	3,456	2,938
Interest from banks	68	239
Other financial income	3,388	2,699
Finance costs	(22,878)	(22,712)
Interest expense	(12,689)	(12,158)
Interest for lease liabilities (Note 11)	(1,365)	(1,726)
Other financial expenses	(8,809)	(8,828)
Foreign exchange differences (net)	(15)	-
Net Finance costs	(19,422)	(19,774)

As at 30 June 2026, the fair value of the call option to the Shareholders Agreement for Digi Andaluca, S.L. is EUR 3,550 (31 December 2025: EUR 5,420). The fair value movement in the six-month period ended 30 June 2026 of EUR 1,870 (30 June 2025: EUR 8,470) related to DIGI Spain derivative, was recognised as a loss on derivative financial instruments as at 30 June 2026 and 2025, included in Other financial expenses. For more details, please see Note 20. The fluctuation in the six-month period ended 30 June 2026 is mainly consequence of updates to discount rates used, with an increase in the risk-free rate with impact in the equity cost of capital.

As at 30 June 2026, Other financial expenses also include non-cash interest accrued during the year amounting to EUR 6,599 (30 June 2025: EUR 0), related to long-term debt arising from Spectrum Licenses acquired in 2025 and from RAN and Spectrum Sharing Agreements.

18. INCOME TAX

DIGI Spain is the Parent Company of income tax consolidation group in Spain: group 295/22 for the whole of Spain of eight companies (DIGI Call Center, DIGI Sales Force, DS Mobile Networks, DS Fiber Networks, Patrafati, Cincefati and Saseafati). Digi Andalucía, S.L. is not included in the income tax consolidation group. The reconciliation between the Company's accounting profit and its taxable profit for income tax purposes in 2026 is as follows:

	30.06.2026
Profit/(loss) for the period	(9,056)
Income Tax (Benefit)/expense	4,013
Profit/(loss) for the period before tax	(13,069)
Permanent Differences	3,170
Temporary Differences	8,073
	30.06.2026
Profit/(loss) for the period before tax	(13,069)
Income Tax Effect	(3,267)
Tax Effect Of Permanent Differences	(793)
Income Tax expenses	(4,060)

Permanent differences in 2026 and 2025 are due mainly to dividends received. In relation temporary differences see details in the movement of deferred tax assets and liabilities.

The statutory tax rate applied in Spain during 2026 and 2025 was 25%. Components of income tax expense for the six-month period ended 30 June 2026 respectively were:

	30.06.2026
Current tax (expense)/benefit	(4,060)
Deferred tax (expense)/benefit	8,073
Tax Income/(expense)	4,013

Deferred taxes in the consolidated statement of financial position are:

	30.06.2026	31.12.2025
Deferred tax assets	19,362	4,209
Deferred tax liabilities	(14,693)	(7,613)

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Income tax expense for the six-month period ended 30 June 2026 is as follows:

	30.06.2026
Profit/(loss) for the period before tax	(13,069)
Permanent Differences	3,170
Adjusted accounting profit (a)	(9,899)
Gross tax (b)	(2,475)
Benefit/(expense) accrued for corporate income taxes	(4,013)
Effective tax rate (b+c)/a	25%

The movement in deferred tax assets and liabilities for the six-month period ended 30 June 2026 comprises the tax effect of temporary differences related to:

	Six-month period ended 30 June 2026				
	Net balance at 1 January 2026	Recognised in profit and loss	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(14,173)	(460)	(14,633)	-	(14,633)
Subscriber acquisition cost	(85)	-	(85)	-	(85)
Accounts receivable	1,732	289	2,021	2,021	-
Inventory	36	-	36	36	-
Accounts payable	(32)	-	(32)	-	(32)
Leases assets	(71)	128	57	57	-
Undertaken holiday	726	-	726	726	-
Financial Cost	916	-	916	916	-
Tax losses carried forward	5,031	6,325	11,356	11,356	-
Impairment	-	1,791	1,791	1,791	-
Tax Deductions	2,516	-	2,516	2,516	-
Tax assets (liabilities) before set-off	(3,404)	8,073	4,669	-	-
Set-off of tax	-	-	-	-	-
Net tax assets (liabilities)	-	-	4,669	19,419	(14,750)

There are not tax losses for which no deferred tax asset was recognised.

Uncertainties associated with the fiscal and legal system are disclosed in Note 21.

The Group recognises deferred tax assets for all deductible temporary differences, unused tax credits, and tax losses carried forward to the extent that it is probable that future taxable profits will be available against which they can be utilised, in accordance with IAS 12 – Income Taxes.

According to current tax regulations, tax returns cannot be considered final until they have been reviewed by the Spanish tax authorities or the statute of limitations has expired (generally four years). The Group's tax returns for the main applicable taxes are open to inspection for the last four years.

19. 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 analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 and contract assets from customers.

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications) and identifying potential bad debt cases, which are suspended, in general between 10 and 30 days after the invoice due.

Derivative and non-derivative financial assets by category – maximum exposure to credit risk

	30.06.2026	31.12.2025
Trade and other receivables	20,075	8,305
Contract assets	45,868	44,057
Receivables from related parties	6,693	2,172
Other taxes receivables	22	1,441
Other receivables	83,139	75,757
Cash and cash equivalents	28,120	33,141
Long term receivables	2,736	2,537
Financial derivate asset	4,586	6,354
Total	191,239	173,764

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.

- **Cash & cash equivalents**

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	30.06.2026	31.12.2025
Banco Santander	14,641	10,913
Banco La Caixa	6,959	19,745
Banco BBVA	752	934
Other Banks	5,768	1,549
Total	28,120	33,141

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 with healthy external ratings.

- **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.

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for residential customers as at 30 June 2026 and 31 December 2025.

30-June-2026	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net ^(*)
Current (not past due)	0%	128,680	-	128,680
Below 30 days	1%	20,526	(257)	20,269
31–90 days past due	98%	1,429	(1,396)	33
91–180 days past due	99%	2,820	(2,797)	23
181–360 days past due	99%	2,705	(2,673)	32
More than 360 days past due	0%	67	-	67
Total		156,227	(7,123)	149,104

* Includes Trade and other receivables and contract assets.

31-Dec-2025	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net ^(*)
Current (not past due)	1%	120,660	(957)	119,703
Below 30 days	4%	10,177	(449)	9,278
31–90 days past due	98%	1,076	(1,051)	25
91–180 days past due	99%	2,157	(2,129)	28
181–360 days past due	100%	2,473	(2,397)	76
More than 360 days past due	0%	-	-	-
Total		136,543	(6,983)	129,560

* Includes Trade and other receivables and contract assets.

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	30.06.2026	30.06.2025
Balance at 1 January	6,983	5,450
Net remeasurement of loss allowance	2,820	3,343
Amounts written off	(2,680)	(2,537)
Balance at 30 June	7,123	6,256

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.

The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 30 June 2026 and 31 December 2025 (see Note 21 for future material payments commitments):

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30 June 2026							
	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 (Note 10)	535,533	597,358	57,833	112,478	118,333	223,006	85,708
Lease liabilities (Note 11)	69,627	74,977	18,850	10,171	15,988	24,694	5,274
Trade and other payables and other liabilities	366,299	405,879	132,733	96,433	55,363	77,188	44,162
Total	971,459	1,078,214	209,416	219,082	189,684	324,888	135,144
31 December 2025							
	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 (Note 10)	426,952	484,303	43,504	44,011	92,779	218,679	85,330
Lease liabilities (Note 11)	75,078	79,270	26,441	18,034	12,308	19,986	2,501
Trade and other payables and other liabilities	307,729	337,809	85,433	120,780	47,738	54,313	29,547
Total	809,759	901,382	155,378	182,825	152,825	292,978	117,378

There are not undrawn credit lines, apart from the incremental accordion EUR 100,000 facility signed as of 18 December 2025 mentioned in Note 10 of which there are still EUR 25,000 undrawn as at 30 June 2026. The Group is also still obtaining in 2026 EUR 120,250 from subsequent deliveries and collections agreed with SOTA.

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. Details are disclosed in the 2025 consolidated annual accounts (Note 2.1 (b) Going concern assumptions).

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, 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 most of its transactions in euros; however, some transactions (purchases) are made in currencies other than the euro (mostly in US dollars), so these transactions are exposed to exchange rate fluctuations. For these transactions, multi-currency accounts in dollars are maintained for the purpose of issuing payments abroad. No significant balances are held in these accounts. They are used occasionally for issuing payments; therefore, the exchange rate risk is very low. The exchange rate as of 30 June 2026, is \$0.8776 per euro \$0.8513 per euro as of 31 December 2025).

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 cash flow interest rate risk on its variable-rate bank borrowings. The Group's objective is to reduce the variability of future cash flows arising from changes in benchmark interest rates over the term of these borrowings.

The Group manages this risk by entering from time to time into interest rate swap contracts to exchange variable interest cash flows for fixed interest cash flows over the life of the underlying borrowings. As a result, the Group's risk management strategy is to hedge a portion of its forecast variable interest cash flows on existing debt, rather than to hedge fair value changes in the borrowings.

The interest rates of borrowings are disclosed in Note 10 and for lease liabilities see Note 11.

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 3 months or less	
	30.06.2026	31.12.2025
Senior Facility Agreement (2025)*	350,000	275,000
Digi Andalucia SFA*	81,000	81,000
Other long-term loans	4,636	5,893
Total	435,636	361,893

* These figures are presented without the amortisation cost effect

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 interest 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
30 June 2026		
Variable rate instruments	(4,356)	4,356
Profit or loss		
	100 basis points increase	100 basis points decrease
31 December 2025		
Variable rate instruments	(3,275)	3,275

The effect in equity is the effect in profit or loss before tax, net of tax (25%).

iv) Fair values

The Group measures at fair value the following: financial derivative assets and financial investments.

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.

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	Level 3	Total
30 June 2026				
Financial derivative assets	-	-	3,550	3,550
Financial derivative assets – cashflow hedge	-	-	1,036	1,036
Total	-	-	4,586	4,586
	Level 1	Level 2	Level 3	Total
31 December 2025				
Financial derivative assets	-	-	5,420	5,420
Financial derivative assets – cashflow hedge	-	-	934	934
Total	-	-	6,354	6,354

DIGI SPAIN TELECOM, S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026***(all amounts are in thousand euros (EUR), unless specified otherwise)*

A change of WACC discount rate with 10 bps would result in the following change of the financial derivative asset value:

	Discount rate	
	10 bps increase	10 bps decrease
30 June 2026		
Financial derivative assets	(152)	152

	Discount rate	
	10 bps increase	10 bps decrease
31 December 2025		
Financial derivative assets	(217)	217

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the six-month period ended 30 June 2026 and 2025 is as follows:

	Financial Derivative Assets
1 January 2026	6,354
Gains or (losses) recognised in profit or loss for the year	
- DIGI Andalusia's calls options derivative	(1,870)
Gains or (losses) recognised in profit or loss for the year	
DIGI Andalusia's cash-flow hedge	102
Other comprehensive income – Digi Andalusia's cash-flow hedge	-
30 June 2026	4,586

	Financial Derivative Assets
1 January 2025	14,030
Gains or (losses) recognised in profit or loss for the year	
(derecognition)	(8,430)
30 June 2025	5,600

The financial derivative asset is fully unrealized.

