
Grupa Polsat Plus

Cyfrowy Polsat S.A. Capital Group

# Annual Consolidated Report for the financial year ended December 31, 2023

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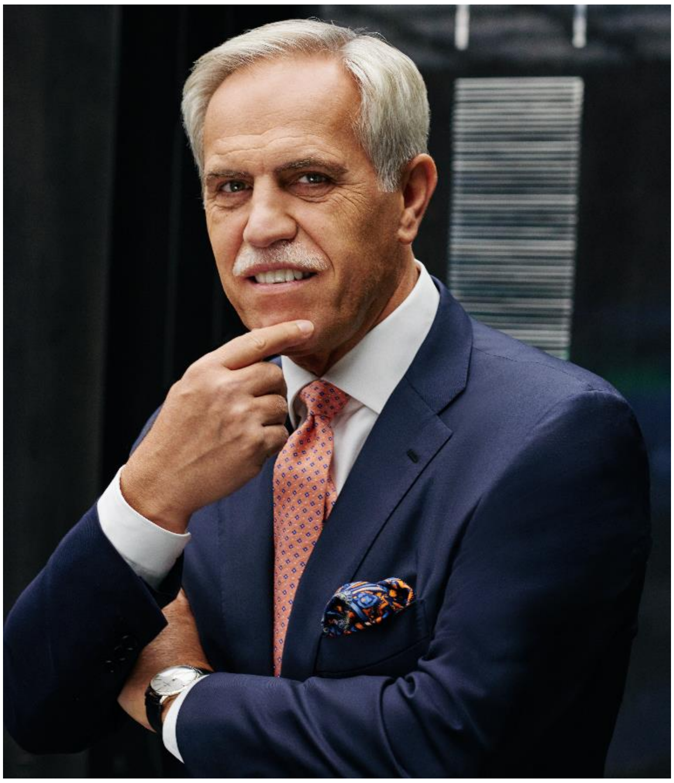
# Letter of the Chairman of the Supervisory Board



Ladies and Gentlemen,

The report presented to you summarizes the activities of Polsat Plus Group in 2023.

It was undoubtedly a year full of challenges resulting, among others, from the still unstable international situation related to the ongoing war in the East caused by Russia's aggression against Ukraine. One of the negative effects on the global economy as a whole was inflation and its impact on the entire Polish economy, including our operations.

However, despite the unfavorable macroeconomic conditions, Polsat Plus Group continued its growth strategy, focusing its efforts on its three main business areas - telecommunication, content and green energy production.

In the area of telecommunication, the Group has been developing Poland's first and largest network of the fastest mobile Internet using 5G technology, increasing both its coverage and technical parameters. In 2024, with the purchase of new bandwidth, the Group's 5G network will accelerate even further, increasing the opportunities it offers to both individual and business customers. In the content sector, we have a very good and strong position in production, broadcasting and distribution. The Internet business, represented by Interia Group, which provides us with some 21 million users and more than 20 billion page views per month, is also performing very well. Investments in the area of green energy production are being made intensively and in line with the strategy, some of them have already been completed and others will be commissioned as early as this year, in 2024.

So, what can summarize the activities of Polsat Plus Group in 2023 are the words consistency and effective, step by step implementation of the set strategic goals. I am convinced that Polsat Plus Group, with its well-known determination, will fulfill all the assumed and announced assumptions of its strategy.

On behalf of the Supervisory Board of Cyfrowy Polsat, I would like to thank our customers for another year with us, for their loyalty, for their trust in our services and products, which we create with them in mind, and for motivating us to introduce further innovations.

I would like to pay special tribute to all of the Group's employees, who have once again demonstrated that their commitment, diligence, high motivation and efficiency enable all projects and tasks to be successfully implemented and our Group to remain a leader.

I would like to express my sincere gratitude to the investors for their trust and willingness to continue to participate with me as shareholders in building the future of the Polsat Plus Group.

Yours faithfully,

Zygmunt Solorz

Chairman of the Supervisory Board, Cyfrowy Polsat S.A.

# Letter of the President of the Management Board

Ladies and Gentlemen,

Over the past year, Polsat Plus Group has grown in every segment of its business. In the area of telecommunication, it developed 5G Plus, which already covers 23 million Poles, launched 5G Ultra with speeds of up to 1 Gbps, which already covers 6 million people, and accelerated the speed of Netia's fiber to 2 Gbps. With the new frequency won in the 5G auction, it will further expand the Plus 5G network to provide users with the best possible service performance.

In order to consistently develop its second strategic pillar - content - and provide viewers with the best content, TV Polsat acquired, among others, a majority stake in the companies that own the naEkranie.pl service and the 4fun.tv, 4fun Kinds and 4fun Dance channels, as well as the rights to handball league matches and extended the rights to the European Volleyball Cup until 2029 and to basketball league matches. Polsat Box Go launched a new Start package for PLN 30 per year, offering more than 40,000 hours of series and entertainment programs from TV Polsat channels.

Successes in the Clean Energy are include the start of green energy production by wind farms in Miłosław and Kazimierz Biskupi, the expansion of the solar farm in Brudzew, the opening of the NesoBus hydrogen bus factory in Świdnik, and the launch of Poland's first publicly accessible hydrogen filling stations in Warsaw and Rybnik.

We entered into a strategic partnership with Google Cloud, under which Google signed its first agreement in Poland to purchase clean and green electricity from the Przyrów wind farm, and our Group will benefit from Google Cloud's cloud solutions, accelerating its technological development and digital transformation.

In 2023, our green energy sources produced 665 GWh of energy, and almost 100% of the energy consumed by our Group companies came from renewable sources. The estimated greenhouse gas emissions avoided by our Group through the development of our own RES amounted to 316,000 tons. The green hydrogen-powered NesoBus has been tested in Warsaw, Gdansk, Gdynia, Konin, Szczecin and Wroclaw, among others, and the cities of Rybnik, Gdańsk and Chełm have decided to purchase them for their residents.

In total, we provide more than 20 million telecommunication and TV services to individual customers and businesses and institutions. Nearly 2.5 million of our customers take advantage of our multiplay offers and achieve tangible financial benefits by combining the services of Polsat Box and Plus. We are the only telecommunication and pay TV operator to offer access to this Disney+ service in bundled offers with our services. We provide business customers with advanced ICT services, particularly cloud, data center and cybersecurity solutions. We offer viewers 43 of our own channels, and the total audience share of TV Polsat Group channels was 22% last year, giving us a strong position in the TV advertising market with a share of almost 29%. Our focus in the online media segment continues to be the creation and delivery of valuable content. The Polsat-Interia Group has almost 21 million unique users per month and is one of the three largest providers of online services in the country.

Polsat Plus Group's revenues increased to PLN 13.6 billion, EBITDA to PLN 3 billion and net profit to PLN 300 million, thanks in part to the growth of the green energy segment. We achieved these results in a difficult macroeconomic market. We successfully completed the refinancing of our debt and issued bonds linked to our sustainable development goals in the amount of approximately PLN 3.9 billion, using these funds to the most part to effective implementation of the 2023+ strategy.

Our Group's performance is due to the hard work of several thousand employees - I would like to thank them all for their great commitment, perseverance and countless ideas. I would also like to thank our shareholders, financial partners and the representatives of the Supervisory and Management Boards of the Group's companies - it is their trust and support that makes the effective implementation of our strategy possible.

We have ambitious plans and are ready to redouble our efforts to achieve our goals. The trust of our clients and viewers motivates us to work hard and develop Polsat Plus Group. It is with them in mind that we take on new challenges, so that they can enjoy ever better quality services - reliable and fast Internet, a wealth of content on any device, valuable Internet portals, and green and cheap energy, whose spread will give us a cleaner and healthier environment.

Yours faithfully,

Mirosław Błaszczyk

President of the Management Board, Cyfrowy Polsat S.A.

*This document is a conversion to pdf format of the official consolidated financial statements issued in xhtml format.*

# Cyfrowy Polsat S.A. Capital Group

## Consolidated Financial Statements
## for the year ended 31 December 2023

## Prepared in accordance
## with International Financial Reporting Standards
## as adopted by European Union

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# Approval of the Consolidated Financial Statements

On 10 April 2024, the Management Board of Cyfrowy Polsat S.A. approved the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which include:

## Consolidated Income Statement for the period

from 1 January 2023 to 31 December 2023 showing a net profit for the period of: PLN 311.6

## Consolidated Statement of Comprehensive Income for the period

from 1 January 2023 to 31 December 2023 showing a total comprehensive income for the period of: PLN 262.6

## Consolidated Balance Sheet as at

31 December 2023 showing total assets and total equity and liabilities of: PLN 37,176.7

## Consolidated Cash Flow Statement for the period

from 1 January 2023 to 31 December 2023 showing a net increase in cash and cash equivalents amounting to: PLN 2,512.9

## Consolidated Statement of Changes in Equity for the period

from 1 January 2023 to 31 December 2023 showing an increase in equity of: PLN 494.4

## Notes to the Consolidated Financial Statements

The consolidated financial statements have been prepared in million of Polish zloty ('PLN') except where otherwise indicated.

**Mirosław Błaszczyk**
President of the Management Board

**Maciej Stec**
Vice-President of the Management Board

**Jacek Felczykowski**
Member of the Management Board

**Aneta Jaskólska**
Member of the Management Board

**Agnieszka Odorowicz**
Member of the Management Board

**Katarzyna Ostap-Tomann**
Member of the Management Board

Warsaw, 10 April 2024

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Income Statement

| | | for the year ended | |
|---|---|---|---|
| | Note | 31 December 2023 | 31 December 2022 |
| ***Continuing operations*** | | | |
| Revenue | 9 | 13,626.3 | 12,915.3 |
| Operating costs | 10 | (12,488.8) | (11,399.8) |
| Gain on disposal of a subsidiary and an associate | 41 | 219.7 | 153.2 |
| Other operating income/(cost), net | | (45.6) | (26.5) |
| **Profit from operating activities** | | **1,311.6** | **1,642.2** |
| Gain/(loss) on investment activities, net | 11 | 162.4 | 23.5 |
| Finance costs, net | 12 | (1,081.9) | (649.9) |
| Share of the profit/(loss) of associates accounted for using the equity method | | 29.7 | 94.5 |
| **Gross profit for the period** | | **421.8** | **1,110.3** |
| Income tax | 13 | (110.2) | (209.2) |
| **Net profit for the period** | | **311.6** | **901.1** |
| Net profit attributable to equity holders of the Parent | | 278.5 | 900.0 |
| Net profit attributable to non-controlling interest | | 33.1 | 1.1 |
| **Basic earnings per share (in PLN)** | 15 | **0.57** | **1.62** |
| **Diluted earnings per share (in PLN)** | 15 | **0.57** | **1.62** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Statement of Comprehensive Income

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| **Net profit for the period** | **311.6** | **901.1** |
| *Items that may not be reclassified subsequently to profit or loss:* | | |
| Actuarial gain/(loss) | (2.6) | 2.9 |
| *Items that may be reclassified subsequently to profit or loss:* | | |
| Valuation of hedging instruments | (23.3) | 9.2 |
| Share of other comprehensive income of subsidiaries and associates | (23.1) | 23.7 |
| **Other comprehensive income/(loss), net of tax** | **(49.0)** | **35.8** |
| **Total comprehensive income for the period** | **262.6** | **936.9** |
| Total comprehensive income attributable to equity holders of the Parent | 234.4 | 934.6 |
| Total comprehensive income attributable to non-controlling interest | 28.2 | 2.3 |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Balance Sheet - Assets

| | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| Property, plant and equipment | 16 | 6,494.3 | 3,882.9 |
| Goodwill | 17 | 10,980.2 | 10,818.1 |
| Customer relationships | 20 | 300.2 | 643.7 |
| Brands | 18 | 1,979.7 | 2,060.9 |
| Other intangible assets | 20 | 4,835.8 | 3,340.6 |
| Right-of-use assets | 21 | 644.6 | 527.0 |
| Non-current programming assets | 22 | 304.8 | 501.8 |
| Investment property | 23 | 700.0 | 647.0 |
| Non-current deferred distribution fees | 24 | 85.0 | 79.8 |
| Non-current trade receivables | 25 | 968.1 | 930.0 |
| Non-current loans granted | 26 | 10.9 | 325.6 |
| Other non-current assets, includes: | 25 | 702.8 | 1,918.0 |
| *shares in associates and joint ventures accounted for using the equity method* | | *10.1* | *1,884.2* |
| *shares in third parties valued in fair value through profit or loss* | | *615.9* | *1.6* |
| *derivative instruments* | 42 | *35.2* | *17.4* |
| Deferred tax assets | 13 | 142.8 | 99.9 |
| **Total non-current assets** | | **28,149.2** | **25,775.3** |
| Current programming assets | 22 | 678.2 | 699.2 |
| Contract assets | 27 | 349.0 | 362.9 |
| Inventories | 28 | 1,215.6 | 1,162.4 |
| Trade and other receivables | 29 | 2,947.1 | 2,751.3 |
| Current loans granted | 26 | 116.2 | 250.5 |
| Income tax receivable | | 20.0 | 5.0 |
| Current deferred distribution fees | 24 | 227.4 | 217.3 |
| Other current assets, includes: | 30 | 139.7 | 137.2 |
| *derivative instruments* | 42 | *21.6* | *63.9* |
| Cash and cash equivalents | 31 | 3,306.0 | 808.5 |
| Restricted cash | 31 | 19.7 | 9.3 |
| **Total current assets** | | **9,018.9** | **6,403.6** |
| **Assets held for sale, includes:** | 50 | **8.6** | **127.7** |
| *cash and cash equivalents* | | *1.2* | - |
| **Total assets** | | **37,176.7** | **32,306.6** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Balance Sheet - Equity and Liabilities

| | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| Share capital | 32 | 25.6 | 25.6 |
| Share premium | 32 | 7,174.0 | 7,174.0 |
| Share of other comprehensive income of associates | | - | 51.9 |
| Other reserves | 32 | 2,752.8 | 2,815.9 |
| Retained earnings | | 8,334.1 | 8,057.6 |
| Treasury shares | 32 | (2,854.7) | (2,854.7) |
| **Equity attributable to equity holders of the Parent** | | **15,431.8** | **15,270.3** |
| Non-controlling interests | 32 | 873.4 | 540.5 |
| **Total equity** | | **16,305.2** | **15,810.8** |
| Loans and borrowings | 34 | 9,534.3 | 6,624.8 |
| Issued bonds | 35 | 3,955.4 | 1,900.4 |
| Lease liabilities | 36 | 444.6 | 345.6 |
| Deferred tax liabilities | 13 | 1,035.0 | 978.7 |
| Other non-current liabilities and provisions, includes: | 38 | 385.6 | 330.9 |
| *derivative instruments* | 42 | *24.0* | *4.3* |
| **Total non-current liabilities** | | **15,354.9** | **10,180.4** |
| Loans and borrowings | 34 | 1,069.7 | 1,512.6 |
| Issued bonds | 35 | 393.7 | 176.0 |
| Lease liabilities | 36 | 166.2 | 178.6 |
| Contract liabilities | | 682.2 | 606.8 |
| Trade and other payables, includes: | 39 | 3,172.6 | 3,767.1 |
| *derivative instruments* | 42 | *20.2* | *2.1* |
| Income tax liability | 13 | 31.4 | 74.3 |
| **Total current liabilities** | | **5,515.8** | **6,315.4** |
| Liabilities held for sale | | 0.8 | - |
| **Total liabilities** | | **20,871.5** | **16,495.8** |
| **Total equity and liabilities** | | **37,176.7** | **32,306.6** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Cash Flow Statement

| | Note | for the year ended 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| **Net profit** | | **311.6** | **901.1** |
| **Adjustments for:** | | **2,316.6** | **2,072.4** |
| Depreciation, amortization, impairment and liquidation | 10 | 1,919.6 | 1,829.0 |
| Payments for film licenses and sports rights | | (654.0) | (587.1) |
| Amortization of film licenses and sports rights | | 660.5 | 668.6 |
| Interest expense | | 1,078.2 | 660.6 |
| Change in inventories | | 150.1 | (82.5) |
| Change in receivables and other assets | | (32.1) | (13.3) |
| Change in liabilities and provisions | | (268.5) | (224.2) |
| Change in contract assets | | 13.9 | 55.1 |
| Change in contract liabilities | | (38.0) | (48.1) |
| Foreign exchange (gains)/losses, net | | (119.8) | 14.6 |
| Income tax | | 110.2 | 209.2 |
| Net additions of reception equipment | | (145.8) | (113.1) |
| Share of the profit of associates accounted for using the equity method | | (29.7) | (94.5) |
| Gain on disposal of a subsidiary and an associate | 41 | (219.7) | (153.2) |
| Premium for early redemption of bonds | | 10.1 | - |
| Cumulative catch-up | | (20.8) | - |
| One-time loans repayment | | 20.8 | - |
| Valuation of hedging instruments | | (28.8) | 11.4 |
| (Profit)/loss on derivatives, net | | 6.7 | (71.7) |
| Other adjustments | | (96.3) | 11.6 |
| **Cash from operating activities** | | **2,628.2** | **2,973.5** |
| Income tax paid | | (342.1) | (1,278.4) |
| Interest received from operating activities | | 106.3 | 66.6 |
| **Net cash from operating activities** | | **2,392.4** | **1,761.7** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | | | |
|---|---|---|---|
| Acquisition of property, plant and equipment | | (1,289.4) | (776.9) |
| Acquisition of intangible assets | | (312.5) | (337.5) |
| Concessions payments | | (1,345.9) | (514.0) |
| Acquisition of subsidiaries, net of cash acquired | 40, 50 | (84.9) | (266.5) |
| Acquisition of shares in associates | 41 | - | (4.9) |
| Capital increase in an associate | | - | (473.8) |
| Proceeds from disposal of a subsidiary and an associate | | 913.8 | 757.4 |
| Proceeds from sale of property, plant and equipment | | 26.2 | 78.2 |
| Loans granted | | (343.4) | (686.9) |
| Repayment of loans granted | | 133.0 | 272.5 |
| Acquisition of bonds | | (20.0) | - |
| Bonds redemption with interest | | 22.0 | - |
| Dividends received from associate | | 73.8 | 64.0 |
| Other inflows/(outflows) | | 11.6 | 11.8 |
| **Net cash from/(used in) investing activities** | | **(2,215.7)** | **(1,876.6)** |
| Bonds issue (1) | | 2,145.3 | - |
| Loans and borrowings inflows | 34 | 3,885.1 | 141.2 |
| Repayment of loans and borrowings | 34 | (2,327.0) | (1,045.1) |
| Payment of interest on loans, borrowings, bonds, and commissions(2) | | (1,203.3) | (616.9) |
| Payment of lease liabilities | 36 | (195.5) | (196.4) |
| Payment of interest on lease liabilities | 36 | (27.4) | (20.2) |
| Dividend payment of the Parent Company | | - | (660.8) |
| Hedging instrument effect | | 60.8 | 109.4 |
| Acquisition of treasury shares(3) | | - | (393.9) |
| Other outflows | | (1.8) | (23.0) |
| **Net cash from/(used in) financing activities** | | **2,336.2** | **(2,705.7)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **2,512.9** | **(2,820.6)** |
| **Cash and cash equivalents at the beginning of the period** | | **817.8(4)** | **3,644.3(5)** |
| Effect of exchange rate fluctuations on cash and cash equivalents | | (3.8) | (5.9) |
| Transfer to assets held for sale | | (1.2) | - |
| **Cash and cash equivalents at the end of the period** | | **3,325.7(6)** | **817.8(4)** |

(1) Value of bonds issue reduced by bond interest and early redemption premium settled in conversion
(2) Includes amount paid for costs related to the new financing
(3) Includes amount paid for costs related to acquisition of treasury shares
(4) Includes restricted cash amounting to PLN 9.3
(5) Includes restricted cash amounting to PLN 11.9
(6) Includes restricted cash amounting to PLN 19.7

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Statement of Changes in Equity for the year ended 31 December 2023

| | Share capital | Share premium | Share of other comprehensive income of associates | Other reserves | Retained earnings [1] | Treasury shares | Equity attributable to equity holders of the Parent | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **25.6** | **7,174.0** | **51.9** | **2,815.9** | **8,057.6** | **(2,854.7)** | **15,270.3** | **540.5** | **15,810.8** |
| Dividend approved and share of profits | - | - | - | - | (2.0) | - | (2.0) | (9.3) | **(11.3)** |
| Increase in capital of subsidiaries | - | - | - | - | - | - | - | 1.6 | **1.6** |
| Option valuation | - | - | - | (39.5) | - | - | (39.5) | - | **(39.5)** |
| Acquisition/disposal of subsidiaries/associates | - | - | (39.4) | 8.0 | - | - | (31.4) | 312.4 | **281.0** |
| Total comprehensive income/(loss) | - | - | (12.5) | (31.6) | 278.5 | - | 234.4 | 28.2 | **262.6** |
| *Hedge valuation reserve* | - | - | - | *(23.3)* | - | - | *(23.3)* | - | ***(23.3)*** |
| *Share of other comprehensive income of subsidiaries and associates* | - | - | *(12.5)* | *(5.7)* | - | - | *(18.2)* | *(4.9)* | ***(23.1)*** |
| *Actuarial gains/(losses)* | - | - | - | *(2.6)* | - | - | *(2.6)* | - | ***(2.6)*** |
| *Net profit for the period* | - | - | - | - | *278.5* | - | *278.5* | *33.1* | ***311.6*** |
| **Balance as at 31 December 2023** | **25.6** | **7,174.0** | **-** | **2,752.8** | **8,334.1** | **(2,854.7)** | **15,431.8** | **873.4** | **16,305.2** |

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. As at 31 December 2023 the capital excluded from distribution amounts to PLN 8.5

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Consolidated Statement of Changes in Equity for the year ended 31 December 2022

| | Share capital | Share premium | Share of other comprehensive income of associates | Other reserves | Retained earnings[1] | Treasury shares | **Equity attributable to equity holders of the Parent** | **Non-controlling interests** | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2022** | **25.6** | **7,174.0** | **32.1** | **2,801.3** | **7,823.6** | **(2,461.0)** | **15,395.6** | **(11.0)** | **15,384.6** |
| Dividend approved and share of profits | - | - | - | - | (660.8) | - | (660.8) | (4.4) | **(665.2)** |
| Acquisition of treasury shares | - | - | - | (0.2) | - | (393.7) | (393.9) | - | **(393.9)** |
| Acquisition of subsidiaries | - | - | - | - | (5.2) | - | (5.2) | 553.6 | **548.4** |
| Total comprehensive income | - | - | 19.8 | 14.8 | 900.0 | - | 934.6 | 2.3 | **936.9** |
| *Hedge valuation reserve* | - | - | - | *9.2* | - | - | *9.2* | - | ***9.2*** |
| *Share of other comprehensive income of subsidiaries and associates* | - | - | *19.8* | *2.7* | - | - | *22.5* | *1.2* | ***23.7*** |
| *Actuarial profits/(losses)* | - | - | - | *2.9* | - | - | *2.9* | - | ***2.9*** |
| *Net profit for the period* | - | - | - | - | *900.0* | - | *900.0* | *1.1* | ***901.1*** |
| **Balance as at 31 December 2022** | **25.6** | **7,174.0** | **51.9** | **2,815.9** | **8,057.6** | **(2,854.7)** | **15,270.3** | **540.5** | **15,810.8** |

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. As at 31 December 2022 the capital excluded from distribution amounts to PLN 8.5.

# Notes to the Consolidated Financial Statements for the year ended 31 December 2023

## General information

| | |
|---|---|
| **Name of reporting entity or other means of identification:** | Cyfrowy Polsat S.A. |
| **Domicile of entity:** | Poland |
| **Legal form of entity:** | joint stock company |
| **Country of incorporation:** | Poland |
| **Address of entity's registered office:** | Łubinowa 4a, 03-878 Warsaw |
| **Principal place of business:** | Poland |

## 1. The Parent Company

Cyfrowy Polsat S.A. (‘the Company’, ‘Cyfrowy Polsat’, ‘the Parent Company’, ‘the Parent’) was incorporated in Poland as a joint stock company. The Company’s shares are traded on the Warsaw Stock Exchange. The Parent Company’s registered office is located at 4a, Łubinowa Street in Warsaw.

The Parent operates in Poland as a provider of a paid digital satellite platform under the name of ‘Polsat Box’ and paid digital terrestrial television as well as telecommunication services provider.

The Company was incorporated under the Notary Deed dated 30 October 1996.

These consolidated financial statements comprise the Parent and its subsidiaries (‘the Group’) and joint ventures. The Group operates in four segments:

- B2C and B2B services which relates mainly to the provision of services to the general public, including digital television transmission signal, Internet access services, mobile TV services, online TV services, mobile services, production of set-top boxes,
- media which consist mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television channels in Poland,
- real estate segment, which mainly includes the implementation of construction projects as well as the sale, rental and management of own or leased real estate,
- green energy segment, which mainly includes production and sale of energy from renewable sources, construction of a complete hydrogen-based value chain as well as investments in projects focused on the production of energy from photovoltaics and wind farms.

## 2. Composition of the Management Board of the Company

- Mirosław Błaszczyk — President of the Management Board,
- Maciej Stec — Vice-President of the Management Board,
- Jacek Felczykowski — Member of the Management Board,
- Aneta Jaskólska — Member of the Management Board,
- Agnieszka Odorowicz — Member of the Management Board,
- Katarzyna Ostap-Tomann — Member of the Management Board.

## 3. Composition of the Supervisory Board of the Company

Composition of the Supervisory Board from 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Tobias Solorz Vice-Chairman of the Supervisory Board,
- Piotr Żak Vice-Chairman of the Supervisory Board,
- Józef Birka Member of the Supervisory Board,
- Jarosław Grzesiak Member of the Supervisory Board,
- Marek Grzybowski Member of the Supervisory Board,
- Alojzy Nowak Member of the Supervisory Board,
- Tomasz Szeląg Member of the Supervisory Board.

Composition of the Supervisory Board to 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Marek Kapuściński Vice-Chairman of the Supervisory Board (until 31 May 2023),
- Józef Birka Member of the Supervisory Board,
- Jarosław Grzesiak Member of the Supervisory Board,
- Marek Grzybowski Member of the Supervisory Board,
- Alojzy Nowak Member of the Supervisory Board,
- Tobias Solorz Member of the Supervisory Board,
- Tomasz Szeląg Member of the Supervisory Board,
- Piotr Żak Member of the Supervisory Board.

## 4. Basis of preparation of the consolidated financial statements

### Statement of compliance

These consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS EU). The Group applied the same accounting policies in the preparation of the financial data for the year ended 31 December 2023 and the consolidated financial statements for the year 2022, presented in the consolidated annual report, except for the EU-endorsed standards and interpretations which are effective for the reporting periods beginning on or after 1 January 2023.

During the year ended 31 December 2023 the following become effective:

- IFRS 17 Insurance Contracts and Amendments to IFRS 17,
- Amendments to IFSR 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information,
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Board guidelines: Disclosure of Accounting policies,
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction,
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Amendments and interpretations that apply for the first time in 2023 do not have a material impact on the consolidated financial statements of the Group.

Standards published but not yet effective:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback Transactions,
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current,
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements,
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The Group is currently analyzing the impact of the published standards that have not entered into force and believes that, apart from additional disclosures, they should not have a significant impact on the consolidated financial statements.

## 5. Group structure

These consolidated financial statements for the year ended 31 December 2023 include the following entities:

| | | | Share in voting rights (%)* | |
|---|---|---|---|---|
| | Entity's registered office | Activity | 31 December 2023 | 31 December 2022 |
| **Parent Company:** | | | | |
| **Cyfrowy Polsat S.A.** | Łubinowa 4a, 03-878 Warsaw | radio, TV and telecommunication activities | n/a | n/a |
| **Subsidiaries accounted for using full method:** | | | | |
| **Telewizja Polsat Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | television broadcasting and production | 100% | 100% |
| **Polsat Media Sp. z o.o. (formerly Polsat Media Biuro Reklamy Sp. z o.o. Sp.k.)**[(a)] | Ostrobramska 77, 04-175 Warsaw | media | 100% | 100% |
| **Polsat License Ltd.** | Alte Landstrasse 17, 8863 Buttikon, Switzerland | media | 100% | 100% |
| **Polsat Media Biuro Reklamy Sp. z o.o.** [(m)] | Ostrobramska 77, 04-175 Warsaw | media | -[(m)] | 100% |
| **Polsat Investments Ltd.** | 3, Krinou Agios Athanasios, 4103 Limassol, Cyprus | media | 100% | 100% |
| **Polsat Ltd.** | 238A King Street, W6 0RF London, United Kingdom | media | 100% | 100% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **naEKRANIE.pl Sp. z o.o.**(g) | Fabryczna 5a, 00-446 Warsaw | media | 60% | - |
| **4FUN Sp. z o.o.**(h) | Fabryczna 5a, 00-446 Warsaw | media | 60% | - |
| **Muzo.fm Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | media | 100% | 100% |
| **INFO-TV-FM Sp. z o.o.** | Łubinowa 4a, 03-878 Warsaw | radio and TV activities | 100% | 100% |
| **CPSPV1 Sp. z o.o.** | Łubinowa 4a, 03-878 Warsaw | technical services | 100% | 100% |
| **CPSPV2 Sp. z o.o.** | Łubinowa 4a, 03-878 Warsaw | technical services | 100% | 100% |
| **Polkomtel Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | telecommunication activities | 100% | 100% |
| **Liberty Poland S.A.** | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | telecommunication activities | 100% | 100% |
| **Polkomtel Business Development Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | other activities supporting financial services, gaseous fuels trading activities | 100% | 100% |
| **TM Rental Sp. z o.o.**(d) | Konstruktorska 4, 02-673 Warsaw | intelectual property rights rental | -(d) | 100% |
| **Orsen Holding Ltd.** | Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta | holding activities | 100% | 100% |
| **Orsen Ltd.** | Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta | holding activities | 100% | 100% |
| **Dwa Sp. z o.o.** | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | holding activities | 100% | 100% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **Interphone Service Sp. z o.o.** | Inwestorów 8, 39-300 Mielec | production of set-top boxes | 100% | 100% |
| **Teleaudio Dwa Sp. z o.o. Sp.k.** | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | call center and premium rate services | 100% | 100% |
| **IB 1 FIZAN** | Mokotowska 49, 00-542 Warsaw | financial activities | ** | ** |
| **Sferia S.A.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | telecommunication activities | 51% | 51% |
| **Altalog Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | software | 66% | 66% |
| **Plus Flota Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | management and rental services | 100% | 100% |
| **Music TV Sp. z o.o.** (y) | Ostrobramska 77, 04-175 Warsaw | media | -(y) | 100% |
| **Polo TV Sp. z o.o.**(y) | Ostrobramska 77, 04-175 Warsaw | media | -(y) | 100% |
| **Netia S.A.** | Poleczki 13, 02-822 Warsaw | telecommunication activities | 100% | 100% |
| **Netia 2 Sp. z o.o.** | Poleczki 13, 02-822 Warsaw | telecommunication activities | 100% | 100% |
| **TK Telekom Sp. z o.o.** | Kijowska 10/12A, 03-743 Warsaw | telecommunication activities | 100% | 100% |
| **Petrotel Sp. z o.o.** | Chemików 7, 09-411 Płock | telecommunication activities | 100% | 100% |
| **Eleven Sports Network Sp. z o.o.**(j) | Plac Europejski 2, 00-844 Warsaw | media | 100% | 99.99% |
| **Superstacja** (y) **Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | media | -(y) | 100% |
| **Netshare Media Group Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | advertising activities | 100% | 100% |
| **TVO Sp. z o.o.** | Kielecka 5, 81-303 Gdynia | retail sales | 75.96% | 75.96% |
| **Plus Finanse Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | other monetary intermediation | 100% | 100% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | | | Share in voting rights (%)* | |
|---|---|---|---|---|
| | Entity's registered office | Activity | 31 December 2023 | 31 December 2022 |
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **Plus Pay Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | monetary intermediation | 100% | 100% |
| **Esoleo Sp. z o.o.** | Al. Wyścigowa 6, 02-681 Warsaw | technical services | 51.25% | 51.25% |
| **Alledo Express Sp. z o.o.** | Broniwoja 3/85, 02-655 Warsaw | rental services | 51.25% | 51.25% |
| **Alledo Parts Sp. z o.o.** | Broniwoja 3/85, 02-655 Warsaw | wholesale | 51.25% | 51.25% |
| **Alledo Parts Sp. z o.o. Sp.k.** | Broniwoja 3/85, 02-655 Warsaw | wholesale | 51.25% | 51.25% |
| **Alledo Setup Sp. z o.o.** | Broniwoja 3/85, 02-655 Warsaw | technical services | 51.25% | 51.25% |
| **Alledo Setup Sp. z o.o. Sp.k.** | Broniwoja 3/85, 02-655 Warsaw | technical services | 51.25% | 51.25% |
| **Grupa Interia.pl Sp. z o.o.** | Os. Teatralne 9a, 31-946 Cracow | holding activities | 100% | 100% |
| **Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Media Sp. z o.o. Sp.k.)(b)** | Os. Teatralne 9a, 31-946 Cracow | web portals activities | 100% | 100% |
| **Grupa Interia.pl Sp. z o.o. Sp.k. (i)** | Os. Teatralne 9a, 31-946 Cracow | web portals activities | -(i) | 100% |
| **Mobiem Polska in liquidation Sp. z o.o.(x)** | Fabryczna 5a, 00-446 Warsaw | holding activities | 100% | 100% |
| **Mobiem Sp. z o.o. (formerly Mobiem Polska Sp. z o.o. Sp.k.)(o)** | Fabryczna 5a, 00-446 Warsaw | advertising activities | 100% | 100% |
| **TV Spektrum Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | Media | 100% | 100% |
| **Polot Media Sp. z o.o.** | Ludwika Solskiego 55, 52-401 Wroclaw | consulting | 60% | 60% |
| **Polot Media Sp. z o.o. Sp.k.** | Ludwika Solskiego 55, 52-401 Wroclaw | movie and TV production | 60% | 60% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | Share in voting rights (%)* 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **BCAST Sp. z o.o.** | Rakowiecka 41/21, 02-521 Warsaw | telecommunication activities | 70.02% | 70.02% |
| **Polsat Talenty Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | cooperation with artists and presenters | 100% | 100% |
| **Premium Mobile Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | telecommunication activities | 100% | 100% |
| **Visignio Sp. z o.o.** (t) | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | sales network management | -(t) | 100% |
| **Saveadvisor Sp. z o.o.** | Warszawska 18, 35-205 Rzeszów | call center services | 100% | 100% |
| **Logitus Sp. z o.o.**(c) | Orzechowa 5, 80-175 Gdańsk | wired communication | -(c) | 100% |
| **Stork 5 Sp. z o.o.** | Łubinowa 4A, 03-878 Warsaw | holding activities | 100% | 100% |
| **Swan 5 Sp. z o.o.** | Łubinowa 4A, 03-878 Warsaw | agricultural activities | 100% | 100% |
| **Vindix S.A.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| **Vindix Investments Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| **Direct Collection Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| **Vindix Sp. z o.o.** | Heroiv UPA 73 ż, 79018, Lviv | call center services | 100% | 100% |
| **Vindix NSFIZ** | Mokotowska 49, 00-542 Warsaw | financial services | ** | ** |

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| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | Share in voting rights (%)* 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **Mag7soft Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | software activities | 100% | 100% |
| **Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.** (k) | Zwierzyniecka 18, 60-814 Poznań | real estate services | -(k) | 100% |
| **Port Praski Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| **Port Praski Inwestycje Sp. z o.o.** (l) | Krowia 6, 03-711 Warsaw | implementation of construction projects | -(l) | 66.94% |
| **Port Praski Nowe Inwestycje Sp. z o.o.** | Krowia 6, 03-711 Warsaw | real estate management | 66.94% | 66.94% |
| **Port Praski Sp. z o.o. Białystok Sp.k.** (p) | Krowia 6, 03-711 Warsaw | implementation of construction projects | -(p) | 66.94% |
| **Port Praski Office Park Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski City Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski City III Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski City IV Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski Sp. z o.o. S.K.A.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski Education Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski Doki Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | | | Share in voting rights (%)* | |
|---|---|---|---|---|
| | Entity's registered office | Activity | 31 December 2023 | 31 December 2022 |
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **Port Praski Doki II Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski Media Park Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski II Sp. z o.o.** | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| **Port Praski Hotel Sp. z o.o.** | Krowia 6, 03-711 Warsaw | hotel services | 77.52% | 45.52% |
| **Pantanomo Limited**[f] | 3 KRINOU, Limassol 4103, Cyprus | holding activities | 77.52% | 45.52% |
| **Laris Investments Sp. z o.o.** | Pańska 77/79, 00-834 Warsaw | real estate rental | 66.94% | 66.94% |
| **Laris Development Sp. z o.o.** | Pańska 77/79, 00-834 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| **Laris Technologies Sp. z o.o.** | Pańska 77/79, 00-834 Warsaw | property rental and management | 66.94% | 66.94% |
| **SPV Baletowa Sp. z o.o.** | Pańska 77/79, 00-834 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| **Megadex Development Sp. z o.o.** | Gdańska 14/1, 01-691 Warsaw | property rental and management | 66.94% | 66.94% |
| **Megadex Expo Sp. z o.o.** | Adama Mickiewicza 63, 01-625 Warsaw | property rental and management | 66.94% | 66.94% |
| **Centrum Zdrowia i Relaksu Verano Sp. z o.o.** | Sikorskiego 8, 78-100 Kołobrzeg | hotel services | 66.94% | 66.94% |
| **Turystyka Zdrowotna Verano Plus Sp. z o.o.** [s] | Sikorskiego 8A, 78-100 Kołobrzeg | catering services | -[s] | 66.94% |
| **Enterpol Sp. z o.o.** | Braci Wieniawskich 5, 20-844 Lublin | telecommunication activities | 100% | 100% |
| **Oktawave S.A.** | ul. Poleczki 13, 02-822 Warsaw | website management | 100% | 100% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **Antyweb Sp. z o.o.**[(u)] | Sarmacka 12C/14, 02-972 Warsaw | web portal activities | 79.88% | 70% |
| **PAK-Polska Czysta Energia Sp. z o.o.** | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | -[(e)] |
| **Great Wind Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PAK-PCE Farma Wiatrowa Okonek Sp. z o.o.** | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | - |
| **PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o.** | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | - |
| **Eviva Lębork Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Eviva Drzeżewo Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Mese Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | movie and TV production | 55.45% | - |
| **PCE OZE 1 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PCE OZE 2 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PCE OZE 3 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PCE OZE 4 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PCE OZE 6 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Exion Hydrogen Polskie Elektrolizery Sp. z o.o.** | Ku Ujściu 19, 80-701 Gdańsk | manufacture of electrical equipment | 50.4% | - |
| **Exion Hydrogen Belgium BV** | Slachthuisstraat 120, bus 12, 2300 Turnhout Belgium | manufacture of electrical equipment | 50.4% | - |
| **PAK-PCE Fotowoltaika Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Entity's registered office | Activity | Share in voting rights (%)* 31 December 2023 | Share in voting rights (%)* 31 December 2022 |
|---|---|---|---|---|
| **Subsidiaries accounted for using full method (cont.):** | | | | |
| **PAK-Volt S.A.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | trade of electricity | 50.5% | - |
| **PG Hydrogen Sp. z o.o.** | Konstruktorska 4, 02-673 Warsaw | manufacrture of engines and turibinas | 26.26% | - |
| **PAK-PCE Biopaliwa i Wodór Sp. z o.o.** | Przemysłowa 158, 62-510 Konin | production of electricity | 50.5% | - |
| **PAK-PCE Wiatr Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **PAK-PCE Polski Autobus Wodorowy Sp. z o.o.** | Kazimierska 45, 62-510 Konin | manufacture of buses | 50.5% | - |
| **PAK-PCE Stacje H2 Sp. z o.o.** | Kazimierska 45, 62-510 Konin | retail of hydrogen | 50.5% | - |
| **Farma Wiatrowa Przyrów Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Elektrownie Wiatrowe Dobra Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.** | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| **Park Wiatrowy Pałczyn 1 Sp. z o.o.** | Al. Wojska Polskiego 68, 70-479 Szczecin | production of electricity | 50.5% | - |
| **Muzo Media Sp. z o.o.**[(n,w)] | Ostrobramska 77, 04-175 Warsaw | movie and TV production | -[(n,w)] | - |
| **Port Praski Medical Center Sp. z o.o.**[(r)] | Postępu 14, 02-676 Warsaw | implementation of construction projects | 77.52% | 22.76% |
| **Port Praski City II Sp. z o.o.**[(r)] | Postępu 14, 02-676 Warsaw | implementation of construction projects | 77.52% | 22.76% |

* including direct and indirect shares
** Cyfrowy Polsat S.A. indirectly holds 100% of certificates
[(a)] On 2 January 2023 Polsat Media Sp. z o.o. was registered. The Company was established as a result of the transformation from Polsat Media Biuro Reklamy Sp. z o.o. Sp.k
[(b)] On 2 January 2023 Interia.pl Sp. z o.o. was registered. The Company was established as a result of transformation from Grupa Interia.pl Media Sp. z o.o. Sp.k
[(c)] On 2 January 2023 merger of Netia S.A. (acquiring company) with Logitus Sp. z o.o. (acquired company) was registered
[(d)] On 31 May 2023 merger of Polkomtel Sp. z o.o. (acquiring company) with TM Rental Sp. z o.o. (acquired company) was registered
[(e)] On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group")
[(f)] On 3 July 2023 Cyfrowy Polsat acquired 32% shares in Pantanomo Limited
[(g)] On 20 July 2023 Polsat Investments Ltd. acqiured 60.0% of shares in naEKRANIE.pl Sp. z o.o.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

[h] On 21 July 2023 Polsat Investments Ltd. acqiured 60.0% of shares in 4FUN Sp. z o.o
[i] On 31 July 2023 merger of Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Media Sp. z o.o. Sp.k.) (acquiring company) with Grupa Interia.pl Sp. z o.o. Sp.k. (acquired company) was registred
[j] As of 31 July 2023 Telewizja Polsat Sp. z o.o. holds 100% shares in Eleven Sports Network Sp. z o.o.(previously owned 99.99%)
[k] On 2 August 2023 Polkomtel Sp. z o.o. sold 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. to Embud 2 Sp. z o.o. S.K.A.(company subsidiary)
[l] On 17 August 2023 merger of Port Praski Sp. z o.o. (acquiring company) with Port Praski Inwestycje Sp. z o.o. (acquired company) was registered
[m] On 31 August 2023 merger of Telewizja Polsat Sp. z o.o. (acquiring company) Polsat Media Biuro Reklamy Sp. z o.o. (acquired company) was registred
[n] On 31 August 2023 Muzo Media Sp. z o.o. was registred
[o] On 1 September 2023 Mobiem Sp. z o.o. was registred. The Company was established as a result of the transformation from Mobiem Polska Sp. z o.o. Sp.k
[p] On 4 September 2023 Port Praski Sp. z o.o. Białystok Sp. k. was removed from the National Court Register
[r] On 4 October 2023 Pantanomo Limited acquired 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. (a sa result Pantanomo Limited has 100% of shares in Port Praski City II Sp. z o.o. and 100% of shares in Port Praski Medical Center Sp. z o.o.) from HB Reavis Holding CZ a.s
[s] On 8 November 2023 merger of Centrum Zdrowia i Relaksu Verano Sp. z o.o. (acquiring company) with Turystyka Zdrowotna Verano Plus Sp. z o.o. (acquiried company) was registered
[t] On 1 December 2023 merger of Premium Mobile Sp. z o.o. (acquiring company) with Visignio Sp. z o.o. (acquiried company) was registered
[u]On 8 December 2023 Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Sp. z o.o.) acquiered 9.88% of shares Antyweb Sp. z o.o. After transaction Interia.pl Sp. z o.o. helds 79,88% of shares in Antyweb Sp. z o.o.
[w] On 19 December 2023 merger of Telewizja Polsat Sp. z o.o. (acquiring company) with Muzo Media Sp. z o.o. (acquiried company) was registered
[x] On 19 December 2023 the suspension of the activities of Mobiem Polska Sp. z o.o. was registered. On 17 January 2024, the court registered the opening of the company's liquidation
[y] On 20 December 2023 merger of TV Spektrum Sp. z o.o. (acquiring company) with companies: Polo TV Sp. z o.o., Music TV Sp. z o.o. and Superstacja Sp. z o.o. (acquired companies) was registered

Investments accounted for under the equity method:

| | | | Share in voting rights (%)* | |
|---|---|---|---|---|
| | Entity's registered office | Activity | 31 December 2023 | 31 December 2022 |
| **Polsat JimJam Ltd.** [a] | 33 Broadwick Street Soho London W1F 0DQ, United Kingdom | media | -[a] | 50% |
| **Polski Operator Telewizyjny Sp. z o.o.** | Wiertnicza 166, 02-952 Warsaw | technical services | 50% | 50% |
| **Asseco Poland S.A.** [c] | Olchowa 14, 35-322 Rzeszów | software activities | -[c] | 22.95% |
| **Polsat Boxing Promotion Sp. z o.o.** | Ostrobramska 77, 04-175 Warsaw | movie and TV production | 24% | 24% |
| **Pollytag S.A.** | Wielopole 6, 80-556 Gdańsk | sale of wood and construction materials | 31.12% | 31.12% |
| **PAK-Polska Czysta Energia Sp. z o.o.** [b] | Kazimierska 45, 62-510 Konin | holding activity | -[b] | 40.41% |
| **Port Praski Medical Center Sp. z o.o.**[d] | Postępu 14, 02-676 Warsaw | implementation of construction projects | -[d] | 22.76% |
| **Port Praski City II Sp. z o.o.**[d] | Postępu 14, 02-676 Warsaw | implementation of construction projects | -[d] | 22.76% |

* including direct and indirect shares

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

[a] On 15 February 2023 Telewizja Polsat Sp. z o.o. sold 50% shares of Polsat JimJam Ltd.
[b] On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group")
[c] On 21 Spetember 2023 Cyfrowy Polsat S.A. sold 12.82% shares of Asseco Poland S.A. (after this transaction Asseco Poland S.A. ceased to be an associate).
[d]On 4 October Pantanomo Limited acquired 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. (a sa result Pantanomo Limited has 100% of shares in Port Praski City II Sp. z o.o. and 100% of shares in Port Praski Medical Center Sp. z o.o.) from HB Reavis Holding CZ a.s.

