PLT VII FINANCE S.à r.l.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2023

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KPIs

Non-IFRS measures	**30 June 2023**	**31 December 2022**
RGUs*, end of period in thousands		
Mobile services Lithuania***	1,203	1,147
Mobile services Latvia***	553	565
Fixed broadband***	327	324
PayTV	801	786
Total	**2,884**	**2,822**

ARPU, per month in EUR**	**Three months ended 30 June 2023**	**Three months ended 30 June 2022**	**Six months ended 30 June 2023**	**Six months ended 30 June 2022**
Mobile services Lithuania***	10.5	10.5	10.5	10.5
Mobile services Latvia***	12.0	11.3	11.7	11.0
Fixed broadband***	13.5	11.5	13.3	11.3
PayTV	7.9	7.7	7.8	7.6

* The Group counts each subscriber as a separate RGU for each of the mobile, PayTV and fixed broadband service. Total RGUs are, therefore, not equal to the total number of subscribers. RGUs count do not include M2M and IOT RGUs. For example, one subscriber who receives handset mobile services and mobile data services over the network and subscribes to PayTV service is counted as two RGUs, and one subscriber who receives handset mobile services, mobile data services, PayTV and OTT services over the network is counted as three RGUs.

** ARPU is a measure we use to evaluate how effectively we are realizing potential revenues from subscribers of our various services. ARPU is calculated by adding together, for each month in a given period, the total subscription-related revenues for that particular month divided by the average number of RGUs for that period.

*** In the second quarter of 2023, after introducing the 5G Home Internet (Fixed Wireless Access – FWA) service to the customers, the Group is reporting the FWA (both 5G and 4G) revenues and RGUs in the Fixed Broadband segment. Previously 4G FWA services were reported under Mobile Services therefore 31 December 2022 RGUs and 2023 year-to-date and 2022 year-to-date and three months ended 30 June 2022 ARPU amounts were reclassified as well to be comparable with three months ended 30 June 2023 amounts.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Condensed consolidated statement of profit or loss and other comprehensive income

Note		Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
5,6	REVENUE	141,988	131,975	275,893	253,086
	Equipment costs	(26,979)	(24,399)	(52,874)	(45,111)
12,13	Depreciation and amortisation	(23,203)	(21,900)	(47,163)	(43,383)
	Employee compensation and benefit	(21,475)	(18,980)	(42,590)	(38,330)
	Content and programming costs	(13,286)	(11,572)	(26,797)	(24,123)
	Materials, consumables and maintenance	(5,562)	(5,394)	(11,445)	(9,832)
	Roaming and interconnect costs	(5,230)	(6,572)	(10,303)	(13,174)
	Advertising and marketing costs	(4,160)	(3,390)	(7,674)	(6,485)
14	Amortization of capitalized contract costs	(3,649)	(3,141)	(7,141)	(6,204)
17	Net impairment losses on trade receivable	(2,596)	(1,299)	(4,498)	(2,530)
	Media distribution and transponder costs	(910)	(883)	(1,771)	(1,774)
	Rental costs	(560)	(365)	(1,003)	(640)
7	Other expenses	(7,661)	(8,832)	(16,110)	(17,859)
	OPERATING PROFIT	**26,717**	**25,248**	**46,524**	**43,641**
8	Finance income	19	96	38	192
8	Finance costs	(11,039)	(10,004)	(21,978)	(19,913)
	Total finance income and costs	**(11,020)**	**(9,908)**	**(21,940)**	**(19,721)**
	PROFIT BEFORE TAX	15,697	**15,340**	24,584	**23,920**
	Income tax credit/(expense)	(1,807)	(2,408)	(3,721)	(4,394)
	NET PROFIT	**13,890**	**12,932**	**20,863**	**19,526**
	Profit attributable to:				
	Equity holders of the parent	13,890	12,932	20,863	19,526
	Profit for the period	**13,890**	**12,932**	**20,863**	**19,526**
	Other comprehensive income	-	-	-	-
	Total comprehensive income for the period	**13,890**	**12,932**	**20,863**	**19,526**
	Total comprehensive income for the period attributable to:				
	Equity holders of the parent	13,890	12,932	20,863	19,526
	Non-controlling interests	-	-	-	-

The accompanying notes on pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Condensed consolidated statement of financial position

Note		30 June 2023	31 December 2022
	ASSETS		
	NON-CURRENT ASSETS		
12	Intangible assets:		
	Goodwill	154,771	154,771
	Software	17,634	12,894
	License costs	29,513	33,094
	Other intangible assets	86,931	95,890
	Software under development	3,043	3,657
	Total intangible assets	**291,892**	**300,306**
12	Property, plant and equipment:		
	Land and buildings	4,718	4,827
	Network equipment	91,239	82,664
	Other property, plant and equipment	14,485	14,300
	Construction in progress	13,112	20,391
	Total property, plant and equipment	**123,554**	**122,182**
13	Right of use assets	56,738	65,933
14	Capitalized contract costs	17,399	15,627
6	Contract assets	492	492
10	Other investments at FV through other comprehensive income	5,970	5,970
11	Interest in joint ventures	6	6
15	Long-term loans receivable	46	116
	Deferred tax asset	992	1,435
18	Other non-current assets and receivables	5,794	5,810
	TOTAL NON-CURRENT ASSETS	**502,883**	**517,877**
	CURRENT ASSETS		
16	Inventory	49,318	45,458
6	Contract assets	1,587	1,390
19	Financial assets at fair value through profit or loss	6,208	6,552
15	Current portion of loans receivable at amortised cost	38	42
17	Trade accounts receivable at amortised cost	80,005	75,599
	Income tax prepayment	1,027	19
20	Other current assets and prepayments	8,739	7,163
	Cash and cash equivalents	38,110	42,606
	TOTAL CURRENT ASSETS	**185,032**	**178,829**
	TOTAL ASSETS	**687,915**	**696,706**

The accompanying notes on pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Condensed consolidated statement of financial position (continued)

Note		30 June 2023	31 December 2022
	SHAREHOLDERS' EQUITY AND LIABILITIES		
	SHAREHOLDERS' EQUITY		
	Equity attributable to owners of the parent:		
21	Share capital	33,585	33,585
21	Share premium	6,720	7,190
21	Reorganization reserve	(336,653)	(336,653)
	Legal reserve	9,213	9,213
	Retained earnings	24,601	3,696
	TOTAL SHAREHOLDER'S EQUITY	**(262,534)**	**(282,969)**
	NON-CURRENT LIABILITIES		
22	Borrowings	717,297	716,273
23	Lease liabilities	33,829	42,334
26	Provisions	15,485	15,315
6	Contract liabilities	3,493	3,493
	Deferred tax liability	18,286	18,825
25	Other non-current liabilities	7,645	7,621
	TOTAL NON-CURRENT LIABILITIES	**796,035**	**803,861**
	CURRENT LIABILITIES		
22	Borrowings	13,427	13,468
23	Lease liabilities	17,661	17,225
24	Supplier financing arrangements	30,578	22,562
	Trade accounts payable	51,355	79,263
6	Contract liabilities	10,937	10,856
	Deferred revenue	631	386
	Current income tax liabilities	6	2,125
25	Accrued expenses and other liabilities	29,819	29,929
	TOTAL CURRENT LIABILITIES	154,414	**175,814**
	TOTAL LIABILITIES	950,449	**979,675**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**687,915**	**696,706**

