"ANTENNA HUNGÁRIA" Zrt.

Special purpose consolidated financial statements
31 December 2023

CONTENTS

Consolidated statement of comprehensive income ... 4
Consolidated statement of financial position ... 5
Consolidated statement of changes in equity ... 7
Consolidated cash flow statement ... 8
1. General section ... 9
1.1. Presentation of the Entity ... 9
1.2. The basis of preparation of the special purpose consolidated financial statements ... 9
2. Material accounting policies and other explanatory information ... 11
2.1. The basis for consolidation ... 11
2.2. Reporting currency and foreign currency balances ... 13
2.3. Net sales revenue ... 13
2.4. Property, plant, equipment ... 16
2.5. Intangible assets ... 16
2.6. Impairment of non-current non-financial assets ... 17
2.7. Non-current assets held for sale ... 18
2.8. Inventories ... 18
2.9. Cash and cash equivalents ... 18
2.10. Share capital ... 18
2.11. Financial assets ... 18
2.12. Financial liabilities ... 21
2.13. Provisions ... 21
2.14. Taxation ... 22
2.15. Leases – the Group as lessee ... 23
2.16. Leases – the Group as lessor ... 25
2.17. Off-balance sheet items ... 25
2.18. Dividends ... 25
2.19. Employee benefits ... 25
2.20. Results of financial operations ... 25
2.21. Transactions with related parties ... 26
2.22. Events after the balance sheet day ... 26
3. First-time adoption of IFRS (IFRS 1) ... 27
4. Application of new International Financial Reporting Standards and Interpretations ... 29
5. Critical accounting estimates and significant judgements in the application of accounting policies 29
6. Net sales revenue ... 31
7. Other operating income ... 32
8. Material costs ... 33
9. Staff costs ... 33
10. Other expenses ... 33
11. Depreciation and amortisation ... 34
12. Financial income and expenses ... 35
13. Income taxes ... 35
14. Other comprehensive income ... 36

15. Property, plant, and equipment ... 37
16. Intangible assets ... 38
17. Right of use of assets ... 40
18. Deferred tax assets and liabilities ... 41
19. Goodwill ... 42
20. Other non-current assets ... 45
21. Cash and cash equivalents ... 45
22. Trade receivables ... 46
23. Other current financial assets ... 46
24. Other current non-financial assets ... 47
25. Income tax receivables and liabilities ... 48
26. Inventories ... 48
27. Assets held for sale and liabilities related to assets held for sale ... 49
28. Share capital ... 49
29. Retained earnings ... 50
30. Accumulated other comprehensive income ... 50
31. Non-controlling interest ... 51
32. Provisions ... 53
33. Loans, borrowings ... 53
34. Lease liabilities ... 59
35. Other non-current liabilities ... 60
36. Trade payables ... 60
37. Other current financial liabilities ... 61
38. Other current non-financial liabilities ... 61
39. Changes in liabilities arising from financing activities ... 62
40. Risk management ... 63
41. Financial instruments ... 69
42. Transactions with related parties ... 71
43. Remuneration of the Management Board and Supervisory Board ... 74
44. Off-balance sheet items ... 74
45. Events after the balance sheet date ... 74
46. Going concern ... 75

Consolidated statement of comprehensive income

	Notes	Financial year ending 31/12/2023
Net sales revenue	6	516 772
Other operating income	7	36 991
Total net sales revenue and other income		**553 763**
Change in stocks of own-account products		**55**
Capitalised value of own produced assets		**12 415**
Material costs	8	-241 413
Staff costs	9	-71 112
Other expenses	10	-50 887
Operating costs		**-363 412**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**202 821**
Depreciation and amortisation	11	-147 743
Earnings before interest and taxes (EBIT)		**55 078**
Financial income	12	19 685
Financial expenses	12	-44 596
Share of results of associates		**558**
Profit or loss before tax		**30 725**
Income taxes	13	-9 215
Profit or loss after tax		**21 510**
Other comprehensive income to be recognised in the consolidated income statement in the following period:		
Foreign exchange rate differences arising on the translation of operations		4 303
Net other comprehensive income to be recognised in the consolidated statement of comprehensive income in the following period:		**4 303**
Other comprehensive income	14	**4 303**
Total comprehensive income		**25 813**
Profit or loss after tax attributable to:		**21 510**
Owners of the Company		23 660
Non-controlling interest		-2 150
Total comprehensive income attributable to:		**25 813**
Owners of the Company		27 948
Non-controlling interest		-2 135

Consolidated statement of financial position

	Notes	31/12/2023	01/01/2023
ASSETS			
Non-current assets			
Property, plant, and equipment	15	339 187	167 179
Customer relationship	16	115 193	0
Other intangible assets	16	204 937	45 906
Right of use of assets	17	115 652	30 671
Deferred tax assets	18	2 216	3 982
Goodwill	19	506 832	405 937
Net investment in leasing		751	191
Other investments		1 488	1 470
Other non-current assets	20	29 392	6 585
Total non-current assets		**1 315 648**	**661 921**
Current assets			
Cash and cash equivalents	21	42 712	29 836
Trade receivables	22	100 007	34 973
Other current financial assets	23	35 731	4 279
Other current non-financial assets	24	12 277	5 792
Current finance lease receivables		563	137
Income tax receivables	25	680	0
Inventories	26	9 508	8 706
Total current assets		**201 478**	**83 723**
Assets held for sale	27	0	179 393
Total assets		**1 517 126**	**925 037**
EQUITY AND LIABILITIES			
Equity			
Share capital	28	109 883	109 883
Capital reserve		549 659	549 659
Retained earnings		14 871	36 352
Accumulated other comprehensive income	29	4 288	0
Equity attributable to the parent company		**678 701**	**695 894**
Non-controlling interest	31	129 543	-5 451
Total equity		**808 244**	**690 443**
Non-current liabilities			
Provisions – non-current	32	5 758	4 809
Non-current loans, borrowings	33	377 965	62 056
Lease liabilities – non-current	34	95 427	15 150
Deferred tax liabilities	18	8 918	282
Other non-current liabilities	35	4 234	8 200
Total non-current liabilities		**492 302**	**90 497**

Consolidated statement of financial position (continued)

	Notes	31/12/2023	01/01/2023
Current liabilities			
Trade payables	36	65 832	32 440
Current loans and borrowings	33	8 659	7 540
Provisions – current	32	5 386	4 571
Lease liabilities – current	34	22 686	14 150
Income tax liabilities	25	1 408	1 380
Other current financial liabilities	37	65 309	41 978
Other current non-financial liabilities	38	47 300	22 465
Total current liabilities		**216 580**	**124 524**
Liabilities related to assets held for sale	27	0	19 573
Total liabilities and equity		**1 517 126**	**925 037**

Consolidated statement of changes in equity

	Notes	Share capital	Capital reserve	Retained earnings	Accumulated other comprehensive income	Equity attributable to the parent company	Non-controlling interest	Total equity
Balance on 1 January 2023		**109 883**	**549 659**	**36 352**	0	**695 894**	**-5 451**	**690 443**
Profit or loss after tax		0	0	23 660	0	**23 660**	-2 150	**21 510**
Other comprehensive income	14	0	0	0	4 288	**4 288**	15	**4 303**
Total comprehensive income		**0**	**0**	**23 660**	**4 288**	**27 948**	**-2 135**	**25 813**
Acquisition of a subsidiary	19	0	0	0	0	**0**	217 688	**217 688**
NCI change due to merger	31	0	0	-5 744	0	**-5 744**	5 744	**0**
Transaction with owners	31	0	0	-39 397	0	**-39 397**	-86 303	**-125 700**
Balance on 31 December 2023		**109 883**	**549 659**	**14 871**	**4 288**	**678 701**	**129 543**	**808 244**

Consolidated cash flow statement

	Notes	Financial year ending 31/12/2023
Cash flow from operating activities		
Profit or loss after tax		**21 510**
Adjustments:		
Depreciation and amortisation for the reporting year	11	146 871
Impairment	10	11 566
Provisions	32	-1 798
Income taxes	13	9 215
Foreign exchange rate differences		-5 913
Interest income	12	-4 146
Interest expense	12	38 635
Dividends received	12	-1 250
Other financial income/expense		-226
Share of results of associates		-558
(Gains)/losses on sale of subsidiaries	7	-23 267
Other non-cash items		53
Profit tax paid		-8 463
Changes in working capital		
Changes in trade receivables	22	-18 595
Changes in inventories	26	4 653
Changes in suppliers	36	-12 472
Changes in other receivables and payables		7 008
Net cash flow from operating activities		***162 823***
Cash flow from investing activities		
Purchase of property, plant, equipment	15	-63 366
Sale of property, plant, equipment	15	541
Purchase of intangible assets	16	-43 084
Sale of intangible assets	16	6
Granting a loan	20	-23 447
Repayments from loan provided	20	1 162
Net cash flow from acquisition of interests	19	-321 836
Net cash from the sale of subsidiaries	7	32 301
Dividends received		1 779
Interests received		3 991
Net cash flow from investing activities		***-411 953***
Cash flow from financing activities		
Withdrawal of loans, borrowing	33	376 929
Repayment of loans and borrowings	33	-62 661
Repayment of lease liabilities	34	-19 414
Transaction costs related to borrowing and lending		-4 820
Interest payment		-26 456
Net cash flow from financing activities		***263 578***
Foreign exchange rate differences		-1 572
Net change in cash and cash equivalents		**12 876**
Cash and cash equivalents at the beginning of the year	21	29 836
Cash and cash equivalents at the end of the period	21	**42 712**

1. General section

1.1. Presentation of the Entity

"ANTENNA HUNGÁRIA" Hungarian Broadcasting and Radiocommunications Limited Liability Company is a company registered in Hungary (registered office: Krisztina krt. 39, 1013 Budapest, Hungary), and operates in accordance with the provisions of Hungarian law.

The ownership structure of the Antenna Hungária Group of companies is shown in the table below:

	31/12/2023	01/01/2023
4iG Plc	76.78%	76.78%
Corvinus Nemzetközi Befektetési Zrt.	23.22%	23.22%
Total	**100.00%**	**100.00%**

Antenna Hungária Group is controlled independently by 4iG Public Limited Company.

Antenna Hungária Group (hereinafter referred to as the “Company”, the “Group” or the “Group of Companies”) is engaged in the provision of a full range of telecommunications services, the operation of telecommunications-related infrastructure, and broadcasting activities.

1.2. The basis of preparation of the special purpose consolidated financial statements

This consolidated financial statement is special purpose financial statement. The ultimate parent of the parent company, "ANTENNA HUNGÁRIA" Zrt. (hereinafter: the “Company”) is 4iG Plc, which prepares and publishes consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU. As a result, "ANTENNA HUNGÁRIA" Zrt. is exempt from the obligation to prepare consolidated financial statements, and therefore the Company has not prepared consolidated financial statements for the year ended 31 December 2023.

The Group’s first IFRS consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the EU (“EU IFRS”) will be the consolidated financial statements as of 31 December 2024. These special purpose consolidated financial statements include information for the date of transition to IFRS (1 January 2023) and for the comparative period of the first consolidated financial statements prepared in accordance with the EU IFRS (the financial year ending on 31 December 2023), and are also prepared in preparation for the first consolidated financial statement in accordance with EU IFRS.

A summary of the significant accounting policies used in the preparation of the special purpose consolidated financial statements is set out in the next section. These accounting policies have been consistently applied by the Group for all periods presented.

The special purpose consolidated financial statements have been prepared in accordance with the recognition and measurement provisions under IFRS as adopted by the EU. This requires the use of certain material accounting estimates. The significant areas involving complex judgements and estimates that the Group has applied in preparing the special purpose consolidated financial statements are disclosed in Note 5 to the financial statements.

The special purpose consolidated financial statements have been prepared under the historical cost convention except where IFRS requires a different basis of measurement. These areas are described in the accounting policies.

The financial year is the same as the calendar year.

The special purpose consolidated financial statements have been prepared on a going concern basis. This means that the Group will be able to continue as a going concern for the foreseeable future by realising its assets and settling its liabilities in the normal course of business.
The special purpose consolidated financial statements of "ANTENNA HUNGÁRIA" Zrt. were approved by the Board of Directors on 29 May 2024.

"ANTENNA HUNGÁRIA" Zrt. as the parent company prepares its standalone financial statements in accordance with the provisions of Act C of 2000 on Accounting (hereinafter: the “Accounting Act”) applicable in Hungary. The subsidiaries based in Hungary also prepare their standalone financial statements in accordance with the Accounting Act, while the Albanian and Montenegrin subsidiaries prepare their standalone financial statements in accordance with IFRS. Some of the accounting policies applied in these standalone financial statements are not consistent with the IFRS policies applied by the Group. As a result, the special purpose consolidated financial statements include a number of adjustments that are not reflected in the standalone financial statements of the Group companies. The purpose of these adjustments is to ensure that the accounting policies applied by all Group companies in preparing the special purpose consolidated financial statements are consistent with the accounting policies and procedures presented herein. As of 31 December 2023, the year-end of all Group companies is the same as the year-end of the special purpose consolidated financial statements, i.e. 31 December 2023. Vodafone Magyarország Távközlési Zrt. has changed its balance sheet date from 31 March to 31 December 2023.

The presentation currency of the special purpose consolidated financial statements is the Hungarian forint, and all figures are rounded to the nearest million forints unless otherwise stated.

2. Material accounting policies and other explanatory information

The material accounting policies used in the preparation of the Group's special purpose financial statements are disclosed in this section.

2.1. The basis for consolidation

Subsidiaries

The special purpose consolidated financial statements include "ANTENNA HUNGÁRIA" Zrt. and its controlled subsidiaries in accordance with IFRS 10. The subsidiaries included in the consolidation are listed in the table below:

Name of subsidiary	Majority owner	Date of inclusion in consolidation	Way of its acquiring	Ownership on 31/12/2023	Ownership on 01/01/2023
4iG Albánia Kft.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	incorporated	100%	100%
AH EGY Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2023	incorporated	100%	n/a
AH KETTŐ Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2023	incorporated	100%	n/a
Albania Telecom Invest AD	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	cont. in kind	100%	100%
Antenna Hungária Innovation Ltd.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	incorporated	n/a	100%
"Digitális Átállásért" Nonprofit Kft.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	incorporated	100%	100%
DIGI Távközlési és Szolgáltató Kft.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	cont. in kind	100%	100%
Invitech ICT Services Kft.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	cont. in kind	100%	100%
InviTechnocom Kft.	Invitech ICT Services Kft.	01/01/2023	cont. in kind	100%	100%
MIS Omega Mobilhálózat Kft.	DIGI Távközlési és Szolgáltató Kft.	31/05/2023	spin-off	n/a	n/a
ONE Albania sh.a.	Albania Telecom Invest AD	01/01/2023	cont. in kind	96.28%	96.28%
ONE Crna Gora d.o.o.	"ANTENNA HUNGÁRIA" Zrt.	01/01/2023	cont. in kind	100%	100%
Vodafone Magyarország Távközlési Zrt.	"ANTENNA HUNGÁRIA" Zrt.	31/01/2023	acquisition	70.5%	n/a

On 31 January 2023, "ANTENNA HUNGÁRIA" Zrt. acquired 51% of the shares of Vodafone Magyarország Távközlési Zrt. and thereby gained control over the later. On 20 March 2023, "ANTENNA HUNGÁRIA" Zrt. acquired 35,476,749 Series A ordinary shares with nominal value of HUF 500 each representing 19.5% of the share capital of Vodafone Magyarország Távközlési Zrt. held by Corvinus Zrt. through a share swap. With this transaction the "ANTENNA HUNGÁRIA" increased its direct majority shareholding in Vodafone Magyarország Távközlési Zrt. to 70.5%.