Additionally, the following entities were included in these consolidated financial statements for the year ended 31 December 2023:

| | | | Share in voting rights (%) | |
|---|---|---|---|---|
| | Entity's registered office | Activity | 31 December 2023 | 31 December 2022 |
| **Karpacka Telewizja Kablowa Sp. z o.o.**[(1)] | Warszawska 220, 26-600 Radom | dormant | 99% | 99% |
| **Polskie Badania Internetu Sp. z o.o.**[(2)] | Al. Jerozolimskie 65/79, 00-697 Warsaw | web portals activities | 21.43% | 21.43% |
| **Pluszak Sp. z o.o.** | Domaniewska 47, 02-672 Warsaw | retail sales | 9% | 9% |
| **Exion Hydrogen Polskie Elektrolizery Sp. z o.o.** | Ku Ujściu 19, 80-701 Gdańsk | production of electrical equipment | -[(4)] | 10% |
| **Towerlink Poland Sp. z o.o.** | Marcina Kasprzaka 4, 01-211 Warsaw | telecommunication activities | 0.01% | 0.01% |
| **MESE Sp. z o.o.** | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | movie and TV production | -[(4)] | 10% |
| **Megadex SPV Sp. z o.o.** | Adama Mickiewicza 63, 01-625 Warsaw | other financial services | 7.02% | 7.02% |
| **Megadex Księży Młyn Sp. z o.o.** [(3)] | Adama Mickiewicza 63, 01-625 Warsaw | implementation of construction projects | -[(3)] | 7.02% |
| **Stocznia Remontowa NAUTA S.A.** | Budowniczych 10, 81-336 Gdynia | repair and maintenance of ships and boats | 0.03% | 0.03% |
| **Asseco Poland S.A.**[(5)] | Olchowa 14, 35-322 Rzeszów | software activities | 10.13% | - |

[(1)] Investment accounted for at cost less any accumulated impairment losses
[(2)] Not included in investments accounted for under the equity method due to immateriality
[(3)] On 31 May 2023 merger of Megadex SPV Sp. z o.o. (acquiring company) with Megadex Księży Młyn Sp. z o.o. (acquired company) was registered
[(4)] On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group")
[(5)] On 21 September 2023 Cyfrowy Polsat S.A. sold 12.82% of shares in Asseco Poland S.A. (after this transaction Asseco Poland S.A. ceased to be an associate).

## 6. Accounting and consolidation policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by all entities within the Group.

### a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which are stated at fair value and other financial instruments valued at fair value through profit or loss.

### b) Going concern

These consolidated financial statements have been prepared assuming that the Group's entities will continue as a going concern in the foreseeable future, not shorter than 12 months from 31 December 2023.

### c) Functional and presentation currency

These consolidated financial statements are presented in the Polish zloty, rounded to million, the Group's functional currency.

### d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with EU IFRS requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and costs. Estimates and underlying assumptions are based on historical data and other factors considered as reliable under the circumstances, and their results provide grounds for an assessment of the carrying amounts of assets and liabilities which cannot be based directly on any other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgments in applying accounting policies is included in note 53.

### e) Comparative financial information

Comparative data or data presented in previously published financial statements has been updated, if necessary, in order to reflect presentational changes introduced in the current period. The changes had no impact on previously reported amounts of net income or equity.

### f) Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the Parent. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of subsidiaries are prepared for the same period as the financial statements of the Company and using the accounting policies that are consistent with those of the Company for like transactions and events.

Equity transactions between a parent entity and the non-controlling interests are treated as transactions between shareholders, provided that the transactions do not result in a change of control. No gains or losses are recognised in consolidated profit or loss for transactions between the parent entity and the non-controlling interest, unless control is lost. Transactions where control is not lost are recorded within equity.

Put options granted in business combinations to holders of non-controlling interest in the subsidiary (ie. obligating the Group to acquire non-controlling interests in particular circumstances in the future for a particular price) give rise to a financial liability recognised in the consolidated balance sheet.

As at 31 December 2023 the Group recognized long-term financial liabilities in relation to put option, granted at the moment of obtaining control over companies.

While such put option remains unexercised, at the end of each reporting period the Group determines the amount of non-controlling interest (including share of profit/losses attributable to the non-controlling interest), de-recognises the controlling interest as if was acquired at that balance sheet date and recognises a financial liability measured at present value of the redemption amount. The difference is accounted for as a transaction between a parent entity and the non-controlling interests as described above.

On expiry of an unexercised put option the Group derecognises the financial liability in full and recognises non-controlling interest as if the put option was never granted.

## Associates and Joint arrangements

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. This is generally the case where the Group hold between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in an equity-accounted investment equals or exceeds its interests in the entity (which includes any long term interests that, in substance, form part of the Group’s net investment), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### Business combinations under common control

IFRS 3 scopes out business combinations under common control and is not prescriptive otherwise as to the method of accounting for such transactions.

Group assessed that in case of the acquisition of control over Port Praski Group it acquired control over significant processes including the development of construction projects as well as the sale, rental and management of owned or leased properties. Moreover, the expenditures and processes significantly lead to Port Praski Group’s ability to generate results. In light in the above it was determined that the acquisition method as defined in IFRS 3 is appropriate to account for the acquisition of control over Port Praski Group.

In case of the transaction of acquiring control over PAK-PCE Group, the acquisition was part of the implementation of the Group's strategy (as a result of the acquisition, a new operating segment "Green Energy" was identified). This transaction was carried out at fair values, and the consideration under the transaction was paid in cash. Furthermore external parties were involved in this transaction, in case of both Cyfrowy Polsat and ZE PAK S.A. (the entity from which the PAK-PCE shares were purchased) the beneficiaries of this transaction were their non-controlling shareholders. In light of the above facts and circumstances, the Group concluded that the transaction of acquiring control over the PAK-PCE Group has economic substance, therefore the most appropriate method to account for this transaction is the acquisition method as defined in IFRS 3.

## g) Foreign currency transactions

### Foreign currency transactions

Transactions in foreign currencies are translated to the Polish zloty at exchange rates in effect one day prior to the recording of these transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Polish zloty at the average exchange rate quoted by the National Bank of Poland (“NBP”) for that date. The foreign currency exchange differences arising on translation of transactions denominated in foreign currencies and from the reporting date retranslation of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss. Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the average NBP exchange rate in effect at the date of the initial recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the average NBP foreign exchange rate in effect at the date the fair value was determined.

## h) Financial instruments

### Non-derivative financial instruments

#### *Financial assets*

Financial assets are classified in the following measurement categories depending on the business model in which assets are managed and their cash flow characteristics:

- assets measured at amortised cost - if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of this financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- financial asset measured at fair value through other comprehensive income – if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of this financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- assets measured at fair value through profit or loss - all other financial assets.

Financial assets at initial recognition are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Trade receivables that do not have a significant financial component are initially measured at their transaction price.

*Financial assets measured at amortised cost*

Financial assets measured at amortised cost include trade and other receivables, loans granted and cash and cash equivalents. Interest income from these financial assets is calculated using the effective interest rate method and is presented within Gain/(loss) on investment activities, net.

*Financial asset measured at fair value through other comprehensive income*

Financial asset measured at fair value through other comprehensive income include investments in equity instruments for which at initial recognition Group make an irrevocable election to present in other comprehensive income subsequent changes in their fair value. Gains and losses on these financial assets are never recycled to profit or loss.

*Financial assets measured at fair value through profit or loss*

Financial assets measured at fair value through profit or loss include derivative instruments not designated as hedging instruments, and equity instruments for which the Group made such choice (shares of Asseco Poland S.A.). Financial assets classified to this category are measured at fair value and the subsequent changes in their fair value are recognized in profit or loss. The subsequent changes in their fair value of derivative instruments not designated as hedging instruments are presented in Gain/(loss) on investment activities, net or Finance costs, net depending on the economic substance of hedged transaction.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

## *Financial liabilities*

Financial liabilities include financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss.

Financial liabilities are recognised initially at fair value and, in the case of financial liabilities which are not measured at fair value through profit or loss, net of directly attributable transaction costs.

*Financial liabilities measured at amortised cost*

Financial liabilities measured at amortised cost include loans and borrowings, issued bonds, UMTS license liabilities, trade and other payables and lease liabilities. Interest expense related to these financial liabilities is calculated using the effective interest rate method and is presented within Gain/(loss) on investment activities, net or Finance costs, net.

*Financial liabilities measured at fair value through profit or loss*

Financial liabilities measured at fair value through profit or loss include derivative instruments not designated as hedging instruments. Financial liabilities classified to this category are measured at fair value and the subsequent changes in their fair value are recognized in profit or loss. The subsequent changes in their fair value of derivative instruments not designated as hedging instruments are presented in Gain/(loss) on investment activities, net or Finance costs, net depending on the economic substance of hedged transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss. In early repayment case, the difference between the carrying amount of the repaid liability and the carrying amount of the new liability is recognized in profit or loss.

Accounting policies related to gains and losses on investment activities and finance costs are presented in 6u.

### *Derivative financial instruments*

#### *Hedge accounting*

The Group may use derivative financial instruments such as forward currency contracts, foreign exchange call options, interest rate swaps and cross-currency interest rate swaps to hedge its foreign currency and interest rate risks.

For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For cash flow hedges the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the hedge valuation reserve, while any ineffective portion is recognized immediately in profit or loss.

The amounts recognized within other comprehensive income are transferred from equity to the income statement when the hedged transaction affects profit or loss, such as when the related gain or loss is recognized in Finance costs or when a forecast sale occurs.

Gains and losses from the settlement of derivative instruments that are designated as, and are effective hedging instruments, are presented in the same position as the impact of the hedged item. The derivative instrument is divided into a current portion and a non-current portion only if a reliable allocation can be made.

In accordance with IFRS 9, the Group chose to apply hedge accounting requirements as in IAS 39 instead of those included in IFRS 9.

## i) Equity

### Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

### Preference share capital

Preference share capital is classified as equity, if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

### Costs attributable to issue and public offering of shares

Costs attributable to a new issue of shares are recognized in equity while costs attributable to a public offering of existing shares are recognized directly in finance costs. These costs relating to both new issue and sale of existing shares are recognized on a pro-rata basis in equity and finance costs.

### Share premium

Share premium includes the excess of the issue value over the nominal value of shares issued decreased by share issuance-related consulting costs.

### Retained earnings

In accordance with the provisions of article 396 of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. This capital is excluded from distribution, however, it can be utilised to cover accumulated losses.

## j) Property, plant and equipment and investment property

### Property, plant and equipment owned by the Group

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes purchase price of the asset and other expenditure that is directly attributable to the acquisition and bringing the asset to a working condition for its intended use, including initial delivery as well as handling and storage costs. The cost of purchased assets is reduced by the amounts of vendor discounts, rebates and other similar reductions received.

The cost of self-constructed assets and assets under construction includes all costs incurred for their construction, installation, adoption, and improvement as well as borrowing costs incurred until the date they are accepted for use (or until the reporting date for an asset not yet accepted for use). The above cost also may include, if necessary, the estimated cost of dismantling and removing the asset and restoring the site.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Investment property

Investment property is defined as a property (land, building, or both) held by the Group to earn rentals or for capital appreciation or both.

Investment property is also property (land) whose purpose as of balance sheet date is not specified or the investment process will not begin within three years from the balance sheet date.

Investment property is measured initially at cost.

Once recognized all investment property held by the Group are measured using the cost model as set out in IAS 16. This means that the assets are recognized at cost model as presented in Property, plant and equipment owned by the Group above.

Investment property is removed from the balance sheet on disposal or when it is permanently withdrawn from use and no further economic benefits are expected from its disposal.

### Subsequent costs

Subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and the amount of the cost can be measured reliably. Replaced item is derecognized. Other property, plant and equipment related costs are recognized in profit and loss as incurred.

### Depreciation

Depreciation expense is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The following are estimated useful lives of respective group of property, plant and equipment:

| | | |
|---|---|---|
| Reception equipment | 2 or 3 or 5 | years |
| Buildings and structures | 2-61 | years |
| Technical equipment and machinery | 2-30 | years |
| Vehicles | 2-10 | years |
| Other | 2-26 | years |

Depreciation methods, useful lives and residual values of material assets are reviewed at each financial year-end.

### Leased assets

Assets used under lease, tenancy, rental or similar contracts which meet lease criteria, are classified separately in the balance sheet as right-of-use assets.

Set-top boxes, modems and routers that are provided to customers under operating lease agreements are recognized within non-current assets (Reception equipment in the balance sheet) and depreciated as described in Depreciation above. The set-top boxes are depreciated over a period that exceeds the period the lease agreements are entered into.

Carrying amounts of reception equipment and other items of property, plant and equipment as well as right-of-use assets may be reduced by impairment losses whenever there is any indication that an asset may be impaired and there is uncertainty as to those assets' revenue generating potential or their future use in the Group's operations. The accounting policies relating to impairment are presented in note 6n.

Detailed accounting policies related to lease contracts are described in point 6v.

## k) Intangible assets

### Goodwill

Goodwill represents the excess of the sum of consideration transferred and payable, the amount of non-controlling interest in the acquiree and the fair value as at the date of acquisition of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is presented at purchase price less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if possible impairment is indicated. Goodwill is allocated to acquirer's cash-generating units for the purpose of testing for impairment. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, but not higher than segment.

### Customer relationships

Customer relationships acquired as a result of the acquisition of subsidiaries are amortized on a straight-line basis over their useful lives, i.e. over the period of 2.5 to 17.5 years.

### Brands

Brands acquired as a result of the acquisition of subsidiaries are amortized on a straight-line basis over their useful lives, except where an indefinite period of use is justified. Brands with an indefinite useful life are tested annually for impairment or more frequently if impairment indicators exist. The estimated useful lives for respective brands are as follows:

- Polsat, TV4, TV6 and Polo TV brands: 20 years (i.e. 2042),
- Plus brand: 51 years (i.e. 2065),
- Netia brand: 10 years (i.e. 2028),
- Eleven Sports brand: 15 years (i.e. 2035),
- Interia brand: 30 years (i.e. 2050),
- Premium Mobile brand: 30 years (i.e. 2051).

### Other intangible assets

The Group capitalises costs of IT software internally generated, including employee-related expenses, directly resulting from generating and preparing an asset to be capable of operating, if the Group is able to measure reliably the expenditure attributable to such development and when it can reliably establish the commencement as well as the completion date of the software development activities.

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and impairment losses.

Subsequent expenditure on existing intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the profit or loss as incurred.

Amortization expense is based on the cost of an asset or production cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The recoverable amounts of intangible assets which are not yet available for use are measured as at each balance sheet date.

The estimated useful lives for respective intangible assets groups are as follows:

- Computer software: 2-15 years,
- Concessions: period resulting from an administrative decision,
- Other: 2-7 years.

## l) Programming assets

Programming assets comprise acquired formats, licences and copyrights for broadcasting feature films, series, news and shows, capitalized costs of commissioned external productions ordered by the Group, capitalized sports rights and advance payments made (including advance payments for sports rights).

### Initial recognition

Programming rights, other than sports rights, are recognized at cost as programming assets when the legally enforceable licence period begins and all of the following conditions have been met:

- the cost of each program is known or reasonably determinable,

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

- the program material has been accepted by the licensee in accordance with the conditions of the licence agreement,
- the program is available for its first showing.

Capitalized costs of productions include costs of programs ordered by the Group, including productions made based on licences purchased from third parties. Capitalized costs of productions are measured individually for each program at their respective production or acquisition costs, not to exceed their recoverable amounts.

Sports broadcasting rights are recognized at purchased price at the time of TV transmission. Broadcasting rights to seasonal sport events, acquired under long-term contracts (frequently multi-seasonal), are recognized at the relative value determined by internal experts and allocated to each of the sport events' season as part of the purchased programming package. The Group's method of recognition of sports broadcasting rights is dependent on the type of sports channel on which the use of these rights is planned:

- sports broadcasting rights for premium sports channels are recognized in relation to all seasons contracted by the Group at the start of the first of them,
- sports broadcasting rights for other channels are recognized separately for each season at the start of each of them.

Advance payments for acquired programming assets, prior to licence begin date, are recognized as prepayments for programming assets.

Signed and binding contracts for purchase of programming, which do not meet recognition criteria for programming assets are not recognized in the balance sheet and are instead disclosed as contractual commitments in the amount of the outstanding contract liability at the reporting date.

Programming assets are classified as non-current or current based on the estimate timing of the broadcast. A programming asset is recognized as current when the expected broadcast falls within 1 year from the reporting date. Sport rights and prepayments for sport rights are classified as current or non-current based on dates of related sport events (or start of the sport season) .

## Amortization

Programming assets are amortized using the method reflecting the manner of consuming the economic benefits embodied in the licenses acquired within their estimated useful lives limited by the term of the respective license agreements.

- Feature films and series – amortization starts at the first broadcast. For some assets introduced until 2019, consumption of the economic benefits is measured using a declining balance method according to a standardized rate matrix and depends on the number of showings permitted or planned, primarily as described below:

| | Feature films | | | | |
|---|---|---|---|---|---|
| **Number of depreciable runs** | **Rate per run** | | | | |
| | I | II | III | IV | V |
| 1 | 100% | | | | |
| 2 | 60% | 40% | | | |
| 3 | 40% | 30% | 30% | | |
| 4 | 35% | 25% | 25% | 15% | |
| 5 and more | 30% | 20% | 20% | 15% | 15% |

| | TV series | |
|---|---|---|
| Number of depreciable runs | Rate per run | |
| | I | II |
| 1 | 100% | |
| 2 | 80% | 20% |

In other cases, films and series are amortized on a straight-line based on the number of runs and licence term.

- Feature films and series broadcasted on thematic channels are mainly amortized in four or five runs using the rates of 25% and 20% respectively.
- Sports broadcasting rights - 100% of the right's value is recognized as an expense in the income statement at the time of the first broadcast, however acquired rights to game seasons or rights to many seasons or a series of competitions are amortized on a straight-line basis over the period between the beginning of the first season and the end of the last season in respect to sports broadcasting rights primarily intended for premium sports channels or over the duration of the season or series of competitions in respect to sports broadcasting rights intended for other channels.
- Commissioned external productions intended for only one run are fully amortized on their first broadcast.
- News programming is fully amortized at its first broadcast.
- General entertainment shows are fully amortized at their first broadcast.

Amortization of programming assets is presented in Content costs line in the operating costs of the income statement.

### Impairment

Programming assets are reviewed for impairment at least annually and whenever there is any indication that the carrying amount may not be recoverable. Impairment losses are recognized on each license in case of withdrawal from broadcasting an item in the expected future (resulting from changes in strategic program scheduling, changing audience tastes, media law restrictions on the usability of films) or expected future losses anticipated on disposal of the rights.

Impairment write downs on programming assets are recognized as increase in the content costs. Impairment of programming assets is reversed if the reason for the original impairment ceases to exist. The reversals are recorded as content cost reductions.

## m) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of acquisition or production cost of inventories is determined by using the weighted average cost method.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in making them available for use or sale. In case of finished products and work in progress, cost includes an appropriate share of production overheads determined based on normal operating capacity.

Net realizable value is the current market price in the ordinary course of business, less the estimated costs of completion and selling expenses. In the case of set-top boxes, mobile phones, modems and tablets, which under the business model applied by the Group are sold below cost, the loss on the sale is recorded when transferred to the customer.

The Group creates an allowance for slow-moving or obsolete inventories.

Inventories also include real estate built for sale (work in progress) and ready-to-sell properties (finished products) as part of development activities. Capitalised expenditures include, but are not limited to, construction planning and design costs, costs of land acquisition or perpetual usufruct of land for construction, remuneration payable to contractors and construction financing costs.

In companies engaged in development activities, the way investment properties are classified depends on the advancement of the investment process. The companies assume that all investments in which a significant portion will be residential units, and whose investment process is likely to begin within the next three years, will be presented in the Balance Sheet under the item “inventories”.

### Certificate of origin

Included in the inventory are certificates of origin purchased for redemption, resale, as well as self-generated. These rights are tradable and are a subject to exchange trading.

Certificates of energy origin received free of charge for production from renewable sources are recognized on initial recognition at fair value at the time it becomes probable that they will be received, i.e. at the end of the month in which they were produced. The fair value is a reflection of the market situation, i.e. quotations on the commodity energy exchange (POLPX). Unpaid acquisition of certificates is recognized in correspondence with other income. The Group sells surplus certificates, which are presented in inventory.

Acquired energy certificates of origin are recognized as inventory at the purchase price. The outflow of energy certificates of origin is valued according to the method of detailed identification .

The Group is required to obtain energy certificates of origin and submit them for redemption by June 30 of the year following the accounting year. If, as of the reporting date, there are not enough certificates required to fulfill the obligations imposed by the Energy Law and the Energy Efficiency Law, the Group creates reserves for the redemption of energy origin and energy efficiency certificates or the payment of replacement fees.

## n) Impairment of assets

### Financial assets measured at amortised cost

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables (including loans granted) and contract assets. The trade receivables are assessed for impairment collectively in groups that share similar credit risk characteristics. The expected credit losses are estimated based on historical pattern for repayment and collection efficiency adjusted with currently available forward-looking information. The credit risk characteristics of contract assets correspond to the credit risk characteristics of trade receivables for a particular type of contract.

The Group considers financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

The Group considers a financial asset to be credit impaired when events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, including significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated by the Group. The recoverable amount of intangible assets which are not yet available for use as well as of goodwill and brands with indefinite useful life is estimated at each reporting date.

An impairment loss is recognized when the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit represents the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of thereof. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units), and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the case of assets that do not generate independent cash inflows, the value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recorded in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## o) Employee benefits

### Defined contribution plan

All Group entities that act as employers have an obligation, under applicable legislation, to collect and remit contributions to the state pension fund. According to IAS 19 Employee Benefits such benefits represent state plans that are classified as defined contribution plans. Therefore, the Group's obligations for a given period are estimated as the amount of contributions to be remitted for that period.

### Defined benefit plan – retirement benefits

The Group entities have an obligation, under applicable legislation, to pay retirement benefits calculated in accordance with the relevant provisions of the Polish labor code. The minimum retirement benefit is as per the labor code provisions at the moment of payment.

The calculation is carried out using the Projected Unit Credit Method. Employee turnover is estimated based on historical experience and expected future employment levels.

Changes in the amount of the retirement benefits liability are recognized in the income statement. Actuarial gains and losses are recognized in the equity, in other comprehensive income in full in the period they originated.

### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as an expense as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term bonus, if the Group has a present legal or constructive obligation to make such payments as a result of past services provided by the employees and the obligation can be estimated reliably.

## p) Provisions

A provision is recognized if, as a result of past event, the Group has a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Certain disclosures may not be included in these consolidated financial statements as they relate to sensitive information.

### Warranties

A provision for warranties is recognized when the underlying products or goods are sold. The amount of the provision is based on historical warranty data and a weighting of all possible outflows against their associated probabilities.

### Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. Before a provision is established, the Group recognizes any impairment loss on the assets dedicated to that contract.

### Provision for presentation for redemption of certificates of energy origin

The provision for the obligation to present for redemption certificates of origin for electricity generated from renewable energy sources or from high-efficiency cogeneration is recognized: - in the part covered by certificates of origin held as of the balance sheet date - at the value of the certificates held, - in the part not covered by certificates of origin as of the balance sheet date - at the lower of the market value of the certificates required to meet the obligation as of the balance sheet date and the possible penalty. The cost of the established provision is presented in the income statement in the cost of sales.

## q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events, but its amount cannot be estimated reliably or it is not probable that there will be an outflow of resources embodying economic benefits.

The Group does not recognize a contingent liability, except for contingent liability assumed in a business combination.

Unless the possibility of any outflow of resources embodying economic benefits is remote, the Group discloses for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:

- an estimate of its financial effect,
- an indication of the uncertainties relating to the amount or timing of any outflow,
- the possibility of any reimbursement.

## r) Revenue

### Identification of the contract

The Group applies contract-by-contract approach, meaning that transaction price and separate performance obligations and rights arising under the contract are determined at the level of distinct contract with subscriber. Group does not apply portfolio approach.

### Determination of the transaction price

The estimation regarding transaction price is updated during contract period. When variable consideration is present in a contract, Group always recognizes the minimum value of consideration at the moment of concluding the contract. As far as the contract length is concerned, the nominal basic period resulting from the contract terms is assumed.

In case of prepaid services, the value of the balance unused by the customer is recognized as revenue when the grace period of the account expires.

The time value of money is included in the transaction price if the contract contains a material financing factor. This factor is considered at the contract level. Group recognizes a significant financing factor only within installment sales. Identification of the discount causes a reduction in nominal sales revenues by the financing factor value and recognition of interest during the term of the contract. To calculate the significant financing factor, Group uses a discount rate that reflects the customer's credit risk at the moment of concluding the contract.

Group adopted the following hierarchy of methods for determining the fair price (unit price) of equipment (the preferred method is the method of prices obtained from the sale of similar goods):

(a) Price obtained from the sale of similar goods,
(b) Price based on accounting cost.

Group adopted the following hierarchy of methods for determining the unit price of a service:

(a) Price obtained from the sale of similar goods,
(b) Residual approach (in the B2B area).

### Revenue recognition

Revenues are recognized in the value of transaction price for the sale of services and equipment net of any discounts, refunds and rebates in the ordinary course of business. Revenues are recognized only when there is a high probability that the subscriber makes payment, the associated expenses can be reliably assessed and the revenue amount can be reliably measured. If it is probable that rebates are granted and their value can be precisely measured, then such rebates decrease sales revenue when it is recognized.

In order to properly recognize revenue, Group assesses at the contract inception whether each separate performance obligation is satisfied over time or at a point in time.

The Group's main sources of revenue are recognized as follows:

- Retail revenues from residential and business customers include revenues resulting from the provision of telecommunications and television services and equipment rental services to post-paid customers, recognized over the nominal term of the contract. Retail revenues from residential and business customers also include revenues from the unused balance of prepaid customers whose grace period has expired, recognized in a given point in time. Activation and installation fees do not represent a separate service obligation, so there is no revenue recognition for these categories.

- Wholesale revenue comprises advertising and sponsorship revenue, revenue from cable and satellite operator fees, revenue from the lease of infrastructure, interconnect revenue, revenue from roaming, revenue from the sale of broadcasting and signal transmission services and revenue from the sale of licenses, sublicenses and property rights and revenue from premium rate services.

Advertising and sponsorship revenue is derived primarily from broadcasting of advertising content and is recognized in the period when the advertising is broadcast. Revenue is recognized in profit or loss in the amount due from customers net of value added tax, taxes on revenue from advertising of alcohol beverages and any rebates granted. Advertising and sponsorship revenue also comprises revenue on commissions on sales of commercial airtime when the Group acts as an agent on behalf of third parties. The commissions are recognized at amounts due from the buyers of advertising airtime or sponsorship services, less of any amounts due to television broadcasters. Revenue from commissions on sales of commercial airtime and from sponsorship is recognized in the consolidated income statement when these services are rendered.

Revenue from services provided to cable and satellite operators includes fees from cable and satellite operators for reemission (rebroadcasting) of programs produced by the Group. Revenue is recognized when the related programs are broadcast.

Services revenues are recognized in profit and loss in the period when related services are rendered, net of any discount given.

- Revenue from sale of equipment is measured at the fair value of the consideration received or receivable, in case of multi-element contracts after the allocation of the transaction price based on the standalone selling price net of discounts, rebates and returns. Revenue from the sale of goods is recognized in profit or loss when control has been transferred to the customer.

- Other revenue is recognized, net of any discount given, when the relevant goods or service are provided.

  Other revenue includes, among others revenue from interest on installment sales, revenue from the sale of electricity, revenue from the sale of real estate and other sales revenue.

The Group's process for revenue recognition from multi-element contracts (eg. mobile contract and handset) consists of:

- assessment of all goods and services provided to the client under the contract and identifying separate performance obligations in that contract,
- determining and allocating the transaction prices to separate performance obligations in the contract; the allocation is based on the reference to their relative standalone selling prices that could be obtained if the promised goods and services were sold individually in a separate transaction.

Contract asset is Group's right to consideration in exchange for goods or services that the Group has transferred to a customer. It includes the correction of consideration due according to the contract with customer regarding promotional offer that compose initial discounted periods.

Contract liabilities is Group's obligation to transfer services to a customer in exchange for remuneration Group received (or the remuneration is due). It includes the correction of consideration due according to the contract with customer for the current or previous periods, allocated to obligations not completely fulfilled or partially unfulfilled.

### Revenue from sales of goods in the real estate segment

Revenue from the sale of residential units is recognized when the performance obligation is fulfilled. The Group considers this moment to be the transfer to the customer of control over the unit, parking space, garage locker, storage unit or other building element sold, i.e. at the moment of delivery under condition the customer has paid 100% price of the real estate. Sales are reported net of value added tax and after taking into account any discounts granted.

### Energy, gas sales

Revenues from the sale of energy and gas are recognized at the time of their delivery to the Group's customers. The amount of energy and gas delivered is determined based on metering data provided by distribution network operators, and in the absence of metering data, the amount is subject to estimation by the Group. At the same time, the Group creates cost provisions for the value of energy and gas consumed by its customers and not invoiced by the supplier, as well as for the value of energy certificates of origin, the obligation to redeem of which is related to sales made to customers. Sales prices result from signed contracts, tariffs or their amount on the Polish Power Exchange.

### Revenue from the power market

Beginning January 1, 2024, the Group recognizes revenues from the power market. Revenues from the power market are revenues from the performance of power contracts (obligations) concluded as a result of the 2021 and 2023 Auctions (primary market) and the performance of power obligations resulting from agreements concluded in the secondary market. The power market is a market mechanism aimed at ensuring stable electricity supply in the long-term horizon. The Group is entitled to remuneration from PSE S.A. after the end of each month for the performance of the power obligation. Accordingly, Group companies that are power suppliers to PSE S.A. recognize revenue from power market transactions each month.

## s) Distribution fees

Commissions payable to distributors for acquiring new subscribers and for retention of existing subscribers are recognized over the minimum base period of the subscription agreement and presented in Income Statement in Distribution, marketing, customer relation management and retention costs.

Commissions for distributors which will be settled within 12 months of the reporting date are classified as other current assets, while the commissions, which will be settled more than 12-months after the reporting date, are classified as non-current assets.

## t) Barter revenue and cost

Barter revenue for dissimilar services or goods is recognized when the services are rendered or goods delivered. Programming licences, products and services received are expensed or capitalized when received or used. The Group recognizes barter transactions at the estimated fair value of the programming licences, products or services received. When products or services are received before related advertising is broadcast, a liability is recognized by the Group. Conversely, when advertising is broadcast before products or services are received, a receivable is recognized by the Group.

## u) Gains and losses on investment activities and finance costs

Gains and losses on investment activities include interest income on funds invested, interest expenses (including lease liabilities interests but other than interest expenses on borrowings), dividends income, gains/losses on financial instruments at fair value through profit or loss, net foreign exchange gains/losses and results on completed forward exchange contracts and call options, impairment losses recognized on financial assets, unwinding of the discount on provisions.

Interest income and expense (other than interest expense on borrowings) is recognized as it accrues in profit or loss using the effective interest rate's method. Dividends income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings (including bank loans and bonds), foreign exchange gains/losses on bonds, realization and valuation costs of hedging instruments and instruments not under hedge accounting related to finance activities, bank and other charges on borrowings as well as guarantee fees resulting from the indebtedness. Borrowing costs are recognized in profit or loss using the effective interest rate's method.

## v) Lease payments

### Group as a lessor

Agreements which meet the lease definition are classified as finance lease or operating lease. The main criterion is the extent to which the risks and rewards associated with the leased asset are transferred between the Group and the lessee.

Similarly to agreements in which the Group acts as a lessee, the Group as a lessor also determines for each agreement: commencement date, lease term, lease payments and interest rate. At the commencement date lessor accounts for the finance lease by:

- excluding carrying amount of the underlying asset,
- recognizing net investment in the lease,
- recognizing selling profit or loss in profit and loss statement (if applicable).

For operating lease, Group recognize revenue in profit and loss statement on a straight line basis over the lease term.

### Group as lessee

#### *Assets*

Assets used under agreements which meet the leasing definition are recognized as right-of-use assets and lease liabilities representing the Group's obligation to make payments for the underlying asset on the day when the leased assets are available for use by the Group.

At the commencement date, the right-of-use assets are measured at cost and consist of the following:

- the amount of the initial measurement of the lease liability,
- any lease payments made to the lessor at or before the commencement date, less any lease incentives received from the lessor,
- any initial direct costs incurred by the lessee,
- an estimate of the costs to be incurred by the lessee in dismantling, removing and restoring the underlying assets and/or the site where it is located.

After the commencement date, the right-of-use assets are measured at cost less accumulated depreciation, accumulated impairment losses and adjusted for remeasurement of the lease liability resulting from reassessment or lease modification which does not require recognition of a separate lease component.

Right-of-use assets are depreciated on a straight-line basis over the shorter of: the term of the lease agreement or the useful life of the underlying asset. If the Group is reasonably certain that ownership of the underlying asset will be transferred to the lessee by the end of the lease term – then the right-of-use asset shall be depreciated from the commencement date to the end of its useful life.

The Group depreciates the right-of-use assets as follows:

- technical infrastructure - premises for telecommunications equipment installations: 2-24 years,
- telecommunications infrastructure, including links ("dark fibers"): 2-13 years,
- office space, other premises and perpetual usufruct: 1,5-100 years,
- point of sales premises: 2-7 years,
- vehicles: 3-5 years.

Right-of-use assets are subject to impairment based on the accounting policies as presented in note 6n.

*Liabilities*

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease (understood as any economic factors discouraging the Group from terminating the contract), if the lease term reflects that the lessee will exercise the option to terminate the lease,
- amounts expected to be payable by the lessee under residual value guarantees.

Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. Otherwise the incremental borrowing rate is used.

After the commencement date, the Group shall measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made,
- remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. change in the lease term or the amount of future lease payments.

Interest expenses on lease liabilities are recognized in profit or loss over the term of the lease.

## w) Income tax

Income tax expense/benefit comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet approach, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are measured based on the expected manner of recovery or settlement of the carrying amounts of assets and liabilities, respectively, using tax rates that are enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. An amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefit will be partly or wholly realized. When not recognized deferred tax asset becomes recoverable, it is recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. The Group recognizes a deferred tax asset used to carry over unused tax losses to the extent that it is probable that the future taxable profits will be available and unused tax losses may be utilized. While assessing whether the future taxable profits available will be sufficient, the Group takes into account inter alia forecasted future tax revenues.

Deferred tax assets and liabilities are offset by the Group companies.

## x) Non-current assets held for sale

The Group classifies non-current assets (or disposal group of assets) as held for sale when their carrying value will be recovered principally through a sale transaction rather than through continuing use. In such case the asset must be available for immediate sale in its present condition and its sale must be highly probable. The fact of classifying an asset as held for sale means that the Group's management intends to complete the sale transaction within 12 months from the date of such classification.

Non-current assets that have been classified as held for sale are measured at the lower of (i) their carrying value and (ii) their fair value less costs to sell.

Non-current assets that are classified as held for sale are not depreciated.

## y) Earnings per share

The Group presents basic and diluted earnings per share for its ordinary and preference shares. Basic earnings per share are calculated by dividing the period's profit or loss from continuing operations attributable to ordinary and preference shareholders of the Company by the weighted average number of ordinary and preference shares outstanding during the period. Diluted earnings per share are calculated by dividing the period's profit or loss from the continuing operations attributable to ordinary and preference shareholders by the weighted average number of ordinary and preference shares, adjusted by the effects of all dilutive potential ordinary and preference shares.

## z) Segment reporting

An operating segment is a component of the Group:

- that is engaged in business activities from which it may earn revenues and incur expenses (including revenues and expenses that relate to transactions with other components of the same unit);
- whose operating results are reviewed on regular basis by the main responsible authority for making operational decisions in the unit and using those results when making decisions on the resources allocated to the segment and when assessing the results of the segment's activities;
- when separate financial information are available.

The Group presents operating segments according to its internal management accounting principles applied in the preparation of periodical management reports. These reports are analyzed on regular basis by the Management Board of Cyfrowy Polsat S.A., which was identified as the chief operating decision maker.

## zz) Cash flows statement

Cash and cash equivalents in the cash flow statement are equal to cash and cash equivalents presented in the consolidated balance sheet.

Purchases of set-top boxes to be provided to customers under operating lease contracts are classified in the cash flows statement within operating activities. The purchases and disposals of these set-top boxes are classified in the cash flows statement within operating activities and presented as Net disposals/(additions) of reception equipment provided under operating lease.

Acquisition of items of property, plant and equipment or intangible assets are presented in their net amount (net of related value added tax).

Payments for film licences and sport rights are presented on a net basis (net of related value added tax) within operating activities. Expenditures on the acquisition of programming assets also include the amount of withholding tax paid to the relevant tax authorities.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 7. Determination of fair values

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The methods for determining fair values are described below. When applicable further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### Derivatives

The fair value of derivatives is calculated based on their quoted closing bid price at the balance sheet date or, in the lack thereof, other inputs that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices). In the second case, the fair value of derivatives is estimated as the present value of future cash flows, discounted using the market interest rate at the reporting date. Information on the structure of Polish and Eurozone interest rates and Polish złoty exchange rate are used in order to estimate future cash flows and market interest rate.

### Non-derivative financial assets

The fair value of non-derivative financial asset for disclosure purposes is estimated as the present value of future cash flows discounted using the market interest rate as at the balance sheet date. If the instruments are quoted, the fair value is estimated based on market prices.

### Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on liabilities' quoted closing bid price at the balance sheet date or, in the lack thereof, estimated on the present value of future principal and interest cash flows, discounted using the market interest rate at the reporting date. Market interest rate is estimated as interbank interest rate for a given currency zone (WIBOR, EURIBOR) plus a margin regarding the Group's credit risk. A market interest rate for a lease contract is estimated based on interest rates for similar lease contracts.

## 8. Approval of the Consolidated Financial Statements

These consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 10 April 2024.

**Explanatory notes**

## 9. Revenue

| | for the year ended | |
|---|---|---|
| | **31 December 2023** | **31 December 2022** |
| Retail revenue | 6,987.1 | 6,952.1 |
| Wholesale revenue | 3,379.9 | 3,531.7 |
| Sale of equipment | 1,921.7 | 1,805.1 |
| Energy revenue | 557.6 | - |
| Other revenue | 780.0 | 626.4 |
| **Total** | **13,626.3** | **12,915.3** |

Retail revenue mainly consists of pay-TV, telecommunication services, revenue from rental of reception equipment and contractual penalties related to terminated agreements.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Wholesale revenue mainly consists of advertising and sponsorship revenue, settlements with mobile network operators, revenue from rental of infrastructure, roaming revenues, revenue from cable and satellite operator fees, sales of broadcasting and signal transmission services and sales of licenses, sublicenses and property rights.

Energy revenue mainly consists of revenue from the sale of produced electricity and revenue from the sale of traded electricity, revenue from the sale of heat, as well as revenue from the sale of property rights.

Other revenue mainly consists of revenue from interest on installment plan purchases, revenue from the lease of premises and facilities, revenue from the sale of photovoltaic installations, revenue from the sale of apartments, revenue from the sale of hydrogen, revenue from the sale of gas and sale of buses.

## 10. Operating costs

| | | for the year ended | |
|---|---|---|---|
| | **Note** | **31 December 2023** | **31 December 2022** |
| Technical costs and cost of settlements with telecommunication operators | | 3,332.7 | 3,271.5 |
| Depreciation, amortization, impairment and liquidation | | 1,900.4 | 1,829.0 |
| Cost of equipment sold | | 1,539.9 | 1,454.4 |
| Content costs | | 2,126.1 | 2,063.9 |
| Cost of energy sold, includes: | | 523.3 | - |
| *Depreciation** | | *17.8* | - |
| Distribution, marketing, customer relation management and retention costs | | 1,026.9 | 1,035.0 |
| Salaries and employee-related costs | a) | 1,158.2 | 1,034.0 |
| Cost of debt collection services, bad debt allowance and receivables written off | | 121.0 | 97.8 |
| Other costs, includes: | | 760.3 | 614.2 |
| *Depreciation** | | *1.4* | - |
| **Total** | | **12,488.8** | **11,399.8** |

* depreciation costs included within energy and bus production costs.

### a) Salaries and employee-related costs

| | for the year ended | |
|---|---|---|
| | **31 December 2023** | **31 December 2022** |
| Salaries | 953.7 | 857.1 |
| Social security contributions | 149.4 | 136.3 |
| Other employee-related costs | 55.1 | 40.6 |
| **Total** | **1,158.2** | **1,034.0** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## Average headcount of non-production employees*

| | for the year ended | |
|---|---|---|
| | **31 December 2023** | **31 December 2022** |
| Employment contracts (full-time equivalents) | 8,020 | 7,648 |

* excluding workers who did not perform work in the reporting period due to long-term absences

## 11. Gain/(loss) on investment activities, net

| | for the year ended | |
|---|---|---|
| | **31 December 2023** | **31 December 2022** |
| Interest on lease liabilities | (29.5) | (19.9) |
| Interest on loans granted | 31.8 | 32.1 |
| Other interest, net | 76.1 | 45.3 |
| Other foreign exchange gains/(losses), net | (19.6) | (41.6) |
| Revaluation of previously held shares of PAK-PCE* | 151.3 | - |
| Valuation of pre-existing relationships in connection with the acquisition of PAK-PCE* | (83.9) | - |
| Other income/(costs) | 36.2 | 7.6 |
| **Total** | **162.4** | **23.5** |

* impact of accounting for the purchase price allocation of PAK-PCE under IFRS 3 requirements

## 12. Finance costs, net

| | for the year ended | |
|---|---|---|
| | **31 December 2023** | **31 December 2022** |
| Interest expense on loans and borrowings | 796.0 | 582.0 |
| Interest expense on issued bonds* | 347.4 | 155.6 |
| Foreign exchange differences on loans and borrowings | (82.1) | - |
| Cumulative catch-up | (20.8) | - |
| One-time loans repayment | 20.8 | - |
| Valuation and realization of hedging instruments | (14.4) | (19.8) |
| Valuation and realization of derivatives not used in hedge accounting – relating to interest | 28.5 | (72.7) |
| Guarantee fess, bank and other charges | 6.5 | 4.8 |
| **Total** | **1,081.9** | **649.9** |

*includes early redemption bonuses

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 13. Income tax

### Income tax expense

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Current tax expense | 285.6 | 395.4 |
| Change in deferred tax | (175.4) | (161.9) |
| Other | - | (24.3) |
| **Income tax expense in the income statement** | **110.2** | **209.2** |

### Change in deferred income tax

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Tax losses carried forward | 7.4 | 10.1 |
| Receivables and other assets | (62.4) | (5.4) |
| Liabilities | 17.9 | (68.2) |
| Other property, plant and equipment and intangible assets | (132.9) | (105.6) |
| Other | (5.4) | 7.2 |
| **Change in deferred tax recognized in income statement – total** | **(175.4)** | **(161.9)** |

### Income tax recognized in the statement of other comprehensive income

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Change in deferred income tax on hedge valuation | (5.5) | 2.2 |
| **Income tax expense recognized in other comprehensive income - total** | **(5.5)** | **2.2** |

### Effective tax rate reconciliation

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Gross profit | 421.8 | 1,110.3 |
| **Income tax at applicable statutory tax rate of 19%** | **80.1** | **211.0** |
| Excess financing costs | 53.8 | - |
| Other | (23.7) | (1.8) |
| **Tax expense for the year** | **110.2** | **209.2** |
| **Effective tax rate** | **26.1%** | **18.8%** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## Deferred tax assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Tax losses carried forward | 27.8 | 15.1 |
| Liabilities | 467.1 | 391.9 |
| Tangible and intangible assets | 26.4 | 22.4 |
| Receivables and other assets | 129.0 | 111.5 |
| Other | 3.4 | 3.7 |
| **Total deferred tax assets** | **653.7** | **544.6** |
| Set off of deferred tax assets and liabilities | (510.9) | (444.7) |
| **Deferred tax assets in the balance sheet** | **142.8** | **99.9** |

## Tax loss

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| 2023 tax loss carried forward | 68.9 | - |
| 2022 tax loss carried forward | 42.2 | 27.9 |
| 2021 tax loss carried forward | 53.9 | 61.8 |
| 2020 tax loss carried forward | 37.8 | 50.3 |
| 2019 tax loss carried forward | 34.8 | 70.2 |
| 2018 tax loss carried forward | 24.2 | 51.7 |
| 2017 tax loss carried forward | - | 12.3 |
| **Tax losses carried forward – total** | **261.8** | **274.2** |

## Tax losses recognized

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| 2023 tax loss carried forward | 70.5 | - |
| 2022 tax loss carried forward | 8.5 | 2.8 |
| 2021 tax loss carried forward | 23.4 | 19.3 |
| 2020 tax loss carried forward | 18.5 | 1.4 |
| 2019 tax loss carried forward | 25.6 | 30.5 |
| 2018 tax loss carried forward | - | 19.1 |
| 2017 tax loss carried forward | - | 7.1 |
| **Tax losses carried forward – total** | **146.5** | **80.2** |

As at 31 December 2023 the Group recognized deferred tax asset on tax losses to the extent that it was probable that they would be utilized in the future.