The accompanying notes on pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Condensed consolidated statement of changes in equity

		Attributable to equity holders of the Company						
		Share capital	**Share premium**	**Legal reserve**	**Reorgani-zation reserve**	**Retained earnings/ (accumulated deficit)**	**Total**	**Total equity**
	31 December 2021	**33,585**	**1,700**	**9,213**	**(336,653)**	**43,952**	**(248,203)**	**(248,203)**
	Net profit for the year ended 30 June 2022	-	-	-	-	19,526	19,526	19,526
	Total comprehensive income for the period	**-**	**-**	**-**	**-**	19,526	19,526	19,526
	Transactions with owners in their capacity as owners							
	Employee share based payment schemes	-	-	-	-	91	91	91
	30 June 2022	**33,585**	**1,700**	**9,213**	**(336,653)**	**63,569**	**(228,586)**	**(228,586)**
	31 December 2022	**33,585**	**7,190**	**9,213**	**(336,653)**	**3,696**	**(282,969)**	**(282,969)**
	Net profit for the period ended 30 June 2023	-	-	-	-	20,863	20,863	20,863
	Total comprehensive income for the period	**-**	**-**	**-**	**-**	20,863	20,863	20,863
	Transactions with owners in their capacity as owners							
21	Change in share premium	-	(470)	-	-	-	(470)	(470)
	Employee share based payment scheme expenses	-	-	-	-	42	42	42
	30 June 2023	**33,585**	**6,720**	**9,213**	**(336,653)**	**24,601**	**(262,534)**	**(262,534)**

The accompanying notes on pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Condensed consolidated statement of cash flows

Note		Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
	Cash flows from operating activities				
	Net profit before tax	15,697	15,340	24,584	23,920
	Adjustments to operating activities:				
12,13	Depreciation and amortisation	23,203	21,900	47,163	43,383
14	Amortisation of capitalised contract costs	3,649	3,141	7,141	6,204
	(Profit)/loss on disposal of PPE	(45)	(28)	(113)	124
	Allowances and other provisions	2,596	1,502	4,448	2,735
	Employee share based payment scheme expenses	21	46	42	91
	Other finance costs - net	10,370	9,179	20,626	18,249
	Changes in working capital:				
	(Increase)/decrease in trade receivables	(5,454)	(8,463)	(8,221)	(6,946)
	(Increase)/decrease in trading inventory	9,078	4,241	(3,811)	(5,998)
	(Increase)/decrease in contract assets	(242)	1,160	(197)	1,592
	Increase/(decrease) in contract liabilities	(601)	384	81	302
	Change in other assets, payables and liabilities	(14,860)	(4,139)	(19,403)	(14,107)
24	Change in supplier financing arrangement	(182)	(4,813)	4,301	2,450
	Interest paid	(5,478)	(4,119)	(21,362)	(18,887)
	Income tax paid	(4,603)	(4,769)	(6,943)	(6,148)
	Net cash flows from operating activities	**33,149**	**30,562**	**48,336**	**46,964**
	Cash flows from investing activities:				
9,25,21	Acquisition of subsidiary or business, net of cash acquired	(468)	(245)	(718)	(1,188)
	Acquisition of intangible assets and PPE for cash	(17,081)	(7,739)	(43,055)	(15,082)
	Proceeds from sale of intangible assets and PPE	100	42	431	115
	Interest received	17	11	33	21
	Loan repayments received from related parties	-	-	70	-
	Net cash flows used in investing activities	**(17,432)**	**(7,931)**	**(43,239)**	**(16,134)**
	Cash flows from financing activities:				
	Changes in share capital	-	-	(470)	-
	Repayments of lease	(4,605)	(3,772)	(9,123)	(8,080)
9,22	Repayments of borrowings to banks	-	(62)	-	(65)
	Net cash flows used in financing activities	**(4,605)**	**(3,834)**	**(9,593)**	**(8,145)**
	Net increase/(decrease) in cash and cash equivalents	11,112	18,797	(4,496)	22,685
	Cash and cash equivalents at the beginning of the period	26,998	60,639	42,606	56,751
	Cash and cash equivalents at the end of the period	**38,110**	**79,436**	**38,110**	**79,436**

The accompanying notes on pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Notes to condensed consolidated interim financial information

1. General information

PLT VII Finance S.à r.l. (**'the Company'**) was incorporated on 3 March 2020 in Luxembourg as a private limited liability company (*société à responsabilité limitée*). The registered address of the Company is at 18, rue Dicks, L-1417 Luxembourg, the Grand Duchy of Luxembourg. The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des sociétés, Luxembourg)* under number B242945.

Text and terms in **bold** font are defined terms used consistently herein.

The sole shareholder of the Company is PLT VII Holding S.à r.l., registration number B242838, a private limited liability company with registered address at 18 rue Dicks, L-1417 Luxembourg, the Grand Duchy of Luxembourg.

The ultimate parent entity and controlling parties of the Company are Providence Equity Partners VII-A LP and Providence VII Global Holdings LP which are both registered in the Cayman Islands.

The Company is the sole shareholder of PLT VII International S.à r.l. incorporated on 3 March 2020 in Luxembourg as a limited liability company (*société à responsabilité limitée*), with registered address at 18 rue Dicks, L-1417 Luxembourg, the Grand Duchy of Luxembourg. PLT VII International S.à r.l. is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des sociétés, Luxembourg)* under number B243024. The main activities of the Company are holding and finance activities. The Company manages and controls the group of entities in the Baltic States (all together - **'the Group'**), which are engaged in providing Telecommunication (incl. PayTV and Fixed Broadband) as well as Media and Content services. In addition to these primary businesses the Group sells various equipment to support its above-mentioned services to customers.

The Group provides various mobile services to private and business customers through own front-line sales and care channels and own infrastructure companies. The Group mobile business is focused on meeting growing demand in the region for high quality network experience by providing excellent customer service through retail companies that distribute products and services and through real estate companies that are responsible for ownership, management, development and rental of towers and masts. The Fixed Broadband and PayTV include fixed broadband internet services, information and communications technology ('**ICT**') services and PayTV offering through Home3 satellite platform and Go3 OTT streaming and TV broadcasting service solution.

The Group's Media and Content business operates through TV3 Group and includes freely accessible TV channels (FreeTV), video on demand ('**VOD**') services, commercial radio, streaming radio, digital advertising, news and entertainment portals, advertising services across own portfolio of media assets as well as through third party channels and digital production and distribution services.