On 31 May 2023, "ANTENNA HUNGÁRIA" Zrt. sold its 100% owned Antenna Hungária Innovációs Kft.

On 31 May 2023, the spin-off of DIGI Távközlési és Szolgáltató Kft. resulted in the establishment of MIS Omega Mobilhálózat Kft. 100% owned by "ANTENNA HUNGÁRIA" Zrt., which comprised the infrastructure assets related to DIGI's mobile communications business and was sold on 30 June 2023.

On 2 August 2023, AH EGY Zrt. and AH KETTŐ Zrt., which are 100% owned by "ANTENNA HUNGÁRIA" Zrt., were founded.

We have identified the acquisition after the IFRS transition date of these special purpose financial statements (1 January 2023) as a business combination and have applied the purchase method of accounting to account for the acquired business based on the fair values of assets and liabilities at the acquisition date, which is the date control is obtained. The cost of the acquisition is the sum of the consideration given and the non-controlling interest in the acquired business.

Companies acquired or disposed of during the year are included in the special purpose consolidated financial statements from the date on which control is obtained until the date on which control ceases. Transactions, balances and results between consolidated companies, as well as unrealised gains and losses, are eliminated unless such losses indicate an impairment of the related assets. In preparing the special purpose consolidated financial statements, similar transactions and events are accounted for using uniform accounting policies.

The equity and profit or loss attributable to non-controlling interests are presented as separate line items in the balance sheet and profit and loss account. For business combinations, non-controlling interests are measured at the non-controlling interest’s proportionate share of the fair value of the net assets of the acquiree. Subsequent to the acquisition, the non-controlling interest is the amount initially recognised, adjusted for the amount of changes in equity of the acquiree attributable to non-controlling interests. Non-controlling interests also benefit from the total comprehensive income for the period, even if this results in a negative balance of their interest.

Changes in the Group’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Associates

The companies associated as of 31 December 2023 and 1 January 2023 are shown in the table below:

Name of the associate	Share of ownership
CarpathiaSat Zrt.	44%
Hungaro DigiTel Kft.	25%

2.2. Reporting currency and foreign currency balances

The functional currency of the parent company and the presentation currency of the Group is the Hungarian forint, based on the substance and circumstances of the underlying economic events. In addition to the parent company, the functional currency of the Hungarian subsidiaries is also the Hungarian forint. Of the foreign subsidiaries, the functional currency of the Albanian subsidiary is the Albanian lek, the functional currency of the Montenegrin subsidiary is the euro, and the functional currency of the Bulgarian subsidiary is the Bulgarian leva.

Foreign exchange transactions denominated in a non-functional currency ("foreign currency") are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the official exchange rate published by the Magyar Nemzeti Bank (National Bank of Hungary) at the balance sheet date. The resulting exchange differences are recognised in the profit and loss account under financial income and expenses. Transactions in foreign currencies are recorded in the functional currency using the exchange rate between the reporting currency and the foreign currency at the date of the transaction. In the statement of comprehensive income, exchange differences arising on the settlement of monetary items, on initial recognition during the period or from the use of rates different from those used in previous financial statements are recognised as income or expense in the period in which they arise. The Group translates monetary assets and liabilities denominated in foreign currencies at the exchange rate of the functional currency at the end of the reporting period.

Foreign currency items measured at fair value are translated at the exchange rate at the date when the fair value was determined.

The financial statements of the Group's foreign subsidiaries are translated into the reporting currency (HUF) at year-end exchange rates for balance sheet items and at average exchange rates for profit and loss account items. Translation differences are recognised as other comprehensive income. Goodwill arising on the acquisition of foreign entities is translated at the closing rate.

2.3. Net sales revenue

a. Revenue sources and accounting principles

The Group recognises revenue in accordance with the principles of IFRS 15 and the five-step model.

The Group's main source of revenue is the provision of services to customers over the Group's telecommunications network and the sale of related products.

Customers' subscription contracts typically include voice, data, internet, television, or other multimedia services. These types of contracts typically include product purchase or rental fees, monthly subscription fees and usage-based traffic charges.

Many packages include a subscription to service(s) and device(s). In the case of bundled services, the Group accounts for each product or service separately if it is distinct - that is, a product or service in the bundle is identifiable separately from other items and if the customer can benefit from it.

The transaction price is the price at which the Group expects to become entitled to receive the goods or services. In determining this, the Group takes into account past normal business practice.

Where a contract contains variable consideration elements, the Group estimates the amount of those variable consideration elements that will vest over the life of the contract. The amount of consideration may vary as a result of discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or similar entitlements.

Variable consideration is included in the transaction price only if and to the extent that it is highly probable that its inclusion will not result in a significant reversal of revenue in the future when the uncertainty is subsequently removed.

If the consideration is paid in advance or in arrears, the Group assesses whether the arrangement contains a significant financing component and, if so, adjusts the consideration receivable to reflect the time value of money. The Group has elected not to adjust the promised consideration for the effects of the material financing component if, at the inception of the contract, the Group expects that the period between the Group's delivery of the goods or services to the customer and the customer's payment for the goods or services will be one year or less.

The allocation of consideration is based on the individual selling prices of the goods and services included in the arrangement. The individual selling prices are determined on the basis of the list price of the equipment and telecommunications services.

Under IFRS 15, usage-based consideration (e.g. additional data packages) is generally not included in the transaction price because the Group has no right to receive the consideration at the time the contract is entered into. Subscription fees are recognised in the period in which they are incurred.

Revenue is recognised in accordance with the transfer of control.

The Group recognises revenue when one of the following criteria is met:

- the customer receives and uses the benefits of the Group's performance at the same, time as the Group's performance,
- the Group's performance creates an asset or increases the value of an asset over which the customer has control from the time of its creation or increase in value, and
- the Group's performance does not create an alternative use for the Group and the Group has an enforceable right to payment for performance to date.

If the Group does not fulfil its performance obligation on an ongoing basis, it shall do so at a specified point in time. Revenue is therefore recognised when control is transferred at a specified point in time. Factors that indicate when control has been transferred include:

- the Group has an immediate right to receive payment for the asset,
- the customer has title to the asset,
- the Group has taken possession of the asset,
- the significant risks and rewards of ownership of the asset are transferred to the customer, and
- the customer has accepted the asset.

Broadcasting, network connection and network maintenance services are generally invoiced in the period in which the related performance obligations are fulfilled.

The determination of whether the Group is acting as principal or agent within the terminology of IFRS 15 affects the amount of revenue recognised by the Group.

- If the Group is the principal in the arrangement, revenue is recognised at the gross amount to which the Group expects to be entitled.
- If the Group is the agent, the revenue recognised is the net amount that the Group is entitled to retain in exchange for its services as agent. The Group’s fee or commission may be the net amount of consideration that the Group retains after paying the counterparty in exchange for goods or services to be provided by that counterparty.

In the case of a promotional offer that includes an initial period of free service, the Group should consider whether there is a contractual obligation during the free period. If there is a contractual obligation to provide the service after the promotional period (there is a contract with the customer), the relevant discount should be allocated pro rata to each separate performance obligation. If the customer is under no obligation to provide the service and the customer can cancel the service at any time during the free period, the Group does not allocate revenue to the free period.

b. Recognition of revenue by measuring progress against the rate at which performance obligations are met

If the Group determines that a performance obligation will be fulfilled on a continuing basis, IFRS 15 requires the Group to select a specific revenue recognition method for the related performance obligation that faithfully reflects the Group’s performance in transferring control of the goods or services. If the Group does not have a reasonable basis for measuring progress, revenue is not recognised until progress can be measured reliably. Appropriate methods of measuring progress include output and input methods. The Group applies the chosen method consistently for similar performance obligations.

c. Presentation

Contact asset
The Group recognises contractual assets arising from IFRS 15 accounting in current assets in the balance sheet under other current financial assets.

Contract liability
Contractual obligations arising from IFRS 15 accounting are recognised in the balance sheet as current liabilities under other current non-financial liabilities.

Costs of obtaining a contract

The Group should recognise as an asset the incremental costs of obtaining a contract with a customer when they are expected to be recovered. Arrangement costs are those costs incurred by the Group to obtain the contract with the customer that would not have been incurred had the contract not been entered into (e.g. sales commissions or ‘success fees’ paid to agents). The Group recognises the related balances in the balance sheet under other intangible assets as non-current assets.

Costs of performing the contract

No such significant item exists for the Group.

2.4. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation. Accumulated depreciation comprises the amortisation expense recognised for the depreciation of assets that is attributable to the ongoing use and operation of the asset and the depreciation expense recognised for the excess of the carrying amount over the amortised cost of the asset due to an unforeseen and significant loss or damage caused by an unforeseen event.

The carrying amount of property, plant and equipment is reviewed periodically to determine whether the carrying amount exceeds the recoverable amount (higher of value in use and fair value less costs to sell) of the asset, in which case an impairment to recoverable amount is required. During the period covered by this special purpose consolidated financial statements, no facts or circumstances have arisen that would require an impairment test of property, plant, and equipment.

Repair and maintenance costs of property, plant and equipment are charged to maintenance expenses. The cost and accumulated depreciation of assets that are sold or retired are written off. Any resulting gain or loss is included in profit or loss for the year.

The Group depreciates its assets on a straight-line basis over their useful lives.

The useful lives by class of assets are as follows:
- Property: 30-50 years;
- Machinery and equipment: 3-7 years;
- Vehicles: 5 years.

As a practical expedient, the Group immediately depreciates assets classified as low value, i.e. they are written off in a lump sum as soon as they are put into use. The thresholds used for classification are those established by the Group companies in accordance with local legislation.

Where the useful life is longer than the above periods, the Group's management determines the depreciation rate on an individual basis. Useful lives and depreciation methods are reviewed at least annually based on the actual economic benefit derived from the asset. If necessary, adjustments are charged to the profit or loss in the current year. No such adjustments have been made in the reporting period.

2.5. Intangible assets

Intangible assets acquired individually are recognised at cost and those acquired in a business combination are recognised at fair value at the date of acquisition. Subsequent to acquisition, the cost model is applied to intangible assets. The useful lives of these assets are finite or indefinite. Assets with finite useful lives are amortised on a straight-line basis using the best estimate of their useful lives. The amortisation period and the amortisation method are reviewed at the end of each financial year.

The Group recognises as intangible assets and amortises over the term of the contract those broadcasting rights that are payable in one lump sum at the beginning of the contractual period or in fixed amounts over the contractual period under existing contracts already in place at the balance sheet date. Liabilities arising from such future fixed fees that have not yet been settled are presented in the balance sheet line other non-current liabilities and other current financial liabilities, respectively, discounted to reflect the time value of money.

Internally generated intangible assets, other than development costs, are not capitalised but are charged to the profit and loss account in the year in which they are incurred. Intangible assets are tested for impairment either individually or annually at the income generating unit level.

Internally developed intellectual property is amortised over 2-10 years. The costs of trademarks, licences, industrial property rights and software are capitalised and amortised on a straight-line basis over their estimated useful lives of 2-7 years. The Group recognises customer lists as identifiable intangible assets in business combinations, which are presented as a separate line item in the special purpose consolidated financial statements.

Identifiable customer relationships are initially recognised at cost and amortised over their estimated useful lives.

2.6. Impairment of non-current non-financial assets

At the end of each reporting period, the Group assesses whether there has been any change in the carrying amount of any assets that may be impaired. If so, the Group estimates the expected recoverable amount of the asset. The expected recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. The Group currently considers each subsidiary to be a cash-generating unit within the meaning of IAS36. However, it is important to emphasise that the Group views and evaluates the result of the Telecommunications segment activities together. The Group's strategy is focused on exploiting synergies and integrating and transforming its subsidiaries, and in order to do this effectively, the Group has embarked on a comprehensive transformation programme. The Group is implementing a structural separation programme, transforming its telecom subsidiaries into business-to-business and infrastructure companies and integrating the functions. The contribution-in-kind of the telecom companies to the parent company is also in line with the future integration intention. According to, the Group has been assigned to the group of telecommunications cash-generating units on the basis of the expected synergies in accordance with IAS 36.80. Under IAS 36.82, this is the lowest level at which management monitors goodwill and also corresponds to the smallest identifiable operating segment.

The Group recognises an impairment loss when the estimated recoverable amount of an asset is less than its carrying amount. The Group makes the necessary calculations based on appropriate discounting of long-term future cash flow projections. For goodwill, the Group tests annually for impairment. The recoverable amount of cash-generating units is determined based on value-in-use calculations. These calculations require the use of significant estimates. In order to test goodwill for impairment, it is necessary to estimate the value in use of all telecommunications cash-generating units. In calculating the value in use, it is essential that management estimates the expected future cash flows of the group of cash-generating units and the appropriate discount rate, as only on this basis can the present value be calculated.

See Note 19 to the financial statements for details of the impairment testing of goodwill.

2.7. Non-current assets held for sale

Non-current assets held for sale are assets whose carrying amount will be recovered principally through sale rather than through continuing use in the business. When the Group disposes of a group of assets together with directly associated liabilities in a single transaction (for example, the disposal of a subsidiary or a cash-generating unit), the assets are classified as held for sale.

2.8. Inventories

Subsequent to initial recognition, inventories are measured at the lower of cost and net realisable value, being the estimated selling price less costs of completion and selling expenses. Decreases in inventories are accounted for using the weighted average cost method.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts with banks, short-term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash. The Group prepares its statement of changes in cash and cash equivalents (cash flow) in accordance with IFRS 7 Cash Flow Statements.

2.10. Share capital

Ordinary shares are classified by the Company as equity. Incidental costs directly attributable to the issue of new ordinary shares are shown as a deduction from equity.

2.11. Financial assets

The Group's consolidated statement of financial position for special purpose includes the following financial assets: loans and other receivables to related parties, cash and cash equivalents, trade receivables, other current financial assets, current financial lease receivables.

In accordance with IFRS 9, the Group classifies financial assets into the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The Group measures equity instruments at fair value. The classification and subsequent measurement of financial instruments classified as debt instruments depends on the following:

- the Group's business model for managing the asset ("business model valuation"); and
- the cash flow characteristics of the asset ("SPPI test" – principal and interest payments on outstanding principal amount only).

Business model: the business model reflects how the Group manages its assets to generate cash flow. That is, whether the purpose of holding financial assets is solely to collect contractual cash flows from the assets, or to collect contractual cash flows and sell financial assets. If a financial asset or a group of financial assets is not held for the "purpose of collecting cash flows" or held for the "purpose of collecting cash flows and selling" in a business model, it shall be measured at fair value through profit or loss. Factors considered by the Group in determining the business model of an asset group include past experience of how the cash flows of those assets are collected, how the performance of the asset is assessed and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect and sell, the Group assesses whether the cash flows of financial instruments are solely payments of principal and interest outstanding. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest only, taking into account the time value of money, credit risk, other basic lending risks and a margin that is consistent with a basic lending arrangement. If the contractual terms result in an exposure to risk or volatility that is not consistent with a basic lending arrangement, the related financial asset is measured at fair value through profit or loss.