According to Art. 7 of the Polish Corporate Income Tax Act dated 15 February 1992, tax losses incurred in a given financial year can be utilized in the subsequent five fiscal years. However, no more than 50% of a tax loss for any given year can be utilized in a single subsequent fiscal year.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### Deferred tax liabilities

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Receivables and other assets | 510.9 | 485.5 |
| Liabilities | 45.4 | 21.5 |
| Tangible and intangible assets | 951.5 | 867.8 |
| Other | 38.1 | 48.6 |
| **Total deferred tax liabilities** | **1,545.9** | **1,423.4** |
| Set off of deferred tax assets and liabilities | (510.9) | (444.7) |
| **Deferred tax liabilities in the balance sheet** | **1,035.0** | **978.7** |

The tax authorities may at any time inspect the books and records within 5 years from the end of the year when a tax declaration was submitted, and may impose additional tax assessments with penalty interest and penalties. Furthermore, on 15 July 2016 provisions of General Anti-Avoidance Rule (GAAR) were introduced, which aim at preventing establishing and using artificial legal arrangements with tax savings as its principal purpose. Frequent amendments in the tax laws and contradicting legal interpretations among the tax authorities result in uncertainties and lack of consistency in the tax system, which in fact lead to difficulties in the judgement of the tax consequences in the foreseeable future.

## 14. EBITDA (unaudited)

EBITDA (earnings before interest, taxes, depreciation, amortization, impairment and liquidation) presents the Group's key measure of earnings performance. The level of EBITDA measures the Group's ability to generate cash from recurring operations, however it is neither a measure of liquidity nor cash level. The Group defines EBITDA as operating profit adjusted by depreciation, amortization, impairment and liquidation. EBITDA is not an IFRS EU measure, and as such can be calculated differently by other entities.

| | | for the year ended |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Net profit for the period | 311.6 | 901.1 |
| Income tax | 110.2 | 209.2 |
| (Gain)/loss on investment activities, net | (162.4) | (23.5) |
| Finance costs | 1,081.9 | 649.9 |
| Share of the (profit)/loss of associates accounted for using the equity method | (29.7) | (94.5) |
| Depreciation, amortization, impairment and liquidation (note 10) | 1,900.4 | 1,829.0 |
| Depreciation and amortization within energy and bus production costs (note 10) | 19.2 | - |
| **EBITDA (unaudited)** | **3,231.2** | **3,471.2** |
| Profit from the sale of a subsidiary and an associate | (219.7) | (153.2) |
| Costs of support for Ukraine* | - | 34.1 |
| **EBITDA adjusted (unaudited)** | **3,011.5** | **3,352.1** |

* includes mainly cash donations for supporting Ukraine

## 15. Basic and diluted earnings per share

At the reporting date, the Company did not have any financial instruments that could have a dilutive effect, therefore the diluted earnings per share are equal to basic earnings per share.

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Net profit | 311.6 | 901.1 |
| Weighted average number of ordinary and preference shares in the period | 550,703,531 | 557,758,269 |
| **Earnings per share in PLN (not in millions)** | **0.57** | **1.62** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 16. Property, plant and equipment

| | Reception equipment | Land | Buildings and structures | Technical equipment and machinery | Vehicles | Other | Tangible assets under construction | **Property, plant and equipment** |
|---|---|---|---|---|---|---|---|---|
| **Cost as at 1 January 2023** | **1,251.2** | **148.6** | **572.7** | **2,870.3** | **195.6** | **284.4** | **652.4** | **5,975.2** |
| Acquisition of subsidiaries (see note 40) | - | 77.6 | 238.8 | 583.3 | 7.1 | 3.2 | 917.9 | **1,827.9** |
| Additions | 145.8 | 0.5 | 84.5 | 131.3 | 12.5 | 18.3 | 1,077.3 | **1,470.2** |
| Transfer between groups | - | (55.7) | 114.5 | 10.7 | 1.0 | 0.6 | (21.3) | **49.8** |
| Transfer to assets held for sale | - | - | - | - | - | - | (1.0) | **(1.0)** |
| Transfer from assets under construction | - | - | 269.6 | 469.4 | 17.3 | 21.8 | (778.1) | **-** |
| Disposals | (81.3) | - | (15.3) | (59.4) | (12.3) | (9.4) | (15.0) | **(192.7)** |
| Disposal of a subsidiary | - | (1.7) | (60.6) | - | - | - | - | **(62.3)** |
| **Cost as at 31 December 2023** | **1,315.7** | **169.3** | **1,204.2** | **4,005.6** | **221.2** | **318.9** | **1,832.2** | **9,067.1** |
| **Accumulated impairment losses as at 1 January 2023** | **4.0** | **-** | **0.1** | **1.1** | **-** | **-** | **18.2** | **23.4** |
| Recognition | 0.9 | - | 0.3 | 1.7 | - | 0.1 | 4.0 | **7.0** |
| Transfer between groups | - | - | - | (0.1) | - | 0.1 | - | **-** |
| Reversal | - | - | - | (0.3) | - | - | (1.0) | **(1.3)** |
| **Accumulated impairment losses as at 31 December 2023** | **4.9** | **-** | **0.4** | **2.4** | **-** | **0.2** | **21.2** | **29.1** |
| **Accumulated depreciation as at 1 January 2023** | **965.2** | **-** | **135.2** | **755.6** | **51.3** | **161.6** | **-** | **2,068.9** |
| Additions | 111.7 | - | 38.3 | 412.1 | 23.8 | 34.8 | - | **620.7** |
| Transfer between groups | - | - | 7.5 | 6.6 | - | 0.7 | - | **14.8** |
| Disposals | (80.1) | - | (11.7) | (52.0) | (9.3) | (7.5) | - | **(160.6)** |
| Disposal of a subsidiary | - | - | (0.1) | - | - | - | - | **(0.1)** |
| **Accumulated depreciation as at 31 December 2023** | **996.8** | **-** | **169.2** | **1,122.3** | **65.8** | **189.6** | **-** | **2,543.7** |
| **Carrying amount as at 1 January 2023** | **282.0** | **148.6** | **437.4** | **2,113.6** | **144.3** | **122.8** | **634.2** | **3,882.9** |
| **Carrying amount as at 31 December 2023** | **314.0** | **169.3** | **1,034.6** | **2,880.9** | **155.4** | **129.1** | **1,811.0** | **6,494.3** |

The Group recognized impairment losses on fixed assets whose carrying amount exceeded their recoverable amount. Impairment losses on property, plant and equipment are recognized under 'depreciation, impairment and liquidation'. As of 31 December 2023, the net value of tangible assets under construction includes the value of capitalized interest in the amount of PLN 81.7

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Reception equipment | Land | Buildings and structures | Technical equipment and machinery | Vehicles | Other | Tangible assets under construction | **Property, plant and equipment** |
|---|---|---|---|---|---|---|---|---|
| **Cost as at 1 January 2022** | **1,275.7** | **79.7** | **573.2** | **2,561.0** | **138.6** | **248.2** | **454.6** | **5,331.0** |
| Acquisition of subsidiaries | - | 67.8 | 54.5 | 3.4 | 0.1 | 1.7 | 20.0 | **147.5** |
| Additions | 113.6 | 0.4 | 58.4 | 108.3 | 81.4 | 24.6 | 652.7 | **1,039.4** |
| Transfer between groups | - | 4.5 | - | (0.3) | - | 2.8 | 31.8 | **38.8** |
| Transfer to assets held for sale | - | - | - | - | - | - | (127.7) | **(127.7)** |
| Transfer from assets under construction | - | - | 40.8 | 250.2 | 17.5 | 19.0 | (327.5) | **-** |
| Disposals | (138.1) | - | (41.6) | (49.3) | (42.0) | (9.4) | (51.3) | **(331.7)** |
| Disposal of a subsidiary | - | (3.8) | (112.6) | (3.0) | - | (2.5) | (0.2) | **(122.1)** |
| **Cost as at 31 December 2022** | **1,251.2** | **148.6** | **572.7** | **2,870.3** | **195.6** | **284.4** | **652.4** | **5,975.2** |
| **Accumulated impairment losses as at 1 January 2022** | **3.8** | **-** | **0.1** | **1.6** | **-** | **-** | **18.4** | **23.9** |
| Recognition | 0.7 | - | - | - | - | - | 0.5 | **1.2** |
| Reversal | (0.5) | - | - | (0.5) | - | - | (0.7) | **(1.7)** |
| **Accumulated impairment losses as at 31 December 2022** | **4.0** | **-** | **0.1** | **1.1** | **-** | **-** | **18.2** | **23.4** |
| **Accumulated depreciation as at 1 January 2022** | **987.9** | **-** | **115.8** | **410.4** | **42.8** | **139.3** | **-** | **1,696.2** |
| Additions | 113.9 | - | 27.1 | 383.5 | 19.8 | 29.7 | - | **574.0** |
| Disposals | (136.6) | - | (2.9) | (37.6) | (11.3) | (6.7) | - | **(195.1)** |
| Disposal of a subsidiary | - | - | (4.8) | (0.7) | - | (0.7) | - | **(6.2)** |
| **Accumulated depreciation as at 31 December 2022** | **965.2** | **-** | **135.2** | **755.6** | **51.3** | **161.6** | **-** | **2,068.9** |
| **Carrying amount as at 1 January 2022** | **284.0** | **79.7** | **457.3** | **2,149.0** | **95.8** | **108.9** | **436.2** | **3,610.9** |
| **Carrying amount as at 31 December 2022** | **282.0** | **148.6** | **437.4** | **2,113.6** | **144.3** | **122.8** | **634.2** | **3,882.9** |

The Group recognized an impairment loss on items of property, plant and equipment whose carrying amounts exceeded their recoverable amounts. The impairment allowance is recognized in ‘depreciation, amortization, impairment and liquidation’.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 17. Goodwill

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **10,818.1** | **10,802.0** |
| Acquisition of 53.73% shares of Vindix S.A. | - | 32.4 |
| Acquisition of 66.94% shares of Port Praski Sp. z o.o. | - | 17.4 |
| Acquisition of 100% shares of Oktawave S.A. (see note 40) | - | 12.4 |
| Acquisition of 100% shares of Enterpol Sp. z o.o. (see note 40) | - | 11.5 |
| Acquisition of 70% shares of Antyweb Sp. z o.o. (see note 40) | - | 9.3 |
| Acquisition of 69 Specialist Sales and Customer Service Points (see note 40) | 0.1 | 7.3 |
| Acquisition of 100% shares of Premium Mobile Sp. z o.o.(1) | - | (67.5) |
| Acquisition of 100% shares of CKS Ossa Sp. z o.o. (2) | - | (6.3) |
| Acquisition of 100% shares of Ossa Medical Center Sp. z o.o.(2) | - | (0.4) |
| Acquisition of 60% shares of 4FUN Sp. z o.o. (see note 40) | 26.0 | - |
| Acquisition of 60% shares of naEkranie Sp. z o.o. (see note 40) | 10.3 | - |
| Acquisition of 50.5% shares of PAK-Polska Czysta Energia Sp. z o.o. (see note 40) | 125.7 | - |
| **Balance as at 31 December** | **10,980.2** | **10,818.1** |

(1) Goodwill has been adjusted to reflect the effect of the final purchase price allocation and the fair value assessment of identified net assets.
(2) On 28 September 2022, Polkomtel Sp. z o.o. sold 100% shares in the company.

Impairment tests performed on goodwill balances as at 31 December 2023 did not indicate impairment (see note 19 for impairment test assumptions).

## 18. Brands

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **2,060.9** | **2,069.6** |
| Acquisition of Premium Mobile brand | - | 28.7 |
| Amortization of TV4, TV6 brand | (2.2) | - |
| Amortization of Polsat Brand | (42.0) | - |
| Amortization of Polo TV brand | (0.2) | - |
| Amortization of Plus brand | (24.1) | (24.1) |
| Amortization of Netia brand | (8.8) | (8.8) |
| Amortization of Eleven Sports brand | (0.1) | (0.1) |
| Acquisition of Interia brand | (2.8) | (3.0) |
| Amortization of Premium Mobile brand | (1.0) | (1.4) |
| **Balance as at 31 December** | **1,979.7** | **2,060.9** |

### *Plus*

Following the acquisition of Metelem Holding Company Ltd. in 2014, the Group recognized a value of the Plus brand. The brand is amortized over the useful life of 51 years (until the year 2065). The carrying amount of the brand was allocated to ”B2C and B2B services” cash-generating unit.

*Polsat*

The value of the Polsat brand is recognized following the acquisition of Telewizja Polsat S.A. (currently Telewizja Polsat Sp. z o.o.) in 2011. Group disclosed brand value in consolidated financial statements in amount of PLN 840.0.

The Group recognized that there is a foreseeable period in which the Polsat brand will be beneficial to the Group, and for this reason a specific useful life was assumed starting in 2023.The Polsat brand is amortized over usufel life of 20 years (until the year 2042). The carrying amount of the brand was allocated to “Media: television and online” cash-generating unit .

*TV4 and TV6*

In the consolidated financial statements, as a result of acquisition of Polskie Media S.A., the Group has recognized in 2013 among others goodwill and TV4 and TV6 brands. Group disclosed brand value in consolidated statements in amount of PLN 43.0.

The Group recognized that there is a foreseeable period during which the TV4 and TV6 brands will benefit the Group, and for this reason a specific useful life was assumed starting in 2023.The TV4 and TV6 brands are amortized over usufel life of 20 years (until the year 2042). The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

*Polo TV*

The value of the Polo TV brand is recognized following the acquisition of Lemon Records Sp. z o.o. on 4 December 2017. Group disclosed brand value in consolidated financial statements in amount of PLN 4.7.

The Group recognized that there is a foreseeable period during which the Polo brand will benefit the Group, and for this reason a specific useful life was assumed starting in 2023.The Polo TV brand is amortized over its useful life of 20 years (until the year 2042). The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

*Netia*

The value of the Netia brand is recognized following obtaining control by the Group over Netia S.A. on 22 May 2018. The value of Netia brand recognized in the consolidated financial statements amounted to PLN 88.5.

The brand is amortized over the useful life of 10 years (until the year 2028). The carrying amount of the brand was allocated to ”B2C and B2B services” cash-generating unit.

*Interia*

The value of the Interia brand is recognized following obtaining in 2020 control by the Group over Interia Group, i.e. Grupa Interia.pl Sp. z o.o., Grupa Interia.pl Sp. z o.o. Sp.k., Grupa Interia.pl Media Sp. z o.o. Sp. k., Mobiem Polska Sp. z o.o. and Mobiem Polska Sp. z o.o. Sp. k. In 2021 the Group finalized the purchase price allocation and recognized among others Interia brand in the amount of PLN 82.7. The brand is amortized over the useful life of 30 years (until the year 2050).

The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

*Premium Mobile*

The value of the Premium Mobile brand is recognized following obtaining in 2021 control by the Group over Premium Mobile Group, i.e. Premium Mobile Sp. z o.o., Visignio Sp. z o.o., Saveadvisor Sp. z o.o. and Mobi Dealer Sp. z o.o. In 2022 the Group finalized the purchase price allocation and recognized among others Premium Mobile brand in the amount of PLN 28.7. The brand is amortized over the useful life of 30 years (until the year 2051).

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The carrying amount of the brand was allocated to ” B2C and B2B services” cash-generating unit.

## 19. Impairment test (including goodwill and intangible assets with indefinite useful life)

The Group recognized goodwill and brands with indefinite useful life in the consolidated financial statements. Their carrying amounts were allocated to the cash-generating units which also represent the Group’s operating segments.

Goodwill and brands with indefinite useful life are tested for impairment annually or more frequently if possible impairment is indicated. Goodwill and brands are allocated to the below cash-generating units for the purpose of testing for impairment. The allocation was made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and the brands were identified.

The Group tests the total carrying amount of the cash-generating units and any impairment identified is recognized in the profit or loss immediately with respect to goodwill first and is not subsequently reversed. If goodwill is fully impaired the remaining amount of the impairment loss is allocated to the brands and other assets of the cash-generating unit on a pro rata basis.

| | 2023 |
|---|---|
| **“B2C and B2B services” cash-generating unit** | |
| Cash-generating unit as at 1 January | 7,826.3 |
| Adjusted goodwill recognized on the acquisition of 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise | 0.1 |
| Cash-generating unit as at 31 December | 7,826.4 |
| **“Media: television and online” cash-generating unit** | |
| Cash-generating unit as at 1 January | 3,862.1 |
| Goodwill recognized on the acquisition of 4FUN Sp. z o.o. | 26.0 |
| Goodwill recognized on the acquisition of naEKRANIE.pl Sp. z o.o. | 10.3 |
| Cash-generating unit as at 31 December | 3,898.4 |
| **“Real Estate” cash-generating unit** | |
| Cash-generating unit as at 1 January | 17.4 |
| Cash-generating unit as at 31 December | 17.4 |
| **“Green Energy” cash-generating unit** | |
| Cash-generating unit as at 1 January | - |
| Goodwill recognized on the acquisition of PAK-Polska Czysta Energia Sp. z o.o. | 125.7 |
| Cash-generating unit as at 31 December | 125.7 |

The recoverable amounts of all the cash generating units have been determined based on the value-in-use calculations. These calculations were based on discounted free cash flows and involved the use of estimates related to cash flow before tax projections based on actual financial business plans covering the 5-year period until 2028 or 10-year period until 2033, taking into account the benefits and factors (including transfers between individual CGUs) that a rational market participant would take into account. Cash flow projections after 5-year or 10-year forecast period are estimated using the terminal growth. Terminal growth rate does not exceed the long-term average growth rate for the country in which the Group operates.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## The key financial assumptions used in the value-in-use calculations

The most sensitive key financial assumptions used in the value-in-use calculations of “Media: television and online” cash-generating unit, “B2C and B2B Services” cash-generating unit, “Real Estate” and “Green energy” cash-generating unit cash-generating unit were as follows:

- discount rates,
- terminal growth rate used for estimating the cash flows beyond the period of financial plans,
- energy prices,
- profile and and volume of energy production.

Discount rate – the discount rate reflects the management’s estimation of the risks specific to each cash-generating unit, taking into account the time value of money and risks specific to the asset. The discount rate was estimated on the basis of weighted average cost of capital method (WACC) and considered Group’s and its operating segments’ business environment. WACC considers both debt and equity. Cost of equity is based on the return on investment expected by the Group’s investors while cost of debt is based on the interest bearing debt instruments. Operating segment- specific risk is considered by the estimation of beta. Beta is estimated annually and is based on the market data.

Terminal growth rate – growth rates are based on widely available published market data.

Energy prices – most of the revenues in the Green energy segment come from the sale of energy produced from RES sources and from trading electricity on the market, and are largely dependent on the level of market energy prices and their volatility. Market prices will largely determine the level of revenues generated from the production and sale of electricity. In order to reduce exposure to energy price fluctuations, some of the PAK-PCE Group's solar and wind generation companies have entered into Power Purchase Agreement (PPA) contracts.

Energy production volume – the peak period of energy production from photovoltaic farms is in the spring and summer, while wind farms record the highest production levels during the first and fourth quarters. An important factor influencing the level of energy production in a given period, and thus the revenues generated, from wind and photovoltaic installations are meteorological conditions, in particular wind power and sunshine levels. The volume of production of RES sources also affects the level of electricity prices. Periods with high windiness or a high level of insolation can lead to an overproduction of RES energy and, as a result, a temporary drop in market energy prices. On the other hand, unfavorable wind or solar conditions combined with high energy demand (e.g., due to low temperatures) cause shortages of energy produced from PV and wind sources and translate into temporary increases in market energy prices.

The key financial assumptions used for value-in-use calculations in 2023 and 2022 are as follows:

| | Media: television and online | | B2C and B2B services | | Real Estate | | Green Energy | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Terminal growth | 2.5% | 2.5% | 2.0% | 2.0% | 2.0% | 2.0% | 2.5% | - |
| Discount rate before tax | 11.6% | 14.9% | 8.9% | 11.2% | 9.0% | 13.5% | 11.3% | - |

The impairment tests for goodwill and brands allocated to “Media: television and online”, “B2C and B2B services”, “Real Estate” and “Green Energy” cash-generating units did not indicate impairment as at 31 December 2023.

The Group believes that the key assumptions made in testing for impairment of the “Media: television and online”, “B2C and B2B services”, “Real Estate” and “Green Energy” cash-generating units as at 31 December 2023 are reasonable and are based on our experience and market forecasts that are published by the industry experts.

## Sensitivity analysis of key financial assumptions in the “Media: television and online”, “B2C and B2B services” and “Green energy”

### *Media segment*

The CGU’s value-in-use amounted to PLN 7,251.9 as at 31 December 2023 and exceeded its carrying amount by PLN 2,310.8, therefore no impairment of the CGU and the goodwill assigned to it were identified.

Had any of the key assumptions changes as follows, the CGU’s value-in-use would equal its carrying amount as at 31 December 2023:

- decrease in the cash flows after the 5-year forecast period by 46.4% or

- decrease in the terminal growth rate by 6.7 p.p. or

- increase of the discount rate by 4.3 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 719.1, had the discount rate (before tax) increased by 1 p.p.; or

- PLN 541.1, had the terminal growth rate decreased by 1 p.p.; or

- PLN 498.3, had the cash flows after the 5-year forecast period decreased by 10%.

### *B2C and B2B services segment*

The CGU’s value-in-use amounted to PLN 23,994.2 as at 31 December 2023 and exceeded its carrying amount by PLN 5,505.4, therefore no impairment of the CGU and the goodwill assigned to it were identified.

Had any of the key assumptions changes as follows, the CGU’s value-in-use would equal its carrying amount as at 31 December 2023:

- decrease in the cash flows after the 5-year forecast period by 30.5% or

- decrease in the terminal growth rate by 2.6 p.p. or

- increase of the discount rate by 2.0 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 346.9, had the discount rate (before tax) increased by 0.1 p.p.; or

- PLN 1,354.9, had the terminal growth rate decreased by 0.5 p.p.; or

- PLN 360.6, had the cash flows after the 5-year forecast period decreased by 2%.

### *Green energy*

The CGU’s value-in-use amounted to PLN 4,028.6 as at 31 December 2023 and exceeded its carrying amount by PLN 117.4, therefore no impairment of the CGU and the goodwill assigned to it were identified.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Had any of the key assumptions changes as follows, the CGU's value-in-use would equal its carrying amount as at 31 December 2023:

- decrease in the cash flows after the 10-year forecast period by 6.4% or

- decrease in the terminal growth rate by 0.55 p.p. or

- increase of the discount rate by 0.3 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 309.2, had the discount rate (before tax) increased by 0.5 p.p.; or

- PLN 157.0, had the terminal growth rate decreased by 0.5 p.p.; or

- PLN 133.4, had the cash flows after the 10-year forecast period decreased by 5%.

## 20. Customer relationships and other intangible assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Customer relationships | 300.2 | 643.7 |
| **Customer relationships total** | **300.2** | **643.7** |
| Software and licenses | 741.3 | 598.6 |
| Concessions | 2,372.7 | 1,919.8 |
| Other | 956.5 | 54.7 |
| Other intangible assets under development | 765.3 | 767.5 |
| **Other intangible assets total** | **4,835.8** | **3,340.6** |

The customer relationships and telecommunication concessions (900 MHz, 1800 MHz and 2100 MHz) were recognized in the balance sheet following the acquisition of Metelem Holding Company Limited based on the Group's acquisition accounting. The carrying amount of the customer relationships and concessions was allocated to "B2C and B2B services" cash-generating unit.

The telecommunication concessions (800 MHz, 900 MHz, 1800 MHz and 2600 MHz) were recognized in the balance sheet following the acquisition of Midas S.A. based on the Group's acquisition accounting. The carrying amount of the customer relationships and concessions was allocated to "B2C and B2B services" cash-generating unit.

Customer relationships as at 31 December 2023 include the following:

| | Amortization period |
|---|---|
| Customer relationships with retail clients | 8 or 10 years |
| Customer relationships – roaming | 13 years |
| Customer relationships on energy market | 2.5 or 17.5 years |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Concessions as at 31 December 2023 include the following:

| | Expiry date |
|---|---|
| License for frequencies in the 900 MHz band | 24.02.2026 |
| License for frequencies in the 1800 MHz band | 14.09.2029 |
| License for frequencies in the 2600 MHz FDD band | 24.01.2031 |
| License for frequencies in the 420 MHz band | 31.12.2035 |
| License for frequencies in the 2600 MHz TDD band | 31.12.2024 |
| License for frequencies in the 1800 MHz band | 31.12.2037 |
| License for frequencies in the 2100 MHz band | 31.12.2037 |

Additionally, in 2023 the following license decisions were issued, the period of which is after 31 December 2023:

| | Expiry date |
|---|---|
| License for frequencies in the 900 MHz band | 31.12.2038 |
| License for frequencies in the 3.6 GHz band | 30.11.2038 |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Customer relationships | Software and licenses | Concessions | Other | Other intangible assets under development | Other intangible assets |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Cost as at 1 January 2023** | **4,794.6** | **2,049.5** | **4,931.4** | **118.1** | **768.3** | **7,867.3** |
| Additions | **-** | 23.7 | 781.6 | 14.8 | 338.0 | **1,158.1** |
| Acquisition of subsidiaries (see note 40) | **88.1** | 0.3 | - | 892.2* | 9.9 | **902.4** |
| Transfer from intangible assets under development | **-** | 340.8 | - | 7.7 | (348.5) | **-** |
| Disposals | **-** | (45.5) | (12.8) | (0.2) | - | **(58.5)** |
| Transfer between groups | **-** | - | - | - | (1.3) | **(1.3)** |
| Transfer to assets held for sale | **-** | - | (0.3) | - | - | **(0.3)** |
| **Cost as at 31 December 2023** | **4,882.7** | **2,368.8** | **5,699.9** | **1,032.6** | **766.4** | **9,867.7** |
| **Accumulated impairment losses** | | | | | | |
| **Accumulated impairment losses as at 1 January 2023** | **-** | **2.1** | **-** | **0.5** | **0.8** | **3.4** |
| Recognition/(reversal) | **-** | (0.9) | - | - | 0.3 | **(0.6)** |
| **Accumulated impairment losses as at 31 December 2023** | **-** | **1.2** | **-** | **0.5** | **1.1** | **2.8** |
| **Accumulated amortization** | | | | | | |
| **Accumulated amortization as at 1 January 2023** | **4,150.9** | **1,448.8** | **3,011.6** | **62.9** | **-** | **4,523.3** |
| Additions | **431.6** | 221.3 | 328.5 | 12.7 | - | **562.5** |
| Disposals | **-** | (43.8) | (12.9) | - | - | **(56.7)** |
| **Accumulated amortization as at 31 December 2023** | **4,582.5** | **1,626.3** | **3,327.2** | **75.6** | **-** | **5,029.1** |
| **Carrying amounts** | | | | | | |
| **Carrying amount as at 1 January 2023** | **643.7** | **598.6** | **1,919.8** | **54.7** | **767.5** | **3,340.6** |
| **Carrying amount as at 31 December 2023** | **300.2** | **741.3** | **2,372.7** | **956.5** | **765.3** | **4,835.8** |

* The position includes the value of intangible assets recognized as a result of the acquisition of PAK-PCE Group (see note 40), regarding wind farms and covering inter alia the value of power supply connection and energy production concession.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Customer relationships | Software and licenses | Concessions | Other | Other intangible assets under development | Other intangible assets |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Cost as at 1 January 2022** | **4,728.6** | **1,868.9** | **3,734.0** | **104.1** | **632.7** | **6,339.7** |
| Additions | - | 12.2 | 1,199.0 | 2.6 | 323.1 | **1,536.9** |
| Acquisition of subsidiaries | **66.0** | 0.9 | - | 5.6 | 0.9 | **7.4** |
| Transfer from intangible assets under development | - | 178.9 | - | 5.2 | (184.1) | **-** |
| Disposals | - | (11.2) | (1.6) | (10.0) | (0.7) | **(23.5)** |
| Transfer between groups | - | - | - | 10.6 | (3.6) | **7.0** |
| Disposal of a subsidiary | - | (0.2) | - | - | - | **(0.2)** |
| **Cost as at 31 December 2022** | **4,794.6** | **2,049.5** | **4,931.4** | **118.1** | **768.3** | **7,867.3** |
| **Accumulated impairment losses** | | | | | | |
| **Accumulated impairment losses as at 1 January 2022** | **-** | **1.6** | **-** | **-** | **2.8** | **4.4** |
| Recognition/(reversal) | - | 0.5 | - | 0.5 | (2.0) | **(1.0)** |
| **Accumulated impairment losses as at 31 December 2022** | **-** | **2.1** | **-** | **0.5** | **0.8** | **3.4** |
| **Accumulated amortization** | | | | | | |
| **Accumulated amortization as at 1 January 2022** | **3,722.9** | **1,244.4** | **2,663.4** | **53.4** | **-** | **3,961.2** |
| Additions | **428.0** | 215.8 | 349.8 | 10.5 | - | **576.1** |
| Disposals | - | (11.2) | (1.6) | (1.0) | - | **(13.8)** |
| Disposal of a subsidiary | - | (0.2) | - | - | - | **(0.2)** |
| **Accumulated amortization as at 31 December 2022** | **4,150.9** | **1,448.8** | **3,011.6** | **62.9** | **-** | **4,523.3** |
| **Carrying amounts** | | | | | | |
| **Carrying amount as at 1 January 2022** | **1,005.7** | **622.9** | **1,070.6** | **50.7** | **629.9** | **2,374.1** |
| **Carrying amount as at 31 December 2022** | **643.7** | **598.6** | **1,919.8** | **54.7** | **767.5** | **3,340.6** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 21. Right-of-use assets

| | Technical infrastructure | Dark fibers | Vehicles | Points of sale premises | Office space and other premises | **Right-of-use assets** |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Cost as at 1 January 2023** | **280.2** | **192.2** | **26.0** | **299.5** | **409.8** | **1,207.7** |
| Acquisition of subsidiary (see note 40) | - | - | - | - | 89.9 | **89.9** |
| Additions | 66.4 | 48.9 | 17.0 | 71.8 | 75.7 | **279.8** |
| Disposals | (40.9) | (17.2) | (12.0) | (23.3) | (24.4) | **(117.8)** |
| **Cost as at 31 December 2023** | **305.7** | **223.9** | **31.0** | **348.0** | **551.0** | **1,459.6** |
| **Accumulated impairment losses** | | | | | | |
| **Accumulated impairment losses as at 1 January 2023** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Accumulated impairment losses as at 31 December 2023** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Accumulated depreciation** | | | | | | |
| **Accumulated depreciation as at 1 January 2023** | **160.1** | **123.1** | **11.3** | **186.8** | **199.4** | **680.7** |
| Additions | 41.1 | 32.6 | 4.5 | 52.5 | 62.5 | **193.2** |
| Disposals | (18.6) | (9.2) | (8.0) | (18.3) | (4.8) | **(58.9)** |
| **Accumulated depreciation as at 31 December 2023** | **182.6** | **146.5** | **7.8** | **221.0** | **257.1** | **815.0** |
| **Carrying amount** | | | | | | |
| **Carrying amount as at 1 January 2023** | **120.1** | **69.1** | **14.7** | **112.7** | **210.4** | **527.0** |
| **Carrying amount as at 31 December 2023** | **123.1** | **77.4** | **23.2** | **127.0** | **293.9** | **644.6** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | Technical infrastructure | Dark fibers | Vehicles | Points of sale premises | Office space and other premises | **Right-of-use assets** |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Cost as at 1 January 2022** | **264.7** | **180.7** | **28.5** | **264.9** | **545.6** | **1,284.4** |
| Acquisition of subsidiary | - | - | - | - | 13.9 | **13.9** |
| Additions | 39.8 | 23.5 | 6.3 | 52.6 | 29.4 | **151.6** |
| Disposals | (24.3) | (12.0) | (8.8) | (18.0) | (34.0) | **(97.1)** |
| Disposal of a subsidiary | - | - | - | - | (145.1) | **(145.1)** |
| **Cost as at 31 December 2022** | **280.2** | **192.2** | **26.0** | **299.5** | **409.8** | **1,207.7** |
| **Accumulated impairment losses** | | | | | | |
| **Accumulated impairment losses as at 1 January 2022** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Accumulated impairment losses as at 31 December 2022** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Accumulated depreciation** | | | | | | |
| **Accumulated depreciation as at 1 January 2022** | **130.4** | **98.4** | **11.7** | **147.5** | **199.9** | **587.9** |
| Additions | 41.3 | 32.1 | 4.7 | 51.5 | 61.1 | **190.7** |
| Disposals | (11.6) | (7.4) | (5.1) | (12.2) | (30.5) | **(66.8)** |
| Disposal of a subsidiary | - | - | - | - | (31.1) | **(31.1)** |
| **Accumulated depreciation as at 31 December 2022** | **160.1** | **123.1** | **11.3** | **186.8** | **199.4** | **680.7** |
| **Carrying amount** | | | | | | |
| **Carrying amount as at 1 January 2022** | **134.3** | **82.3** | **16.8** | **117.4** | **345.7** | **696.5** |
| **Carrying amount as at 31 December 2022** | **120.1** | **69.1** | **14.7** | **112.7** | **210.4** | **527.0** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 22. Programming assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Acquired film licenses | 277.2 | 300.8 |
| Capitalised cost of external production and sports rights | 500.6 | 766.1 |
| Co-productions | 2.5 | 4.6 |
| Prepayments | 202.7 | 129.5 |
| **Total** | **983.0** | **1,201.0** |
| *Of which: Current* | *678.2* | *699.2* |
| *Non-current* | *304.8* | *501.8* |

### Change in programming assets

| | 2023 | 2022 |
|---|---|---|
| **Net carrying amount as at 1 January** | **1,201.0** | **1,370.0** |
| Increase* | 416.2 | 418.7 |
| Change in impairment losses: | (0.1) | 5.4 |
| *Film licenses* | *(0.1)* | *5.4* |
| Change in internal production* | 29.3 | 85.0 |
| Amortization of film licenses and sports rights | (660.5) | (668.6) |
| Disposals: | (2.9) | (8.9) |
| *Sale of film licenses* | *(2.9)* | *(8.9)* |
| Other decrease | - | (0.6) |
| **Net carrying amount as at 31 December** | **983.0** | **1,201.0** |

* includes change in prepayments

Commitments related to acquisition of programming assets by the Group are presented in note 52.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 23. Investment property

| | 2023 | 2022 |
|---|---|---|
| **Cost as at 1 January** | **690.8** | **39.4** |
| Acquisitions (see note 40) | 184.6 | 761.8 |
| Additions | 19.6 | 85.8 |
| Disposals | (73.6) | - |
| Transfer between groups | (96.6) | (45.8) |
| Disposal of a subsidiary | - | (150.4) |
| **Cost as at 31 December** | **724.8** | **690.8** |
| **Write-offs as of 1 January** | **-** | **-** |
| Additions | 0.8 | - |
| **Write-offs as of 31 December** | **0.8** | **-** |
| **Accumulated depreciation as at 1 January** | **43.8** | **11.0** |
| Additions | 19.3 | 33.5 |
| Disposals | (3.5) | (0.7) |
| Transfer between groups | (35.6) | - |
| **Accumulated depreciation as at 31 December** | **24.0** | **43.8** |
| **Carrying amount as at 1 January** | **647.0** | **28.4** |
| **Carrying amount as at 31 December** | **700.0** | **647.0** |

## 24. Deferred distribution fees

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Deferred distribution fees | **312.4** | **297.1** |
| *Of which: Current* | *227.4* | *217.3* |
| *Non-current* | *85.0* | *79.8* |

Deferred distribution fees include commissions for distributors for contracts effectively concluded with subscribers. These costs are expensed by the Group to profit or loss over the minimum base period of the subscription contracts.

As at 31 December 2023, the balance of distribution fees relating to agreements whose basic period as at the date of signing was more than 12 months amounted to PLN 308.6 (as at 31 December 2022: PLN 297.1).

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 25. Non-current trade receivables and other non-current assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Non-current trade receivables | 968.1 | 930.0 |
| **Non-current trade receivables total** | **968.1** | **930.0** |
| Shares in associates and joint ventures accounted for using the equity method | 10.1 | 1,884.2 |
| Bonds | 20.8 | - |
| Deferred costs | 9.7 | 4.6 |
| Investment in joint ventures | - | 5.9 |
| Deposits paid | 9.8 | 3.0 |
| Other shares | 617.2 | 2.9 |
| Derivative instruments (note 42) | 35.2 | 17.4 |
| **Total** | **702.8** | **1,918.0** |

As at 31 December 2023 and 31 December 2022 Non-current trade receivables include receivables from installment plan purchases. Non-current trade receivables are denominated in PLN.

- Shares in Asseco Poland S.A. measured at fair value through profit or loss

On 21 September 2023 Cyfrowy Polsat S.A. sold 12.82% Asseco Poland S.A. shares. Following the transaction, the Company holds a total of 10.13% of Asseco shares. After the transaction, i.e. from 21 September 2023 Asseco Poland S.A. is ceased to be an associate. Shares in Asseco Poland S.A. were recognized in the amount of PLN 614.4 as at 31 December 2023 and valued at fair value through profit or loss.

- Shares in associates accounted for using the equity method – PAK-Polska Czysta Energia Sp. z o.o.

On 27 July 2022 Cyfrowy Polsat acquired 40.41% shares in PAK-Polska Czysta Energia Sp. z o.o. As at 31 December 2022 shares were accounted for using the equity method. On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% Pak-Polska Czysta Energia Sp. z o.o. and took control of the company PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries. Settlement of the acquisition of shares is presented in note 40.

## 26. Loans granted

| Loans granted | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Current loans granted | 116.2 | 250.5 |
| Non-current loans granted | 10.9 | 325.6 |
| **Total** | **127.1** | **576.1** |

Loans granted as at 31 December 2023 include mainly loan to Goalscreen Holdings Limited with repayment due date in 2024. Loans granted as at 31 December 2022 included mainly loans to PAK-Polska Czysta Energia Sp. z o.o. with repayment due date in 2023-2025.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| Change in loans granted | 2023 |
|---|---|
| **Loans granted as at 1 January** | **576.1** |
| Repayment of granted loans – capital | (133.0) |
| Repayment of granted loans – interests | (16.0) |
| Granting new loans | 343.4 |
| Interest accrued | 31.8 |
| Foreign exchange | (25.3) |
| The effect of gaining control over PAK-PCE Group and consolidation | (645.5) |
| The effect of gaining control over Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. and consolidation | (4,4) |
| **Loans granted as at 31 December** | **127.1** |

## 27. Contract assets

### Change in contract assets

| Contract assets | 31 December 2023 |
|---|---|
| **Contract assets as at 1 January** | **377.1** |
| Additions | 236.6 |
| Disposals (invoiced amounts transferred to trade receivables) | (250.5) |
| **Contract assets as at 31 December** | **363.2** |
| Write-off | (14.2) |
| **Contract assets as at 31 December** | **349.0** |

## 28. Inventories

| Types of inventories | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Mobile phones | 125.0 | 148.3 |
| Laptops, tablets and modems | 40.2 | 37.3 |
| Set-top boxes and disc drives | 101.7 | 114.8 |
| Apartments | 480.3 | 455.7 |
| Certificates of origin | 24.2 | - |
| Other inventories | 444.2 | 406.3 |
| **Total net book value** | **1,215.6** | **1,162.4** |

Other inventories comprise primarily of raw materials used in the production of set-top boxes and components of photovoltaic installations.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| Write-offs of inventories | 2023 | 2022 |
|---|---|---|
| **Opening balance** | **6.0** | **11.9** |
| Increase | 5.2 | 8.0 |
| Utilisation | (3.1) | (6.4) |
| Decrease | (0.8) | (7.5) |
| **Closing balance** | **7.3** | **6.0** |

## 29. Trade and other receivables

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Trade receivables from related parties | 11.5 | 12.4 |
| Trade receivables from third parties | 2,650.1 | 2,516.6 |
| Tax and social security receivables | 182.4 | 137.7 |
| Other receivables | 103.1 | 84.6 |
| **Total** | **2,947.1** | **2,751.3** |

Trade receivables from third parties include primarily receivables from individual customers, media houses and distributors.

### Trade receivables by currency

| Currency | 31 December 2023 | 31 December 2022 |
|---|---|---|
| PLN | 2,501.4 | 2,412.6 |
| EUR | 143.4 | 92.5 |
| USD | 15.0 | 18.5 |
| Other | 1.8 | 5.4 |
| **Total** | **2,661.6** | **2,529.0** |

### Movements in the allowance for impairment of accounts receivable (trade and other receivables)

| | 2023 | 2022 |
|---|---|---|
| **Opening balance** | **182.4** | **182.2** |
| Increase | 124.4 | 103.0 |
| Reversal | (7.2) | (9.7) |
| Utilisation | (118.3) | (93.1) |
| **Closing balance** | **181.3** | **182.4** |
| *Of which: Short-term* | *126.6* | *125.7* |
| *Long-term* | *54.7* | *56.7* |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 30. Other current assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Derivative instruments (note 42) | 21.6 | 63.9 |
| Unbilled revenue | 46.0 | 7.7 |
| Other deferred costs | 52.7 | 41.8 |
| Other | 19.4 | 23.8 |
| **Total** | **139.7** | **137.2** |

## 31. Cash and cash equivalents

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Cash on hand | 2.1 | 1.3 |
| Current accounts | 318.1 | 290.9 |
| Cash in transit | 0.4 | 0.5 |
| Deposits* | 2,985.4 | 515.8 |
| **Total** | **3,306.0** | **808.5** |

* with maturity of up to 3 months from the date of establishing the deposit

The Group places its cash and cash equivalents in banks and financial institutions with reliability proven by ratings awarded by widely recognized agencies Standard & Poor's, Moody's or Fitch, required by the loan agreement and policies adopted therein.

| Currency | 31 December 2023 | 31 December 2022 |
|---|---|---|
| PLN | 2,191.9 | 745.4 |
| EUR | 1,104.8 | 58.5 |
| USD | 9.2 | 4.4 |
| CHF | 0.1 | 0.2 |
| **Total** | **3,306.0** | **808.5** |

As the Group cooperates with well-established Polish and international banks, the risks relating to deposited cash are considerably limited.

Restricted cash in the amount of PLN 19.7 includes mainly guarantee deposits.

# 32. Equity

## Share capital

Presented below is the structure of the Company's share capital as at 31 December 2023 and at 31 December 2022:

| Share series | Number of shares* | Nominal value of shares | Type of shares |
|---|---|---|---|
| Series A | 2,500,000 | 0.1 | Registered, preference shares (2 voting rights) |
| Series B | 2,500,000 | 0.1 | Registered, preference shares (2 voting rights) |
| Series C | 7,500,000 | 0.3 | Registered, preference shares (2 voting rights) |
| Series D | 166,917,501 | 6.7 | Registered, preference shares (2 voting rights) |
| Series D | 8,082,499 | 0.3 | Ordinary bearer shares |
| Series E | 75,000,000 | 3.0 | Ordinary bearer shares |
| Series F | 5,825,000 | 0.2 | Ordinary bearer shares |
| Series H | 80,027,836 | 3.2 | Ordinary bearer shares |
| Series I | 47,260,690 | 1.9 | Ordinary bearer shares |
| Series J | 243,932,490 | 9.8 | Ordinary bearer shares |
| **Total** | **639,546,016** | **25.6** | |

* not in millions

The shareholders' structure as at 31 December 2023 was as follows:

| | Number of shares* | Nominal value of shares | % of share capital held | Number of votes* | % of voting rights |
|---|---|---|---|---|---|
| Zygmunt Solorz, by: | 396,802,022 | 15.9 | 62.04% | 576,219,523 | 70.36% |
| TiVi Foundation, incl. through: | 386,745,257 | 15.5 | 60.47% | 566,162,758 | 69.13% |
| Reddev Investments Ltd. | 386,745,247 | 15.5 | 60.47% | 566,162,738 | 69.13% |
| incl. through: | | | | | |
| Cyfrowy Polsat S.A.[1] | 88,842,485 | 3.6 | 13.89% | 88,842,485 | 10.85% |
| Tobias Solorz[2], incl. through: | 10,056,765 | 0.4 | 1.57% | 10,056,765 | 1.23% |
| ToBe Investments Group Ltd. | 4,449,156 | 0.2 | 0.70% | 4,449,156 | 0.54% |
| Others | 242,743,994 | 9.7 | 37.96% | 242,743,994 | 29.64% |
| **Total** | **639,546,016** | **25.6** | **100%** | **818,963,517** | **100%** |

* not in millions
[1] Own shares acquired under the buy-back program announced on 16 November 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights attached to own shares.
[2] Person under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

The shareholders' structure as at 31 December 2022 was as follows:

| | Number of shares* | Nominal value of shares | % of share capital held | Number of votes* | % of voting rights |
|---|---|---|---|---|---|
| Zygmunt Solorz, by | 396,802,022 | 15.9 | 62.04% | 576,219,523 | 70.36% |
| TiVi Foundation, incl.through: | 386,745,257 | 15.5 | 60.47% | 566,162,758 | 69.13% |
| Reddev Investments Ltd., incl. through: | 386,745,247 | 15.5 | 60.47% | 566,162,738 | 69.13% |
| Cyfrowy Polsat S.A. [1] | 88,842,485 | 3.6 | 13.89% | 88,842,485 | 10.85% |
| Tobias Solorz [2] | 5,607,609 | 0.2 | 0.88% | 5,607,609 | 0.68% |
| ToBe Investments Group Ltd. | 4,449,156 | 0.2 | 0.70% | 4,449,156 | 0.54% |
| Nationale-Nederlanden PTE | 41,066,962 | 1.6 | 6.42% | 41,066,962 | 5.02% |
| Others | 201,677,032 | 8.1 | 31.53% | 201,677,032 | 24.63% |
| **Total** | **639,546,016** | **25.6** | **100%** | **818,963,517** | **100%** |

* not in millions
[1] Own shares acquired under the buy-back program announced on 16 November 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights attached to own shares.
[2] Person is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

## Share premium

Share premium includes the excess of issue value over the nominal value of shares issued decreased by share issuance-related consulting costs.