The Group implements strategic initiatives to converge the technologies and services offered by the Group of entities. This strategy results in higher effectiveness and revenue synergies, as well as cross-sell opportunities and additional values to the customer, all of which provide competitive advantages over traditional telecommunication operators.

Acquisitions in 2023

On 25 January 2023, the Group subsidiary All Media Lithuania UAB signed an agreement regarding the shares purchase of M-1 Group. The closing of the deal is subject to regulatory approvals due in the second half of year 2023.

Group restructurings in 2023

On 1 January 2023 the Group subsidiaries All Media Digital OÜ, Mediainvest Holding AS, Buduaar Media OÜ, Artist Media OÜ were reorganized by the way of merging with All Media Eesti AS, which took over all of their rights and obligations, assets and liabilities. All Media Digital OÜ, Mediainvest Holding AS, Buduaar Media OÜ, Artist Media OÜ ceased to exist.

On 1 April 2023 the Group subsidiary Mezon UAB was reorganized by the way of merging with Bitė Lietuva UAB, which took over all of their rights and obligations, assets and liabilities. Mezon UAB ceased to exist.

On 19 June 2023 the Group subsidiary Bitė Lietuva UAB has initiated its legal spin-off process seeking to separate group management & centralized services into two new management (holding) companies, and, thus, internally re-grouping subsidiaries into two separate legal subgroups for Media and for Telecommunications businesses. Telecommunications companies in Lithuania and Latvia will be legally united by Bite Group UAB, whereas the Media companies in the three Baltic countries by All Media Group UAB. Both new holding companies will be established by legally separating them from Bite Lietuva UAB, whereas Bite Lietuva UAB itself will continue all its telecommunication activities in Lithuania after the spin-off. The ongoing legal changes in the structure of the Group will not affect the activities carried out by any other individual company in the Group, neither will it impact the Group financial consolidated results..

(unaudited, all amounts in thousands EUR unless otherwise stated)

As of 30 June 2023, the Group consisted of a group of subsidiaries, all of which details are provided below:

Company	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares by the Group (%) 30 June 2023	Proportion of ordinary shares held by the Group (%) 31 December 2022
PLT VII Finance S.à r.l.	Luxembourg	Holding and financing company	100	100
PLT VII International S.à r.l.	Luxembourg	Holding and financing company	100	100
Bitė Lietuva UAB	Lithuania	Mobile telecommunication services provider	100	100
Bite Latvija SIA	Latvia	Mobile telecommunication services provider	100	100
TeleTower UAB	Lithuania	Towers and masts owner and lessor	100	100
TeleTower SIA	Latvia	Towers and masts owner and lessor	100	100
Mezon UAB*	Lithuania	Internet and IPTV service provider	-	100
Marmast UAB	Lithuania	Towers and masts owner and lessor	100	100
Unistars SIA	Latvia	Internet services provider	100	100
All Media Lithuania UAB	Lithuania	Free-TV broadcasting company	100	100
All Media Radijas UAB	Lithuania	Radio broadcasting company	100	100
All Media Digital UAB	Lithuania	Internet advertising provider	100	100
All Media Eesti AS	Estonia	Free-TV broadcasting company	100	100
All Media Digital OÜ**	Estonia	Internet advertising provider	-	100
Mediainvest Holding AS**	Estonia	Radio broadcasting company	-	100
Buduaar Media OÜ**	Estonia	Internet platform provider/ magazine issue	-	100
Artist Media OÜ**	Estonia	Audio systems planning and maintenance	-	100
All Media Latvia SIA	Latvia	Free-TV broadcasting company	100	100
Star FM SIA	Latvia	Radio broadcasting company	100	100
TV Play Baltics AS	Estonia	Satellite television broadcast and PayTV	100	100
Baltcom SIA	Latvia	Internet and data transmission services	100	100
B-Com Holding SIA	Latvia	Holding company	100	100

* resolved by the way of the merger with Bite Lietuva UAB

** resolved by the way of merger with All Media Eesti AS

Additional information

End of February 2022 the Russian Federation had announced a military operation in Ukraine. Soon the conflict had evolved into an aggressive invasion which was condemned by the World. The economic and financial sanctions were imposed on Russian and Belorussian regime. Simultaneously the Group had taken respective actions supporting the global pressure on the aggressors. The Group adopted the Group Sanctions Policy, reflecting the rules of applicable sanctions regime, steps and tools, such as risk & compliance database, to be used. Also, the Group had taken immediate actions related to its media and content operations in the Baltics. All cooperation with banned Russian channels was stopped, Russian content was being removed from own channels. Acquisitions of any Russian content was terminated. Also, some advertising campaigns that could be related to Russian based capital on own platforms including TV, digital and radio, were removed. It is important to note that it does not conclude major part of overall advertising or media business operations. The above actions implemented by the Group did not have significant impact on the Group's financial statements for the six months ended 30 June 2023.

2. Basis of preparation and accounting policies

This condensed consolidated interim financial information for the three months ended 30 June 2023 has been prepared in accordance with International Financial Reporting Standards (**'IFRS'**) as adopted by the European Union (**the 'EU'**) and applicable to interim financial reporting (International Accounting Standards (**'IAS'**) 34 'Interim financial reporting'). This condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2022.

The amendments to IFRSs applicable from 1 January 2023 have no effects to Group financial reports for the three months period ended 30 June 2023.

This condensed consolidated interim financial information has been prepared under the historical cost convention. The accounting policies and methods of computation applied are consistent with those of the annual consolidated financial statements of the Group for the year ended 31 December 2022, except for taxes on income, which are recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. A separate estimated average annual effective income tax rate is determined for each taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction.

This condensed consolidated interim financial information was approved for issue on 14 August 2023 by the board of directors.

3. Critical accounting estimates and judgements

The preparation of consolidated interim financial information in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Group for the year ended 31 December 2022.

4. Financial risk management

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, credit risk, interest rates risk and liquidity risk. The Group's management seeks to minimise potential adverse effects of financial risk on the financial performance of the Group.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group annual financial statements as of 31 December 2022. There have been no changes in the Treasury policy and the risk management principles since the year end.

Capital risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- maintain an optimal capital structure to reduce the cost of capital.

On 8 July 2020 PLT VII Finance S.à r.l. as an original borrower entered into a new Super Senior Facility Agreement with a consortium of banks (ING bank N.V., London branch is acting as agent of the other finance parties) to obtain revolving credit facility in amount of EUR 50 million with maturity on 16 April 2025. The revolving credit facility bears interest at an annual rate of three months EURIBOR plus applicable margin, which depends on the Group's Leverage Ratio and can be set in the range from 2% to 3%. As of the date of this condensed consolidated interim financial information the margin rate is 2.75%.

