

**United Group**

**9M 2023 HIGH YIELD BONDHOLDER REPORT**

**29 November 2023**



<b>CONTENTS</b>	<b>Page</b>
<b>9M 2023 Summary</b> .....	<b>3</b>
<b>Key Operating Measures</b> .....	<b>6</b>
<b>Results of Operations</b> .....	<b>9</b>
<b>Liquidity and Capital Resources</b> .....	<b>16</b>
<b>Subsequent (Material Recent) Events</b> .....	<b>20</b>
<b>Mergers &amp; Acquisitions</b> .....	<b>21</b>
<b>Appendices</b> .....	<b>22</b>
Appendix 1 - Financial statements.....	22
Appendix 2 - Definitions of Key Operating Measures.....	48
Appendix 3 - Description of Key Line Items.....	50
Appendix 4 - Quantitative and Qualitative Disclosures about Market Risk.....	52
Appendix 5 – Critical Accounting Policies.....	53

### Disclaimer

*THIS REPORT (THIS "REPORT") IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR INFORMATION PURPOSES. BY READING THIS REPORT, ATTENDING A PRESENTATION OF THIS REPORT (THE "PRESENTATION") AND/OR READING THE SLIDES USED FOR THE PRESENTATION (THE "PRESENTATION SLIDES") YOU AGREE TO BE BOUND AS FOLLOWS:*

*This Report, the Presentation and/or the Presentation slides contain forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or including the words "targets", "believes", "expects", "aims", "intends", "may", "anticipates", "estimates", "would", "will", "could", "should" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual performance or achievements to be materially different from future performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future strategies and the environment in which we will operate in the future. These forward-looking statements speak only as at the date of this Report. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.*

*This Report contains summary unaudited condensed financial information for Adria Midco B.V. and its subsidiaries for the nine months ended September 30, 2023 and 2022, unless another source, such as management accounts, is specifically mentioned. The statement of financial position for Adria Midco B.V. and its subsidiaries as at 30 September 2023 and as at 30 September 2022 as well as the condensed consolidated interim statements of profit or loss and cash flows for Adria Midco B.V. and its subsidiaries for the nine month periods then ended have been prepared in accordance with IFRS, but have not been reviewed by our independent auditors. As a consequence, the summary condensed financial information presented is subject to potential change. If in connection with any review there is any material change to such summary condensed financial information, we intend to present a supplemental or replacement report including such change.*

*Certain financial measures and ratios related thereto in this Report including EBITDA, Adjusted EBITDA, Adjusted EBITDA minus capital expenditure excluding capitalised leases, RGUs and ARPU (collectively, the "Non-IFRS Measures") are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented here because we believe that they and similar measures are widely used in our industry as a means of evaluating a company's operating performance and financing structure. Adjusted EBITDA represents Adjusted EBITDA further adjusted to exclude the impact of expenses that were capitalised as a result of the implementation of IFRS 16. Adjusted Capital Expenditure excluding capitalised leases represents Adjusted Capital Expenditure excluding the impact of right of use asset additions and starting from 2021 the right of use asset modifications and prepayments. From 2023 Adjusted CAPEX related to spectrum licenses is presented in the amount of cash paid during the reporting period. Our management believes this information, along with comparable IFRS measures, is useful to investors because it provides a basis for measuring the operating performance in the periods presented. These measures are used in the internal management of our business, along with the most directly comparable IFRS financial measures, in evaluating our operating performance. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to net income (loss), results from operating activities or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies.*

*Adria Midco B.V. is providing this information voluntarily, and the material contained in this announcement is presented solely for information purposes and is not to be construed as providing investment advice. As such, it has no regard to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. None of Adria Midco B.V., or any of its directors, officers, employees, affiliates, direct or indirect shareholders, advisors or agents, accepts any liability for any direct, indirect, consequential or other loss or damage suffered by any person as a result of relying on all or any part of this information, and any liability is expressly disclaimed.*

### 9M 2023 Summary

November 29, 2023 – United Group, the leading telecommunications player in Southeastern Europe, today reports its financial results for 9M 2023.

#### Operational Highlights

- Homes passed<sup>1</sup> grew by 10% to 5,257 thousand compared to 9M 2022, as a result of organic growth and newly acquired companies in Bulgaria
- Unique cable subscribers<sup>1</sup> increased to 2,289 thousand (9M 2022: 2,167 thousand)
- Revenue Generating Units (“RGUs”) grew 3% year-on-year to 15,959 thousand, driven by organic growth and newly acquired companies in Bulgaria
- Blended Footprint Average Revenue Per User (“ARPU”) for 9M 2023 increased 5% year-on-year to €19.3 (9M 2022: €18.4), driven by up-selling, cross-selling and price increases

#### Financial Highlights

- Consolidated Group revenue for 9M 2023 grew 7% year-on-year to €2,045.1 million (9M 2022: €1,919.9 million)
- Consolidated Group adjusted EBITDAa<sup>2</sup> increased 10% in 9M 2023 to €751.2 million (9M 2022: €684.5 million)
- Net cash inflow of €9.7 million recorded in 9M 2023 versus an inflow of €45.6 million in 9M 2022
- As at September 30, 2023, net leverage (ratio of Group Net Debt to Annualised Last Two Quarters Adjusted EBITDAa<sup>3</sup>) decreased to 3.88x, compared to 4.08x (after giving effect to the tower sale as if it had closed on April 1, 2023 and January 1, 2023, respectively) as at June 30, 2023

---

<sup>1</sup> Please note that figures for 9M 2022 are reclassified due to the ex-Nova<sup>1</sup> migration to the ex-Wind systems at the beginning of 2023 and subsequent alignment with the UG methodology.

<sup>2</sup> Adjusted EBITDAa figures are presented excluding leases, while Capital expenditure figures are presented excluding capitalised leases.

<sup>3</sup> Annualised Adjusted EBITDAa is calculated as two times Q3 2023 + Q2 2023 Adjusted EBITDAa, plus 12.4 million of expected impact on PF L2QA Adj. EBITDAa of synergies resulting from the acquisition of Wind Hellas, plus €0.9 million of expected impact on PF L2QA Adj. EBITDAa from synergies resulting from the Optima Telekom PF L2QA Adj. EBITDAa, plus €18.5 million of the expected first operational full year effect of Tessa Energy EOOD L2QA Adj. EBITDAa, plus €31.2 million of L2QA Adj. EBITDAa contribution from Other M&A companies (companies which have been acquired during the reporting period as well as companies for which the Group signed agreements for acquisition and are in the process of receiving regulatory approvals) L2QA Adj. EBITDAa, minus €46.7m of impact on L2QA Adj. EBITDAa from the sale of our mobile towers. Adj. EBITDAa figures are presented excluding leases. Figures include adjustments to exclude Adj. EBITDAa generated by United Fiber (Nova Greece fiber network), unrestricted subsidiary (-€21.0 million).

The following summary describes the operations in each of the Group's reportable segments or subgroups:

- Vivacom Bulgaria includes the results of the Group's cable, mobile and DTH services in Bulgaria
- Nova Greece includes the results of the Group's cable, mobile and DTH services as well as media and content business in Greece
- Telemach Slovenia includes the results of the Group's cable, mobile and DTH services in Slovenia
- Telemach Croatia includes the results of the Group's cable, mobile and DTH services in Croatia
- SBB Serbia includes the results of cable services in Serbia and direct-to-home ("DTH" or Satellite) operations in Serbia and North Macedonia
- United Media Group includes the results of the Group's media and content business in the former Yugoslav region including the results of N1, Sport Klub, Grand Production, Orlando Kids, IDJ and entities acquired during 2018 (Nova TV and Direct Media Group), 2021 (Nova Broadcasting Group, hereinafter Nova BG, as well as Dan Graf and Vestnik Telegraf) and 2022 (Vijesti and Daily Press)
- Other Businesses includes the results of the Group's telco operators (Telemach BH and Telemach MNE) and other operating businesses (such as NetTV, Shoppster, United Cloud<sup>4</sup> and Mainstream and IT4Biz) and its holding companies

United Group generated consolidated revenues of €2,045.1 million during 9M 2023. The 7% increase in revenue is attributable to the organic growth of the subscriber base, the migration of subscribers to multi-play packages, price increases and the acquisitions in 2022 and 2023. Adjusted EBITDAa<sup>2</sup> in 9M 2023 was up 10% to €751.2 million.

Summary financials table in € m	9M 2022	9M 2023	Change
Revenue	1,919.9	2,045.1	7%
Adjusted EBITDAa <sup>2</sup>	684.5	751.2	10%
Result from operating activities	41.3	128.0	210%
Profit/(loss) before tax	(148.9)	454.6	405%

In 9M 2023:

- Vivacom Bulgaria generated 23% of consolidated revenues and 30% of consolidated Adjusted EBITDAa
- Nova Greece generated 30% of consolidated revenues and 27% of consolidated Adjusted EBITDAa
- Telemach Slovenia generated 11% of consolidated revenues and 9% of consolidated Adjusted EBITDAa
- Telemach Croatia generated 10% of consolidated revenues and 7% of consolidated Adjusted EBITDAa

<sup>4</sup> United Cloud is presented under Other segment, as it was separated from United Media segment and is its own subgroup now.

## 9M 2023 BONDHOLDER REPORT

- SBB Serbia generated 9% of consolidated revenues and 12% of consolidated Adjusted EBITDAal
- United Media generated 11% of consolidated revenue and 14% of consolidated Adjusted EBITDAal
- Other Businesses generated 6% of consolidated revenue and 0% of consolidated Adjusted EBITDAal

9M 2023 in € m	Revenue, net	% of total	Adj. EBITDAal <sup>2</sup>	% of total
Vivacom Bulgaria	473.6	23%	226.1	30%
Nova Greece	610.2	30%	204.6	27%
Telemach Slovenia	216.5	11%	69.1	9%
Telemach Croatia	200.9	10%	55.4	7%
SBB Serbia	182.6	9%	91.5	12%
United Media	233.6	11%	103.3	14%
Other Businesses	127.7	6%	1.2	0%
<b>Total</b>	<b>2,045.1</b>	<b>100%</b>	<b>751.2</b>	<b>100%</b>

As at September 30, 2023, United Group had 16.0 million RGUs, up 3% year-on-year (9M 2022: 15.6 million). This positive trend was primarily driven by organic growth of mobile, internet services and cable pay-TV and newly acquired companies in Bulgaria.

Blended footprint average revenue per user ("ARPU") for the period was €19.3, compared to €18.4 for 9M 2022, with the 5% year-on-year increase due to up-selling, cross-selling and price increases.

Capital expenditure excluding capitalised leases<sup>2</sup> (including capitalised inventory) amounted to €455.3 million in 9M 2023, compared to €510.2 million in 9M 2022. The majority of investments during 9M 2023 related to fixed network expansion, acquisition of customers, customer premises equipment, the purchase of programming rights and investments in mobile infrastructure.

## Key Operating Measures

United Group uses several key operating measures, including homes passed, unique cable subscribers, RGUs and ARPU, to track the performance of the business. None of these terms are measures of financial performance under IFRS, nor have these measures been reviewed by an external auditor, consultant or expert. These measures are derived from management information systems. As these terms are defined by management, they may not be comparable to similar terms used by other companies. Please refer to Appendix 2 for definitions of the Group's key operating measures.

### **Unique Cable Subscribers, RGUs and ARPU**

The following table sets forth key operating measures for United Group as of and for the nine months ended September 30, 2023 and September 30, 2022.

<i>in 000</i>	<b>9M 2022<sup>1</sup></b>	<b>9M 2023</b>	<b>Change %</b>	<b>Change</b>
<b>Key Operating Measures</b>				
<b>Homes passed</b>	<b>4,763</b>	<b>5,257</b>	<b>10%</b>	<b>494</b>
<b>Unique cable subscribers</b>	<b>2,167</b>	<b>2,289</b>	<b>6%</b>	<b>122</b>
<b>RGUs</b>	<b>15,568</b>	<b>15,959</b>	<b>3%</b>	<b>391</b>
Cable pay-TV	1,681	1,803	7%	122
Broadband internet	1,659	1,822	10%	163
Fixed-line telephony	1,306	1,282	(2%)	(24)
Mobile services	7,095	7,351	4%	257
DTH pay-TV	842	836	(1%)	(6)
OTT	140	142	1%	2
Out-of Footprint	2,845	2,723	(4%)	(122)
<b>Penetration</b>				
Cable pay-TV	35.3%	34.3%	(3%)	(1%)
Broadband internet	34.8%	34.7%	0%	0%
Fixed-line telephony	27.4%	24.4%	(11%)	(3%)
<b>Blended Footprint ARPU (in €)</b>	<b>18.4</b>	<b>19.3</b>	<b>5%</b>	<b>0.9</b>

Homes passed increased by 494 thousand, or 10%, from 4,763 thousand as at September 30, 2022 to 5,257 thousand as at September 30, 2023, mainly due to organic network expansion (attributable to the fixed network build out in Greece and Croatia) and newly acquisitions in Bulgaria.

As at September 30, 2023, the Group had 1,803 thousand cable pay-TV RGUs, an increase of 122 thousand compared to 1,681 thousand as at September 30, 2022, mainly as a result of organic growth in Bulgaria and Greece (especially bundle promotions in Bulgaria and increased cross-selling campaigns in Greece) and new acquisitions in Bulgaria.

The total number of DTH pay-TV RGUs remained stable at 836 thousand as at September 30, 2023 (842 thousand as at September 30, 2022).

As at September 30, 2023, the Group had 1,822 thousand broadband internet RGUs, representing an increase of 10%, compared to 1,659 thousand at September 30, 2022. This is primarily attributable to organic subscriber growth in all markets (especially in Greece where fixed network build out is progressing, in line with the strategic focus on expanding the Group's footprint) and acquisitions in Bulgaria in Q3 2023.

The total number of fixed telephony RGUs decreased to 1,282 thousand as at September 30, 2023, compared to 1,306 thousand at September 30, 2022, mainly as fixed telephony service remains in decline.

OTT RGUs remained stable at 142 thousand as at September 30, 2023 (140 thousand at September 30, 2022).

Mobile service RGUs increased from 7,095 thousand at September 30, 2022 to 7,351 thousand as at September 30, 2023. This is an increase of 257 thousand, or 4%, driven by organic growth in all markets, particularly in Vivacom, due to a new product strategy starting from September 2022 (unlimited tariffs with different speed, high-end tariffs, etc.).

Total RGUs increased by 3%, from 15,568 thousand at September 30, 2022 to 15,959 thousand as at September 30, 2023. This is largely attributable to the organic growth of mobile, internet and cable pay-TV services and Bulgarian acquisitions in Q3 2023.