Based on these factors, the Group classifies its debt financial assets into one of the following three measurement categories:

- Amortised cost: Assets that are held by the Group to collect contractual cash flows, where those cash flows are solely payments of principal and interest, and that are not classified in the FVPL category are measured at amortised cost. The carrying amount of these assets is adjusted for any impairment of expected credit losses recognised and measured. Interest income on such financial assets is recognised in 'Interest' using the effective interest method. Amortised cost is calculated by taking into account the discount or premium at the time of acquisition over the period to maturity. For investments carried at amortised cost, the gain or loss arising on derecognition or impairment of the investment or during the amortisation period is recognised as income.
- Fair value through other comprehensive income (FVOCI): the Group has no such assets in the period presented.
- Fair value through profit or loss: Assets that do not meet the criteria of amortised cost or FVOCI are measured at fair value through profit or loss. In addition to these assets, financial assets held for trading and financial assets at fair value through profit or loss at initial recognition are all measured at fair value through profit or loss. Financial instruments are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the short term in the course of a trading activity or are part of a portfolio of financial instruments held together with a view to obtaining a demonstrable short-term profit in the recent past.

The Group uses a forward-looking model to measure expected credit losses ("ECL") on debt instruments carried at amortised cost and included in FVOCI. The Group recognises impairment losses on such losses on an annual basis. The measurement of ECL reflects:

- the unbiased and probability-weighted amount determined by assessing various possible outcomes; and
- the time value of money; and

- appropriate and reliable information about past events, current conditions and projections of future economic conditions that is available at the reporting date without unreasonable cost or effort.

The measurement of expected credit losses for financial assets measured at amortised cost and FVOCI is an area that requires complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the probability of customer default and the resulting losses).

The Group has opted for the simplified method for operating and finance lease receivables and trade receivables with a significant financing element that are not classified as current (receivables with a maturity of more than 12 months).

In recognising expected lifetime ECLs, impairment losses are recognised through an impairment account by writing down the carrying amount of the asset to the present value of the expected cash flows discounted at the asset's original effective interest rate.

The Group uses the impairment matrix to calculate the lifetime ECL under the simplified approach to determine expected credit losses over the lifetime. The matrix takes into account certain characteristics of the borrower and the number of days past due. The impairment rates in the matrix are determined taking into account the general requirements of IFRS 9 for the calculation of expected credit losses.

The Group writes off financial assets, in full or in part, when it has exhausted all practical recovery efforts and concludes that there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include as follows:

- the cessation of enforcement activities, and
- if the method of recovery is the auction of collateral and the value of the collateral is such that there is no reasonable expectation of full recovery.

Uncollectable assets are written off against the related impairment loss after all actions necessary to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognised as income and reduce the impairment loss in the profit and loss account for the year.

For quoted investments, fair value is determined using the official price published at the balance sheet date. For unlisted or unquoted investments, fair value is determined by reference to the market value of a similar or substitute investment or, if this method is not applicable, by reference to the estimated future cash flows of the asset to which the investment relates. Investments in securities are valued at the settlement date price and initially at the purchase price.

The Group assesses at each reporting date whether there is any indication that a financial asset or group of assets may be impaired. If circumstances arise for assets carried at amortised cost that indicate that an impairment loss should be recognised, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows discounted at the original effective interest rate. The impairment loss is recognised in the profit and loss account. If the amount of the recognised impairment loss decreases in the future, the impairment loss is reversed, but only to the extent that the carrying amount of the asset does not exceed its amortised cost at the balance sheet date.

2.12. Financial liabilities

The Group's special purpose consolidated balance sheet includes the following financial liabilities: trade and other current payables, loans, borrowings, lease liabilities, bank overdrafts and forward contracts.

The Group measures all financial liabilities at fair value upon initial recognition. For loans, transaction costs that are directly attributable to the acquisition of the financial liability are also taken into account.

Financial liabilities within the scope of IFRS 9 are classified into two measurement categories: those initially recognised at amortised cost and those initially recognised at fair value through profit or loss (FVPL). The classification of each financial liability is determined by the Group at acquisition.

Financial liabilities at fair value through profit or loss are those that the Group has acquired for trading or has designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include those that the Group has acquired principally for the purpose of generating expected profits from short-term fluctuations in foreign exchange rates. This category also includes forward contracts that do not qualify as effective hedging instruments.

Loans and borrowings are carried in the statement of financial position at amortised cost using the effective interest method. Gains and losses on loans and borrowings are recognised in income statement through amortisation using the effective interest method and on derecognition of the financial liability. Apart from forward contracts (which are carried at fair value), all financial liabilities with a short maturity are measured at amortised cost.

2.13. Provisions

The Group recognises provisions when it has a present obligation (legal or constructive) as a result of past events that it is probable it will be required to settle, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties specific to the obligation. Where the expected cash flows required to settle the present obligation are used to measure the provision, the carrying amount of the provision is the present value of those cash flows.

The Company recognises as a provision the estimated future costs of decommissioning, removal and restoration of the site, which should be included in the cost of an item of property, plant and equipment or a right of use of an item of property, plant and equipment. This legal obligation may be direct, where it requires the dismantling and/or restoration of the site, or indirect, where the regulation requires the remediation of environmental contamination, but this can only be achieved by dismantling the asset. Also, if it is certain and foreseeable that circumstances will arise after a specified period that will probably require the assets to be dismantled and their sites restored, the estimated costs of dismantlement should be capitalised to the asset if it is possible to determine the expected costs of dismantling the asset at the time the asset is capitalised. These future costs should be recognised as a provision until they are incurred. No provision or asset should be recognised for decommissioning costs for which the Group has no legal or constructive obligation.

If the Group has an unfavourable contract, it is required to recognise and measure the present obligation arising from the contract as a provision. An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract (i.e. the costs that the Group cannot avoid as a result of the contract) exceed the economic benefits expected to arise from the contract. The unavoidable costs of the contract reflect the lowest of the net cost of exiting from the contract and the cost of performing the contract and any damages or penalties for non-performance. The cost of contract performance includes costs that are directly attributable to the contract (i.e. both incremental costs and an allocation of costs directly attributable to contract activities). The Group has not recognised any such provision in the period covered by this report.

2.14. Taxation

Income taxes comprise current and deferred taxes. Income taxes include all domestic and foreign taxes based on taxable profits. Income taxes also include taxes such as withholding taxes payable by subsidiaries, associates or joint ventures on distributions to the reporting entity.

Income tax expense, current tax and deferred tax are recognised in profit or loss for the year unless they are recognised in other comprehensive income or directly in equity because they relate to a transaction that is also recognised in other comprehensive income or directly in equity in the same or a different period.

Current tax is the tax that is expected to be paid or recovered from the taxation authorities on taxable profits or losses for the current or prior period.
In addition to corporation tax, the Hungarian local business tax and the innovation tax are recognised as income taxes.

At each balance sheet date, the Group establishes the amount of unrecognised deferred tax assets and the carrying amount of recognised tax assets. Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in the computation of taxable profit. If the difference is temporary, i.e. the difference will reverse in the foreseeable future, an asset or liability is identified according to its nature. A deferred tax liability is recognised for any taxable temporary difference. A deferred tax asset is identified only to the extent that it is probable that recovery will be achieved within the foreseeable future. The Group's deferred tax assets and liabilities are measured using the tax rates that are expected to apply when the asset is settled or realised.

The Group offsets deferred tax assets and liabilities on a company-by-company basis, where the offsetting of current tax assets and liabilities is legally permitted and the deferred tax assets and liabilities relating to corporate income tax are levied by the same taxation authority.

The Group recognises in other expenses, separately from income taxes, mainly the additional profit and utility taxes relating to the Telecommunications segment, as well as both telecommunications and environmental product levies and motor vehicle taxes. In accordance with IFRIC 21, the Group recognises these taxes at the time/period when the legislation creates an obligation to pay the related tax (for example, on the first day of the period if the tax is payable by the first day owner of an asset).

2.15. Leases – the Group as lessee

Initial recognition
The Group applies the exemption from accounting for short-term leases (i.e. leases with a lease term of 12 months or less from the commencement date and without a purchase option).
The Group also applies the exemption from accounting for leased assets with a low value (less than HUF 2 million) to all leases that qualify as low value leases.

Lease payments for short-term leases and low-value assets are recognised on a straight-line basis over the term of the lease. The Group does not apply the short-term lease exemption to company car assets, which are recognised and accounted for on the basis of the estimated lease term or, where available, the lease expiry date.

For leases with indefinite terms, the Group estimates the expected lease term based on the contractual terms.

Many contracts contain non-lease components where the lease is combined with an agreement to buy or sell other goods or services. The Group applies the practical expedient provided by IFRS 16, whereby the non-lease components are not separated from the lease elements but are accounted for as a single lease element and included in the value of the lease liability.

Initial measurement
The Group has accounted for leases in place at the date of transition to IFRS in accordance with IFRS 3.28 and in accordance with IFRS 16. This involved calculating the carrying amount of the lease payments outstanding on 1 January 2023 and recognising both the lease liability and the right of use of asset at that amount.

New leases and lease modifications entered into after the transition to IFRS are accounted for in accordance with the general initial measurement requirements in IFRS 16.

Subsequent measurement
The Group measures right of use of assets at cost less any accumulated depreciation and any accumulated impairment losses. Any remeasurement of the lease liability adjusts the value of the right of use of assets.

The right of use of assets is amortised on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

Subsequent measurement of the lease liability is normally based on the incremental borrowing rate as the implicit rate is usually not determinable.

Revaluation of lease liabilities
IFRS 16 requires the lessee to remeasure its lease liability when a lease modification (such as a change in the scope of the lease) occurs that is not accounted for as a separate contract. Accordingly, the Group reassesses lease obligations when there is a change in any of the following:

- the lease term is changed;
- in the context of a call option, the valuation of the option to purchase the underlying asset changes;
- the amounts expected to be paid under the residual value guarantee change;
- future lease payments change as a result of changes in the index or rate on which they are based.

The Group's lease liability is remeasured by discounting the revised lease payments at the revised discount rate when the lease term changes.

Impairment
There were no facts or circumstances during the period that would indicate impairment.

Telecommunications industry specific leases
In the telecoms industry, there are several types of indefeasible right of use (IRU) contracts, all of which need to be assessed. An IRU contract may cover several services: dark fibre network, fibre network (leased line) or network capacity.

Where the contract relates to assets that have no physical substance (e.g. wavelengths, radio frequencies), the Group's policy is to account for these types of leases in accordance with IAS 38 – Intangible Assets.

A capacity or other part of an asset that is not physically separate (such as the capacity part of a fibre optic cable) is not an identified asset unless it represents substantially all the capacity of the asset and thereby entitles the customer to substantially all the economic benefits from the use of the asset.

Presentation
Lease depreciation and interest expense are presented separately. Interest expense on lease liabilities is included in financial expenses.

Cash-flow statements
The cash settlement of the principal portion of the finance lease liability is included in financing activities.

The cash payment of the interest element of the lease liability is included in financing activities.

Lease payments for short-term and low value leases and variable lease payments not included in the lease liability are presented within operating activities.

Non-cash activities (e.g. initial recognition of leases) are presented as non-cash flows.

2.16. Leases – the Group as lessor

Revenue from lease payments – IFRS 16

Financial leases
After the commencement date of the lease, the Group recognises finance leases as follows:
- derecognises the carrying amount of the underlying asset,
- recognises the net investment in the lease,
- recognises the gain or loss on disposal in the profit or loss account.

The Group recognises financial income (in the profit or loss account) on financial leases from the inception of the lease over the lease term at an amount that reflects the periodic return on the remaining balance of the net investment in the lease (using the interest rate implicit in the lease). Income is recognised for the components of the net investment in the lease, including:
- the interest on the lease receivable,
- the interest accruing on the unguaranteed residual value asset at its expected value at the end of the lease term.

Operating leases
The Group recognises lease income from operating leases as revenue on a straight-line basis over the lease term.

2.17. Off-balance sheet items

Off-balance sheet liabilities are not included in the balance sheet and the profit and loss account that form part of the special purpose consolidated financial statements unless they are acquired in a business combination. They are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote and minimal. Off-balance sheet receivables are not included in the balance sheet and the profit and loss account of the special purpose consolidated financial statements but are disclosed in the notes when an inflow of economic benefits is probable.

2.18. Dividends

Dividends are recognised in the year in which they are approved by the shareholders.

2.19. Employee benefits

The Group does not have significant long-term employee benefits, and therefore employee benefits for the Group are short-term employee benefits (other than termination benefits) that fall due wholly within 12 months after the end of the period in which the employees render the related service. Examples include bonuses and monthly salaries payable within 12 months of the balance sheet date.

2.20. Results of financial operations

Financial results include interest and dividend income, interest and other financial expenses, fair value gains and losses on financial instruments and realised and unrealised foreign exchange differences.

Borrowing costs incurred in the production of an asset up to the time it is placed in service or sold are included in the cost of the asset. For the Group, borrowing costs include interest and other costs associated with borrowings.

2.21. Transactions with related parties

Related parties of the Group may be individuals or entities that are related to the Group.
In the case of an individual or a close relative of an individual, a related party relationship with the Group exists if the individual:

- exercises control or joint control, or
- has significant influence over the Company;
- is a key management personnel.

For the purpose of the special purpose consolidated financial statements, the Group considers the CEO of "ANTENNA HUNGÁRIA" Zrt., the Board of Directors, the Supervisory Board, the Managing Directors and the CEOs of the subsidiaries as key management personnel in accordance with IAS 24.

An entity is related to the reporting entity if any of the following conditions are met:

- - The entity and the reporting entity are part of the same group (i.e. each parent, subsidiary and associate are related to each other).
- - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a group member of which the other entity is a member).
- - Both entities are joint ventures of the same third party.
- - One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- - An entity provides a post-employment benefit plan for employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself provides such a plan, the sponsoring employers are also related to the reporting entity.
- - The entity is controlled or jointly controlled by an individual related to the entity or such an individual has a key management position in the entity.
- - The entity, or any member of the group of which the entity is a part, provides key management services to the reporting entity or the parent of the reporting entity.

The Group has entered into transactions with related parties on the same terms as transactions with unrelated parties, provided that those terms are reasonable.

2.22. Events after the balance sheet date

Events after the end of the reporting period that provide additional information about the Group's position at the end of the reporting period (adjusting items) are disclosed. Events after the balance sheet date that do not change the reported amounts but are material are disclosed in the notes.

3. First-time adoption of IFRS (IFRS 1)

With certain exceptions, IFRS 1 requires retrospective application of standards and related interpretations that are effective at the date of the first IFRS financial statements (expected to be 31 December 2024). The accounting policies used by the Group in preparing its special purpose consolidated financial statements have been developed in accordance with these requirements of IFRS 1.

The Group has not prepared consolidated financial statements at the date of transition to IFRS (31 December 2022), as described in the exemption from consolidation above, so it is not possible to make a direct comparison between the consolidated financial statements prepared under the previous accounting system and those prepared under IFRS. A possible comparison between the parent company's standalone statutory financial statements and the Group's IFRS consolidated financial statements would not be of additional value as the subsidiaries represent a significant part of the Group's operations. Therefore, there is no comparison between the special purpose consolidated financial statements and the previous GAAP financial statements that would provide relevant information. In view of this, the Group does not disclose a comparison between the special purpose consolidated financial statements and the previous GAAP financial statements.