On 16 July 2020 the Company as an original Issuer has issued senior secured notes in amount of EUR 650,000 thousand, with maturity on 5 January 2026. The Senior secured notes are listed on the International Stock Exchange (**'TISE'**). The Senior secured floating rate notes in amount of EUR 250,000 thousand bear interest at an annual rate of three months EURIBOR (subject to a 0% floor) plus margin 4.625%. The interest on the Senior secured floating rate notes is payable quarterly on 15 January, 15 April, 15 July and 15 October of each year. The Senior secured fixed rate notes in amount of EUR 400,000 thousand bear interest at an annual rate of 4.625%; the interest on the Senior secured fixed rate notes is payable semi-annually on 15 January and 15 July of each year.

On 8 July 2021 the Company has issued additional fixed rate senior secured notes with a principal amount of EUR 75,000 thousand and maturity on 5 January 2026. The notes bear interest at an annual rate of 4.625% which is payable semi-annually on 15 January and 15 July of each year.

Under the Super Senior Facility Agreement, the Group is obliged to comply with the Consolidated Secured Leverage Ratio ('**the Consolidated Leverage Ratio**'), calculated as a ratio of the consolidated total net debt and the consolidated earnings before interest, tax, depreciation and amortisation expenses ('**EBITDA**'). The Consolidated Leverage Ratio shall be calculated and tested on a rolling quarter basis if the test condition is met, i.e., if the outstanding principal amount of all loans exceeds 35% of total commitment.

The Consolidated Leverage Ratio should not exceed a flat ratio of 8.00:1. The Group has the right to 'cure' a breach of the Leverage Ratio covenant by receiving additional shareholder funding in cash ('**the Cure Amount**') within 20 business days after the last day of the relevant period in which the breach would occur without the Cure Amount. Covenants are reviewed by lenders on a regular basis during the term of the senior secured notes and facility. A breach of the Consolidated Leverage Ratio, if not cured by no later than the date falling twenty (20) Business Days after the date of the notice thereof, would enable the holders of the defaulted debt to terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to become due and payable immediately.

The Treasury monitors the compliance with covenants on a regular basis as a breach of these ratios would be a major risk for the Group.

Fair value estimation

During 2023 there were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments and no reclassifications of financial assets.

The different levels of methods used to measure the fair value of the financial instruments (which are recognized and measured at fair value in the statement of financial position) have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group has longstanding arrangements with customer financing entities to transfer them the receivables owed by customers at the time the equipment is sold to customer. The accounts receivables sold to customer financing entities are less than 1 month old at the time of sale and all credit risk on the sold receivables is transferred to the customer financing entities at that time. Fair value is determined by using valuation techniques. These valuation techniques maximize the use of observable market data and rely as little as possible on the Group specific estimates. Since the significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

The Group's receivables for equipment sales are discounted at market interest rate. The fair values of receivables are determined based on cash flows discounted using applicable statistical country's interest rates for loans with a maturity more than 1 year reported by state banks of Lithuania and Latvia. This is a level 3 fair value measurement.

The fair value of the senior secured notes was EUR 708,625 thousand as of 30 June 2023 (31 December 2022: EUR 691,290 thousand). The carrying value of the borrowings is disclosed in note 22. This is a level 1 fair value measurement.

On 28 February 2020, the Group has acquired 100% shares of Baltcom SIA together with its 32.12% investment in the shares of Balticom AS, which is classified as an Other investment in the statement of financial position with a gain or loss from the changes in fair value (through annual revaluations performed) recognized in other comprehensive income (note 10). The fair value is determined using level 3 inputs as the company is not listed.

Due to the short-term nature of the trade and other current receivables, trade and other current liabilities, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(unaudited, all amounts in thousands EUR unless otherwise stated)

5. Segment reporting

The Group's performance is examined based on three reportable business segments:

- Telco Lithuania – the segment includes mobile and fixed telecommunication services and PayTV services provided to customers in Lithuania.
- Telco Latvia – the segment includes mobile and fixed telecommunication services provided to customers in Latvia and PayTV services provided to customers in Latvia and Estonia.
- Media and Content – the segment includes the media operations in Lithuania, Latvia and Estonia, i.e., TV, commercial radio, streaming radio, video on demand, news and entertainment portals advertising services, wholesale and open market OTT services, content production and distribution services.

Information on reportable segments for the three months period ended 30 June 2023:

Three months ended 30 June 2023	Telco Lithuania	Telco Latvia	Media and content	Eliminations and reconciling items	Total
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Internal	12,393	420	5,550	(18,363)	-
External	68,301	46,470	27,191	(3)	141,959
Revenue	**80,694**	**46,890**	**32,741**	**(18,366)**	**141,959**
ADJUSTED EBITDA	**27,030**	**15,505**	**8,153**	**(436)**	**50,252**

Information on reportable segments for the six months period ended 30 June 2023:

Six months ended 30 June 2023	Telco Lithuania	Telco Latvia	Media and content	Eliminations and reconciling items	Total
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Internal	25,902	904	11,301	(38,107)	-
External	134,281	91,964	49,563	-	275,808
Revenue	**160,183**	**92,868**	**60,864**	**(38,107)**	**275,808**
ADJUSTED EBITDA	**52,057**	**30,644**	**12,307**	**(873)**	**94,135**

Information on reportable segments for the three months period ended 30 June 2022:

Three months ended 30 June 2022	Telco Lithuania	Telco Latvia	Media and content	Eliminations and reconciling items	Total
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Internal	11,467	394	4,568	(16,429)	**-**
External	62,800	43,120	25,821	-	**131,741**
Revenue	**74,267**	**43,514**	**30,389**	**(16,429)**	**131,741**
ADJUSTED EBITDA	**24,556**	**14,527**	**8,390**	**(220)**	**47,253**

(unaudited, all amounts in thousands EUR unless otherwise stated)

Information on reportable segments for the six months period ended 30 June 2022:

Six months ended 30 June 2022	Telco Lithuania	Telco Latvia	Media and content	Eliminations and reconciling items	Total
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Internal	21,702	693	9,442	(31,837)	**-**
External	122,332	83,725	46,565	-	**252,622**
Revenue	**144,034**	**84,418**	**56,007**	**(31,837)**	**252,622**
ADJUSTED EBITDA	**47,953**	**27,895**	**11,859**	**(425)**	**87,282**

The reconciling items to reported revenue are as follows:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Total segment revenue	141,959	131,741	275,808	252,622
Reconciling items to reported segment revenue:				
Activation fee and other	29	234	85	464
Total revenue in the statement of profit or loss and other comprehensive income	**141,988**	**131,975**	**275,893**	**253,086**

The revenue from external parties and expenses included in Adjusted EBITDA as reported to the CODM are measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income, except for the activation fees that in internal reporting are classified as reduction of costs but are part of the revenues in the consolidated statement of profit or loss and other comprehensive income.