The following table provides a breakdown of the Group's key operating measures for Vivacom Bulgaria, Nova Greece, Telemach Slovenia, Telemach Croatia, SBB Serbia and other telcos (Telemach Bosnia and Herzegovina, Telemach Montenegro and NetTV).

in 000	Vivacom Bulgaria			Nova Greece			Telemach Slovenia			Telemach Croatia			SBB Serbia			Other		
	9M 22	9M 23	YoY	9M 22 <sup>1</sup>	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY
<b>Footprint</b>																		
Homes passed	2,032	2,308	14%	587	667	14%	396	429	8%	94	156	67%	1,194	1,228	3%	460	469	2%
<b>Unique cable subscribers</b>	<b>877</b>	<b>978</b>	<b>12%</b>	<b>92</b>	<b>126</b>	<b>37%</b>	<b>221</b>	<b>219</b>	<b>(1%)</b>	<b>4</b>	<b>10</b>	<b>169%</b>	<b>732</b>	<b>712</b>	<b>(3%)</b>	<b>242</b>	<b>244</b>	<b>1%</b>
Cable Pay-TV penetration	23%	26%		4%	5%		54%	50%		2%	4%		61%	58%		53%	52%	
<b>RGUs</b>																		
Cable pay-TV	470	595	27%	24	34	40%	213	212	(1%)	2	7	296%	731	711	(3%)	242	244	1%
Broadband internet	602	717	19%	92	126	37%	194	194	(0%)	4	10	169%	562	562	0%	206	213	3%
Telephony	431	385	(11%)	92	126	37%	194	194	(0%)	4	10	169%	466	451	(3%)	119	116	(2%)
Mobile services	3,197	3,335	4%	2,172	2,213	2%	655	687	5%	1,071	1,116	4%	-	-	n/a	-	-	n/a
DTH pay-TV	256	280	10%	121	126	4%	38	34	(12%)	38	36	(6%)	224	210	(6%)	164	149	(9%)
OTT	-	-	n/a	-	-	n/a	1	1	25%	21	24	14%	23	23	3%	95	93	(3%)
Out-of Footprint	-	-	n/a	2,463	2,380	(3%)	75	84	12%	275	230	(16%)	31	28	(10%)	1	1	(11%)
<b>Total RGUs</b>	<b>4,956</b>	<b>5,312</b>	<b>7%</b>	<b>4,964</b>	<b>5,005</b>	<b>1%</b>	<b>1,372</b>	<b>1,407</b>	<b>3%</b>	<b>1,415</b>	<b>1,434</b>	<b>1%</b>	<b>2,036</b>	<b>1,985</b>	<b>(3%)</b>	<b>827</b>	<b>815</b>	<b>(1%)</b>

The following table sets forth the Blended Footprint ARPU for Vivacom Bulgaria, Nova Greece, Telemach Slovenia, Telemach Croatia and SBB Serbia generated by the products and services the Group offers.

in €	Vivacom Bulgaria			Nova Greece			Telemach Slovenia			Telemach Croatia			SBB Serbia		
	9M 22	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY	9M 22	9M 23	YoY
<b>ARPU</b>															
Cable pay-TV	8.1	8.8	9%	5.2	10.8	106%	18.3	18.6	2%	16.7	11.3	(32%)	11.0	11.7	5%
Broadband internet	5.6	5.9	6%	19.0	16.9	(11%)	18.4	18.5	1%	8.7	10.4	19%	10.7	10.5	(2%)
Telephony	5.2	5.5	6%	3.6	3.1	(15%)	2.7	2.5	(7%)	1.3	1.3	3%	3.1	3.0	(5%)
Mobile services	7.6	7.9	4%	12.2	12.1	(0%)	10.8	11.7	8%	11.9	11.9	(1%)	-	-	0%
<b>Blended Footprint ARPU</b>	<b>10.5</b>	<b>11.7</b>	<b>12%</b>	<b>23.3</b>	<b>22.8</b>	<b>(2%)</b>	<b>36.1</b>	<b>36.5</b>	<b>1%</b>	<b>13.9</b>	<b>18.4</b>	<b>33%</b>	<b>21.1</b>	<b>21.7</b>	<b>3%</b>
DTH pay-TV	8.6	9.2	7%	17.6	19.5	11%	19.7	20.7	5%	15.3	12.1	(21%)	10.5	11.2	7%

ARPU from broadband internet includes value added services such as online backup, internet security and anti virus solutions. One unique cable subscriber can be an RGU for cable



pay-TV, fixed-line telephony, broadband internet or other services. DTH subscribers are DTH RGUs.

Vivacom Bulgaria: Blended footprint ARPU for Vivacom Bulgaria in 9M 2023 increased by 12% year-on-year to €11.7 mainly resulting from price increases in February 2022 and February 2023, as well as up-selling. The segment's mobile ARPU increased to €7.9 in 9M 2023, from €7.6 in 9M 2022, mainly due to the aforementioned price increases and up-selling.

DTH ARPU for Vivacom Bulgaria increased to €9.2 in 9M 2023, from €8.6 in 9M 2022, mainly due to the price increases in February 2022 and February 2023.

Nova Greece: Blended footprint ARPU for Nova Greece decreased to €22.8 in 9M 2023, from €23.3 in 9M 2022, mainly due to a new portfolio launch with lower price points and promotional activities. The segment's mobile ARPU remained stable at €12.1 in 9M 2023 (€12.2 in 9M 2022).

DTH ARPU for Nova Greece increased to €19.5 in 9M 2023, from €17.6 in 9M 2022, mainly as a result of RGU alignment following Nova's migration to Wind systems, as well as increased sports and entertainment penetration.

Telemach Slovenia: Blended footprint ARPU for Telemach Slovenia in 9M 2023 increased by 1% year-on-year to €36.5, from €36.1 in 9M 2022, mainly due to price increases in July and September 2022 and August 2023. Mobile ARPU increased by 8% year-on-year in 9M 2023 to €11.7, from €10.8 in 9M 2022, coming from higher P2P interconnection revenues in 9M 2023 and price increases in September and November 2022 and August 2023.

DTH ARPU for Telemach Slovenia increased to €20.7 in 9M 2023, from €19.7 in 9M 2022, mainly as a result of price increases in July 2022 and August 2023.

Telemach Croatia: Blended footprint ARPU for Telemach Croatia in 9M 2023 increased to €18.4, from €13.9 in 9M 2022, primarily due to increased subscription revenues as a result of a price increase in November 2022. The segment's mobile ARPU remained stable at €11.9 in 9M 2023 (€11.9 in 9M 2022).

DTH ARPU for Telemach Croatia decreased to €12.1 in 9M 2023, from €15.3, mainly due to the Total TV integration and subsequent alignment with the UG methodology.

SBB Serbia: Blended footprint ARPU for SBB Serbia in 9M 2023 amounted to €21.7. The 3% year-on-year increase was primarily due to a price increase in February 2023.

DTH ARPU for SBB Serbia increased to €11.2 in 9M 2023, from €10.5 in 9M 2022, due to a price increase in February 2023.

## Results of Operations

In this report, the Group presents financial data for United Group for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. For a description of the key line items, please refer to Appendix 3.

<i>in €000</i>	<b>9M 2022</b>	<b>9M 2023</b>
<b>Revenue</b>	1,919,936	2,045,126
Other income	17,480	18,188
Content costs	(149,834)	(137,101)
Link and interconnection costs	(237,273)	(219,747)
Cost of end-user equipment and other material costs	(219,895)	(256,400)
Staff costs	(231,407)	(233,475)
Media buying	(30,438)	(40,274)
Net impairment on trade and other receivables, including contract assets	(26,786)	(21,439)
Other operating expenses	(339,044)	(364,099)
<b>IFRS EBITDA</b>	<b>702,739</b>	<b>790,779</b>
Depreciation	(225,592)	(231,444)
Depreciation (right-of-use assets)	(88,786)	(79,239)
Amortization of intangible assets	(347,060)	(352,057)
<b>Results from operating activities</b>	<b>41,301</b>	<b>128,039</b>
Gain on tower sale and leaseback transaction	-	558,735
Finance income	13,579	22,332
Finance costs	(203,069)	(253,560)
<b>Net finance costs</b>	<b>(189,490)</b>	<b>(231,228)</b>
Share of net losses of associates accounted for using the equity method	(752)	(927)
<b>Profit/(loss) before tax</b>	<b>(148,941)</b>	<b>454,619</b>
Income tax (expenses)/benefit	(1,208)	(1,802)
<b>Profit/(loss) for the period</b>	<b>(150,149)</b>	<b>452,817</b>

### Revenue

Revenue increased by €125.2 million, or 7%, year-on-year to €2,045.1 million for 9M 2023. This increase was primarily due to organic growth of the subscriber base (especially mobile), migration of subscribers to multi-play packages, customer up-selling, price increases, increased sales of high-end handsets (higher average revenue per handset), higher advertising and e-commerce revenues and acquisitions in 2022 and 2023.

Revenue figures for the business segments below exclude inter-company transactions, which have been eliminated.

<i>in € m</i>	<b>9M 2022</b>	<b>9M 2023</b>	<b>Change</b>
Vivacom Bulgaria	435,890	473,627	9%
Nova Greece	600,339	610,169	2%
Telemach Slovenia	195,614	216,485	11%
Telemach Croatia	183,934	200,880	9%
SBB Serbia	177,296	182,580	3%
United Media	213,896	233,648	9%
Other	112,967	127,737	13%
<b>Total</b>	<b>1,919,936</b>	<b>2,045,126</b>	<b>7%</b>

*Vivacom Bulgaria:* Revenue for Vivacom Bulgaria increased by 9% year-on-year to €473,627 thousand in 9M 2023, mainly due to organic growth of mobile and video subscribers, price increases in February 2022 and 2023, higher handset sales (lower number of handsets sold but offset by a higher average revenue per handset), B2B service revenues (higher duct revenues) and acquisitions in 2023.

*Nova Greece:* Revenue for Nova Greece increased by 2% year-on-year to €610,169 thousand in 9M 2023, as a result of higher B2B ICT revenues and wholesale leased line revenues, coming from increased wholesale base during 9M 2023 compared to 9M 2022.

*Telemach Slovenia:* Revenue for Telemach Slovenia increased by 11% year-on-year to €216,485 thousand in 9M 2023, primarily due to organic growth in the mobile post-paid subscriber base, higher handset revenues (lower number of handsets sold but offset by a higher average revenue per handset), price increases in July and September 2022 and August 2023 and higher B2B service revenues (especially A2P and data revenues).

*Telemach Croatia:* Revenue for Telemach Croatia increased by 9% year-on-year to €200,880 thousand in 9M 2023, mainly due to organic growth in the mobile post-paid subscriber base, increased sales of high value handsets (lower number of handsets sold but offset by a higher average revenue per handset) and price increases in July and November 2022 and August 2023.

*SBB Serbia:* Revenue for SBB Serbia increased by 3% year-on-year to €182,580 thousand in 9M 2023, owing to higher B2B service revenues stemming from a recently secured new contract, higher sale of goods and retail and merchandise revenues following the expansion of the portfolio with the addition of telco-services-complementary devices, a price increase in February 2023, and successful up-selling.

*United Media Group:* External revenue at United Media Group increased by 9% year-on-year to €233,648 thousand in 9M 2023, mainly due to higher advertising revenues coming from the betting, food, drinks, cosmetics and pharmaceutical sectors. Total revenues of the

Media Segment (including intercompany revenues) increased by 11% year-on-year to €358,430 thousand in 9M 2023.

*Other Businesses:* Revenue for the Other Businesses segment increased 13% year-on-year to €127,737 thousand in 9M 2023, mainly due to higher web sales through the e-commerce platform (Shoppster).

### ***Other income***

Other income increased by 4% year-on-year, from €17,480 thousand in 9M 2022, to €18,188 thousand in 9M 2023, mainly due to a withholding tax refund and customer penalty charges.

### ***Content cost***

Content costs decreased by 8% year-on-year to €137,101 thousand in 9M 2023, mainly due to lower sports rights costs, following the expiry of the Premier League contract for Ex-Yu countries in 2022.

### ***Link and interconnection cost***

Link and interconnection costs decreased by 7% year-on-year to €219,747 thousand in 9M 2023, mainly as a result of lower internet link capacity and mobile network usage.

### ***Cost of end-user equipment and other material costs***

Cost of end-user equipment and other material costs increased by 17% year-on-year to €256,400 thousand in 9M 2023. This increase stems mainly from the higher cost of mobile handsets sold (as a result of refreshed supplier portfolios featuring new, more expensive models) and a higher cost of goods sold by e-commerce platform Shoppster (in line with higher revenues from goods sold).

### ***Staff costs***

Staff costs increased by 1% year-on-year to €233,475 thousand in 9M 2023, mainly due to salary increases as a result of inflation pressures, which was partially offset by a lower number of employees.

### ***Media buying***

Media buying increased to €40,274 thousand in 9M 2023, compared to €30,438 thousand in 9M 2022.

### ***Depreciation***

Depreciation increased by 3% year-on-year to €231,444 thousand in 9M 2023, primarily due to a higher net book value at the beginning of the period, compared to the 9M 2022.

### ***Depreciation (right-of-use assets)***

Depreciation decreased by 11% year-on-year to €79,239 thousand in 9M 2023, compared to €88,786 thousand in 9M 2022, mainly due to a lower base of lease liability and right of use assets.

### ***Amortisation of intangible assets***

Amortization of intangible assets increased by 1% year-on-year to €352,057 thousand in 9M 2023, primarily due to acquisition of additional radio frequencies spectrum.

### ***Other operating expenses***

Other operating expenses increased by 7% year-on-year to €364,099 thousand in 9M 2023, mainly due to customer service costs, marketing and promotion expenses and rent expenses, offset by external commission and outsourced costs.

### ***Net finance costs***

Net finance costs increased by 22% year-on-year to €231,228 thousand in 9M 2023, mainly due to higher interest expenses coming from increased reference rates for the variable portion of debt.

### ***Gain on tower sale and leaseback transaction***

Gain on tower sale and leaseback transaction amounted to €558,334 thousand in 9M 2023 (nil in 9M 2022).

### ***Profit/(loss) before tax***

Profit before tax increased to €454,619 thousand in 9M 2023, from a loss of €148,941 thousand in 9M 2022, primarily due to sale of mobile towers, offset by higher net finance costs.

**EBITDA reconciliation**

EBITDA is a supplemental measure of financial performance that is not required by, or presented in accordance with, IFRS. United Group defines “EBITDA” as profit/(loss) for the period plus income tax (benefit)/expense, depreciation, amortization of intangible assets and net finance costs.