In preparing the special purpose financial statements, the Group has applied certain mandatory exceptions and potential exemptions provided for in IFRS 1.

The mandatory exceptions are:

- **Estimation exception.** The accounting estimates used in the special purpose financial statements prepared for 1 January 2023 and 31 December 2023 shall be consistent with those used in the financial statements prepared for the same dates under previous GAAP, unless the latter estimates could be demonstrably inconsistent with IFRS.
- **Derecognition of financial assets and financial liabilities.** The Company is not required to restate financial assets and financial liabilities that it derecognised before the date of transition. Management has not elected to apply the derecognition criteria in IFRS 9 earlier.
- **Hedge accounting exception**. The Company does not apply hedge accounting.
- **Non-controlling interest exception.** The Group did not retrospectively measure business combinations prior to the date of transition in accordance with IFRS 3 (see below for a description of the business combination exemption). Accordingly, the Group has determined the value of the non-controlling interest as of 1 January 2023 in accordance with the business combination exemption applied.
- **Classification and measurement of financial assets.** The classification and measurement of financial assets shall be based on the facts and circumstances at the date of transition. This exemption does not have a material impact on the special purpose consolidated financial statements.
- **Impairment of financial assets.** The Group applies the impairment requirements of IFRS 9 retrospectively.
- **Embedded derivatives.** The Group has no embedded derivatives.
- **Government loans.** The Group has no government loans.

In preparing the special purpose financial statements, the Group has selected and applied the following potential exemptions:

i) **Exemption for business combinations.** The Group has not applied IFRS 3 retrospectively to business combinations that occurred before the transition date, as permitted by IFRS 1. Accordingly, the Group will apply IFRS 3 prospectively from 1 January 2023. The Group also applies the exemption consistently to its investments in associates. As the Group has not prepared consolidated financial statements for the year ended 31 December 2022, it has applied Section C4(j) of Appendix C to IFRS 1 in preparing its special purpose consolidated financial statements. Accordingly, goodwill recognised in respect of subsidiaries acquired in a business combination before 1 January 2023 is calculated using the following method:

- The value of the subsidiary's assets and liabilities has been determined based on the value at which the subsidiary would report them in its standalone IFRS financial statements.
- The Group has calculated how much of the subsidiary's net asset value is attributable to non-controlling interests and how much is attributable to the owners of the parent company.
- The calculated goodwill value is the difference between the net asset value of the subsidiary attributable to the owners of the parent company as of 1 January 2023 and the value of the accounting interest in "ANTENNA HUNGÁRIA" Zrt.

See Note 19 for further details on goodwill.

ii) **Cumulative currency translation differences.** Using the exemption provided by IFRS 1, the Group has set at zero the cumulative translation differences in the financial statements of its subsidiaries at the date of transition, 1 January 2023. The exemption has been applied consistently to all subsidiaries.

iii) **Leases.** In accordance with Section D9B of Appendix D to IFRS 1, the Group measured the value of the lease liability at the date of transition at the present value of the lease payments outstanding on 1 January 2023, using the incremental borrowing rate of the lessee at the date of transition as the discount rate. The value of the right of use of assets at the date of transition is equal to the value of the lease liability adjusted by the amount of prepaid or accrued lease payments relating to the leases recognised in the balance sheet at the date of transition to IFRS.

4. Application of new International Financial Reporting Standards and Interpretations

Standards and interpretations not yet effective, issued by the IASB and adopted by the EU
The Group's first consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRS" will be the consolidated financial statements as of 31 December 2024. The aim of this special purpose consolidated financial statements is to prepare for the first consolidated financial statements harmonizing with EU IFRS, they have been prepared in accordance with the standards or interpretations effective for financial years beginning on or after 1 January 2024.

As at the date of these special purpose consolidated financial statements, there are no standards, amendments to standards or interpretations adopted by the EU that would become effective for annual periods beginning on or after 1 January 2025.

Standards and interpretations not yet effective issued by the IASB but not yet adopted by the EU
The standards, amendments and interpretations presented below have not been applied in these special purpose consolidated financial statements as they have not yet been adopted by the EU. Their application and effective date are subject to EU endorsement.

The new standards and amendments to standards are:

- Amendments and additions to IAS 21 – The Effects of Changes in Foreign Exchange Rates to clarify the requirements for the convertibility of foreign currencies and the non-convertibility of foreign currencies.
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures in relation to supplier financing arrangements (reverse factoring).
- IFRS 18 – Presentation and Disclosure Financial Statements: in April 2024, the IASB issued the new IFRS 18, which will replace the currently effective IAS 1 standard. The new standard mainly introduces new features in the structure of the income statement, the disclosure of performance measures defined by management and the requirements for aggregation and sub-division.
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures: Based on new standard the eligible entities can apply reduced disclosure requirements.

5. Critical accounting estimates and significant judgements in the application of accounting policies

The preparation of special purpose consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the reported accounting policies. Estimates and related assumptions are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimating the book value of assets and liabilities that are not readily determinable from other sources. Actual results could differ from these estimates.

Significant judgements and accounting estimates used in these special purpose consolidated financial statements are as follows:

Goodwill impairment
The recoverable amount of each cash-generating unit is based on its value in use to the Group. The calculation of the value in use and the impairment test of goodwill requires certain critical accounting estimates, which are disclosed in Note 19 to the financial statements. On this basis, no impairment of goodwill was required in the current year or in the opening balance as of 1 January 2023.

Useful lives of property, plant and equipment and intangible fixed assets
The estimation of useful life requires significant judgement, which the Group bases on past experience with similar assets. The economic benefits embodied in the assets are primarily realised by the Group through use. However, factors such as technical and economic obsolescence and wear and tear often result in a reduction in the economic benefits that can be realised. Management estimates the remaining useful life of an asset based on current technological conditions over the period in which it is expected to generate economic benefits for the Group. Related information is disclosed in Note 15 and Note 16 to the financial statements.

Recognition of deferred tax assets
The Group recognises deferred tax assets to the extent that it is probable that they will be recoverable against future taxable income. Information on the recoverability of deferred tax assets is disclosed in Note 18 to the financial statements.

Depreciation of right of use of assets
In estimating the lease term, management considers all facts and circumstances that may affect, for example, possible renewal and termination options. For further information on the estimation of lease terms, see also Note 17 to the financial statements.

Discount rate used to calculate the lease liabilities
The Group normally uses the incremental borrowing rate to calculate the carrying amount of lease liabilities as the implicit interest rate on leases cannot be determined. Further information is given in the supplementary Note 34.

Environmental, Social and Governance (“ESG”) – Assessing risks related to climate change
The Group continually assesses the risks that climate change poses to the Group’s operations, including physical risks, regulatory changes and the expected economic impacts and costs of efforts to decarbonise the economy. A detailed description of the risks associated with this issue can be found in the published non-financial report of the ultimate parent company, 4iG Plc, for the year ended 31 December 2023. The risks identified in relation to climate change have been assessed by the Group and the potential impact on assets and liabilities is presented in the relevant section of the notes.

6. Net sales revenue

The Company's accounting policy for revenue recognition is set out in Note 2.3.

	Financial year ending 31/12/2023
Mobile services activity	285 608
Fixed services	157 315
Business services	40 877
Broadcasting activities	14 895
Content production activity	3 948
Revenue from leases	10 743
Revenue from other activities	3 386
Total	**516 772**

A significant part of the Group's sales revenue was generated by Vodafone Magyarország Távközlési Zrt. aquired in the current year: in the 11 months since its inclusion in the consolidation, the subsidiary has reported a sales revenue of HUF 280,493 million.

Revenue from telecommunications accounted for a significant proportion of revenue in 2023, due to the acquisition of new subsidiaries. In accordance with the standard, the full consideration for the sale of bundles of telephones and other telecommunications equipment and services is allocated to the individual bundles.

The geographical breakdown of net sales is shown in the following table:

	Financial year ending 31/12/2023
Hungary	436 593
Albania	56 683
Montenegro	23 496
Total	**516 772**

7. Other operating income

The composition of other operating revenue was as follows:

	Financial year ending 31/12/2023
Provision release	3 093
Penalties and compensation	770
Reversed impairment of receivables	5 689
Profit from the sale of subsidiaries	23 267
Other	4 172
Total	**36 991**

The reversal of the provision of HUF 3,093 million was mainly due to a change in the estimate of the provision for asset retirement obligation in the Albanian subsidiary.

Within the other line, a significant part of the amount is the recognised value of receivables sold or granted, while the remaining amount consists of smaller items such as the sale of intangible and tangible assets, reversal of impairment of inventories, grants, etc.

The movement table related to the impairment of receivables is presented in Note 10 *Other expenses.*

On 30 June 2023, the Group sold one of its subsidiaries, MIS Omega Mobilhálózat Kft., which was created by the spin-off of DIGI Távközlési és Szolgáltató Kft. and included infrastructure assets related to DIGI's mobile communications business. Further information on the transaction is provided in the tables below.

	MIS Omega Kft.
Consideration	55 183
Value of net assets sold	31 916
Profit from sale of subsidiaries	**23 267**

	MIS Omega Kft.
Total consideration	55 183
Deferred purchase price	22 845
Consideration received in cash	**32 338**
Cash and cash equivalents transferred	-37
Net cash from the sale of subsidiaries	**32 301**

8. Material costs

	Financial year ending 31/12/2023
Cost of goods and services sold	-118 617
Material costs	-27 732
Value of services used	-77 423
Value of other services	-17 641
Total	**-241 413**

A significant part of the acquisition value of the goods and services sold is the cost of the devices sold, program distribution fees, roaming fees and content service fees.

Among the material costs, the most significant items are the costs of electricity, fuel and materials used for network maintenance. The largest items among the services used are the costs of transport, storage, IT maintenance, network maintenance and operation, while within other services the various official fees and insurance fees are the most significant.

9. Staff costs

	Financial year ending 31/12/2023
Wages and salaries	-57 619
Other payments to personnel	-5 368
Social security costs and similar deductions	-8 125
Total	**-71 112**
Average statistical number	6 691

10. Other expenses

	Financial year ending 31/12/2023
Grants for foundations	-127
Penalties and compensation	-1 250
Taxes, duties, contributions	-28 280
Impairment of inventories	-2 615
Impairment of receivables	-13 956
Losses related to damages	-207
Provisioning	-475
Other	-3 977
Total	**-50 887**

Each year the Group reviews the turnover of its inventories and based on the market knowledge of the traders, recognises an impairment loss on slow-moving inventories and discards obsolete inventories.

Taxes, duties, and contributions are detailed in the following table:

	Financial year ending 31/12/2023
Telecommunications tax	-25 054
Utility tax	-2 407
Land and building tax	-158
Other taxes, duties, contribution	-661
Taxes, duties, contribution	**-28 280**

Impairment table for the year 2023:

	Opening	Increase	Reversal	Derecognition	Decrease due to inventory usage	Cumulative translation adjustment	Closing
Trade receivables	**-35 833**	-16 719	8 452	11 743	0	-280	**-32 637**
Other current financial assets	**-666**	-88	14	26	0	-82	**-796**
Inventories	**-3 245**	-3 182	730	0	239	-106	**-5 564**

11. Depreciation and amortisation

The activities of the Group are highly asset intensive due to the expansion of the telecommunications segment.

	Financial year ending 31/12/2023
Depreciation	-147 743
Total	**-147 743**

Depreciation includes depreciation of property, plant and equipment, intangible assets, and right of use assets for the year. The related movement tables are disclosed in Notes 15, 16 and 17 to the financial statements.

12. Financial income and expenses

Financial income

	Financial year ending 31/12/2023
Interest income	4 146
Foreign exchange rate gains	13 258
Other	2 281
Total	**19 685**

Financial expenses

	Financial year ending 31/12/2023
Other interest expenses	-27 587
Lease interest expenses	-11 047
Foreign exchange rate losses	-3 521
Other	-2 441
Total	**-44 596**

The majority of the amount included in interest receivables is interest received from financial institutions. Other financial income includes dividends of HUF 1,250 million received by "ANTENNA HUNGÁRIA" Zrt. on its previous shares in TMT Hungary Infra B.V.

Interest paid to financial institutions is the largest item under other interest expenses, which also includes interest paid to 4iG Plc, the owner of the Group’s control and interest paid on broadcasting rights and obligations. Lease interest expense includes interest on leases measured in accordance with IFRS 16 Leases in the amount of HUF 11,047 million.

13. Income taxes

The breakdown of expenses related to income taxes is as follows:

	Financial year ending 31/12/2023
Corporate income tax	-2 485
Deferred tax	-284
Local business tax	-5 565
Innovation contribution	-881
Total	**-9 215**

The income tax payable by the Group is the tax recognised in the standalone financial statements of the subsidiaries and calculated in accordance with the relevant local rules.

The tax rate applied to deferred tax expenses recognised in the income statement is 9% under the current legislation in Hungary and 15% in Albania and Montenegro, in accordance with the applicable corporate tax rate.

The breakdown of the tax is as follows:

	Financial year ending 31/12/2023
Profit or loss before tax	30 725
Tax liability calculated at the current tax rate (9%)	-2 765
Local business tax	-5 064
Innovation contribution	-802
Difference due to different tax rates of foreign subsidiaries	-309
Permanent differences	-275
Total income taxes	**-9 215**
Effective tax rate	**29.99%**

14. Other comprehensive income

The Group has recognised the exchange differences arising from the conversion of the financial statements of foreign subsidiaries into Hungarian forint from a currency different from the presentation currency in accordance with IAS 21 in the line other comprehensive income in the consolidated statement of comprehensive income.

The revaluation difference arising from the conversion of the financial statements of foreign subsidiaries is a gain of HUF 4,303 million. Both this other comprehensive income and the exchange differences shall be recognised in the consolidated profit and loss account in subsequent periods and, subject to certain conditions, shall be reclassified to the profit and loss account as other comprehensive income. See Note 29 for further information.

15. Property, plant, and equipment

	Machinery and other equipment	Property and related rights	Telecom equipment and devices	Investments in progress	Total
Gross value					
on 1 January 2023	**290 967**	**234 832**	**205 490**	**10 753**	**742 042**
Addition	8 491	4 020	35 244	14 599	62 354
Restoration, decommissioning obligation	0	-1 380	-140	0	-1 520
Disposal	-1 133	-75	-3 145	-5	-4 358
Scrapping	-5 673	-324	-1 171	0	-7 168
Asset transferred free of charge (-)	-14	0	0	0	-14
Assets held for sale	1 545	-31	0	-35	1 479
Acquisition of subsidiaries	4 873	64 288	88 469	13 193	170 823
Reclassification	-1 524	-3 677	0	0	-5 201
Cumulative translation adjustment	667	1 747	7 554	56	10 024
on 31 December 2023	**298 199**	**299 400**	**332 301**	**38 561**	**968 461**
Accumulated depreciation					
on 1 January 2023	**-254 358**	**-153 442**	**-167 082**	**19**	**-574 863**
Annual depreciation	-13 573	-8 030	-40 703	0	-62 306
Impairment	0	0	0	-675	-675
Disposal	1 104	10	3 077	0	4 191
Scrapping	5 638	324	1 171	0	7 133
Assets transferred free of charge	14	0	0	0	14
Assets held for sale	371	42	0	0	413
Reclassification	948	3 572	41	0	4 561
Cumulative translation adjustment	-617	-626	-6 499	0	-7 742
on 31 December 2023	**-260 473**	**-158 150**	**-209 995**	**-656**	**-629 274**
Net book value					
on 1 January 2023	**36 609**	**81 390**	**38 408**	**10 772**	**167 179**
on 31 December 2023	**37 726**	**141 250**	**122 306**	**37 905**	**339 187**

The increase in property, plant, and equipment was mainly due to the consolidation of the assets of Vodafone Magyarország Távközlési Zrt. The impact of the acquisition in the current period was HUF 170,823 million for property, plant, and equipment.