A reconciliation of adjusted EBITDA to reported operating profit is as follows:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Adjusted EBITDA	50,252	47,253	94,135	87,282
Reconciling items to reported operating profit:				
Depreciation and amortization	(23,203)	(21,900)	(47,163)	(43,383)
One-off reconciling items	(312)	(59)	(407)	(167)
Employee share based payment scheme expenses	(20)	(46)	(41)	(91)
Operating profit	**26,717**	**25,248**	**46,524**	**43,641**

(unaudited, all amounts in thousands EUR unless otherwise stated)

6. Revenue

Revenue based on products and services are set out below:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Mobile revenue	60,269	56,900	118,842	112,231
thereof: Post-paid revenue*	43,744	38,344	81,746	76,002
thereof: Pre-paid revenue	3,024	3,290	5,855	6,320
Equipment sale revenue	26,001	24,584	50,816	44,606
Media and content revenue	21,487	20,814	38,822	37,251
thereof: FreeTV advertising revenue	19,121	18,854	34,029	33,447
PayTV revenue	18,901	16,658	37,153	33,044
Fixed broadband revenue*	12,892	11,130	25,402	21,944
Lease of towers revenue	665	599	1,314	1,165
Other revenue	1,773	1,290	3,544	2,845
Total revenue	**141,988**	**131,975**	**275,893**	**253,086**

* In the second quarter of 2023, after introducing the 5G Home Internet (Fixed Wireless Access – FWA) service to the customers, the Group is reporting the FWA (both 5G and 4G) revenues in the Fixed Broadband segment. Previously 4G FWA services were reported under Mobile Post-paid revenues therefore 2023 year-to-date and 2022 year-to-date and three months ended 30 June 2022 revenue amounts were reclassified as well to be comparable with three months ended 30 June 2023 amounts.

Revenue from external customers by the location in which the sale or service originated:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Lithuania	80,150	74,468	155,868	143,131
Latvia	52,306	48,436	101,953	93,134
Estonia	9,532	9,071	18,072	16,821
Total revenue	**141,988**	**131,975**	**275,893**	**253,086**

(unaudited, all amounts in thousands EUR unless otherwise stated)

Contract balances

The Group has recognized the assets and liabilities related to contracts with customers:

	30 June 2023	31 December 2022
Current contract assets	1,587	1,390
Non-current contract assets	492	492
Total contract assets	**2,079**	**1,882**
Current contract liabilities	10,937	10,856
Non-current contract assets	3,493	3,493
Total contract liabilities	**14,430**	**14,349**

7. Other expenses

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Frequency and regulatory authorities' charges	(1,506)	(1,255)	(3,040)	(2,684)
TV other direct costs	(1,022)	(1,271)	(2,009)	(2,823)
TV technical and operations costs	(941)	(1,079)	(1,953)	(2,098)
Data and internet costs	(933)	(550)	(1,645)	(1,008)
Audit, tax and other consultancy fees	(606)	(519)	(1,088)	(914)
Lease lines costs	(556)	(618)	(1,231)	(1,284)
Dealer commission costs	(533)	(743)	(1,230)	(1,823)
Mobile number portability and other direct costs	(512)	(553)	(994)	(1,051)
Representation expenses	(376)	(246)	(636)	(469)
SIM cards and related costs	(365)	(346)	(664)	(517)
Billing costs	(357)	(314)	(711)	(693)
Training and travel costs	(308)	(314)	(666)	(505)
Insurance costs	(290)	(240)	(584)	(497)
Reversal of accrual for corporate events/ corporate events expenses	523	(330)	156	(665)
Other expenses/ Reversal of other expenses	121	(454)	185	(828)
Total other expenses	**(7,661)**	**(8,832)**	**(16,110)**	**(17,859)**

(unaudited, all amounts in thousands EUR unless otherwise stated)

8. Finance costs and income

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Finance costs				
Senior secured notes interest expenses	(9,998)	(9,063)	(20,124)	(18,082)
Lease interest expenses	(650)	(729)	(1,314)	(1,472)
Net loss from foreign exchange transactions	(125)	-	(10)	-
Bank interest and related fees	(118)	(151)	(242)	(270)
Deferred payment liability for frequency charges – discounting costs	(66)	(45)	(126)	(89)
Amortization of revolving credit facility fee (note 18)	(56)	-	(110)	-
Assets' retirement obligation unwinding of the present value discount	(26)	-	(52)	-
Other finance costs	-	(16)	-	-
Total finance costs	**(11,039)**	**(10,004)**	**(21,978)**	**(19,913)**
Finance income				
Interest from financial assets held for cash management	17	11	33	21
Assets' retirement obligation unwinding of the present value discount	-	81	-	162
Other finance income	2	4	5	9
Total finance income	**19**	**96**	**38**	**192**
Total finance costs and income	**(11,020)**	**(9,908)**	**(21,940)**	**(19,721)**

9. Investment in subsidiaries (business combinations)

On 25 January 2023, the Group subsidiary All Media Lithuania UAB signed an agreement regarding the shares purchase of M-1 Group. The closing of the deal is subject to regulatory approvals due in the second half of year 2023.

During 2023 the Group was involved in Group restructuring processes. The transactions had no effect on the consolidated financial statements:

On 1 January 2023 the Group subsidiaries All Media Digital OÜ, Mediainvest Holding AS, Buduaar Media OÜ, Artist Media OÜ were reorganized by the way of merging with All Media Eesti AS, which took over all of their rights and obligations, assets and liabilities. All Media Digital OÜ, Mediainvest Holding AS, Buduaar Media OÜ, Artist Media OÜ ceased to exist.

On 1 April 2023 the Group subsidiary Mezon UAB was reorganized by the way of merging with Bitė Lietuva UAB, which took over all of their rights and obligations, assets and liabilities. Mezon UAB ceased to exist.

(unaudited, all amounts in thousands EUR unless otherwise stated)

10. Other investments

Company	Country of incorporation and place of business	Nature of relationship	Measurement method	Proportion of ordinary shares held by the Group (%)	Nature of business	Carrying amount as of 30 June 2023	Carrying amount as of 31 December 2022
Balticom AS	Latvia	Equity instrument	Fair value through other comprehensive income ('FVOCI')	32.12	Mobile telecommunication services provider	5,970	5,970

As at 30 June 2023 the fair value of the other investment amounted to EUR 5,970 thousand (31 December 2022: EUR 5,970 thousand).

11. Interest in joint ventures

Set out below is joint venture of the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held by Bitė Lietuva UAB. The country of incorporation or registration is also the principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Company	Country of incorporation and place of business	Nature of relationship	Measurement method	Proportion of ordinary shares held by the Group (%)	Nature of business	Carrying amount as of 30 June 2023	Carrying amount as of 31 December 2022
Numerio Perkėlimas VšĮ	Lithuania	Joint venture	Equity method	25.00	Number portability process administration	6	6

The joint venture is jointly controlled by three mobile operators in Lithuania.