## Retained earnings

On 29 June 2023 the Annual General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2022. In accordance with the provisions of the resolution, the total amount of the net profit was allocated to the supplementary capital amounted to PLN 1,248.6.

## Other reserves

Other reserves as at 31 December 2023 include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,914.8.

## Treasury shares

Treasury shares as at 31 December 2023 and as at 31 December 2022 include a total of 88,842,485 (not in millions) own shares, representing in total 13.89% of the share capital of the Company and entitling to exercise 88,842,485 (not in millions) votes at the general meeting of the Company, constituting 10.85% of the total number of votes at the general meeting of the Company.

## Non-controlling interests

Non-controlling interests relate primarily to interests attributable to non-controlling shareholders of Port Praski Sp. z o.o. and its subsidiaries (PLN 269 as at 31 December 2023) and PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries (PLN 620 as at 31 December 2023). PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries are included in Green energy segment. Port Praski Sp. z o.o. and its subsidiaries are included in Real Estate segment.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below shows aggregate data for PAK-PCE Group subsidiaries that have project financing:

| | For the period from July to December 2023 |
|---|---|
| Revenue from sales | 345.5 |
| Operating costs | (348.8) |
| *Including: depreciation* | *(20.7)* |
| Operating loss | (5.5) |

| | As of 31 December 2023 |
|---|---|
| Cash | 250.4 |
| Loan liabilities* | (1,226.5) |
| Lease liabilities | (59.0) |

*excludes inter-company loans

## 33. Hedge valuation reserve

The Company concluded the following interest rate swap transactions, which consisted in exchange of interest payments based on a floating rate WIBOR 3M into interest payments based on a fixed interest rate:

| Conclusion date | Contractor | Nominal amount secured | Hedge start date | Hedge end date | Fixed interest rate |
|---|---|---|---|---|---|
| 26.11.2021 | Santander Bank Polska S.A. | 125.0 | 31.03.2022 | 31.12.2024 | 3.0925% |
| 18.02.2022 | BNP Paribas | 125.0 | 30.09.2022 | 31.12.2024 | 4.1550% |
| 25.03.2022 | PKO Bank Polski S.A. | 125.0 | 30.09.2022 | 31.12.2024 | 5.7200% |
| 29.04.2022 | Santander Bank Polska S.A. | 125.0 | 31.03.2023 | 31.03.2025 | 6.5750% |
| 19.05.2022 | Santander Bank Polska S.A. | 125.0 | 31.03.2023 | 31.03.2025 | 6.2450% |
| 22.07.2022 | BNP Paribas | 125.0 | 31.03.2023 | 30.06.2025 | 6.0600% |

The Company concluded the following currency interest rate swap transactions, which consisted in exchange of interest payments denominated in euro based on a floating rate EURIBOR 3M into interest payments based on a fixed interest rate:

| Conclusion date | Contractor | Nominal amount secured | Hedge start date | Hedge end date | Fixed interest rate |
|---|---|---|---|---|---|
| 26.09.2023 | Societe Generale | 25.0 | 29.09.2023 | 30.09.2026 | 3.6350% |
| 17.11.2023 | Societe Generale | 25.0 | 28.03.2024 | 31.03.2027 | 3.1020% |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The Company concluded the following forward transactions, which consisted on the purchase by the Company of euro currency at a fixed date in the future at the exchange rate determined on the date of the transaction:

| Conclusion date | Contractor | Nominal amount | Maturity date | Forward exchange rate |
|---|---|---|---|---|
| 20.10.2023 | PKO Bank Polski S.A. | 0.65 | 31.01.2024 | 4.4865 |
| 20.10.2023 | PKO Bank Polski S.A. | 0.55 | 29.02.2024 | 4.4939 |
| 20.10.2023 | PKO Bank Polski S.A. | 0.55 | 28.03.2024 | 4.5017 |
| 08.11.2023 | PKO Bank Polski S.A. | 0.40 | 31.01.2024 | 4.4815 |
| 08.11.2023 | PKO Bank Polski S.A. | 0.60 | 30.04.2024 | 4.5040 |
| 21.12.2023 | PKO Bank Polski S.A. | 0.40 | 29.02.2024 | 4.3629 |
| 21.12.2023 | PKO Bank Polski S.A. | 0.60 | 31.05.2024 | 4.3858 |

## Impact of hedging instruments valuation on assets and liabilities as at 31 December 2023

| | IRS | CIRS | Forward transactions |
|---|---|---|---|
| Assets | | | |
| Short-term | 4.3 | - | - |
| Liabilities | | | |
| Long-term | (2.0) | (5.2) | - |
| Short-term | (3.7) | (0.6) | (0.4) |
| **Total** | **(1.4)** | **(5.8)** | **(0.4)** |

## Impact of hedging instruments valuation on assets and liabilities as at 31 December 2022

| | IRS |
|---|---|
| Assets | |
| Long-term | 6.6 |
| Short-term | 16.5 |
| Liabilities | |
| Long-term | (0.7) |
| **Total** | **22.4** |

## Impact of hedging instruments valuation on hedge valuation reserve

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **18.2** | **9.0** |
| Valuation of cash flow hedges | (28.8) | 11.4 |
| Deferred tax | 5.5 | (2.2) |
| **Change for the period** | **(23.3)** | **9.2** |
| **Balance as at 31 December** | **(5.1)** | **18.2** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 34. Loans and borrowings

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Short-term liabilities | 1,069.7 | 1,512.6 |
| Long-term liabilities | 9,534.3 | 6,624.8 |
| **Total** | **10,604.0** | **8,137.4** |

Change in loans and borrowings liabilities:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **8,137.4** | **8,744.5** |
| Loans and borrowings on acquisition of PAK-Polska Czysta Energia Sp. z o.o. (see note 40) | 1,704.2 | - |
| Effect of obtaining control over PAK-Polska Czysta Energia Sp. z o.o. and consolidation | (645.5) | - |
| Loans and borrowings on acquisition of Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. (see note 40) | 8.8 | - |
| Effect of obtaining control over Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. | (4.4) | - |
| Loans and borrowings on acquisition of Port Praski Sp. z o.o. | - | 238.3 |
| Loans and borrowings inflows* | 12,157.0 | 141.2 |
| Loan conversion | (8,255.0) | - |
| Repayment of capital | (2,327.0) | (1,045.1) |
| Repayment of interest and commissions** | (1,018.6) | (525.7) |
| One-time loans repayment | 20.8 | - |
| Interest accrued and commissions | 908.4 | 582.7 |
| Foreign exchange | (82.1) | 1.5 |
| **Balance as at 31 December** | **10,604.0** | **8,137.4** |

* includes capital increase due to capitalization of accrued interest
** includes interest settled under capitalization of interest on principal

### Conclusion of Senior Facilities Agreement with a consortium of financial institutions

On 28 April 2023, Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. and other subsidiaries of the Cyfrowy Polsat S.A. Capital Group concluded the Senior Facilities Agreement, sustainability linked financing (the “Facilities Agreement”), with a consortium of Polish and foreign financial institutions, including, among others, Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent.

The Facilities Agreement provides to the Company and Polkomtel Sp. z o.o. for PLN term facility loan to be granted up to a maximum amount of PLN 7,255.0, an EUR term facility loan up to a maximum amount of EUR 506.0 (the “Term Facilities”) and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 (the “Revolving Facility”).

The Term Facilities and the Revolving Facility bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the Term Facilities and the Revolving Facility depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Company’s capital group, and also on the achievement by the Cyfrowy Polsat S.A. Capital Group of certain targets concerning green energy production and zero-carbon electricity consumption by certain entities from the Company's capital group.

The Term Facilities and the Revolving Facility will be used by the Company in particular for:
a) repayment of all indebtedness under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020,
b) making funds available to companies implementing investment projects defined in the Facilities Agreement; and
c) financing general corporate needs of the Company's capital group.

The Facilities Agreement provides for the establishment by the Company and other entities in the Cyfrowy Polsat S.A. Capital Group of collateral securing the repayment of loans granted thereunder.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Facilities Agreement and the final repayment date of each of these facilities is 28 April 2028. The PLN term facility will be repaid in quarterly installments of varying amounts. The EUR term facility will be repaid in one installment on the final repayment date.

## Decision on early repayment of facility loans

On 9 May 2023 Cyfrowy Polsat and Polkomtel Sp. z o.o. (a subsidiary of the Company) submitted to the facility agent an irrevocable instruction to activate the procedure for early repayment of the full amount of the term facility loan and the revolving facility loan granted under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020.

A prepayment in the aggregate amount of PLN 8,843.7 was made on 16 May 2023.

As a result of the prepayment, the Company and Polkomtel Sp. z o.o. repaid the entire debt under the indicated facilities agreement.

## Security

Pursuant to the Facilities Agreement, certain members of the Company's capital group are to grant guarantees under the English law to each of the financing parties under the Senior Facilities Agreement and other finance documents executed in relation thereto (in the amount of the facility increased by all fees and receivables contemplated in the Senior Facilities Agreement or other finance documents executed in relation thereto). The guarantees secure:

(i) the timely discharge of the obligations under the Senior Facilities Agreement and other finance documents executed in relation thereto;
(ii) a payment of amounts due under the Senior Facilities Agreement and other finance documents executed in relation thereto and
(iii) an indemnification of the financing parties referred to above against any liabilities, costs and losses that such financing parties may incur in relation to the unenforceability, ineffectiveness or unlawfulness of any obligation secured by the guarantee described above.

The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

In order to secure the repayment of claims under the Senior Facilities Agreement, the Company, other Group companies listed below, as guarantors, and the Security Agent, entered into and signed agreements and other documents providing for the establishment of the following collateral:

(i) registered pledges over collections of movables and property rights of variable composition, included in the enterprises of the Company, Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy Sp. z o.o., Polsat Media Sp. z o.o. and Muzo.fm Sp. z o.o.;

(ii) financial and registered pledges over all shares in Polkomtel Sp. z o.o. and Telewizja Polsat Sp. z o.o. held by the Company, as well as over all shares in Netia S.A. held by the Company, and all shares in Polsat Media Biuro Reklamy Sp. z o.o. and Muzo.fm Sp. z o.o. held by Telewizja Polsat Sp. z o.o., and over all shares in Polsat Media Sp. z o.o. held by the Company, Telewizja Polsat Sp. z o.o. and Polsat Media Biuro Reklamy Sp. z o.o., for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies;

(iii) financial and registered pledges over the receivables related to the bank accounts of the Company, Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy Sp. z o.o., Polsat Media Sp. z o.o. and Muzo.fm Sp. z o.o., for which the applicable law is the Polish law;

(iv) powers of attorney to the bank accounts of the Company, Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy Sp. z o.o., Polsat Media Sp. z o.o. and Muzo.fm Sp. z o.o., for which the applicable law is the Polish law;

(v) registered pledges over the rights to the trademarks of the Company, Polkomtel Sp. z o.o., Telewizji Polsat Sp. z o.o., Netia S.A., Polsat Media Sp. z o.o., for which the applicable law is Polish law;

(vi) assignment of receivables for security under hedging agreements payable to the Company and Polkomtel Sp. z o.o., for which the applicable law is English law;

(vii) assignment of rights for security under insurance agreements for real properties and assets made by the Company, Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy Sp. z o.o., Polsat Media Sp. z o.o. and Muzo.fm Sp. z o.o.;

(viii) statements of the Company, Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy Sp. z o.o., Polsat Media Sp. z o.o. and Muzo.fm Sp. z o.o. on submission to enforcement under a notarial deed, for which the applicable law is Polish law;

(ix) a joint contractual mortgage, governed by Polish law, over the following real properties owned by or in perpetual usufruct of the Company: (a) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00104992/7, (b) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00102149/9, (c) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00103400/4, (d) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00131411/9, (e) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100110/3, (f) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100109/3, (g) land property located in Warsaw, Praga Północ district, land and mortgage register No. WA3M/00102615/7, (h) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00132063/1, (i) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00101039/8, (j) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00136943/2, (k) land held in perpetual usufruct and a building constituting a separate property located in Warsaw, Targówek district, in the area of ul. Utrata, land and mortgage register No. WA3M/00186120/2;

(x) a contractual mortgage, governed by Polish law, over land property located in Warsaw, Ursynów district, in the area of ul. Baletowa and Puławska, land and mortgage register No. WA5M/00478842/7, owned by Polkomtel;

(xi) a joint contractual mortgage, governed by Polish law, over the following properties owned or co-owned by Netia S.A.: (a) land property located in Jawczyce, Ożarów Mazowiecki commune, land and mortgage register WA1P/00133706/7, (b) land property located in Kraków, Podgórze district, in the area of ul. Luciany Frassati-Gawrońskiej, land and mortgage register KR1P/00359665/5, (c) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA2M/00142936/8, (d) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA5M/00468204/0, (e) land property located in Warsaw, Ursynów district, in the area of ul. Tango, land and mortgage register WA2M/00138733/4.

## Financing of projects related to the production of green Energy

In 2021-2023, the companies of the PAK-PCE Group concluded investment loan agreements to finance the implementation of investment projects related to renewable energy sources.

### *PAK-PCE Biopaliwa i Wodór Sp. z o.o.*

On 1 July 2022, an amendment agreement to the loan agreement of 29 January 2021 was made between ZE PAK S.A. (ZE PAK), PAK-PCE Biopaliwa i Wodór Sp. z o.o. (PAK-PCE BiW) and Bank Polska Kasa Opieki S.A., on the basis of which a loan in the total amount of up to PLN 160.0 was transferred to PAK-PCE BiW intended to finance an investment project aimed at adapting an existing coal-fired unit, located at the Konin power plant, to burn biomass. The loan is repayable in quarterly installments of equal amount starting from 30 June 2022 and the final repayment date is 31 December 2030. The loan bears interest at a variable rate which is the sum of the WIBOR rate for the relevant interest period and a margin. The carrying value of the loan as of 31 December 2023 was PLN 127.1.

In order to secure the repayment of the loan granted, the following were established and signed: (i) a mortgage on the indicated properties of PAK-PCE BiW, (ii) financial and registered pledge on bank accounts maintained by the PAK-PCE BiW in Bank Pekao S.A. and power of attorney for each of the aforementioned bank accounts, (iii) transfer for collateral from insurance policies of assets of PAK-PCE BiW as well as assignment of receivables from heat supply contracts for the city Konin and (iv) a statement of submission of PAK-PCE BiW to execution pursuant to Article 777 § 1 point 5 of the Code of Civil Procedure.

On 23 June 2022 PAK-PCE BiW entered with Bank Polska Kasa Opieki S.A. into a credit limit agreement with maximum amount of PLN 25.0 to finance the company's general corporate purposes. Credit limit agreement expires on 30 November 2024. The loan bears interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest period and a margin. As of December 31, 2023, the company has not used the limit.

### Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.

On 20 September 2022 Farma Wiatrowa Kazimierz Biskupi Sp. z o.o. (FW Kazimierz Biskupi) entered into an investment loan agreement with Bank Gospodarstwa Krajowego intended for the construction of a wind farm. The loan agreement provides for a term loan up to a maximum amount of PLN 135.0 and VAT loan up to maximum amount of PLN 30.0. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan will be repaid in quarterly installments. Repayment of the first installment is scheduled no later than 20 June 2024 and the final repayment date is 20 December 2038 for term loan and 20 September 2024 for VAT loan. The total carrying amount of investment loan as at 31 December 2023 was PLN 122.4.

In order to secure the repayment of the loan granted, the following were established and signed: (i) financial and registered pledge (subject to its registration) on all shares in the share capital of FW Kazimierz Biskupi together with a power of attorney to exercise the corporate rights of such shares, (ii) financial and registered pledge (subject to its registration) on receivables from bank account agreements of FW Kazimierz Biskupi, (iii) financial pledge (subject to its registration) on collection of property and property rights belonging to FW Kazimierz Biskupi, (iv) assignment as collateral to the bank of rights and receivables inter alia, an electricity sales contract, a construction contract, and loan agreements, (v) a debt subordination agreement, according to which claims of PAK-PCE against FW Kazimierz Biskupi were subordinated to the bank's claims under the loan agreement, (vi) power of attorney over bank accounts FW Kazimierz Biskupi and (vii) declarations of FW Kazimierz Biskupi and PAK-PCE on submission to execution under Article 777 of the Code of Civil Procedure.

### Park Wiatrowy Pałczyn 1 Sp. z o.o. (Farma Miłosław)

On 20 April 2023 Park Wiatrowy Pałczyn 1 Sp. z o.o. (PW Pałczyn) entered into a investment loan agreement with Bank Polska Kasa Opieki S.A. intended for the construction of a wind farm Miłosław. The loan agreement provides for a term loan up to a maximum amount of PLN 95.5 and VAT loan up to maximum amount of PLN 5.0. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan will be repaid in quarterly installments. Repayment of the first installment is scheduled no later than 20 June 2024 and the final repayment date is 20 December 2038 for term loan and 31 December 2023 for VAT loan. The total carrying amount of investment loan as at 31 December 2023 was PLN 76.9.

In order to secure the repayment of the loan granted, the following were established and signed: (i) financial and registered pledge on shares of PW Pałczyn, (ii) financial and registered pledge on bank accounts of PW Pałczyn and power of attorney for each of the aforementioned bank accounts, (iii) registered pledge on assets, (iv) assignment from contracts that are essential project documentation, (v) assignment of insurance policies, and (vi) declarations of PW Pałczyn on submission to execution under Article 777, paragraph 1 points 5 and 6 of the Code of Civil Procedure.

### PAK-Polska Czysta Energia Sp. z o.o.

On 23 June 2021 PAK-Polska Czysta Energia Sp. z o.o. (PAK-PCE) entered into a loan agreement with EFG Bank in the total amount of PLN 300.0. intended for the support of all investments and other activities related to renewable energy projects. On 17 March 2023 maximum amount of available credit has been increased to PLN 360.0. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan will be repaid in quarterly installments. The total loan debt plus interest was repaid on 3 October 2023.

In addition, PAK-PCE was a party to loan agreements with ZE PAK S.A. in total maximum amount of PLN 795.9 borrowed to finance investments related to the development and production of green hydrogen, hydrogen buses and the implementation of renewable energy installations. The interest rate on the loans was variable and was the sum of the WIBOR rate for the relevant interest periods and a margin. The final repayment date was 31 December 2023. The total loan debt plus interest was repaid on 3 October 2023.

### *PAK-PCE Fotowoltaika Sp. z o.o.*

On 12 March 2021 PAK-PCE Fotowoltaika Sp. z o.o. concluded with a consortium of banks consisting of: PKO BP S.A., Bank Pekao S.A. and mBank S.A. credit agreement, under which an investment loan was made available to the company up to a maximum amount of PLN 175.0 to finance the construction of a photovoltaic farm, of which the term loan is PLN 138.0 and the loan to finance VAT is PLN 37.0. The VAT loan was repaid on June 30, 2022. Pursuant to an amendment agreement dated March 31, 2023, the term loan limit was raised to a maximum amount of PLN 182.0. The loan bears interest at a variable rate that is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repayable in quarterly installments according to the payment schedule starting from 31 March 2022 while the final repayment date is 31 December 2035. The total carrying amount of investment loan as at 31 December 2023 was PLN 162.7.

In order to secure the repayment of the loan granted, the following were established and signed: (i) mortgage on the property, (ii) financial and registered pledge on bank accounts, (iii) financial and registered pledge on shares in PAK-PCE Fotowoltaika Sp. z o.o., (iv) registered pledge on movable assets, (v) assignment of receivables from the main contracts of the project, including the insurance policies, (vi) declarations on submission to execution under Article 777 of the Code of Civil Procedure, (vii) ZE PAK surety up to PLN 10.0, (viii) power of attorney for PAK-PCE Fotowoltaika Sp. z o.o. bank accounts.

In addition, PAK-PCE Fotowoltaika Sp. z o.o. signed 3 loan agreements with ZE PAK S.A. (on 8 March 2021, 9 March 2021 and 29 March 2022) for a total maximum amount of up to PLN 9.5. The funds from the loans received were used to build a photovoltaic farm and finance the company's current operations. The loans bear interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest periods and a margin. The loans mature on 31 December 2035. Total debt under the loans as of 31 December 2023 was PLN 11.3.

### *PAK-PCE Polski Autobus Wodorowy Sp. z o.o.*

On 22 December 2022 PAK-PCE Polski Autobus Wodorowy Sp. z o.o. (PAK-PCE PAW) concluded with the National Environmental Protection and Water Management Fund an agreement on financing in the form of a loan for the construction of a production plant for innovative hydrogen buses in Świdnik. The loan was granted for a maximum amount of PLN 50.0. The loan bears interest at a variable rate of the WIBOR 3M rate with a minimum rate limitation. The term loan is repayable in quarterly equal installments according to the payment schedule starting from 20 December 2025 while the final repayment date is 20 December 2037. The total carrying amount of investment loan as at 31 December 2023 was PLN 30.2.

In connection with the loan agreement, the following were signed: (i) a blank promissory note with a promissory note declaration, (ii) a promissory note guarantee of ZE PAK S.A. along with a promissory note declaration, (iii) a mortgage on the real estate on which the project is implemented, (iv) a declaration of submission to execution on the subject of the mortgage, and (v) a pledge on a set of property and rights - once the project is implemented.

### *PAK Volt S.A.*

PAK Volt S.A. entered into two loan agreements with ZE PAK S.A. to finance the company's current operations: on 15 December 2020 in maximum amount of PLN 13.0 and on 24 November 2022 in maximum amount of PLN 120.0. The loans bore interest at a variable rate that was the sum of the WIBOR rate for the relevant interest periods and a margin. The

15 December 2020 loan was repaid with interest on 2 October 2023. The 24 November 2022 loan matures on 31 December 2025, and as of 31 December 2023, it had not been utilized.

### *Farma Wiatrowa Przyrów Sp. z o.o.*

On 16 October 2023, Farma Wiatrowa Przyrów Sp. z o.o. (FW Przyrów) entered into a loan agreement with EFG Bank (Luxembourg) S.A. providing for the granting of financing in the form of a term loan up to the amount of PLN 360.0, bearing interest at a variable rate representing the sum of the WIBOR rate for the relevant interest periods and a margin. The funds raised are used to implement the "Przyrów" wind power project with a target estimated installed capacity of 50.4 MW. The loan's repayment date was set for 16 October 2028. The carrying value of the loan as of 31 December 2023 was PLN 222.2.

### *Great Wind Sp z o.o. (Farma Wiatrowa Człuchów)*

On 9 November 2023 Great Wind Sp. z o.o. („Great Wind") concluded with a consortium of banks consisting of: BGK, mBank S.A., Santander Bank Polska S.A. and PKO BP S.A. credit agreement, on the basis of which a term loan up to the maximum amount of PLN 656, revolving credit up to a maximum amount of PLN 44 and VAT revolving credit up to a maximum amount of PLN 100 was made available to the company. The loans will be used to finance the construction of a Człuchów wind farm. The loan bears interest at a variable rate that is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repayable in quarterly installments according to the payment schedule starting from 20 March 2025 while the final repayment date is 20 December 2039. The revolving credit facility will be repaid no later than 31 December 2029. The VAT revolving credit will be repaid by 30 June 2025. As of 31 December 2023, the carrying amount of the term loan and VAT loan (combined) was PLN 473.8.

In order to secure the repayment of the loan granted, the following were established and signed: (i) registered pledge on a collection of movables and property rights of variable composition, which are part of an enterprise Great Wind, (ii) financial pledges and registered pledges on all shares in Great Wind held by PAK-PCE, together with a power of attorney to exercise corporate rights from shares in Great Wind; (iii) financial and registered pledges on claims under Great Wind's bank account agreements; (iv) powers of attorney to Great Wind's bank accounts; (v) guarantee of contribution by PAK-Polska Czysta Energia Sp. z o.o.; (vi) guarantee of cost overruns by ZE PAK S.A.. In addition, subordination and assignment by way of security of certain claims of PAK-Polska Czysta Energia Sp. z o.o. against Great Wind with respect to the claims of the financing parties under the loan agreement and related documents, assignment by way of security of claims under the project documents and guarantees owed to Great Wind, agreements for the sale of electricity generated at the renewable energy source and financial settlement agreement (contract for difference) were concluded with the contractors; and declarations of submission to execution were made by Great Wind and PAK-PCE.

# 35. Issued bonds

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Short-term liabilities | 393.7 | 176.0 |
| Long-term liabilities | 3,955.4 | 1,900.4 |
| **Total** | **4,349.1** | **2,076.4** |

Change in issued bonds:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **2,076.4** | **2,008.5** |
| Bonds issue (series D bonds) | 2,670.0 | - |
| Bonds issue (series E bonds) | 799.5 | - |
| Bond issue (series F bonds) | 400.0 | - |
| Bonds redemption (series B and C bonds*) | (1,688.1) | - |
| Issued bonds on acquisition of Vindix S.A. | - | 28.0 |
| Effect of gaining control over Vindix S.A. and consolidation | - | (19.3) |
| Bonds repayment | - | (8.3) |
| Repayment of interest and commissions** | (254.8) | (88.1) |
| Cumulative catch-up | (20.8) | - |
| Interest accrued and commissions | 366.9 | 155.6 |
| **Balance as at 31 December** | **4,349.1** | **2,076.4** |

* redemption through conversion into series D and E bonds
** incl. interests and premium for early redemption of bonds settled as part of the conversion

## Issuance of series D, series E and series F bonds and refinancing of debts under Series B and Series C

On 16 December 2022 the Management Board of the Company adopted resolutions on:

- issuance of no more than 2,670,000 (not in millions) unsecured series D bearer bonds with the nominal value of PLN 1,000 (not in millions) each and the total nominal value of no more than PLN 2,670 ("series D bonds"),
- purchase by the Company from the bondholders of the series B bonds and series C bonds issued by the Company, some or all of the series B bonds and series C bonds for the purpose of their redemption, based on sale and set-off agreements to be entered into by the Company with those of the series B bonds and series C bonds bondholders who declare their intention to sell such bonds and have their receivables for the series B bonds and series C bonds sale credited against the purchase price of the series D bonds.

On 11 January 2023, the issue of 2,670,000 (not in millions) series D bonds, with the total nominal value of PLN 2,670 was completed. The maturity date of the series D bonds is 11 January 2030. Interest on the series D bonds is paid in arrears every six months. The first interest payment was made on 11 July 2023.

The first trading day for the series D bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 20 January 2023.

At the same time, on 11 January 2023, Cyfrowy Polsat S.A. repurchased for redemption 691,952 (not in millions) series B bearer bonds with the total nominal value of PLN 692 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 835,991 (not in millions) series C bearer bonds with the total nominal value of PLN 836 issued by the Company on 14 February 2020, with the redemption date set for 12 February 2027 (collectively "Bonds Repurchased for Redemption") from investors holding rights to the Bonds Repurchased for Redemption who paid the issue price of the series D bonds, registered on 11 January 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series D bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 11 January 2023 the Management Board of the Company adopted a resolution to redeem the Bonds Repurchased for Redemption.

On 7 September 2023 the Management Board of the Company adopted resolutions on:

- issuance of no more than 820,000 (not in millions) unsecured series E bearer bonds with the nominal value of PLN 1,000 (not in millions) each and the total nominal value of no more than PLN 820 ("series E bonds"),
- purchase by the Company from the bondholders of the series B bonds and series C bonds issued by the Company, some or all of the series B bonds and series C bonds for the purpose of their redemption, based on sale and set-off agreements to be entered into by the Company with those of the series B bonds and series C bonds bondholders who declare their intention to sell such bonds and have their receivables for the series B bonds and series C bonds sale credited against the purchase price of the series E bonds.

On 28 September 2023, the issue of 820,000 (not in millions) series E bonds, with the total nominal value of PLN 820 was completed. The maturity date of the series E bonds is 11 January 2030. Interest on the series E bonds is paid in arrears every six months. The first payment was made on 11 January 2024.

The first trading day for the series E bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 28 September 2023.

At the same time, on 28 September 2023, Cyfrowy Polsat S.A. repurchased for redemption 84,250 (not in millions) series B bearer bonds with the total nominal value of PLN 84 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 75,956 (not in millions) series C bearer bonds with the total nominal value of PLN 76 issued by the Company on 14 February 2020, with the redemption date set for 12 February 2027 (collectively "Bonds Repurchased for Redemption") from investors holding rights to the Bonds Repurchased for Redemption who paid the issue price of the series E bonds, registered on 28 September 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series E bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 28 September 2023 the Management Board of the Company adopted a resolution to redeem the Bonds Repurchased for Redemption.

On 11 December 2023 the Managament Board of the Company adopted resolution on issuance of 400,000 (not in millions) unsecured series F bearer bonds with the nominal value of PLN 1,000 (not in millions) each and the total nominal value of PLN 400 ("series F bonds"). On 28 September 2023 the assimilation of the series E bonds with the series D bonds was completed.

Issuance of 400,000 (not in millions) series F bonds of the total nominal value of PLN 400 was executed on 21 December 2023. All series F bonds were allocated to one investor, i.e. PFR Investment Fund Closed of Non-Public Assets.

On 21 December 2023 series F bonds have been entered in the securities register kept by Trigon Dom Maklerski S.A., acting as issuing agent for series F bonds. The Company does not intend to apply for the introduction of series F bonds to the alternative trading system operated by the Wasaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) within the Catalyst market.

The interest rates on the Series D, E and F bonds are variable and depend on both financial ratios and the sustainability index, i.e. the share of electricity from zero-carbon sources in the total consumption of electricity for the Group's own consumption of selected companies. Interest on Series D, E and F bonds is paid semi-annually on January 11 and July 11.

In accordance with Article 35 Paragraphs 1a and 1c of the Bond Law, the Company presented on its website in the investor relations section forecasts of the development of financial liabilities, including the estimated value of financial liabilities and the estimated structure of financing understood as the value and percentage of liabilities from loans and borrowings, issued bonds and leases in the total equity and liabilities of the Company's balance sheet and the consolidated balance sheet of the Group. The following table compares the forecast with actual results based on the Company's standalone and consolidated balance sheet as at 31 December 2023.

| | 31 December 2023 forecast [PLN billion] | 31 December 2023 actual results [PLN billion] |
|---|---|---|
| **Cyfrowy Polsat S.A.** | | |
| Value of financial liabilities (from loans and borrowings, issued bonds and leasing) | 6.6 | 6.6 |
| Share in total equity and liabilities | 33% | 33% |
| **Cyfrowy Polsat S.A. Capital Group** | | |
| Value of financial liabilities (from loans and borrowings, issued bonds and leasing) | 16.6 | 15.6 |
| Share in total equity and liabilities | 44% | 43% |

On standalone basis, there is no deviation of the actual value of financial liabilities (due to loans and borrowings, issued bonds and leasing) at the end of 2023 and the share of this value in the Company's total equity and liabilities at the end of 2023 from the published estimated values.

On a consolidated basis, the deviation from the estimate of the actual value of the Group's financial liabilities (due to loans and borrowings, issued bonds and leasing) at the end of 2023 amounted to approximately PLN 1 billion (not in millions) and resulted from the repayment of the entire debt under the revolving facility loan in the amount of PLN 1 billion (not in millions) in December 2023.

## 36. Lease liabilities

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Short-term liabilities | 166.2 | 178.6 |
| Long-term liabilities | 444.6 | 345.6 |
| **Total** | **610.8** | **524.2** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Change in lease liabilities:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **524.2** | **698.6** |
| Acquisition of a subsidiary (see note 40) | 76.4 | 16.5 |
| Effect of gaining control and consolidation | - | (110.9) |
| Changes | 214.2 | 114.7 |
| Interest accrued | 29.5 | 19.9 |
| Repayment of capital and interest | (222.9) | (216.6) |
| Foreign exchange differences | (10.6) | 2.0 |
| **Balance as at 31 December** | **610.8** | **524.2** |

## 37. Group as a lessor

### Operating lease

The Group entered into contracts with third parties, which are classified as operating leases based on their economic substance. The contracts relate to the rental of reception equipment and lease of office and other premises. Assets connected with such contracts are presented as either reception equipment or other property, plant and equipment.

Lease contracts for set-top boxes were concluded for a base contractual period ranging from 12 to 24 months. After each base period, the contracts are converted into contracts with indefinite term, unless terminated by the subscribers or new contracts are signed.

Future minimum lease payments with respect to operating lease are as follows.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| less than 1 year | 217.6 | 201.4 |
| between 1 and 5 years | 146.1 | 134.8 |
| more than 5 years | 41.4 | 44.6 |
| **Total** | **405.1** | **380.8** |

The Group generated revenues from operating leasing agreements in the amount of PLN 320.9 in 2023 and in the amount of PLN 339.3 in 2022.

## 38. Other non-current liabilities and provisions

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Payables relating to purchase of programming rights | 108.7 | 217.4 |
| Provisions | 73.4 | 56.9 |
| Other | 203.5 | 56.6 |
| *includes: derivative instruments* | *24.0* | *4.3* |
| **Total** | **385.6** | **330.9** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 39. Trade and other payables

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Trade payables to related parties | 9.0 | 44.9 |
| Trade payables to third parties | 541.2 | 494.1 |
| Taxation and social security payables | 173.0 | 238.5 |
| Payables relating to purchase of programming rights to related parties | 1.0 | 1.4 |
| Payables relating to purchase of programming rights to third parties | 281.4 | 448.2 |
| Payables relating to purchases of tangible and intangible assets | 456.7 | 967.5 |
| Accruals | 1,213.7 | 1,220.5 |
| Short-term provisions | 67.2 | 74.3 |
| Derivative instruments liabilities (note 42) | 20.2 | 2.1 |
| Other | 409.2 | 275.6 |
| **Total** | **3,172.6** | **3,767.1** |

### Accruals

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Salaries | 176.1 | 165.1 |
| License fees and royalties for copyright management organizations | 102.5 | 113.1 |
| Distribution costs | 61.1 | 54.5 |
| Costs of settlements with telecommunication operators | 70.3 | 102.7 |
| Network maintenance costs | 305.4 | 187.6 |
| Investment purchases | 114.4 | 229.3 |
| Other | 383.9 | 368.2 |
| **Total** | **1,213.7** | **1,220.5** |

### Short-term and long-term provisions

| | 2023 | 2022 |
|---|---|---|
| **Balance as at 1 January** | **131.2** | **137.9** |
| Acquisition of a subsidiary | 9.3 | - |
| Increases | 43.8 | 75.1 |
| Reversal | (16.5) | (17.1) |
| Utilisation | (27.2) | (64.7) |
| **Balance as at 31 December** | **140.6** | **131.2** |
| *Of which:* | | |
| *Short-term* | *67.2* | *74.3* |
| *Long-term* | *73.4* | *56.9* |

Provisions comprise *inter alia* of provision for license fees, litigation and disputes and retirement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### Trade payables and payables relating to purchases of programming rights and non-current assets by currency

| Currency | 31 December 2023 | 31 December 2022 |
|---|---|---|
| PLN | 1,028.3 | 1,554.4 |
| EUR | 174.1 | 320.8 |
| USD | 83.2 | 77.3 |
| Other | 3.7 | 3.6 |
| **Total** | **1,289.3** | **1,956.1** |

### Accruals by currency

| Currency | 31 December 2023 | 31 December 2022 |
|---|---|---|
| PLN | 1,087.3 | 1,111.3 |
| EUR | 83.3 | 70.9 |
| USD | 15.0 | 11.1 |
| Other | 28.1 | 27.2 |
| **Total** | **1,213.7** | **1,220.5** |

**Other notes**

## 40. Acquisition of subsidiaries

### Acquisition of shares in Enterpol Sp. z o.o. – final purchase price allocation

On 7 June 2022 Netia S.A. (Company's subsidiary) acquired 100% shares in Enterpol Sp. z o.o. ("Enterpol").

The total consideration  amounted to PLN 15.0.

**CONSIDERATION TRANSFERRED**

| | Final value of consideration transferred |
|---|---|
| Cash transferred for the 100% shares of Enterpol | 14.4 |
| Liability due pursuant to the purchase agreement | 0.6 |
| **Final value as at 7 June 2022** | **15.0** |

**RECONCILIATION OF TRANSACTIONAL CASH FLOW**

| | |
|---|---|
| Cash transferred | (14.4) |
| Cash and cash equivalents received | 0.2 |
| **Cash decrease in the period of 12 months ended 31 December 2022** | **(14.2)** |

**FINAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE**

The table below presents final fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Final fair value of assets and liabilities as at 7 June 2022:

| | Fair value as at the acquisition date (7 June 2022) |
|---|---|
| **Net assets:** | |
| Customer relationships | 4.0 |
| Property, plant and equipment | 0.1 |
| Right-of-use assets | 0.4 |
| Trade and other receivables | 0.1 |
| Cash and cash equivalents | 0.2 |
| Lease liabilities | (0.3) |
| Trade and other payables | (0.3) |
| Deferred tax liabilities | (0.7) |
| **Value of net assets** | **3.5** |
| **Consideration transferred** | **15.0** |
| **Goodwill** | **11.5** |

Goodwill is allocated to the “B2C and B2B services” operating segment.

The Group has not identified any differences within the final settlement of the acquisition (compared to preliminary) and therefore the comparative data has not been restated.

The revenue and net loss included in the consolidated income statement for the reporting period since 7 June 2022 to 31 December 2022 contributed by Enterpol amounted to PLN 2.4 and PLN 0.0, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,916.3 and PLN 900.9, respectively.

## Acquisition of shares in Oktawave S.A. – final purchase price allocation

On 21 June 2022 Netia S.A. (Company’s subsidiary) acquired 100% shares in Oktawave S.A. (“Oktawave”).

The total consideration for acquisition amounted to PLN 34.3.

### CONSIDERATION TRANSFERRED

| | Final value of consideration transferred |
|---|---|
| Consideration | 34.3 |
| **Final value as at 21 June 2022** | **34.3** |

### RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred | (34.3) |
| Cash and cash equivalents received | 1.6 |
| **Cash decrease in the period of 12 months ended 31 December 2022** | **(32.7)** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### FINAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents final fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

Final fair value of assets and liabilities as at 21 June 2022:

| | Fair value as at the acquisition date (21 June 2022) |
|---|---|
| **Net assets:** | |
| Customer relationships | 15.3 |
| Other intangible assets | 6.5 |
| Property, plant and equipment | 0.8 |
| Right-of-use assets | 1.5 |
| Deferred tax assets | 0.9 |
| Trade and other receivables | 2.9 |
| Other current assets | 0.1 |
| Cash and cash equivalents | 1.6 |
| Lease liabilities | (1.0) |
| Trade and other payables | (2.4) |
| Contract liabilities | (0.8) |
| Deferred tax liabilities | (3.5) |
| **Value of net assets** | **21.9** |
| **Consideration transferred** | **34.3** |
| **Goodwill** | **12.4** |

Goodwill is allocated to the “B2C and B2B services” operating segment.

The Group has not identified any differences within the final settlement of the acquisition (compared to preliminary) and therefore the comparative data has not been restated.

The revenue and net loss included in the consolidated income statement for the reporting period since 21 June 2022 to 31 December 2022 contributed by Oktawave amounted to PLN 10.9 and PLN 1.1, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,925.6 and PLN 899.3, respectively.

## Acquisition of shares in Antyweb Sp. z o.o. – final purchase price allocation

On 26 September 2022 Grupa Interia.pl Sp. z o.o. Sp. k. (Company’s subsidiary) acquired 70% shares in Antyweb Sp. z o.o. for the purchase price of PLN 10.1.

Consequently, the Group obtained control over Antyweb Sp. z o.o.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### Final consideration transferred

| | Final value of consideration transferred |
|---|---|
| Consideration | 10.1 |
| **Final value as at 26 September 2022** | **10.1** |

### Reconciliation of transactional cash flow

| | |
|---|---|
| Cash transferred for 70% shares | (10.1) |
| Cash and cash equivalents received | 0.7 |
| **Cash decrease in the period of 12 months ended 31 December 2022** | **(9.4)** |

### Final fair value valuation of net assets as at the acquisition date

The table below presents final fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

Final fair value of assets and liabilities as at 26 September 2022:

| | Fair value as at the acquisition date (26 September 2022) |
|---|---|
| **Net assets:** | |
| Property, plant and equipment | 0.0 |
| Other intangible assets | 0.0 |
| Trade and other receivables | 0.6 |
| Other current assets | 0.0 |
| Cash and cash equivalents | 0.7 |
| Trade and other payables | (0.1) |
| **Value of net assets** | **1.2** |
| **Value of net assets attributable to non-controlling interest** | **0.4** |
| **Value of net assets attributable to the Group** | **0.8** |
| **Consideration transferred** | **10.1** |
| **Goodwill** | **9.3** |

Goodwill is allocated to the “Media” operating segment.

The Group has not identified any differences within the final settlement of the acquisition (compared to preliminary) and therefore the comparative data has not been restated.

The revenue and net profit included in the consolidated income statement for the period since 26 September 2022 to 31 December 2022 contributed by Antyweb Sp. z o.o. amounted to PLN 1.0 and PLN 0.4, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,916.3 and PLN 901.5, respectively.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## Acquisition of 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise – purchase price allocation

On 1 December 2022 Liberty Poland S.A. (Company's subsidiary) acquired 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise for the purchase price of PLN 6.4.

In February 2023 the company paid an additional amount of PLN 0.1, thus the purchase price increased to PLN 6.5.

### CONSIDERATION TRANSFERRED

| | Value of consideration transferred |
|---|---|
| Cash transferred for the organized part of the enterprise | 6.5 |
| **Value** | **6.5** |

### RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred | (6.5) |
| **Cash decrease** | **(6.5)** |

### FAIR VALUE VALUATION OF NET ASSETS AND GOODWILL AS AT THE ACQUISITION DATE

The table below presents fair value of identified assets and liabilities of the acquired organized part of the enterprise, as at the acquisition date, and goodwill accounted for an acquisition.

Fair value of assets and liabilities as at 1 December 2022:

| | Fair value as at the acquisition date (1 December 2022) |
|---|---|
| **Net assets:** | |
| Property, plant and equipment | 0.0 |
| Deferred tax assets | 0.2 |
| Trade and other payables | (1.1) |
| **Value of net assets** | **(0.9)** |
| **Consideration transferred** | **6.5** |
| **Goodwill** | **7.4** |

Goodwill is allocated to the “B2C and B2B services” operating segment.

## Acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o. – provisional purchase price allocation

On 27 July 2022 Cyfrowy Polsat acquired 40.41% shares of PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries (“PAK-PCE Group”).

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

As of the date of the acquistion i.e. 3 July 2023, Cyfrowy Polsat and PAK-Polska Czysta Energia Sp. z o.o. were under common control. The Group applied the acquisition method in accordance with the provisions of IFRS 3 when accounting for acquisitions of the PAK-PCE Group.

## PROVISIONAL CONSIDERATION TRANSFERRED

| | Provisional value of consideration transferred |
|---|---|
| Cash transferred for 10.1% shares | 117.0 |
| Fair value of previously held shares | 618.3 |
| **Provisional value as at 3 July 2023** | **735.3** |

The fair value of previously held shares as at the acquisition date was determined using methods adequate to the specific nature and scope of activities of individual entities from the PAK-PCE Group. The fair value of entities conducting operating activities was determined based on the income approach using the discounted cash flow method, while the fair value for entities not conducting operating activities or in the initial phase of development was determined using the adjusted net assets method. The result from the revaluation of previously held shares to fair value was recognized in the profit and loss (see note 11).

## RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred for 10.1% shares | (117.0) |
| Cash and cash equvalents received | 269.5 |
| **Cash increase in the period of 12 months ended 31 December 2023** | **152.5** |

## PROVISIONAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents provisional and temporary fair value of identified assets and liabilities of the acquired companies, as at the acquisition date, and goodwill accounted for an acquisition.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Provisional and temporary fair value of assets and liabilities as at 3 July 2023:

| | Provisional fair value as at the acquisition date (3 July 2023) |
|---|---|
| **Net assets:** | |
| Property, plant and equipment | 1,827.9 |
| Customer relationships | 88.1 |
| Other intangible assets | 900.1 |
| Right-of-use assets | 89.9 |
| Other non-current assets | 117.1 |
| Deferred tax assets | 16.5 |
| Inventories | 129.1 |
| Trade and other receivables | 214.3 |
| Income tax receivable | 0.8 |
| Other current assets | 64.9 |
| Cash and cash equivalents | 269.5 |
| Loans and borrowings | (1,704.2) |
| Lease liabilities | (76.4) |
| Deferred tax liability | (211.1) |
| Other non-current liabilities and provisions | (87.5) |
| Contract liabilities | (113.4) |
| Trade and other payables | (318.5) |
| **Provisional value of net assets (100%) [A]** | **1,207.1** |
| **Provisional value of net assets attributable to non-controlling interest (49.5%) [B]** | **597.5** |
| **Provisional value of net assets attributable to the Group (50.5%)** | **609.6** |
| **Provisional consideration transferred [C]** | **735.3** |
| **Provisional goodwill [C]-([A]-[B])** | **125.7** |

As part of the transaction, the pre-existing relationships between the Cyfrowy Polsat Capital Group and the PAK-PCE Group were settled at an estimated fair value of PLN 569.1, which corresponded to the net value of mutual receivables and liabilities between the companies of both capital groups resulting from the outstanding balance as at July 3, 2023, mainly from loan agreements and ongoing contracts for the purchase of electricity. The fair value of contracts for the purchase of electricity was estimated using the income approach, based on discounted future cash flows from concluded contracts, calculated based on the difference between the estimated future market price and the price resulting from the concluded contract. The effect of valuation of the pre-existing relationship was recognized by the Group in the profit and loss (see note 11).

During the provisional purchase price allocation the Group identified and provisionally fair valued intangible assets related to wind and photovoltaic farms (including the value of obtained permits for the construction of wind and photovoltaic farms and their grid connection ("Permits")) and customer relatonsips.

The provisional fair value of the Permits in the amount of PLN 880.2 (included in Other intangible assets) was estimated based on the cost approach using the residual method and corresponds to the difference between the fair value of the farm and the value of the adjusted net assets of the farm as at the valuation date. The Management Board concluded that there is a predictable period during which the Permits will bring benefits to the Group and therefore a definite useful life was adopted. The permits are subject to depreciation for a period equal to the depreciation period of the farms for which the permits were obtained, i.e. for a period of 30 years from the date the farm was put into operation.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The provisional fair value of customer relationships in the amount of PLN 88.1 was estimated based on the income approach using the multi-period excess earnings method.

The provisional goodwill was allocated to the "Green energy" operating segment and consist largely of the synergies and economies of scale that can be achieved through further development of the business.

The revenue and net loss included in the consolidated income statement for the reporting period since 3 July 2023 to 31 December 2023 contributed by PAK-PCE Group amounted to PLN 771.6 and PLN 48.2, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 12 December 2023 would have amounted to PLN 14,362.8 and PLN 284.7, respectively.

## Acquisition of shares in naEKRANIE.pl Sp. z o.o. – provisional purchase price allocation

On 20 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% shares in naEKRANIE.pl Sp. z o.o. for the purchase price of PLN 11.1 (including price adjustment in accordance with the contract).

Consequently, the Group holds 60% of shares in naEKRANIE.pl Sp. z o.o. and controls the entity.

**PROVISIONAL CONSIDERATION TRANSFERRED**

| | Provisional value of consideration transferred |
|---|---|
| Consideration | 11.1 |
| **Provisional value as at 20 July 2023** | **11.1** |

**RECONCILIATION OF TRANSACTIONAL CASH FLOW**

| | |
|---|---|
| Cash transferred for 60% shares | (11.1) |
| Cash nad cash equivalents received | 0.3 |
| **Cash decrease in the period of 12 months ended 31 December 2023** | **(10.8)** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### PROVISIONAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents provisional and temporary fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

Provisional and temporary fair value of assets and liabilities as at 20 July 2023:

| | Provisional fair value as at the acquisition date (20 July 2023) |
|---|---|
| **Net assets:** | |
| Other intangible assets | 0.6 |
| Trade and other receivables | 0.5 |
| Cash and cash equivalents | 0.3 |
| Trade and other payables | (0.1) |
| **Provisional value of net assets** | **1.3** |
| **Provisional value of net assets attributable to non-controlling interest** | **0.5** |
| **Provisional value of net assets attributable to the Group** | **0.8** |
| **Provisional consideration transferred** | **11.1** |
| **Provisional goodwill** | **10.3** |

Goodwill is allocated to the “Media” operating segment.

The revenue and net profit included in the consolidated income statement for the reporting period since 20 July 2023 to 31 December 2023 contributed by naEKRANIE.pl Sp. z o.o. amounted to PLN 1.7  and PLN 0.7, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2023 would have amounted to PLN 13,629.8 and PLN 313.0, respectively.

## Acquisition of shares in 4FUN Sp. z o.o – provisional purchase price allocation

On 21 July 2023 Polsat Investments Ltd. (Company’s subsidiary) acquired 60% shares in 4FUN Sp. z o.o. for the purchase price of PLN 37.5 (including price adjustment in accordance with the contract).

Consequently, the Group holds 60% of shares in 4FUN Sp. z o.o. and controls the entity.

### PROVISIONAL CONSIDERATION TRANSFERRED

| | Provisional value of consideration transferred |
|---|---|
| Consideration | 37.5 |
| **Provisional value as at 21 July 2023** | **37.5** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred for 60% shares | (37.5) |
| Cash nad cash equivalents received | 16.5 |
| **Cash decrease in the period of 12 months ended 31 December 2023** | **(21.0)** |

### PROVISIONAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents provisional and temporary fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

Provisional and temporary fair value of assets and liabilities as at 21 July 2023:

| | Provisional fair value as at the acquisition date (21 July 2023) |
|---|---|
| **Net assets:** | |
| Other intangible assets | 1.7 |
| Trade and other receivables | 2.0 |
| Income tax receivable | 0.8 |
| Cash and cash equivalents | 16.5 |
| Deferred tax liability | (0.4) |
| Trade and other payables | (1.2) |
| **Provisional value of net assets** | **19.4** |
| **Provisional value of net assets attributable to non-controlling interest** | **7.9** |
| **Provisional value of net assets attributable to the Group** | **11.5** |
| **Provisional consideration transferred** | **37.5** |
| **Provisional goodwill** | **26.0** |

Goodwill is allocated to the “Media” operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 21 July 2023 to 31 December 2023 contributed by 4FUN Sp. z o.o. amounted to PLN 10.6 and PLN 3.0, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2023 would have amounted to PLN 13,645.8 and PLN 320.2, respectively.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## Acquisition of shares in Port Praski City II Sp. z o.o. – purchase price allocation

On 3 October 2023 Pantanomo Limited (Company's subsidiary) acquiried 50% of shares in Port Praski City II Sp. z o.o. After transaction Pantanomo Limited helds 100% of shares in total.

The consideration for 50% of shares in Port Praski City II Sp. z o.o. is PLN 86.3.

### CONSIDERATION TRANSFERRED

| | Value of consideration transferred |
|---|---|
| Cash transferred for 50% of shares | 86.3 |
| Shares held as of 3 October 2023 | 62.2 |
| **Value as at 3 October 2023** | **148.5** |

The value of previously held shares was valued at the book value of these shares as at the acquisition date.

### RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred for 50% of shares | (86.3) |
| Cash and cash equivalents received | 0.3 |
| **Cash decrease in the period of 12 months ended 31 December 2023** | **(86.0)** |

### FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

The Group treats acquisition of shares in Port Praski City II Sp. z o. o. as assets acquisition.

Fair value of assets and liabilities as at 3 October 2023:

| | Fair value As at the acquisition date (3 October 2023) |
|---|---|
| **Net assets:** | |
| Investment property | 164.0 |
| Trade and other receivables | 0.2 |
| Income tax receivables | 0.6 |
| Other current assets | 0.7 |
| Cash and cash equivalents | 0.3 |
| Loans and borrowings | (7.6) |
| Other non-current liabilities and provisions | (9.3) |
| Trade and other payables | (0.4) |
| **Value of net assets** | **148.5** |
| **Consideration** | **148.5** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## Acquisition of shares in Port Praski Medical Center Sp. z o.o. – purchase price allocation

On 3 October 2023 Pantanomo Limited (subsidiary of the Company) acquiried 50% of shares in Port Praski Medical Center Sp. z o.o. After the transaction Pantanomo Limited holds 100% shares in total.

Consideration for 50% of shares in Port Praski Medical Center Sp. z o.o. was PLN 11.2.

### CONSIDERATION TRANSFERRED

| | Value of consideration transferred |
|---|---|
| Cash transferred for 50% of shares | 11.2 |
| Shares held as of 3 October 2023 | 7.9 |
| **Value as at 3 October 2023** | **19.1** |

The value of previously held shares was valued at the book value of these shares as at the acquisition date.

### RECONCILIATION OF TRANSACTIONAL CASH FLOW

| | |
|---|---|
| Cash transferred for 50% of shares | (11.2) |
| Cash and cash equivalents received | 0.2 |
| **Cash decrease in the period of 12 months ended 31 December 2023** | **(11.0)** |

### FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

The Group treats acquisition of shares in Port Praski Medical Center Sp. z o. o. as assets acquisition.

Fair value of assets and liabilities as at 3 October 2023:

| | Fair value As at the acquisition date (3 October 2023) |
|---|---|
| **Net assets:** | |
| Investment property | 20.6 |
| Trade and other receivables | 0.1 |
| Income tax receivables | 0.1 |
| Cash and cash equivalents | 0.2 |
| Loans and borrowings | (1.2) |
| Other non-current liabilities and provisions | (0.6) |
| Trade and other payables | (0.1) |
| **Value of net assets** | **19.1** |
| **Consideration** | **19.1** |

## 41. Investment in other entities

### Asseco Poland S.A.

The transfer of ownership of the Asseco Poland S.A. (Asseco) shares was settled through the depositary and settlement system operated by Krajowy Depozyt Papierów Wartościowych S.A. on 30 December 2019.

After settlement of the acquisition, the Company held a total of 22.73% Asseco shares as at 30 December 2019.

On 31 July 2020 Cyfrowy Polsat purchased from Reddev 184,127 (not in million) Asseco shares for the price of PLN 11.4. Following the transaction, the Company held a total of 22.95% of Asseco shares.

On 21 September 2023 Cyfrowy Polsat sold 10,642,046 (not in million) Asseco shares for the price PLN 80.0 (not in million) per share. Following the transaction, the Company holds a total of 10.13% of Asseco shares.

Share in Asseco Poland S.A. recognized in the amount of PLN 614.4 as at 31 December 2023 were valued at fair value through profit or loss.

### PAK-Polska Czysta Energia Sp. z o.o.

On 27 July 2022 Cyfrowy Polsat acquired 40.41% shares in PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries (see note 40 and 50).

## 42. Financial instruments

### Overview

Cyfrowy Polsat S.A. Capital Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk,
- market risk:
    - currency risk,
    - interest rate risk.

The Group's risk management policies are designed to reduce the impact of any adverse conditions on the Group's results.

The Management Board has overall responsibility for the oversight and management of the risks that the Group is subjected to in its activities. Therefore, the Management Board has established an overall risk management framework as well as specific risk management policies with respect to market, credit and liquidity risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are also included throughout these consolidated financial statements.

Bank loans, bonds, cash, forwards, interest rate swaps, currency interest rate swaps and short-term bank deposits are the main financial instruments used by the Group, with the intention of securing the financing for the Group's activities. The Group also holds other financial instruments including trade receivables and payables, payables relating to purchases of programming rights and payables relating to purchases of tangible and intangible assets which arise in the course of its business activities.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| FINANCIAL ASSETS | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| **Financial assets measured at amortized cost** | **7,196.6** | **4,916.0** |
| Loans granted | 127.1 | 576.1 |
| Trade and other receivables from related parties | 13.4 | 18.9 |
| Trade and other receivables from third parties | 3,729.2 | 3,503.2 |
| Cash and cash equivalents | 3,307.2 | 808.5 |
| Restricted cash | 19.7 | 9.3 |
| **Financial assets measured at fair value through profit or loss** | **630.3** | **23.8** |
| Investments in equity instruments | 614.4 | - |
| Other assets | 15.9 | 23.8 |
| **Financial assets measured at fair value through other comprehensive income** | **1.5** | **1.6** |
| Investments in equity instruments | 1.5 | 1.6 |
| **Hedging derivative instruments** | **4.3** | **23.1** |
| Interest rate swaps | 4.3 | 23.1 |
| **Derivative instruments not designated as hedging instruments** | **52.5** | **58.2** |
| Interest rate swaps | 24.0 | 58.2 |
| Financial PPA | 28.5 | - |

| FINANCIAL LIABILITIES | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| **Financial liabilities measured at amortized cost** | **18,704.8** | **14,329.8** |
| Loans and borrowings | 10,604.0 | 8,137.4 |
| Issued bonds | 4,349.1 | 2,076.4 |
| Lease liabilities | 610.8 | 524.2 |
| Trade and other payables to third parties and deposits | 1,707.8 | 2,318.3 |
| Trade and other payables to related parties | 219.4 | 53.0 |
| Accruals | 1,213.7 | 1,220.5 |
| **Hedging derivative instruments** | **11.9** | **0.7** |
| Interest rate swaps | 5.7 | 0.7 |
| Currency interest rate swaps | 5.8 | - |
| Forward transactions | 0.4 | - |
| **Derivative instruments not designated as hedging instruments** | **32.3** | **5.7** |
| Interest rate swaps | 26.3 | 4.7 |
| Currency interest rate swaps | 5.9 | - |
| Forward transactions | 0.1 | 1.0 |
| **Put option** | **39.5** | **-** |

## Credit risk

Credit risk is defined as the risk that counterparties of the Group will not be able to meet their contractual obligations, resulting in a financial loss to the other party. Exposure to credit risk is related to three main areas:

- the creditworthiness of the customers with whom physical sale transactions are undertaken,
- the creditworthiness of the financial institutions (banks/brokers) with whom hedging transactions are undertaken,
- the creditworthiness of the entities in which investments are made, or whose securities are purchased.

The Group's exposure to credit risk is associated primarily with trade receivables and contract assets. The Parent's customer base includes a large number of individual subscribers who are dispersed geographically over the entire country, and who are required to prepay their subscription fees. Receivables from Parent's sales network are covered with commission liabilities or deposits. Receivables from subscribers are continuously monitored and recovery actions are taken, including blocking the signal transferred to subscribers or termination of services to mobile and Internet subscribers. Telewizja Polsat and its subsidiaries provide services with deferred payment which may cause the risk of delays. Assessment of the creditworthiness of the counterparties is regularly carried out and in principle the company does not require security in relation to the financial assets. Polkomtel's customer base is dispersed geographically over the entire country. In case of key postpaid clients services are rendered following positive credit approval while in case of individual retail clients the verification process is automatized and based on IT-supported customer relationship management system and features of the billing systems. Receivables from Polkomtel's sales network are continuously monitored, sales limits and utilization limits are used.

The Group pursues a credit policy under which credit risk exposure is constantly monitored.

Due to diversification of risk in terms of the nature of individual entities, their geographical location and cooperation with highly-rated financial institutions, also taking into consideration the fair value of liabilities arising from derivative transactions, the Group is not materially exposed to credit risk as a result of derivative transactions entered into.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

## Maximum exposure to credit risk

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Loans granted | 127.1 | 576.1 |
| Trade and other receivables from related parties | 13.4 | 18.9 |
| Trade and other receivables from third parties | 3,729.2 | 3,503.2 |
| Contract assets | 349.0 | 362.9 |
| Cash and cash equivalents | 3,307.2 | 808.5 |
| Restricted cash | 19.7 | 9.3 |
| **Hedging derivative instruments** | **4.3** | **23.1** |
| Interest rate swaps | 4.3 | 23.1 |
| **Derivative instruments not designated as hedging instruments** | **52.5** | **58.2** |
| Interest rate swaps | 24.0 | 58.2 |
| Financial PPA | 28.5 | - |
| **Total** | **7,602.4** | **5,360.2** |

The concentration of credit risk for trade and other receivables, loans granted and contract assets is presented in the tables below:

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Receivables from subscribers | 3,018.5 | 2,808.1 |
| Receivables from media companies | 381.0 | 383.0 |
| Receivables from satellite and cable operators | 39.1 | 44.5 |
| Roaming and interconnect receivables | 299.9 | 374.5 |
| Receivables from distributors | 72.2 | 75.0 |
| Receivables and loans granted to related parties | 40.9 | 487.2 |
| Other receivables and loans granted to third parties | 367.1 | 288.8 |
| **Total** | **4,218.7** | **4,461.1** |

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Company A | 79.8 | 60.6 |
| Company B | 36.4 | 57.7 |
| Company C | 32.5 | 38.1 |
| Company D | 28.2 | 29.7 |
| Company E | 26.7 | 28.9 |
| Other | 4,015.1 | 4,246.1 |
| **Total** | **4,218.7** | **4,461.1** |

Note: for each year 5 largest debtors are presented, not necessarily the same entities in both periods.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The ageing of trade and other receivables, loans granted and contract assets at the reporting date was:

| | 31 December 2023 | | | 31 December 2022 | | |
|---|---|---|---|---|---|---|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| Not past due | 3,507.2 | 49.1 | 3,458.1 | 3,794.3 | 45.8 | 3,748.5 |
| Past due 1-30 days | 314.9 | 12.8 | 302.1 | 245.3 | 9.7 | 235.6 |
| Past due 31-60 days | 49.5 | 11.6 | 37.9 | 53.7 | 9.8 | 43.9 |
| Past due more than 60 days | 235.1 | 163.5 | 71.6 | 245.0 | 174.8 | 70.2 |
| **Total** | **4,106.7** | **237.0** | **3,869.7** | **4,338.3** | **240.1** | **4,098.2** |
| Contract assets | 363.2 | 14.2 | 349.0 | 377.1 | 14.2 | 362.9 |
| **Total** | **4,469.9** | **251.2** | **4,218.7** | **4,715.4** | **254.3** | **4,461.1** |

## Liquidity risk

The Group's objective in liquidity management is to ensure that it always has sufficient funds to meet its liabilities when due. Any surplus cash is invested mainly into bank deposits.

The Group prepares, on an ongoing basis, analyses and forecasts of its cash requirements based on projected cash flows.

The following are the contractual maturities of the Group's financial liabilities, that will be settled net in the appropriate age ranges, based on the remaining period until the contractual maturity date as at the balance sheet date.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | 31 December 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Carrying amount** | Contractual cash flows | 6 months and less | 6-12 months | 1-2 years | 2-5 years | Over 5 years |
| Loans and borrowings | 10,604.0 | 11,681.5 | 148.6 | 513.3 | 1,297.0 | 8,331.5 | 1,391.1 |
| Issued bonds | 4,349.1 | 6,817.0 | 193.9 | 210.0 | 421.0 | 1,524.3 | 4,467.8 |
| Lease liabilities | 610.8 | 819.2 | 102.5 | 94.9 | 164.6 | 197.9 | 259.3 |
| Trade and other payables to third parties and deposits | 1,707.8 | 1,707.8 | 1,707.8 | - | - | - | - |
| Trade and other payables to related parties | 219.4 | 219.4 | 219.4 | - | - | - | - |
| Accruals | 1,213.7 | 1,213.7 | 1,213.7 | - | - | - | - |
| Hedging derivative instruments: | | | | | | | |
| IRS[1] | 5.7 | 5.9 | 1.0 | 2.8 | 2.1 | - | - |
| CIRS | 5.8 | | | | | | |
| - inflows | | (14.9) | (3.1) | (3.1) | (4.5) | (4.2) | - |
| - outflows | | 22.1 | 3.0 | 3.9 | 7.7 | 7.5 | - |
| Forward transactions | 0.4 | | | | | | |
| - inflows | | (16.3) | (16.3) | - | - | - | - |
| - outflows | | 16.7 | 16.7 | - | - | - | - |
| Derivative instruments not designated as hedging instruments: | | | | | | | |
| IRS[1] | 26.3 | 29.3 | 4.6 | 6.2 | 9.7 | 8.8 | - |
| CIRS | 5.9 | | | | | | |
| - inflows | | (15.1) | (3.1) | (3.2) | (4.5) | (4.3) | - |
| - outflows | | 22.4 | 3.0 | 4.0 | 7.8 | 7.6 | - |
| Forward transactions | 0.1 | | | | | | |
| - inflows | | (6.1) | (6.1) | - | - | - | - |
| - outflows | | 6.3 | 6.3 | - | - | - | - |
| | **18,749.0** | **22,508.9** | **3,591.9** | **828.8** | **1,900.9** | **10,069.1** | **6,118.2** |

[1] According to the agreements cash flows will be in net amount

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Undiscounted future cash flows related to lease agreements for an indefinite period equal PLN 162.0 as at 31 December 2023.

| | 31 December 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Carrying amount** | Contractual cash flows | 6 months and less | 6-12 months | 1-2 years | 2-5 years | Over 5 years |
| Loans and borrowings | 8,137.4 | 9,312.2 | 866.2 | 717.8 | 6,678.8 | 1,038.8 | 10.6 |
| Issued bonds | 2,076.4 | 2,731.0 | 91.8 | 91.4 | 183.8 | 2,364.0 | - |
| Lease liabilities | 524.2 | 641.2 | 99.9 | 98.0 | 146.2 | 164.7 | 132.4 |
| Trade and other payables to third parties and deposits | 2,318.3 | 2,318.3 | 2,318.3 | - | - | - | - |
| Trade and other payables to related parties | 53.0 | 53.0 | 53.0 | - | - | - | - |
| Accruals | 1,220.5 | 1,220.5 | 1,220.5 | - | - | - | - |
| Hedging derivative instruments: | | | | | | | |
| IRS[1] | 0.7 | 0.8 | - | - | 0.2 | 0.6 | - |
| Derivative instruments not designated as hedging instruments: | | | | | | | |
| IRS[1] | 4.7 | 6.9 | 0.8 | 0.2 | 1.7 | 4.2 | - |
| Forward transactions | 1.0 | | | | | | |
| - inflows | | (44.1) | (44.1) | - | - | - | - |
| - outflows | | 45.4 | 45.4 | - | - | - | - |
| | **14,336.2** | **16,285.2** | **4,651.8** | **907.4** | **7,010.7** | **3,572.3** | **143.0** |

[1] According to the agreements cash flows will be in net amount

Undiscounted future cash flows related to lease agreements for an indefinite period equal PLN 142.5 as at 31 December 2022.

## Market risk

The Group has an active approach to managing its market risk exposure. The objectives of market risk management are:

- to limit fluctuations in profit/loss before tax,
- to increase the probability of meeting budget assumptions,
- to maintain the healthy financial condition and
- to support the process of undertaking strategic decisions relating to investing activity, with attention to sources of capital for this activity.

All the market risk management objectives should be considered as a whole, while their realisation is dependent primarily upon the internal situation and market conditions.

The Group applies an integrated approach to market risk management. This means a comprehensive approach to the whole spectrum of identified market risks, rather than to each of them individually. The primary technique for market risk management is the use in the Group of hedging strategies involving derivatives. Apart from this, natural hedging is also used to the extent available.

All of the potential hedging strategies and the selection of those preferred reflect the following factors: the nature of identified market risk exposures of the Group, the suitability of instruments to be applied and the cost of hedging, current and forecasted market conditions. In order to mitigate market risk, derivatives are primarily used. The Group transacts only those derivatives for which it has the ability to assess their value internally, using standard pricing models appropriate for a particular type of derivative, and also these which can be traded without significant loss of value with a counterparty other than the one with whom the transaction was initially entered into. In evaluating the market value of a given instrument, the Group relies on information obtained from particular market leading banks, brokers and information services.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

It is permitted to use the following types of instruments:

- Swaps (IRS/CIRS),
- Forwards and futures,
- Options.

*Currency risk*

One of the main risks that the Group is exposed to is currency risk resulting from fluctuations in exchange rate of the Polish zloty against other currencies. Revenues generated by the Group are denominated primarily in the Polish zloty, while a portion of operating costs and capital expenditures are incurred in foreign currencies. The Parent's currency risk is associated mainly to royalties to TV broadcasters (USD and EUR), transponder capacity agreements (EUR), fees for conditional access system (EUR and USD) and purchases of reception equipment and accessories for reception equipment (USD and EUR). After the purchase of Telewizja Polsat Sp. z o.o. currency risk exposure is also associated to purchases of foreign programming licences (EUR and USD). After the purchase of Metelem Holding Company Ltd. currency risk exposure is also associated to agreements with suppliers of stock, mainly mobile phones, and suppliers of telecommunication network equipment (EUR and USD), roaming and interconnect agreements and rental of office space (various currencies).

In respect of licence fees and transponder capacity agreements, the Group partly reduces its currency risk exposure by means of an economic hedge as it denominates receivables from signal broadcast and marketing services in foreign currencies.

The Group does not hold any assets held for trading denominated in foreign currencies.

The Group's exposure to foreign currency was as follows based on currency amounts:

| | 31 December 2023 | | |
|---|---|---|---|
| | EUR | USD | XDR |
| Loans granted | 22.0 | - | - |
| Trade receivables | 33.0 | 3.8 | 0.3 |
| Cash and cash equivalents | 254.1 | 2.3 | - |
| Loans and borrowings | (506.0) | - | - |
| Lease liabilities | (35.8) | (0.5) | - |
| Trade payables | (65.0) | (21.2) | (0.5) |
| Accruals | (19.2) | (3.8) | (5.1) |
| **Gross balance sheet exposure** | **(316.9)** | **(19.4)** | **(5.3)** |
| Forward transactions | 5.2 | - | - |
| CIRS | 3.8 | - | - |
| **Net exposure** | **(307.9)** | **(19.4)** | **(5.3)** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | 31 December 2022 | | |
|---|---|---|---|
| | EUR | USD | XDR |
| Loans granted | 65.9 | - | - |
| Trade receivables | 19.7 | 4.2 | 0.9 |
| Cash and cash equivalents | 12.5 | 1.0 | - |
| Lease liabilities | (31.3) | (0.5) | - |
| Trade payables | (114.8) | (17.5) | (0.4) |
| Accruals | (15.1) | (2.5) | (4.6) |
| **Gross balance sheet exposure** | **(63.1)** | **(15.3)** | **(4.1)** |
| Forward transactions | 8.0 | 1.5 | - |
| **Net exposure** | **(55.1)** | **(13.8)** | **(4.1)** |

The following foreign exchange rates were applied in the presented periods:

| | Average rate | | Rates at the reporting date | |
|---|---|---|---|---|
| (in PLN) | 2023 | 2022 | 31 December 2023 | 31 December 2022 |
| 1 EUR | 4.5430 | 4.6869 | 4.3480 | 4.6899 |
| 1 USD | 4.2021 | 4.4607 | 3.9350 | 4.4018 |
| 1 CHF | 4.6760 | 4.6693 | 4.6828 | 4.7679 |
| 1 XDR | 5.6055 | 5.9606 | 5.2938 | 5.8760 |

For the purposes of the exchange rate sensitivity analysis as at 31 December 2023 and 31 December 2022, exchange rate volatility in the +/- 5% range was assumed as probable. This analysis assumes that all other variables, in particular interest rates, remain constant.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31 December 2023 | | Estimated change in exchange rate | Estimated change in profit | Estimated change in other comprehensive income | As at 31 December 2022 | | Estimated change in exchange rate | Estimated change in profit | Estimated change in other comprehensive income |
| | in currency | in PLN | in % | in PLN | in PLN | in currency | in PLN | in % | in PLN | in PLN |
| Loans granted | | | | | | | | | | |
| EUR | 22.0 | 95.7 | 5% | 4.7 | - | 65.9 | 309.1 | 5% | 15.4 | - |
| Trade receivables | | | | | | | | | | |
| EUR | 33.0 | 143.4 | 5% | 7.3 | - | 19.7 | 92.5 | 5% | 4.5 | - |
| USD | 3.8 | 15.0 | 5% | 0.7 | - | 4.2 | 18.5 | 5% | 0.9 | - |
| XDR | 0.3 | 1.6 | 5% | 0.1 | - | 0.9 | 5.3 | 5% | 0.3 | - |
| Cash and cash equivalents | | | | | | | | | | |
| EUR | 254.1 | 1,104.8 | 5% | 55.3 | - | 12.5 | 58.5 | 5% | 3.1 | - |
| USD | 2.3 | 9.2 | 5% | 0.3 | - | 1.0 | 4.4 | 5% | 0.2 | - |
| CHF | 0.0 | 0.1 | 5% | 0.0 | - | 0.0 | 0.2 | 5% | 0.0 | - |
| Loans and borrowings | | | | | | | | | | |
| EUR | (506.0) | (2,200.1) | 5% | (110.0) | - | - | - | 5% | - | - |
| Lease liabilities | | | | | | | | | | |
| EUR | (35.8) | (155.7) | 5% | (7.7) | - | (31.3) | (146.8) | 5% | (7.3) | - |
| USD | (0.5) | (2.0) | 5% | (0.1) | - | (0.5) | (2.2) | 5% | (0.1) | - |
| Trade payables | | | | | | | | | | |
| EUR | (65.0) | (282.6) | 5% | (14.2) | - | (114.8) | (538.4) | 5% | (26.9) | - |
| USD | (21.2) | (83.3) | 5% | (4.3) | - | (17.5) | (77.0) | 5% | (3.9) | - |
| XDR | (0.5) | (2.6) | 5% | (0.2) | - | (0.4) | (2.4) | 5% | (0.1) | - |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| cont. | | | | | | | | | | |
| Accruals | | | | | | | | | | |
| EUR | (19.2) | (83.5) | 5% | (4.2) | - | (15.1) | (70.9) | 5% | (3.5) | - |
| USD | (3.8) | (15.0) | 5% | (0.7) | - | (2.5) | (11.1) | 5% | (0.5) | - |
| XDR | (5.1) | (27.0) | 5% | (1.3) | - | (4.6) | (27.0) | 5% | (1.4) | - |
| Forwards | | | | | | | | | | |
| EUR | 5.2 | 22.6 | 5% | 0.3 | 0.8 | 8.0 | 37.5 | 5% | 1.9 | - |
| USD | - | - | 5% | - | - | 1.5 | 6.6 | 5% | 0.3 | - |
| CIRS | | | | | | | | | | |
| EUR | 3.8 | 16.6 | 5% | 0.4 | 0.4 | - | - | 5% | - | - |
| **Change in operating profit** | | | | **(73.6)** | **1.2** | | | | **(17.1)** | |
| Income tax | | | | 14.0 | (0.2) | | | | 3.2 | - |
| **Change in net profit** | | | | **(59.6)** | **1.0** | | | | **(13.9)** | **-** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31 December 2023 | | Estimated change in exchange rate | Estimated change in profit | Estimated change in other comprehensive income | As at 31 December 2022 | | Estimated change in exchange rate | Estimated change in profit | Estimated change in other comprehensive income |
| | in currency | in PLN | in % | in PLN | in PLN | in currency | in PLN | in % | in PLN | in PLN |
| Loans granted | | | | | | | | | | |
| EUR | 22.0 | 95.7 | -5% | (4.7) | - | 65.9 | 309.1 | -5% | (15.4) | - |
| Trade receivables | | | | | | | | | | |
| EUR | 33.0 | 143.4 | -5% | (7.3) | - | 19.7 | 92.5 | -5% | (4.5) | - |
| USD | 3.8 | 15.0 | -5% | (0.7) | - | 4.2 | 18.5 | -5% | (0.9) | - |
| XDR | 0.3 | 1.6 | -5% | (0.1) | - | 0.9 | 5.3 | -5% | (0.3) | - |
| Cash and cash equivalents | | | | | | | | | | |
| EUR | 254.1 | 1,104.8 | -5% | (55.3) | - | 12.5 | 58.5 | -5% | (3.1) | - |
| USD | 2.3 | 9.2 | -5% | (0.3) | - | 1.0 | 4.4 | -5% | (0.2) | - |
| CHF | 0.0 | 0.1 | -5% | (0.0) | - | 0.0 | 0.2 | -5% | (0.0) | - |
| Loans and borrowings | | | | | | | | | | |
| EUR | (506.0) | (2,200.1) | -5% | 110.0 | - | - | - | -5% | - | - |
| Lease liabilities | | | | | | | | | | |
| EUR | (35.8) | (155.7) | -5% | 7.7 | - | (31.3) | (146.8) | -5% | 7.3 | - |
| USD | (0.5) | (2.0) | -5% | 0.1 | - | (0.5) | (2.2) | -5% | 0.1 | - |
| Trade payables | | | | | | | | | | |
| EUR | (65.0) | (282.6) | -5% | 14.2 | - | (114.8) | (538.4) | -5% | 26.9 | - |
| USD | (21.2) | (83.3) | -5% | 4.3 | - | (17.5) | (77.0) | -5% | 3.9 | - |
| XDR | (0.5) | (2.6) | -5% | 0.2 | - | (0.4) | (2.4) | -5% | 0.1 | - |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| cont. | | | | | | | | | | |
| Accruals | | | | | | | | | | |
| EUR | (19.2) | (83.5) | -5% | 4.2 | - | (15.1) | (70.9) | -5% | 3.5 | - |
| USD | (3.8) | (15.0) | -5% | 0.7 | - | (2.5) | (11.1) | -5% | 0.5 | - |
| XDR | (5.1) | (27.0) | -5% | 1.3 | - | (4.6) | (27.0) | -5% | 1.4 | - |
| Forwards | | | | | | | | | | |
| EUR | 5.2 | 22.6 | -5% | (0.3) | (0.8) | 8.0 | 37.5 | -5% | (1.9) | - |
| USD | - | - | -5% | - | - | 1.5 | 6.6 | -5% | (0.3) | - |
| CIRS | | | | | | | | | | |
| EUR | 3.8 | 16.6 | -5% | (0.4) | (0.4) | - | - | -5% | - | - |
| **Change in operating profit** | | | | **73.6** | **(1.2)** | | | | **17.1** | |
| Income tax | | | | (14.0) | 0.2 | | | | (3.2) | - |
| **Change in net profit** | | | | **59.6** | **(1.0)** | | | | **13.9** | **-** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Estimated change in profit in PLN | Estimated change in other comprehensive income in PLN | Estimated change in profit in PLN | Estimated change in other comprehensive income in PLN |
| **Estimated change in exchange rate by 5 %** | | | | |
| EUR | (55.2) | 1.0 | (10.4) | - |
| USD | (3.3) | - | (2.5) | - |
| XDR | (1.1) | - | (1.0) | - |
| **Estimated change in exchange rate by -5 %** | | | | |
| EUR | 55.2 | (1.0) | 10.4 | - |
| USD | 3.3 | - | 2.5 | - |
| XDR | 1.1 | - | 1.0 | - |

Had Polish zloty strengthened 5% against the basket of currencies as at 31 December 2023 and 31 December 2022, the Group's net profit would have decreased by PLN 59.6 and by PLN 13.9, respectively and other comprehensive income would be PLN 1.0 higher in 2023 and would have been unchanged in 2022. Had the Polish zloty appreciated 5%, the Group's net profit would have increased by PLN 59.6 in 2023 and by PLN 13.9 in 2022 and a decrease in other comprehensive income by PLN 1.0 in 2023, assuming that all other variables remain constant. Estimated future revenue and costs denominated in foreign currencies are not taken into consideration.

*Interest rate risk*

Changes in market interest rates have no direct effect on the Group's revenues, however, they do have an effect on net cash from operating activities due to interest earned on overnight bank deposits and current accounts, and on net cash from financing activities due to interest charged on bank loans and bonds.

The Group regularly analyses its level of interest rate risk exposure, including refinancing and risk minimising scenarios. Based on these analyses, the Group estimates the effects of changes in interest rates on its profit and loss.

In order to reduce interest rate risk exposure resulting from Parent's interest payments on floating rate senior facility, the Group stipulated interest rate swaps and currency interest rate swaps for which hedge accounting was adopted (see note 33). In order to reduce interest rate risk exposure resulting from Metelem Holding Company Ltd. group (currently Polkomtel Sp. z o.o. group) interest payments on floating rate senior facilities, the Group also uses interest rate swaps and currency interest rate swaps and for them hedge accounting was not adopted.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

At the reporting date, the interest rate risk profile of interest-bearing financial instruments was:

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| **Fixed rate instruments** | | |
| Financial assets | 300.0 | 74.5 |
| **Variable rate instruments** | | |
| Financial assets * | 1,308.7 | 1,133.6 |
| Financial liabilities * | (15,730.6) | (10,789.2) |
| **Net interest exposure** | **(14,421.9)** | **(9,655.6)** |

* nominal debt

The Group classifies Term Loans as variable rate instruments. Changes in the interest rate components do not result in a change in the carrying amount of the loan liability. The changes are reflected prospectively in the interest expense on loans and borrowings.

Cash flow sensitivity analysis for variable rate instruments (pre-tax effect):

| | Income statement | | Other comprehensive income | | Equity | |
|---|---|---|---|---|---|---|
| | Increase by 100 bp | Decrease by 100 bp | Increase by 100 bp | Decrease by 100 bp | Increase by 100 bp | Decrease by 100 bp |
| **31 December 2023** | | | | | | |
| Variable rate instruments * | (68.8) | 68.8 | 14.5 | (14.5) | (54.3) | 54.3 |
| Cash flow sensitivity (net) | **(68.8)** | **68.8** | **14.5** | **(14.5)** | **(54.3)** | **54.3** |
| **31 December 2022** | | | | | | |
| Variable rate instruments * | (73.5) | 73.5 | 15.0 | (15.0) | (58.5) | 58.5 |
| Cash flow sensitivity (net) | **(73.5)** | **73.5** | **15.0** | **(15.0)** | **(58.5)** | **58.5** |

* include sensitivity in fair value changes of hedging instruments (interest rate swaps and currency interest rate swaps) due to changes in interest rates

For some instruments the Group applies cash flow hedge model under IAS 39 for interest rate exposure from floating rate interest payments in PLN on senior facility hedged by interest rate swap and variable-rate interest payments in EUR backed by currency interest rate swaps transactions.

## Fair value vs. carrying amount

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Presented below are fair values and carrying amounts of financial assets and liabilities not measured in fair value.

| | | | 31 December 2023 | | 31 December 2022 | |
|---|---|---|---|---|---|---|
| | Category according to IFRS 9 | The level of the fair value hierarchy | Fair value | Carrying amount | Fair value | Carrying amount |
| Loans granted | A | 2 | 127.4 | 127.1 | 570.6 | 576.1 |
| Trade and other receivables | A | * | 3,742.6 | 3,742.6 | 3,522.1 | 3,522.1 |
| Cash and cash equivalents and short-term deposits | A | * | 3,307.2 | 3,307.2 | 808.5 | 808.5 |
| Restricted cash | A | * | 19.7 | 19.7 | 9.3 | 9.3 |
| Loans and borrowings | B | 2 | (11,150.1) | (10,604.0) | (8,232.7) | (8,137.4) |
| Issued bonds | B | 1 | (4,433.7) | (4,349.1) | (1,982.1) | (2,076.4) |
| Lease liabilities | B | 2 | (610.8) | (610.8) | (524.2) | (524.2) |
| Accruals | B | * | (1,213.7) | (1,213.7) | (1,220.5) | (1,220.5) |
| Trade and other payables and deposits | B | * | (2,096.3) | (2,096.3) | (2,371.3) | (2,371.3) |
| **Total** | | | **(12,307.7)** | **(11,677.3)** | **(9,420.3)** | **(9,413.8)** |
| Unrecognized loss | | | | (630.4) | | (6.5) |

A – assets measured at amortised costs

B – liabilities measured at amortised costs

* It is assumed that the fair value of these financial assets and liabilities is equal to their nominal value, therefore no evaluation methods were used in order to calculate their fair value.

When determining the fair value of lease liabilities, forecasted cash flows from the reporting date to assumed dates of lease agreements termination were analyzed. The discount rate for each payment was calculated as an interest rate plus a margin regarding the Group's credit risk.

Trade and other receivables, trade and other payables and deposits comprise mainly receivables and payables which will be settled no later than at the end of the first month after the reporting date. It was therefore assumed that the effect of their valuation, taking into account the time value of money, would approximately be equal to their nominal value.

When determining the fair value of loans granted, forecasted cash flows from the reporting date to assumed dates of repayments of the loans were analyzed. The discount rate for each payment was calculated as an applicable WIBOR or EURIBOR interest rate plus a margin regarding the credit risk.

As at 31 December 2023 and 31 December 2022 loans and borrowings comprised bank loans and other loans. The discount rate for each payment was calculated as a sum of implied WIBOR or EURIBOR interest rate and a margin regarding the Group's credit risk. When determining the fair value of bank loans as at 31 December 2023, forecasted cash flows from the reporting date to 28 April 2028 were analyzed. When determining the fair value of bank loans as at 31 December 2022, forecasted cash flows from the reporting date to 30 September 2024 (assumed date of repayment of the loans obtained in 2015, changed in 2018 and changed in 2020) and to 31 March 2025 (assumed date of repayment of the additional loan obtained in 2019 and changed in 2020) were analyzed.

The fair value of issued bonds as at 31 December 2023 and 31 December 2022 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

As at 31 December 2023, the Group held the following financial instruments carried at fair value on the statement of financial position:

### Assets measured at fair value

| 31 December 2023 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Derivative instruments not designated as hedging instruments** | **-** | **24.0** | **28.5** |
| IRS | - | 24.0 | - |
| Financial PPA | | - | 28.5 |
| **Hedging derivative instruments** | **-** | **4.3** | **-** |
| IRS | - | 4.3 | - |
| **Other** | **-** | **15.9** | **-** |
| **Investments in equity instruments** | **614.4** | **1.5** | **-** |
| **Total** | **614.4** | **45.7** | **28.5** |

### Liabilities measured at fair value

| 31 December 2023 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Derivative instruments not designated as hedging instruments** | **-** | **(32.3)** | **-** |
| IRS | - | (26.3) | - |
| CIRS | - | (5.9) | - |
| Forward | - | (0.1) | - |
| **Hedging derivative instruments** | **-** | **(11.9)** | **-** |
| IRS | - | (5.7) | - |
| CIRS | - | (5.8) | - |
| Forward | - | (0.4) | - |
| **Put option** | **-** | **-** | **(39.5)** |
| **Total** | **-** | **(44.2)** | **(39.5)** |

As at 31 December 2022, the Group held the following financial instruments measured at fair value:

### Assets measured at fair value

| 31 December 2022 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Derivative instruments not designated as hedging instruments** | **-** | **58.2** | **-** |
| Interest rate swaps | - | 58.2 | - |
| **Hedging derivative instruments** | **-** | **23.1** | **-** |
| Interest rate swaps | - | 23.1 | - |
| **Other** | **-** | **23.8** | **-** |
| **Investments in equity instruments** | **-** | **1.6** | **-** |
| **Total** | **-** | **106.7** | **-** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### LIABILITIES MEASURED AT FAIR VALUE

| | 31 December 2022 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Derivative instruments not designated as hedging instruments** | | **-** | **(5.7)** | **-** |
| Interest rate swaps | | - | (4.7) | - |
| Forward | | - | (1.0) | - |
| **Hedging derivative instruments** | | **-** | **(0.7)** | **-** |
| Interest rate swaps | | - | (0.7) | - |
| **Total** | | **-** | **(6.4)** | **-** |

The fair value of forwards, interest rate swaps and currency interest rate swaps is determined using financial instruments valuation models, based on generally published currency exchange rates, interest rates, forward rate curves and volatility curves for foreign currencies taken from active markets. Fair value of derivatives is determined based on the discounted future cash flows from transactions, calculated based on the difference between the forward price and the transaction price.

The fair value of financial PPA transactions was determined using financial instrument valuation models, using industry studies of energy prices over the long term, taking into account seasonality and the production profile for a given source as well as using generally available interest rates. Fair value is determined based on the discounted future cash flows of the transactions calculated based on the difference between the market price over the contract horizon and the settlement price set in the contract (plus the inflation rate).

The fair value of put option was determined in the amount of estimated future cashflows related to the exercise of the option, as at the reporting date.

## Items of income, costs, profit and losses recognized in profit or loss generated by loans and borrowings and issued bonds (including hedging transactions)

| For the period from 1 January 2023 to 31 December 2023 | Loans and borrowings | Bonds | Hedging instruments | Derivative instruments not designated as hedging instruments | Total |
|---|---|---|---|---|---|
| Interest expense on loans and borrowings | (816.8) | - | 14.4 | (28.5) | (830.9) |
| Interest expense on bonds | - | (326.7) | - | - | (326.7) |
| Exchange rate differences | 82.1 | - | - | - | 82.1 |
| Total finance costs | (734.7) | (326.7) | 14.4 | (28.5) | (1,075.5) |
| **Total gross profit/(loss)** | **(734.7)** | **(326.7)** | **14.4** | **(28.5)** | **(1,075.5)** |
| **Hedge valuation reserve** | **-** | **-** | **(28.8)** | **-** | **(28.8)** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

| For the period from 1 January 2022 to 31 December 2022 | Loans and borrowings | Bonds | Hedging instruments | Derivative instruments not designated as hedging instruments | Total |
|---|---|---|---|---|---|
| Interest expense on loans and borrowings | (582.0) | - | 19.8 | 72.7 | (489.5) |
| Interest expense on bonds | - | (155.6) | - | - | (155.6) |
| Total finance costs | (582.0) | (155.6) | 19.8 | 72.7 | (645.1) |
| **Total gross profit/(loss)** | **(582.0)** | **(155.6)** | **19.8** | **72.7** | **(645.1)** |
| **Hedge valuation reserve** | **-** | **-** | **11.4** | **-** | **11.4** |

## Hedge accounting and derivatives

*Cash Flow Hedge of interest rate risk of interest payments*

As at 31 December 2023, the Group held a number of interest rate swaps not designated as hedges in order to reduce the risk of floating interest payments on senior facilities denominated in PLN. Hedge accounting has not been implemented for the interest rate swaps.