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 30 June 2026 and 31 December 2025) and fair value measurement hierarchy are presented in the table below:

			30 June 2026
	Carrying amount	Fair Value	Hierarchy
Loans (Note 10)			
Senior Facility Agreement (2025)	347,025	345,146	Level 3
Digi Andalucia SFA	79,966	80,011	Level 3
Other long-term loans	4,636	4,568	Level 3
			31 December 2025
	Carrying amount	Fair Value	Hierarchy
Loans (Note 10)			
Senior Facility Agreement (2025)	271,332	270,728	Level 3
Digi Andalucia SFA	79,792	80,994	Level 3
Other long-term loans	5,893	5,885	Level 3

The fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR 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, 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 recognised 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 DIGI Group leverage, which is computed in accordance with the Facilities Agreements' requirements.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During the six-month period ended 30 June 2026, the Group's strategy, which was unchanged from 2025, was to maintain the Leverage ratio ex operating leases (Total net principal debt ex operating leases to Adjusted EBITDA ex operating leases ratio) under 3.25 (in order to maintain certain room with respect to the covenants established level of 3.5).

The Group has complied with all externally imposed capital requirements throughout the six-month period ended 30 June 2026 and 2025. These are set out in the Group's notes and syndicated loan agreements, as mentioned in the Note 10.

vi) Climate risks

In the period, 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 and Middle East

The evolution of the situation in Ukraine and recently in Middle East is uncertain and is closely followed by the Group with respect to potential indirect consequences on the financial markets that could impact refinancing conditions and supplies in the future. The Group has no direct interests in Ukraine, Middle East and the areas at conflict and as a result the Group estimates that these situations will have limited effect on its operations and financial performance for future periods.

20. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2026 and 31 December 2025 the Group has the following fair value derivative financial instruments:

	30.06.2026	31.12.2025
	Fair value	Fair value
Financial derivative assets	3,550	5,420
Financial derivative assets – cash-flow hedge	1,036	934

In relation with the transaction completed during October 2023 between Digi Spain and Aberdeen (the “Investor”) 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 them (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 determined with the support of an independent valuation specialist.

The valuator has simulated the value of Digi Andalucía’s shares initially granted to Nispero using a geometric Brownian motion, which is the standard for simulating these types of variables. Specifically, they have conducted 5,000 simulations. Input data at this point is represented by the value of Digi Andalucía shares granted to Nispero (determined using the income approach), expected growth rate of the value of the shares, volatility and time period of valuation. Finally, the value of the option in each simulation will be the maximum intrinsic value throughout the entire simulation. Input data for the intrinsic value is represented by the value of Digi Andalucía shares granted to Nispero strike prices from the Digi Andalucía SHA and discount factor. To obtain the total value of the option, the average of the option value across all simulations was used. A Weighted average cost of capital (WACC) rate of 9.9% (10.1% for June 2025) was used to calculate the present discounted values.

For the six-month period ended 30 June 2026 the loss from valuation was EUR 1,870 (EUR 8,430 for 30 June 2025).

21. CONTINGENCIES AND COMMITMENTS

Contingencies associated with the fiscal and legal system

Tax audits and litigation

The Group is periodically subject to tax audits by AEAT covering various taxes and years within the open limitation period. These audits may consider, among others, the deductibility of expenses, recognition and use of tax credits, transfer pricing, withholding obligations and indirect taxes. Based on advice from external and internal tax experts, management believes that it has applied the applicable legislation reasonably and that the Group has adequate documentation (including transfer pricing files). Where a present obligation exists and an outflow of resources is probable, provisions are recorded; otherwise, matters are treated as contingent liabilities. At 30 June 2026, the Group had no tax provisions or contingent liabilities that, in management's opinion, would individually or collectively have a material adverse effect on the Group's financial position or results, either at 31 December 2025.

The Group has litigations in relation with the Tax on Economic Activities (IAE). The Group believes that item 761.2 ("mobile telephony service") of the IAE is contrary to the scope of Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorization of electronic communications networks and services (Authorization Directive), and has therefore filed an appeal with the courts. The Supreme Court of Spain in 2023 upheld the appeal filed by Vodafone España, S.A.U. against the decision of the Central Economic-Administrative Court, which had confirmed the tax assessment. The Supreme Court declared it inadmissible to require the appellant to pay tax under item 761.2, along with the reimbursement of the amounts paid and interest. On April 2026 we were notified of a resolution favorable to the Group from the Audiencia Nacional declaring the IAE liquidations from 2025 to 2018 null and void in accordance with the previous judgement.

Management assessment

Management believes that the Group has paid or accrued all material taxes, interest and penalties due at 30 June 2026 and 31 December 2025 at the Company and subsidiary level. Nevertheless, due to the uncertainties described above and the inherent judgment in applying complex tax rules, additional liabilities could arise as a result of inspections or disputes that cannot be reasonably estimated at this time. The Group will continue to monitor legislative changes (including Pillar Two developments), administrative practice and case law, and will update its assessment as facts and circumstances evolve.

Material payment commitments

Payment commitments related to investments or relevant contracts are presented both on a discounted and an undiscounted basis, using the weighted average cost of capital.

	30 June 2026					
	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						
Spectrum licences agreement and annual fee for spectrum license	451,822	-	32,273	32,273	96,819	290,457
Capital expenditure (suppliers)	206,815	44,922	9,393	1,589	26,052	124,859
Other contractual obligations ¹⁾	2,516,530	180,897	47,589	93,677	287,268	1,907,099
	3,175,167	225,819	89,255	127,539	410,139	2,322,415
Discounted amounts						
Spectrum licences agreement and annual fee for spectrum license	238,005	-	29,659	27,258	63,622	117,466
Capital expenditure (suppliers)	123,692	41,284	8,633	1,341	17,428	55,006
Other contractual obligations ¹⁾	1,065,020	166,247	43,735	79,119	196,504	579,415
	1,426,717	207,531	82,027	107,718	277,554	751,887
Total						
-undiscounted	3,175,167	225,819	89,255	127,539	410,139	2,322,415
-discounted	1,426,717	207,531	82,027	107,718	277,554	751,887

1) Material payments commitments for other contractual obligations for the six-month period ended 30 June 2026 includes minimum purchase obligations under the WSA agreement concluded with SOTA, and other long-term commitments entered into with Telefónica and Telefónica Móviles: i) minimum purchase obligations under the NEBA contract and ii) related to its mobile network agreement (NRA, RAN sharing), applicable starting 2025 until 2040.

The aforementioned payment commitments as of 30 June 2026 will be financed with internally generated resources, the agreed outstanding SOTA deliveries and collections (EUR 120,250) and the corporate debt refinancing, including the available EUR 25,000 Accordion facility.

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 required investment expenditure in future years to roll out and enhance the networks (which has been already fulfilled). 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:

1,800 MHz, 2,100 MHz and 3,500 MHz bands (Spectrum licences)

The obligations included in the authorisation to use the spectrum were as follows (already fulfilled):

- The 2,100 MHz Spectrum License imposes certain coverage obligations on municipalities with more than 250,000 inhabitants that must be fulfilled within one year of acquiring effective use of the spectrum.
- The 3,500 MHz Spectrum License imposes certain coverage obligations on municipalities with more than 250,000 inhabitants that must be fulfilled within one year of acquiring effective use of the spectrum.
- The 1,800 MHz Spectrum License does not impose any coverage obligations

Letters of guarantee and letters of credit

As at 30 June 2026, there are bank letters of guarantee and letters of credit issued in amount of EUR 13,143 (31 December 2025: EUR 12,741), mostly to guarantee debts related to the Tax on Economic Activities (IAE) that are recurrent, and a guarantee granted to DIGI Portugal in amount of EUR 2,500 as a financial guarantee for its operations that will be cancelled on the second quarter 2026.

In addition to the financial commitments disclosed above, the Group has non-financial contractual commitments to construct BUPs in connection with the SOTA transaction.

22. OTHER DISCLOSURES

Information on environmental issues

Given the characteristics of the activities performed by the DIGI Spain Group, at the end of the period it was not necessary to record any relevant expenses and/or investments related to transactions for preventing, reducing or repairing environmental damage.

At 30 June 2026 and 31 December 2025, DIGI Spain has no environmental provisions or contingencies recorded in its financial statements that could have a significant effect on its equity, financial situation, or results.

Climate change-related impacts have been assessed by the directors, who have concluded that no significant effects are expected.

Remuneration paid to members of the Board of Directors and Senior Management

During 2025 and in relation with the process described in Note 23. Subsequent events, the Company re-evaluated the structure and composition of the Senior Management.

The aggregated compensation of our non-executive members of the Company's Board of Directors in their capacity as directors amounted to EUR 92 in the six-month period ended 30 June 2026 and EUR 25 in six-month period ended 30 June 2025.

Regarding the remuneration accrued by members of Senior Management, during six-month period ended 30 June 2026 it amounted to EUR 2,456 and EUR 3,018 in six-month period ended 30 June 2025 (which amounts include the aggregate compensation paid in these periods to our current executive directors, amounting to 1,664 and 2,635 respectively). These amounts include the variable remuneration with respect to the accrual of the annual bonus.

As of 30 June 2026 and 31 December 2025 the Group had no stock options, pension or life insurance obligations with respect to the former or current members of the Parent Company's Board of Directors or members of Senior Management.

As of 30 June 2026 and 31 December 2025, there were no allowances, advances or loans granted to senior management personnel or members of the Board of Directors, nor were there any obligations assumed on their behalf as guaranties.

During the six-month period ended 30 June 2026 and 30 June 2025, directors and senior management liability insurance premiums for damages caused in the performance of their duties amounted to EUR 4.

In accordance with their duty to avoid conflicts of interest with the Main Shareholder, the directors who held positions on the board of directors of the Main Shareholder have complied with the obligations set forth in Article 228 of the consolidated text of the Spanish Companies Act. In accordance with Article 229 of the Capital Companies Act, the directors of the Main Shareholder have reported that they have no conflicts of interest with the Group.