12. Capital expenditures

	Property, plant and equipment	Intangible assets
Opening net book amount 31 December 2022	122,182	300,306
Additions	21,025	9,542
Disposals and write-offs	(488)	-
Transfers	(6)	6
Depreciation and amortisation	(19,159)	(17,962)
Closing net book amount 30 June 2023	**123,554**	**291,892**

(unaudited, all amounts in thousands EUR unless otherwise stated)

13. Right of use assets

	Right of use assets
COST:	
31 December 2022	142,856
Additions and remeasurements	912
Write-offs	(373)
30 June 2023	**143,395**
ACCUMULATED DEPRECIATION:	
31 December 2022	(76,923)
Charge for the period	(10,042)
Write-offs	308
30 June 2023	**(86,657)**
NET BOOK VALUE 30 June 2023	**56,738**

14. Capitalized contract costs

As at 30 June 2023, the capitalized contract costs amounted to EUR 17,399 thousand (31 December 2022: EUR 15,627 thousand) and consisted of EUR 8,004 thousand (31 December 2022: EUR 6,855 thousand) capitalized bonuses paid to employees for signing new or extending contracts, EUR 6,338 thousand (31 December 2022: EUR 5,407 thousand) capitalized commissions paid to external parties for signing MBB/voice rate plans for Bite and EUR 3,057 thousand (31 December 2022: EUR 3,365 thousand) capitalized costs to obtain the contract for PayTV, mainly associated with STB boxes, installation costs, etc.

Capitalized contract costs amortization expenses are classified separately from depreciation and amortisation expense in the consolidated statement of profit or loss and other comprehensive income and EUR 3,649 thousand in the three months and EUR 7,141 in the six months ended 30 June 2023 (in the three months ended 30 June 2022: EUR 3,141 thousand; six months ended 30 June 2022: EUR 6,204 thousand).

15. Loans granted

	30 June 2023	31 December 2022
Intercompany loan (note 27)	22	93
Other loans	62	65
Outstanding balance at the end of the period	**84**	**158**
Less: current portion	(38)	(42)
Total long-term loans	**46**	**116**

(unaudited, all amounts in thousands EUR unless otherwise stated)

16. Inventory

	30 June 2023	31 December 2022
Programming rights	28,285	28,509
Equipment	12,706	9,452
IoT and related goods	4,238	3,739
Prepaid products, accessories and other goods	4,384	4,103
	49,613	**45,803**
Less: loss allowance on slow moving inventory	(295)	(345)
Total inventory	**49,318**	**45,458**

17. Trade receivables

	30 June 2023	31 December 2022
Gross trade accounts receivable	96,442	90,839
Allowance for uncollectible accounts	(12,977)	(11,840)
Trade accounts receivable, net	**83,465**	**78,999**
Less: non-current portion	(3,460)	(3,400)
Current portion of trade accounts receivable, net	**80,005**	**75,599**

The Group has applied the IFRS 9 simplified approach of measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Movements on the allowance for impairment of trade receivables are as follows:

Beginning balance as at 1 January 2022	**9,886**
Loss allowance	5,571
Sold amounts and amounts written-off	(3,617)
Closing balance as at 31 December 2022	**11,840**
Loss allowance	4,498
Sold amounts and amounts written-off	(3,361)
Closing balance as at 30 June 2023	**12,977**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over 2018-2021 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(unaudited, all amounts in thousands EUR unless otherwise stated)

18. Other non-current assets and receivables

Other non-current assets and receivables comprise of:

	30 June 2023	31 December 2022
Non-current part of trade receivables for equipment	3,460	3,400
Long term deferred borrowing costs (note 8)	424	534
Acquired non-current part of dividend receivable from other investments	92	92
Acquired non-current part of advance payments for lease of cable network	140	140
Other non-current prepayments and assets	1,678	1,644
Total	**5,794**	**5,810**

The Group offers to customers instalment payments for equipment purchase over a period. As of 30 June 2023, outstanding trade receivables from such equipment sales totals EUR 13,342 thousand (31 December 2022: EUR 11,925 thousand). The non-current part of trade receivables for equipment amounts to EUR 3,400 thousand (31 December 2022: EUR 3,400 thousand). The current portion of receivables from the sales amounts to EUR 9,942 thousand (31 December 2022: EUR 8,525 thousand) and is included into a line item 'Trade accounts receivable' in the statement of financial position.

19. Financial assets at fair value through profit or loss

There are longstanding arrangements between the Group and customer financing entities for the receivables owed by customers to be transferred to the customer financing entities at the time the equipment is sold to the customer. Consistent with this arrangement the Group has been selling the full portfolio of not-due accounts receivable from the residential customers for equipment bought in instalments to customer financing entities at regular intervals, rather than at the time of sale. The accounts receivables sold to customer financing entities are less than 1 month old at the time of sale and all credit risk on the sold receivables is transferred to the customer financing entities at that time. The Group is paying one-off fixed rate commission to the financing entity at the moment of every sale and carries no further cash flow risk, as commissions paid cannot be adjusted subsequently, depending on default rates or any other factors. The Group has classified these receivables as financial assets at fair value through profit or loss and the balance as at 30 June 2023 amounted to EUR 6,208 thousand (31 December 2022: EUR 6,552 thousand).

20. Other current assets and prepayments

The current portion of the other assets and prepayments is specified below:

	30 June 2023	31 December 2022
Accrued income	461	438
Current part of PayTV prepaid expenses	759	395
Other prepayments and deferred expenses	6,301	4,988
Other current assets	1,218	1,342
Total	**8,739**	**7,163**

21. Equity

Share capital

PLT VII Finance S.à r.l. was incorporated on 3 March 2020 in Luxembourg as a private limited liability company (société à responsabilité limitée) with the issued share capital set at EUR 12 thousand, divided into 12,000 ordinary shares each with a nominal value of EUR 1. The share capital was subscribed and fully paid up by the sole shareholder PLT VII Holding S.à r.l. Pursuant to the Articles of the Company, the authorised share capital (including the authorised unissued share capital and the issued share capital) amounts to EUR 500,000 thousand.

On 30 April 2020 the issued share capital of the Company was increased by an amount of EUR 351,478 thousand from EUR 12 thousand to EUR 351,490 thousand by issue of 351,477,997 new shares with a nominal value of EUR 1 each. The increase in share capital was subscribed and fully paid up by the sole shareholder PLT VII Holding S.à r.l. by contribution in kind of 148,250,000 PLT VII Finance B.V. shares with a nominal value of EUR 0.10 cents each.

On 16 July 2020 the issued share capital of the Company was decreased by an amount of EUR 214,005 thousand from EUR 351,490 thousand to EUR 137,485 thousand by cancelation of 214,005,442 ordinary shares at par value of EUR 1 each. The share capital repayment to the sole shareholder PLT VII Holding S. à r.l. was partially financed from the issued senior secured notes.

On 17 July 2020 the sole shareholder of the Company has carried out a share capital contribution in amount of EUR 1,700 thousand without an issue of shares to the freely distributable account of the Company. The share capital increase was allocated to the share premium in the Company’s statement of financial position.