EBITDA is not a measurement of performance or liquidity under IFRS and you should not consider EBITDA as alternatives to (a) net income as determined in accordance with IFRS as a measure of the Group’s operating performance, (b) cash flow for the period as a measure of the Group’s ability to meet its cash needs, or (c) any other measure of performance or liquidity under IFRS. United Group presents EBITDA and the ratios derived therefrom, because it believes that they are measures commonly used by investors and they are measures that are used in managing the business. EBITDA, as presented in this report, however, may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Adjusted EBITDA represents EBITDA adjusted for shareholder-related costs, legal and advisory – M&A-related costs, group restructuring costs, income from the disposal of companies, impairment charges for obsolete equipment in Slovenia, other management-related costs, specific penalties, additional impact of application of new standards (for transitory period) and other non-core operating expenses, which the Group views as non-operating and not recurring to the operations of the Group. Adjusted EBITDAal represents Adjusted EBITDA further adjusted to exclude the impact of expenses that were capitalised as a result of the implementation of IFRS 16.

The following table provides a reconciliation of profit/(loss) for the period to EBITDA.

<i>in €000</i>	<b>9M 2022</b>	<b>9M 2023</b>	<b>Change</b>
Profit/(Loss) for the period	(150,149)	452,817	402%
Income tax (benefit)/expense	1,208	1,802	49%
Depreciation	225,592	231,444	3%
Depreciation (right-of-use assets)	88,786	79,239	(11%)
Amortization of intangible assets	347,060	352,057	1%
Gain on tower sale and leaseback transaction	-	(558,735)	n/a
Net finance costs	189,490	231,228	22%
Share of profit/loss of equity-accounted investee, net of tax	752	927	23%
<b>EBITDA</b>	<b>702,739</b>	<b>790,779</b>	<b>13%</b>
Non-operating expenses	92,267	81,730	(11%)
<b>Adjusted EBITDA</b>	<b>795,006</b>	<b>872,509</b>	<b>10%</b>
Capitalised leases – IFRS 16 effect elimination	(110,503)	(121,359)	10%
<b>Adjusted EBITDAal</b>	<b>684,503</b>	<b>751,150</b>	<b>10%</b>

## 9M 2023 BONDHOLDER REPORT

---

The following table provides a build-up of Annualised Last Two Quarters Adjusted EBITDAal including new acquisitions (other M&A companies) up to the date of this report.

<i>in €000</i>	<b>L2QA</b>
Annualised L2Q Adjusted EBITDAal	1,033,426
Wind Hellas PF L2QA expected synergies adjustment	12,446
Wind Hellas PF L2QA United Fiber adjustment	(20,973)
Optima Telekom PF L2QA expected synergies adjustment	943
Tessa Energy EOOD L2QA Adj. EBITDAal <sup>5</sup>	18,459
Other M&A companies L2QA Adj. EBITDAal <sup>6</sup>	31,228
Tower L2QA Adj. EBITDAal adjustment <sup>7</sup>	(46,654)
<b>Annualised L2Q Pro Forma Adjusted EBITDAal</b>	<b>1,028,875</b>

---

<sup>5</sup> Figure represents expected first operational full year of Tessa Energy EOOD.

<sup>6</sup> Represent L2QA Adj. EBITDAal for Bulsatcom, Networx, Telnet and ASPN d.o.o. Ljubljana and expected synergies for Bulsatcom.

<sup>7</sup> Represents L2QA Adj. EBITDAal generated by the mobile towers that we sold in August 2023.

**Gross Leverage and Net Leverage Ratio**

As at September 30, 2023, United Group’s gross leverage ratio (i.e. the ratio of Group gross debt to Annualised Last Two Quarters Adjusted EBITDAal) decreased to 3.99x, compared to 4.20x (after giving effect to the tower sale as if it had closed on April 1, 2023 and January 1, 2023, respectively) as at June 30, 2023.

As at September 30, 2023, United Group’s net leverage ratio (i.e. the ratio of Group net debt to Annualised Last Two Quarters Adjusted EBITDAal) decreased to 3.88x, compared to 4.08x (after giving effect to the tower sale as if it had closed on April 1, 2023 and January 1, 2023, respectively) as at June 30, 2023.

<i>In €000</i>	<b>9M 2023</b>
<b>a) Annualised Last Two Quarters Adjusted EBITDAal</b>	<b>1,028,875<sup>8</sup></b>
b) Cash and cash equivalents <sup>9</sup>	108,370
c) Lease liabilities	1,410,630
d) SSRCF	189,300
e) Pro Forma net debt for M&A purposes <sup>10</sup>	78,235
f) Senior Secured Notes <sup>11</sup>	3,505,000
g) Other financial liabilities (other loans and borrowings) <sup>12</sup>	322,042
h) IFRS 16 lease liabilities adjustment	(1,405,068)
<b>i) As adjusted Group Gross debt (c+d+e+f+g+h)</b>	<b>4,100,139</b>
<b>j) As adjusted Group Net debt (i-b)</b>	<b>3,991,769</b>
<b>k) Gross leverage (i/a)</b>	<b>3.99x</b>
<b>l) Net leverage (j/a)</b>	<b>3.88x</b>

<sup>8</sup> The financial information included in the table above are presented after giving effect to the sale of our mobile towers as of April 1, 2023.

<sup>9</sup> Adjusted cash and cash equivalents represent cash of the Group adjusted to exclude cash and cash equivalents from subsidiaries and joint operations which are considered as unrestricted per Senior Secured Notes documentation (of which €0.2m represents cash held by unrestricted subsidiary of Nova Greece – United Fiber).

<sup>10</sup> Pro Forma net debt for M&A purpose represents the effect of expected additional debt at Tessa Energy EOOD.

<sup>11</sup> Senior Secured Notes excludes capitalised transaction costs as shown in the Statement of Financial Position in accordance with IFRS.

<sup>12</sup> Other financial liabilities represent loans and borrowings other than Senior Secured RCF adjusted for the exclusion of certain debt from subsidiaries and joint operations which are considered as unrestricted per Senior Secured Notes documentation (of which €29m represents loans owed by unrestricted subsidiary of Nova Greece – United Fiber).



## Liquidity and Capital Resources

The Group's primary sources of liquidity and funds for capital expenditure, acquisitions and other investments are expected to be operating cash flow, the existing revolving credit facility ("RCF"), potential additional issuances of debt securities and ancillary and bilateral lending facilities. United Group's ability to generate cash from its operations will depend on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control.

United Group maintains cash and cash equivalents to fund the day-to-day requirements of the business. The Group holds cash primarily in euros as well as Serbian dinar, Bosnian mark and Bulgarian levs.

Historically, the Group has relied primarily on its existing RCF and bilateral bank facilities, other debt facilities and cash flow from operations to provide funds required for investments in capital expenditure and operations.

As at September 30, 2023, the Group had €109.7 million in cash and cash equivalents. In addition, United Group had €3,505.0 million in fixed and floating rate Senior Secured Notes, along with a partially drawn Senior Secured Revolving Credit Facility of €189.3 million, lease liabilities in the amount of €1,410.6 million and other financial liabilities of €351.0 million.

### Cash Flow

The table below summarizes the Group's consolidated cash flow for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022.

<i>In €000</i>	<b>9M 2022</b>	<b>9M 2023</b>	<b>Change</b>
Operating net cash flow	504,514	573,614	69,100
Investing net cash flow	(1,230,590)	583,575	1,814,165
Financing net cash flow	771,646	(1,147,469)	(1,919,115)
<b>Net cash flow</b>	<b>45,570</b>	<b>9,720</b>	<b>(35,850)</b>

### *Net cash from / (used in) operating activities*

Net cash flow from operating activities increased by €69,100 thousand, from a net cash inflow of €504,514 thousand in 9M 2022 to a net cash inflow of €573,614 thousand in 9M 2023. This is primarily attributable to increased cash generated from operations, partially offset by increased interest payments.

### *Net cash from / (used in) investing activities*

Net cash flow used in investing activities decreased by €1,814,165 thousand, from a net cash outflow of €1,230,590 thousand in 9M 2022 to a net cash inflow of €583,575 thousand in 9M 2023. This decrease was primarily attributable to proceeds from tower sale transaction completed in 9M 2023 and high M&A activity in 9M 2022.

### ***Net cash from / (used in) financing activities***

Net cash flow from financing activities decreased by €1,919,115 thousand, from a net cash inflow of €771,646 thousand in 9M 2022 to a net cash outflow of €1,147,469 thousand in 9M 2023, primarily due to the outflow for bond repayment in 9M 2023 (using proceeds from tower sale transaction) and bond proceeds in 9M 2022.

**Capital Expenditure excluding capitalised leases**

United Group’s capital expenditure relates primarily to the purchase of property and equipment, including the expansion of the Group’s network in terms of capacity and new homes connected, purchase of modems and set-top boxes to be installed in customer premises, growth in RGUs and maintenance of the Group’s cable and mobile networks and infrastructure, purchase of intangible assets such as content, software, investments in core infrastructure and systems to facilitate the addition of new services and acquisitions. Therefore, capital expenditure is primarily driven by extending, upgrading and maintaining cable and mobile networks, the installation and in-home wiring for new subscribers, the cost of cable modems, including high-speed modems for subscribers to the Group’s high-speed broadband internet, as well as the acquisition and production of content. The Group’s capital expenditure has also historically included certain investments of a non-recurring nature, as well as costs to integrate acquired businesses.

Capital expenditure also includes increases in intangible assets (excluding the Group’s customer list and brand names) and does not include financial assets. As part of the Group’s strategy to focus on improving returns, it has implemented measures to ensure efficient usage of capital investment. United Group intends to manage capital expenditure to maintain its well-invested asset base. The Group’s board of directors reviews all material capital expenditure programmes.

Over the next several years, United Group expects that its capital expenditure will be largely success- and capacity-based. Success- and capacity-based capital expenditure includes capital expenditure related to the expansion of the Group’s network footprint to additional homes and existing subscribers, the replacement of set-top boxes, expanding network capacity, new product and service development and expenditure incurred when connecting business subscribers to the Group’s network. Success-based capital expenditure does not include capital expenditure for maintenance, upgrade and replacement of systems and infrastructure.

*CAPEX<sup>2</sup> by Segment*

<i>in €000</i>	<b>9M 2022</b>	<b>9M 2023</b>	<b>Change</b>
Vivacom Bulgaria	74,007	59,992	(19%)
Nova Greece	185,407	200,134	8%
Telemach Slovenia	48,964	33,395	(32%)
Telemach Croatia	58,437	41,286	(29%)
SBB Serbia	42,619	31,889	(25%)
United Media	74,154	63,070	(15%)
Other	26,590	25,580	(4%)
<b>Total</b>	<b>510,178</b>	<b>455,346</b>	<b>(11%)</b>

*Vivacom Bulgaria:* Capital expenditure for Vivacom Bulgaria decreased by 19% to €59,992 thousand in 9M 2023, mainly due to a decrease in stock level of capitalised inventories (specifically CPE inventory) and lower investment in the mobile network due to different construction schedules versus 9M 2022.

*Nova Greece:* Capital expenditure for Nova Greece increased by 8% to €200,134 thousand in 9M 2023, mainly due to higher investments in fixed network expansion (fixed network build out), higher sports content costs, higher acquisition costs related to sales commissions and higher investments in the mobile network, especially in the radio network.

*Telemach Slovenia:* Capital expenditure for Telemach Slovenia decreased by 32% year-on-year to €33,395 thousand in 9M 2023, mainly due to lower investment in the mobile network (radio network and site construction) and a decrease in stock level of capitalised inventories.

*Telemach Croatia:* Capital expenditure for Telemach Croatia decreased by 29% year-on-year to €41,286 thousand in 9M 2023, primarily due to lower investment in the mobile network (especially in the radio network), as a result of investment dynamics and a decrease in stock level of capitalised inventories.

*SBB Serbia:* Capital expenditure for SBB Serbia decreased by 25% year-on-year to €31,889 thousand in 9M 2023, mostly due to lower investments in customer premises equipment (higher usage of refurbished equipment), lower investments in video and IP equipment (different projects and timing difference) and a decrease in stock level of capitalised inventories.

*United Media:* Capital expenditure for United Media decreased by 15% year-on-year to €63,070 thousand in 9M 2023, mainly due to lower investment in TV equipment following the relocation to new premises in 2022.

*Other:* Capital expenditure for Other segment decreased by 4% year-on-year to €25,580 thousand in 9M 2023, mainly due to a decrease in stock level of capitalised inventories and lower investments in video head-end and IP equipment at Telemach BH.

Please refer to Appendix 4 for specific quantitative and qualitative disclosures about market risk and Appendix 5 for the Group's critical accounting policies.

Adjusted EBITDAal-CAPEX excluding capitalised leases increased from €174,325 thousand in 9M 2022 to €295,804 thousand in 9M 2023, mostly due to robust Adjusted EBITDAal growth and decreased CAPEX investments.

<i>in €000</i>	<b>9M 2022</b>	<b>9M 2023</b>	<b>Change</b>
Adjusted EBITDAal <sup>2</sup>	684,503	751,150	10%
CAPEX excluding capitalised leases <sup>2</sup>	510,178	455,346	(11%)
Adjusted EBITDAal – CAPEX excluding capitalised leases	174,325	295,804	70%

## Subsequent (Material Recent) Events

On 7 October 2023, Palestinian armed groups in Gaza launched thousands of rockets toward Israel and breached through the perimeter fence of Gaza at multiple locations, entering into Israeli towns and killing and capturing Israeli forces and civilians. The Israeli military declared “a state of war alert,” and began striking targets in the Gaza Strip.

The Group has assessed the impact of the Israel-Gaza conflict on its financial position, performance, and future prospects. The conflict, which occurred subsequent to the reporting period, has led to various economic and operational challenges. The Company acknowledges the uncertainties associated with the conflict and is closely monitoring the situation for potential future impacts.

On 7 November 2023 the Group concluded agreement to acquire 100% shares of Bulsatcom EOOD prominent Bulgarian satellite television and broadband internet service provider. The purchase price for the transfer of Bulsatcom EOOD shares at the closing date is defined as an amount equivalent to the total outstanding receivables. This total will include any accrued interest up to the closing date. This acquisition aligns with the Group's overarching strategy to expand its presence in Bulgaria, demonstrating a commitment to accelerating growth within the region. The transaction is subject to customary regulatory approvals by the local competition authorities and is expected to be completed in the following months.

The Group's management holds that they are not aware of any other significant post balance sheet events that could affect the condensed consolidated interim financial statements of the Group for the nine months period ended 30 September 2023 or require separate disclosure.

