DIGI SPAIN TELECOM, S.A.

Financial report for the three-month period ended June 30, 2026

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IMPORTANT INFORMATION

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Report are not historical facts and are forward-looking. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information. Words such as “believe,” “anticipate,” “estimate,” “target,” “potential,” “expect,” “intend,” “predict,” “project,” “could,” “should,” “may,” “will,” “plan,” “aim,” “seek” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. The forward-looking statements contained in this Report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, without limitation, various risks related to our business, risks related to regulatory matters and litigation, risks related to investments in emerging markets, risks related to our financial position as well as risks related to the notes and the related guarantee. Any forward-looking statements are only made as of the date of this Report. Accordingly, we do not intend, and do not undertake any obligation, to update forward-looking statements set forth in this Report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Report. As a result, you should not place undue reliance on such forward-looking statements.

Rounding

Certain amounts that appear in this Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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

	30 June 2026	**31 December 2025 Audited**
ASSETS		
Non-current assets		
Property, plant and equipment	753,095	681,187
Right of use assets	98,548	105,693
Intangible assets	239,876	202,940
Subscriber acquisition costs	30,231	33,135
Financial investments	250	250
Long term receivables	2,736	2,537
Derivative financial assets	4,586	6,354
Deferred tax assets	4,669	-
Total non-current assets	**1,133,991**	**1,032,096**
Current assets		
Inventories	31,177	23,360
Trade and other receivables	103,236	85,503
Receivables from related parties	6,693	2,172
Income tax receivable	-	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	27,000	1,000
Other reserves	1,152	812
Retained earnings	221,965	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	385,468	354,485
Lease liabilities	36,878	32,211
Deferred tax liabilities	-	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	1,717	1,464
Employee benefits	16,476	17,680
Loans and borrowings	150,065	72,467
Lease liabilities	32,749	42,867
Income tax payable	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**

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

	Three-month period ended 30 June 2026	**Three-month period ended 30 June 2025**
Revenues	262,828	228,406
Other income	4,619	10,239
Other expense	(242)	-
Operating expenses	(155,515)	(147,058)
Employee expenses	(45,823)	(39,268)
Depreciation and amortisation of non-current assets	(61,359)	(45,623)
Impairment and write-off of non-current assets	(5,709)	(900)
Operating profit/(loss)	**(1,201)**	**5,796**
Finance income	1,851	1,414
Finance costs	(11,330)	(5,521)
Net finance costs	**(9,479)**	**(4,107)**
Profit/(loss) before taxation	**(10,680)**	**1,689**
Income tax (expenses) / benefit	4,330	3,177
Profit/(loss) for the period	**(6,350)**	**4,866**
Attributable to owners of the Company	*(9,071)*	*2,369*
Attributable to non-controlling interests	*2,721*	*2,497*
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Derivative financial assets	-	802
Total comprehensive income for the year	**(6,350)**	**5,668**
Attributable to owners of the Company	*(9,071)*	*2,770*
Attributable to non-controlling interests	*2,721*	*2,898*
Earnings per share		
Earnings/ (loss) per share (amounts in EUR)	(0.03)	0.02

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

	Six-month period ended 30 June 2026	**Six-month period ended 30 June 2025**
Revenues	515,012	444,983
Other income	14,913	31,172
Other expense	(242)	-
Operating expenses	(306,486)	(288,232)
Employee expenses	(88,733)	(74,075)
Depreciation and amortisation of non-current assets	(118,157)	(88,589)
Impairment and write-off of non-current assets	(9,954)	(1,698)
Operating profit/(loss)	**6,353**	**23,561**
Finance income	3,456	2,938
Finance costs	(22,878)	(22,712)
Net finance costs	**(19,422)**	**(19,774)**
Profit/(loss) before taxation	**(13,069)**	**3,787**
Income tax (expenses) / benefit	4,013	(12)
Profit/(loss) for the period	**(9,056)**	**3,775**
Attributable to owners of the Company	*(14,508)*	*(1,029)*
Attributable to non-controlling interests	*5,452*	*4,804*
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Derivative financial assets	-	802
Total comprehensive income for the year	**(9,056)**	**4,577**
Attributable to owners of the Company	*(14,508)*	*(628)*
Attributable to non-controlling interests	*5,452*	*5,205*
Earnings per share		
Earnings/ (loss) per share (amounts in EUR)	(0.07)	(0.01)