On 9 July 2021 the issued share capital of the Company was decreased by an amount of EUR 103,899 thousand from EUR 137,485 thousand to EUR 33,585 thousand by cancelation of 103,899,445 ordinary shares at par value of EUR 1 each. The share capital repayment to the sole shareholder PLT VII Holding S.à r.l. was financed from cash generation and issued senior secured notes.

On 8 November 2022 the sole shareholder of the Company has carried out a share capital contribution in amount of EUR 5,490 thousand without an issue of shares to the freely distributable account of the Company. The share capital increase was allocated to the share premium in the Company’s statement of financial position.

On 24 February 2023 the Company has carried EUR 470 thousand repayment out of the freely distributable account of the Company to the sole shareholder PLT VII Holding S.à r.l.

As of 30 June 2023, the share capital of PLT VII Finance S.à r.l. amounts to EUR 33,585 thousand (31 December 2022: EUR 33,585 thousand) and consists of 33,585,110 fully paid ordinary shares (31 December 2021: 33,585,110 shares) at par value of EUR 1 each. The share premium of the Company amounts to EUR 6,720 thousand as of 30 June 2023 (31 December 2022: EUR 7,190 thousand).

Dividend distribution

On 30 September 2022 the Company has declared EUR 74,400 thousand of interim dividends to its sole shareholder PLT VII Holding S.à r.l. On 7 October 2022 interim dividends in amount of EUR 68,910 thousand was paid in cash. On 8 November 2022 interim dividends in amount of EUR 5,490 thousand were offset against share premium amount payable by the sole shareholder. The interim dividends are considered fully paid as of 31 December 2022.

Reorganization reserve

In the course of the Group’s restructuring, on 30 April 2020 the Company became an ultimate parent of PLT VII Finance B.V. and PLTF Group. The transaction was accounted for as a legal reorganization of the Company by PLT VII Finance B.V., therefore this condensed consolidated interim financial information is presented using the values from the consolidated financial statements of the previous holding company. The reorganization reserve was formed due to the elimination of the share capital of PLT VII Finance B.V. (EUR 14,825 thousand) and Company’s investment in PLTF Group. Since the shareholders of PLT VII Finance S.à r.l. became the ultimate shareholders of PLT VII Finance B.V. and PLTF Group through contribution in kind as described above, the combination is accounted for as though there is a continuation of the legal subsidiary’s financial information.

(unaudited, all amounts in thousands EUR unless otherwise stated)

22. Borrowings

	30 June 2023	31 December 2022
Senior secured notes [(1)]	730,637	729,655
Revolving credit facilities [(2)]	87	86
Outstanding balance at the end of period	**730,724**	**729,741**

(1) As of 30 June 2023, the carrying amount of senior secured notes includes accrued interest of EUR 13,340 thousand and an unamortised arrangement fee of EUR 7,703 thousand.

(2) As of 30 June 2023, the carrying amount of revolving credit facilities included accrued fees of EUR 87 thousand.

The contractual maturity of the borrowings was as follows:

	30 June 2023	31 December 2022
Not later than 1 year	13,427	13,468
Later than 1 year but not later than 5 years	717,297	716,273
Outstanding balance at the end of period	**730,724**	**729,741**
Less: current portion	(13,427)	(13,468)
Total non-current borrowings	**717,297**	**716,273**

Super Senior Facility Agreement

On 8 July 2020 PLT VII Finance S.à r.l. as an original borrower entered into a new Super Senior Facility Agreement with a consortium of banks (ING bank N.V., London branch is acting as agent of the other finance parties) to obtain revolving credit facility in amount of EUR 50 million with maturity in April 2025. The revolving credit facility bears interest at an annual rate of three months EURIBOR plus applicable margin, which depends on the Group's Leverage Ratio and can be set in the range from 2% to 3%. As of the date of this condensed consolidated interim financial information the margin rate is 2.75%. The Group is charged with a commitment fee to maintain the facility availability. The commitment fee is calculated at the rate of 30% of the applicable margin on the un-drawn part of the respective facility.

Senior Secured Notes

On 16 July 2020 the Company as an original Issuer has issued senior secured notes in amount of EUR 650,000 thousand, with maturity on 5 January 2026. The Senior secured floating rate notes in amount of EUR 250,000 thousand bear interest at an annual rate of three months EURIBOR (subject to a 0% floor) plus margin 4.625%. The interest on the Senior secured floating rate notes is payable quarterly on 15 January, 15 April, 15 July and 15 October of each year. The Senior secured fixed rate notes in amount of EUR 400,000 thousand bear interest at an annual rate of 4.625%; the interest on the Senior secured fixed rate notes is payable semi-annually on 15 January and 15 July of each year.

Additional senior secured notes

On 8 July 2021 the Company as an original issuer has issued additional fixed rate senior secured notes with a principal amount of EUR 75,000 thousand and maturity on 5 January 2026. The notes bear interest at an annual rate of 4.625% which is payable semi-annually on 15 January and 15 July of each year.

The transaction costs related to senior secured notes issue amount to EUR 14,694 thousand (as adjusted by the premium related to additional senior secured notes) and are amortized to the finance costs over the notes' term.

Negative EURIBOR is deemed to be zero as per the contractual stipulations.

(unaudited, all amounts in thousands EUR unless otherwise stated)

Collaterals

At the date of the senior secured notes issue, the obligations of the Group were secured with the following first-ranking collaterals:

- Pledge over the shares of PLT VII International S.à r.l., Bitė Lietuva UAB, Teletower UAB, All Media Lithuania UAB, Bite Latvija SIA, All Media Latvia SIA, Teletower SIA, TV Play Baltics AS;
- Pledge over the existing and future funds in material bank accounts of PLT VII Finance S.à r.l., PLT VII International S.à r.l., Bitė Lietuva UAB, Teletower UAB, All Media Lithuania UAB, TV Play Baltics AS;
- Pledge over the existing and future claims in respect of material intragroup loans owing by PLT Group to the PLT VII Finance S.à r.l., PLT VII International S.à r.l., Bitė Lietuva UAB, Teletower UAB, All Media Lithuania UAB, Bite Latvija SIA, Teletower SIA, All Media Latvia SIA, TV Play Baltics AS.

23. Lease liabilities

The contractual maturity of lease liabilities are as follows:

	30 June 2023	31 December 2022
Not later than 1 year	17,661	17,225
Later than 1 year but not later than 5 years	29,904	38,379
Later than 5 years	3,925	3,955
Outstanding balance at the end of period	**51,490**	**59,559**
Less: current portion	(17,661)	(17,225)
Total non-current lease liabilities	**33,829**	**42,334**

24. Supplier financing arrangement

The Group is using a supplier financing arrangements which offers to a supplier of the Group an option to receive earlier payment of the Group's accounts payable. The Group does not provide any additional collateral or guarantee to the financial institution. As at 30 June 2023, the payable under the supplier financing arrangement amounted to EUR 30,578 thousand (31 December 2022: EUR 22,562 thousand).