The determination and review of useful lives is a critical accounting estimate for the Group. The following table shows the impact of a 10% change in the average depreciation rate applied to tangible fixed assets on depreciation and, through this, on the profit for the year and equity at the balance sheet date:

Financial year ending 31/12/2023

Title	**Increase**	**Decrease**
Change in average depreciation rate	10 %	-10 %
Depreciation	6 231	-6 231

16. Intangible assets

	Other intangible assets					
	Concessions and similar rights	Intellectual products	Broadcasting rights	Capitalised agent commission	Customer relationship	Total
Gross value						
on 1 January 2023	**59 141**	**36 677**	**19 549**	**2 502**	**0**	**117 869**
Additions	4 690	21 865	3 608	11 902	0	42 065
Disposals	0	-1	0	0	0	-1
Scrapping	-22 483	-2 772	0	-103	0	-25 358
Assets held for sale	386	0	0	0	0	386
Acquisition	110 920	47 358	2 273	9 796	120 726	291 073
Reclassification	22	-134	0	-909	0	-1 021
Cumulative translation adjustment	1 744	-123	0	98	0	1 719
on 31 December 2023	**154 420**	**102 870**	**25 430**	**23 286**	**120 726**	**426 732**
Accumulated depreciation						
on 1 January 2023	**-39 873**	**-26 676**	**-5 144**	**-270**	**0**	**-71 963**
Current year depreciation	-13 147	-18 498	-11 054	-11 180	-5 533	-59 412
Disposal	0	1	0	0	0	1
Scrapping	22 483	2 703	0	103	0	25 289
Other increase (+)	0	-29	0	0	0	-29
Other decrease (-)	658	0	0	0	0	658
Assets held for sale	107	0	0	0	0	107
Reclassification	-18	31	0	0	0	13
Cumulative translation adjustment	-1 173	-34	0	-59	0	-1 266
on 31 December 2023	**-30 963**	**-42 502**	**-16 198**	**-11 406**	**-5 533**	**-106 602**
Net book value						
on 1 January 2023	**19 268**	**10 001**	**14 405**	**2 232**	**0**	**45 906**
on 31 December 2023	**123 457**	**60 368**	**9 232**	**11 880**	**115 193**	**320 130**

During the reporting period, the Group identified intangible assets, separate from goodwill in accordance with IFRS 3 – Business Combinations, which are recognised as a separate line item in the consolidated statement of financial position and amortised over their identified useful lives (average 20 years) when measuring each business combination. During the reporting period, we identified customer relationship that could be recognised as assets in the case of Vodafone Magyarország Távközlési Zrt.

Intangible assets include the broadcasting rights of HUF 9,232 million as of 31 December 2023 (1 January 2023: HUF 14,405 million), related to DIGI Távközlési és Szolgáltató Kft. and Vodafone Magyarország Távközlési Zrt.

The increase in the net book value of intangible assets was mainly due to the acquisition of Vodafone Magyarország Távközlési Zrt. in 2023.

The determination and review of useful lives is a critical accounting estimate for the Group. The table below shows the impact of a 10% change in the average amortisation rate applied to intangible assets on amortisation and, through this, on the profit for the year and equity at the balance sheet date:

Financial year ending 31/12/2023		
Title	**Increase**	**Decrease**
Change in average depreciation rate	10 %	-10 %
Depreciation	5 941	-5 941

Individually significant intangible assets:

The carrying amounts of individually significant intangible assets already capitalised on 31 December 2023, the amortisation period and the final date of amortisation are presented in the table below:

Name	Book value	Amortisation period	Final date of amortisation
5G spectrum fee	45 247	20 years	08/04/2042
700 MHz spectrum fee	21 764	20 years	05/09/2040
LTE spectrum fee	14 825	19 years	05/11/2033
Spectrum extension fee – 2100MHz	8 048	15 years	22/12/2034
3600 MHz spectrum fee	6 727	20 years	31/03/2040
NC invoicing system – Phase 3	2 800	10 years	15/07/2032
NC invoicing system – Phase 2	2 663	10 years	29/07/2031
NC invoicing system – Phase 3	1 142	10 years	31/08/2032
4G spectrum fee (LTE)	6 226	15 years	01/12/2031
2G spectrum fee	5 612	15 years	23/01/2030
3400-3800 MHz spectrum fee	3 513	18 years	31/07/2034
3G spectrum fee	5 574	15 years	28/09/2026
Vodafone brand name for the period 01/02/2023 – 31/01/2025	4 249	2 years	31/01/2025
4G licence (GSM/LTE/UMTS/WiMAX)	3 981	15 years	25/03/2030
2100 spectrum fee	3 588	20 years	31/03/2040
800 MHz spectrum fee	3 325	15 years	20/09/2034
900-1800MHz frequency fee	2 840	15 years	10/10/2034
3G spectrum fee	2 058	15 years	01/12/2027
900 MHz spectrum fee	1 276	19 years	05/11/2033
Spectrum fee (2017)	1 196	15 years	31/08/2030
5G spectrum fee (2023)	1 089	15 years	02/02/2037
on 31 December 2023	**147 743**		

17. Right of use of assets

	Lands and buildings	Machinery, motor vehicles	Telecommunication devices	Total
Gross value				
on 1 January 2023	**21 151**	**3 269**	**11 339**	**35 759**
Addition – due to new leases	13 050	4 055	6 525	**23 630**
Modification/Revaluation	18 044	220	302	**18 566**
Derecognition	-9 280	-992	-7 769	**-18 041**
Acquisition of a subsidiary	73 107	870	6 886	**80 863**
Reclassification	48	0	112	**160**
Cumulative translation adjustment	148	21	-11	**158**
on 31 December 2023	**116 268**	**7 443**	**17 384**	**141 095**
Accumulated depreciation				
on 1 January 2023	**-31**	**-1 331**	**-3 726**	**-5 088**
Depreciation in the current year	-19 244	-1 837	-2 668	**-23 749**
Modification/Revaluation	0	0	0	**0**
Derecognition	1 345	725	1 420	**3 490**
Reclassification	1	0	-12	**-11**
Cumulative translation adjustment	-77	-7	-1	**-85**
on 31 December 2023	**-18 006**	**-2 450**	**-4 987**	**-25 443**
Net value				
on 1 January 2023	**21 120**	**1 938**	**7 613**	**30 671**
on 31 December 2023	**98 262**	**4 993**	**12 397**	**115 652**

The acquisition of Vodafone Magyarország Távközlési Zrt. is the reason for the significant increase in the balance sheet item in right of use of assets. The net value of the right of use of assets at the date of acquisition was HUF 80,863 million.

	Financial year ending 31/12/2023
Lease-related costs, expenses	
Lease interest expense	11 047
Expenditure related to short-term leases	50
Expenses related to leases of low value assets	126
Total profit and loss	**11 223**

In accordance with the requirements of IFRS 16 Leases, the Group initially recognises a leased asset as a right of use of assets, taking into account any prepaid items on or before the lease term, and capitalises those items in the cost of the asset.
The most significant of the Group's leases are leases of headquarters and other office buildings, leases of space under mobile phone towers, leases of vehicles, and leases of other buildings, networks and other telecommunications equipment.

As described above, the Group considers the remaining term of the lease agreements as a significant accounting estimate. If the estimated remaining term of the leases is 10% longer, the depreciation recognised in the financial year ending on 31 December 2023 on the right-of-use assets would have been HUF 1,723 million less. If the estimated remaining term of the leases is 10% shorter, the depreciation recognised in the financial year ending on 31 December 2023 on the right-of-use assets would have been HUF 2,039 million more.

18. Deferred tax assets and liabilities

The following deductible and taxable differences have been identified:

	1 January 2023	Charged against income	Acquisition	Exchange differences	31 December 2023
Impairment of trade receivables, inventories	1 163	157	1 101	0	2 421
Property, plant, equipment and intangible fixed assets	2 111	-1 109	-21 224	49	-20 173
Other investments	-1 218	1 218	0	0	0
Provisions	909	-209	669	22	1 391
Right of use of assets and lease liabilities	0	1 333	-63	-1	1 269
Interest deductibility limit	0	-180	2 409	0	2 229
Other temporary differences	238	-1 103	2 089	-295	929
Total temporary differences	**3 203**	**107**	**-15 019**	**-225**	**-11 934**
Tax loss carry forward	497	-391	5 126	0	5 232
Net deferred tax asset (+) / liability (-)	**3 700**	**-284**	**-9 893**	**-225**	**-6 702**
Of which:					
Deferred tax assets	*3 982*				*2 216*
Deferred tax liabilities	*-282*				*-8 918*

The Group's accounting policy on deferred taxes is detailed in Note 2.14.

Deferred tax assets are recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

As described in Note 5, the probability of recovery of deferred tax assets is considered as material accounting estimation for the Group. Due to the uncertainty of their utilisation, the Group has losses of HUF 60,975 million for which no deferred tax asset has been recognised.
This way the amount of unrecognised deferred tax asset for the year ended 31 December 2023 is HUF 5,488 million. If deferred tax would have been recognised on 10% of the carry forward of unused tax losses, the profit for the year and the equity would have been higher with HUF 549 million.

19. Goodwill

Goodwill is the positive difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill is not amortized, but the Company assesses annually whether there are any indications that the carrying amount is not recoverable. Goodwill is stated at cost less any impairment. The material accounting policy information related to Goodwill impairment can be found in Note 2.6.

On 31 January 2023, "ANTENNA HUNGÁRIA" Zrt. became a 51% owner of Vodafone Magyarország Távközlési Zrt. In addition to the assets, the acquisition during the reporting year included the purchase of management functions, skilled employees and related processes. The acquisition has been accounted for as a business combination.

The value of goodwill recognised by the Group in relation to each subsidiary is as follows:

Name of subsidiary	**31/12/2023**	**01/01/2023**
DIGI Távközlési és Szolgáltató Kft.	178 403	178 403
ONE Telecommunications sh.a.	119 249	113 740
Vodafone Magyarország Távközlési Zrt.	96 644	0
Invitech ICT Services Kft.	85 140	85 140
ONE Crna Gora d.o.o.	27 385	28 643
"Digitális Átállásért" Nonprofit Kft.	11	11
Total goodwill	**506 832**	**405 937**

Changes in goodwill are shown in the following table:

	31/12/2023
Opening value	**405 937**
Growth from acquisitions	96 644
Exchange rate differences	4 251
Closing value	**506 832**

Key data of the subsidiary acquired in the reporting year:

	Vodafone Magyarország Távközlési Zrt.
Date of acquisition	31/01/2023
Way of acquisition	acquisition
Ownership at acquisition	51 %
Purchase price paid	323 216
Value of net assets acquired	444 260
Non-controlling interest	217 688
Goodwill	**96 644**

Value of net assets acquired	**Vodafone Magyarország Távközlési Zrt.**
ASSETS	
Non-current assets	
Property, plant, equipment	170 825
Customer relationship	120 726
Other intangible assets	169 203
Right of use of assets	80 863
Net investment in leasing	730
Other non-current assets	98
Total non-current assets	**542 445**
Current assets	
Cash and cash equivalents	1 380
Trade receivables	55 456
Other current financial assets	1 123
Other current non-financial assets	18 383
Current finance lease receivables	334
Inventories	6 305
Total current assets	**82 981**
Total assets	**625 426**
Non-current liabilities	
Provisions – non-current	2 801
Non-current loans, borrowings	13 019
Lease liabilities – non-current	67 315
Deferred tax liabilities	9 893
Other non-current liabilities	726
Total non-current liabilities	**93 754**

Current liabilities	
Trade payables	34 900
Provisions – current	2 295
Lease liabilities – current	12 766
Other current financial liabilities	1 691
Other current non-financial liabilities	35 760
Total current liabilities	**87 412**
Total liabilities	**181 166**

Net cash flow from acquisition of interests	
Consideration paid in cash	-323 216
Cash and cash equivalents purchased	1 380
Net cash flow from acquisition of interests	**-321 836**

In accordance with the previously described accounting policy, the Group has prepared the impairment test for the date of the special purpose consolidated financial statements.

The discount rate (weighted average cost of capital, "WACC") used in the calculation of the recoverable amount of the telecommunication cash-generating unit was 9.97% as of 31 December 2023. For the recoverable amount, the Group has applied the value in use method. As the value in use exceeds the carrying amount of the telecommunication cash-generating unit, no impairment was necessary as of 31 December 2023. Accordingly, in accordance with requirements of IAS 36, the Group did not perform a calculation of fair value less cost to sell.

The estimates used in the value in use calculation are in line with market expectations and the business plans approved at the time of the acquisition. The synergistic effects of the Group's dynamic expansion in 2023 have also been factored into management's expectations (both in terms of expected incremental revenues and cost optimisation). The combined present value of the cash flows from 2024-2028 and the residual value, calculated at a 3% growth rate, is significantly higher than the carrying value of the cash-generating unit.

Group of telecommunication cash-generating units	Value in use	Carrying amount
on 31 December 2023	1 469 844	1 176 425

Because the Group considers the calculation of value in use as a significant estimation, therefore presents for the main assumptions, how their change would have affected the calculated recoverable amount and the amount of goodwill impairment in the profit and loss on 31 December 2023

Variable	Modification	Effect on the calculated value in use	Goodwill impairment to be recognised
Discount rate	10% increase	-50 816	0
Long-term annual growth rate	1 percentage point decrease	-135 334	0
Calculated residual value	10% decrease	-107 926	0

20. Other non-current assets

The breakdown of other non-current assets at the balance sheet date is as follows:

	31/12/2023	01/01/2023
Loans to associates	28 518	6 517
Other non-current receivables	874	68
Total	**29 392**	**6 585**

The following table shows the movements in loans to related companies:

	Financial year ending 31/12/2023
Opening balance	**6 517**
Granting a loan	23 447
Repayment	-1 162
Exchange rate differences	2
Translation adjustments	-286
Closing balance	**28 518**

Loans to associates both as of 31 December 2023 and 1 January 2023 consist entirely of loans to 4iG Plc.

21. Cash and cash equivalents

	31/12/2023	01/01/2023
Cash on hand	799	811
Bank	41 913	29 025
Total	**42 712**	**29 836**

Cash and cash equivalents comprise cash on hand, current accounts with banks, short-term deposits and short-term liquid investments that that are readily convertible to known amounts of cash.

Of the cash and cash equivalents as of 31 December 2023, HUF 3,255 million is classified as restricted cash, which is fully restricted bank deposits.

Restricted cash consists of current account balances which have been deposited by consolidated companies in escrow accounts to cover future trade payables or which have been set aside in current accounts for similar purposes.