1. Summary Results of Operations

Results of Operations for the three and six months ended June 30, 2026 and 2025:

	As at and for the three months ended June 30,		As at and for the six months ended June 30,	
(EUR millions)	2026	2025	2026	2025
Revenues	262.8	228.4	515.0	445.0
Other income	4.6	10.2	14.9	31.2
Other expenses	(0.2)	-	(0.2)	-
Total Operating expenses	(268.4)	(232.8)	(523.3)	(452.6)
Operating profit/(loss)	**(1.2)**	**5.8**	**6.4**	**23.6**
Net finance costs	(9.5)	(4.1)	(19.4)	(19.8)
Profit/(loss) before taxation	**(10.7)**	**1.7**	**(13.0)**	**3.8**
Income tax (expenses) / benefit	4.3	3.2	4.0	0.0
Profit/(loss) for the period	**(6.4)**	**4.9**	**(9.0)**	**3.8**

Revenue

Revenue for the three-month period ended June 30, 2026 was 262.8 million euros, compared with 228.4 million euros for the three-month period ended June 30, 2025, an increase of 15.1%. 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.

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 RAN Sharing, (ii) the provision of telecommunications services (mobile telecommunication; fixed broadband; fixed-line telephony and, since the end of 2024, pay TV).

(EUR millions)	As at and for the three months ended June 30,		As at and for the six months ended June 30,	
	2026	2025	2026	2025
Mobile telecommunications services	144.7	133.5	283.5	261.9
Fixed broadband services	107.0	88.9	209.7	172.7
Fixed telephony services	4.1	3.4	8.0	6.6
Pay TV services	4.1	3.1	7.5	1.5
Total telecom	**259.9**	**226.9**	**508.7**	**442.7**
Other	2.9	1.5	6.3	2.3
Total revenues	**262.8**	**228.4**	**515.0**	**445.0**

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 pay 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%).

Total operating expenses

Total operating expenses for the three-month period ended June 30, 2026, were 268.4 million euros, compared with 232.8 million euros for the three-month period ended June 30, 2025, an increase of 15.2%. Total operating expenses follow the evolution of increase in mobile telephony services RGUs between the two periods, as a result of business development.

Our total operating expenses for the six months ended June 30, 2026 was 523.3 million euros compared with 452.6 million euros for the six months ended June 30, 2025, an increase of 15.6%.

2. Other financial data - Alternative performance measures

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 changes in the Group's operations, data on a comparable basis are presented for the previous disclosed period.

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 report, 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.

Adjusted EBITDA reconciliation is shown below:

(EUR millions)	As at and for the three months ended June 30,		As at and for the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating profit /(loss)[1]	(1.2)	5.8	6.3	23.6
Depreciation of property, plant and equipment	33.9	26.6	65.2	50.7
Amortisation of right to use assets	9.8	8.0	19.8	16.2
Amortisation of non-current intangible assets	6.6	2.5	12.7	4.8
Amortisation of subscriber acquisition cost	11.1	8.5	20.5	16.8
Impairment of property, plant and equipment	3.7	0.3	5.9	0.6
Write-off of subscriber acquisition cost	2.1	0.6	4.1	1.1
Other income[2]	(4.6)	(10.2)	(14.9)	(31.2)
Other expenses[3]	0.2	0.0	0.2	0.0
Adjusted EBITDA	**61.5**	**42.1**	**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.

For the periods presented, Adjusted EBITDA includes an adjustment to exclude a non-core gain arising from the sale of DIGI Spain's Fibre-to-the-Home (FTTH) network covering 12 provinces in Spain (SOTA transaction, see Note 21). The transaction represented the disposal of property, plant and equipment and resulted in a non-core gain recognised in Other income in the consolidated statement of profit or loss.