### Mergers & Acquisitions

- On January 26, 2023, the Group acquired 50% of share capital of Adeba Investments Limited.
- On June 01, 2023, the Group agreed to acquire 100% of the share capital of ASPN storitveno podjetje d.o.o. Ljubljana.
- On July 18, 2023, the Group acquired 100% of share capital of Telnet EOOD Bulgaria.
- On August 25, 2023, the Group acquired 100% of share capital of Networx-Bulgaria EOOD, TVN Distribution Bulgaria EOOD and Telco Infrastructures EOOD in Bulgaria.
- On October 02, 2023, the Group acquired 100% of share capital of KTV Dravograd doo (Slovenia) and 100% of share capital of Nakom d.o.o. (Slovenia)
- On November 09, 2023, the Group agreed to acquire 100% of the share capital of Viva Corporate Bulgaria EOOD which is the sole owner of Bulsatcom EOOD. The transaction is subject to regulatory approvals.

United Group continually monitors M&A opportunities and is currently in the early stages of evaluating multiple potential opportunities. In line with its stated strategy, the Group is looking for acquisitions that are value accretive and offer substantial synergies with the Group's existing operations.

## Appendices

### Appendix 1 - Financial statements

#### Income Statement

in €000	Note	9M 2022	9M 2023
Revenue	1	1,919,936	2,045,126
Other income	2	17,480	18,188
Content costs	3	(149,834)	(137,101)
Link and interconnection costs	4	(237,273)	(219,747)
Cost of end-user equipment and other material cost	5	(219,895)	(256,400)
Staff costs	6	(231,407)	(233,475)
Media buying		(30,438)	(40,274)
Net impairment on trade and other receivables, including contract assets	7	(26,786)	(21,439)
Other operating expenses	8	(339,044)	(364,099)
<b>IFRS EBITDA</b>		<b>702,739</b>	<b>790,779</b>
Depreciation	9	(225,592)	(231,444)
Depreciation (right-of-use assets)	10	(88,786)	(79,239)
Amortization of intangible assets	11	(347,060)	(352,057)
<b>Results from operating activities</b>		<b>41,301</b>	<b>128,039</b>
Gain on tower sale and leaseback transaction		-	558,735
Finance income		13,579	22,332
Finance costs		(203,069)	(253,560)
<b>Net finance costs</b>	12	<b>(189,490)</b>	<b>(231,228)</b>
Share of net losses of associates accounted for using the equity method	13	(752)	(927)
<b>Profit/(loss) before tax</b>	14	<b>(148,941)</b>	<b>454,619</b>
Income tax (expenses)/benefit	15	(1,208)	(1,802)
<b>Profit/(loss) for the period</b>	14	<b>(150,149)</b>	<b>452,817</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that are or may be reclassified subsequently to profit and loss</i>			
Currency translation differences		2,108	1,293
<b>Other comprehensive income/(loss) for the period</b>		<b>2,108</b>	<b>1,293</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(148,041)</b>	<b>454,110</b>
Profit/(loss) attributable to:			
Owners of the Company		(151,464)	450,748
Non-controlling interests		1,315	2,069
<b>Profit/(loss) for the period</b>		<b>(150,149)</b>	<b>452,817</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		(149,356)	452,041
Non-controlling interests		1,315	2,069
<b>Total comprehensive income/(loss) for the period</b>		<b>(148,041)</b>	<b>454,110</b>

**Statement of Financial Position**

in €000	Note	FY 2022	9M 2022	9M 2023
<b>Assets</b>				
Property, plant and equipment	9	1,430,802	1,527,655	1,402,365
Goodwill	16	1,429,286	1,444,666	1,470,504
Intangible assets	11	1,557,360	1,587,977	1,552,097
Investment property	17	74,338	71,618	74,031
Right-of-use assets	10	742,696	802,287	835,264
Loans to related parties		247,012	229,577	219,268
Investments in bonds	18	56,311	54,915	60,430
Other financial assets	19	34,191	55,973	61,172
Non-current prepayments	20	93,525	7,559	94,585
Non-current trade receivables	21	22,103	20,065	23,779
Equity-accounted associate	13	4,318	4,890	3,474
Investments in joint venture	13	6,162	-	10,728
Contract assets	22	36,403	34,379	45,768
Deferred costs		5,099	5,367	5,140
Deferred tax assets		33,359	23,648	46,368
<b>Non-current assets</b>		<b>5,772,965</b>	<b>5,870,576</b>	<b>5,904,973</b>
Inventories	23	87,412	83,839	96,261
Trade and other receivables	21	468,500	432,939	498,972
Loans to related parties		3,124	-	45,515
Loan at fair value through profit and loss	24	38,331	126,500	39,725
Short term loans receivables and deposits	25	10,563	10,014	24,552
Prepayments	20	39,994	48,383	45,716
Contract assets	22	54,250	52,935	78,554
Income tax receivable		14,707	13,682	17,164
Cash and cash equivalents	26	99,964	200,380	109,687
<b>Current assets</b>		<b>816,845</b>	<b>968,672</b>	<b>956,146</b>
Assets of a disposal group held for sale	27	251,923	273	50
<b>Total assets</b>		<b>6,841,733</b>	<b>6,839,521</b>	<b>6,861,169</b>



Statement of Financial Position - continued

in €000	Note	FY 2022	9M 2022	9M 2023
<b>Equity</b>				
Issued and fully paid share capital	28	125	125	125
Share premium	28	546,046	546,046	546,046
Capital reserves		65,888	65,143	68,123
Translation reserves		(10,139)	(10,182)	(8,846)
Accumulated losses		(898,182)	(824,717)	(447,434)
<b>Equity attributable to owners of the Company</b>		<b>(296,262)</b>	<b>(223,585)</b>	<b>158,014</b>
Non-controlling interests	28	7,679	8,300	8,776
<b>Total equity</b>		<b>(288,583)</b>	<b>(215,285)</b>	<b>166,790</b>
<b>Liabilities</b>				
Loans and borrowings	29	332,225	447,257	413,247
Other financial liabilities-bonds	29	4,543,290	4,537,394	3,476,227
Long term liabilities	30	117,470	126,666	179,749
Long term provisions	31	46,593	67,521	48,521
Deferred operating lease income	32	9,776	8,538	8,809
Contract liabilities	22	12,546	7,888	17,790
Lease liabilities	10	647,827	703,727	1,284,928
Deferred tax liabilities		145,964	142,849	133,147
Employee benefits		8,433	9,966	8,315
<b>Non-current liabilities</b>		<b>5,864,124</b>	<b>6,051,806</b>	<b>5,570,733</b>
Trade and other payables	30	735,161	678,799	695,971
Current tax liabilities		12,528	20,644	22,818
Loans and borrowings	29	102,862	60,580	126,144
Other financial liabilities under supplier finance arrangements	29	21,838	-	32,548
Interest payables	29	56,875	33,797	31,188
Short term provisions	31	4,480	4,222	8,617
Deferred operating lease income	32	3,849	4,114	4,371
Contract liabilities	22	59,924	72,298	76,283
Lease liabilities	10	117,185	128,546	125,702
<b>Current liabilities</b>		<b>1,114,702</b>	<b>1,003,000</b>	<b>1,123,642</b>
Liabilities directly associated with disposal groups classified as held for sale	27	151,490	-	2
<b>Total liabilities</b>		<b>7,130,316</b>	<b>7,054,806</b>	<b>6,694,377</b>
<b>Total equity and liabilities</b>		<b>6,841,733</b>	<b>6,839,521</b>	<b>6,861,169</b>

### Statement of Cash Flows

<i>in €000</i>	Note	9M 2022	9M 2023
Cash flows from operating activities			
(Loss)/profit for the period	14	(150,149)	452,817
Adjustments for:			
Depreciation	9	225,592	231,444
Depreciation (right-of-use assets)	10	88,785	79,239
Amortization	11	347,060	352,057
Net impairment of trade and other receivables	7	19,225	19,308
Net impairment of contract assets	7	7,561	2,131
Impairment loss of subscriber acquisition costs		795	931
Impairment loss of property, plant and equipment		320	379
Impairment loss of intangible assets		144	-
Share of net losses of associates accounted for using the equity method	13	752	927
Write off and disposal of non-current assets		2,269	3,996
Impairment loss of inventories	8	1,080	1,294
Income tax expense	15	1,207	1,802
Net change on provisions		1,846	4,977
Share based payment		2,235	2,235
Gain on disposal group held for sale	27	-	(558,735)
Net finance cost	12	189,490	231,228
<b>Operating cash flows before WC changes</b>		<b>738,212</b>	<b>826,030</b>
Changes in:			
Trade and other receivables		(23,113)	(51,972)
Deferred operating lease income		(694)	(569)
Deferred cost		(1,788)	(41)
Contract assets		(12,570)	(35,800)
Contract liabilities		8,233	20,109
Employee benefits		310	(127)
Inventories		(6,509)	(9,786)
Current prepayments		3,208	(6,296)
Trade and other payables		42,125	112,255
<b>Cash generated from operations</b>		<b>747,414</b>	<b>853,803</b>
Interest paid	29	(158,385)	(215,586)
Transaction costs related to loans and borrowings		(14,165)	-
Other finance cost paid		(11,553)	(812)
Interest paid leases	29	(34,897)	(42,025)
Income tax paid		(23,900)	(21,766)
<b>Net cash from operating activities</b>		<b>504,514</b>	<b>573,614</b>

**Statement of Cash Flows - continued**

<i>in €000</i>	<b>Note</b>	<b>9M 2022</b>	<b>9M 2023</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	<b>9</b>	(289,629)	(201,123)
Acquisition of intangible assets	<b>11</b>	(228,319)	(344,407)
Acquisition of subsidiaries, net of cash acquired		(473,876)	(42,745)
Proceeds from tower sale transaction	<b>27</b>	166	1,218,258
Proceeds from sale of property, plant and equipment and assets held for sale			
Short term loans receivable and deposit inflow		152	1,187
Short term loans receivable and deposit outflow		(129,017)	(11,975)
Cash outflow investment in bond	<b>18</b>	(53,500)	-
Cash outflow investment in joint venture	<b>13</b>	-	(4,650)
Cash inflows from other non-current financial assets		13,394	4,990
Cash outflow from other non-current financial assets	<b>19</b>	(27,699)	(35,160)
Cash outflow for loans to related parties		(42,262)	(800)
<b>Net cash used in investing activities</b>		<b>(1,230,590)</b>	<b>583,575</b>
<b>Cash flows from financing activities</b>			
Proceeds from bond issue	<b>29</b>	980,000	-
Repayment of bond	<b>29</b>	(536,156)	(1,075,000)
Proceeds from borrowings	<b>29</b>	634,690	508,206
Repayment of borrowings	<b>29</b>	(197,837)	(404,522)
Repayment of other financial liabilities under supplier finance arrangements	<b>29</b>	(13,244)	(105,821)
Acquisition of non-controlling interest	<b>28</b>	(22,156)	-
Repayment from lease liabilities	<b>29</b>	(72,812)	(69,360)
Dividends paid	<b>28</b>	(839)	(972)
<b>Net cash from financing activities</b>		<b>771,646</b>	<b>(1,147,469)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>45,570</b>	<b>9,720</b>
Cash and cash equivalents at the beginning of the period	<b>26</b>	154,806	99,964
Effects of movements in exchange rates on cash in hands		4	3
<b>Cash and cash equivalents at end of period</b>	<b>26</b>	<b>200,380</b>	<b>109,687</b>

## Notes to the consolidated financial statements

### I. Finalisation of purchase price allocation

During 2022, the Group completed several acquisitions. At the date of acquisition, the fair value of assets and liabilities of the acquired companies was measured provisionally, pending completion of an independent valuation for the purchase price allocation. In Q4 2022, the purchase price allocation process was finalized, and the Group's consolidated financial statements as of 31 December 2022 were adjusted to reflect the final allocations. There is no impact on balance sheet or on the opening balance of the comparative period presented as all acquisitions and final purchase price allocations were reflected in the consolidated financial statements as of 31 December 2022.

The fair value adjustments, presented in the table below, were recorded with effect from the respective acquisition dates. During the current quarter, the Group adjusted certain positions in the statement of profit and loss for the nine month period ended 30 September 2022 to reflect the effects of the final purchase price allocation.

The effect of the adjustments made for the nine month period ended 30 September 2022 for statement of profit and loss is set out below:

Statement of profit and loss for nine months period ended 30 September 2022	As previously stated	Adjustments	As revised
Depreciation	(207,986)	(17,606)	(225,592)
Depreciation (right-of-use assets)	(96,600)	7,814	(88,786)
Amortization of intangible assets	(303,528)	(43,532)	(347,060)
<b>Operating profit</b>	<b>94,625</b>	<b>(53,324)</b>	<b>41,301</b>
Finance costs	(189,908)	(13,161)	(203,069)
<b>Net finance costs</b>	<b>(176,329)</b>	<b>(13,161)</b>	<b>(189,490)</b>
	-	-	-
<b>Loss before tax</b>	<b>(82,456)</b>	<b>(66,485)</b>	<b>(148,941)</b>
<b>Income tax expense</b>	<b>(15,835)</b>	<b>14,627</b>	<b>(1,208)</b>
<b>Loss for the period</b>	<b>(98,291)</b>	<b>(51,858)</b>	<b>(150,149)</b>
	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(96,183)</b>	<b>(51,858)</b>	<b>(148,041)</b>

Statement of profit and loss for three months period ended 30 September 2022	As previously stated	Adjustments	As revised
Depreciation	(71,148)	(5,869)	(77,017)
Depreciation (right-of-use assets)	(33,494)	2,604	(30,890)
Amortization of intangible assets	(104,020)	(14,510)	(118,530)
<b>Operating profit</b>	<b>34,910</b>	<b>(17,775)</b>	<b>17,135</b>
Finance costs	(62,416)	(4,387)	(66,803)
<b>Net finance costs</b>	<b>(55,164)</b>	<b>(4,387)</b>	<b>(59,551)</b>
	-	-	-
<b>Loss before tax</b>	<b>(20,413)</b>	<b>(22,162)</b>	<b>(42,575)</b>
<b>Income tax expense</b>	<b>(6,923)</b>	<b>4,876</b>	<b>(2,047)</b>
<b>Loss for the period</b>	<b>(27,336)</b>	<b>(17,286)</b>	<b>(44,622)</b>
	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(26,042)</b>	<b>(17,286)</b>	<b>(43,328)</b>

## 9M 2023 BONDHOLDER REPORT

The effect of the adjustments made for the nine month period ended 30 September 2022 for statement of cash flows is set out below:

Statement of cash flow for nine months period ended 30 September 2022	As previously stated	Adjustments	As revised
Loss for the period	(98,291)	(51,858)	(150,149)
Adjustments for:	-	-	-
Depreciation	207,986	17,606	225,592
Depreciation (right-of-use assets)	96,600	(7,814)	88,786
Amortization	303,528	43,532	347,060
Income tax expense	15,835	(14,627)	1,208
Net finance cost	176,329	13,161	189,490
<b>Cash generated from operations</b>	<b>734,161</b>	<b>-</b>	<b>734,161</b>
Interest paid leases	(21,736)	(13,161)	(34,897)
<b>Net cash from operating activities</b>	<b>518,587</b>	<b>(13,161)</b>	<b>505,426</b>
Repayment from lease liabilities	(85,973)	13,161	(72,812)
<b>Net cash from financing activities</b>	<b>757,564</b>	<b>13,161</b>	<b>770,725</b>