23. SUBSEQUENT EVENTS***Initial Public Offering (IPO)***

On 10 July 2026, a capital increase of 26,800,000 new shares, representing 15.87% of the share capital, was carried out. On 16 July 2026, the shares of Digi Spain Telecom, S.A. were admitted to trading on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection System (Continuous Market). The Offering price was set at 5.6 euros per share, reaching a total amount of 333.5 million euros in the initial offering, comprised of a subscription offer of 150 million euros (26,800,000 shares) and a sale offer of 159.3 million euros (24,500,000 shares). The Offering also incorporates an additional over-allotment option for a maximum of 7,695,000 additional shares. As a result of the IPO, Digi Romania, S.A. stake decreased from 100% to 81.6% after the stabilisation period.

The Company's issued share capital following the completion of the Offering will amount to 29,680,000 euros divided into 296,800,000 shares.

The Offering will allow the Company to obtain gross proceeds of approximately 150 million euros, implying net proceeds of approximately 134 million euros, after the payment of (i) costs payable in relation to the Offering on a pro-rata basis with respect to the offer of New Offer Shares, and (ii) the corresponding amounts under the IPO Incentive Plan, with both items together amounting to up to 16 million euros.

The Company intends to use these gross proceeds to finance its business plan while maintaining a conservative net leverage level and future growth in Spain, including potential strategic investments and capital expenditures, such as expanding the SMART footprint with further FTTH networks deployments and the rollout of its mobile network, both through RAN sharing and our own mobile sites, and the pay of fees and expenses of the Offering.

Employee compensation plan

In connection with the IPO, the Company was pending as at 30 June 2026 of obtaining final approval by the Board of Directors of a compensation package, strictly linked to the successful completion of the IPO process, consisting in a non-recurring and non-vesting in-kind performance bonus consisting of an aggregate amount of shares representing 0.33% of the Company's share capital after the IPO implementation ("IPO Incentive Plan"), which represent an estimated monetary amount of up to 4.9 million euros (up to 7.9 million euros including assumed tax impact) at the expected offering price, to be granted to a maximum of 120 of our employees (including our Chief Executive Officer, our Deputy Chief Executive Officer, our other Senior Managers and other key employees) in recognition for their extraordinary contributions during all these years helping us to succeed and reach our current status in the Spanish telecommunications market. Accrual and payment of the IPO Incentive Plan will be conditional upon the admission to trading of the DIGI Spain shares on the Spanish Stock Exchanges.

The aggregate estimated gross amount of the IPO Incentive Plan will consider any applicable withholding or deduction on account of the recipients' personal income tax. The amount of the IPO Incentive Plan corresponding to each employee will be determined according to such employee's seniority and salary level at the Group.

Additionally, Digi Romania, S.A. as our Main Shareholder and the Board of Directors of the Company are pending as at 30 June 2026 of approving a long-term incentive plan ("LTIP") in shares for a limited number of persons of the senior management and key employees with the objective of retain, compensate and motivate its participants, allowing them to be part of the creation of value by the Company through the possibility of receiving, where appropriate, a number of ordinary shares of the Company, which may be treasury and/or newly issued ordinary shares, subject to the fulfilment of certain conditions and objectives and continuity of the engagement by the beneficiary with the Company. In this sense, the LTIP is now effective as the DIGI Spain shares are admitted to trading on the Spanish Stock Exchanges and consist on the awarding to participants of the right to receive a number of DIGI Spain shares subject to meeting certain conditions and accrual criteria that are being considered by the Company. Said conditions and criteria could include, among others, (i) the condition of the continued employment or services relationship of the participant with the Company, and (ii) the annual fulfilment

of individual, general (linked to maintaining a certain level of vertically integrated operations) and financial performance criteria (linked to " Adjusted EBITDA ex-operating leases", "Total Capex" and "Leverage ratio" objectives).

The Company estimates that the total gross amount to be delivered in Company shares to all participants under the LTIP during the term thereof, comprising a three years term would amount to EUR 5,500 (100% target fulfilment scenario).

The IPO Incentive Plan and the LTIP have been approved by the Company's Main Shareholder (which was the sole shareholder until the IPO) and by the Board on 8 July 2026.

Other subsequent events

Apart from the above, there have been no significant subsequent events between 30 June 2026 and the date of preparation of these interim condensed consolidated financial statements.

24. EARNINGS PER SHARE (EPS)

	30.06.2026	30.06.2025
Profit/(loss) for the period	(9,056)	3,775
Less: Non-controlling interests	5,452	4,804
Profit/(loss) attributable to owners of the Company	(14,508)	(1,029)
Average of shares to determine earnings per share (thousand shares)	207,072	100,000
Earnings/(loss) per share (euros)	(0,07)	(0,01)

Until this moment share options plans have not been implemented for management and/or key employees. As of 30 June 2026 and 31 December 2025, there were no differences between diluted earnings per share and basic earnings per share.

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2026

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

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of the Parent Company has drawn up the Condensed Consolidated Interim Management Report including the following companies (hereinafter the "Group Companies" or the "Group"):

DIGI Spain Telecom, S.A. (the Parent Company)

DIGI Spain Call Center, S.L.U.

DIGI Spain Sales Force, S.L.U.

DIGI Andalucía, S.L.

DS Mobile Networks, S.L.U.

1. Corporate information and governance

The Group comprises several companies, the main one being DIGI Spain Telecom, S.A, an established and fast-growing convergent Spanish telecom operator offering a comprehensive suite of mobile and fixed telecommunication services, as well pay TV services, primarily to residential clients based on an efficient vertically integrated business model. DIGI Spain Call Center, S.L.U. provides customer service, while DIGI Spain Sales Force, S.L.U. focuses on promoting and offering telecommunications services. Our proposition is transparent, simple and loyalty-rewarding and our service is best-in-class, which results in high levels of customer satisfaction.

The Group is an integral part of the larger DIGI Group, a fast-growing European telecom challenger with strong presence in Romania and Spain, historic presence in Italy and recently launched operations in Portugal and Belgium.

The Group's governance structure is articulated through the Parent Company's Board of Directors, composed of six (6) members (by 30 June 2026 it was composed of five (5) members), which oversees the executive management entrusted to the management.

The Group has a comprehensive corporate governance framework in order to develop a culture focused on integrity and business ethical behaviour. The Group adopted various corporate governance policies and procedures to implement the general framework set at the Group level.

Our policies and procedures generally mirror the relevant policies and procedures of the DIGI Group and have been adapted where needed to meet the applicable Spanish legal requirements.

All figures of the present report are in thousand euros (EUR), unless specified otherwise.

2. Business model, performance and results

The Group has an efficient vertically integrated business model based on advanced infrastructure and internalization of all key functions, which is free from legacy challenges and has been designed for sustainable operational and cost advantage.

Our strategic objective is to provide high-quality telecommunication services based on latest available technology and at fair and competitive prices. To achieve that objective, we will:

- Continue the roll-out of our technologically advanced SMART Footprint, internalizing deployment and maintenance.
- Leverage, starting 2025, the new MNO model to continue growing our mobile telecommunications services business based on access to latest technologies.
- Capitalize on our efficient operating model to deliver a fair and competitive value proposition to all our customers, and best-in-class customer service resulting in high levels of customer satisfaction, without compromising on service quality.

The key factors affecting our results of operations and financial condition are as follows:

- General economic environment in Spain
- Competition
- Transition from an MVNO to an MNO
- Sector Regulation
- Taxation
- Employment costs and employment regulation
- Growth in business, RGUs, ARPU and Churn
- Technical capabilities and limitations of our networks
- Capital expenditure intensity

The Parent Company has four business lines: (1) mobile telecommunication services; (2) fixed broadband; (3) fixed-line telephony and (4) pay TV. Fixed broadband, fixed-line telephony and pay TV comprise our three fixed services offerings.

Starting 2025 we offer mobile telecommunication services as an MNO through the DIGI Spain Mobile Network and the Telefónica Mobile Network.

Our fixed services are offered through a combination of the FTTH fixed network developed by us (the "SMART Footprint"), which we access through wholesale access agreements. The SMART Footprint, our recently build broadband infrastructure, includes the DIGI Spain Network (i.e. the FTTH fixed network we developed ourselves includes the network developed and owned by the Group across continental Spain, the Balearic Islands and the Canary Islands), the DIGI Andalucía Network (i.e. the FTTH fixed network developed by DIGI Andalucía in ten provinces across the southern region of Andalucía and the western region of Extremadura), and the SOTA Network. We also offer our fixed services through Telefónica de España's fixed fiber network, pursuant to the Telefónica Commercial NEBA Agreement (as defined herein), and, since October 2025, on the fixed fiber networks of certain neutral infrastructure providers (i.e., third party providers which build and own essential network assets and provide wholesale indirect bitstream access thereto to multiple operators) such as ASTEO and REDE (both as defined below).

We focus on offering our services to residential customers but also have a small number of business clients (apart from pay TV services). Business clients do not represent a significant proportion of our overall client mix, either by number or value.

Our financial profile is defined by strong top-line revenues growth, improving margins in terms of Adjusted EBITDA ex-operating leases and strong operating cash flow generation with limited need for recurring maintenance capital expenditures.

Most of the free cash flow is re-invested into the business to support continued rollout of our SMART Footprint and growth of our fixed broadband customer base and mobile business. During the 2026 and 2025 financial years, the Group has continued to grow and develop its own fibre-to-the-home (FTTH) network in the main population centres of Spain.

This strategy has enabled us to consolidate our leading position in the population niches targeted by the services provided by the Group, resulting in a continued increase in sales in both financial years.

Thus, Revenues amounted to EUR 515,012 for the six-month period ended 30 June 2026 and EUR 444,983 for the six-month period ended 30 June 2025, representing a growth of 15.7% over 2025. During the 2026 and 2025 six-month period ended 30 June, the Group continued with (i) the construction of its own FTTH network, (ii) the provision of electronic communication services (mobile telecommunication; fixed broadband; fixed-line telephony and pay TV), and (iii) the promotion and sale of telecommunications services.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Mobile telecommunications services	283.5	261.9
Fixed broadband services	209.7	172.7

DIGI SPAIN TELECOM, S.A.**CONDENSED CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026***(all amounts are in thousand euros (EUR), unless specified otherwise)*

Fixed telephony services	8.0	6.6
Pay TV services	7.5	1.5
Total telecom	508.7	442.7
Other	6.3	2.3
Total revenues	515.0	445.0

Despite the significant investment involved, the Group managed to generate a positive level of operating profit in the six-month period ended 30 June 2026 reaching EUR 6,353, although clearly lower if compared to EUR 23,561 in six-month period ended 30 June 2025. This significant difference is mainly due to the non-recurrent income obtained from the SOTA transaction in both periods, amounting to EUR 14,913 in the six-month period ended 30 June 2026, while in the same period of 2025 this figure was EUR 31,172.

In the six-month period ended 30 June 2026 and 2025, the Group continued with its expansion plan in accordance with the guidelines and strategy set by the Board of Directors and management.