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 three months ended June 30,		As at and for the six months ended June 30,	
	2026	2025	2026	2025
Adjusted EBITDA	**61.5**	**42.1**	**119.8**	**82.7**
Adjustment for the effect of the application of IFRS 16 to operating lease (1)	(8.0)	(6.1)	(15.7)	(12.3)
Adjusted EBITDA ex-operational leases	**53.5**	**36.0**	**104.1**	**70.4**
Adjusted EBITDA ex-operating leases Margin (%)	**20.4%**	**15.8%**	**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, we consider 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 including churn (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, 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.
- **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.

The addition of these three categories plus additions to Spectrum Licenses totals Total Capex, which 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 three months ended June 30,		As at and for the six months ended June 30,	
	2026	2025	2026	2025
Additions to PPE	72.9	72.6	133.4	125.9
Additions to Intangible Assets	1.9	1.8	49.6	4.4
Additions to Subscriber Acquisition Cost	10.4	10.2	21.7	20.0
Total Capex(1)	**85.2**	**84.6**	**204.7**	**150.3**
Recurring Capex	**25.1**	**19.8**	**46.9**	**33.6**
New FTTH Deployment Additions	**33.1**	**29.1**	**60.5**	**57.6**
Additions to spectrum licenses	**0.0**	**0.0**	**0.0**	**0.0**
Growth Capex	**26.9**	**35.6**	**97.3**	**59.1**
Recurring Capex to Revenue (%)	**9.5%**	**8.7%**	**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 payments for property, plant and equipment, plus payments for intangibles, plus payments for subscriber acquisition costs, which are all cash flow metrics.

(EUR millions)	As at and for the three months ended June 30,		As at and for the six months ended June 30,	
	2026	2025	2026	2025
Payments for Property, Plant, and Equipment	(86.6)	(72.6)	(121.4)	(132.1)
Payments for Intangible assets	14.0	(1.8)	(12.2)	(10.9)
Payments for Subscriber Acquisition Cost	(10.4)	(10.2)	(21.7)	(20.0)
Total Net Cash Capex	**(83.0)**	**(84.6)**	**(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.

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.

(EUR millions)	**As at and for the six months ended June 30, 2026**	**As at and for the three months ended March 31, 2026**	**As at and for the year ended December 31, 2025**	**As at and for the six months ended June 30, 2025**
Long term and current Loans and borrowings	535.5	450.6	427.0	331.3
Long term and current Loans and borrowings with related parties	-	-	-	-
Long term and current lease liabilities	69.6	73.0	75.1	80.3
Non-current Trade Payables	145.2	147.2	107.6	-
Unamortized borrowing costs and effective interest rate adjustments	4.0	4.9	4.9	5.5
Less: Cash and cash equivalents	(28.1)	(29.3)	(33.1)	(49.4)
Total Net Principal Debt	**726.2**	**646.4**	**581.5**	**367.7**
Less: Lease liabilities resulting from the application of IFRS 16 to operating leases	(28.7)	(31.9)	(34.2)	(38.9)
Long-term commercial payments related to spectrum	(51.0)	(50.1)	(49.2)	-
Total Net Principal Debt ex-operating leases and spectrum Long-term debt	**646.6**	**564.4**	**498.0**	**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)]	**2.9x**	**2,8x**	**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.

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 three months ended June 30,		As at and for the six months ended June 30,	
	2026	2025	2026	2025
Adjusted EBITDA ex-operational leases	53.5	36.0	104.1	70.4
Less: Total Net Cash Capex	(83.0)	(84.6)	(155.3)	(163.0)
Operating Free Cash Flow	**(29.5)**	**(48.6)**	**(51.2)**	**(92.6)**
Adjusted EBITDA ex-operational leases	53.5	36.0	104.1	70.4
Less: Recurring Capex	(25.1)	(19.8)	(46.9)	(33.6)
Recurring Operating Free Cash Flow	**28.4**	**16.2**	**57.2**	**36.8**