### 1. Revenue

Table below summarizes revenue per category:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
<i>Revenues from contract with customers</i>		
Subscription fees	1,518,900	1,454,281
Carriage fees	42,739	44,493
Advertising	122,184	112,440
Media selling	56,975	46,750
Sale of end user equipment	145,491	132,195
Sale of goods	47,696	27,069
Sublicenses	2,642	4,279
Other media related services	4,672	4,724
Revenues from digital distribution	22,363	18,264
Other revenues from customers	65,036	60,232
<b>Total Revenues from contract with customers</b>	<b>2,028,698</b>	<b>1,904,727</b>
<i>Revenues from other sources</i>		
Revenues from leasing infrastructure	16,428	15,209
<b>Total revenues</b>	<b>2,045,126</b>	<b>1,919,936</b>

Table below presents detail breakdown of subscription fees:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Cable	222,641	179,899
Internet	356,122	352,718
Telephony	93,232	115,180
DTH	90,444	114,829
Mobile	689,088	650,362
Other	67,373	41,293
<b>Total subscription fees</b>	<b>1,518,900</b>	<b>1,454,281</b>

## 2. Other Income

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Income from sublease of shops	4,054	4,327
Other income from joint operation and minorities	3,117	3,328
Penalties from customers	3,643	2,697
WHT refund	1,432	-
Income from write off of liabilities	522	252
Net gain on sale of property plant and equipment	757	347
Subsidies income	820	574
Other	3,844	5,955
<b>Total other income</b>	<b>18,189</b>	<b>17,480</b>

## 3. Content costs

Content cost relates to (i) royalty fees paid to broadcasting organizations for their TV content, (ii) fees to broadcasting companies or (iii) own production of content for short term use. The Group has separate contracts with broadcasting organizations which define conditions under which programs will be broadcast. Content costs are recorded as the services are provided.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Sports rights acquired	7,426	20,542
Other channels acquired	91,053	95,930
Other programs acquired (Terrestrial National Broadcasting)	24,281	21,422
Own production (Terrestrial National Broadcasting)	14,341	11,940
<b>Total content cost</b>	<b>137,101</b>	<b>149,834</b>

## 4. Link and interconnection costs

Link and interconnection costs are recorded based on the Group's contractual agreements with its vendors for internet link capacity and mobile network usage. Costs are recognized on a straight-line basis over the contract period.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Mobile link and interconnection costs	81,006	85,501
Internet costs	110,666	120,557
Telephony costs	27,178	25,853
Other link & interconnection costs	897	5,362
<b>Total link and interconnection cost</b>	<b>219,747</b>	<b>237,273</b>

## 5. Cost of end-user equipment and other materials

Cost of handset and cost of end user equipment relate to the goods delivered to customers and is recognised as expense in the period in which related revenue is earned. Cost of goods sold mainly relates to goods sold by Shoppster – regional platform for online shopping.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Cost of end user equipment (handsets)	143,789	127,964
Cost of other end-user equipment	3,899	7,991
Cost of goods sold	36,458	16,791
Energy and fuel costs	67,157	62,043
Material for maintenance	1,854	1,964
Office supplies	1,528	1,304
Other materials	1,715	1,838
<b>Total cost of end user equipment and other material costs</b>	<b>256,400</b>	<b>219,895</b>

### 6. Staff costs

The total number of employees as at 30 September 2023 is 14,867 (30 September 2022: 15,100).

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Salaries and social security (gross)	260,105	255,468
<i>minus capitalized salaries</i>	(46,975)	(41,970)
Part – time employment costs	1,776	2,030
Employee benefit costs	3,670	3,563
Unused vacations	2,285	2,106
Other staff costs	12,614	10,210
<b>Total staff cost</b>	<b>233,475</b>	<b>231,407</b>

Out of the total amount of the Other staff cost, the amount of EUR 2,235 thousand relates to the long-term incentive scheme.

During the nine month period ended 30 September 2023, the Group capitalized staff costs following costs:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Costs of network engineers and other in-house specialists incurred in the course of the construction property, plant and equipment	9,217	8,082
Costs to obtain contracts with customers	13,697	11,916
Costs incurred in production of television programming rights	9,935	12,860
Development of software	14,126	9,112
<b>Total capitalized salaries</b>	<b>46,975</b>	<b>41,970</b>

### 7. Net impairment loss on trade and other receivables, including contract assets

Expected credit losses are presented as net impairment losses within operating profit and subsequent recoveries of amounts previously written off are credited against the same line item.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Net impairment of trade receivables	19,308	19,225
Net impairment of contract assets	2,131	7,561
<b>Total net impairment on trade and other receivables, including contract assets</b>	<b>21,439</b>	<b>26,786</b>

## 8. Other operating expenses

Operating expenses are recognised as they are incurred, following the accrual concept. Other expenses mainly comprise of entertainment, travel, subcontractor, intellectual services, technical education and other costs representing a large number of low-value individual items. The table below summarizes key amounts recognised in relation to operating profit:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Rent expenses	24,260	18,471
Management fee - Shareholder related cost	22,542	26,617
Other management related expenses	962	700
Marketing and promotion expenses	43,502	36,073
Legal and advisory fees	10,923	12,321
Legal and advisory fees - M&A related	29,228	25,388
Maintenance costs	52,490	52,935
Customer service costs	28,609	16,165
License fees	21,978	19,984
Taxes	16,131	15,380
Production costs	16,118	13,482
External commission & outsourced costs	29,761	40,228
Phone, postal and internet expenses	7,395	6,044
Security services	5,916	4,843
Provision for legal cases	4,977	1,846
Bank charges	4,971	5,266
Insurance costs	4,203	3,544
Digital distribution costs	3,354	2,659
Disposal of property, plant and equipment	2,866	1,592
Technical services	2,719	6,525
Research and development costs	1,755	1,309
Impairment of inventories	1,294	1,080
Disposal of intangible assets	1,127	677
Membership fees	1,092	3,931
Donations	1,037	1,965
Other expenses	24,889	20,019
<b>Total other operating expense</b>	<b>364,099</b>	<b>339,044</b>

## 9. Property, plant and equipment

The table below summarizes changes in property, plant and equipment in the nine month period ending 30 September 2023 and 30 September 2022.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022*
Net book value as of 1 January	1,430,802	1,113,230
Acquisitions through business combination	7,559	352,043
Additions	200,066	289,629
Depreciation charge for the period	(231,444)	(225,592)
Disposal and impairment	(1,081)	(1,673)
Transfer from asset held for sale	54	-
Other	(3,591)	17
<b>Net book value as at 30 September</b>	<b>1,402,365</b>	<b>1,527,654</b>



\* Depreciation charge for the period for nine and three months ended 30 September 2022 has been revised to reflect the final purchase price allocation. Please see details under section I.

### 10. Right of use asset and lease liability

The Group recognises new assets and liabilities for its leases of satellite, office facilities, part of infrastructure, as well base stations and the right of use of a water and land surface. The table below summarizes changes in right of use assets in the nine month period ending 30 September 2023 and 30 September 2022:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022*
<b>Opening balance</b>	<b>742,696</b>	<b>276,107</b>
Acquisition through business combination	708	516,445
Lease of telecommunication towers infrastructure	130,763	-
New lease during the period	35,902	61,722
New lease during prepayment	690	135
Depreciation	(79,239)	(88,785)
Modifications	28,791	45,134
Disposal /Cancelation	(14,520)	(8,221)
Transfer to Assets held for sale	(10,299)	-
FX differences	(228)	(250)
<b>Closing balance</b>	<b>835,264</b>	<b>802,287</b>

\* Depreciation charge for the period for nine and three months ended 30 September 2022 has been revised to reflect the purchase price allocation. Please refer to the section I.

### 11. Intangible assets

The table below summarizes changes in intangible assets in the nine month period ended 30 September 2023 and 30 September 2022.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022*
Net book value as of 1 January	1,557,360	1,119,073
Acquisitions through business combination	128	588,923
Additions	344,407	228,319
Amortization charge for the period	(352,057)	(347,059)
Disposal and impairment	(2,079)	(1,596)
Other	4,338	319
<b>Net book value as of 30 September</b>	<b>1,552,097</b>	<b>1,587,979</b>

\* Amortization charge for the period of nine and three months ended 30 September 2022 has been revised to reflect the final purchase price allocation. Please refer to the section I.

During the nine month period ended 30 September 2023, the Group acquired additional radio frequencies spectrum for the period of 15 years for value of EUR 94 million for Croatian market.

### 12. Finance income and finance costs

Finance income comprises interest income on funds invested (including short-term bank deposits), and foreign currency gains. Interest income is recognized as it accrues in profit or loss.

## 9M 2023 BONDHOLDER REPORT

Finance costs comprise interest expense on borrowings and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Interest expenses	(199,330)	(153,431)
Interest expenses (lease liabilities)	(42,025)	(34,897)
Net foreign exchange losses	(2,761)	(4,396)
Other finance costs	(9,444)	(10,345)
<b>Total finance costs</b>	<b>(253,560)</b>	<b>(203,069)</b>
Interest income	21,935	10,699
Other financial gains	397	2,880
<b>Total finance income</b>	<b>22,332</b>	<b>13,579</b>
<b>Total net finance cost</b>	<b>(231,228)</b>	<b>(189,490)</b>

### 13. Equity-accounted associate and joint venture

The table below summarizes changes of the associates and joint ventures in the nine month period ending 30 September 2023:

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Opening balance	10,480	5,642
Acquired during period	4,650	-
Loss for the period	(928)	(752)
<b>Total equity-accounted associate</b>	<b>14,202</b>	<b>4,890</b>

### 14. Alternative performance measures

The table below presents reconciliation of Loss for the period to Adjusted EBITDAa.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Profit/(loss) for the period	452,817	(150,149)
Income tax	1,802	1,208
<b>Profit// (loss) before tax</b>	<b>454,619</b>	<b>(148,941)</b>
Adjustments for:		
Net finance cost	231,228	189,490
Depreciation	231,444	225,592
Depreciation (right-of-use assets)	79,239	88,786
Amortisation	352,057	347,060
Gain on tower sale and leaseback transaction	(558,735)	-
Share of net losses of associates accounted for using the equity method	927	752
<b>EBITDA</b>	<b>790,779</b>	<b>702,739</b>
Management fee - Shareholder related cost	22,542	26,329
Other management related expenses	646	700
Legal and advisory fee - M&A related	29,228	25,388
Staff cost	3,570	7,034
Rebranding cost	10,628	-
Penalties	233	344
Trade receivable impairment allowance - exceptional	1,298	2,583

Impairment of contract asset-exceptional	-	6,140
Provisions for legal cases	4,977	1,859
Impairment of subscriber's acquisition costs	932	798
Intragroup adjustments	103	1,919
Impairment of property, plant and equipment	380	320
Impairment of inventories	1,294	1,080
Write of assets	1,642	1,157
Donations	1,917	2,623
LTIS agreement	2,235	2,235
Application of accounting standard IFRS 16	(121,359)	(110,503)
Other	105	11,758
<b>Adjusted EBITDAa1</b>	<b>751,150</b>	<b>684,503</b>

\* Depreciation, depreciation (right-of-use assets) and Amortization charge for the period of nine and three months ended 30 September 2022 has been revised to reflect the final purchase price allocation. Please refer to the section I.

### 15. Income tax

Income tax expense is recognized at the amount determined by multiplying the profit/(loss) before tax for every component for the interim reporting period by management's best estimate of the annual income tax rate expected for the full financial year, adjusted for the tax effects of certain items recognized in the full in interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Current tax	(26,948)	(23,472)
Deferred tax net income	25,146	22,264
<b>Total income tax expense</b>	<b>(1,802)</b>	<b>(1,208)</b>

Income tax expense for the period of nine and three months ended 30 September 2022 has been revised to reflect the final purchase price allocation. Please refer to the section I.

### 16. Goodwill

The following schedule summarizes the movements in the balance of goodwill:

	30-Sep-23	31-Dec-22
<b>Cost</b>		
Balance at beginning of period	1,429,286	1,093,373
Acquisition through business combination	40,808	370,479
Impairment of goodwill	-	(11,776)
Transfer to assets held for sale	-	(23,608)
Translation difference	410	818
<b>Balance at end of period</b>	<b>1,470,504</b>	<b>1,429,286</b>
<b>Carrying amounts</b>		
Balance at beginning of period	1,429,286	1,093,373
<b>Balance at end of period</b>	<b>1,470,504</b>	<b>1,429,286</b>

## 17. Investment property

The fair value of the investment properties as at 30 September 2023 amounts to EUR 74,031 thousand (30 September 2022: EUR 71,634 thousand) and was determined by external, independent property valuers with appropriate recognized professional qualification and experience.

	Nine months ended 30 September 2023	Nine months ended 30 September 2022
Balance at 1 January	74,338	71,666
Transfers to property, plant and equipment	(259)	-
Other	(48)	(32)
<b>Total investment property</b>	<b>74,031</b>	<b>71,634</b>

## 18. Investment in bonds

	30-Sep-23	31-Dec-22
Investments in bonds	53,500	53,500
Interest receivables	6,930	2,811
<b>Investments in bonds</b>	<b>60,430</b>	<b>56,311</b>

The Group concluded an agreement to acquire HPPEI-A1-A Bonds in the nominal amount of EUR 55,000 thousand from Hoche Partners Securitization Management Sarl (HPSM) on 21 June 2022 which matures on 31 May 2027. In 2022, the Group paid EUR 53,500 thousand out of the total amount. The bonds accrue fixed interest of 10% until 30 September 2024 and 9% from 1 July 2024 till maturity. Together with class A, the Fund issued and withheld the class C bonds, which jointly represent separate Compartment A1 in the Fund. Compartment A1 was established for the purpose of investing in specific assets ("Business Unit Assets").

## 19. Other financial assets

	30-Sep-23	31-Dec-22
Indemnification asset	16,077	16,077
Long-term loan	3,778	5,726
Other long-term receivables	317	317
Long-term deposits	5,099	5,912
Other assets	35,997	6,259
Allowance for impairment	(96)	(100)
<b>Total other financial assets</b>	<b>61,172</b>	<b>34,191</b>

Indemnification asset recognised in the amount of EUR 16,077 thousand relates to Share Purchase Agreement (SPA) for acquisition of VIVACOM Group in 2020 where seller indemnified the Group against losses on the liabilities arising from particular contingencies. According to the SPA, the Group deposited an amount of EUR into an Escrow account with the Escrow bank, which can be released only with joint instruction of the Group and the Seller or final and non-appealable decisions of relevant bodies. Out of total other assets amount of EUR 35,000 thousand relates to consideration paid for acquisition of ASPN storitveno podjetje d.o.o Ljubljana. There is no restricted cash as at reporting date (31 December 2022: 5,259 thousand, cash restricted for use and mainly refers to pledge agreements for the issuance of letters of guarantee in favour of third parties).