The Group's strategy is based on four pillars:

- **Competitive services:** Integrated fixed and mobile services with prices adapted to the needs of the customers, ensuring they receive products and services of quality at competitive prices.
- **Leadership in customer experience:** Differential positioning based on service quality, with NPS (Net Promoter Score) indicators above the main sector players average, and reduced churn rates.
- **Deployment of high-technology infrastructure:** Continuous investment in its own FTTH network (SMART Footprint) to offer high-speed, high-quality, low-latency connectivity.
- **Operational efficiency:** Optimization of operating costs through vertical integration and process optimization.

The activity of the Parent Company has focused on continuing to strengthen its position in the market as an alternative telecommunications operator under the "DIGI" brand, with very affordable products and services (mobile telecommunication, fixed broadband, fixed-line telephony, and pay TV).

DIGI Spain Call Center, S.L.U. has focused on continuing to provide and improve customer service to the Parent Company's clients and users, as well as telesales and click-to-call services, whereby users request a call from a customer service representative.

For its part, DIGI Spain Sales Force, S.L.U. has focused on continuing to provide customer service, information, promotion, advertising and sales of the Parent Company's telecommunications products and services, through door-to-door sales representatives or at physical points of sale, such as stands and owned stores open to the public.

Finally, the Group's Companies have experienced significant growth in their workforces. At the end of the six-month period ended 30 June 2026, the Group had a total of 11,927 employees, and for the six-month period ended 30 June 2025, a total of 10,619 employees, which represent an increase of 1,308 employees (12.3%). Translated in terms of FTEs:

	As at and for the three months ended June 30, 2026	As at and for the three-months ended June 30, 2025	Change	Change %
Number of employees equivalent on full time labour contracts (*)	10,476	9,550	926	9.7%

(*) Number of employees equivalent in full time labour contracts excluding all employees who do not work the full month due to any reasons (mainly due to long term sick leave)

3. Significant events and fluctuations of the six-month period ended 30 June 2026

Six-month period ended 30 June 2026 compared to the six-month period ended 30 June 2025

During the six-month period ended June 30, 2026 and the 2025 financial year, the Group continued with (i) the deployment of its own FTTH SMART network and the expansion of the mobile network, mainly through the RAN Sharing Agreement with Telefónica Móviles, (ii) the provision of electronic communication services (mobile telecommunication; fixed broadband; fixed-line telephony and pay TV), and (iii) the promotion and sale of telecommunications services.

Revenue for the six-month period ended June 30, 2026 was 515.0 million euros, compared with 445.0 million euros for the six-month period ended June 30, 2025, an increase of 15.7%. The increase in revenues generated by our operations was due to the increase in mobile telecommunication services and fixed internet and data RGUs in the period, mainly driven by our attractive offerings.

Mobile telecommunication services RGUs increased from approximately 6,59 million as at June 30, 2025 to approximately 7,83 million as at June 30, 2026, an increase of approximately 18.9% (7,27 million as at December 31, 2025, an increase of approximately 7.7%). Fixed internet and data RGUs increased from approximately 2,27 million as at June 30, 2025 to approximately 2,90 million as at June 30, 2026, an increase of approximately 28.0% (2,58 million as at December 31, 2025, an increase of approximately 12.3%), and fixed-line telephony RGUs increased from approximately 0,72 million as at June 30, 2025 to approximately 0,91 million as at June 30, 2026, an increase of approximately 25.9% (0,81 million as at December 31, 2025, an increase of approximately 11.7%). Starting with December 2024, we launched cable TV services only in certain locations of our own FTTH network and as at June 30, 2026 we reached approximately 0,25 million RGUs in comparison with 0,09 million RGUs as at June 30, 2025, an increase of approximately 176.7% (0,17 million as at December 31, 2025, an increase of approximately 45.2%).

Other income

For the six-month period ended June 30, 2026 and the 2025, other income evolution is driven by the amount of subsequent batches BUPs sold to SOTA during the periods.

Operating expenses

Operating expenses (excluding depreciation, amortization and impairment of assets) for the six-month period ended June 30, 2026 were EUR 306,486, compared with EUR 288,232 for the six-month period ended June 30, 2025, an increase of 6.3%. Operating expenses mainly follow the evolution of increase in mobile telephony services RGUs between the two periods as a result of business development, and the continuous implementation of the new RAN Sharing and Spectrum Sharing Agreement with Telefónica Móviles, which became effective on July 1, 2025.

Depreciation and amortization expenses was EUR 118,157 for the six-month period ended June 30, 2026, compared with EUR 88,589 for the six-month period ended June 30, 2025, an increase of 33.4%. This increase was primarily due to the rollout of our own FTTH Network at a national level and the significant investments performed in recent years in the installation of drop cables and CPEs in relation with the growth of our customer base. In these periods, in addition, we have started to make significant investments in our new Mobile Network through the new RAN Sharing and Spectrum Sharing Agreement.

Impairment and write-off of non-current assets was EUR 9,954 for the six-month period ended June 30, 2026, compared with EUR 1,698 for the six-month period ended June 30, 2025. This increase was mainly due to the increase in the number of recovered CPEs and the impairment analysis performed, and the increase in customer churn during 2026 applied to the carrying amount of installation cost.

Employee expenses

Employee expenses for the six-month period ended June 30, 2026 were EUR 88,733 compared with EUR 74,075 for the six-month period ended June 30, 2025, an increase of 19.8%. This increase was primarily due to an increase in our overall number of employees (12.3%) and certain inflationary salaries effects.

Operating profit

For the reasons set out above, our operating profit was EUR 6,353 for the six-month period ended June 30, 2026, compared with EUR 23,561 for the six-month period ended June 30, 2025, mainly influenced by Other income obtained each period from the SOTA Transaction.

Net finance costs

We incurred a very similar amount of net finance costs of EUR 19,422 for the six-month period ended June 30, 2026, compared with net finance costs of EUR 19,774 for the six-month period ended June 30, 2025. This being primarily driven by a slight increase of finance income in the six-month period ended June 30, 2026.

Income tax benefit (expense)

An income tax benefit of EUR 4,013 was recognized in the six-month period ended June 30, 2026, compared with an income tax expense of EUR 12 for the six-month period ended June 30, 2025.

Profit/(loss) for the period

For the reasons set out above, we reached a loss for the six-month period ended June 30, 2026 was EUR 9,056, compared with a profit of EUR 3,775 for the six-month period ended June 30, 2025.

4. Foreseeable performance of the Group

Regardless of the impact that domestic and international market factors may have on the Group's situation, the foreseeable performance of the Group is for continuity and growth in turnover and profitability.

The Parent Company will continue to strengthen its commercial offering by focusing on service quality, increasing the effectiveness of sales in commercial channels and further improving the quality and performance of its network, all with the aim of increasing customer satisfaction.

DIGI Spain Call Center, S.L.U., will continue to focus on improving service quality, increasing the agility and effectiveness of its advisors in resolving user queries, incidents or complaints, as well as increasing sales through the telesales channel and further improving quality and performance, all with the aim of increasing user satisfaction.

DIGI Spain Sales Force, S.L.U., will continue to focus on growth by increasing its workforce and expanding its points of sale through the opening of new company-owned stores throughout Spain with the aim of continuing to improve promotion and increase sales of telecommunications services.

On its side, Digi Andalucía, S.L. will continue to fulfil the commitments made with the Investor, and DS Mobile Network, S.L. is expected to begin rolling out its own mobile network infrastructure.

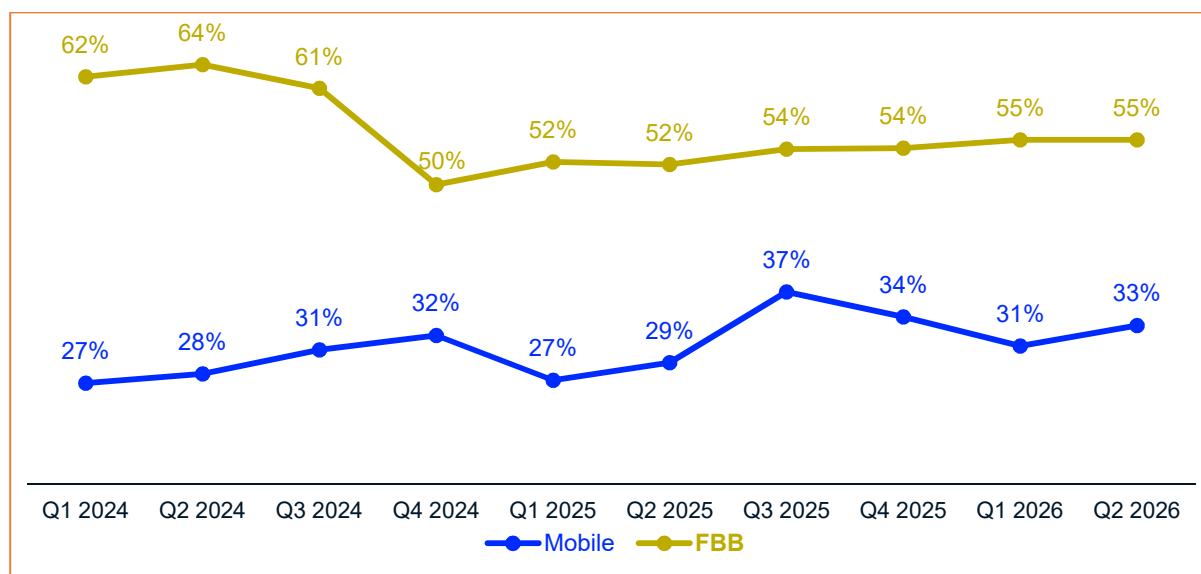
Evolution of Gross Margin and Adjusted EBITDA ex-operating leases margin during the last quarters (2026-2025)

Our gross margin evolution over the last quarters reflects our transition to "owner-like", MNO economics (especially in the mobile business) and operating leverage.