The table below presents the basic parameters of IRS not designated as hedging instruments, including the periods in which cash flows occur, periods they will affect the financial results and their fair value in PLN as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Interest rate swap | Interest rate swap |
| Exposure | Floating rate interest payments in PLN | Floating rate interest payments in PLN |
| Hedged risk | Interest rate risk | Interest rate risk |
| Notional value of hedging instrument | 3,822.7 | 3,000.0 |
| Fair value of hedging instruments | (2.3) | 53.5 |
| Hedge accounting approach | Hedge accounting not adopted | Hedge accounting not adopted |
| Expected period the hedge item affect income statement | Until 31 December 2030 | Until 30 June 2025 |

As at 31 December 2023, the Group held a number of interest rate swaps designated as hedges of floating interest payments on senior facility denominated in PLN. Hedge accounting has been implemented for the interest rate swaps.

The terms of the interest rate swaps have been negotiated to match the terms of the floating rate financing in PLN. The hedge ineffectiveness identified during the reporting period was recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of IRS designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value in PLN of hedging instruments as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Interest rate swap | Interest rate swap |
| Exposure | Floating rate interest payments in PLN | Floating rate interest payments in PLN |
| Hedged risk | Interest rate risk | Interest rate risk |
| Notional value of hedging instrument | 750.0 | 1,125.0 |
| Fair value of hedging instruments | (1.4) | 22.4 |
| Hedge accounting approach | Cash Flow Hedge | Cash Flow Hedge |
| Expected period the hedge item affect income statement | Until 30 June 2025 | Until 30 June 2025 |

*Cash Flow Hedge of interest rate and currency risk of interest payments*

As at 31 December 2023, the Group held a number of currency interest rate swaps designated as hedges of floating interest payments on senior facility denominated in EUR. Hedge accounting has not been implemented for the currency interest rate swaps.

The table below presents the basic parameters of CIRS designated as non-hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value of hedging instruments as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Currency interest rate swap | - |
| Exposure | Floating rate interest payments in EUR | - |
| Hedged risk | Interest rate and currency risk | - |
| Notional value of hedging instrument | 50.0 | - |
| Fair value of hedging instruments | (5.9) | - |
| Hedge accounting approach | Hedge accounting not adopted | - |
| Expected period the hedge item affect income statement | Until 31 March 2027 | - |

As at 31 December 2023, the Group held a number of currency interest rate swaps designated as hedges of floating interest payments on senior facility denominated in EUR. Hedge accounting has been implemented for the currency interest rate swaps.

The terms of the currency interest rate swaps (including schedule) have been negotiated to match the terms of the floating rate financing in EUR. The hedge ineffectiveness identified during the reporting period was recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of CIRS designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value of hedging instruments as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Currency interest rate swap | - |
| Exposure | Floating rate interest payments in EUR | - |
| Hedged risk | Interest rate and currency risk | - |
| Notional value of hedging instrument | 50.0 | - |
| Fair value of hedging instruments | (5.8) | - |
| Hedge accounting approach | Cash Flow Hedge | - |
| Expected period the hedge item affect income statement | Until 31 March 2027 | - |

*Cash Flow Hedge of currency risk of interest payments*

As at 31 December 2023, the Group held a number of forwards designated as hedges of interest payments on senior facility denominated in EUR. Hedge accounting has not been implemented for the currency interest rate swaps.

The table below presents the basic parameters of forwards not designated as hedging instruments, including the periods in which cash flows occur, periods they will affect the financial results and their fair value as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Forward | - |
| Exposure | Interest payments in EUR | - |
| Hedged risk | Currency risk | - |
| Notional value of hedging instrument | 1.4 | - |
| Fair value of hedging instruments | (0.1) | - |
| Hedge accounting approach | Hedge accounting not adopted | - |
| Expected period the hedge item affect income statement | Until 31 May 2024 | - |

As at 31 December 2023, the Group held a number of forwards designated as hedges of interest payments on senior facility denominated in EUR. Hedge accounting has been implemented for the forwards.

The terms of the forwards have been negotiated to match the terms of the floating rate financing in EUR. The ineffectiveness of forward contracts during the reporting period was not identified and recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of forwards designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value in EUR of hedging instruments as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Forward | - |
| Exposure | Interest payments in EUR | - |
| Hedged risk | Currency risk | - |
| Notional value of hedging instrument | 3.7 | - |
| Fair value of hedging instruments | (0.4) | - |
| Hedge accounting approach | Cash Flow Hedge | - |
| Expected period the hedge item affect income statement | Until 31 May 2024 | - |

Change in fair value of cash flow hedges is presented below (pre-tax):

| | 2023 | 2022 |
|---|---|---|
| **Opening Balance** | **22.4** | **13.4** |
| Effective part of gains or losses on the hedging instrument recognized in equity | (16.8) | 26.3 |
| Amounts recognized in equity transferred to the profit and loss statement, of which: | (13.2) | (17.3) |
| • adjustment of interest costs | (14.4) | (19.8) |
| • recognition of inefficiencies | 1.2 | 2.5 |
| **Closing Balance** | **(7.6)** | **22.4** |

*Cash Flow Hedge of selling price of electricity*

As at 31 December 2023 the Group held a financial PPA to hedge the proceeds from electricity sales transactions based on current market prices. Under the financial PPA, the Group receives/pays the difference between the agreed fixed price and current market energy prices. No hedge accounting was implemented for these instruments.

The table below presents the basic parameters of financial PPA agreements not designated as hedging instruments, including the periods in which cash flows occurred, periods they affected the financial results and their fair value in PLN as at the balance sheet date.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Type of instrument | Financial PPA | - |
| Exposure | Proceeds from electricity sales based on current market prices | - |
| Hedged risk | Energy price risk | - |
| Fair value of hedging instruments | 28.5 | - |
| Hedge accounting approach | Hedge accounting not adopted | - |
| Expected period the hedge item affect income statement | Until September 2034 | - |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 43. Capital management

This note presents information about the Group's management of capital. Further quantitative disclosures are also included throughout these financial statements.

The goal of capital management is to maintain the Group's ability to operate as a going concern in order to provide the shareholders return on investment as well as benefits for other stakeholders. The Group might issue shares, increase debt or sell assets in order to maintain or improve the equity structure.

The Group monitors capital on the basis of leverage ratio, which is calculated as a ratio of net debt to sum of equity and net debt. Net debt represents interest-bearing loans and borrowings and issued bonds less cash and cash equivalents (including restricted cash).

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Loans and borrowings | 10,604.0 | 8,137.4 |
| Issued bonds | 4,349.1 | 2,076.4 |
| Cash and cash equivalents and restricted cash | (3,325.7) | (817.8) |
| **Net debt** | **11,627.4** | **9,396.0** |
| Equity | 16,305.2 | 15,810.8 |
| **Equity and net debt** | **27,932.6** | **25,206.8** |
| **Leverage ratio** | **0.42** | **0.37** |

## 44. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services to the general public, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- Media segment,
- Real Estate segment (starting from 1 April 2022),
- Green energy segment (starting from 3 July 2023).

The Group conducts its operating activities primarily in Poland.

The activities of the Group are grouped into segment with distinguishable scope of operations where services are rendered and merchandise delivered in a specific economic environment. Activities of defined segments are characterized by different risk levels and different investment returns from those of the Group's other segments. The operating segments also represent reportable segments of the Group.

B2C and B2B services segment includes:

- digital pay television services which primarily relate to direct distribution of technologically advanced pay-TV services and revenues are generated mainly by pay-TV subscription fees,
- mobile telecommunication services (postpaid and mix) which generate revenues mainly from interconnect revenues, traffic revenues and subscription fees,

- mobile telecommunication prepaid services which generate revenues mainly from interconnect and traffic revenues,
- fixed telecommunication services, which generate revenues mainly from subscription fees, traffic and interconnect revenues,
- providing access to broadband Internet in mobile and fixed-line technologies which generates revenues mainly from traffic and subscription fees,
- telecommunication wholesale services, including international and domestic roaming as well as telecommunication infrastructure sharing services,
- lease of optical fibers and infrastructure,
- online TV services (Polsat Box Go, formerly IPLA) available on computers, smartphones, tablets, SmartTV, game consoles and other TV equipment which generate revenues mainly from subscription fees and advertising on the Internet,
- Premium Rate services based on SMS/IVR/MMS/WAP technology and subscription fees,
- production of set-top boxes,
- sale of telecommunication equipment,
- sale of photovoltaic installations.

Media segment consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television, radio and Internet channels in Poland. The revenues generated by the media segment relate mainly to advertising and sponsorship revenues as well as revenues from cable and satellite operators.

Real Estate segment consists mainly of implementation of construction projects as well as sale, rental and management of own or leased real estate.

Green energy segment consists mainly of:

- production and sale of electricity from renewable sources especially from solar and wind,
- construction of a complete hydrogen-based value chain, including hydrogen stations, hydrogen-powered buses and sale of hydrogen,
- investments in renewable energy sources projects such as photovoltaic and wind farms.

Management evaluates the operating segments' results based on EBITDA. The EBITDA reflects the Group's ability to generate cash in a stable environment. The Group defines EBITDA as profit from operating activities increased by depreciation, amortization, impairment and liquidation (including depreciation included in the energy and buses production costs). The EBITDA is not an EU IFRS measure and thus its calculations may differ among the entities.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the year ended 31 December 2023:

| The year ended 31 December 2023 | B2C and B2B services | Media: TV and online | Real Estate | Green energy | Consolidation adjustments | Total |
|---|---|---|---|---|---|---|
| Revenues from sales to third parties | 10,646.6 | 2,206.2 | 133.6 | 639.9 | - | **13,626.3** |
| Inter-segment revenues | 65.6 | 263.8 | 48.6 | 131.7 | (509.7) | **-** |
| **Revenues** | **10,712.2** | **2,470.0** | **182.2** | 771.6 | **(509.7)** | 13,626.3 |
| **EBITDA adjusted (unaudited)** | **2,493.1** | **472.0** | **27.0** | **24.5** | **(5.1)** | **3,011.5** |
| Gain on disposal of a subsidiary and an associate | 219.7 | - | - | - | - | 219.7 |
| **EBITDA (unaudited)** | **2,712.8** | **472.0** | **27.0** | **24.5** | **(5.1)** | **3,231.2** |
| Depreciation, amortization, impairment and liquidation | 1,713.2 | 155.3 | 22.5 | 9.4 | - | **1,900.4** |
| Depreciation included in energy and buses production costs | - | - | - | 19.2 | - | **19.2** |
| **Profit/(loss) from operating activities** | **999.6** | **316.7** | **4.5** | **(4.1)** | **(5.1)** | **1,311.6** |
| Acquisition of property, plant and equipment and other intangible assets | 792.7 | 74.0 | 24.6 | 710.6 | - | **1,601.9** |
| Acquisition of reception equipment | 145.8 | - | - | - | - | **145.8** |
| Balance as at 31 December 2023 | | | | | | |
| Assets, including: | 26,461.4 | 6,520.1* | 1,471.2 | 4,603.0 | (1,879.0) | **37,176.7** |
| Investments in joint venture and shares in associates | - | - | 10.1 | - | - | **10.1** |

* Includes non-current assets located outside of Poland in the amount of PLN 5.7.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

All material revenues are generated in Poland.

It should be noted that the data for 12 months ended 31 December 2023 allocated to the “B2C and B2B services” segment, “Media” segment and “Real Estate” segment are not comparable to the data for 12 months ended 31 December 2022 due to changes in the Group’s structure described in notes 5, 40, 41 and 50.

The table below presents a summary of the Group’s revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the year ended 31 December 2022:

| The year ended 31 December 2022 | B2C and B2B services | Media: TV and online | Real Estate | Consolidation adjustments | Total |
|---|---|---|---|---|---|
| Revenues from sales to third parties | 10,622.2 | 2,186.4 | 106.7 | - | **12,915.3** |
| Inter-segment revenues | 59.4 | 237.8 | 76.7 | (373.9) | **-** |
| **Revenues** | **10,681.6** | **2,424.2** | **183.4** | **(373.9)** | **12,915.3** |
| **EBITDA adjusted (unaudited)** | **2,834.0** | **506.0** | **17.2** | **(5.1)** | **3,352.1** |
| Gain on disposal of a subsidiary and an associate | 113.4 | - | 39.8 | - | **153.2** |
| Costs of support for Ukraine | (33.0) | (1.1) | - | - | **(34.1)** |
| **EBITDA (unaudited)** | **2,914.4** | **504.9** | **57.0** | **(5.1)** | **3,471.2** |
| Depreciation, amortization, impairment and liquidation | 1,703.6 | 109.7 | 15.7 | - | **1,829.0** |
| **Profit/(loss) from operating activities** | **1,210.8** | **395.2** | **41.3** | **(5.1)** | **1,642.2** |
| Acquisition of property, plant and equipment and other intangible assets | 964.2 | 117.0 | 33.2 | - | **1,114.4** |
| Acquisition of reception equipment | 113.6 | - | - | - | **113.6** |
| Balance as at 31 December 2022 | | | | | |
| Assets, including: | 24,485.9 | 6,465.6* | 1,596.3 | (241.2) | **32,306.6** |
| Investments in joint venture and shares in associates | 1,801.6 | 5.9 | 82.6 | - | **1,890.1** |

* includes non-current assets located outside of Poland in the amount of PLN 5.9

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Reconciliation of EBITDA and Net profit for the period:

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| **EBITDA adjusted (unaudited)** | **3,011.5** | **3,352.1** |
| Gain on disposal of a subsidiary and an associate | 219.7 | 153.2 |
| Costs of support for Ukraine* | - | (34.1) |
| **EBITDA (unaudited)** | **3,231.2** | **3,471.2** |
| Depreciation, amortization, impairment and liquidation (note 10) | (1,900.4) | (1,829.0) |
| Depreciation included within energy and bus production costs (note 10) | (19.2) | - |
| **Profit from operating activities** | **1,311.6** | **1,642.2** |
| Other foreign exchange rate differences, net (note 11) | 62.5 | (41.6) |
| Interest costs, net (note 11 and 12) | (1,079.1) | (587.6) |
| Share of the profit/(loss) of associates accounted for using the equity method | 29.7 | 94.5 |
| Valuation of PAK-PCE shares held | 151.3 | - |
| Valuation of existing relationships in connection with the acquisition of PAK-PCE | (83.9) | - |
| Other | 29.7 | 2.8 |
| **Gross profit for the period** | **421.8** | **1,110.3** |
| Income tax | (110.2) | (209.2) |
| **Net profit for the period** | **311.6** | **901.1** |

* includes mainly cash donations for supporting Ukraine

## 45. Barter transactions

The Group is a party to barter transactions. The table below presents revenues and costs of barter transactions executed on an arm's-length basis. Revenue comprise revenue from services, products, goods and materials sold, costs comprise selling expenses.

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Revenues from barter transactions | 53.0 | 77.1 |
| Cost of barter transactions | 53.0 | 88.9 |

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Barter receivables | 15.5 | 80.3 |
| Barter payables | 11.9 | 83.5 |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 46. Transactions with related parties

### Receivables

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Joint ventures and associates | 0.2 | 4.9 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 13.2 | 14.6 |
| **Total*** | **13.4** | **19.5** |

* amounts presented above do not include deposits paid (31 December 2023 – PLN 3.4, 31 December 2022 – PLN 3.5)

Receivables due from related parties have not been pledged as security.

### Other assets

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Joint ventures and associates | 0.3 | 1.5 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | - | 7.6 |
| **Total** | **0.3** | **9.1** |

### Liabilities

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Joint ventures and associates | 10.6 | 81.0 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 209.6 | 194.4 |
| **Total** | **220.2** | **275.4** |

The liability mainly includes a liability for the acquisition of shares by Cyfrowy Polsat, liabilities from surface leases and wind farm construction services.

### Loans granted

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Associates | 15.0 | 456.2 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 12.5 | 12.2 |
| **Total** | **27.5** | **468.4** |

Loans granted as at 31 December 2023 include mainly loans to Polsat Boxing Promotion Sp. z o.o. and Dystrybucja Mówi Serwis Sp. z o.o. Sp. k.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### Loans received

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Associates | 11.3 | - |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 6.6 | 6.6 |
| **Total** | **17.9** | **6.6** |

### Revenues

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Subsidiaries* | 9.9 | - |
| Joint ventures and associates | 6.6 | 7.2 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 226.6 | 751.0 |
| **Total** | **243.1** | **758.2** |

* Applies to transactions with subsidiaries concluded before taking over control.

In the period of 12 months ended 31 December 2023 the most significant transactions include income from the sale of real estate and the sale of shares by Polkomtel.

In the period of 12 months ended 31 December 2022 the most significant transactions relate to income from disposal of Modivo S.A. shares.

### Expenses and purchases of programming assets

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Subsidiaries* | 137.9 | 0.1 |
| Joint ventures and associates | 15.4 | 191.7 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 160.6 | 296.6 |
| **Total** | **313.9** | **488.4** |

* Applies to transactions with subsidiaries concluded before taking over control.

In the period of 12 months ended 31 December 2023 and 12 months ended 31 December 2022 the most significant transactions include *inter alia* cost of electrical energy, property rental and advertising services.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

### GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Subsidiaries* | 27.1 | - |
| Joint ventures and associates | 1.5 | 20.4 |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 8.0 | 5.3 |
| **Total** | **36.6** | **25.7** |

* Applies to transactions with subsidiaries concluded before taking over control.

### FINANCE COSTS, NET

| | for the year ended | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| Joint ventures and associates | 7.0 | - |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 0.6 | 1.1 |
| **Total** | **7.6** | **1.1** |

Transactions with related parties are also described in note 50.

## 47. Contingent liabilities

Management believes that the provisions as at 31 December 2023 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

### Proceedings before the Office of Competition and Consumer Protection („UOKiK")

On 24 February 2011 the President of UOKiK imposed penalty on Polkomtel (Company's subsidiary) in the amount of PLN 130.7 for the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to the Consumer and Competition Protection Court ("SOKiK"). According to management, during the inspection the company had fully and at all times cooperated with UOKiK within the scope provided by the law. On 18 June 2014 the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 4.0 (i.e. EUR 1.0). On 20 October 2015 SOKiK's verdict has been revoked and the case has been transferred for re-examination. On 28 April 2017 the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 1.3. Polkomtel and President of UOKiK appealed against the verdict. On 3 April 2020 both Polkomtel's and the President's of UOKiK appeals have been dismissed. The Court of Appeal upheld the SOKiK's decision. On 20 April 2020 Polkomtel made a payment in the amount of PLN 1.3. Polkomtel and the President of UOKiK filed cassation appeals against the Court of Appeal's verdict. On 28 September 2022 the cassation appeal of the President of the UOKiK was dismissed, the appeal of Polkomtel was accepted in the scope dismissing the plaintiff's appeal, and the appealed judgment of the Court of Appeal in Warsaw dated 3 April 2020 was revoked and referred - in accordance with the Polkomtel's cassation appeal - to be reconsidered. On 29 March 2023, the Court of Appeal issued a judgment, whereby the Court agreed with the company's position that the fine was imposed in euros and then incorrectly converted into PLN. As a result the Court changed the appealed judgment of the first instance, reducing the penalty to PLN 1.2.

On 30 December 2014 the President of UOKiK issued a decision ending investigations related to Polkomtel's (Company's subsidiary) alleged practices which infringed upon the collective interests of consumers by not providing its telecommunication clients (which entered into a written agreement) with terms and conditions of the preferential sales offer as well as not informing about the termination of the preferential sales offer. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 6.0. The company appealed to SOKiK against the decision. On 5 March 2018, SOKiK issued a decision where the penalty has been annulled and dismissed the appeal in remaining scope. Both parties appealed to the Court of Appeal in Warsaw. The Court of Appeal annulled in full the verdict of the first instance court and returned the case back to the first instance court. On 1 April 2021 SOKiK dismissed Polkomtel's appeal. On 24 January 2022 Polkomtel's appeal was dismissed. On 7 February 2022 Polkomtel paid the penalty in the amount of PLN 6.0. Polkomtel filed a cassation appeal against the judgment of the Court of Appeal.

On 30 December 2016 the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company and Polkomtel were charged with a penalty in the amount of PLN 4.4 and PLN 12.3, respectively. The Group appealed to the Court against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Group appealed against the decision. On 31 December 2020 the Group's appeal was dismissed. On 14 January 2021 Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On 25 May 2023 cassation appeals were dismissed.

On 29 April 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by charging for activating the services to consumers, despite not obtaining an explicit approval of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 39.5. Polkomtel appealed to SOKiK against the decision. On 26 May 2021 SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On 8 November 2022, the Court of Appeal dismissed the appeal. On 22 November 2022, Polkomtel paid a penalty of PLN 39.5. Polkomtel filed a cassation complaint. Complaint was accepted for consideration by the Supreme Court.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9. The Company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court dismissed the Company's appeal in its entirety. The Company submitted a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on 21 October 2022. On 21 November 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On 24 July 2023 Company's appeal was again dismissed. On 6 September 2023 the Company filed an appeal against the judgment. To date, hearing date has not been set.

On 31 December 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by charging additional fees for data transmission using the RSTP protocol, despite the subscribers having internet packages or unlimited LTE Internet services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 50.6. Polkomtel appealed to SOKiK against the decision. On 15 December 2021, SOKiK announced decision in which it dismissed Polkomtel's appeal in its entirety. Polkomtel submitted an appeal against the SOKiK verdict. On 21 July 2022 the Court of Appeal partially revoked the President of UOKiK's decision and reduced a penalty to PLN 16.8. On 4 August 2022, Polkomtel paid the penalty in the amount of PLN 16.8. Both Polkomtel and President of UOKiK filed a cassation appeals. On 26 January 2023, the Supreme Court refused cassation appeals.

On 22 January 2020 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 20.4. Polkomtel appealed to SOKiK against the decision. On 8 April 2022, SOKiK dismissed Polkomtel's appeal. On 31 May 2022 Polkomtel submitted appeal against the SOKiK verdict. On 28 March 2023 the Court of Appeal dismissed the appeal. On 11 April 2023 Polkomtel paid a penalty of PLN 20.4. After receiving written justification of the judgment of the Court of Appeal, on 30 June 2023 Polkomtel filed a cassation complaint.

By decision of 27 December 2023, the President of UOKiK recognized the actions of Telewizja Polsat Sp. z o.o. and Teleaudio Dwa Sp. z o.o Sp. k., (subsidiaries of the Company) as a practice violating the collective interests of consumers. The violations allegedly consisted in misleading SMS information sent to customers as to the rules and costs of participation in the New Year's Eve edition of the SMS competition in the content of verbal and graphic messages as part of the broadcast "New Year's Eve Power of Hits 2021 - New Year's Eve of Happiness" and as to the course of the competition and the prizes that could be won at its individual stages. As a consequence, the President of UOKiK imposed fines on both entities in the total amount of PLN 9.9. The decision is not final, each company filed an appeal to the Regional Court in Warsaw on 26 January 2024.

## Other proceedings

In September 2015, Polkomtel (Company's subsidiary) received a claim from P4 Sp. z o.o., in which the company demands compensation of PLN 316 (including interest of PLN 85), for the alleged actions relating to the pricing of the mobile services rendered between July 2009 and March 2012. The claim assumes payment of the above amount jointly by Orange Poland S.A., Polkomtel and T-Mobile Poland S.A. On 27 December 2018 Court dismissed the entire claim. P4 Sp. z o.o. appealed against the decision. On 28 December 2020, the Court of Appeal referred the case to the District Court for reconsideration, Polkomtel appealed to the Supreme Court against this decision. On 13 November 2020, the P4 sp. z o.o. claim for payment of PLN 313, including interest of PLN 85, was delivered by the court. This lawsuit constitutes an "extension" of P4 Sp. z o.o claim dated September 2015 and concerns a further period of the acts alleged against the defendants, i.e. from April 2012 to December 2014.

Management believes that the claim is unfounded, as Polkomtel's conduct alone or with other tort entities was not wrongful, in particular relating to the pricing of retail mobile services directed to the telecommunications network of P4 Sp. z o.o. In management's opinion, there is no legal basis for the overall assessment of the alleged actions of each of the operators on the telecommunications market, which is fully a competitive market, and each of the operators has its own business and pricing strategy. The claim of P4 Sp. z o.o. indicates neither nature (premises liability) nor the amount.

On 28 April 2017, Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On 10 January 2018 the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The last hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, containig the mediator's position summarizing the course of mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. At the end of March 2022, the Company received a letter extending the previous claim by the period from 1 January 2010 to 31 December 2020, the value of the lawsuit was increased by over PLN 120.0. The court set the hearing dates for: 15 December 2023 and 17 April 2024. The hearing on 15 December 2023 has been canceled.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from 20 August 2009 to 20 August 2019. In the claim for payment, SAWP claims PLN 153.3 for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on 17 January 2024. The hearing was postponed without a date.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the management board members as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases.

## 48. Remuneration of the Management Board

The table below presents the Management Board’s remuneration for management functions in the Parent Company and its subsidiaries.

| Name | Function | 2023 | 2022 |
|---|---|---|---|
| Mirosław Błaszczyk | President of the Management Board | 1.0 | 1.0 |
| Maciej Stec | Vice-President of the Management Board | 0.4 | 0.6 |
| Jacek Felczykowski | Member of the Management Board | 1.0 | 1.0 |
| Aneta Jaskólska | Member of the Management Board | 0.9 | 0.9 |
| Agnieszka Odorowicz | Member of the Management Board | 0.6 | 0.6 |
| Katarzyna Ostap-Tomann | Member of the Management Board | 1.0 | 1.0 |
| **Total** | | **4.9** | **5.1** |

The amounts of bonuses and other remuneration payable to each member of the Management Board for 2023 and 2022 are presented below:

| Name | Function | 2023 | 2022 |
|---|---|---|---|
| Mirosław Błaszczyk | President of the Management Board | 2.5 | 2.5 |
| Maciej Stec | Vice-President of the Management Board | 1.3 | 5.0 |
| Jacek Felczykowski | Member of the Management Board | 1.5 | 1.5 |
| Aneta Jaskólska | Member of the Management Board | 1.9 | 1.9 |
| Agnieszka Odorowicz | Member of the Management Board | 1.0 | 0.8 |
| Katarzyna Ostap-Tomann | Member of the Management Board | 3.4 | 2.4 |
| **Total** | | **11.6** | **14.1** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 49. Remuneration of the Supervisory Board

The Supervisory Board receives remuneration based on the resolution of the Extraordinary General Shareholders' Meeting of Cyfrowy Polsat S.A. dated 5 September 2007. On 29 June 2016 the Annual General Meeting adopted the resolution concerning changes in remuneration of members of the Supervisory Board.

Presented below is the total remuneration payable to the Supervisory Board members of the Parent Company in 2023 and 2022:

| Name | Function | 2023 | 2022 |
|---|---|---|---|
| Zygmunt Solorz | Chairman of the Supervisory Board | 0.24 | 0.24 |
| Marek Kapuściński | Vice-Chairman of the Supervisory Board (until 31 May 2023) | 0.08 | 0.18 |
| Józef Birka | Member of the Supervisory Board | 0.18 | 0.18 |
| Jarosław Grzesiak | Member of the Supervisory Board | 0.18 | 0.18 |
| Marek Grzybowski | Independent Member of the Supervisory Board | 0.18 | 0.18 |
| Tobias Solorz | Member of the Supervisory Board | 0.18 | 0.18 |
| Tomasz Szeląg | Member of the Supervisory Board | 0.18 | 0.18 |
| Piotr Żak | Member of the Supervisory Board | 0.18 | 0.18 |
| **Total** | | **1.40** | **1.50** |

## 50. Important agreements and events

### Conclusion of financial PPA agreements

In March 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK Volt S.A. regarding electricity generated by a photovoltaic farm in the Brudzew municipality. The financial PPA agreements were concluded for a period of 15 years, with the possibility of termination in certain situations and are effective since April 2023.

In April 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with Park Wiatrowy Pałczyn 1 Sp. z o.o. and PAK Volt S.A. regarding electricity generated by a wind farm in the Miłosław municipality. The financial PPA agreements were concluded for a period of 15 years and 6 months and is effective since January 2024.

The Company committed in the financial PPA agreements to make financial settlements in order to ensure a fixed price for the sale or purchase of electricity (so-called contract on difference). The settlement price in the financial PPA agreements was established for the first year of the term and will be indexed in subsequent years by the inflation rate, subject to applicable legal regulations specifying the maximum sales price of electricity produced from renewable sources.

### Decision of the Head of the Małopolska Tax Office in Cracow

On 15 February 2018 the Head of the Małopolska Tax Office in Cracow ("Tax Office") issued the decision assessing the tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 increased by interest on tax arrears.

In the issued decision the Tax Office contested the Company's right to an exemption from the obligation to withhold income tax on certain interest payments in 2012. The Company appealed against the decision of the Tax Authority on the basis of acquired opinions issued by renowned entities. The Company has not created any provisions encumbering its financial results.

On 10 July 2018 the Tax Office upheld the previous decision dated 15 February 2018. The Company does not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of 21 February 2019. The Company does not agree with this decision and filled a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on 17 August 2022. The Voivodship Administrative Court, at the hearing on 15 March 2023, revoked the decision of the Head of the Małopolska Tax Office in Cracow and referred the case for reconsideration by this authority. On 23 January 2024, the Company received the decision of the tax authority discontinuing the proceedings in the case.

The Tax Office control activities in the aforesaid matter were in progress in relation to 2013 and 2014.

The Head of the Małopolska Tax Office in Cracow issued a decision on 19 July 2019 in respect to the year 2013. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 increased by interest on tax arrears. The Company appealed against the decision, but on 14 February 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 15 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

The Head of the Małopolska Tax Office in Cracow issued a decision on 20 September 2019 in respect to the year 2014. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2014 in the amount of PLN 1.7 increased by interest on tax arrears. The Company appealed against the decision of the Tax Authority. In a second instance decision issued on 8 June 2020, the Tax Authority fully maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 20 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgments of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

### Renewal of the frequency reservations

Frequency reservations allocated in the 1800 MHz band expired at the end of 2022, while the frequency reservation in the 900 MHz band expired at the end of 2023 and 2600 MHz will expire at the end of 2024. On 30 November 2021 Polkomtel and Aero 2 were merged, consequently Polkomtel entered into the rights and obligations of Aero 2 and thus taking over the right to Aero 2 frequencies. Pursuant to the Telecommunications Law, in December 2021, December 2022 and December 2023 respectively, Polkomtel Sp. z o. o. applied to UKE President for the reservation of frequency in the 1800 MHz band, 900 MHz band and 2600 MHz band for the next periods.

On 20 December 2022, Polkomtel received the decisions of the President of UKE granting Polkomtel a frequency reservation in the 1800 MHz band for the next 15 years - until 31 December 2037. Pursuant to these decisions, Polkomtel was obliged to pay fees to the State Treasury in the amount of PLN 847 for the above reservation. The payment in the amount of PLN 847 was made on 3 January 2023.

On 10 July 2023, Polkomtel received a decision of the President of UKE reserving frequencies in the 900 MHz band for Polkomtel for the next 15 years – until 31 December 2038. According to this decision, Polkomtel was obliged to pay fees PLN 300.3 to the State Treasury for making the reservation. The payment in the amount of PLN 300.3 was made on 24 July 2023.

## Auction for spectrum reservation in the 3.6 GHz band

On 22 June 2023, the President of UKE announced an auction for four frequency reservations in the 3.6 GHz band.

According to the published documentation, the subject of the auction were 4 blocks with a width of 100 MHz each. The asking price amounts to PLN 450.0 per block.

In accordance with the auction documentation, each of the auction winners will be subject to identical network development obligations to launch in the indicated areas by each operator at least 3,800 (not in millions) base stations using allocated frequencies within 48 months from the date of delivery of the reservation decision. In addition, auction winners will be required to ensure capacity (using any frequency range) of 95Mbps for 99% of households throughout the country within 60 months, for 90% of the country within 60 months, for 95% of national roads within 84 months, for 95% of provincial roads within 84 months, for 95% of railway routes within 84 months, for 24-hour border crossings within 24 months from the date of delivery of the reservation decision.

Initial offers were submitted by four mobile network operators: Orange, Polkomtel, P4 and T-Mobile until 8 August 2023 (first auction stage).

Polkomtel submitted an initial offer on 4 August 2023 and also paid a deposit in the required amount of PLN 182.

On 16 October 2023 the President of the UKE started the second stage of the auction bidding which ended on 18 October 2023. Accordingly, Polkomtel purchased block A (3400-3500 MHz band) for PLN 450.

On 19 December 2023, the President of UKE issued a reservation decision for Polkomtel regarding the acquired frequency block in the 3.6 GHz band. On 10 January 2024, Polkomtel paid the President of UKE an additional fee for making the frequency reservation.

## The legal dispute in respect to the telecommunication concession

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated 8 May 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on 23 September 2011 which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that “the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA’s rulings and the Court’s guidelines regarding further procedure as well as upon analysis of the legal situation”. UKE also stated that the “reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies”. On 23 December 2016 President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated 4 August 2017 President of UKE notified the parties that the tender dated 2007 has been annulled. On 13 October 2017 Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated 4 August 2017 concerning the annulment of the tender procedure. On 31 January 2018 the President of UKE upheld its decision dated 4 August 2017. On 7 March 2018 Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on 4 October 2018 complaint was dismissed. On 27 December 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on 25 November 2022.

The decision issued by UKE President does not affect reservation decisions issued following the administrative tender. Moreover, on 5 December 2022, Aero2 (currently Polkomtel Sp. z o.o.) obtained the decision of the President of UKE to grant a frequency reservation in the 1800 MHz range for the next period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on 23 April 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated 30 November 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated 28 November 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated 23 April 2009. This decision was upheld by the decision of the President of UKE dated 4 June 2018. In connection with complaints filed against this decision, in the ruling of 11 March 2019 the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated 4 June 2018. On 10 October 2023, the Supreme Administrative Court overturned the contested judgment and referred the case to the Court of First Instance for reconsideration.

On 4 October 2018, T-Mobile Polska filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated 5 September 2018 issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On 20 November 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On 4 July 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated 20 November 2018, as a result of a cassation appeal filed by T-Mobile Polska S.A. On 18 August 2020, the announcement of the President of UKE dated 5 September 2018 was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on 9 December 2021. The case was remanded for re-examination to Voivodship Administrative Court in Warsaw. On 25 October 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. On 13 October 2023, the Supreme Administrative Court dismissed the cassation appeal of T-Mobile Polska S.A., as a result of which the proceedings were legally terminated.

## The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty

In the beginning of October 2020, Cyfrowy Polsat S.A. and Sferia S.A. (Sferia), a company owned by the Cyfrowy Polsat Group in 51% since 29 February 2016, received from the Ministry of Digital Affairs a copy of the European Commission's decision dated 21 September 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On 4 February 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

## Conclusion of annex to the preliminary share purchase agreement concerning PAK-Polska Czysta Energia Sp. z o.o. and the acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat signed with ZE PAK S.A. (a related company) an annex to the preliminary agreement of 20 December 2021 regarding the Company's acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

Pursuant to annex, Cyfrowy Polsat and ZE PAK S.A. agreed that the subject matter of the final agreement ("Final Agreement") will be 2,390,600 (not in millions) shares in PAK-Polska Czysta Energia Sp. z o.o. ("PAK-PCE Shares"), representing approximately 10.1% of the share capital of PAK-Polska Czysta Energia Sp. z o.o. and approximately 10.1% of votes at the shareholders' meeting of PAK-Polska Czysta Energia Sp. z o.o. ("Transaction").

In addition, the Company and ZE PAK S.A. have agreed that two companies from the PAK-Polska Czysta Energia Sp. z o.o. Group: Przedsiębiorstwo Remontowe "PAK Serwis" Sp. z o.o. and PCE-OZE 5 Sp. z o.o., will be transferred to ZE PAK S.A. before closing the Transaction and therefore will not be subject of Transaction.

On 3 July 2023 the Company concluded with ZE PAK S.A. the Final Agreement under which the Company acquired the PAK-PCE Shares from ZE PAK S.A. The final price for the PAK-PCE Shares amounted to PLN 117.0.

Following Transaction and taking into account the shares previously acquired and subscribed for by the Company in PAK-Polska Czysta Energia Sp. z o.o., Cyfrowy Polsat holds approximately 50.5% of the shares in the share capital of PAK-Polska Czysta Energia Sp. z o.o.

## Acquisition of shares in Pantanomo Limited

On 3 July 2023 the Company and Tobe Investments Group Limited entered into a share purchase agreement, pursuant to which Cyfrowy Polsat acquired from Tobe Investments Group Limited 4,705 (not in millions) shares in Pantanomo Limited, representing approximately 32% of Pantanomo's share capital.

The purchase price for the Pantanomo Limited shares amounts to PLN 307.2 and will be paid by the Company in instalments, the first instalment in the amount of PLN 107.2 by 31 October 2023, the second instalment in the amount of PLN 100.0 by 30 April 2024, and the remaining part of the price in the amount of PLN 100.0 will be paid by 31 October 2024.

## Acquisition of shares in 4FUN Sp. z o.o. and naEKRANIE.pl Sp. z o.o.

On 20 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% of shares in the share capital of naEKRANIE.pl Sp. z o.o. for the amount of PLN 11.1.

On 21 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% of shares in the share capital of 4FUN Sp. z o.o. for the amount of PLN 37.5.

## Sale of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.

On 2 August 2023 Polkomtel Sp. z o.o. sold 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. to Embud 2 Sp. z o.o. S.K.A. (a related company). Total purchase price was PLN 63.7. At the moment of the sale of shares, the main part of assets of Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. was real estate whose value in the consolidated financial statements of the Group as at 30 June 2023 was presented in the item "Assets held for sale" in the amount of PLN 55.5.

### Sale of shares in Asseco Poland S.A.

On 21 September 2023, as part of the share buyback announced by Asseco Poland S.A., the Company sold 10,642,046 (not in million) ordinary bearer shares of Asseco Poland S.A. The total proceeds from the sale of shares, reduced of transaction costs, amounted to PLN 850.5.

### Conclusion of the agreement for the execution of wind farms "Drzeżewo I-IV”

On 2 October 2023, in connection with "Drzeżewo I-IV" wind power project, Eviva Drzeżewo Sp. z o.o., (Company’s subsidiary), entered into a turbine supply agreement with Vestas Poland Sp. z o.o. for the supply of turbines, their installation, commissioning and servicing. The turbines' availability will be guaranteed for 15 years from the date of commissioning.

### Repurchase of 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. and termination of the joint venture agreement concluded with HB Reavis Cz a.s. and conclusion of an agreement regarding Joint Venture

On 4 October 2023, Pantanomo Limited (Company’s subsidiary) acquired 50% of the shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. from HB Reavis Holding CZ a.s. The price for the shares was set at EUR 21.1.

On 4 October 2023, the Company's subsidiaries entered into an agreement confirming the expiry of the joint venture agreement (the "JV Agreement") which was entered into by Port Praski City II Sp. z o.o., Port Praski Medical Center Sp. z o.o. and Pantanomo Limited with HB Reavis Holding CZ a.s. on 21 July 2022. In addition to confirming the expiry of the JV Agreement, the parties also waived any mutual claims arising or which may arise in the future under the JV Agreement.

### Strategic partnership between Google Cloud and the Group

On 26 October 2023, Google Cloud and the Group announced a strategic partnership, whereby the Group will accelerate its technological development and digital transformation through the use of Google Cloud solutions. The agreement defines the terms of co-operation, financial settlements as well as minimum contract obligations, resulting in Group’s future payment commitments.

### Concluding financial PPA agreement

As part of the partnership with Google, on 25 October 2023, Farma Wiatrowa Przyrów Sp. z o.o. (Company’s subsidiary) entered into a so-called financial PPA (Power Purchase Agreement) agreement with Topaz Computing Sp. z o.o. regarding electricity generated by a wind farm in the Przyrów municipality. The financial PPA agreement was concluded for a period of 10 years and will be effective from the date of the commercial launch of the farm, which is planned for the second half of 2024.

### Influence of the political and economic situation in Ukraine on the Group's operations and financial prospects

In the Management Board’s view, the Company and Group’s core business is relatively resistant to the adverse impact of the political and economic situation in Ukraine. More information is presented in note 5.1 in the Management Report for 2023.

## 51. Events subsequent to the reporting date

### Early redemption of Series B and C Bonds

On 17 January 2024 the Managament Board has decided to carry out an early redemption (”Early Redemtpion”) of all bonds outsanding:

- PLN 223,798 (not in millions) Series B bearer bonds with a total nominal value of PLN 223.8 issued by the company on 26 April 2019 with redemption date set for 24 April 2026 and
- PLN 88,053 (not in millions) Series C bearer bonds with a total nominal value of PLN 88.1 issued by the company on 14 February 2020 with redemption date set for 12 February 2027.

Early redemption was executed by the Company on 5 February 2024 by payments:

- for each series B bond, the cash amount at its nominal value, i.e. PLN 1,000 (not in millions), plus accrued interest of PLN 20.46 (not in millions) and
- for each series C bond, the cash amount at its nominal value, i.e. PLN 1,000 (not in millions), plus accrued interest of PLN 39.41 (not in millions) and bonus for Early Redemption in amount of PLN 5.00 (not in millions).

In connection with the Early Redemption, all Series B bonds and Series C bonds were cancelled.

### Sale of intangible assets

On 25 January 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 (IPv4) communications protocol address package, to an unrelated party for a total consideration of USD 56.1. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provides for the completion of the above transaction and payment in three tranches. The first payment instalment of PLN 164.0, net of transaction costs, was recognised under 'Other operating income' in the consolidated income statement for the first quarter of 2024.

### Sale of shares in Muzo.fm Sp. z o.o.

On 27 March 2024 Telewizja Polsat Sp. z o.o. sold 100% of shares in Muzo.fm Sp. z o.o. The total sale price amounted to PLN 0.4.

## 52. Other disclosures

### Other securities

The Company provided guarantees to its subsidiaries and other related parties in respect to purchase contracts. Additionally, Group’s entities also have bank guarantees in respect to purchase contracts as well as payments.

In connection with the implementation of investment projects in the green energy segment by its subsidiaries, the Company provided guarantees of a significant value for the execution of contracts for the implementation of individual wind farm projects, in particular contracts for the supply and installation of wind turbines concluded with Vestas Poland S.A. and Nordex Poland S.A. As at 31 December 2023, the total value of guarantees and warranties provided to the above companies for wind farm projects amounted to EUR 328.3, with maturity dates ranging from 2024 to 2026. The financial terms of the guarantees or sureties granted do not deviate from market conditions.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

In addition, the Company issued corporate guarantees and warranties in EUR and USD, which guarantee the trade payables of its subsidiary Polkomtel Sp. z o.o. to its suppliers. As at 31 December 2023, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 217.4. The guarantees expire between 2024 and 2026. The financial terms of the granted guarantees and warranties do not differ from market terms.

### Commitments to purchase programming assets

As at 31 December 2023 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| within one year | 225.4 | 251.6 |
| between 1 to 5 years | 287.3 | 258.1 |
| more than 5 years | 162.8 | 13.3 |
| **Total** | **675.5** | **523.0** |

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| within one year | 15.8 | 20.0 |
| **Total** | **15.8** | **20.0** |

### Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements on the production and purchasing of property, plant and equipment was PLN 1,383.0 as at 31 December 2023 (PLN 138.2 as at 31 December 2022). The increase in the amount in 2023 is due to the implementation of "Green Energy" projects and includes the purchase of wind turbines.

Total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 78.4 as at 31 December 2023 (PLN 73.4 as at 31 December 2022).

### Future contractual obligations

As at 31 December 2023 and 31 December 2022 the Group had future liabilities due for transponder capacity agreements.

The table below presents future payments (total):

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| within one year | 116.1 | 125.3 |
| between 1 to 5 years | 116.1 | 250.5 |
| **Total** | **232.2** | **375.8** |

## 53. Judgments, financial estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS EU requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and costs. Estimates and underlying assumptions are based on historical data and other factors considered as reliable under the circumstances, and their results provide grounds for an assessment of the carrying amounts of assets and liabilities which cannot be based directly on any other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant estimates and assumptions made primarily related to the following:

- Classification of lease agreements

For contracts in which the Group acts as a lessor, the Group classifies leasing agreements as operating or financial based on the assessment as to what extent the risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The assessment is based on the economical substance of each transaction. The Group concludes agreements for the rental of reception equipment (set-top boxes, modems and routers) to its customers in the course of its business operations. These lease agreements are classified as operating leases as the Group holds substantially all the risks and rewards incidental to ownership of the reception equipment.

The Group entered into leases of office and other premises which are classified as operating leases. For more information see note 36.