The Company measures its cash and cash equivalents at amortised cost and has made an estimate of the expected credit loss on its cash and cash equivalents, on the basis of which it does not consider it appropriate to recognise an impairment loss as it only places its cash with highly rated, financial institutions.

22. Trade receivables

	31/12/2023	31/12/2022
Trade receivables	132 644	70 806
Impairment of trade receivables	-32 637	-35 833
Total	**100 007**	**34 973**

The acquisition of Vodafone Magyarország Távközlési Zrt. increased the net trade receivables by HUF 55,456 million.

The accounting policy for the recognition of impairment losses on receivables is disclosed in Note 2.11.

Movements in impairment of trade receivables in the financial year ending 31. December 2023:

	Total impairment of trade receivables
on 1 January 2023	**-35 833**
Increase	-16 719
Reversal	8 452
Derecognition	11 743
Exchange rate differences	-280
on 31 December 2023	**-32 637**

23. Other current financial assets

Other current financial assets include:

	31/12/2023	01/01/2023
Gross value of cash lent for short term	1 000	247
Contract assets	11 146	1 836
Receivables from the sale of a subsidiary	22 845	0
Gross value of other financial receivables	1 535	2 534
Impairment of other financial receivables	-796	-666
Guarantees provided	1	328
Total	**35 731**	**4 279**

Cash lent for short term include a current loan of HUF 1,000 million granted to MIS Omega Mobilhálózat Kft., which was spun off from the Group of companies on 30 June 2023.
Contract assets include in accordance with IFRS 15 the portions of revenue earned in 2023 but not invoiced until 2024. Where the Company transfers control of the service on an ongoing basis and the conditions set out in the standard are met, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service.

Other current receivables include the part of the receivable due within one year from "ANTENNA HUNGÁRIA" Zrt. for the sale of MIS Omega Mobilhálózat Kft. to Pro-M Professzionális Mobilrádió Zrt. in the amount of HUF 22,845 million. As the time value of money has a significant impact, the uncollected purchase price was recognised at its discounted net present value in accordance with International Financial Reporting Standards, which reduced the nominal value of the receivable by HUF 1,530 million. This carrying amount will approximate the nominal value of the receivable in the future and will reach the nominal value at the date of payment. The effect of the discount has been recognised in other operating income, on the profit from the sale of subsidiaries line as disclosed in Note 7 to the financial statements.

The Group of companies has also assessed the need to recognise a credit loss on other receivables in accordance with IFRS 9 and does not consider it appropriate to recognise a credit loss on these receivables as they have a low credit risk, are generally not past due at the reporting date and the risk of default is negligible.

	Total impairment of other current financial assets
on 1 January 2023	**-666**
Increase	-88
Reversal	14
Derecognition	26
Exchange rate differences	-82
on 31 December 2023	**-796**

24. Other current non-financial assets

Other current non-financial assets include:

	31/12/2023	01/01/2023
Other tax receivables	1 102	0
Advances granted	1 945	1 342
Lease charge deposit	660	236
Accrued and deferred costs and expenses	8 570	4 214
Total	**12 277**	**5 792**

Within other tax receivables, the largest amount as of 31 December 2023 is represented by VAT receivables, and as of 1 January 2023 the balance of tax receivables was a liability.

The Company presents advances to suppliers net of VAT.

Accrued and deferred costs and expenses include expenses and fees invoiced prior to the balance sheet date that will be incurred in 2024.

25. Income tax receivables and liabilities

The Group considers the following to be profit taxes under IAS 12:

	31/12/2023	01/01/2023
Corporate and dividend tax receivables (+)/liability(-)	-461	-1 445
Local business tax receivables (+)/liability(-)	-114	147
Innovation contribution receivables (+)/liability(-)	-153	-82
Total	**-728**	**-1 380**
of which: receivables	*680*	*0*
of which: liabilities	*-1 408*	*-1 380*

Income tax assets and liabilities are aggregated by company and by tax category. In the table, liabilities are shown as negative.

26. Inventories

	31/12/2023	01/01/2023
Goods	11 348	7 930
Raw materials	3 724	4 017
Refundable packaging	0	4
Write-down of goods	-2 670	-2 020
Write-down of raw materials	-2 894	-1 225
Total	**9 508**	**8 706**

Inventories have increased in line with the expansion of the business and the new subsidiary's inventory levels. Each year the Group reviews the turnover of its inventories and based on market knowledge, recognises an impairment loss on slow-moving and obsolete inventories.

Inventories are therefore carried at the lower of cost and net realisable value less costs to sell. The Group recognises strategic inventories as property, plant, and equipment for inventory items with a specific acquisition cost of HUF 5 million.

27. Assets held for sale and liabilities related to assets held for sale

	31/12/2023	01/01/2023
Assets held for sale	0	179 393
Liabilities related to assets held for sale	0	19 573

As part of its integration and reorganisation processes, the Group has reviewed its assets and has classified assets that do not serve the Group's interests and future objectives on a sustainable basis as held for sale in relation to DIGI Távközlési és Szolgáltató Kft. Assets held for sale include property, plant and equipment, intangible assets and right of use of lease assets while liabilities related to assets held for sale mainly represent current and non-current lease liabilities related to right of use of assets. MIS Omega Mobilhálózat Kft., which included assets and liabilities previously classified as held for sale. The Group did not recognise any depreciation or amortisation on the assets held for sale during the period. The transaction was closed on 30 June 2023, MIS Omega Mobilhálózat Kft. was sold and the assets and liabilities held for sale were derecognised.

As of 1 January 2023, the Group also includes in assets held for sale its shares in TMT Hungary B.V. and TMT Hungary Infra B.V., which were sold on 20 March 2023 in a share swap for HUF 125,700 million and were previously recognised in the books of "ANTENNA HUNGÁRIA" Zrt. As a result of the share swap, "ANTENNA HUNGÁRIA" Zrt. increased its ownership in Vodafone Magyarország Távközlési Zrt. to 70.5% following the acquisition on 31 January 2023.

28. Share capital

The Company's share capital consists of

- 109,883,051 ordinary shares of Series "A" with a nominal value of HUF 1,000 each;
- 1 preference share of Series "B" with a nominal value of HUF 1,000, granting the right of first refusal to appoint a member of the Board of Directors pursuant to Section 3:233 of Act V of 2013 on the Civil Code (hereinafter: the Civil Code),
- 1 preference share of Series "C" series with a nominal value of HUF 1,000, giving priority to the appointment of a member of the Supervisory Board, pursuant to Section 3:233 of the Civil Code,
- 2 preference shares of Series "D" shares with a nominal value of HUF 1,000 each, with pre-emptive rights, pursuant to Section 3:234 of the Civil Code.

Each series "A" registered ordinary share and each series "B", "C" and "D" preference share carries one vote. The shares are issued in dematerialised form.

The share capital of the Company included in this special purpose consolidated financial statements is the same as the share capital recorded by the Company Court.

	31/12/2023
Opening value	**109 883**
Increase	0
Decrease	0
Closing value	**109 883**

29. Retained earnings

	31/12/2023
Opening value	**36 352**
Profit after tax	23 660
Non-controlling interest change due to merger	-5 744
Transaction with owners	-39 397
Closing value	**14 871**

For a detailed description of the non-controlling interest change due to the merger and the transactions with the owners, see Note 31.

30. Accumulated other comprehensive income

Accumulated foreign exchange rate differences

The Group recognises the foreign exchange rate differences arising on the conversion of the balance sheets and profit and loss accounts of foreign subsidiaries in the foreign exchange rate differences on equity. Foreign exchange rate differences are subsequently reclassified to profit or loss when certain conditions are met.

31. Non-controlling interest

Changes in non-controlling interests during the reporting period are shown in the table below.

	Comment	31/12/2023
Opening value		**-5 451**
Profit or loss after tax		-2 150
Other comprehensive income		15
Total comprehensive income		**-2 135**
Acquisition of a subsidiary	1	217 688
Non-controlling interest change due to merger	2	5 744
Transaction with owners	3	-86 303
Closing value		**129 543**

1) Acquisition of a subsidiary: on 31 January 2023, "ANTENNA HUNGÁRIA" Zrt. acquired a 51% stake in Vodafone Magyarország Távközlési Zrt., thereby obtaining control of the company as of that date. For further information on the acquisition, see Note 19.

2) Change of non-controlling interest due to merger: ONE Telecommunications sh.a. and ALBtelecom sh.a. merged on 1 January 2023 and will continue to operate as one company, ONE Albania sh.a. Before the merger 0.17% of ONE Telecommunications sh.a. and 19.37% of ALBtelecom sh.a. was owned by non-controlling interests. After the merger the non-controlling interests for the legal successor ONE Albania sh.a. became 3.725%. The impact of the transaction for the value of non-controlling interests was an increase of HUF 5,744 million.

3) Transaction with owners: on 20 March 2023, the Group sold its stakes in TMT Hungary B.V. and TMT Hungary Infra B.V., previously recognised in the books of "ANTENNA HUNGÁRIA" Zrt., for HUF 125,700 million in a share swap. As a result of the share swap, "ANTENNA HUNGÁRIA" Zrt increased its ownership to 70.5% after the acquisition of 51% of the shares of Vodafone Magyarország Távközlési Zrt. on 31 January 2023. The effect of the transaction for the different capital items is quantified in the below table:

Vodafone Magyarország Távközlési Zrt. value of net assets at the time of the share swap	**442 577**
Non-controlling interest before the share swap (49%)	216 863
Non-controlling interest after the share swap (29,5%)	130 560
Change in non-controlling interest	**-86 303**
Value of shares transferred	125 700
Difference recognised in the retained earnings	-39 397

Financial information of subsidiaries with material non-controlling interests before elimination of intra-group transactions:

	31/12/2023 Vodafone Magyarország Távközlési Zrt.
Non-current assets	526 842
Current assets	107 251
Total assets	**634 093**
Non-current liabilities	93 635
Current liabilities	102 376
Total liabilities	**196 011**
Value of net assets	**438 082**
Non-controlling interest %	29.50%
Closing value of non-controlling interest	**129 234**

	Financial year ending 31/12/2023
Net sales revenue	280 493
Profit or loss after tax	**-6 179**
Other comprehensive income	0
Total comprehensive income	**-6 179**
Profit or loss after tax attributable to non-controlling interest	-2 152
Total comprehensive income attributable to non-controlling interest	-2 152

	Financial year ending 31/12/2023
Cash flow from operating activities	82 397
Cash flow from investing activities	-58 725
Cash flow from financing activities	-2 677
Net change in cash and cash equivalents	**21 067**

32. Provisions

	Unused vacation	Provision for legal and litigation expenses	Asset retirement obligations	Total
on 1 January 2023	**566**	**2 853**	**5 961**	**9 380**
Acquisition	0	2 229	2 867	**5 096**
Increase	667	1 284	0	**1 951**
Unwinding of provision	0	0	471	**471**
Inclusion / reassessment of the asset retirement obligation	0	0	-1 520	**-1 520**
Utilisation	-33	-1 317	-401	**-1 751**
Cumulative translation adjustments	12	-5	73	**80**
on 31 December 2023	**1 181**	**4 336**	**5 627**	**11 144**

The maturity breakdown of provisions:

	31/12/2023	01/01/2023
Non-current provisions	5 758	4 809
Current provisions	5 386	4 571
Total	**11 144**	**9 380**

The provision for unused vacation amounts to HUF 1,181 million as of 31 December 2023 (HUF 566 million as of 1 January 2023), of which HUF 667 million is the amount of the provision for the year 2023.

The provision for asset retirement obligation includes the discounted provision for the future restoration of the assets of Vodafone Magyarország Távközlési Zrt. acquired in 2023 and ONE Albania sh.a. and ONE Crna Gora d.o.o. acquired in previous years.

33. Loans, borrowings

	31/12/2023	01/01/2023
Non-current loans, borrowings	377 965	62 056
Current loans, borrowings	8 659	7 540
Loans, borrowings – total	**386 624**	**69 596**

Changes in loans and borrowings are shown in the table below.

	31/12/2023
Opening liabilities	**69 596**
Growth from acquisitions	13 019
Reduction due to exclusion from the group	-1 100
Withdrawal	376 929
Initial transaction costs	-4 820
Repayment	-62 661
Revaluation difference	-5 426
Cumulative translation adjustment	1 087
Closing liabilities	**386 624**

	31/12/2023	01/01/2023
"ANTENNA HUNGÁRIA" Zrt.		
Vodafone acquisition loans	319 057	0
MFB investment loan	29 375	32 501
Vodafone Magyarország Távközlési Zrt.		
Corvinus Zrt. medium-term loan	6 144	0
Albania Telecom Invest AD		
4iG Plc loan	4 974	4 796
ONE Albania sh.a.*		
OTP loan	13 592	15 404
4iG Plc loan	13 204	14 058
Tirana Bank overdraft facility	0	1 585
Italian government loan	218	390
Raiffeisen Bank loan and overdraft	42	861
DIGI Távközlési és Szolgáltató Kft.		
CITI credit card short-term loan	18	1
Total	**386 624**	**69 596**

* ONE Telecommunications sh.a. and ALBtelecom sh.a. merged on 1 January 2023 under the name ONE Albania sh.a.

The above figures represent the amounts drawn down from working capital facilities contracted, the amounts actually drawn down from. Both the Company and its consolidated subsidiaries have fully and when due complied with all debt service obligations arising from financial commitments.

"ANTENNA HUNGÁRIA" Zrt.

In order to ensure the liquidity of the Company, it has an overdraft facility with MKB Bank Nyrt. of HUF 5,000 million, which was zero at the balance sheet date.
In 2020, the Company signed a contract with MFB Magyar Fejlesztési Bank Zrt for a HUF 45,851 million loan with a 13-years maturity, the purpose of which was to purchase shares in a business. The annual repayment is HUF 3,126 million and the interest rate is fixed at 4.20% per annum for the entire term, payable on a calendar quarterly basis. MFB has pledged the assets, receivables, and real estate of the Company as security for the loan.
The repayment due within a year is HUF 3,126 million as of the balance sheet date. The Company has met its debt service due in 2023 according to the contractual schedule.

In January 2023, the Company entered into EUR-denominated long-term loan agreements with Magyar Export-Import Bank Zrt. and MFB Magyar Fejlesztési Bank Zrt. for the acquisition of a majority stake in Vodafone Magyarország Távközlési Zrt. Due to the grace period, no principal repayment will be due in 2024, only interest payments at a fixed interest rate (6.54% and 8.19%) for the first five years of the term, which will be reviewed in January 2028 at latest. In addition to the Company, Vodafone Magyarország Távközlési Zrt. is also a debtor and the financing banks have registered liens on the assets of the Company and the debtor as security for the loans and have stipulated the fulfilment of financial covenants. The Group was in compliance with these covenants at the balance sheet date and thereafter.
"ANTENNA HUNGÁRIA" Zrt. is required to comply with the following financial ratios on a consolidated basis for the above loans:

- the Debt Service Coverage Ratio shall not fall below 1.2 during the term starting from 1 January 2024;
- Net Debt/EBITDA shall not exceed 4.0 over the term from 1 January 2023, where EBITDA is determined on the basis of the principles set out in the accounting policies and consolidated IFRS financial statements of the 4iG Group and is defined as the aggregate EBIDTA for the 12 months preceding the calendar quarter in question;
- based on the consolidated accounts of "ANTENNA HUNGÁRIA" Zrt. – including Vodafone Magyarország Távközlési Zrt. -, the CAPEX may not exceed HUF 110,000,000,000.