25. Non-current and current liabilities and accrued expenses

Other non-current liabilities comprise of:

	30 June 2023	31 December 2022
Deferred payment liabilities for frequency charges	5,773	6,298
Contingent consideration for business combinations	133	133
Other non-current liabilities	1,739	1,190
Total	**7,645**	**7,621**

The non-current contingent consideration EUR 133 thousand (31 December 2022: EUR 133 thousand) relates to the acquisition of All Media Digital UAB. The current part of contingent consideration related to All Media Digital UAB is fully paid as at 30 June 2023 (31 December 2022: EUR 718 thousand).

On 11 July 2016, the Company has received a right to use 900-1800 MHz bands until year 2032 for a fee in the amount of EUR 10,100 thousand. The initial payment is equal to 20% of the fee and was paid on 7 March 2016, with the remaining portion of the fee payable spread proportionally over 15 years.

In 2022 the Company has received a right to use 3600-3700 MHz, 723-728 MHz and 778-783 MHz bands until year 2042. The initial payment was equal to 30% of the fee and was paid on 30 August 2022 and on 26 September 2022, with the remaining portion of the fee payable spread proportionally over 20 years.

(unaudited, all amounts in thousands EUR unless otherwise stated)

As payment of the consideration is deferred beyond normal credit terms (i.e., was not initially paid in full), the asset has been recognised at the equivalent of cash paid, and the difference between this amount and the amount to be paid overtime will be recognised as interest expense during the period of the credit.

Deferred payment liabilities related to frequency charges as described above are as follows:

	30 June 2023	31 December 2022
Not later than 1 year	456	462
Later than 1 year but not later than 5 years	2,026	2,053
Later than 5 years	3,747	4,245
Outstanding balance at the end of year	**6,229**	**6,760**
Less: current portion	(456)	(462)
Total non-current liability	**5,773**	**6,298**

The current accrued expenses and other liabilities comprise of the following:

	30 June 2023	31 December 2022
Salaries, bonuses and related social security tax payable	8,530	10,182
Vacation reserve	5,997	5,475
Contingent consideration payable for shares	-	718
Current liabilities	196	182
Other accrued expenses	6,982	6,863
Other taxes payable	8,114	6,509
Total	**29,819**	**29,929**

(unaudited, all amounts in thousands EUR unless otherwise stated)

26. Provisions

	30 June 2023	31 December 2022
Asset retirement obligation	14,800	14,776
Provisions for legal claims	571	457
Other provisions	114	82
Total	**15,485**	**15,315**

The provisions for legal claims comprise of the amount provided for the dispute regarding channel distribution in TV Play Baltics AS, and couple disputes in relation to reports showed in the news program in All Media Latvia SIA.

27. Transactions with related parties

On 9 July 2021 the sole shareholder of the Company has approved the reduction of the issued share capital of the Company by an amount of EUR 103,900 thousand by cancellation of 103,899,445 ordinary shares of a nominal value of one euro each. The share capital repayment to the sole shareholder PLT VII Holding S.à r.l. was financed from operating cashflows and issued senior secured notes.

On 8 November 2022 the sole shareholder of the Company has carried out a share capital contribution in amount of EUR 5,490 thousand without an issue of shares to the freely distributable account of the Company. The share capital increase was allocated to the share premium in the Company's statement of financial position.

On 30 September 2022 the Company has declared EUR 74,400 thousand of interim dividends to its sole shareholder PLT VII Holding S.à r.l.

On 24 February 2023 the Company has carried EUR 470 thousand repayment out of the freely distributable account of the Company to the sole shareholder PLT VII Holding S.à r.l.

The ultimate parent entity and controlling parties of the Company are Providence Equity Partners VII-A LP and Providence VII Global Holdings LP which are both registered in the Cayman Islands.

PLT VII International S.à r.l. has granted loans to PLT VII Baltic Topco S.à r.l. The loans amounting to EUR 22 thousand remain outstanding in PLT VII International S.à r.l. as of 30 June 2023 (31 December 2022: EUR 92 thousand). The maturity date for this loan is on 14 February 2024 and bear interest at an annual rate of three months EURIBOR plus margin 4.25%.

The following material transactions were carried out with related parties:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Interest income from PLT VII Baltic Topco S.à r.l.	-	1	-	2
Total	**-**	**1**	**-**	**2**

The receivables from related parties:

	30 June 2023	31 December 2022
Loan granted to PLT VII Baltic Topco S.à r.l. (note 15)	22	92
Interest receivable from PLT VII Baltic Topco S.à r.l. (note 0)	-	1
Total	**22**	**93**

(unaudited, all amounts in thousands EUR unless otherwise stated)

28. Key management compensation

The key management of the Group are:

- PLT VII Finance Sarl Board of Directors;
- The Supervisory Council members;
- The Group Chief Executive Officer ('**the Group CEO**'),
- The Chief Executive Officer ('**the CEO**') in Bitė Lietuva UAB and CEO in Bite Latvija SIA;
- The Chief Technology Officer ('**the CTO**'), the Chief Financial Officer ('**the CFO**'), from 1 July 2022 also the Marketing Director in Bitė Lietuva UAB and the Group Sales Director;
- TV3 Group CEO and CFO.

Remuneration (salaries, bonuses and other compensations) to respective management in respect of their work performed for the Group is shown below:

	Three months ended 30 June 2023	Three months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Remuneration	581	467	1,092	907
Bonuses	256	378	532	715
Termination benefits	275	-	275	-
Social security contributions	32	20	54	51
Total	**1,144**	**865**	**1,953**	**1,673**

The outstanding payable balances to respective management in respect of their work performed to the Group were EUR 661 thousand as of 30 June 2023 (30 June 2022: EUR 737 thousand).

Transactions with key management other than compensation

The Group key management is minority shareholder of PLT VII Baltic Topco S.à r.l., holding 9 % of total share capital of this entity.

29. Seasonality of business and significant transactions

The Group's mobile business is not highly seasonal, however the summer months and December are considered as the peak trading periods. The increase in trade during the summer months relates to the higher level of travelling and people on the move, which is reflected in higher usage of mobile technology and in particular – roaming. The traffic volume similarly increases in December due to the festive period.

FreeTV advertising business is significantly influenced by seasonality. In January/ February and during the summer months (July/ August), advertising sales are the lowest within the year, mainly due to lower domestic consumption. In spring (March to May, or around Easter) and fall season up until Christmas (September to December), advertising sales are the highest, peaking in November/ December. This relates to increased demand for TV advertising due to high PUT (people using TV) level, strong TV program schedule and increased domestic consumption, especially in the periods before Easter and Christmas.

Seasonality impact on PayTV is minor.

30. Events occurring after the reporting period

There were no significant events occurring after the reporting period that would influence the economic decisions of the users of these condensed interim financial information.