- Lease term

For agreements which meet the lease definition, the Group determines the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. While determining the lease term the Group considers all relevant facts and circumstances, which could indicate that the Group will exercise the option to extend the lease. Lessee shall reassess an extension option, upon the occurrence of either a significant event or a significant change in the circumstances that are within control of the lessee. In terms of contracts with an indefinite period, the lease term is determined based on a professional judgment regarding the contract term. Contracts with indefinite periods for which the Group estimates reasonable certain lease terms include mainly the following:

- premises for technical infrastructure – estimated lease term is 2-10 years,
- dark fibers – estimated lease term is 2-10 years,
- points of sale premises – estimated lease term is 2 years,
- premises for wind farms – estimated lease term is 30 years.

- Discount rate used by the lessee

Discount rate is understood as the interest rate implicit in the lease (if that rate can be readily determined) or the incremental borrowing rate of the Group, determined as the cost of interest on the loan, which the Group would have to incur when taking a loan to purchase a given asset with adequate security. The incremental borrowing rate can be defined as the sum of the risk free rate and the Group's credit risk premium. Discount rates applied by the Group take into account the maturity and the currency of lease contracts.

- Depreciation rates of property, plant and equipment, investment property and intangible assets with definite useful lives

Depreciation rates are based on the expected economic useful lives of property, plant and equipment (including reception equipment provided to customers under lease agreements), investment property and intangible assets (including customer relationships and Plus, Netia, Interia and Premium Mobile brands). The expected economic useful lives are reviewed on an annual basis based on the experience of the entity.

The process of verification also accounts for climatic factors, including physical and transition risks. In particular, the Group defines whether the climate-related legislation and regulations can potentially have impact on the useful life of assets, e.g. by introducing bans, restrictions, or by imposing additional requirements, e.g. such as energy performance with regard to the Group's buildings.

The economic useful lives of the set-top boxes rented to customers under operating lease agreements are estimated for 5 years, modems and routers 3 years. For information on the useful lives of property, plant and equipment, investment property and other intangible assets with definite useful lives see notes 6j and 6k. For information on the depreciation charge for the period by the category of property, plant and equipment and intangible assets with definite useful lives see notes 16, 20 and 23.

- Economic useful lives and amortization method of programming assets

Economic useful life of programming assets is based on the shorter of the expected consumption of future economic benefits from the underlying asset and the license period. Amortisation method of programming assets reflects how these economic benefits are consumed. The estimation of the useful life and the amortization method requires assessment of the timing during which the Group is expecting to obtain the income from the acquired programming assets and the percentage apportionment of this income in the given period. For more information about the amortization method and amortization charge for the period by programming assets' category see notes 6l and 22.

- Definite useful life of Polsat, TV4, TV6 and Polo TV brands

The Group has reviewed whether relevant factors continue to indicate indefinite useful life of Polsat, TV4, TV6 and Polo TV brands recognised in 2011-2017 on the acquisition of Telewizja Polsat S.A., Polskie Media S.A. and Lemon Records Sp. z o.o.

The Group has reviewed the following factors which are essential for estimating the economic useful life of the Polsat, TV4, TV6 and Polo TV brands:

- the expected usage of the asset by the entity and whether the asset could be managed more efficiently,
- technical, technological, commercial or other types of obsolescence,
- the stability of the industry in which the asset operates and changes in the market demand for media services,
- expected actions by competitors or potential competitors,
- the level of maintenance expenditure required to obtain the expected future economic benefits from the asset,
- whether the useful life of the asset is dependent on the useful life of other asset of the entity.

Having analyzed the above factors, the Group has concluded that there is foreseeable limit to the period over which the Polsat, TV4, TV6 and Polo TV (Lemon Records) brands are expected to generate net cash inflows for the Group and thus the definite useful life was assumed since 2023. This means that the above brands are subject to amortization for a period of 20 years.

As at the balance sheet date the Management states there are no plans to cease using or significantly modify Polsat, TV4, TV6 or Polo TV (Lemon Records) brands. The value assigned to the brands relate to the name "Polsat", "TV4", "TV6" and "Polo TV" respectively and the related logotypes both of which are reserved trademarks. In case the Group decides about discontinuance of use or significant modification of the name or logotype the Management would assess whether there are indications of impairment of the Polsat, TV4, TV6 and Polo TV brands.

- Fair value of assets and liabilities of Enterpol Sp. z o.o., Oktawave S.A., Antyweb Sp. z o.o. and Specialist Sales and Customer Service Points

The Group identified assets and liabilities and estimated their fair value under the purchase price allocation process relating to the acquisition of Enterpol Sp. z o.o., Oktawave S.A., Antyweb Sp. z o.o. and Specialist Sales and Customer Service Points. For more information see note 40.

- Provisional fair value of assets and liabilities of PAK-PCE Group, naEkranie.pl Sp. z o.o. and 4Fun Sp. z o.o.

The Group identified assets and liabilities and initially estimated their fair value under the purchase price allocation process relating to the acquisition of PAK-PCE Group, naEkranie.pl Sp. z o.o. and 4Fun Sp. z o.o.. For more information see note 40.

- The impairment of goodwill

The Group performed impairment test of a goodwill. The impairment test was based on the value-in-use calculations of the cash-generating unit to which the goodwill and brands have been allocated on the initial recognition. Goodwill has been allocated to the following cash-generating units, which also represent the Group's business segments:

- “B2C and B2B services” - goodwill recognized on the acquisition of M.Punkt Holdings Ltd., goodwill recognized on the acquisition of INFO-TV-FM Sp. z o.o., the goodwill recognized on the acquisition of entities comprising the IPLA platform, the goodwill recognized on the acquisition of Metelem Holding Company Ltd., the goodwill recognized on the acquisition of Orsen Holding Ltd., the goodwill recognized on the acquisition of Litenite Ltd., the goodwill recognized on the acquisition of IT Polpager S.A., the goodwill recognized on the acquisition of 65.98% shares of Netia S.A., the goodwill recognized on the acquisition of Coltex ST Sp. z o.o., the goodwill recognized on the acquisition of Netshare Media Group Sp. z o.o., the goodwill recognized on the acquisition of 51.22% shares of TVO Sp. z o.o., the goodwill recognized on the acquisition of ISTS Sp. z o.o., the goodwill recognized on the acquisition of 51.25% shares of Esoleo Sp. z o.o., the goodwill recognized on the acquisition of IST Sp. z o.o., the goodwill recognized on the acquisition of data center in the form of an organised part of the enterprise, the goodwill recognized on the acquisition of 70.02% shares of BCAST Sp. z o.o., the goodwill recognized on the acquisition of Premium Mobile Sp. z o.o., the goodwill recognized on the acquisition of Logitus Sp. z o.o., the goodwill recognized on the acquisition of CKS Ossa Sp. z o.o., the goodwill recognized on the acquisition of Ossa Medical Center Sp. z o.o., the goodwill recognized on the acquisition of Stork 5 Sp. z o.o., the goodwill recognized on the acquisition of Vindix S.A., the goodwill recognized on the acquisition of Enterpol Sp. z o.o. and the goodwill recognized on the acquisition of Oktawave S.A.
- “Media: television and online” - goodwill recognized on the acquisition of Telewizja Polsat S.A., goodwill of TV4 and TV6 recognized on the acquisition of Polskie Media S.A., goodwill recognized on the acquisition of Radio PIN S.A., goodwill recognized on the acquisition of ESKA TV S.A., goodwill recognized on the acquisition of Lemon Records Sp. z o.o., the goodwill recognized on the acquisition 99,99% share of Eleven Sports Network Sp. z o.o., the goodwill recognized on the acquisition of Superstacja Sp. z o.o., the goodwill recognized on the acquisition of TV Spektrum Sp. z o.o., the goodwill recognized on the acquisition of 60% shares of Polot Media Sp. z o.o. and Polot Media Sp. z o.o. Sp. k, goodwill arising from the acquisition of 70% of shares in Antyweb Sp. z o.o., goodwill arising from the acquisition of 60% of shares in naEKRANIE.pl Sp. z o.o. as well as the goodwill recognized on the acquisition of 60% shares of 4FUN Sp. z o.o.

- “Real Estate” - goodwill recognized on the acquisition of 66.94% shares of Port Praski Sp. z o.o.
- "Green energy" - goodwill recognized as a result of the acquisition of a total of 50.51% of shares in PAK-Polska Czysta Energia Sp. z o.o.,

The value-in-use calculations included estimation of discounted cash flows for the given cash-generating unit and the relevant discount rate. The value of goodwill tested at each cash-generating unit, the key assumptions used in the value-in-used calculations for each cash-generating unit, impairment test results and sensitivity analysis of reasonably possible changes in the key assumptions are presented in note 19.

- The impairment of non-financial non-current assets

The Group analyzed whether, as of the balance sheet date, there were indications of potential impairment of fixed assets, intangible assets or rights to use with a definite useful life and recognized an impairment loss for fixed assets in the amount of the difference between the recoverable amount and the carrying amount.

It is also climatic factors, such as climate-related legislation, that can affect the residual value of fixed assets. Additionally, extreme weather such as thunderstorms, torrential rains or hurricanes may lead to shutdowns or even cause physical damage to the wind farms. Similar damage can be potentially caused to photovoltaic farms as well as to the telecommunication infrastructure (e.g. BTS base stations) and to the transmission infrastructure. At the same time these assets are designed and constructed in a way which minimizes such threats. Extreme weather conditions can also cause damage to the broadcasting infrastructure, the antenna dishes in particular. Nonetheless these antennas are designed and built in a way to allow the antenna dishes to withstand hurricane-force winds. Hence even hurricanes, which have become more frequent in Poland, should not cause damage to antenna dishes.

At the same time, weather phenomena, which are accompanied by heavy clouds which accumulate big volumes of water, can interfere with satellite signal transmission. Bearing such threats in mind, two redundant transmission centers were built – in Warsaw and in Radom. If weather conditions are unfavorable in one location, the other one will seamlessly take over. The solution can also help continue trouble-free operations in case of other problems (e.g. persisting power outages).

The amounts of depreciation and amortization charges are presented in notes 16, 20 and 21. As of 31 December 2023 no reasons existed which could lead to impairment of fixed assets due to climate-related factors.

- Impairment of receivables

The value of receivables is updated taking into account the expected credit losses for trade receivables and contract assets in the amount corresponding to the expected credit losses throughout the life of the instrument. The amount of expected losses is calculated on the basis of historical data regarding the repayment of receivables and the effectiveness of debt collection, taking into account current expectations regarding the future values of these parameters. For more information see notes 6n, 29 and 42.

- Impairment of inventories

The Group provides impairment for slow-moving or obsolete inventories based on inventory turnover ratios and current marketing plans. The purchase cost or production cost is determined based on weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. For more information see notes 6m and 28.

- Provisions for pending litigation

During the normal course of its operations the Group participates in several court proceedings, usually typical and repeatable and which, on an individual basis, are not material for the

Group, its financial standing and operations. The provisions are estimated based on the court documentation and the expertise of the Group's lawyers who participate in the current litigations and who estimate Group's possible future obligations taking the progress of litigation proceedings into account. The Group also recognizes provisions for potential unreported claims resulting from past events, should the Management Board find that the resulting outflow of economic benefits is likely. Provisions regarding probable claims are recognized as a result of Management Board's estimates based on accessible information regarding market rates for similar claims. Management believes that the provisions as at 31 December 2023 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

- Deferred tax

Deferred taxes are recognised for all temporary differences, as well as for unused tax losses. The key assumption in relation to deferred tax accounting is the assessment of the expected timing and manner of realization or settlement of the carrying amounts of assets and liabilities held at the reporting date. In particular, assessment is required of whether it is probable that there will be suitable future taxable profits against which any deductible temporary differences can be utilized. At the end of the reporting period unrecognised deferred tax assets are re-assessed. A previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. For further details refer to note 6w and 13.

- Fair value of financial instruments

Fair value of financial instruments for which there is no active market is estimated using appropriate techniques of measurements. The techniques are chosen based on the professional judgment. For more information about the method of establishing the fair value of financial instruments and key assumption made see note 6h.

- Loan liabilities measured at amortised cost

The Cyfrowy Polsat Term Facility, the Polkomtel Term Facility, the Cyfrowy Polsat Revolving Facility and the Polkomtel Revolving Facility bear interest at a variable rate equal to WIBOR for the relevant interest period plus margin. The margin on the Cyfrowy Polsat Term Facility, the Polkomtel Term Facility, the Cyfrowy Polsat Revolving Facility and the Polkomtel Revolving Facility depends on the ratio of net consolidated indebtedness to consolidated EBITDA, as well as on the achievement by the Group of certain targets with respect to green energy production and zero-carbon energy consumption by certain Group entities. Accordingly, the Company's management classifies loan liabilities as variable rate instruments.

- Valuation of Financial PPA contracts

Financial PPAs are valued at fair value through profit or loss. The fair value of financial PPAs for which there is no active market is determined using appropriate valuation techniques. The Company uses judgment in selecting appropriate assumptions. The valuation model takes into account: (i) technical data from market reports on the seasonality of renewable energy production, (ii) market prices based on futures contracts on POLPX with maturities of up to 2 years, (iii) expert energy price paths for periods of more than 2 years available from an external party, (iv) inflation forecasts published by the National Bank of Poland, (v) a discount rate based on the market interest rate curve adjusted for counterparty credit risk.

- Presentation of Asseco Poland S.A. shares

Asseco Poland S.A. shares are presented as long-term assets due to the fact that they are not regarded as held for sale.

- Presentation of the result from disposal of shares in associates accounted for using the equity method

Management Board considered facts and circumstances related to investments accounted for using the equity method. In Management Board's opinion, disposal of the shares in associates does not have any characteristics of an one-off transaction. Consequently, the result of this transaction is presented as operational activity.

- Put options to purchase the remaining shares

The Management Board assessed that, in cases where put options for non-controlling shares of subsidiaries were granted, there was no transfer of ownership of the remaining shares at the moment of taking control over the companies. Therefore, a put option liability was recognized.

- Climate issues and impact on the financial statements

Being aware of the importance and the scale of climatic changes, while using various scenarios the Group carried out the analysis of the climate-related risks affecting its own operations, as well as the operations of the Company's capital group as a whole. The analysis led to identification of climate change-related physical risks and transition risks in the respective areas of the Group's operations, while also identifying the sources of actual and potential greenhouse gas emissions. The approach applied in the analysis is consistent with TCFD recommendations (Recommendations of the Task Force on Climate related Financial Disclosures, TCFD, June 2017), i.e. with the logic of climatic risk analysis at the qualitative level presented by TCFD (including in the scope related to division into physical and transition risks, as well as in the scope of their further categorization and description).

The full analysis of climate-related risk factors, including analysis of climate-development scenarios and the climate resilience of the business models used in respective segments of the Group's operations, is found in the Sustainability Report of Polsat Plus Group for 2023.

Wherever necessary, the Group has included the climate-related issues in its estimates and assumptions. The assessment includes a wide scope of potential impacts on the Group, both in terms of physical and transition risks.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

# Financial results for the 3 months ended 31 December 2023 and 31 December 2022

## 54. Consolidated Income Statement

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| **Continuing operations** | | |
| Revenue | 3,681.5 | 3,429.6 |
| Operating costs | (3,486.7) | (3,073.4) |
| Gain on disposal of a subsidiary and an associate | (0.4) | 39.8 |
| Other operating income/(costs), net | (22.2) | (0.8) |
| **Profit from operating activities** | **172.2** | **395.2** |
| Gain/(loss) on investment activities, net | 80.7 | 29.0 |
| Finance costs, net | (126.5) | (233.1) |
| Share of the profit/(loss) of associates accounted for using the equity method | - | 31.8 |
| **Gross profit for the period** | **126.4** | **222.9** |
| Income tax | 3.9 | (48.4) |
| **Net profit for the period** | **130.3** | **174.5** |
| Net profit attributable to equity holders of the Parent | 100.5 | 159.5 |
| Net profit attributable to non-controlling interest | 29.8 | 15.0 |
| **Basic and diluted earnings per share (in PLN)** | **0.24** | **0.32** |

## 55. Consolidated Statement of Comprehensive Income

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| **Net profit for the period** | **130.3** | **174.5** |
| *Items that may not be reclassified subsequently to profit or loss :* | | |
| Actuarial (loss)/gain | (2.6) | 2.9 |
| *Items that may be reclassified subsequently to profit or loss :* | | |
| Valuation of hedging instruments | 1.1 | (13.0) |
| Share of other comprehensive income of subsidiaries and associates | (2.7) | (6.2) |
| **Other comprehensive income/(loss), net of tax** | **(4.2)** | **(16.3)** |
| **Total comprehensive income for the period** | **126.1** | **158.2** |
| Total comprehensive income attributable to equity holders of the Parent | 98.6 | 143.6 |
| Total comprehensive income attributable to non-controlling interest | 27.5 | 14.6 |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 56. Revenue

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| Retail revenue | 1,763.7 | 1,750.8 |
| Wholesale revenue | 929.3 | 997.9 |
| Sale of equipment | 506.7 | 545.4 |
| Sale of energy | 285.6 | - |
| Other revenue | 196.2 | 135.5 |
| **Total** | **3,681.5** | **3,429.6** |

## 57. Operating costs

| | | for the 3 months ended | |
|---|---|---|---|
| | Note | 31 December 2023 unaudited | 31 December 2022 unaudited |
| Technical costs and cost of settlements with telecommunication operators | | 862.1 | 830.8 |
| Depreciation, amortization, impairment and liquidation | | 494.2 | 463.1 |
| Cost of equipment sold | | 415.2 | 429.5 |
| Content costs | | 565.6 | 555.5 |
| Cost of energy sold, including: | | 268.2 | - |
| *Depreciation* | | *9.3* | - |
| Distribution, marketing, customer relation management and retention costs | | 277.4 | 271.1 |
| Salaries and employee-related costs | a) | 335.6 | 300.0 |
| Cost of debt collection services, bad debt allowance and receivables written off | | 26.2 | 25.1 |
| Other costs, including: | | 242.2 | 198.3 |
| *Depreciation* | | *1.0* | - |
| **Total** | | **3,486.7** | **3,073.4** |

### a) Salaries and employee-related costs

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| Salaries | 278.5 | 254.0 |
| Social security contributions | 38.6 | 34.5 |
| Other employee-related costs | 18.5 | 11.5 |
| **Total** | **335.6** | **300.0** |

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

## 58. Gain/(loss) on investment activities, net

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| Interest on lease liabilities | (8.3) | (5.2) |
| Interest on loans granted | 2.6 | 13.5 |
| Interest, net | 32.9 | 11.1 |
| Other foreign exchange gains/(losses), net | (40.2) | 16.1 |
| Revaluation of previously held shares of PAK-PCE | 151.3 | - |
| Valuation of pre-existing relationships in connection with the acquisition of PAK-PCE | (83.9) | - |
| Other income/(costs) | 26.3 | (6.5) |
| **Total** | **80.7** | **29.0** |

## 59. Finance costs, net

| | for the 3 months ended | |
|---|---|---|
| | 31 December 2023 unaudited | 31 December 2022 unaudited |
| Interest expense on loans and borrowings | 185.0 | 181.4 |
| Interest expense on issued bonds | 97.6 | 44.6 |
| Exchange rate differences from loan valuation | (145.7) | - |
| Valuation and realization of hedging instruments | (0.6) | (8.3) |
| Valuation and realization of derivatives not used in hedge accounting – relating to interest | (12.8) | 13.9 |
| Guarantee fess, bank and other charges | 3.0 | 1.5 |
| **Total** | **126.5** | **233.1** |

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# INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

**To the General Meeting and Supervisory Board of Cyfrowy Polsat S.A.**

**Audit report on the annual consolidated financial statements**

## Opinion

We have audited the annual consolidated financial statements of Cyfrowy Polsat S.A. Group (the 'Group'),for which the parent company is Cyfrowy Polsat S.A. (the 'Parent Company') located in Warsaw at Łubinowa 4A, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the period from 1 January 2023 to 31 December 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2023 to 31 December 2023 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- comply in respect of the form and content with laws applicable to the Group and the Parent Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 10 April 2024.

## Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the version of International Auditing Standards ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the EU Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

| Key audit matter | How our audit responded to this matter |
|---|---|
| <u>Revenue recognition and accounting</u><br><br>Revenues from sales of the Group for the year ended 31 December 2023 amounted to PLN 13.626,3 million.<br><br>Revenue recognition was assessed as a key audit matter due to the fact that the accuracy of the revenue recognition is an inherent industry risk. This is because of the complexity of the billing and other IT systems, that process large volumes of data, combination of different products and services offered, including bundled offers.<br><br>The Group also enters into significant agreements with other telecommunication companies as far as access to telecommunication network and wholesale is concerned. This requires specific attention due to complexity of contractual provisions and is interpreted for the purpose of revenue recognition as well as due to its value.<br><br>Furthermore, the application of International Financial Reporting Standard *15 'Revenue from contracts with customers'* ('IFRS 15'), involves a number of key judgements and estimates, that are related among others to identification of the performance obligations, determination of the transaction price or identification of material rights.<br><br>Taking into account the above, we considered revenue recognition and accounting as a key audit matter.<br><br>*Reference to related disclosures in the consolidated financial statements*<br><br>Disclosure related to applied accounting policies and key judgements related to revenue recognition are included in note 6 'Accounting | In the course of performed audit procedures, we have documented our assessment of Group's accounting policies in regards to revenue recognition and accounting in accordance with IFRS 15 and related key judgements and estimates applied by the Company's Management.<br><br>Additionally, our procedures included, among others:<br><br>• understanding of the processes of revenue recognition, as well as identification and assessment of key controls mechanisms;<br>• testing of controls over revenue related processes;<br>• evaluation of relevant IT systems, including testing of controls in place, engaging our IT audit experts, which included manage changes as well as logical access controls in IT systems used in the revenue recognition processes;<br>• analysis of contractual provisions terms and understanding of the nature and key contractual terms of concluded contracts;<br>• analytical procedures, including analysis of monthly trends and data for significant revenue streams versus budgets and forecasts;<br>• reconciliation of balances of contract assets, contract costs and contract liabilities to source documentation;<br>• substantive testing on sample of agreements and invoices for customers in respect of revenue recognition and verification of payments received.<br><br>We also assessed the adequacy of the Company's disclosures in respect of the revenue recognition and accounting in the consolidated financial statements. |

and consolidation policies' to the consolidated financial statements.

Disclosures on revenue are included in note 9 'Revenue' to the consolidated financial statements. Disclosure on contract cost is included in note 24 'Deferred distribution fees' to the consolidated financial statements. Disclosure on revenue contract asset is included in note 27 'Contract asset' to the consolidated financial statements.

| Key audit matter | How our audit responded to this matter |
| --- | --- |

**Non-current assets (including goodwill) impairment analysis**

As at 31 December 2023 the Group presents non-current assets in the amount of PLN 28.149,2 million, including goodwill of PLN 10.980,2 million, which constitute 75,7% and 29,5% of total assets respectively.

Under requirements of International Accounting Standard 36 *'Impairment of assets'* ('IAS 36'), the Group tested the amount of non-current assets, including goodwill.

For the purpose of impairment tests the Company's Management used certain judgements and assumptions in determining the recoverable amount such as:

- identification of cash generating units ('CGU') and allocation of goodwill to these cash generating units;
- continuance of current and expected market and economics conditions;
- expected revenue and costs levels;
- planned CAPEX;
- discount rate;
- terminal growth rate used for estimating the cash flows beyond the period of financial plans.

This matter was considered key audit matter from the consolidated financial statements perspective, due to the following:

- significance of the non-current assets;
- intangible nature of significant part of the these assets;
- significance of the impact of Company's Management judgement necessary to establish the carrying amounts of non-current assets based on discounted cash flows, which are generally uncertain.

Our audit procedures in relation to the described key audit matter, included among others:

- understanding and assessment of the accounting policies and procedures applied (including internal control environment) in the area of assessment of impairment indicators, identification of the events indicating the impairment as well as impairment tests;
- understanding and assessment of the judgements and estimates used by the Company's Management in relation to grouping the assets within CGUs and goodwill allocation;
- assessment, with involvement of the valuation specialists, of assumptions and estimates made by the Company's Management and used for the purposes of defining the recoverable amount, including:
  - applied future key macroeconomic assumptions (including: discount rate, forecasted growth rate) by benchmarking to market data and observable external data,
  - assumptions applied to determine the cash flows;
  - assumptions applied for establishing terminal values i.e. cash flows and interest rate after the forecast period;
- verification of mathematical accuracy of the model to determine the residual value;
- analysis and inquiries of the financial personnel and Company's Management about historical accuracy of assumptions made, including validity and applicability of these key assumptions;
- analysis of information from external sources such as industry press in reference

*Reference to related disclosures in the consolidated financial statements*

Disclosure related to applied accounting policies and key judgements related to the impairment of assets are included in note 6 'Accounting and consolidation policies' to the consolidated financial statements.

Disclosures related to key estimates and assumptions, including sensitivity analysis as well as results of impairments tests of assets, goodwill and intangible assets with indefinite useful life, which were prepared by the Company's Management, are included in note 19 'Impairment test (including goodwill and intangible assets with indefinite useful life)' and in the note 53 'Judgments, financial estimates and assumptions' to the consolidated financial statements.

to potential risks related to realization of the assumptions made by the Company's Management;

- reconciliation of the source data being the basis for the impairment test models and assessment of impairment indicators based on forecasts and budgets;
- assessing the sensitivity analysis of the models prepared by the Company's Management to changes in significant assumptions.

We also assessed the adequacy of the disclosures made in the consolidated financial statements describing the impairment test and sensitivity analysis.

**Responsibilities of the Company's Management and members of the Supervisory Board for the consolidated financial statements**

The Parent Company's Management Board is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with applicable International Financial Reporting Standards adopted by the European Union, the applied accounting policies,other applicable laws, as well as the Parent Company's Statute, and is also responsible for such internal control as the Parent Company's Management Board determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's (the parent company and significant components) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group (the parent company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process.

**Auditor's responsibility for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's opinions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor efficiency or effectiveness of conducting business matters now and in the future by the Parent Company's Management.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other information, including the Directors' Report

The Other information comprises the consolidated management report of the Group for the period from 1 January 2023 to 31 December 2023 („Directors' Report") together with the statement on corporate governance, which is a separate section of the Directors' Report, the statement on non-financial information and other documents comprising the consolidated annual financial report the financial year ended 31 December 2023 ('Consolidated Annual Report') excluding the consolidated financial statements and the independent auditor's report on the audit ('Other Information').

*Responsibilities of the Company's Management and members of the Supervisory Board*

Parent Company's Management is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company's Management and members of the Parent Company's Supervisory Board are required to ensure that the Directors' Report with separate elements meets the requirements of the Accounting Act.

*Auditor's responsibilities*

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors' Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to inform whether the Parent Company has prepared the consolidated statement on non-financial information and to issue an opinion on whether the Parent Company has included the required information in the consolidated statement on corporate governance.

## Opinion on the Directors' Report

Based on the work performed during our audit, in our opinion, the Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'),
- is consistent with the information contained in the consolidated financial statements.

## Statement on Other information

Based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report with respect to the remaining Other information.

## Opinion on the corporate governance statement

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the consolidated statement on corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

## Information on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we inform that the Parent Company has included in Directors' Report information on the preparation of a separate consolidated report on non-financial information, referred to in art. 55 par. 2c of the Accounting Act and that the Parent Company has prepared the separate report.

We have not performed any assurance procedures on the separate report on non-financial information and do not provide any assurance thereon.

## Report on other legal and regulatory requirements

**Opinion on the compliance of marking up of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format**

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement to express an opinion on whether the consolidated financial statements of the Group as at and for the year ended 31 December 2023, prepared in the single electronic reporting format, included in the file named „GK_Cyfrowy_Polsat_2023-12-31_pl.zip" ('consolidated financial statements in ESEF format'), was marked up in accordance with the requirements stipulated in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the 'ESEF Regulations').

*Identification of the applicable criteria and description of the subject matter*

The consolidated financial statements in ESEF format were prepared by the Company's Management in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations.

The subject matter of our assurance engagement is the compliance of marking up of consolidated financial statements in ESEF format with the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion.

*Responsibilities of the Company's Management and members of the Supervisory Board*

The Company's Management is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

The responsibility of Management also includes the design, implementation and maintenance of such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material incompliances with the ESEF Regulations.

The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process, which include also the preparation of financial statements in the format required by applicable regulations.

*Auditor's responsibilities*

Our objective is to express an opinion, based on the performed reasonable assurance engagement, that the consolidated financial statements in ESEF format have been tagged in accordance with ESEF Regulations.

We have performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3001 PL on audit of financial statement prepared in the single electronic reporting format ('NSAE 3001PL') and when applicable in accordance with National Standard on Assurance Engagements Other than Audit and Review 3000 (R) in the form of the International Standard on Assurance Engagements 3000 (revised) – 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' ('NSAE 3000 (R)').

The standard requires us to design and perform procedures to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the applicable criteria.

Reasonable assurance is a high level of assurance, but it is not a guarantee that the assurance engagement conducted in accordance with NSAE 3001PL and, when appropriate, in accordance with NSAE 3000 (R), will always detect material misstatement when it exists.

The selection of procedures depends on the auditor's professional judgment, including the auditor's assessment of risks of material misstatements, whether due to fraud or error. When performing risk assessment the auditor takes account of internal controls related to preparation of the consolidated financial statements in ESEF format, to design procedures responsive to those risks in order to obtain evidence that is sufficient and appropriate. The assessment of internal control was not performed for the purpose of expressing an opinion on its operational effectiveness.

*Summary of work performed*

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the process of selection and application of XBRL markups and maintaining compliance with the ESEF Regulations
- reconciling the tagged information in consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment of the compliance with the technical standards on the specification of a single electronic reporting format with the use of specialistic IT tools and IT expert;
- assessment of the completeness of tagging of information in the consolidated financial statements in ESEF format with XBRL tags with the use of specialistic IT tools
- assessment whether XBRL tags from the taxonomy specified by the ESEF Regulations have been applied appropriately and whether extension taxonomy elements have been used when there are no appropriate elements in the core taxonomy specified in the ESEF Regulations;
- evaluating of the anchoring of the extension taxonomy elements to the core taxonomy elements specified by the ESEF Regulations.
-

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of marking up with ESEF Regulations.

*Ethical requirements, including independence*

While performing the assurance engagement, the key statutory auditor and the audit firm have complied with the independence and other ethical requirements as specified by the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with other independence and ethical requirements applicable to this assurance engagement in Poland.

*Quality control requirements*

The audit firm applies National Standard of Quality Control 1 in the wording of International Standard on Quality Management (PL) 1 - 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements', which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Opinion on compliance with the ESEF Regulations*

Our opinion has been formed on the basis of the matters outlined in this report and therefore should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulations.

**Statement on the provision of non-audit services**

To the best of our knowledge and belief, we represent that services, which we have provided to the Group, are compliant with the laws and regulations applicable in Poland, and that non-audit service, which are prohibited under article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors, were not provided. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

**Appointment of the audit firm**

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of Supervisory Board from 23 January 2018 and reappointed based on the resolution from 26 February 2020 and resolution from 10 July 2023 . The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2018, i.e. for the past six consecutive years.

Warsaw, 10 April 2024

Key Certified Auditor

Anna Sirocka

certified auditor

no in the register: 9626

on behalf of:

Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.

Rondo ONZ 1, 00-124 Warsaw
no on the audit firms list: 130

*This document is a conversion to pdf format of the official consolidated financial statements issued in xhtml format.*

# Report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2023

Warsaw, April 11, 2024

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## Disclaimers

### *General information*

Cyfrowy Polsat S.A. (the "Company", "Cyfrowy Polsat"), with its registered office in Warsaw, 4a Łubinowa Street, is entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the City of Warsaw, XIV Economic Department of the National Court Register, under the number KRS 0000010078. The Company is the parent company of Cyfrowy Polsat S.A. Capital Group ( “Polsat Plus Group”).

This constitutes the report of Cyfrowy Polsat Capital Group S.A. (the “Report”) prepared as required by Article 60 sections 1(3) and (2) and Article 70 and 71 of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

### *Presentation of financial data and other information*

References to the Company or Cyfrowy Polsat contained in this Management Board’s report on the activities of Polsat Plus Group apply to Cyfrowy Polsat S.A., while all references to the Group or Polsat Plus Group apply to Cyfrowy Polsat S.A. and its consolidated subsidiaries. Expressions such as "we," "us," "our" and similar apply generally to the Group, unless it is clear from the context that they apply only to the Company. A glossary of terms used in this document is presented at the end of this Report.

This Report contains financial statements and financial information relating to the Company and the Group. In particular, this Report contains our financial statements for the financial year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards as approved for use in the European Union ("IFRS") and are presented in millions of zlotys. The financial statements attached to this Report have been audited by an independent auditor.

Certain financial data contained in this Report have been subject to rounding adjustments. Accordingly, certain numbers presented as the sum may not conform exactly to the arithmetical sum of their components.

### *Forward-looking statements*

This Report contains forward looking statements relating to future expectations, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). These statements are expressed, without limitation, through words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this Report. Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this Report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this Report.

In this Report, we disclose important factors which may impact our future operating activities and financial results that could cause our actual results to differ materially from our expectations.

### *Industry and market data*

In this Report, we set out information relating to our business and the markets in which we and our competitors operate. The information regarding the market, its size, the market share, the market position, the growth rates and other industry data relating to our business and markets in which we operate consists of data and reports compiled by various third-party entities, including other operators present on the Polish market, and our internal estimates. We believe that industry publications, surveys and forecasts we use are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.

Moreover, in numerous cases we have made statements in this Report regarding our industry and our position in the industry based on our own experience and our examination of market conditions. We cannot guarantee that any of these assumptions properly reflect our market position. Our internal surveys have not been verified by any independent sources.

## Financial data overview

The following tables set out selected consolidated financial data for the three- and twelve-month periods ended December 31, 2023 and December 31, 2022. This information should be read in conjunction with the consolidated financial statements for the twelve-month period ended December 31, 2023 (including notes thereto) constituting part of this Report and the information included in item 4 of this Report – *Operating and financial review of Polsat Plus Group*.

Selected financial data:

- from the consolidated income statement for the three-month periods ended December 31, 2023 and December 31, 2022 have been converted into euro at a rate of PLN 4.4182 per EUR 1.00 (average exchange rate in the period from October 1, 2023 to December 31, 2023 announced by the NBP);
- from the consolidated income statement and the consolidated cash flow statement for the twelve-month periods ended December 31, 2023 and December 31, 2022 have been converted into euro at a rate of PLN 4.5430 per EUR 1.00 (average exchange rate in the period from January 1, 2023 to December 31, 2023 announced by the NBP);
- from the consolidated balance sheet data as at December 31, 2023 and December 31, 2022 have been converted into euro at a rate of PLN 4.3480 per EUR 1.00 (average exchange rate on December 29, 2023 published by the NBP).

Such recalculations shall not be viewed as a representation that such zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

It should be noted that the financial data for the three- and twelve-month periods ended December 31, 2023 and December 31, 2022 are not comparable due to acquisitions and changes to the Group’s structure in the period from January 1, 2022 to December 31, 2023, which are described in detail in item 1.3. - *Changes in the organizational structure of Polsat Plus Group and their effects* – of this Report, as well as in item 1.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022. In particular, from April 1, 2022, we consolidate the results of Port Praski Group, and from July 3, 2023, we consolidate the results of PAK-PCE Group.

### *Consolidated income statement*

| | for the three-month period ended December 31 | | | | for the twelve-month period ended December 31 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | mPLN | mPLN | mEUR | mEUR | mPLN | mPLN | mEUR | mEUR |
| **Revenue** | **3,681.5** | **3,429.6** | **833.3** | **776.2** | **13,626.3** | **12,915.3** | **2,999.4** | **2,842.9** |
| Retail revenue | 1,763.7 | 1,750.8 | 399.2 | 396.2 | 6,987.1 | 6,952.1 | 1,538.0 | 1,530.3 |
| Wholesale revenue | 929.3 | 997.9 | 210.3 | 225.9 | 3,379.9 | 3,531.7 | 744.0 | 777.4 |
| Sale of equipment | 506.7 | 545.4 | 114.7 | 123.4 | 1,921.7 | 1,805.1 | 423.0 | 397.3 |
| Energy revenue | 285.6 | - | 64.7 | - | 557.6 | - | 122.7 | - |
| Other revenue | 196.2 | 135.5 | 44.4 | 30.7 | 780.0 | 626.4 | 171.7 | 137.9 |
| **Total operating costs** | **(3,486.7)** | **(3,073.4)** | **(789.2)** | **(695.6)** | **(12,488.8)** | **(11,399.8)** | **(2,749.0)** | **(2,509.3)** |
| Technical costs and cost of settlements with telecommunication operators | (862.1) | (830.8) | (195.1) | (188.0) | (3,332.7) | (3,271.5) | (733.6) | (720.1) |
| Depreciation, amortization, impairment and liquidation | (494.2) | (463.1) | (111.9) | (104.8) | (1,900.4) | (1,829.0) | (418.3) | (402.6) |
| Cost of equipment sold | (415.2) | (429.5) | (94.0) | (97.2) | (1,539.9) | (1,454.4) | (339.0) | (320.2) |
| Content costs | (565.6) | (555.5) | (128.0) | (125.7) | (2,126.1) | (2,063.9) | (468.0) | (454.3) |
| Cost of energy sold, includes | (268.2) | - | (60.7) | - | (523.3) | - | (115.2) | - |
| *depreciation* | *(9.3)* | - | *(2.1)* | - | *(17.8)* | - | *(3.9)* | - |
| Distribution. marketing. customer relation management and retention costs | (277.4) | (271.1) | (62.8) | (61.4) | (1,026.9) | (1,035.0) | (226.0) | (227.8) |
| Salaries and employee-related costs | (335.6) | (300.0) | (76.0) | (67.9) | (1,158.2) | (1,034.0) | (254.9) | (227.6) |
| Cost of debt collection services and bad debt allowance and receivables written off | (26.2) | (25.1) | (5.9) | (5.7) | (121.0) | (97.8) | (26.6) | (21.5) |
| Other costs, includes | (242.2) | (198.3) | (54.8) | (44.9) | (760.3) | (614.2) | (167.4) | (135.2) |
| *depreciation* | *(1.0)* | - | *(0.2)* | - | *(1.4)* | - | *(0.3)* | - |
| Gain/(loss) on disposal of a subsidiary and an associate | (0.4) | 39.8 | (0.1) | 9.0 | 219.7 | 153.2 | 48.3 | 33.7 |
| Other operating income/(cost), net | (22.2) | (0.8) | (5.0) | (0.2) | (45.6) | (26.5) | (10.0) | (5.8) |
| **Profit from operating activities** | **172.2** | **395.2** | **39.0** | **89.4** | **1,311.6** | **1,642.2** | **288.7** | **361.5** |
| Gain/(loss) on investment activities, net | 80.7 | 29.0 | 18.2 | 6.6 | 162.4 | 23.5 | 35.7 | 5.2 |
| Finance costs, net | (126.5) | (233.1) | (28.6) | (52.8) | (1,081.9) | (649.9) | (238.1) | (143.1) |
| Share of the profit of associates accounted for using the equity method | - | 31.8 | - | 7.2 | 29.7 | 94.5 | 6.5 | 20.8 |
| **Gross profit for the period** | **126.4** | **222.9** | **28.6** | **50.4** | **421.8** | **1,110.3** | **92.8** | **244.4** |
| Income tax | 3.9 | (48.4) | 0.9 | (10.9) | (110.2) | (209.2) | (24.2) | (46.0) |
| **Net profit for the period** | **130.3** | **174.5** | **29.5** | **39.5** | **311.6** | **901.1** | **68.6** | **198.4** |
| Net profit attributable to equity holders of the Parent | 100.5 | 159.5 | 22.7 | 36.1 | 278.5 | 900.0 | 61.3 | 198.1 |

| | for the three-month period ended December 31 | | | | for the twelve-month period ended December 31 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | mPLN | mPLN | mEUR | mEUR | mPLN | mPLN | mEUR | mEUR |
| Net profit/(loss) attributable to non-controlling interest | 29.8 | 15.0 | 6.7 | 3.4 | 33.1 | 1.1 | 7.3 | 0.3 |
| **Basic and diluted earnings per share in PLN (not in millions)** | **0.24** | **0.32** | **0.05** | **0.07** | **0.57** | **1.62** | **0.13** | **0.36** |
| Weighted number of issued shares (not in millions) | 550,703,531 | 550,703,531 | 550,703,531 | 550,703,531 | 550,703,531 | 557,758,269 | 550,703,531 | 557,758,269 |
| **EBITDA[2]** | **676.7** | **858.3** | **153.2** | **194.2** | **3,231.2** | **3,471.2** | **711.2** | **764.1** |
| EBITDA margin | 18.4% | 25.0% | 18.4% | 25.0% | 23.7% | 26.9% | 23.7% | 26.9% |
| Gain/(loss) on disposal of a subsidiary and an associate | (0.4) | 39.8 | (0.1) | 9.0 | 219.7 | 153.2 | 48.3 | 33.7 |
| Costs of supporting Ukraine | - | - | - | - | - | (34.1) | - | (7.5) |
| **adjusted EBITDA[3]** | **677.1** | **818.5** | **153.3** | **185.2** | **3,011.5** | **3,352.1** | **662.9** | **737.9** |
| adjusted EBITDA margin | 18.4% | 23.9% | 18.4% | 23.9% | 22.1% | 26.0% | 22.1% | 26.0% |
| Operating margin | 4.7% | 11.5% | 4.7% | 11.5% | 9.6% | 12.7% | 9.6% | 12.7% |

(1) We define EBITDA as net profit/(loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

(2) Adjusted EBITDA excludes the gains on disposal of subsidiaries and associates and the costs of supporting Ukraine.

### *Consolidated cash flow statement*

| | for the twelve-month period ended December 31 | | | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | mPLN | mPLN | mEUR | mEUR |
| Net cash from operating activities | 2,392.4 | 1,761.7 | 526.6 | 387.8 |
| Net cash used in investing activities | (2,215.7) | (1,876.6) | (487.7) | (413.1) |
| *Incl. capital expenditures[1]* | *(1,601.9)* | *(1,114.4)* | *(352.6)* | *(245.3)* |
| Net cash used in financing activities | 2,336.2 | (2,705.7) | 514.2 | (595.6) |
| Net increase/(decrease) in cash and cash equivalents | 2,512.9 | (2,820.6) | 553.1 | (620.9) |

(1) Capital expenditures represent payments for our investments in property, plant and equipment and intangible assets. Excludes expenditures on purchase of reception equipment leased to our customers, which are reflected in the cash flow from operating activities, or payments for concessions, which are reported in a separate line of our cash flow statement.

### *Consolidated balance sheet*

| | Dec. 31 2023 | Dec. 31 2022 | Dec. 31 2023 | Dec. 31 2022 |
|---|---|---|---|---|
| | mPLN | mPLN | mEUR | mEUR |
| Cash and cash equivalents[1] | 3,325.7 | 817.8 | 764.9 | 188.1 |
| Assets | 37,176.7 | 32,306.6 | 8,550.3 | 7,430.2 |
| Non-current liabilities, incl.: | 15,354.9 | 10,180.4 | 3,531.5 | 2,341.4 |
| *Non-current financial liabilities[2]* | *13,934.3* | *8,870.8* | *3,204.8* | *2,040.2* |
| Current liabilities, incl.: | 5,515.8 | 6,315.4 | 1,268.6 | 1,452.5 |
| *Current financial liabilities[2]* | *1,629.6* | *1,867.2* | *374.8* | *429.4* |
| Equity | 16,305.2 | 15,810.8 | 3,750.0 | 3,636.3 |
| Share capital | 25.6 | 25.6 | 5.9 | 5.9 |

(1) Includes Cash and cash equivalents, deposits and restricted cash.

(2) Includes Loans and borrowings, Issued bonds and Lease liabilities.

# 1. Characteristics of Polsat Plus Group

## 1.1. Who we are

Polsat Plus Group is Poland's largest media and telecommunications group and the leader in the Polish entertainment and telecommunications markets. We are the leading pay TV provider and one of the leading telecommunications operators in the country. We are also one of Poland's largest content producers and hold a leading position among private TV broadcasters in terms of both audience and advertising market shares. We offer a complete package of multimedia services designed for the entire family and a wide array of wholesale services to other telecommunications operators, television operators and broadcasters. In addition, based on our Strategy 2023+, we have expanded our business activities into the production and distribution of clean energy.