The ratios for the end of the financial year with a deadline of 30 June of the following year, in the case of "ANTENNA HUNGÁRIA" Zrt. - including Vodafone Magyarország Távközlési Zrt. -, will be measured on the basis of consolidated financial statements prepared in accordance with IFRS, with a report prepared by an international audit firm, for the first time in the case of the CAPEX limit and Net debt/EBITDA for the financial year 2023 in 2024, and for the first time in the case of the Debt Service Coverage Ratio for the financial year 2024 in 2025.

The “Debt Service Coverage Ratio” for "ANTENNA HUNGÁRIA" Zrt. at the end of the financial year was calculated according to the following formula:
A = B / C

where:
A = Debt Service Coverage Ratio;
B = Cash Available for Debt Service;
C = Debt Service.

“Cash Available for Debt Service” for "ANTENNA HUNGÁRIA" Zrt. at the end of the financial year was calculated using the following formula:
CF = R + S – T + Y

where:
CF = Cash Available for Debt Service or Cash Flow
R = Cash flow from operating activities (Operating cash flow) according to this heading in the Cash flow statement prepared in accordance with International Financial Reporting Standards (IFRS)
S = interest and fees paid on any Authorised Financial Debt
T = Cash flow from investing activities (Investment cash flow) according to this heading in the Cash flow statement prepared in accordance with International Financial Reporting Standards (IFRS) (excluding dividends received from 4iG Group)
Y = proceeds from the issue of shares, the raising of capital and all other contributions of capital by the Owner, including subordinated loans by the Owner to its members

"Debt service" for "ANTENNA HUNGÁRIA" Zrt. at the end of the financial year was calculated using the following formula:
D = A + B + C

where:

D = Debt service;
A = the amount of the Permitted Financial Debt, excluding the sum of principal repayments and lease payments due in the given financial year under the wording capital financing and leasing agreements;
B = the amount of interest repayments due under the Permitted Financial Debt in the current financial year;
C = the amount of interests, charges, fees and similar payments other than interest due under the Permitted Financial Debt in the relevant financial year.

„Net Debt” is total outstanding debt less cash and cash equivalents and bank overdrafts maturing within one year.

„Total outstanding debt” means the sum of the items recorded in the following balance sheet lines in the special purpose consolidated financial statements of "ANTENNA HUNGÁRIA" Zrt:

- long-term loans and borrowings (including loans form owners and related companies),
- other long-term loans,
- liabilities under finance leases included in non-current liabilities,
- short-term loans and borrowings,
- liabilities under finance leases included in current liabilities.

In the financial year ending 31 December 2023, the Group met the relevant covenants as follows:

Name of Covenant	**Antenna Hungária Group**	**Covenant**
Net Debt/EBITDA	2.26	max. 4.0
CAPEX limit (million HUF)	105 903	max. 110 000

Albania Telecom Invest AD

In 2022, the parent company of the Group, 4iG Plc, granted an intercompany loan of EUR 11,716,465 to Albania Telecom Invest AD to replace loans granted by the previous owners, with a variable interest rate fixed at 12 months EURIBOR and a maturity date of 30 June 2031.

ONE Albania sh.a.

On 1 January 2023, the Company's majority owned Albanian companies – ONE Telecommunications sh.a. and ALBtelecom sh.a. – were merged by succession under the name ONE Albania sh.a.
The merger of the two legal entities was subject to the prior approval of the financing banks, while maintaining the loans and credits contracted until then.
The utilisation rate of available bank overdrafts denominated in Euro and Albanian Lek was 0 at the balance sheet date.
As security for the loans and credits, mortgages on real estate and pledges on receivables and movable properties are registered in favour of the financing banks.

Providing financing	Type of credit	Frame amount	Outstanding debt 31/12/2023	Currency	Interest	Expiry date
OTP BANK PLC; DSK BANK AD; BANKA OTP ALBANIA SHA	syndicated loan	37 000 000	34 040 000	EUR	3 months EURIBOR + 4.25%	03/06/2031
BANKA OTP ALBANIA SHA	overdraft	2 000 000	0	EUR	12-months EURIBOR +3.5% (min 4.2%)	31/05/2024
Italian Government	bullet type loan contract	6 808 761	567 396	EUR	Fix 1%	26/02/2025
Raiffeisen Bank Albania sh.a.	project loan	600 000	111 111	EUR	12-months EURIBOR + 5% (min 5.3%)	25/06/2024
Raiffeisen Bank Albania sh.a.	overdraft	1 650 000	0	EUR	12-months EURIBOR + 5% (min 5.3%)	28/02/2024
Tirana Bank S.A.	overdraft	467 009 854	0	ALL	Annual Treasury Bills + 2.5% (min 5.0%)	15/07/2024

Vodafone Magyarország Távközlési Zrt.

In January 2023, "ANTENNA HUNGÁRIA" Zrt. and Corvinus Nemzetközi Befektetési Zrt. ("Corvinus") concluded a sale and purchase agreement for the acquisition of 100% of the shares of the Company. Subsequently, in order to finance the specific obligations of the company, Corvinus provided a loan in two tranches with variable interest rates for a total amount of HUF 6,144 million, with floating interest rate fixed at 3 months BUBOR and with repayment on maturity, of which

- HUF 3,840 million matures on 31 October 2024 and
- EUR 2,304 million matures on 30 January 2026.

Bank guarantees

Bank guarantees issued on behalf of DIGI Távközlési és Szolgáltató Kft. on 31 December 2023:

Bank	Reference-Number	Beneficiary	Type	Total	Currency	Date of issue	Expiry date
Citibank Europe Plc. Magyarországi Fióktelepe	111177	Budapest Közlekedési Zrt.	payment	15 181 537	HUF	19/12/2016	31/12/2025
	112366	Yettel Magyarország Zrt.	payment	17 000 000	HUF	24/07/2020	31/12/2024
	113260	CEE Property-Invest Kft.	payment	276 042	EUR	18/12/2023	29/01/2027
			Total HUF	**32,181,537**			
			Total EUR	**276,042**			

As security for the bank guarantees, a total of HUF 32 million was deposited in a bank account earmarked for this purpose.

Bank guarantees issued on behalf of Invitech ICT Services Kft. on 31 December 2023:

Bank	Reference number	Beneficiary	Type	Total	Currency	Date of issue	Expiry date
UniCredit Bank Hungary Zrt.	23010106	Magyar Posta Takarék	payment	23 653 505	HUF	16/01/2023	11/01/2024
	23010114	M7 Ceref II Lux	payment	8 023.75	EUR	04/12/2023	04/12/2024
	23010118	GÉANT Vereniging	payment	100 000	EUR	12/01/2023	12/01/2024
			Total HUF	**23,653,505**			
			Total EUR	**108,023.75**			

A total of HUF 24 million and EUR 108 thousand in cash collateral was deposited in the bank account earmarked for this purpose as security for the bank guarantees.

Bank guarantees issued on behalf of Vodafone Magyarország Távközlési Zrt. on 31 December 2023:

Bank	Reference number	Beneficiary	Type	Total	Currency	Date of issue	Expiry date
Citibank Europe Plc. Magyarországi Fióktelepe	5137621678	Apple Distribution International Limited	payment	3 200 000 000	HUF	28/07/2023	11/07/2024
			Total HUF	**3 200 000 000**			

Bank guarantees issued on behalf of ONE Albania sh.a. on 31 December 2023:

Bank	Reference number	Beneficiary	Type	Total	Currency	Date of issue
OTP Bank Albania	AL14 9021 1797 4551 2302 0339 2423	Tax office	payment	5 000 000	ALL	19/07/2023
		Tirana East Gate Sh.P.K.	payment	15 543	EUR	19/07/2023
		Central Bank of Albania	payment	5 832	EUR	19/07/2023
		Municipality of Maliq	payment	400 000	ALL	19/07/2023
		Praslin Investment Al Shpk	payment	1 650	EUR	19/07/2023
		Bashkia Mat	payment	444 000	ALL	19/07/2023
		Bashkia Pagradec	payment	250 000	ALL	19/07/2023
		Banka E Shqiperise	payment	396	USD	19/07/2023
		Komuna Kolonje	payment	382 200	ALL	19/07/2023
		Municipality of Vau Dejes	payment	60 000	ALL	19/07/2023
			Total ALL	**6,536,200**		
			Total EUR	**23,025**		
			Total USD	**396**		

34. Lease liabilities

The definition of leases has been significantly expanded in accordance with IFRS 16, which became effective from 1 January 2019.
Lease liabilities expanded in accordance with IFRS 16 are presented below:

	31/12/2023	01/01/2023
Lease liabilities – non-current	95 427	15 150
Lease liabilities – current	22 686	14 150
Lease liabilities – total	**118 113**	**29 300**

	31/12/2023
Opening liabilities	**29 300**
Addition from acquisitions	80 081
Addition – new leasing	25 658
Addition – modification/reassessment	8 305
Interest expenditure	10 026
Lease payments	-17 364
Decrease – adjustment/revaluation, derecognition	-17 144
Revaluation margin	-829
Exchange rate differences	80
Reclassification	0
Closing liabilities	**118 113**

The total cash outflow of the Group of companies from leasing transactions in 2023 was HUF 19,414 million.

The Group has excluded future cash flows to which it is potentially exposed from the measurement of lease liabilities. The undiscounted potential future lease payments for periods after the renewal options, which are not part of the lease term, amount to HUF 56,730 million. The undiscounted potential future cash flows related to termination options not included in the measurement of the lease liability amount to HUF 32 million in 2023. The future undiscounted lease payment obligation for contracts not yet commenced and not yet cancelled as of 31 December 2023 is HUF 4,941 million.

As of 31 December 2023, there were no residual value guarantees to which the Group was potentially exposed and which were not included in lease liabilities.

Short-term leases or leases of low-value assets are recognised as operating expenses by the Group.

As described above, the Group considers the remaining lease terms and discount rate used in the present value calculation as significant accounting estimates.
If the estimated remaining term of the lease contracts had been 10% longer, the lease liability recognised on 31 December 2023 would have been higher by HUF 8,493 million. If the estimated remaining lease term of the lease contracts had been 10% shorter, the lease liability recognised on 31 December 2023 would have been HUF 10,711 million lower. If the discount rate used in the calculation of the lease liability had been 10% higher, the lease liability recognised on 31 December 2023 would have been HUF 2,868 million lower. If the discount rate used to calculate the lease liability had been 10% lower, the lease liability recognised on 31 December 2023 would have been HUF 1,279 million higher.

35. Other non-current liabilities

	31/12/2023	01/01/2023
Liabilities related to content fee	4 221	8 200
Other long-term liabilities	13	0
Total	**4 234**	**8 200**

Liabilities related to content fee is detailed in Note 2.5.

36. Trade payables

	31/12/2023	01/01/2023
Trade payables	65 832	32 440
Total	**65 832**	**32 440**

37. Other current financial liabilities

	31/12/2023	01/01/2023
Payroll transfer obligations	1 495	1 993
Dividends payable to related party	1 593	11 793
Liabilities concerning broadcasting rights	5 870	6 622
Accrued expenses and charges	48 830	16 200
Various other current liabilities	7 521	5 370
Total	**65 309**	**41 978**

The liabilities related to the broadcasting rights relate to DIGI Távközlési és Szolgáltató Kft. and Vodafone Magyarország Távközlési Zrt.

38. Other current non-financial liabilities

	31/12/2023	01/01/2023
Tax liabilities and contributions	10 872	4 527
Contractual liabilities	36 015	17 243
Grants received, deferred income	413	695
Total	**47 300**	**22 465**

The Group of companies has no overdue tax liabilities, and all companies are included in the database of companies without public debt.

Contractual obligations according to IFRS 15 are also shown here, amounting to HUF 36,015 million on the balance sheet date. The Group presents as contractual obligations the amounts that have already been settled financially by the customers, the fulfillment of which will only take place after the balance sheet date (e.g. telecommunication fees invoiced in advance).

39. Changes in liabilities arising from financing activities

	Loans, borrowings	Accrued interest expense	Lease liability	Lease liabilities related to assets held for sale	Total
1 January 2023	**69 596**	**-221**	**29 300**	**19 573**	**118 248**
Transactions involving the movement of funds					
Borrowing	376 929		0		**376 929**
Loan repayments	-62 661		0		**-62 661**
Interest paid	0	-26 456	0		**-26 456**
Repayment of leasing liabilities	0		-17 364	-2 050	**-19 414**
Transaction costs related to borrowing and lending	-4 820		0		**-4 820**
Transactions not involving the movement of funds					
Interest expenses	0	27 587	10 026	1 021	**38 634**
Increase – new leasing	0		25 658		**25 658**
Lease modification/revaluation	0		-8 839		**-8 839**
Acquisition of subsidiaries	13 019	0	80 081		**93 100**
Sale of subsidiaries	-1 100	-2	0	-18 544	**-19 646**
Exchange rate differences	-5 426		-829		**-6 255**
Reclassification	0	0	0		**0**
Currency translation adjustments	1 087	-10	80		**1 157**
31 December 2023	**386 624**	**898**	**118 113**	**0**	**505 635**

40. Risk management

The Group is exposed to the following financial risks:

- credit risk,
- liquidity risk,
- market risk.

This chapter describes the Group's above-mentioned risks, the Group's objectives, policies, processes for measuring and managing risk, and the Group's capital management. The Board has overall responsibility for the establishment, oversight and risk management of the Group.
The Group's risk management policy is designed to identify and investigate the risks faced by the Group and to establish appropriate controls and monitor the risks. The risk management policy and system are reviewed from time to time to reflect changing market conditions and the Group's activities.

Capital management

It is the policy of the Group to maintain a level of share capital sufficient to maintain the confidence of investors and creditors and to ensure the development of the Group. The Board of Directors aims to maintain a policy of taking on increased debt only at higher rates of return, based on the benefits of a strong capital position and security.

The Group's capital structure consists of net debt and the Group's equity (the latter including subscribed capital, reserves and non-controlling interests).

In managing its capital, the Group seeks to ensure that the Group's businesses can continue to operate while maximising the return to owners by maintaining an optimal balance between debt and equity and an optimal capital structure to reduce the cost of capital. The Group also monitors whether the capital structure of its member companies complies with local legal requirements.

Credit risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Group. Financial assets that are exposed to credit risk may be non-current or current loans, cash and cash equivalents, trade and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Group's maximum exposure to credit risk as of 31 December 2023 and 1 January 2023.

Credit risk

	31/12/2023	01/01/2023
Trade receivables	100 007	34 973
Other current financial assets	35 731	4 279
Cash and cash equivalents	42 712	29 836
Total	**178 450**	**69 088**

The ageing of trade receivables as of 31 December 2023 was as follows:

	31/12/2023
Not yet due	85 086
1-30 days expired	5 293
Between 30-90 days overdue	3 553
Between 90-180 days overdue	1 911
Between 180-360 days overdue	1 685
Over 360 days overdue	2 479
Total	**100 007**

Customer qualification is ongoing. Initially, they are served only by cash or advance payment. After a longer relationship it is possible to achieve 8-15-30-60 days payment. The collection risk of our non-overdue receivables is minimal.