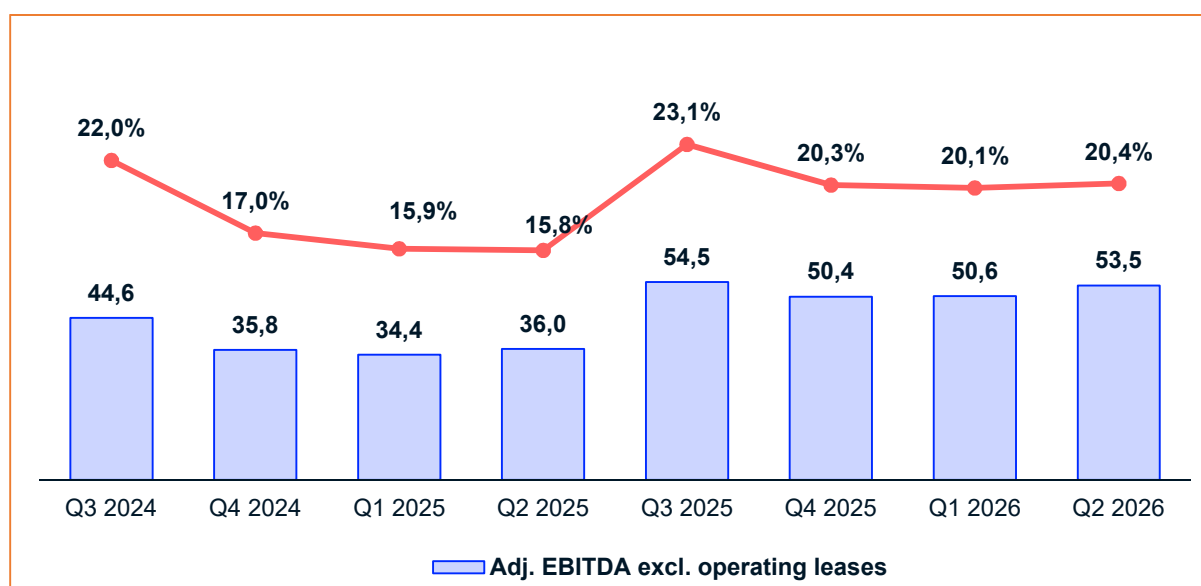
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As it is reflected in the graph, Fixed Broadband gross margins (in yellow) reflects payments of bitstream fees to SOTA (starting Q4 2024) dropping to 50% levels coming from 64% margins previous levels, and have since then picked up during the last quarters as penetration increased in the SAMRT Network, now reaching in Q2 2026 a 55% margin. On the other side, Mobile gross margins (in blue) have improved as the transition to MNO economic model starts to apply in Q3 2025, reaching a level of 37% margin that we consider a good preference for the future.

This margin reflects in Q4 2025 the impact of a new commercial offer launched in September 2025. In addition, a step up of MNO fixed cost from January 2026 in relation with the new Telefonica contracts, which is non-recurrent in the rest of 2026 and is now being absorbed in Q2 2026 with customer growth and operating efficiency, stepping up structurally to approximately 33% as transition to MNO economics is accomplished. Our structural cost advantage and scale benefits support future margin uplifts.



Our Gross margin evolution is also translated into our Adjusted EBITDA ex-operating leases margin evolution. In Q3 2025, our first quarter under this new MNO economic model, we reached €54.5 million in Adjusted EBITDA ex-operating leases, benefitting from a net positive impact of more than €10 million driven by a mobile telephony operating expenses decrease, which will continue moving forward.



Our adjusted EBITDA ex-operating leases has grown a very significant 48.6% in Q2 2026 year on year, reaching a quarterly amount of €53.6 million, €104 million for the half year, meaning a 20.4% margin expected to further improve during 2026 in line with the “low 20s” guidance objective. Adjusted EBITDA ex-operating leases margin for the six-month period ended June 30, 2026 uplift to 20.2% versus 15.8% in the six-month period ended June 30, 2025 mainly driven by higher SMART footprint penetration with operating leverage as rollout advances, discipline cost management and scale benefits of the MNO economic model in our mobile business.

Our current more fixed like cost structure remains more stable as we scale and less linked to subscribers growth as business growth can also be delivered with limited overhead cost increases, highlighting the efficiency and scalability of our integrated model.

5. Research and development activities

Given the corporate purpose of the Group Companies, there are no noteworthy activities in the area of research and development.

6. Environmental issues and Non-Financial Information Statement

Given the corporate purpose of the Group Companies, and that there is stability in the operational and strategic environment, the Group has not experienced drastic changes in its business model, operational structure, or in its legal and regulatory environment, we concluded there are no significant implications in relation to the environment, with the circular economy being identified as the most significant material aspect.

Although the deployment of fiber optic networks has a very small environmental impact, work continues on developing and implementing specific policies to strengthen the Group's approach to environmental risk management. During 2026 and 2025, energy efficiency measures and initiatives to promote the use of renewable energy were implemented, such as the purchase of hybrid and plug-in hybrid vehicles, contracting with electricity suppliers whose energy is considered 100% renewable, recycling all our waste through authorized waste management companies, and reducing the packaging of our products. Furthermore, the decision to deploy the mobile network in 2025 using a RAN Sharing model avoids consuming additional electricity compared to a massive network deployment model solely by DIGI Spain.

Having complied with the requirements set forth in Article 262.5 of the Spanish Companies Act (LSC), the Parent Company of the Group has prepared the 2025 Non-Financial Information Statement (hereinafter, "EINF") at a Consolidated level. This report has been prepared as a separate document from the Company's Management Report.

During the six-month period ended 30 June 2026, there were no violations or penalties resulting from any environmental non-compliance.

7. Acquisitions of own shares

There have been no acquisitions or disposals of shares in any of the Group companies or in the Parent Company.

8. Liquidity and Capital Resources

Historically, our principal sources of liquidity have been our operating cash flows, as well as debt financing, financial support from the DIGI Group, as well as income from infrastructure agreements (such as our agreements with SOTA). Going forward, we expect to fund our cash obligations and capital expenditures primarily out of our operating cash flows as well as out of the remaining instalments of the consideration for the transfer of the SOTA Network, and now also out of the funds obtained from the recent IPO (see Subsequent events chapter). We expect to finance any new acquisitions, if applicable, and payments for our current and new telecommunication licenses, via drawdowns under our existing credit facilities, new third-party debt arrangements or partnerships with third parties.

All of our business lines have historically produced positive operating cash flows that are relatively constant from month to month. Variations in our aggregate cash flow during the periods presented 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 business by expanding our mobile and fixed networks, procuring CPE that 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 requirements.

9. Financial Risk Management

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 the consolidated annual accounts.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in 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.

The most material risk factors specific to the Group are as follows:

Risks Related to Our Business:

- Our business may be adversely affected by the economic volatility and political conditions in Spain, unfavourable conditions in the global economy, volatile equity and credit markets and other geopolitical and macroeconomic factors beyond our control.
- Our ability to provide commercially viable services depends, in part, upon interconnection, roaming and RAN and spectrum sharing arrangements with other operators and third-party network providers.
- Our business strategy may cause our ARPU figures to decrease.

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Risks Related to Our Industry:

- We operate in a highly competitive business environment and, as a result, our market share, number of current and potential customers, revenues and profitability may be adversely affected by factors beyond our control.
- Our business may be adversely affected by the process of consolidation in the telecommunications industry in Spain.
- 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.

Legal and Regulatory Risks:

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

Risks Related to Our Financial Condition, Indebtedness and Other Liabilities:

- Negative Operating Free Cash Flow forces us to rely on external funding, subjecting us to restrictive covenants under the Senior Facilities Agreement.
- Our leverage and debt service obligations could have a material adverse effect on our business, prospects, results of operations and financial condition.
- As part of the DIGI Group, we are subject to restrictive covenants under the DIGI Romania Notes Indenture and the DIGI Romania Facilities Agreements.

Risks Related to Our Relationship with the DIGI Group:

- Our organizational and ownership structure may create conflicts of interests.

Credit risk

- Credit risk exposure

The Group regularly monitors its customers' debts and expected credit losses are recorded in the consolidated annual accounts, 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 and contract assets from customers.

Management mitigates customer credit risk mainly by monitoring the subscribers to continuous services (telecommunications) and identifying potential bad debt cases, which are suspended, in general between 10 and 30 days after the invoice is due (for postpaid services).

Derivative and non-derivative financial assets by category – maximum exposure to credit risk

	30.06.2026	31.12.2025
Trade and other receivables	20,075	8,305
Contract assets	45,868	44,057
Receivables from related parties	6,693	2,172
Other taxes receivables	22	1,441
Other receivables	83,139	75,757
Cash and cash equivalents	28,120	33,141
Long term receivables	2,736	2,537
Financial derivate asset	4,586	6,354
Total	191,239	173,764

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.

- Cash & cash equivalents

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by counterparty was:

	30.06.2026	31.12.2025
Banco Santander	14,641	10,913
Banco La Caixa	6,959	19,745
Banco BBVA	752	934
Other Banks	5,768	1,549
Total	28,120	33,141

Cash and cash equivalents are placed in financial institutions, which are considered to have minimal risk of default. In relation with the Group the credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks with healthy external ratings.

- Trade and other receivables/taxes and contract assets

An impairment analysis is performed at each reporting date using a provision matrix to measure Expected Credit Losses ("ECLs"). 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.

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables and contract assets for residential customers as at 30 June 2026 and 2025.

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30-June-2026	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net(*)
Current (not past due)	0%	128,680	-	128,680
Below 30 days	1%	20,526	(257)	20,269
31–90 days past due	98%	1,429	(1,396)	33
91–180 days past due	99%	2,820	(2,797)	23
181–360 days past due	99%	2,705	(2,673)	32
More than 360 days past due	0%	67	-	67
Total		156,227	(7,123)	149,104

* Includes Trade and other receivables and contract assets.

31-Dec-2025	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net(*)
Current (not past due)	1%	120,660	(957)	119,703
Below 30 days	4%	10,177	(449)	9,278
31–90 days past due	98%	1,076	(1,051)	25
91–180 days past due	99%	2,157	(2,129)	28
181–360 days past due	100%	2,473	(2,397)	76
More than 360 days past due	0%	-	-	-
Total		136,543	(6,983)	129,560

* Includes Trade and other receivables and contract assets.

Movements in the allowance for impairment in respect of trade receivables and contract assets:

	30.06.2026	31.12.2025
Balance at 1 January	6,983	5,450
Net remeasurement of loss allowance	2,820	3,343
Amounts written off	(2,680)	(2,537)
Balance at 30 June	7,123	6,256

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.

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The following are the contractual maturities of financial liabilities, including estimated future interest payments and excluding the impact of netting agreements as at 30 June 2026 and 2025:

30 June 2026							
	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 (Note 10)	535,533	597,358	57,833	112,478	118,333	223,006	85,708
Lease liabilities (Note 11)	69,627	74,977	18,850	10,171	15,988	24,694	5,274
Trade and other payables and other liabilities	366,299	405,879	132,733	96,433	55,363	77,188	44,162
Total	971,459	1,078,214	209,416	219,082	189,684	324,888	135,144

31 December 2025							
	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 (Note 10)	426,952	484,303	43,504	44,011	92,779	218,679	85,330
Lease liabilities (Note 11)	75,078	79,270	26,441	18,034	12,308	19,986	2,501
Trade and other payables and other liabilities	307,729	337,809	85,433	120,780	47,738	54,313	29,547
Total	809,759	901,382	155,378	182,825	152,825	292,978	117,378

There are not undrawn credit lines, apart from the incremental accordion EUR 100,000 facility signed as of 18 December 2025 mentioned in Note 10 of which there are still EUR 25,000 undrawn as at 30 June 2026.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future. The Company's analysis takes into account on one hand:

- the cash available at year end,
- the Group's short to medium-term predictability of cash flows,
- the liquidity available under the Senior Facilities Agreement, considering the additional accordion facility mentioned before,
- the recurring cash flows generated in connection with the SOTA Transaction, including the early collection in December 2026 of the deferred portion of total sales, which is expected to increase cash flow in 2026 by approximately EUR 150,500,
- IPO net proceeds, amounting to €134 million.
- any additional funds required to meet financing needs in 2027, taking into account the Group's revenue and profitability growth profile and the expected healthy leverage situation by the end of 2026,

And in the other hand:

- the portion of the Total Capex for the year ending December 31, 2026 (expected to be approximately €400 million),
- as well as the portion of FTTH Deployment Additions and Growth Capex to be incurred in the first months of 2027,
- payments due in the next 12 months in respect of the remaining EUR 80,000 consideration for the spectrum licenses acquired from Xfera under the Spectrum Transfer Agreement, payable in instalments until 2028,
- payments to Telefónica Móviles in respect of the RAN IRU under the RAN Sharing and Spectrum Sharing Agreement in the next 12 months that has already been recognized in the Group's condensed consolidated interim statements of financial position as of 30 June 2026.