## 20. Prepayments

Prepayments primarily relate to advance payments to content providers for programming rights and media buying.

	30-Sep-23	31-Dec-22
<b>Non-current prepayments</b>	<b>94,585</b>	<b>93,525</b>
Advance payments	27,455	22,697
Prepaid expenses	18,261	17,297
<b>Total Current prepayments</b>	<b>45,716</b>	<b>39,994</b>
<b>Total prepayments</b>	<b>140,301</b>	<b>133,519</b>

Out of total prepayments amount of EUR 87,000 thousand relates to prepayments for acquisition of fixed assets of Bulsatcom. Remaining amount primarily relates to advance payments to content providers for programming rights and media buying and to advance payments for telecom licenses.

## 21. Trade and other receivables

Trade receivables primarily relate to receivables from subscribers. The Group's trade receivables are pledged as collateral for loans and bonds.

	30-Sep-23	31-Dec-22
<b>Non-current trade receivables</b>	<b>23,779</b>	<b>22,103</b>
<b>Current trade and other receivables</b>		
Trade receivables at amortized cost	448,649	441,146
Trade receivables at fair value	2,018	2,606
<b>Provision of services</b>	<b>474,446</b>	<b>465,855</b>
Other receivables		
VAT receivables	22,281	27,449
Receivables from the state	17,859	10,380
Receivables from employees	1,022	1,281
Interest receivable	20	21
Accrued income	16,979	2,534
Other	20,504	12,367
<b>Total Other receivables</b>	<b>78,665</b>	<b>54,032</b>
Allowance for impairment of trade receivables	(30,360)	(27,421)
Allowance for impairment other receivables	-	(1,863)
<b>Total allowance for trade and other receivables</b>	<b>(30,360)</b>	<b>(29,284)</b>
<b>Total trade receivables current</b>	<b>498,972</b>	<b>468,500</b>
<b>Total trade receivables (non-current and current)</b>	<b>522,751</b>	<b>490,603</b>

The Group's trade receivables are classified at amortised cost unless stated otherwise and are measured after allowances for future expected credit losses. The carrying amounts of trade and other receivables which are measured at amortised cost, approximate their fair value and are predominantly non-interest bearing.

## 22. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	30-Sep-23	31-Dec-22
<b>Contract assets</b>		
Contract assets in relation to sale of subsidies handsets	39,992	39,693
Contract assets in relation to discounts and free services rendered for contracts on commitments	68,819	40,282
Contract assets for service provided but not billed	15,511	10,678
<b>Total contract assets</b>	<b>124,322</b>	<b>90,653</b>
<b>Contract liabilities</b>		
Contract liabilities from one-time fees	2,599	3,406
Contract liabilities from expected refund from customers	41,356	36,427
Payment in advance for performance obligation	50,118	32,637
<b>Total contract liabilities</b>	<b>94,073</b>	<b>72,470</b>

As of reporting date, there were no contract assets acquired through business combination (31 December 2022: EUR 17,547 thousand), while contract liabilities increased by EUR 1,494 thousand (31 December 2022: EUR 22,089 thousand) due to effect of acquisition of subsidiaries.

The Group recognized a loss allowance for contract assets in accordance with IFRS 9 in the amount EUR 2,131 thousand as at 30 September 2023 (30 September 2022: EUR 7,561 thousand).

The amount of EUR 36,492 thousand included in contract liabilities at 31 December 2022 has been recognized as revenue in 2023 (30 September 2022: EUR 1,853 thousand).

The amount of contract liability of EUR 76,282 thousand is expected to be recognized as revenue in next twelve months, and amount of EUR 17,790 thousand is expected to be recognized as revenue from October 2024.

The increase in contract assets associated with discounts and complimentary services provided for committed contracts is primarily linked to the implementation of a new strategic approach in Greece.

## 23. Inventories

Inventories mainly consist of mobile handsets, CPEs (Customer Premise Equipment – mainly modems and receivers) designated for sale and television programming rights.

	30-Sep-23	31-Dec-22
Mobile handsets	33,740	32,638
Television programming rights	34,024	29,952
Goods (CPE and other goods)	25,454	22,799
Materials	5,762	5,088
Products	727	567
Provision for impairment	(3,446)	(3,632)
<b>Total inventory</b>	<b>96,261</b>	<b>87,412</b>

## 24. Loan at fair value through profit and loss

	30-Sep-23	31-Dec-22
Loan at FVTPL	36,770	36,770
Interest receivables	2,955	1,561
<b>Total loans at FVTPL</b>	<b>39,725</b>	<b>38,331</b>

On 8 September 2022, the Group granted a loan with an aggregate principal amount of EUR 126,770 thousand (the "Loan") to a third-party SPV entity, Viva Corporate Sarl (the "Borrower"). The Loan bears interest at a rate of 5% per annum and is repayable after the first anniversary upon 30-day notice. Proceeds from the Loan were used by the Borrower for its acquisition of Bulsatcom EOOD. The Loan is secured by a pledge on certain receivables and bank accounts of the Borrower. The Loan will be repaid with the proceeds from the sale of certain towers and fixed infrastructure assets of Bulstacom EOOD to the Group's Telco operator in Bulgaria, together with Bulsatcom EOOD's cash flow from operating activities.

On 24 November 2022, the Group entered into an asset sale agreement for the acquisition of Bulstacom's tower assets for a purchase price of EUR3,000 thousand. The transaction was completed and the purchase price was set of against payables due by the Borrower to the Group under the Loan.

On 25 November 2022, the Group entered into an asset sale agreement for the acquisition of certain fibre network assets of Bulstacom for a purchase price of EUR 87,000 thousand. The Group will integrate Bulstacom's mobile towers in its own operations and leaseback the fibre network assets to Bulstacom EOOD. Closing of this transaction is subject to regulatory approval and is expected in the coming months. The amount of payables due by the Borrower to the Group under the Loan was set off against the pre-payment of the purchase price owed by the Group to Bulstacom.

On 7 November 2023, the Group entered into a share purchase agreement for the acquisition of 100% of Bulstacom's share capital. The purchase price for the acquisition will be set of against the remaining payables due by the Borrower to the Group under the Loan (EUR 36,770 thousand).

## 25. Short-term loans receivables and deposits

	30-Sep-23	31-Dec-22
Deposits	19,232	8,689
Short-term loans	5,354	1,908
Allowance for impairment	(34)	(34)
<b>Total short-term loan deposits</b>	<b>24,552</b>	<b>10,563</b>

## 26. Cash and cash equivalents

The Group places its cash and cash equivalents in banks and financial institutions with reliability proven by ratings awarded by universally recognized agencies. As at 30 September 2023 cash and cash equivalents were placed primarily with institutions rated A and BBB by Standard & Poor's.

	30-Sep-23	31-Dec-22
EUR accounts and cash on hand	56,703	52,376
BGN accounts and cash on hand	12,501	13,146
RSD accounts and cash on hand	25,174	11,729
HRK accounts and cash on hand	-	3,380
BAM accounts and cash on hand	11,372	15,648
USD accounts and cash on hand	2,848	2,812
Escrow account	167	213

Other currency accounts	922	660
<b>Total cash and cash equivalents</b>	<b>109,687</b>	<b>99,964</b>

**27. Gain on sale of assets of a disposal group held for sale**

On 20 April 2023, the subsidiary Slovenia Broadband S.à r.l. entered into a sale and purchase agreement with TAWAL an affiliate of Stc Group and a leading integrated ICT infrastructure company in the MENA region, pursuant to which the Group agreed to sell its telecommunication towers infrastructure in Bulgaria, Croatia and Slovenia to TAWAL for an aggregate consideration of EUR 1,218,258 thousand. The terms of the transaction include long term Master Services Agreements and Service Level Agreements for the Group’s continued use of the telecommunications towers infrastructure following completion of the transaction. The net proceeds from the transaction were used to pay down the Group’s indebtedness and further strengthening Group’s cash and liquidity position.

In determining the appropriate accounting treatment for a sale-and-leaseback transaction, the Group initially assesses whether to apply the guidance outlined in IFRS 15 for the transfer of control or, alternatively, the guidance in IFRS 10 when a business is transferred. This judgment is influenced by the considerations outlined in the tentative agenda decision of the IFRS Interpretations Committee (IFRS IC) related to the sale and leaseback of an asset within a single-asset entity.

Based on the conditions and circumstances of the transaction the Group believes that sale and leaseback guidance apply. The Group generally classifies the initial transfer of a group of assets or a business from the Group to the buyer-lessor as a sale, aligning with the principles of IFRS 15 and IFRS 16.

If the criteria of IFRS 15 are met for the asset transfer to be accounted for as a sale:

The Group measures the right-of-use assets resulting from the leaseback by determining the proportion of the previous carrying amount of the assets related to the retained right of use. Consequently, the Group recognizes in profit or loss only the gain or loss amount associated with the rights transferred to the buyer-lessor within the separate line Gain or loss on tower sale and leaseback transaction in the statement of profit and loss.

If the fair value of the consideration for the asset sale differ from the fair value of the asset or if lease payments are not at market rates, the Group adjusts the sale proceeds to fair value:

- Below-market terms are treated as a prepayment of lease payments.
- Above-market terms are treated as additional financing provided by the buyer-lessor to the Group.

The Group opts to measure any potential adjustment based on the more readily determinable of:

- The difference between the fair value of the consideration for the sale and the fair value of the asset.
- The difference between the present value of contractual lease payments and the present value of payments at market rates.

To determine the proportion of the previous carrying amount of the asset linked to the retained right of use, the Group compares the present value of expected lease payments (including variable ones) with the fair value of the asset at the transaction date.

This method is deemed most appropriate by the Group, considering that the transaction price encompasses expected cash flows from various sources, such as the net present value of anticipated cash flows from the lease agreement with the group, the net present value of expected cash flows from



## 9M 2023 BONDHOLDER REPORT

the remaining useful lives of assets, and the net present value of expected cash flows from other operators. The gain recognized is limited to the portion of the total gain that relates to the rights ceded to the buyer-lessor. The lease liability at the transaction date is measured by the present value of lease payments over the lease term, using the incremental borrowing rate.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset:

- the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

Calculation of gain on disposal group held for sale is provided in the table below:

Consideration received	1,218,258
Derecognized assets of a disposal group	(265,862)
Derecognized liabilities directly associated with disposal groups	157,467
Other asset derecognized	(17,885)
New ROU recognized	130,763
New lease recognized	(664,006)
<b>Gain on disposal group held for sale</b>	<b>558,735</b>

New lease is recognized in accordance with Long term Master Services Agreements (MSA) for the use of the telecommunications towers infrastructure following completion under the initial lease term of twenty years. MSA contains an option of extension for eight years. Based on useful life of underlying assets and industry practice for lease of towers from external suppliers as well as uncertainty due to contract duration, the management judgement is to have initial lease term as basis for recognition. The incremental borrowing rate used for initial recognition is determined at 11.05%.

Other assets and liabilities related to pre-existing relationship (i.e. trade receivables, trade payables that were previously eliminated on consolidated level).

Based on the preliminary tax assessment performed by the Group, the disposal of its shareholding held in the United Towers entities has not resulted in taxable gain considering the Luxembourg participation exemption regime ("LPER") conditions were met at the time of the transaction (i.e. the United Towers entities that have been disposed of have been held by the Group for more than 12 months).

The major classes of assets and liabilities of disposal group as held for sale as date of disposal were as follows:

	24-Aug-23	31-Dec-22
<b>Derecognized assets of a disposal group held for sale</b>		
Goodwill	23,608	23,608
Property, plant and equipment	110,828	110,893
Right-of-use assets	123,407	113,113
Inventories	134	144
Trade and other receivables	4,317	2,831
Short term loans receivables and deposits	414	115
Prepayments	979	347
Income tax receivables	491	227
Cash and cash equivalents	1,523	428
Other assets	161	164
<b>Total derecognized assets of a disposal group held for sale</b>	<b>265,862</b>	<b>251,870</b>

### Derecognized liabilities directly associated with disposal groups classified as held for sale

Long term provisions	26,245	25,876
----------------------	--------	--------

Deferred tax liabilities	2,845	3,179
Trade and other payables	6,869	4,818
Current tax liabilities	3,210	2,079
Non-current lease liabilities	104,900	102,315
Current lease liabilities	12,720	12,421
Other liabilities	678	802
<b>Total derecognized liabilities directly associated with disposal groups classified as held for sale</b>	<b>157,467</b>	<b>151,490</b>

The Group determined the carrying amount of goodwill associated with disposed subsidiaries by considering the proportional contribution of the carrying value of these subsidiaries to the overall carrying value of the CGU to which they belonged.

## 28. Capital and non-controlling interest

Changes in Issued and fully paid share capital and share premium are recorded at the amount of the proceeds received, net of direct issuance costs.

Dividend distribution to shareholders is recognised as a liability in the Group's condensed consolidated interim financial statements in the period in which the dividends are approved by the shareholders. Share premium represent distributable reserves. Capital reserves are not distributable.

The issued share capital and share premium of Adria Midco B.V. as at 30 September 2023 amounts to EUR 125 thousand and EUR 546,046 thousand, respectively (31 December 2022 EUR 125 thousand and EUR 546,046 thousand, respectively).

During the nine month period ended 30 September 2023, the Group paid dividends in the amount of EUR 972 thousand to minority shareholders in IDJ Digital Holding LTD, Daily Press d.o.o., Televizija Vijesti d.o.o.

Under capital reserves, in the nine month period ended 30 September 2023, the Group recognized the amount of EUR 2,235 thousand which relates to long term incentive plan which is classified as an equity-settled share-based payment with the Group's management and employees (30 September 2022: EUR 2,325 thousand; 31 December 2022: EUR 2,980 thousand).

As at 21 January 2022, the Group acquired controlling interest in Optima Telekom and recognized amount of EUR 21,408 thousand as non-controlling interest.

During the nine month period ended 30 September 2022, after the Group acquired controlling interest in Optima Telekom, the Group acquired additional 45.11% of shares in Optima Telekom for total consideration of EUR 22,156 thousand which was paid in cash.

As at 26 May 2022 the Group acquired controlling interest in Televizija Vijesti d.o.o. and recognized amount of EUR 570 thousand as non-controlling interest.

As at 26 May 2022 the Group acquired controlling interest in Daily Press d.o.o. and recognized amount of EUR 416 thousand as non-controlling interest.