FTTH Gross Profit, Mobile Gross Profit, FTTH Gross Margin, Mobile Gross Margin

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 three months ended June 30,		As at and for the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
FTTH Revenues	107.0	88.9	209.7	172.7
Less: FTTH Direct Costs (direct costs related to access, interconnection, maintenance, and applicable fees)	(48.2)	(42.5)	(94.6)	(82.5)
FTTH Gross Profit	**58.8**	**46.4**	**115.1**	**90.2**
FTTH Gross Margin	**55.0%**	**52.1%**	**54.9%**	**52.2%**
Mobile Revenues	144.7	133.5	283.5	261.9
Less: Mobile network access, interconnection, and maintenance costs	(94.6)	(92.9)	(188.9)	(184.6)
Less: Other Direct General Mobile expenses	(1.7)	(1.8)	(3.5)	(3.6)
Mobile gross profit	**48.4**	**38.8**	**91.1**	**73.6**
Mobile gross margin	**33.4%**	**29.1%**	**32.1%**	**28.1%**

3. Operating Key Performance Indicators ("KPIs")

We use several operating KPIs to track the operating performance of our business. As defined by our management, these measures may not be directly comparable to similar measures used by competitors or other companies.

Revenue generating units (RGU)

Million RGUs	As at and for the three months ended June 30, 2026	As at and for the three-months ended June 30, 2025	Change	Change %
Total RGUs	**11.9**	**9.7**	**2.2**	**23.0%**
Mobile	**7.8**	**6.6**	**1.2**	**18.9%**
Fixed	**4.1**	**3.1**	**1.0**	**31.9%**
FTTH, out of which:	2.9	2.3	0.6	28.0%
FTTH on SMART footprint[(1)]	*2.5*	*1.8*	*0.6*	*35.3%*
Fixed Telephony	0.9	0.7	0.2	25.9%
Pay TV	0.3	0.1	0.2	176.7%

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

Average revenue per user (ARPU)

ARPU (Euro / RGU)	As at and for the three months ended June 30, 2026	As at and for the three-months ended June 30, 2025	Change	Change %
ARPU Mobile	6,26	6,94	(0,68)	-9.8%
ARPU FTTH	12,60	13,53	(0,94)	-6.9%
ARPU Fixed Telephony	1,56	1,62	(0,06)	-3.7%
ARPU TV	5,77	5,71	0,06	1.0%
Blended ARPU	**7,4**	**8,1**	**(0,65)**	**-8.0%**

Churn

Churn (%)	As at and for the three months ended June 30, 2026	As at and for the three-months ended June 30, 2025	Change	Change %
Churn FTTH	17,0%	14,1%	2,9%	20,8%
Churn FTTH SMART	15,4%	12,6%	2,8%	22,1%

SMART Network BUPs and Penetration Rate

Millions of Building Unit Passed (BUPs)	As at and for the three months ended June 30, 2026	As at and for the three-months ended June 30, 2025	Change	Change %
SMART Footprint BUPs	**14.8**	**12.4**	**2.4**	**19.7%**
Other Network BUPs	13.8	16.2	(2.4)	-14.7%
Total BUPs	**28.6**	**28.6**	**0.0**	**0.0%**
SMART Footprint BUCs	2.5	1.8	0.7	0.2%
Penetration rate (%)	**16.7%**	**14.8%**	**1.9%**	**12.8%**

Total Accumulated Additions to Networks and Average FTTH Deployment Cost

	As at and for the three months ended June 30,		As at and for the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Total Accumulated Additions to SMART FTTH Networks (million euros)	754.3	584.1	754.3	584.1
Total Active BUPs (Millions of BUPs)	14.8	12.4	14.8	12.4
Average FTTH deployment cost (euros/BUP)	**50.8**	**47.1**	**50.8**	**47.1**

Finally, the Group's Companies have experienced significant growth in their workforce.

Employees and 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 %
Total number of employees	11,927	10,619	1,308	12.3%
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)

Definitions of Operating Key Performance Indicators

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.

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.

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.

SMART Network BUPs

We use the term "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.

Penetration rate

Number of BUCs for any given period divided by the number of BUPs for the same period.

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.

FTEs

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).