Furthermore, cash flows from operating activities were positive by EUR 67,100 as of 30 June 2026 (30 June 2025: EUR 103,538). In this context, the Company's directors have a reasonable expectation that the Company has adequate resources to continue operating normally for a period of at least 12 months from the date of preparation of the consolidated annual accounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, 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 optimizing the return.

- **Exposure to currency risk**

The Group operates most of its transactions in euros; however, some transactions (purchases) are made in currencies other than the euro (mostly in US dollars), so these transactions are exposed to exchange rate fluctuations. For these transactions, multi-currency accounts in dollars are maintained for the purpose of issuing payments abroad. No significant balances are held in these accounts. They are used occasionally for issuing payments; therefore, the exchange rate risk is very low. The exchange rate as of 30 June 2026, is \$0.8776 per euro (\$0.8513 per euro as of 30 June 2025).

- **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 cash flow interest rate risk on its variable-rate bank borrowings. The Group's objective is to reduce the variability of future cash flows arising from changes in benchmark interest rates over the term of these borrowings.

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The Group manages this risk by entering from time to time into interest rate swap contracts to exchange variable interest cash flows for fixed interest cash flows over the life of the underlying borrowings. As a result, the Group's risk management strategy is to hedge a portion of its forecast variable interest cash flows on existing debt, rather than to hedge fair value changes in the borrowings.

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 3 months or less	
	30.06.2026	31.12.2025
Senior Facility Agreement (2025)*	350,000	275,000
Digi Andalusia SFA*	81,000	81,000
Other long-term loans	4,636	5,893
Total	435,636	361,893

* These figures are presented without the amortisation cost effect

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
30 June 2026		
Variable rate instruments	(4,356)	4,356
	Profit or loss	
	100 basis points increase	100 basis points decrease
31 December 2025		
Variable rate instruments	(3,275)	3,275

The effect in equity is the effect in profit or loss before tax, net of tax (25%).

Fair values

The Group measures at fair value mainly financial derivative assets.

- 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).

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The significance of a valuation input is assessed against the fair value measurement in its entirety.

- 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	Level 3	Total
30 June 2026				
Financial derivative assets	-	-	3,550	3,550
Financial derivative assets – cashflow hedge	-	-	1,036	1,036
Total	-	-	4,586	4,586
31 December 2025				
Financial derivative assets	-	-	5,420	5,420
Financial derivative assets – cashflow hedge	-	-	934	934
Total	-	-	6,354	6,354

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
30 June 2026		
Financial derivative assets	(152)	152
31 December 2025		
Financial derivative assets	(217)	217

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 30 June 2026 and 2025 is as follows:

	Financial Derivative Assets
1 January 2026	
	6,354
Gains or (losses) recognised in profit or loss for the year - DIGI Andalucía's calls options derivative	(1,870)
Gains or (losses) recognised in profit or loss for the year DIGI Andalucía's cash-flow hedge	102
Other comprehensive income – Digi Andalucía's cash-flow hedge	-
30 June 2026	4,586

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Financial Derivative Assets	
1 January 2025	14,030
Gains or (losses) recognised in profit or loss for the year (derecognition)	(8,430)
30 June 2025	5,600

The financial derivative asset is fully unrealized.

- 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 30 June 2026 and 2025) and fair value measurement hierarchy are presented in the table below:

30 June 2026			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 10)			
Senior Facility Agreement (2025)	347,025	345,146	Level 3
Digi Andalucía SFA	79,966	80,011	Level 3
Other long-term loans	4,636	4,568	Level 3

31 December 2025			
	Carrying amount	Fair Value	Hierarchy
Loans (Note 10)			
Senior Facility Agreement (2025)	271,332	270,728	Level 3
Digi Andalucía SFA	79,792	80,994	Level 3
Other long-term loans	5,893	5,885	Level 3

The fair value of the loans is based on contractual cash flows discounted using a market rate prevailing at the reporting date (latest EURIBOR 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 recognised recently carrying values for other long-term liabilities) and low transaction costs of these instruments.

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.

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Management monitors DIGI Group leverage which is computed in accordance with the Facilities Agreements requirements.

The Group considers total capital under management to be equity as shown in the consolidated statement of financial position. During the first half of 2026, the Group's strategy, which was unchanged from 2025, was to maintain the Leverage ratio ex operating leases (Total net principal debt ex operating leases to Adjusted EBITDA ex operating leases ratio) under 3.25 (in order to maintain certain room with respect to the covenants established level of 3.5).

The Group has complied with all externally imposed capital requirements throughout 2026 and 2025. These are set out in the Group's Notes and syndicated loan agreements.

Climate risks

In the first half of 2026, 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.

Situation in Ukraine and Middle East

The evolution of the situation in Ukraine and recently in Middle East is uncertain and is closely followed by the Group with respect to potential indirect consequences on the financial markets that could impact refinancing conditions and supplies in the future. The Group has no direct interests in Ukraine, Middle East and the areas at conflict and as a result the Group estimates that these situations will have limited effect on its operations and financial performance for future periods.

10. Alternative performance measures not defined by IFRS

The Group financial information contains Alternative Performance Measures ("APMs") as defined in the Guidelines issued by ESMA. These figures are presented as additional information and are not meant to be substitutes for, or to be confused with, the financial indicators as defined by IFRS.

APMs are used by the Group's management to evaluate the Group's financial performance, cash flows or financial position in making operational and strategic decisions for the Group and therefore are useful information for investors and shareholders. These measures should not be viewed in isolation or as a substitute for the measures presented according to the IFRS, they may also differ from definitions given by regulatory bodies relevant to the Group and to similarly titled measures presented by other companies.

In order to allow investors and shareholders to track the annual changes in the Group's operations, data on a comparable basis are presented for the previous period.

The figures in this chapter are expressed in million euros.

Adjusted EBITDA and Adjusted EBITDA ex-operating leases

In the telecommunications industry the benchmark for measuring profitability are metrics related with EBITDA (earnings before interest ("net finance cost"), taxes, depreciation and amortisation). We believe that Adjusted EBITDA and Adjusted EBITDA ex-operating leases provide a useful analytical tool for presenting our recurring, core profitability. Adjusted EBITDA and Adjusted EBITDA ex-operating leases are non-IFRS accounting measures.

For the purposes of disclosure in these notes, Adjusted EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortisation and impairment and write-off of assets, then further adjusted for the effect of gains that are not generated as part of the Group's core operations. We believe Adjusted EBITDA is a useful analytical tool for presenting a normalized measure of our profitability, as it excludes the effect of certain income and expenses that are not generated as part of the Group's core operations, giving a better picture of sustainable operating performance.

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Adjusted EBITDA reconciliation based on the Operational profit/(loss) shown in the Consolidated Annual Accounts for the years ended 30 June 2026 and 2025 is shown below:

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Operating profit /(loss) ⁽¹⁾	6.3	23.6
Depreciation of property, plant and equipment	65.2	50.7
Amortisation of right to use assets	19.8	16.2
Amortisation of non-current intangible assets	12.7	4.8
Amortisation of subscriber acquisition cost	20.5	16.8
Impairment of property, plant and equipment	5.9	0.6
Write-off of subscriber acquisition cost	4.1	1.1
Other income ⁽²⁾	(14.9)	(31.2)
Other expenses ⁽³⁾	0.2	0.0
Adjusted EBITDA	119.8	82.7

(1) Operating profit/(loss) is calculated from the consolidated statement of profit or loss as Profit/(loss) for the period plus income tax (expense)/benefit plus Finance costs less Finance income.

(2) Represents primarily a gain from sale of property, plant and equipment (2024, first batch delivery) and inventory (2025 and 2024 for subsequent deliveries) from the sale during the year ended December 31, 2025 and 2024 of the SOTA Network to a consortium led by Macquarie Capital.

(3) Other expenses represent primarily non-recurring expenses related to the IPO process.

Adjusted EBITDA ex-operating leases

We believe that Adjusted EBITDA ex-operating leases provides useful information regarding our profitability by reducing it by an amount equal to the rent expenses that were accounted for under the previous accounting guidance (IAS 17), but not under IFRS 16. For the avoidance of doubt, Adjusted EBITDA ex-operating leases does not eliminate the depreciation and interest effect of financial leases under IFRS 16. This measure and its definition is aligned with DIGI Group reporting. By reducing Adjusted EBITDA by an amount equal to rent expenses that were accounted for under the previous accounting guidance (IAS 17), we believe this measure provides a complete view of all the rent expenses related to assets considered by management as essential to revenue generation and, therefore, provides a more conservative view of our Adjusted EBITDA. This reporting metric is also aligned with the way such metrics are reported at the wider DIGI Group level and used under the facilities agreement entered into by Digi Spain.

Adjusted EBITDA ex-operating leases Margin shows operational efficiency relative to revenues, useful for benchmarking against competitors as it demonstrates our ability to convert revenues into Adjusted EBITDA ex-operating leases and assessing scalability. We believe this measure provides a more conservative view of our margins, as it takes into account all the material expenses required to generate revenue.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Adjusted EBITDA	119.8	82.7
Adjustment for the effect of the application of IFRS 16 to operating lease ⁽¹⁾	(15.7)	(12.3)
Adjusted EBITDA ex-operational leases	104.1	70.4
Adjusted EBITDA ex-operating leases Margin (%)	20.2%	15.8%

(1) Represents rent expenses that were accounted for under the previous accounting guidance (IAS 17), but not under IFRS 16. For the avoidance of doubt, Adjusted EBITDA ex-operating leases does not eliminate the depreciation and interest effect of financial leases under IFRS 16.

Total Capex, Recurring Capex, Recurring Capex to Revenue, New FTTH Deployment Additions and Growth Capex

Given DIGI Spain Group is expected to have a significant investment in high quality Capex, it is important to allow investors and shareholders to understand the split of Capex as it reveals the allocation of capital resources and facilitates comparisons of investment efforts made in different periods.