During the nine month period ended 30 September 2022, the Group paid dividends in the amount of EUR 839 thousand to minority shareholders in IDJ Digital Holding LTD, Malta and and Grabo Media AD.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intragroup eliminations:

## 9M 2023 BONDHOLDER REPORT

30-Sep-23	Telemach Tezno a.d., Slovenia	IDJ Digital Holding LTD, Malta	Brainz d.o.o., Serbia	Fortuna E-sports d.o.o., Serbia	I.R.V. d.o.o., Slovenia	HKB-net d.o.o., Bosnia	Kablovska Televizija HS d.o.o., Bosnia	Total TV d.o.o., Macedonia	Mainstream d.o.o., Serbia	Mainstream Public Services d.o.o., Serbia	Grabo Media AD, Bulgaria	Izdatelska Kashta Borba AD, Bulgaria	Tessa Energy OOD, Bulgaria	Televizija Vjesti d.o.o., Montenegro	Daily Press d.o.o., Montenegro	Adria Media d.o.o., Slovenia	Total
NCI percentage	12.99%	49.00%	25.00%	20.00%	46.51%	36.00%	42.53%	25.00%	30.00%	30.00%	49.00%	50.00%	20.00%	49.00%	49.00%	28.99%	
Non-current assets	1,541	1,865	26	49	1,008	4,356	1,619	1,457	3,499	155	52	135	280	358	1,536	818	18,754
Current assets	258	4,494	145	391	150	11,908	6,827	1,102	3,050	1,203	780	81	735	2,963	801	1,066	35,954
Non-current liabilities	(12)	-	(2)	-	(1,286)	(276)	(114)	-	(3,061)	-	(124)	(11)	(1,164)	(82)	(230)	(2,059)	(8,421)
Current liabilities	(124)	(5,487)	(53)	(69)	(402)	(2,384)	(1,104)	(9,927)	(3,313)	(1,233)	(116)	(9)	(123)	(548)	(537)	(1,087)	(26,516)
<b>Net assets</b>	<b>1,663</b>	<b>872</b>	<b>116</b>	<b>371</b>	<b>(530)</b>	<b>13,604</b>	<b>7,228</b>	<b>(7,368)</b>	<b>175</b>	<b>125</b>	<b>592</b>	<b>196</b>	<b>(272)</b>	<b>2,691</b>	<b>1,570</b>	<b>(1,262)</b>	<b>19,771</b>
Carrying amount of NCI	216	427	29	74	(247)	4,897	3,074	(1,842)	53	38	290	98	(54)	1,319	769	(365)	8,776
Revenue	673	9,185	190	356	657	5,730	2,837	1,391	4,265	1,567	1,791	160	-	2,587	2,273	1,582	35,244
Profit	62	2,030	9	(61)	(413)	1,925	927	(774)	(708)	(60)	514	(23)	(103)	969	454	(1,074)	3,674
OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	62	2,030	9	(61)	(413)	1,925	927	(774)	(708)	(60)	514	(23)	(103)	969	454	(1,074)	3,674
Profit allocated to NCI	8	995	2	(12)	(192)	693	394	(194)	(212)	(18)	252	(12)	(21)	475	222	(311)	2,069

31-Dec-22	Telemach Tezno a.d., Slovenia	IDJ Digital Holding LTD, Malta	Brainz d.o.o., Serbia	Fortuna E-sports d.o.o., Serbia	I.R.V. d.o.o., Slovenia	HKB-net d.o.o., Bosnia	Kablovska Televizija HS d.o.o., Bosnia	Total TV d.o.o., Macedonia	Mainstream d.o.o., Serbia	Mainstream Public Services d.o.o., Serbia	Grabo Media AD, Bulgaria	Izdatelska Kashta Borba AD, Bulgaria	Tessa Energy OOD, Bulgaria	Televizija Vjesti d.o.o., Montenegro	Daily Press d.o.o., Montenegro	Adria Media Ljubljana	Total
NCI percentage	12.99%	49.00%	25.00%	20.00%	46.51%	36.00%	42.53%	25.00%	30.00%	30.00%	49.00%	50.00%	20.00%	49.00%	49.00%	28.99%	
Non-current assets	1,601	2,073	45	53	849	4,430	1,709	1,648	2,188	155	4	138	90	282	1,559	249	17,073
Current assets	149	2,740	108	441	239	9,595	5,648	948	2,519	1,039	1,036	107	836	2,284	800	1,795	30,284
Non-current liabilities	(14)	-	(2)	-	(909)	(310)	(115)	-	(56)	(4)	(124)	(11)	(1,024)	(2)	(451)	(709)	(3,731)
Current liabilities	(134)	(4,624)	(49)	(60)	(346)	(2,037)	(941)	(9,181)	(3,746)	(993)	(149)	(12)	(69)	(853)	(794)	(1,550)	(25,538)
<b>Net assets</b>	<b>1,602</b>	<b>189</b>	<b>102</b>	<b>434</b>	<b>(167)</b>	<b>11,678</b>	<b>6,301</b>	<b>(6,585)</b>	<b>905</b>	<b>197</b>	<b>767</b>	<b>222</b>	<b>(167)</b>	<b>1,711</b>	<b>1,114</b>	<b>(215)</b>	<b>18,088</b>
Carrying amount of NCI	208	93	26	87	(78)	4,204	2,680	(1,646)	272	59	376	111	(33)	838	546	(64)	7,679
Revenue	933	8,449	219	535	804	7,466	3,680	2,288	4,295	2,043	2,179	195	-	1,772	1,833	520	37,211
Profit	54	(1,788)	(32)	41	(434)	2,253	1,109	(678)	(442)	-	601	2	(134)	549	265	(287)	1,079
OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	54	(1,788)	(32)	41	(434)	2,253	1,109	(678)	(442)	-	601	2	(134)	549	265	(287)	1,079
Profit allocated to NCI	7	(876)	(8)	8	(202)	811	472	(170)	(133)	-	294	1	(27)	269	130	(83)	493

## 29. Borrowings and bonds

### Long-term borrowings

Long-term borrowings per the loan facility are as follows:

	30-Sep-23	31-Dec-22
Bonds	3,505,000	4,587,000
Adjustment for amortized cost (bonds)	(28,773)	(43,710)
<b>Total carrying value</b>	<b>3,476,227</b>	<b>4,543,290</b>
<i>RCF and bank secured loan</i>		
Revolving credit facility (RCF)	386,858	292,433
Bank secured loan	153,484	144,071
<b>Total outstanding amount</b>	<b>540,342</b>	<b>436,504</b>
Current portion for revolving facilities	(79,466)	(65,077)
Current portion for bank secured loan	(46,678)	(37,786)
Adjustment for amortized cost (RCF)	(247)	(787)
Adjustment for amortized cost (Bank secured loan)	(704)	(629)
<b>Total carrying value</b>	<b>413,247</b>	<b>332,225</b>

### Bonds

The Group's outstanding senior secured notes are rated by Moody's as B2 and by S&P Global as B.

On July 27, 2017, the Group issued, among other series of notes which subsequently have been redeemed, €325,000,000 in aggregate principal amount of 4.875% Senior Secured Notes due 2024

(the "2024 SSNs"). On July 4, 2019, the Issuer issued €200,000,000 in aggregate principal amount of additional 2024 SSNs. The 2024 SSNs were repaid in August 2023 using the proceeds from the sale of the Group's mobile towers.

On May 17, 2019, the Group issued €550,000,000 in aggregate principal amount of Senior Secured Floating Rate Notes due 2025 (the "2025 FRNs"). The 2025 FRNs were repaid in August 2023 using the proceeds from the sale of the Group's mobile towers.

On February 6, 2020, the Group issued €600,000,000 in aggregate principal amount of 3.125% Senior Secured Notes due 2026 (the "2026 SSNs"), €450,000,000 in aggregate principal amount of Senior Secured Floating Rate Notes due 2026 (the "2026 FRNs" and, together with the 2025 FRNs, the "Floating Rate Notes") and €625,000,000 in aggregate principal amount of 3.625% Senior Secured Notes due 2028 (the "3.625% 2028 SSNs"). The Floating Rate Notes and the 3.625% 2028 SSNs were issued in connection with the acquisition of Vivacom and to redeem certain existing notes and partially repay amounts drawn under the Revolving Credit Facility.

The 2026 SSNs bear an interest rate of 3.125% and mature on 15 February 2026. The effective interest rate used for the calculation of the carrying values of the 2026 SSNs is 3.403%.

The 2026 FRNs bear an interest rate of 3M Euribor+3.25% and mature on 15 February 2026. The effective interest rate used for the calculation of the carrying values of the 2026 FRNs is 6.249%.

The 3.625% 2028 SSNs bear an interest rate of 3.625% and mature on 15 February 2028. The effective interest rate used for the calculation of the carrying values of the 3.625% 2028 SSNs is 3.858%.

On November 30, 2020, the Group issued €400,000,000 in aggregate principal amount of 4.000% Senior Secured Notes due 2027 (the "2027 SSNs"). The 2027 SSNs bear an interest rate of 4.000% and mature on 15 November 2027. The effective interest rate used for the calculation of the carrying values of the 2027 SSNs is 4.337%. Proceeds from the 2027 SSNs were used to repay a portion of the amounts drawn under the Revolving Credit Facility that were used to fund the purchase price for the Nova Broadcasting Group Acquisition and to pay transaction costs associated with the bond offering.

On January 26, 2021, the Group issued €150,000,000 in aggregate principal amount of additional 2027 SSNs. Proceeds were used to repay a portion of the amounts drawn under the Revolving Credit Facility that were used to fund the purchase price for the Nova Broadcasting Group Acquisition and to pay transaction costs associated with the bond offering.

On July 23, 2021, the Group issued €300,000,000 in aggregate principal amount of 4.625% Senior Secured Notes due 2028 (the "4.625% 2028 SSNs"). The 4.625% 2028 SSNs bear an interest rate of 4.625% and mature on 15 August 2028. The effective interest rate used for the calculation of the carrying values of the 4.625% 2028 SSNs is 4.968%. Proceeds from the 4.625% 2028 SSNs were used to repay a portion of the amounts drawn under the Revolving Credit Facility, to pay the purchase price for the Optima Telekom Acquisition, and to pay transaction costs associated with the bond offering.

On January 20, 2022, the Group issued €500,000,000 in aggregate principal amount of 5.25% Senior Secured Notes due 2030 (the "2030 SSNs") and €480,000,000 in aggregate principal amount of senior secured floating rate notes due 2029 (the "2029 FRNs").

The 2030 SSNs bear an interest rate of 5.25% and mature on 1 February 2030. The effective interest rate used for the calculation of the carrying values of the 2030 SSNs is 5.561%.

The 2029 FRNs bear an interest rate of 3M EURIBOR + 4.875% and mature on 1 February 2029. The effective interest rate used for the calculation of the carrying values of the 2030 SSNs is 6.922%.

Proceeds from the 2030 SSNs and the 2029 FRNs were used, together with cash on hand, to repay in full and cancel the indebtedness expected to be incurred under certain bridge facilities raised for the financing of the acquisition of WIND, including accrued interest thereon, and to pay fees and expenses in connection with the in relation to thereto.

### ***Borrowings***

In July 2021, the Group agreed on upsizing of existing Senior Secured RCF to EUR 325,000 thousand and extended maturity to 2025. The bank loan facilities have been secured by a pledge on 100% of the shares of Adria Midco B.V. and direct subsidiary entities as well as property, plant and equipment, intangible assets, receivables and cash.

Overview of long-term loans as at 30 September 2023:

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Nominal value</b>	<b>Carrying amount</b>
Revolving facility (RCF)	EUR	1.85%-7.625%	2023-2029	386,858	386,611
Current portion for revolving facilities	EUR			-	(79,466)
Bank secured loans	EUR	0.77%-8.202%	2024-2046	153,484	152,780
Current portion of long term Bank secured loans	EUR			-	(46,678)
<b>Total</b>				<b>540,342</b>	<b>413,247</b>

### **Short-term loans and borrowing**

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Nominal value</b>	<b>Carrying amount</b>
<b><i>Current portion of long-term loans</i></b>					
Current portion for revolving facilities	EUR	1.85%-7.625%	2023-2029	386,858	79,466
Bank secured loans	EUR	0.77%-8.202%	2024	153,484	46,678
<b>Total</b>					<b>126,144</b>

### **Other financial liabilities under supplier finance arrangements**

The Group engaged into the different types of supplier financing arrangements. These third party arrangement defines that suppliers will be paid by bank, while the Group would assume an unconditional obligation to repay the bank with an extended credit term. Original set of rights and obligations between the Group and the supplier are substitute with a modified set of rights and obligations, specifically:

- the Group has to make a payment under an extended term, up to 150 days instead of 60 days.
- the Group thus will be unable to use any clauses from the original supply contract, such as credit notes, claims for faulty goods and services, etc, in respect of a particular invoice.

All fees in these arrangements are paid by respective suppliers and not by the Group. Bank has no right to demand early repayment from the Group, nor rights to draw the amounts due from the Group's accounts.

### **Loan covenants**

Based on the agreement for revolving credit facility, the Group is required to comply with a leverage ratio to consolidated Adjusted EBITDAal for the period most recent four consecutive financial quarters ending prior to the date of determination of the ratio. Leverage ratio is calculated as aggregate outstanding indebtedness of the Group and should not exceed ratio 9:1. Indebtedness is calculated as

## 9M 2023 BONDHOLDER REPORT

total financial liabilities decreased by level of cash and cash equivalents as at reporting date. Satisfaction of the covenant is tested quarterly. The Group has been in compliance with the above requirements as at and for the nine months period ended 30 September 2023 and for the year ended 31 December 2022, and to the date of issuance of this report.