The recovery risk of our overdue receivables is constantly monitored and mitigated by the recognition of impairment losses. A significant part of the overdue trade receivables has to be reviewed together with the suppliers who are paid late, because in case of non-payment by the customer, the related suppliers cannot be paid according to the agreements. The credit loss is limited to the margin, collateral.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Group's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

	Due within 1 year	Due within 1 to 5 years	Due after 5 years	Total future undiscounted cash flows
Loans, borrowings	8 659	17 110	367 495	**393 264**
Leasing liabilities	29 340	98 307	17 823	**145 470**
Other non-current financial liabilities	0	4 858	0	**4 858**
Trade and other payables	65 832	0	0	**65 832**
Other current financial liabilities	65 309	0	0	**65 309**
Total financial liabilities	**169 140**	**120 275**	**385 318**	**674 733**

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and investment fund prices, will affect the Group's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits while optimising profit.

Risk from the war in Ukraine

The Company does not have any business relationships with Ukrainian companies and therefore does not perceive any direct business risk.

Sensitivity analysis

The Group has determined that its results are significantly affected by two key financial variables, namely foreign exchange risk and interest rate risk. Sensitivity tests have been performed on these key variables. The Group seeks to mitigate interest rate risk primarily by tying up its free cash.

The Group's currency exposure as of 31 December 2023 was as follows:

	HUF	Currency	Total
Trade receivables	70 454	29 553	**100 007**
Trade payables	26 008	39 824	**65 832**
Cash and cash equivalents	33 653	9 059	**42 712**
Loans, borrowings	30 717	355 907	**386 624**

Interest rate sensitivity testing

The following is a sensitivity analysis of how the Group's indicators such as profit before tax, net interest expense and total asset value would have developed if interest rates had been 1% and 5% higher and lower respectively in the financial year ending 31 December 2023:

With current interest rates	**31/12/2023**
Profit or loss before tax (excluding interest)	65 213
Net interest expense	-34 488
Profit or loss before tax	**30 725**
Total assets	**1 517 126**
1%	
Net interest expense	-34 833
Profit or loss before tax	30 380
Changes in profit or loss before tax	**-345**
Changes in profit or loss before tax (%)	**-1.122%**
Assets	**1 516 781**
Changes in assets	**-345**
Changes in assets (%)	**-0.023%**
5%	
Net interest expense	-36 212
Profit or loss before tax	29 001
Changes in profit or loss before tax	**-1 724**
Changes in profit or loss before tax (%)	**-5.612%**
Assets	**1 515 402**
Changes in assets	**-1 724**
Changes in assets (%)	**-0.114%**
-1%	
Net interest expense	-34 143
Profit or loss before tax	31 070
Changes in profit or loss before tax	**345**
Changes in profit or loss before tax (%)	**1.122%**
Assets	**1 517 741**
Changes in assets	**345**
Changes in assets (%)	**0.023%**
-5%	
Net interest expense	-32 764
Profit or loss before tax	32 449
Changes in profit or loss before tax	**1 724**
Changes in profit or loss before tax (%)	**5.612%**
Assets	**1 518 850**
Changes in assets	**1 724**
Changes in assets (%)	**0.114%**

Exchange rate sensitivity testing

The following sensitivity analysis shows how the Group's indicators such as profit before tax and net assets would have developed if exchange rates had been 1% and 5% higher and lower respectively in the financial year ending 31 December 2023:

With current exchange rates	**31/12/2023**
Non-monetary assets and assets denominated in HUF	1 478 514
Foreign currency assets	38 612
Liabilities denominated in HUF	313 151
Foreign currency liabilities	395 731
Net assets	**808 244**
Profit or loss before tax	**30 725**
1%	
Non-monetary assets and assets denominated in HUF	1 478 514
Foreign currency assets	38 998
Liabilities denominated in HUF	313 151
Foreign currency liabilities	399 688
Net assets	**804 673**
Changes in net assets	**-3 571**
Changes in net assets (%)	**-0.442%**
Profit or loss before tax	**27 154**
Changes in profit or loss before tax	**-3 571**
Changes in profit or loss before tax (%)	**-11.623%**
5%	
Non-monetary assets and assets denominated in HUF	1 478 514
Foreign currency assets	40 543
Liabilities denominated in HUF	313 151
Foreign currency liabilities	415 518
Net assets	**790 388**
Changes in net assets	**-17 856**
Changes in net assets (%)	**-2.209%**
Profit or loss before tax	**12 869**
Changes in profit or loss before tax	**-17 856**
Changes in profit or loss before tax (%)	**-58.115%**
-1%	
Non-monetary assets and assets denominated in HUF	1 478 514
Foreign currency assets	38 226
Liabilities denominated in HUF	313 151
Foreign currency liabilities	391 774
Net assets	**811 815**
Changes in net assets	**3 571**

Changes in net assets (%)	**0.442%**
Profit or loss before tax	**34 296**
Changes in profit or loss before tax	**3 571**
Changes in profit or loss before tax (%)	**11.623%**

-5%	
Non-monetary assets and assets denominated in forint	1 478 514
Foreign currency assets	36 681
Liabilities denominated in HUF	313 151
Foreign currency liabilities	375 944
Net assets	**826 100**
Changes in net assets	**17 856**
Changes in net assets (%)	**2.209%**
Profit or loss before tax	**48 581**
Changes in profit or loss before tax	**17 856**
Changes in profit or loss before tax (%)	**58.115%**

41. Financial instruments

Financial instruments include financial fixed assets, current assets such as trade receivables, loans granted, advances paid, bank deposits, securities and cash and cash equivalents, as well as loans and borrowings, trade payables, advances received and other financial liabilities. The Group measures financial instruments in accordance with IFRS 9 and presents them in its accounts at the end of the period.

31/12/2023		Amortised cost of loans, receivables and payables	Total book value
Carrying amount of financial instruments			
Financial assets			
Other financial fixed assets	Loans provided	-2	**-2**
	Finance lease receivables	751	**751**
	Other	877	**877**
Total financial fixed assets		**1 626**	**1 626**
Trade and other receivables		100 007	**100 007**
Finance lease receivables		563	**563**
Cash and cash equivalents		42 712	**42 712**
Other current financial assets	Loans provided	1 000	1 000
	Other	34 731	34 731
Total current financial assets		**179 013**	**179 013**
Total financial assets		**180 639**	**180 639**
Financial liabilities			
Long-term loans, borrowings		377 965	377 965
Lease liabilities		95 427	95 427
Other non-current financial liabilities		4 234	4 234
Total non-current financial liabilities		**477 626**	**477 626**
Trade and other payables		65 832	65 832
Short-term loans, borrowings		8 659	8 659
Lease liabilities		22 686	22 686
Other current financial liabilities		65 309	65 309
Total current financial liabilities		**162 486**	**162 486**
Total financial liabilities		**640 112**	**640 112**

01/01/2023		Amortised cost of loans, receivables and payables	Total book value
Carrying amount of financial instruments			
Financial assets			
Other financial fixed assets	Capital instruments	0	**11**
	Loans provided	2	**2**
	Finance lease receivables	191	**191**
	Other	66	**66**
Total financial fixed assets		**259**	**270**
Trade and other receivables		34 973	**34 973**
Finance lease receivables		137	**137**
Cash and cash equivalents		29 836	**29 836**
Other short-term financial assets	Loans provided	0	**0**
	Other	4 279	**4 279**
Total short-term financial assets		**69 225**	**69 225**
Total financial assets		**69 484**	**69 495**
Financial liabilities			
Long-term loans, borrowings,		62 056	**62 056**
Lease liabilities		15 150	**15 150**
Other non-current financial liabilities		8 200	**8 200**
Total non-current financial liabilities		**85 406**	**85 406**
Trade and other payables		32 440	**32 440**
Short-term loans, borrowings,		7 540	**7 540**
Lease lliabilities		14 150	**14 150**
Other current financial liabilities		41 978	**41 978**
Total current financial liabilities		**96 108**	**96 108**
Total financial liabilities		**181 514**	**181 514**

The fair value of financial instruments measured at amortised cost approximates their carrying amount, except for long-term loans. On 31 December 2023, the fair value of Vodafone acquisition loans and MFB investment loan taken by the parent company, recognised in the balance sheet line long-term and short-term loans and borrowings, was estimated by the Group to total HUF 362,449 million, while their carrying amount was HUF 348,432 million. The fair value of these loans corresponds to Level 3 of the fair value hierarchy.

As of 31 December 2023, the Group has no financial assets or liabilities at fair value through profit or loss or other comprehensive income.

42. Transactions with related parties

The Group's transactions with related parties (parent company, associates and other related companies) are summarised in the following tables:

Net sales revenue	**Financial year ending 31/12/2023**
Parent company	**1 294**
4iG Plc	1 294
Associates	**110**
Hungaro DigiTel Kft.	110
Other related companies	**40**

Operating costs	**Financial year ending 31/12/2023**
Parent company	**-8 152**
4iG Plc	-8 152
Associates	**-5 867**
Hungaro DigiTel Kft.	-5 867
Other related companies	**-1 871**
ACE Network Zrt.	-1 621
INNObyte Zrt.	-113
Poli Computer PC Kft.	-63
Veritas Consulting Kft.	-74

Financial income	**Financial year ending 31/12/2023**
Parent company	**601**
4iG Plc	601

Financial expenses	**Financial year ending 31/12/2023**
Parent company	**-1 677**
4iG Plc	-1 677

Long-term intercompany loan receivables	**31/12/2023**	**01/01/2023**
Parent company	**28 518**	**6 517**
4iG Plc	28 518	6 517

Trade receivables	31/12/2023	01/01/2023
Parent company	**608**	**101**
4iG Plc	608	101
Associates	**8**	**8**
Hungaro DigiTel Kft.	8	8
Other related companies	**36**	**0**

Contract assets	31/12/2023	01/01/2023
Parent company	**49**	**50**
4iG Plc	49	50
Associates	**2**	**0**
Hungaro DigiTel Kft.	2	0
Other related companies	**2**	**3**

Deferred interest income	31/12/2023	01/01/2023
Parent company	**273**	**4**
4iG Plc	273	4

Accrued assets, prepayments	31/12/2023	01/01/2023
Parent company	**146**	**15**
4iG Plc	146	15
Associates	**1 823**	**780**
Hungaro DigiTel Kft.	1 823	780
Other related companies	**187**	**7**

Non-current loans, borrowings	31/12/2023	01/01/2023
Parent company	**17 850**	**18 854**
4iG Plc	17 850	18 854

Current loans and borrowings	31/12/2023	01/01/2023
Parent company	**328**	**0**
4iG Plc	328	0

Trade payables	31/12/2023	01/01/2023
Parent company	**2 525**	**1 445**
4iG Plc	2 525	1 445
Associates	**2 539**	**390**
Hungaro DigiTel Kft.	2 539	390
Other related companies	**1 020**	**300**
Veritas Consulting Kft.	691	37
ACE Network Zrt.	228	64
INNObyte Zrt.	101	199

Accrued liabilities, deferred payments	31/12/2023	01/01/2023
Parent company	**3 828**	**1 082**
4iG Plc	3 828	1 082
Associates	**10**	**27**
Hungaro DigiTel Kft.	10	27
Other related companies	**38**	**1**

Dividends payable	31/12/2023	01/01/2023
Parent company	**1 593**	**0**
4iG Plc	1 593	0

43. Remuneration of the Management Board and Supervisory Board

The Company paid the following remuneration for the members of the Board of Directors and the members of the Supervisory Board in the financial year ending 31 December 2023.

	Financial year ending 31/12/2023
Members of the Board of Directors	31
Members of the Supervisory Board	30
CEOs and managing directors of subsidiaries	474
Total	**535**

44. Off-balance sheet items

44.1. Contingent assets

As of 31 December 2023, the members of the Group are not involved in any pending litigation. Provisions are recognised when it becomes probable that an outflow of economic benefits will be required to settle an obligation as a result of a past event and a reliable estimate can be made of the expected cash outflow. The provisions are presented in Note 32.

44.2. Contingent liabilities

Guarantees to non-Group parties amount to HUF 2,023 million as of 31 December 2023.

The "ANTENNA HUNGÁRIA" Zrt.'s liabilities towards the NMHH (National Media and Info communications Authority) – signed in September 2019 – under the contract for the exercise of the right to operate national terrestrial digital broadcasting networks (among others):

- pay an annual revenue-based tender fee and frequency usage fee,
- meet liabilities related to broadcasting (network building),
- meet the other liabilities set out in the winning tender.

The outstanding contingent liabilities related to legal matters for ONE Albania sh.a. is HUF 1,138 million as of 31 December 2023.

45. Events after the balance sheet date

On 14 February 2024, 4iG Plc announced that László Blénessy, Deputy General Manager for Technology, has successfully completed the integration of the areas entrusted to him, and his future role and responsibilities will therefore be redefined. He will step down from his position as CEO of "ANTENNA HUNGÁRIA" Zrt. and from his operational management responsibilities in 4iG, thus ceasing to hold the position of Deputy General Manager for Technology in 4iG's top management but will continue to support the transformation of the technology and digitalisation areas as a member of the 4iG Board of Directors and as Advisor to the President.

On 1 March 2024, 4iG Plc announced that according to a decision of the Board of Directors of "ANTENNA HUNGÁRIA" Zrt., the position of CEO of the Company will be taken over by Gyöngyvér Papp-Gerlei, former Deputy CEO, from László Blénessy, resigning CEO, effective as of March 1.

On 14 March 2024, the Transformation Programme launched on 13 November 2023 reached a significant milestone with the decision of "ANTENNA HUNGÁRIA" Zrt. as the sole owner of DIGI Távközlési és Szolgáltató Kft. and Invitech ICT Services Kft. to separate these subsidiaries through a spin-off. In the current phase of the programme, the infrastructure units of DIGI Távközlési és Szolgáltató Kft. and Invitech ICT Services Kft. will be spun off, leaving the commercial and infrastructure divisions to operate as separate companies. The commercial companies will operate under the unchanged names of DIGI Távközlési és Szolgáltató Kft. and Invitech ICT Services Kft., while the infrastructure companies will operate under the names of D-Infrastruktúra Távközlési Kft. and Invitech ICT Infrastructure Kft. The spin-off date has been set by the companies as 30 June 2024, with the first day of operation under the new structure being 1 July 2024.

On 21 May 2024, the Transformation Programme launched on 13 November 2023 has reached its next significant milestone with the decision of the shareholders of "ANTENNA HUNGÁRIA" Zrt. to separate "ANTENNA HUNGÁRIA" Zrt. by way of a demerger. At this stage of the Programme, the infrastructure and the commercial units of "ANTENNA HUNGÁRIA" Zrt. will be demerged, leaving the commercial and infrastructure divisions to operate in separate companies, while "ANTENNA HUNGÁRIA" Zrt. will continue to operate as a holding company. The commercial company will operate under the name AH Média Kereskedelmi Zrt., while the infrastructure company will operate under the name AH Infrastruktúra Szolgáltató Zrt. The demerge date has been set by the shareholders as 31 August 2024, with the first day of operation under the new structure being 1 September 2024.

46. Going concern

In the context of the effects of the war in Ukraine and in Israel, and after considering other market and liquidity risks, the Group has assessed and made estimates as to whether there are material uncertainties that cast doubt on the Group’s ability to operate as a going concern and concluded that it is appropriate to assume that it will continue as a going concern for the foreseeable future and that there are no material uncertainties.

Date: Budapest, 29 May 2024

Gyöngyvér Papp-Gerlei
CEO