- **Recurring Capex:** highlights the level of investment required to sustain current operations (i.e. mobile telecommunication services: Subscriber Acquisition Cost (SAC), renewal of core network equipment; fixed broadband: SAC, Customer Premises Equipment (CPE), installation cost per customer; as well as software development and other Capex). For both mobile telecommunications and fixed broadband, the proportion of SAC, CPE and installation cost per customer related to net growth in subscribers during the period is allocated to Growth Capex.
- **New FTTH Deployment Additions:** provides visibility on fibre rollout investments (i.e. new SMART FTTH footprint) and may allow investors to assess the capital intensity of the network rollout. This is calculated as additions to Network and Construction in progress (see Note 4 of the Condensed Consolidated Interim Financial Statements), less additions to Mobile networks, less Work in progress (not installed) CPEs, less Cost of FTTH network capacity increase. The Cost of FTTH network capacity increase mainly comprises costs (largely salaries) dedicated to capacity expansion and improvement activities of the deployed network (i.e. installing additional electronic boards in the OLTs) and therefore, such cost is not dedicated to new deployment of the FTTH network. In addition, it does not take into account the fiber network developments that are built for sale instead for its own use (for instance, as occurs with regards to fiber developed under the SOTA transaction), as those are classified as inventories, since the assets are no longer held for use but are developed for sale in a short-period of time, quarterly (see Note 4 and Note 10 of the Consolidated Annual Accounts).
- **Growth Capex:** indicates investments aimed at expansion and future growth (other than New FTTH Deployment), which includes the additional commercial cost beyond maintaining our current customer portfolio or covering churn (e.g., SAC, terminal equipment and installation costs), as well as certain minor investments not allocated to other specific categories, which are relevant to assess strategic growth priorities and long-term value creation. It is calculated as Total Capex less Recurring Capex, less New FTTH Deployment Additions, less additions to Spectrum Licenses (see Note 6 of the Condensed Consolidated Interim Financial Statement

The addition of these three categories plus additions to Spectrum Licenses (see Note 6 of the Condensed Consolidated Interim Financial Statements) totals Total Capex, which could be reconciled to the sum of the additions of Property, Plant and Equipment (PPE), Intangible assets and Subscriber Acquisition Costs per the Consolidated Annual Accounts and provides a useful measure for investors to understand the level of our consolidated capital expenditures.

Furthermore, the Recurring Capex to Revenue measure provides insight to investors into whether the Company can sustain the current operations itself with own revenue generation or if it requires higher-capital intensity, needing more ongoing investments just to maintain current operations. And also shows what proportion of Revenues is being reinvested merely to maintain the business, rather than grow it.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Additions to PPE	133.4	125.9
Additions to Intangible Assets	49.6	4.4
Additions to Subscriber Acquisition Cost	21.7	20.0
Total Capex⁽¹⁾	204.7	150.3
Recurring Capex	46.9	33.6
New FTTH Deployment Additions	60.5	57.6
Additions to spectrum licenses	0.0	0.0
Growth Capex	97.3	59.1
Recurring Capex to Revenue (%)	9.1%	7.6%

(1) Not including Rights of Use (RoU) assets additions, which are included for Group reporting, totalling 20.6 million euros as of 30 June 2026.

Total Net Cash Capex

Total Net Cash Capex is an important indicator as it provides a useful measure for investors to understand the level of our consolidated capital expenditures, on a cash flow basis. It is calculated as the sum of purchases of property, plant and equipment, plus purchases of intangibles, plus payments for subscriber acquisition costs, which are all cash flow metrics.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Purchases of Property, Plant, and Equipment	(121.4)	(132.1)
Purchases of Intangible assets	(12.2)	(10.9)
Payments for Subscriber Acquisition Cost	(21.7)	(20.0)
Total Net Cash Capex	(155.3)	(163.0)

Total Net Principal Debt, Total Net Principal Debt ex-operating leases and spectrum long-term debt and Total Net Principal Debt ex-operating leases and spectrum long-term debt to Adj. EBITDA ex-operating leases ratio.

Debt measures are indicators of financial position used by DIGI Spain Group. These are frequently disclosed indicators widely used by analysts, investors, rating agencies and most groups in all business sectors in Europe.

Total Net Principal Debt, as defined and used by DIGI Spain Group, is calculated by adding up Long-term and current Loans and borrowings, plus Long term and current Loans and borrowings with related parties, plus Long term and current lease liabilities, plus Non-current Trade Payables, plus the unamortised borrowing cost and effective interest rate adjustment, and subtracting Cash and cash equivalents.

Total Net Principal Debt Ex-operating leases and spectrum long-term debt, is calculated as Total Net Principal Debt less certain long-term and current lease liabilities that were accounted as operating leases under the previous accounting guidance (IAS 17), and spectrum long-term debt.

Total Net Principal Debt ex-operating leases and spectrum long-term debt to Adj. EBITDA ex-operating leases ratio is a leverage ratio to assess debt sustainability and credit profile.

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(EUR millions)	As at and for the six months ended June 30, 2026	As at and for the six months ended June 30, 2025
Long term and current Loans and borrowings	535.5	331.3
Long term and current Loans and borrowings with related parties	-	-
Long term and current lease liabilities	69.6	80.3
Non-current Trade Payables	145.2	-
Unamortized borrowing costs and effective interest rate adjustments	4.0	5.5
Less: Cash and cash equivalents	(28.1)	(49.4)
Total Net Principal Debt	726.2	367.7
Less: Lease liabilities resulting from the application of IFRS 16 to operating leases	(28.7)	(38.9)
Long-term commercial payments related to spectrum	(51.0)	-
Total Net Principal Debt ex-operating leases and spectrum Long-term debt	646.6	328.8
Total Net Principal Debt ex-operating leases and spectrum long-term debt/ Adj. EBITDA ex-operating leases (expressed as a multiple)	3,1x⁽¹⁾	2,2x

- (1) 3.1x Total Net Principal Debt ex-operating leases and spectrum long-term debt to Adjusted EBITDA ex-operating leases ratio for the twelve months ended June 30, 2026 has been calculated by dividing (X) €646.6 million of Total Net Principal Debt ex-operating leases and spectrum long-term debt as at June 30, 2026 by (Y) €209.1 million of Adjusted EBITDA ex-operating leases for the twelve months ended June 30, 2026.

Working Capital

Working Capital is a short-term liquidity measure that represents the difference between total current assets and total current liabilities. It indicates the operating resources available for day-to-day operations after covering immediate obligations.

The Group presents negative working capital of EUR 200,188 and EUR 151,460 as of 30 June 2026 and 2025, respectively.

Operating Free Cash Flow (“OpFCF”), and Recurring Operating Free Cash Flow

DIGI Spain Group’s management believe that Operating Free Cash Flow is a meaningful measure for investors and analysts because it provides high-level insight into the Group’s ability to convert earnings performance into cash using as a proxy Adjusted EBITDA ex-operating leases minus Net cash flows from/(used in) investing activities.

Recurring Operating Free Cash Flow is a similar alternative measure to Operating Free Cash Flow, but it shows earnings to cash conversion only considering those capital expenditures required to maintain the current asset base and operations, using as a proxy Adjusted EBITDA ex-operating leases minus Recurring Capex.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
Adjusted EBITDA ex-operational leases	104.1	70.4
Less: Total Net Cash Capex	(155.3)	(163.0)
Operating Free Cash Flow	(51.2)	(92.6)
Adjusted EBITDA ex-operational leases	104.1	70.4
Less: Recurring Capex	(46.9)	(33.6)
Recurring Operating Free Cash Flow	57.2	36.8

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These measures of gross profit and gross margin are used by DIGI Spain Group's management to assess the evolution of their service revenue streams by allocating the attributable cost in relation to the type of service. FTTH Gross Profit shows the gross profit generated by our fixed broadband offering. FTTH Gross Profit Margin shows the gross profit margin generated by our fixed broadband offering.

Mobile Gross Profit shows the gross profit generated by our mobile telecommunications offering. Mobile Gross Profit Margin shows the gross profit margin generated by our mobile telecommunications offering.

On one hand, most significant components of the FTTH Direct costs include costs related to bitstream fees paid in relation with the Telefónica Commercial NEBA agreement and bitstream fees to SOTA. On the other hand, the annual spectrum fees and costs in relation with the National Roaming Agreement and RAN and Spectrum Sharing agreement signed with Telefónica Móviles are, among others, the most significant components of the mobile network access costs.

(EUR millions)	As at and for the six months ended June 30,	
	2026	2025
FTTH Revenues	209.7	172.7
Less: FTTH Direct Costs (direct costs related to access, interconnection, maintenance, and applicable fees)	(94.6)	(82.5)
FTTH Gross Profit	115.1	90.2
FTTH Gross Margin	54.9%	52.2%
Mobile Revenues	283.5	261.9
Less: Mobile network access, interconnection, and maintenance costs	(188.9)	(184.6)
Less: Other Direct General Mobile expenses	(3.5)	(3.6)
Mobile gross profit	91.1	73.6
Mobile gross margin	32.1%	28.1%

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11. Operating Key Performance Indicators (“KPIs”)

We use several operating KPIs to track the operating performance of our business. None of these terms are measures of financial performance under the IFRS-EU, nor have these measures been audited or reviewed by an auditor, consultant or expert. All of these measures are derived from management estimates, our internal support and financial systems. As defined by our management, these measures may not be directly comparable to similar measures used by competitors or other companies.

The following tables sets out our operating KPIs during the periods indicated:

Million RGUs	06.2026	12.2025	12.2024
Total RGUs	11.88	10.84	8.44
Mobile	7.83	7.27	5.86
Fixed	4.05	3.57	2.58
FTTH, out of which:	2.90	2.58	1.95
FTTH on SMART footprint ⁽¹⁾	2.48	2.15	1.51
Fixed Telephony	0.91	0.81	0.63
Pay TV	0.25	0.17	0.04

(1) Represents the RGUs we serve through our SMART Footprint.