### Changes on financial liabilities and interest payable

	Bonds and borrowings	Lease liabilities	Interest payables	Supplier finance arrangements	Total
<b>Liabilities from financing activities at 1 January 2022</b>	<b>3,634,504</b>	<b>286,021</b>	<b>40,864</b>	<b>10,989</b>	<b>3,972,378</b>
<b>Increases</b>					
Proceeds from bonds	980,000	-	-	-	980,000
Cash inflow from revolving credit facilities	568,890	-	-	-	568,890
Cash inflow from secured bank loans	65,800	-	-	-	65,800
Transaction cost released	6,439	-	(6,439)	-	-
Acquisition through business combination	538,882	515,566	4,846	-	1,059,294
Acquisitions leases	-	64,704	-	-	64,704
New contracts in the period	-	-	-	20,221	20,221
<b>Decreases</b>					
Redemption of bonds	(536,156)	-	-	-	(536,156)
Transaction cost incurred	(15,199)	-	-	-	(15,199)
Repayment of revolving credit facilities	(182,779)	-	-	-	(182,779)
Repayment of secured bank loans	(15,058)	-	-	-	(15,058)
Repayment of other financial liabilities under supplier finance arrangements	-	-	-	(13,244)	(13,244)
Payment of lease liabilities	-	(72,812)	-	-	(72,812)
Interest lease payment	-	(34,897)	-	-	(34,897)
Interest accrual	-	34,897	153,429	-	188,326
Interest payments bonds*	-	-	(152,385)	-	(152,385)
Interest payments RCF*	-	-	(4,318)	-	(4,318)
Interest payments other loans*	-	-	(1,682)	-	(1,682)
Other changes**	(91)	38,793	(383)	-	38,319
<b>Liabilities from financing activities at 30 September 2022</b>	<b>5,045,232</b>	<b>832,272</b>	<b>33,933</b>	<b>17,966</b>	<b>5,929,403</b>

\*Interest paid on borrowings, bonds and lease is classified as operating cash outflow in the consolidated statement of cash flow

\*\* Other changes of lease liabilities mainly relate to modification of contracts for base stations and office premises.

	Bonds and borrowings	Lease liabilities	Interest payables	Supplier finance arrangements	Total
<b>Liabilities from financing activities at 1 January 2023</b>	<b>4,978,376</b>	<b>765,012</b>	<b>56,875</b>	<b>21,838</b>	<b>5,822,101</b>
<b>Increases</b>					
Cash inflow from revolving credit facilities	470,206	-	-	-	470,206
Cash inflow from secured bank loans	38,000	-	-	-	38,000
Transaction cost released	8,636	-	(8,636)	-	-
Acquisition through business combination	-	708	-	-	708
Acquisitions leases	-	701,994	-	-	701,994
New contracts in the period	-	-	-	116,530	116,530
<b>Decreases</b>					
Repayment of bond	(1,075,000)	-	-	-	(1,075,000)
Repayment of revolving credit facilities	(376,144)	-	-	-	(376,144)
Repayment of secured bank loans	(28,378)	-	-	-	(28,378)
Repayment of other financial liabilities under supplier finance arrangements	-	-	-	(105,821)	(105,821)
Payment of lease liabilities	-	(69,360)	-	-	(69,360)
Interest lease payment	-	(42,025)	-	-	(42,025)
Interest accrual	-	42,025	199,330	-	241,355
Interest payments bonds*	-	-	(195,671)	-	(195,671)
Interest payments RCF*	-	-	(16,550)	-	(16,550)
Interest payments other loans*	-	-	(3,365)	-	(3,365)
Other changes**	(78)	12,276	(795)	-	11,403
<b>Liabilities from financing activities at 30 September 2023</b>	<b>4,015,618</b>	<b>1,410,630</b>	<b>31,188</b>	<b>32,547</b>	<b>5,489,983</b>

\*Interest paid on borrowings, bonds and lease is classified as operating cash outflow in the consolidated statement of cash flow

\*\*Amount presented on other changes on lease liabilities relates to other non-cash items (modifications, transfers, etc.).

### 30. Long term liabilities and Trade and other payables

30-Sep-23

31-Dec-22

## 9M 2023 BONDHOLDER REPORT

Non-current payables	177,232	114,243
Other long-term liabilities	2,517	3,227
<b>Total long-term liabilities</b>	<b>179,749</b>	<b>117,470</b>
Trade payables	323,610	441,558
Deferred consideration	4,063	5,542
Accrued liabilities	230,630	179,732
Received advances	14,876	4,749
Taxes payables	18,683	17,360
VAT payables	36,438	14,980
Liabilities to employees	45,847	47,904
Other liabilities	21,824	23,336
<b>Total trade and other payables</b>	<b>695,971</b>	<b>735,161</b>
Interest payables - bond	30,280	56,345
Interest payables	908	530
<b>Total interest payable</b>	<b>31,188</b>	<b>56,875</b>

Non-current trade payables mainly relate to acquired radio frequencies spectrum for period of up to 15 years payable in annual instalments. Out of total trade and other payables amount of EUR 757,359 thousand (31 December 2022: EUR 764,411 thousand) relates to financial liabilities which are comprised of non-current payables, trade payables, deferred consideration, accrued liabilities and other liabilities.

### 31. Provisions

The Group is involved in a number of legal and other disputes, including notifications of possible claims. The management, after taking legal advice, have established provisions after taking into accounts the facts of each case.

	30-Sep-23	31-Dec-22
Indemnified liability - long term	12,489	12,489
Provisions for legal cases	21,309	21,231
Provisions for decommissioning of base stations	9,028	7,908
Other provisions	5,695	4,965
<b>Total long-term provisions</b>	<b>48,521</b>	<b>46,593</b>
Indemnified liability - short term	3,006	3,006
Provisions for legal cases - short-term	5,196	931
Other provisions - short-term	415	543
<b>Total short-term provisions</b>	<b>8,617</b>	<b>4,480</b>
<b>Total provisions</b>	<b>57,138</b>	<b>51,073</b>
<b>Out of total Indemnified liability</b>	<b>15,495</b>	<b>15,495</b>
<b>Out of total Provisions for legal cases</b>	<b>26,505</b>	<b>22,162</b>

### Contingent liabilities

Contingent liabilities are not recognised in the condensed consolidated interim financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

As at 30 September 2023 the Group is involved in a number of legal cases in the total amount claimed of EUR 762,977 thousand (31 December 2022: EUR 712,780 thousand).

The Group management recognized provisions for legal cases in the amount of EUR 26,505 thousand representing its assessment of the most likely outcome of the cases and believes that any disclosure of the amounts provided on a case-by-case basis could seriously harm the Group's position, but provides details of the provisions recorded by categories of litigation as reflected below. Ultimate outcome of the cases is inherently uncertain and may differ from the best estimate of the Group management as discussed below.

	30-Sep-23	31-Dec-22
Slovenia litigations	4,017	4,159
Bosnia litigations	5,728	5,728
Croatia litigations	7,393	7,138
Greece litigations	3,787	3,840
Bulgaria litigations	632	614
Serbia litigations	4,948	683
<b>Total</b>	<b>26,505</b>	<b>22,162</b>

For disputes for the outcome of which no provisions were created by the Group, the Group management, supported by legal teams, assesses the favourable outcome to be probable (more likely than not).

There were no other significant changes in status of litigations compared to 31 December 2022.

As of 30 September 2023, the Group issued bank guarantees to third parties in the amount of EUR 58,576 thousand.

### 32. Deferred operating lease income

Deferred operating lease income refers mainly to network operating lease arrangements with mobile operators.

	30-Sep-23	31-Dec-22
<b>Up to 1 year</b>	<b>4,371</b>	<b>3,849</b>
Between 1 and 2 years	3,580	4,206
Between 2 and 5 years	1,471	1,472
Over 5 years	3,758	4,098
<b>Total over 1 year</b>	<b>8,809</b>	<b>9,776</b>
<b>Total deferred operating lease income</b>	<b>13,180</b>	<b>13,625</b>



## Appendix 2 - Definitions of Key Operating Measures

**Homes passed:** represents all homes (households) ready to be connected directly to the United Group's fixline network.

**Unique cable subscribers** represent the number of individual end users who have subscribed to one or more of our cable based services. A unique cable subscriber may subscribe to several different services, thereby accounting for only one unique cable subscriber, but several RGUs.

**Cable pay-TV RGUs** includes the sum of the Group's analog and digital cable pay-TV RGUs in Bulgaria, Greece, Slovenia and Croatia and its total analog cable pay-TV RGUs (without separately counting analog cable RGUs that have purchased digital top ups) in Serbia, Bosnia and Herzegovina and Montenegro provided within our network footprint.

**OTT RGUs** consists of the Group's NetTV Plus and out of footprint EON subscribers.

**Broadband internet RGUs** represents residential broadband internet provided within our network footprint.

**Fixed-line telephony RGUs** represents residential fixed-line telephony provided within our network footprint.

**Mobile RGUs** represents mobile telephony services provided to customers in Bulgaria, Greece, Slovenia and Croatia where the Group is operating as an MNO.

**Out-of-Footprint** includes multichannel multipoint distribution service-based services, ADSL internet services and cable services provided outside of the Group's network footprint.

**Penetration** represents the number of RGUs at the end of the relevant period as a percentage of the number of homes passed by the Group's network.

**Blended footprint ARPU** is calculated by adding together, for each month in a given period, the total cable pay-TV, broadband internet and fixed-line telephony revenues (including fixed-line telephony usage revenues and excluding minor installation fees) for that particular month divided by the average number of unique cable subscribers for that month and then dividing that sum by the total number of months in the period. Blended footprint ARPU does not include mobile ARPU. The Group calculates mobile ARPU by adding together, for each month in a given period, the total mobile telephony revenues (excluding revenues generated by customers of other networks roaming on the Group's network and excluding wholesale revenues) for that particular month divided by the average number of mobile RGUs for that month and then dividing that sum by the total number of months in the period.

**DTH** subscribers represent the number of individuals across the eight South Eastern European markets (Bulgaria, Slovenia, Greece, Croatia, Serbia, Bosnia and Herzegovina, Montenegro and North Macedonia) who have subscribed to the Group's DTH pay-TV services. The Group believes that most of these subscribers are outside of its cable footprint. Typically, DTH subscribers are only able to subscribe to DTH based pay-TV services and represent a

single RGU. However, the Group is re-selling ADSL services purchased from its competitors in the respective markets to DTH subscribers.

**Average monthly revenue per user, ("ARPU")** is a measure used to evaluate how effectively the Group is realising potential revenues from subscribers. ARPU is calculated by adding together, for each month in a given period, the total subscription-related revenues for that particular month divided by the average number of subscribers for that month and then dividing that sum by the total number of months in the period.

### Appendix 3 - Description of Key Line Items

**Revenue:** Generated from the following services: cable television, broadband internet, DTH-TV, value-added services (such as OTT), telephony subscriptions and telephony usage, content and other sources (primarily related to the sale of end-user equipment). Revenues generated from the Group's bundle subscriptions are allocated to the individual products of standard cable, broadband internet and telephony subscriptions based on the individual product prices for each product as a percentage of the sum of the individual product prices. Revenue for these services is charged and recognised in the period in which these services are provided. The Group recognises revenues for connection fees upon delivery of installation and defers and amortizes connection fees over the average remaining useful life of the customer relationship.

**Other income:** Arises mainly from subventions, reversal of provision for legal cases, charged legal cases and other activities not related to main business.

**Content cost:** Include author rights and royalties paid to procure the Group's content, and include fees paid to channel providers, primarily related to foreign television channels as well as cost of own production. The Group content fees are predominantly determined on a flat monthly amount and to a lesser extent on a per-subscriber basis.

**Link and interconnection cost:** These costs relate to fees payable in order to transfer data over third-party networks. Internet connection links are leased from various parties.

**Cost of end-user equipment and other material cost:** Include mainly costs to procure handsets, goods sold via Shoppster and office supplies and other materials.

**Staff costs:** Include wages and salaries, social security costs, pension costs and other post-employment benefits and the cost of temporary and external personnel, adjusted for own work capitalised based on direct labour hours spent on projects which are capitalised.

**Depreciation cost:** Depreciation cost relates to the depreciation of our property, plant and equipment over their useful lives.

**Amortization of intangible assets:** Relates to the amortization of the Group's intangible assets over their useful lives. The Group's intangible assets include its customer base and direct subscriber acquisition costs, which, for its cable and DTH customers, are capitalised and amortized over the estimated useful life of the customer relationship. For the Group's mobile customers, subscriber acquisition costs are capitalised and amortized over a period of twenty-four months (the estimated life of the post-paid customer contract), while its mobile customer base is capitalised and amortized over its estimated useful life. Intangible assets also include goodwill, computer software, licenses and content such as sport rights.

**Other operating expenses:** Includes rent of premises, poles and ducts, marketing and promotion expenses, legal and administrative fees and maintenance costs.

**Finance income:** Includes interest income on funds invested (including short-term bank deposits) and foreign currency gains.

**Finance costs:** Include interest expense on borrowings and other finance cost.

**Income tax (expense)/benefit:** Comprises current and deferred income tax and is recognised in the Group's statement of comprehensive income, except to the extent that such expense or benefit relates to an item that is recognised as equity in its balance sheet, or in its statement of other comprehensive income.

**Results from operating activities:** Represents the amount of profit generated from business operations and includes total revenues less total operating expenses (including cost of goods sold, personnel expenses, contracted work, materials and logistics, marketing and sales, office expenses, other operating expenses, amortization, depreciation and impairments).

## Appendix 4 - Quantitative and Qualitative Disclosures about Market Risk

### ***Interest Rate Risk***

The Group's income and cash flow from operations are affected by changes in market interest rates. Some items on the Group's balance sheet, such as cash and bank balances, interest bearing investments and borrowings, are exposed to interest rate risk.

Borrowings under the Existing Revolving Credit Facility and the Existing Floating Rate Notes bear, and the Notes will bear, interest at varying rates, and as a result the Group will have interest risk with respect to this debt. Interest rate hedging arrangements are not in place as of the Issue Date with respect to the debt under the Group's Existing Revolving Credit Facility, the Existing Floating Rate Notes and the Notes. For fixed rate debt, interest rate changes affect the fair market value of such debt, but do not impact earnings or cash flow.

### ***Currency Risk***

Currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the functional currency of the Group entity holding the asset or obligation. As a result of United Group operations in various countries, it generates a significant portion of sales and incurs a significant portion of expenses in currencies other than the euro. Group's primary exposure is to the Serbian dinar. For the period ended September 30, 2023, 11% of revenue was denominated in Serbian dinar and 89% was denominated in euros or other currency. The Bosnia and Herzegovinian mark is pegged to the euro, while North Macedonian dinar is relatively stable. Given the lack of any material change in exposure to the U.S. dollar in the period ended September 30, 2023, United Group did not enter into any additional currency hedge agreements during the period ended September 30, 2023.

As the Bulgarian lev is pegged to the euro, United Group does not expect to hedge against exposure to the Bulgarian lev. The currency applicable to Nova Greece's business in Greece is the euro.

### ***Translation Risk***

Translation risk is the risk that the value in euro of the consolidated profit and loss statement and balance sheet will fluctuate due to changes in foreign exchange rates connected with the translation of the Group's subsidiaries that do not have the euro as their functional currency. Since January 1, 2016, almost all the Group's indebtedness has been denominated in euro.

### ***Transaction Risk***

Transaction risk is the risk of exchange losses incurred by the Group through purchases and sales in currencies other than the local currency of the subsidiaries concerned.

## Appendix 5 – Critical Accounting Policies

For a description of the Group’s critical accounting estimates and judgments, see respective notes in Adria MidCo B.V. Group Consolidated Financial Statements as of and for the year ended December 31, 2022.