ARPU (Euro/RGU)	06.2026	12.2025	12.2024
ARPU Mobile	6,41	6,76	7,64
ARPU FTTH	13,04	13,49	14,45
ARPU Fixed Telephony	1,56	1,61	1,71
ARPU TV	5,88	8,50	0,45
Blended ARPU	7,63	7,95	8,73

Churn (%)	06.2026	12.2025	12.2024
Churn FTTH	17,0%	15,8%	13,4%
Churn FTTH SMART	15,4%	14,3%	11,9%

Millions of Building Unit Passed (BUPs)	06.2026	12.2025	12.2024
SMART BUPs active	14,84	13,65	11,02

	06.2026	12.2025	12.2024
Total Accumulated Additions to SMART FTTH Networks (million euros)	754,3	667,5	344,7
Total Active BUPs (Millions of BUPs)	14,8	13,7	11,0
Average FTTH deployment cost (euros/BUP)	50,8	48,9	45,4

RGUs

We use the term “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:

- Our fixed RGUs include the RGUs for our fixed broadband, fixed-line telephony and pay TV services.
 - For our fixed broadband services, we consider each subscription package that we invoice 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;
 - For pay TV 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; and
- Our mobile RGUs include the RGUs for our mobile services. For our mobile telecommunication services, we consider the following to be a separate RGU: (a) for pre-paid services, each mobile voice and mobile data SIM with active traffic in the last month of the relevant period; and (b) for post-paid services, each separate SIM that we invoice.
- Our fixed RGUs have grown from 2.6 million as at December 31, 2024 to 3.6 million in 2025 and 4.1 million as at June 30, 2026. This was principally due to the expansion of our fixed network coverage, increased penetration in areas already covered and cross-selling.
- Our mobile RGUs have grown from 5.9 million as at December 31, 2024 to 7.3 million in 2025 and 7.8 million as at June 30, 2026. This was principally due to an improved mobile commercial proposition, linked through convergence to our fixed broadband offering, which expands and improves, as we continue deploying our fixed network and increasing penetration in areas already covered.

ARPU

We use the term “ARPU” to refer to the monthly average revenue generated by our RGUs for a period by dividing the revenues for a service for such period (a) if such period is a calendar month, by the number of RGUs invoiced for such services in that calendar month; or (b) if such period is longer than a calendar month, first by (i) the average number of RGUs invoiced for such services in that period (which in turn is calculated as the average between the number of RGUs on the first day of the period and the number of RGUs on the last day of the period) and then by (ii) the number of calendar months in that period.

More specifically:

- Fixed broadband ARPU indicates the monthly average revenue per user of our fixed broadband services.
- Fixed-line telephony ARPU indicates the monthly average revenue per user of our fixed-line telephony services
- Pay TV ARPU indicates the monthly average revenue per user of our Pay TV services.
- Mobile ARPU indicates the monthly average revenue per user of our mobile services.
- Blended ARPU indicates the average revenue per user for our fixed and mobile services combined. Blended ARPU is calculated by dividing the sum of fixed services revenues plus mobile telecommunications services revenues for the period by the average of fixed RGUs and mobile RGUs for the same period.

We believe ARPU is a useful analytical tool for presenting the evolution of prices in our business lines.

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Churn

We calculate fixed broadband churn as the percentage of fixed broadband services subscriber disconnection over the average fixed broadband services RGUs for the period. We do not consider disconnections when our customers (each customer being an RGU) change their domicile but maintain the service with us. Similarly, when customers to whom we provide fixed broadband services through other networks switch to the SMART Footprint, we do not consider such change as churn.

Our churn rate for fixed broadband services customers increased from 13.4% for the year ended December 31, 2024 to 15.8% for the year ended December 31, 2025 and 17.0% for the six-month period ended June 30, 2026. The increase in churn during periods presented was primarily driven by increased competition, especially with the entrance of new more aggressive competitors, which intensified in the last months of 2025; and that increase in 2026 mainly due to the last twelve months (LTM) calculation effect of this ratio. Despite these pressures, we continue to maintain much better churn levels, compared to our competitors with no significant impact on monthly positive net adds.

Our churn rate for fixed broadband services customers on our SMART Footprint increased from 11.9% for the year ended December 31, 2024 to 14.3% for the year ended December 31, 2025 and 15.4% for the six-month period ended June 30, 2026. The increase in churn during periods presented was primarily driven by increased competition, especially with the entrance of new more aggressive competitors, which intensified in the last months of 2025; and that increase in 2026 mainly due to the last twelve months (LTM) calculation effect of this ratio. These competitors, among other things, specifically target their offerings to try and attract our clients. Despite these pressures, we continue to maintain much better churn levels on our SMART Footprint, compared to our competitors (and third-party networks) with no significant impact on monthly positive net adds.

SMART Network active BUPs

We use the term “active BUPs” to designate the number of BUPs where we already provide our fixed broadband services. We believe that active BUPs provide a useful indication of the actual extension of the fixed broadband services.

Total Accumulated Additions to Networks and Average FTTH Deployment Cost

Total Accumulated Additions to Networks is calculated as the sum of deployment additions to SMART Footprint, plus additions recorded since deployment start, presented on a rolling cumulative basis. Average FTTH Deployment Cost is calculated by dividing Total Accumulated Additions to Networks by the number of total active BUPs. We believe that Total Accumulated Additions to Networks provide a useful insight into cumulative cost of our SMART Footprint since we started its deployment. Average FTTH Deployment Cost provides a measure of efficiency in deploying FTTH infrastructure, which we believe to be a key driver of long term value creation and competitive positioning in the Spanish telecom market.

12. Subsequent events

Initial Public Offering (IPO)

On 10 July 2026, a capital increase of 26,800,000 new shares, representing 15.87% of the share capital, was carried out. On 16 July 2026, the shares of Digi Spain Telecom, S.A. were admitted to trading on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection System (Continuous Market). The Offering price was set at 5.6 euros per share, reaching a total amount of 333.5 million euros in the initial offering, comprised of a subscription offer of 150 million euros (26,800,000 shares) and a sale offer of 159.3 million euros (24,500,000 shares). The Offering also incorporates an additional over-allotment option for a maximum of 7,695,000 additional shares. As a result of the IPO, Digi Romania, S.A. stake decreased from 100% to 81.6% after the stabilisation period.

The Company's issued share capital following the completion of the Offering will amount to 29,680,000 euros divided into 296,800,000 shares.

The Offering will allow the Company to obtain gross proceeds of approximately 150 million euros, implying net proceeds of approximately 134 million euros, after the payment of (i) costs payable in relation to the Offering on a pro-rata basis with respect to the offer of New Offer Shares, and (ii) the corresponding amounts under the IPO Incentive Plan, with both items together amounting to up to 16 million euros.

The Company intends to use these gross proceeds to finance its business plan while maintaining a conservative net leverage level and future growth in Spain, including potential strategic investments and capital expenditures, such as expanding the SMART footprint with further FTTH networks deployments and the rollout of its mobile network, both through RAN sharing and our own mobile sites, and the pay of fees and expenses of the Offering.

Employee compensation plan

In connection with the IPO, the Company was pending as at 30 June 2026 of obtaining final approval by the Board of Directors of a compensation package, strictly linked to the successful completion of the IPO process, consisting in a non-recurring and non-vesting in-kind performance bonus consisting of an aggregate amount of shares representing 0.33% of the Company's share capital after the IPO implementation ("IPO Incentive Plan"), which represent an estimated monetary amount of up to 4.9 million euros (up to 7.9 million euros including assumed tax impact) at the expected offering price, to be granted to a maximum of 120 of our employees (including our Chief Executive Officer, our Deputy Chief Executive Officer, our other Senior Managers and other key employees) in recognition for their extraordinary contributions during all these years helping us to succeed and reach our current status in the Spanish telecommunications market. Accrual and payment of the IPO Incentive Plan will be conditional upon the admission to trading of the DIGI Spain shares on the Spanish Stock Exchanges.

The aggregate estimated gross amount of the IPO Incentive Plan will consider any applicable withholding or deduction on account of the recipients' personal income tax. The amount of the IPO Incentive Plan corresponding to each employee will be determined according to such employee's seniority and salary level at the Group.

Additionally, Digi Romania, S.A. as our Main Shareholder and the Board of Directors of the Company are pending as at 30 June 2026 of approving a long-term incentive plan ("LTIP") in shares for a limited number of persons of the senior management and key employees with the objective of retain, compensate and motivate its participants, allowing them to be part of the creation of value by the Company through the possibility of receiving, where appropriate, a number of ordinary shares of the Company, which may be treasury and/or newly issued ordinary shares, subject to the fulfilment of certain conditions and objectives and continuity of the engagement by the beneficiary with the Company. In this sense, the LTIP will only be effective if the DIGI Spain shares are admitted to trading on the Spanish Stock Exchanges and would consist on the awarding to participants of the right to receive a number of DIGI Spain shares subject to meeting certain conditions and accrual criteria that are being considered by the Company. Said conditions and criteria could include, among others, (i) the condition of the continued employment or services relationship of the participant with the Company, and (ii) the annual fulfilment of individual, general (linked to maintaining a certain level of vertically integrated operations) and financial performance criteria (linked to " Adjusted EBITDA ex-operating leases", "Total Capex" and "Leverage ratio" objectives).

The Company estimates that the total gross amount to be delivered in Company shares to all participants under the LTIP during the term thereof, comprising a three years term would amount to EUR 5,500 (100% target fulfilment scenario).

The IPO Incentive Plan and the LTIP have been approved by the Company's Main Shareholder (which was the sole shareholder until the IPO) and by the Board on 8 July 2026.

Other subsequent events

Apart from the above, there have been no significant subsequent events between 30 June 2026 and the date of preparation of these interim condensed consolidated financial statements.

DIGI SPAIN TELECOM, S.A.
CONDENSED CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2026
(all amounts are in thousand euros (EUR), unless specified otherwise)

The Directors of the Board of Directors of DIGI Spain have drawn up the Condensed Consolidated Interim Financial Statements and the consolidated interim management report, for the six-month period ended 30 June 2026 at their meeting on 29 September 2026. These documents are reproduced on the preceding pages, which are consecutively numbered from 5 to 75 and countersigned by all Director of the Board of Directors of DIGI Spain.

Serghei Bulgac, <i>President</i>	Marius Catalin Neagoe, <i>Executive Director</i>	Carlos Robles García, <i>Director</i>	Virginia Arce Peralta, <i>Director</i>	Mihaela Toroman <i>Director</i>	Marius Catalin Varzaru, <i>Executive Director</i>
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**STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY FINANCIAL
REPORT FOR THE FIRST HALF OF 2026**

The members of the Board of Directors of Digi Spain Telecom S.A. declare, to the best of their knowledge, that the condensed consolidated interim financial statements and the consolidated interim management report of Digi Spain Telecom S.A. and its subsidiaries, relating to the first half of the 2026 financial year, prepared by the Board of Directors at its meeting on 29 September 2026 and drawn up in accordance with the applicable accounting principles, give a true and fair view of the net assets, financial position and results of Digi Spain Telecom S.A. and its subsidiaries included in the consolidation, taken as a whole, and that the consolidated interim management report includes a fair analysis of the required information.

Serghei Bulgac, <i>President</i>	Marius Catalin Neagoe, <i>Executive Director</i>	Carlos Robles García, <i>Director</i>	Virginia Arce Peralta, <i>Director</i>	Mihaela Toroman <i>Director</i>	Marius Catalin Varzaru, <i>Executive Director</i>
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