Our operating activities include four business segments: the B2C and B2B services segment, the media segment: television and online, the real estate segment (from April 1, 2022) and the green energy segment (from July 3, 2023). The portfolio of services and products offered by Group companies includes:

- **pay TV services** offered under the 'Polsat Box' brand by Cyfrowy Polsat – the largest pay TV provider in Poland – and our subsidiary Netia. We offer our customers access to over 160 TV channels broadcast in satellite, terrestrial and Internet (IPTV, OTT) technologies as well as modern OTT services and Multiroom. We also provide online video services through online services 'Polsat Box Go', the leader on Poland's online video market;
- **telecommunication services**, including voice and data transmission services, as well as various added services (VAS). We provide mobile telecommunication services under the 'Plus' brand through Polkomtel – one of Poland's leading telecommunications operators - and fixed-line telecommunication services mainly through Netia;
- **mobile broadband Internet**, offered mainly under the 'Plus' brand in the state-of-the-art LTE, LTE Advanced and 5G technologies. We offer the largest LTE coverage and the first commercial, and concurrently the largest and fastest 5G network in Poland;
- **fixed-line broadband Internet**, offered under the 'Netia' and 'Plus' brands based on our nationwide access infrastructure reaching approximately 3.3 million homes passed as well as based on access to networks of other fixed-line operators;
- **broadcasting and television production** through Telewizja Polsat Group, the leading commercial TV broadcaster on the Polish market, offering 43 own popular TV channels, including our main channel POLSAT, one of the leading FTA channels in Poland;
- **Internet media** through the portal Interia.pl, one of the three largest horizontal portals in Poland, as well as a number of thematic portals;
- **wholesale services to other operators**, including, i.a., network interconnection, IP and voice traffic transit, lease of lines, and national and international roaming services;
- **activities on the real estate market**, consisting mainly in the implementation of construction projects as well as the sale, rental and management of real estate. Our flagship project is the Port Praski investment located in the strict center of Warsaw;
- **production and sales of energy** from renewable sources such as wind, solar and biomass. Within the green energy segment, we are also developing a value chain based on green hydrogen, including its production, storage, transportation and distribution  and sales, as well as the construction of hydrogen stations and hydrogen-powered buses.

## 1.2. Strategy 2023+

We are a Polish company and we offer high quality commodities for a reasonable price to the inhabitants of Poland. For everyone. Everywhere.

We believe that high-speed and reliable Internet within easy reach means freedom for everyone and everywhere. We believe in locally produced, unique content available wherever, whenever and on whatever device you want. We believe that the transition towards clean and affordable energy, in particular energy produced from renewable sources, is what our country needs and that it creates new development opportunities for our Group.

We want to create and deliver high quality commodities: high-speed and reliable connectivity, the most attractive and unique content and entertainment, clean and affordable energy and other services and commodities for the home and for individual and business customers, using state-of-the-art technologies to provide top quality services that meet the changing needs and expectations of our customers, so as to maintain the highest possible level of their satisfaction. Concurrently, in line with the concept of ESG, we want to create the value of our Company in a sustainable manner taking into account and addressing environmental, social, responsible and transparent business issues, to the benefit of local society and all our Stakeholders.

The superior goal of our strategy is the permanent, long-term growth of the value of Cyfrowy Polsat S.A. for its Shareholders. We intend to achieve this goal by implementing the key elements of our operating strategy based on three pillars and supported by an effective financial policy.

<table>
<tr><th>PILLAR I - CONNECTIVITY</th><th>PILLAR II - CONTENT</th><th>PILLAR III – CLEAN ENERGY</th></tr>
<tr><td>High-speed and reliable connectivity is critical to our work, education and entertainment. Easy communication with friends and family</td><td>Attractive content and excellent user experience ensure entertainment wherever, whenever and on whatever device you want</td><td>Affordable, clean energy is essential to the daily functioning and further development of the Polish society and economy</td></tr>
<tr><td colspan="2">• growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction</td><td rowspan="2">• building a position on the clean, energy market, in particular from the sun, wind, biomass, thermal waste treatment and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction</td></tr>
<tr><td colspan="2">• growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of channels produced by us</td></tr>
<tr><td colspan="2">• use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services</td><td>• analysis of additional development opportunities in other prospective directions such as off-shore wind farms or nuclear technologies</td></tr>
<tr><td colspan="3">• effective management of the cost base of our integrated capital group by exploiting its inherent synergies and economies of scale</td></tr>
<tr><td colspan="3">• effective management of the Group’s finances, including its capital resources</td></tr>
</table>

***Growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction***

Our goal is to effectively build revenue from the sale of products, services and commodities to our customers. By actively predicting new trends and reacting to the occurring market changes, we will continue to create products that will satisfy the evolving needs of our customers.

The factor that will have a positive impact on revenue is the possibility of cross-selling our existing and future products and services to the customer base of Polsat Plus Group. We create a unique portfolio of products and services which is targeted at customer bases of companies composing our Group. Properly addressed, both through the sale of additional single products or a multiplay offer, this potential may gradually increase the number of services per individual user, thus increasing revenue per customer and at the same time favorably impacting the level of satisfaction of our customers.

The integrated services market in Poland is still developing, especially outside big cities and therefore it has substantial growth potential. We intend to continue expanding our portfolio of products and services, relying both on own projects, as well as on strategic alliances or acquisitions. We trust that a comprehensive and unique offer of combined services (television offered in diversified access technologies including a model based on online applications, mobile Internet based in particular on the cutting-edge 5G technology, high-speed fixed broadband with high throughputs and voice services) and the possibility of up-selling additional services (e.g. clean energy from renewable sources, premium content services, entertainment services as well as other services or solutions for the home), when provided via diversified distribution platforms, will be decisive from the point of view of our competitive edge. It will also enable us to retain our existing customer base and offer an opportunity to acquire new customers on the pay TV, telecommunication and energy markets as well as in the area of other services for the home and for individual and business customers.

***Growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights and maintaining the audience shares of the channels that we produce***

The channels we produce and broadcast enjoy strong, well-established positions on the Polish TV and high ratings in their respective target groups. Our goal is to maintain our audience share at a stable level and consistently enhance our viewer profile. We believe that by making sensible investments in programming and wider distribution of our own content we will be able to gradually improve our viewer profile. This in turn will have a positive effect on the pricing of advertising airtime that we offer.

The second crucial element in building the segment's value is the widest possible distribution of produced and purchased TV content, both in terms of the customer groups it reaches (FTA, pay TV and online access) and the technologies they use (terrestrial, satellite, Internet, mobile). We want to invest in development and build the market position of our content brands, which will then be distributed via a number of channels adjusted to the evolving needs of our customers. These efforts, in our opinion, will not only allow us to maximize benefits of the wide-scale distribution of our video content, but will also ensure a higher level of satisfaction among our customers and viewers, who will have more freedom to decide what, where and when to watch.

***Use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services***

We seek to offer wide accessibility to our products and services to each of our existing and potential new customers. Therefore, beside the continuous development of technologies which have built the scale of our company in the past, we pay attention to the development of new products which are meant to facilitate the availability of our content and the services we offer. For everyone. Everywhere.

The intertwining of the telecommunication and media worlds, in particular the wide availability of high speed mobile transfer technologies as well as the constantly improving quality of fixed-broadband connections, allows us to develop equipment and technologies which break the limitations with regard to accessibility or ownership of certain telecommunication infrastructure. The OTT (over-the-top) technologies are expanding distribution markets for content producers and we intend to actively leverage on that. We invest in new technologies, equipment and applications, and we pursue opportunities to enter into strategic alliances or acquisitions, with a view to facilitating access to the content we produce for our customers. We also intend to leverage on the changes on the Polish content market and take advantage of the opportunities presented by the evolving needs and expectations of Polish consumers, as well as changes in the ways of media consumption triggered by cutting-edge data transmission technologies in order to offer our customers an extensive range of services adjusted to their needs and expectations. By developing our content and telecommunication offer and expanding it to include complementary products and services, we seek to acquire new customers, build ARPU and improve customer satisfaction and loyalty.

An effective combination of telecommunication and content products provides new opportunities for distribution of content. Thanks to this combination, attractive content and a wide range of our services can be delivered through a variety of reliable distribution channels – via satellite (DTH), digital terrestrial television (DVB-T), Internet television (OTT), Internet platforms, applications and portals (video online), mobile (LTE and 5G) and fixed-line (IPTV) technologies – to all consumer devices from TV sets through PCs and tablets to smartphones.

Modern technology advancement is also a critical factor contributing to the transition in our country towards clean, zero and low-emission energy. We want to be an active participant of this transition. We intend to take advantage of emerging market opportunities and invest in technological innovations because we believe that they are essential in order to accelerate the energy transition and decarbonization in Poland. We set ourselves ambitious goals with respect to the construction of zero and low-emission sources of electric energy that on the one hand constitute an opportunity to continue the development of our business in the mid and long-term, and on the other support the sustainable development of the Polish society and economy.

Concurrently, we will analyze in detail emerging market and investment opportunities, such as investments in unique real estate or prospective business projects that have potential to generate high rates of return in the mid-term. We believe that such projects present an attractive opportunity to invest available funds.

***Building a position on the clean energy market, in particular from the sun, wind, biomass, thermal waste treatment and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction***

With a view to strengthening our unique offer of integrated services we have decided to establish a new, third strategic pillar based on clean energy. We believe that the transition towards clean, zero and low-emission energy in Poland is a perfect moment to enter this prospective market by new players and creates new development possibilities for Polsat Plus Group. We believe that investments in the development of clean, renewable energy sources constitute a practical implementation of the ESG concept and can bring our Group, our Stakeholders and the local society tangible economic and social benefits, in particular in the form of greenhouse gas emissions reduction. According to our estimates, our current investment plan, consisting in the installation of ca. 1000 MW of clean power generation capacity in the years 2022-2026, will contribute to the reduction of greenhouse gas emissions by over 2 million tons of CO2 equivalent annually.

We want to build a new stream of revenue from the sale of clean energy to business and individual customers. We expect that demand for clean energy in Poland will exhibit a strong, upward trend in the following years. This trend will be supported by a set of factors, including the consistent regulatory policy implemented at the European Union level and directed at achieving climate neutrality by 2050, the changing geopolitical situation and increasing demand for energy resulting from Poland's economic growth. In order to build and successively strengthen our position on the energy market in Poland we intend to invest in projects related to the production of energy from photovoltaics, biomass, wind farms and thermal waste treatment. We also want to invest in the future by building a complete value chain of a hydrogen-based economy, which may contribute significantly to the reduction of harmful substance emissions (including CO2). Furthermore, we want to actively analyze the possibilities of investing in other prospective sources of energy such as nuclear technologies.

In the years 2022-2026 we plan to invest approximately PLN 5 billion in order to achieve ca. 1000 MW of clean power generation capacity and approximately PLN 0.5 billion in the construction of the value chain of an economy based on the fuel of the future - hydrogen.

***Effective management of the cost base of our capital group by exploiting its inherent synergies and economies of scale***

We are convinced that building a closely integrated group that combines connectivity, content and energy services offers an opportunity for tangible synergies and for securing significant competitive advantages. We implement numerous projects aimed at simplifying the Group's structure by integrating relevant teams and harmonizing business processes and IT systems in the entire Group, which enables us to achieve tangible cost synergies. On a continuous basis we pursue optimization efforts aimed at adapting our cost base to current market conditions and our Group's situation.

We believe that our engagement in the clean energy sector will also generate sizeable synergies and in the mid- and long-term will support operating in-line with a sustainable business-model. In particular, access to clean energy at lower prices will allow us to further optimize the costs of our operating activities and will also help us strengthen our relationships with B2B and B2C customers interested in purchasing clean energy, which will have a positive impact on the results of our strategy.

***Effective management of the Group's finances, including its capital resources***

The financial policy and capital resources management policy that we adopted define the method of using funds generated from our operations. To guarantee the continuity and stability of the Group's operations the generated free cash flow is used in the first place for financing current operations and for investments indispensable for the development of the Group. Simultaneously, we continually exploit arising development possibilities and investment opportunities, which allow us to make our products and services more attractive, provide new methods of their distribution or create additional value for our Shareholders.

Our capital resources management policy assumes maintaining a balance between leveraging on emerging market and investment opportunities and regular dividend payouts to Shareholders of the Company in accordance with the applicable dividend policy of the Company. Concurrently, we intend to maintain the indebtedness of Polsat Plus Group at a safe level, ensuring an optimal structure of financing of our operating activities through the use of debt financing. When formulating the financing structure the Management Board will take into account in particular the expectations of the Shareholders of the Company expressed in the Articles of Association of the Company.

## 1.3. Our ESG strategy

Along with the announcement of the Strategy 2023+, we have also structured our sustainable growth strategy which includes ESG (environmental, social responsibility and corporate governance) factors.

**WE TAKE RESPONSIBILITY FOR PREVENTING FURTHER CLIMATE CHANGES AND ACTIVELY UNDERTAKE STEPS TO IMPROVE AIR QUALITY IN POLAND.**

**E** *(Environmental)*

- New investments – by producing over 2 TWh of green energy per year we will contribute to the reduction of $CO_2$ emissions in Poland by more than 2 million tons yearly.
- Renewable energy sources – we use energy solely from low or zero emission sources.
- Car Fleet – we successively increase the share of low-emission vehicles in the car fleet of Polsat Plus Group (approx.12% in 2023).
- Circular economy – set-top boxes used by our customers, are coming back to the market after they are returned and refurbished while other equipment is being recycled.

**WE ARE AN ACTIVE MEMBER OF LOCAL SOCIETY AND – AT THE SAME TIME – WE STIMULATE POLAND'S ECONOMIC AND SOCIAL DEVELOPMENT THROUGH OUR INVESTMENTS IN DIGITIZATION.**

**S** *(Social)*

- Counteracting digital divide – broadest reach of modern, fast 5G Internet from Plus.
- Polsat Foundation – we are a key partner of the Foundation which during over 25 years has helped to finance medical treatment and rehabilitation for suffering children.
- Responsible employer – we ensure friendly and safe working environment as well as equality and diversity to all our employees.
- Protection and safety of children – safety is DNA of our operations, therefore we take care of safety of the children and youth (among others, safety in the network and television content).

**WE DEVELOP OUR BUSINESS IN A TRANSPARENT AND SUSTAINABLE MANNER TO THE BENEFIT OF ALL OUR STAKEHOLDERS.**

**G** *(Governance)*

- Codes of Ethics – implemented codes of business conduct as well as internal procedures and systems guarantee the highest standard of integrity.
- Transparency – we ensure high quality financial and ESG reporting in combination with regular, transparent and direct communication with all our stakeholders.
- Cybersecurity – while being aware of challenges in this area, we aim at the best possible data security and protection for our customers and employees, as confirmed by ISO 27001 certificate.
- Experience, trust, reputation – our companies' Management Boards are served by individuals with many years of work experience in the Group.

In a further step of developing our ESG strategy, in November 2022 we adopted a framework document for linking the Polsat Plus Group's external financing with its long-term sustainability goals ("*Polsat Plus Group Sustainability-Linked Financing Framework*").

The document presents our sustainability strategy plan and especially the environmental measurable goals of our business plan and our ambition to fight against climate change and improve air quality in Poland by taking actions and making investments to help accelerate Poland's transition towards green energy. Moreover, by incorporating sustainability-linked instruments in our funding policy, we aim at broadening our commitment to drive the effort to fight global warming. To showcase the central role in the transition towards a sustainable economy, we use this Framework to issue debt instruments in sustainability-linked format across both loans and bonds (for more details on sustainability-linked financing please see item 4.3. – *External financing*).

Our Sustainability-Linked Financing Framework underwent an external expert evaluation, documented by a publicly available Second-Party Opinion, which was conducted by Sustainalytics.

Below we present the key performance indicators and quantified long-term sustainability performance targets that the Group will strive to achieve, along with their expert assessment in terms of relevancy and the level of ambition set:

| KPI | Strength of KPI | SPT | Ambitiousness of SPT |
|---|---|---|---|
| Absolute scope 1 and 2 GHG emissions ($tCO_2$) | Very Strong | Reduce absolute scope 1 and 2 GHG emissions by 75% by 2025 and 80% by 2030 relative to a 2019 baseline | Highly Ambitious |
| Renewable energy generation (GWh) | Adequate | Increase renewable energy generation to 800 GWh by 2025 and to 1,600 GWh by 2030 relative to a 2021 baseline | Ambitious |
| Green hydrogen production (tonnes) | Adequate | Increase green hydrogen production to 1,500 tonnes a year by 2025 and 3,000 tonnes a year by 2030 relative to a 2021 baseline | Ambitious |
| Share of zero-emissions energy in total energy mix (%) | Strong | Increase the share of zero-emissions energy in the total energy mix to 25% by 2025, 30% by 2026 and 50% by 2030 relative to a 2019 baseline | Ambitious |

The full document is available at the link:

https://grupapolsatplus.pl/sites/default/files/polsat_group_sustainability_linked_financing_framework_1.pdf.

## 1.4. Development prospects

### *Development prospects in the B2C and B2B services segment*

As the largest media and telecommunications group in Poland we have gathered under one roof all the key assets which allow us to offer customers a unique portfolio of products and services. In line with our strategy, we focus on marketing and sales activities aimed at cross-selling standalone products and services to the customer base of Polsat Plus Group and at selling our bundled services offer. We see our future development path in this strategy. We think that along with the development of modern fixed-line and nationwide radio infrastructures, connectivity will continue to shape not only the telecommunications market but also the content distribution market. We believe that broadband Internet access services that we offer in 5G and advanced fixed-line technologies will allow us to grow our customer base, with an emphasis on the integrated services customer base.

**We develop our portfolio of integrated services.** The Polish bundled services market is characterized by a relatively low level of development. According to research conducted by the European Commission, saturation with bundled services in Poland is still significantly lower compared to the average saturation in the European Union. Concurrently, our customers are increasingly interested in bundled services, a trend reflected in the very good sales results of our bundled services offer. We are convinced that our combination of pay TV and telecommunication services, including in particular broadband Internet access in both high quality 5G as well as fiber optic technologies, will allow us to benefit from the growth potential of the Polish bundled services market. By increasing the number of services sold to each customer we are able to generate growth of average revenue per customer (ARPU) and effectively increase our customers' loyalty.

**We are a leader in 5G development in Poland.** At the beginning of 2020 we began the construction of Poland's first commercial 5G network based on the unique 2.6 GHz TDD band that we own. Our 5G network became operational in May 2020 and in March 2024 it already covered over 23 million people, i.e., more than half of the population of Poland, and the total number of active based stations increased to almost 3,700. This includes 6 million inhabitants of the country, to whom we can offer a mobile Internet service with a maximum download speed of 1 Gbps, comparable to fiber Internet - Ultra 5G. This is a pioneering solution that was launched thanks to the aggregation of 3 bands - two in 5G technology (2600 MHz and 2100 MHz) and additionally a 4G layer (1800 MHz).

Simultaneously, we are working on the development of our 5G network using other radio frequencies and technologies. This will enable us to maintain our competitive edge in the next phases of 5G development due our ability to combine various bandwidths and, therefore, strengthen Plus's position as the technology leader in Poland. In October 2023, we acquired a block of bandwidth in the range of 3400-3500 MHz in a frequency auction, which we intend to use to provide 5G services.

Thanks to the implementation of innovative technological solutions, in 2023 the Plus network took first place in the SpeedTest.pl ranking in Poland in terms of average download speed both in the 5G category (134.6 Mbps) and in the overall mobile Internet ranking (49.3 Mbps).

**We invest in the development of new generation fixed broadband Internet.** We currently reach over 3.3 million households in Poland with our own fixed-line access infrastructure, out of which, as at the end of December 2023, over 2.3 million were within the reach of broadband Internet with transmission speed of 1 Gbps. The saturation of Netia's access infrastructure with services for B2C customers continues to stand on a relatively low level of approximately 17%, which gives us wide opportunities for development. We believe that thanks to the modernization of Netia's access network combined with a convergent offering for Netia's customers that includes attractive video content from the Group's portfolio we will successively increase the scale of commercialization of Netia's existing access network. In addition, we are gradually transferring Netia's fixed-line customers to whom the services are provided over the leased infrastructure onto our own infrastructure and we contemplate possibilities for expanding the reach of our fixed-line network not excluding selective acquisitions in this regard.

**We address our convergent offering to new target groups.** Furthermore, we use our infrastructure to expand the reach of services provided by Polsat Plus Group in fixed-line technologies. We develop new TV products, such as, for example, television in IPTV and OTT technologies, which, in our opinion, will become an attractive alternative to offers of cable operators. We are of the opinion that assets owned by Polsat Plus Group, such as a widespread sales network and own advertising channels, shall allow us to achieve satisfying sales results on our fixed-line services while maintaining high cost efficiency of operations.

**We consistently strive to strengthen our position as the aggregator and distributor of content.** We believe that as a Group we have a unique, hard to duplicate and at the same time highly attractive programing offer. Currently, the attractive content and wide range of Polsat Plus Group's services are delivered through a variety of reliable distribution channels – via satellite (DTH), digital terrestrial television (DVB-T2), LTE and 5G mobile technologies and fixed-line technologies (FTTH, HFC, ETTH, xDSL, OTT, IPTV) – to all consumer devices, from TV sets and PCs to tablets and smartphones. We closely study the evolution of our customers' expectations and work to satisfy their growing needs. We focus on building the IPTV and OTT pay TV offers as we believe it represents a significant step in Polsat Plus Group's continued development on the pay TV market. The services live up to customers' expectations by offering an access to a wide range of the unique content in flexible tariff plans and short subscription periods.

### *Development prospects in the media segment*

We are the leading group on the Polish TV broadcasting market in terms of audience shares, advertising revenue and advertising market share, which oscillates at slightly below 30%. At the same time, Polsat Media advertising sales office is currently the largest broker on the television market with 90 TV channels in its portfolio and full advertising service of Interia.pl Group web services.

**The audience shares of thematic channels are growing continuously** as the process of fragmentation of the Polish television market continues to progress. We believe that we can profit from this fragmentation by strengthening our wide portfolio of channels targeted at the entire family, and by extending and strengthening our distribution network on cable and satellite platforms, including also through our B2C and B2B services segment within which we own the largest pay TV customer base in Poland. We believe that our presence on all significant satellite platforms and distribution by cable TV operators will result in maintaining high audience shares of our channels, and, consequently, give us the opportunity to grow at least in line with the TV advertising market, and increase revenues from cable and satellite operators.

**Our strategy is aimed at the widest possible distribution of content using the latest devices and technologies**. That is why we monetize our content also through distribution via our Polsat Box Go online video service which is one of the leading streaming platforms in Poland, as well as through Internet portals belonging to the Group, in particular those associated with Interia.pl. In parallel, we are open to partnerships and cooperation with other entities distributing TV channels either in the traditional or online pay TV models. Therefore, Polsat Plus Group's TV channels can be found in the offers of the majority of cable, satellite or IPTV operators in Poland. In addition, access to our Polsat Box Go service, which offers TV Polsat channels, can also be found in the offer of selected telecommunication operators who prefer to build their content offerings in the OTT application model. The wholesale sales of content produced by Telewizja Polsat's channels represents a significant and, at the same time, increasing revenue stream of the media segment.

**We invest in the attractiveness of our TV channels by continuously building our viewer's profile**. We place great weight on offering content in Telewizja Polsat's channels that meets preferences of viewers from our target groups. We constantly invest in producing the most attractive entertainment, film or news content and, simultaneously, we closely monitor the market of sports rights and film licenses. These actions are aimed at maintaining high viewership of our channels while building an attractive, from the advertisers' perspective, profile of our viewers. We also believe that thanks to possible synergies within the largest integrated media and telecommunication group in Poland in fields such as purchase of content, distribution, sales and marketing, we are able to strengthen our position on the broadcasting and television production market.

**We expand our presence on the media market beyond the TV segment.** We expand thematic portals which use the unique content produced by our TV channels and dedicated editorial offices. We invest in the development of our portals, especially "Polsatnews.pl" and "Polsatsport.pl". In turn, Interia.pl Group, acquired by us in July 2020, is the leading player on the Polish online media market. Following the acquisition of Interia we became one of the key entities on the Polish online and television advertising market, offering unique marketing and cross-media solutions. In parallel, we believe that strengthening the cooperation between Telewizja Polsat - a top video content producer, Interia.pl Group - a leading entity on the online media market in the country and Polsat Media – the largest broker on the Polish advertising market, will bring additional synergies solidifying our position on the perspective online advertising market.

***Development prospects in the green energy segment***

We expect demand for clean energy in Poland to show a strong upward trend in the coming years. This development will be supported by a number of factors, in particular a consistent regulatory policy at the European Union level aimed at achieving climate neutrality by 2050, the changing geopolitical situation, growing demand for electricity resulting from the economic development of our country, as well as Increasing restrictions on the use of "dirty" energy sources..

We believe that Poland's energy transition towards clean, zero- and low-emission energy is an excellent time for new players to enter this promising market and creates new growth opportunities for Polsat Plus Group. In an effort to strengthen our unique offering of bundled services, we made a decision at the end of 2021 to build a new, third strategic pillar based on clean energy.

In order to build and successively strengthen our position on the clean energy market in Poland we invest in projects focused on energy production from photovoltaics, biomass, onshore wind farms or thermal waste treatment. We also invest in the future. We want to build a complete value chain of a hydrogen-based economy, which can significantly contribute to the reduction of emissions of harmful substances (including $CO_2$).

According to the assumption of our Strategy 2023+, announced in December 2021, in the years 2022-2026 we plan to invest ca. PLN 5 billion in the development of zero- and low-emission energy sources with a view to achieving ca. 1,000 MW of installed production capacity from biomass, solar and wind farms, and thermal waste processing. We estimate that the implementation of our investment plans may translate into annual incremental EBITDA of ca. PLN 500-600 million by 2026, while contributing to the reduction of greenhouse gas emissions by over 2 million tons of $CO_2$ equivalent yearly.

## 1.5. Composition and structure of Polsat Plus Group

The following table presents the companies from Polsat Plus Group as at specific dates, indicating the consolidation method.

| Company | Registered office | Activity | Share in voting rights (%) as at December 31, 2023 | Share in voting rights (%) as at December 31, 2022 |
|---|---|---|---|---|
| **B2C and B2B services segment** | | | | |
| **Parent Company** | | | | |
| Cyfrowy Polsat S.A. | Łubinowa 4a, 03-878 Warsaw | radio, TV and telecommunication activities | n/a | n/a |
| **Subsidiaries consolidated using the full consolidation method** | | | | |
| Polkomtel Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | telecommunication activities | 100% | 100% |
| Polkomtel Business Development Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | other activities supporting financial services, gaseous fuels trading activities | 100% | 100% |
| Premium Mobile Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | telecommunication activities | 100% | 100% |

| Company | Registered office | Activity | Share in voting rights (%) as at | |
|---|---|---|---|---|
| | | | December 31, 2023 | December 31, 2022 |
| Visignio Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | sales network management | - | 100% |
| Saveadvisor Sp. z o.o. | Warszawska 18, 35-205 Rzeszów | call center services | 100% | 100% |
| Liberty Poland S.A. | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | telecommunication activities | 100% | 100% |
| Interphone Service Sp. z o.o. | Inwestorów 8, 39-300 Mielec | production of set-top boxes | 100% | 100% |
| Sferia S.A. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | telecommunication activities | 51% | 51% |
| Teleaudio Dwa Sp. z o.o. Sp.k. | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | call center and premium-rate services | 100% | 100% |
| Netia S.A. | Poleczki 13, 02-822 Warsaw | telecommunication activities | 100% | 99.999% |
| Netia 2 Sp. z o.o. | Poleczki 13, 02-822 Warsaw | telecommunication activities | 100% | 100% |
| TK Telekom Sp. z o.o. | Kijowska 10/12A, 03-743 Warsaw | telecommunication activities | 100% | 100% |
| Petrotel Sp. z o.o. | Chemików 7, 09-411 Płock | telecommunication activities | 100% | 100% |
| Logitus Sp. z o.o. | Orzechowa 5, 80-175 Gdańsk | wired communication | - | 100% |
| Enterpol Sp. z o.o. | Braci Wieniawskich 5, 20-844 Lublin | telecommunication activities | 100% | 100% |
| Oktawave S.A. | Poleczki 13, 02-822 Warsaw | website management | 100% | 100% |
| Plus Finanse Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | other monetary intermediation | 100% | 100% |
| Plus Pay Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | monetary intermediation | 100% | 100% |
| Esoleo Sp. z o.o. | Al. Wyścigowa 6, 02-681 Warsaw | technical services | 51.25% | 51.25% |
| Alledo Express Sp. z o.o. | Broniwoja 3/85, 02-655 Warsaw | rental services | 51.25% | 51.25% |
| Alledo Parts Sp. z o.o. | Broniwoja 3/85, 02-655 Warsaw | wholesale | 51.25% | 51.25% |
| Alledo Parts Sp. z o.o. Sp.k. | Broniwoja 3/85, 02-655 Warsaw | wholesale | 51.25% | 51.25% |
| Alledo Setup Sp. z o.o. | Broniwoja 3/85, 02-655 Warsaw | technical services | 51.25% | 51.25% |
| Alledo Setup Sp. z o.o. Sp.k. | Broniwoja 3/85, 02-655 Warsaw | technical services | 51.25% | 51.25% |
| CPSPV1 Sp. z o.o. | Łubinowa 4a, 03-878 Warsaw | technical services | 100% | 100% |
| CPSPV2 Sp. z o.o. | Łubinowa 4a, 03-878 Warsaw | technical services | 100% | 100% |
| TM Rental Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | intellectual property rights rental | - | 100% |
| Orsen Holding Ltd. | Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta | holding activities | 100% | 100% |

| Company | Registered office | Activity | Share in voting rights (%) as at December 31, 2023 | Share in voting rights (%) as at December 31, 2022 |
|---|---|---|---|---|
| Orsen Ltd. | Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta | holding activities | 100% | 100% |
| Dwa Sp. z o.o. | Al. Stanów Zjednoczonych 61, 04-028 Warsaw | holding activities | 100% | 100% |
| IB 1 FIZAN | Mokotowska 49, 00-542 Warsaw | finance activities | (1) | (1) |
| Altalog Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | software | 66% | 66% |
| Plus Flota Sp. z o.o. | Konstruktorska 4, 02-673 Warsaw | management and rental services | 100% | 100% |
| Netshare Media Group Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | advertising activities | 100% | 100% |
| BCAST Sp. z o.o. | Rakowiecka 41/21, 02-521 Warsaw | telecommunication activities | 70.02% | 70.02% |
| INFO-TV-FM Sp. z o.o. | Łubinowa 4a, 03-878 Warsaw | radio and television activities | 100% | 100% |
| Stork 5 Sp. z o.o. | Łubinowa 4A, 03-878 Warszawa | holding activities | 100% | 100% |
| Swan 5 Sp. z o.o. | Łubinowa 4A, 03-878 Warszawa | agriculture activities | 100% | 100% |
| Vindix S.A. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| Vindix Investments Sp. z o. o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| Direct Collection Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | other financial services | 100% | 100% |
| Vindix Sp. z o.o. | Heroiv UPA 73 ż, 79018, Lviv | call center services | 100% | 100% |
| Vindix NSFIZ | Mokotowska 49, 00-542 Warsaw | financial services | (1) | (1) |
| Mag7soft Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | software activities | 100% | 100% |
| Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. | Zwierzyniecka 18, 60-814 Poznań | real estate market services | - | 100% |
| **Subsidiaries consolidated using the equity method** | | | | |
| Asseco Poland S.A. (2) | Olchowa 14, 35-322 Rzeszów | software activities | - | 22.95% |
| **Media segment: television and online** | | | | |
| **Subsidiaries consolidated using the full consolidation method** | | | | |
| Telewizja Polsat Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | television broadcasting and production | 100% | 100% |
| Polsat Media Sp. z o.o. Sp. k. (formerly Polsat Media Biuro Reklamy Sp. z o.o. Sp. k.) | Ostrobramska 77, 04-175 Warsaw | media | - | 100% |
| Polsat Media Biuro Reklamy Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | media | 100% | 100% |
| Polsat License Ltd. | Alte Landstrasse 17, 8863 Buttikon, Switzerland | media | 100% | 100% |

| Company | Registered office | Activity | Share in voting rights (%) as at December 31, 2023 | Share in voting rights (%) as at December 31, 2022 |
|---|---|---|---|---|
| Polsat Investments Ltd. | 3, Krinou Agios Athanasios, 4103 Limassol, Cyprus | media | 100% | 100% |
| Polsat Ltd. | 238A King Street, W6 0RF London, Great Britain | media | 100% | 100% |
| Muzo.fm Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | media | 100% | 100% |
| Music TV Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | media | - | 100% |
| Polo TV Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | media | - | 100% |
| Eleven Sports Network Sp. z o.o. | Plac Europejski 2, 00-844 Warsaw | media | 100% | 99.99% |
| Superstacja Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | media | - | 100% |
| TV Spektrum Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | media | 100% | 100% |
| TVO Sp. z o.o. | Kielecka 5, 81-303 Gdynia | retail sales | 75.96% | 75.96% |
| Grupa Interia.pl Sp. z o.o. | Os. Teatralne 9a, 31-946 Cracow | holding activities | 100% | 100% |
| Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Media Sp. z o.o. Sp.k.) | Os. Teatralne 9a, 31-946 Cracow | web portals activities | 100% | 100% |
| Grupa Interia.pl Sp. z o. o. Sp.k. | Os. Teatralne 9a, 31-946 Cracow | web portals activities | - | 100% |
| Mobiem Polska Sp. z o.o. in liquidation | Fabryczna 5a, 00-446 Warsaw | holding activities | 100% | 100% |
| Mobiem Sp. z o.o. (formerly Mobiem Polska Sp. z o.o. Sp.k.) | Fabryczna 5a, 00-446 Warsaw | advertising activities | 100% | 100% |
| Polot Media Sp. z o.o. | Solskiego 55, 52-401 Wrocław | consulting | 60% | 60% |
| Polot Media Sp. z o.o. Sp.k. | Solskiego 55, 52-401 Wrocław | movie and TV production | 60% | 60% |
| Polsat Talenty Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | cooperation with artists and presenters | 100% | 100% |
| Antyweb Sp. z o.o. | Sarmacka 12C/14, 02-972 Warsaw | web portals activities | 79.88% | 70% |
| naEKRANIE.pl Sp. z o.o. | Fabryczna 5a, 00-446 Warsaw | media | 60% | - |
| 4FUN Sp. z o.o. | Fabryczna 5a, 00-446 Warsaw | media | 60% | - |
| Muzo Media Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | movie and TV production | (3) | (3) |
| **Subsidiaries consolidated using the equity method** | | | | |
| Polsat JimJam Ltd. | 33 Broadwick Street Soho London W1F 0DQ, Great Britain | media | - | 50% |
| Polski Operator Telewizyjny Sp. z o.o. | Wiertnicza 166, 02-952 Warsaw | technical services | 50% | 50% |
| Polsat Boxing Promotion Sp. z o.o. | Ostrobramska 77, 04-175 Warsaw | movie and TV production | 24% | 24% |

| Company | Registered office | Activity | Share in voting rights (%) as at December 31, 2023 | Share in voting rights (%) as at December 31, 2022 |
|---|---|---|---|---|
| **Green Energy segment** | | | | |
| **Subsidiaries consolidated using the full consolidation method** | | | | |
| PAK-Polska Czysta Energia Sp. z o. o.(4) | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | - |
| Great Wind Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PAK-PCE Farma Wiatrowa Okonek Sp. z o.o.(4) (5) | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | - |
| PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o.(4) (5) | Kazimierska 45, 62-510 Konin | holding activity | 50.5% | - |
| Eviva Lębork Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| Eviva Drzeżewo Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| MESE Sp. z o.o.(4) | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | movie and TV production | 55.45% | - |
| PCE OZE 1 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PCE OZE 2 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PCE OZE 3 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PCE OZE 4 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PCE OZE 6 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| Exion Hydrogen Polskie Elektrolizery Sp. z o.o.(4) | Ku Ujściu 19, 80-701 Gdańsk | manufacture of electrical equipment | 50.4% | - |
| Exion Hydrogen Belgium BV(4) | Slachthuisstraat 120, bus 12, 2300 Turnhout Belgia | manufacture of electrical equipment | 50.4% | - |
| PAK-PCE Fotowoltaika Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PAK-VOLT S.A.(4) | Al. Stanów Zjednoczonych 61A, 04-028 Warszawa | trade of electricity | 50.5% | - |
| PG Hydrogen Sp. z o.o.(4) | Konstruktorska 4, 02-673 Warsaw | manufacture of engines and turbines | 26.26% | - |
| PAK-PCE Biopaliwa i Wodór Sp. z o.o.(4) | Przemysłowa 158, 62-510 Konin | production of electricity | 50.5% | - |
| PAK-PCE Wiatr Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| PAK-PCE Polski Autobus Wodorowy Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | manufacture of buses | 50.5% | - |
| PAK-PCE Stacje H2 Sp. z o.o.(4) | Kazimierska 45, 62-510 Konin | retail sale of hydrogen | 50.5% | - |

| Company | Registered office | Activity | Share in voting rights (%) as at December 31, 2023 | Share in voting rights (%) as at December 31, 2022 |
|---|---|---|---|---|
| Farma Wiatrowa Przyrów Sp. z o.o.[(4)] | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| Elektrownie Wiatrowe Dobra Sp. z o.o.[(4)] | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.[(4)] | Kazimierska 45, 62-510 Konin | production of electricity | 50.5% | - |
| Park Wiatrowy Pałczyn 1 Sp. z o.o.[(4)] | Al. Wojska Polskiego 68, 70-479 Szczecin | production of electricity | 50.5% | - |
| **Subsidiaries consolidated using the equity method** | | | | |
| PAK-Polska Czysta Energia Sp. z o. o.[(4)] | Kazimierska 45, 62-510 Konin | holding activity | - | 40.41% |
| **Real Estate segment** | | | | |
| **Subsidiaries consolidated using the full consolidation method** | | | | |
| Port Praski Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| Port Praski Inwestycje Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | - | 66.94% |
| Port Praski Nowe Inwestycje Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | real estate management | 66.94% | 66.94% |
| Port Praski Sp. z o.o. Białystok Sp. k.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | - | 66.94% |
| Port Praski Office Park Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski City Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski City III Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski City IV Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Sp. z o.o. S.K.A.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Education Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Doki Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Doki II Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Media Park Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski II Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | implementation of construction projects | 77.52% | 45.52% |
| Port Praski Hotel Sp. z o.o.[(6)] | Krowia 6, 03-711 Warsaw | hotel services | 77.52% | 45.52% |
| Pantanomo Limited[(6)] | 3 KRINOU, Limassol 4103, Cypr | holding activities | 77.52% | 45.52% |
| Port Praski Medical Center Sp. z o.o.[(6)(7)] | Postępu 14, 02-676 Warsaw | implementation of construction projects | 77.52% | 22.76% |

| Company | Registered office | Activity | Share in voting rights (%) as at | |
|---|---|---|---|---|
| | | | December 31, 2023 | December 31, 2022 |
| Port Praski City II Sp. z o.o.(6)(7) | Postępu 14, 02-676 Warsaw | implementation of construction projects | 77.52% | 22.76% |
| Laris Investments Sp. z o.o.(6) | Pańska 77/79, 00-834 Warsaw | real estate rental | 66.94% | 66.94% |
| Laris Development Sp. z o.o.(6) | Pańska 77/79, 00-834 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| Laris Technologies Sp. z o.o.(6) | Pańska 77/79, 00-834 Warsaw | property rental and management | 66.94% | 66.94% |
| SPV Baletowa Sp. z o.o.(6) | Pańska 77/79, 00-834 Warsaw | implementation of construction projects | 66.94% | 66.94% |
| Megadex Development Sp. z o.o.(6) | Gdańska 14/1 01-691 Warsaw | property rental and management | 66.94% | 66.94% |
| Megadex Expo Sp. z o.o.(6) | Adama Mickiewicza 63, 01-625 Warsaw | property rental and management | 66.94% | 66.94% |
| Centrum Zdrowia i Relaksu Verano Sp. z o.o.(6) | Sikorskiego 8, 78-100 Kołobrzeg | hotel services | 66.94% | 66.94% |
| Turystyka Zdrowotna Verano Plus Sp. z o.o.(6) | Gen. Wł. Sikorskiego 8 A, 78-100 Kołobrzeg | catering services | - | 66.94% |
| **Subsidiaries consolidated using the equity method** | | | | |
| Pollytag S.A.(6) | Wielopole 6, 80-556 Gdańsk | sale of wood and construction materials | 31.12% | 31.12% |
| Port Praski Medical Center Sp. z o.o.(6)(7) | Postępu 14, 02-676 Warsaw | implementation of construction projects | - | 22.76% |
| Port Praski City II Sp. z o.o.(6)(7) | Postępu 14, 02-676 Warsaw | implementation of construction projects | - | 22.76% |

(1) Cyfrowy Polsat indirectly holds 100% of certificates.
(2) On Spetember 21, 2023, Cyfrowy Polsat S.A. sold 12.82% shares of Asseco Poland S.A. (after this transaction Asseco Poland S.A. ceased to be an associate).
(3) Muzo Media Sp. z o.o. was entered into the court register on August 31, 2023 and the merger of Muzo Media Sp. z o.o. (acquired company) with Telewizja Polsat Sp. z o.o. (acquiring company) was registered on December 19, 2023.
(4) PAK-PCE Group. As a result of the acquisition of additional 10.1% shares of PAK-Polska Czysta Energia Sp. z o.o. on July 3, 2023, Cyfrowy Polsat acquired control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries.
(5) On December 31, 2023, the merger of PAK-PCE Wiatr Sp. z o.o. (acquiring company) with PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o. and PAK-PCE Farma Wiatrowa Okonek Sp. z o.o. (acquired companies) was registered.
(6) Port Praski Group. As a result of the acquisition of 66.94% shares of Port Praski Sp. z o.o. on April 1, 2022, Cyfrowy Polsat acquired control over the Port Praski Sp. z o.o. and its subsidiaries.
(7) As a result of the acquisition of 50% of shares on October 4, 2023, Pantanomo Limited owns 100% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o.

Additionally, the following entities were included in the consolidated financial statements for 2023:

| Company | Registered office | Activity | Share in voting rights (%) as at | |
|---|---|---|---|---|
| | | | December 31, 2023 | December 31, 2022 |
| Karpacka Telewizja Kablowa Sp. z o.o.[(1)] | Warszawska 220, 26-600 Radom | dormant | 99% | 99% |
| Polskie Badania Internetu Sp. z o.o. | Al. Jerozolimskie 65/79, 00-697 Warsaw | web portals activities | 21.43%[(2)] | 21.43%[(2)] |
| Asseco Poland S.A.[(3)] | Olchowa 14, 35-322 Rzeszów | software activities | 10,13% | - |
| Pluszak Sp. z o.o. | Domaniewska 47, 02-672 Warsaw | retail sales | 9% | 9% |
| Exion Hydrogen Polskie Elektrolizery Sp. z o.o. | Ku Ujściu 19, 80-701 Gdańsk | production of electrical equipment | [(4)] | 10% |
| Towerlink Poland Sp. z o.o. | Marcina Kasprzaka 4, 01-211 Warsaw | telecommunication activities | 0.01% | 0.01% |
| MESE Sp. z o.o. | Al. Stanów Zjednoczonych 61A, 04-028 Warsaw | movie and TV production | [(4)] | 10% |
| Megadex SPV Sp. z o.o.[(5)] | Adama Mickiewicza 63, 01-625 Warsaw | other financial services | 7.02% | 7.02% |
| Megadex Księży Młyn Sp. z o.o.[(5)] | Adama Mickiewicza 63, 01-625 Warsaw | implementation of construction projects | - | 7.02% |
| Stocznia Remontowa Nauta S.A. | Budowniczych 10, 81-336 Gdynia | repair and maintenance of ships and boats | 0.03% | 0.03% |

(1) Investment accounted for at cost less any accumulated impairment losses.
(2) Not material and therefore not included into the valuation using the equity method.
(3) On Spetember 21, 2023, Cyfrowy Polsat S.A. sold 12.82% shares of Asseco Poland S.A. (after this transaction Asseco Poland S.A. ceased to be an associate).
(4) PAK-PCE Group. As a result of the acquisition of additional 10.1% shares of PAK-Polska Czysta Energia Sp. z o.o. on July 3, 2023, Cyfrowy Polsat acquired control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries
(5) On May 31, 2023, the merger of Megadex SPV Sp. z o.o. (acquiring company) with Megadex Księży Młyn Sp. z o.o. (acquired company) was registered.

### *Changes in the organizational structure of Polsat Plus Group and their effects*

From January 1, 2023 until the date of publication of this Report, i.e. April 11, 2024, changes presented in the table below were implemented in the structure of Polsat Plus Group.

| Date | Description |
|---|---|
| **B2C and B2B services segment** | |
| January 2, 2023 | Merger of Netia S.A. (acquiring company) with Logitus Sp. z o.o. (acquired company) |
| January 19, 2023 | Disposal of 1,000 shares (0.0003%) in Netia by Cyfrowy Polsat to TiVi Foundation |
| May 31, 2023 | Merger of Polkomtel (acquiring company) with TM Rental Sp. z o.o. (acquired company) |
| August 2, 2023 | Disposal of 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. by Polkomtel to Embud 2 Sp. z o.o. S.K.A. |
| September 21, 2023 | Disposal of 12.82% of shares in Asseco Poland S.A. by Cyfrowy Polsat in response to Asseco Poland S.A.'s invitation to submit offers for the sale of shares, published on September 6, 2023. |

| | |
|---|---|
| November 27, 2023 | Disposal of 100% of shares CPSPV1 Sp. z o.o. and CPSPV2 Sp. z o.o. by Cyfrowy Polsat to Polkomtel Business Development Sp. z o.o. |
| December 1, 2023 | Merger of Premium Mobile Sp. z o.o. (acquiring company) with Visignio Sp. z o.o. (acquired company) |
| **Media segment** | |
| January 2, 2023 | Registration in the court register of Interia.pl Sp. z o.o., established as a result of the transformation from Grupa Interia.pl Media Sp. z o.o. Sp.k. |
| January 2, 2023 | Registration in the court register of Polsat Media Sp. z o.o., established as a result of the transformation from Polsat Media Biuro Reklamy Sp. z o.o. Sp.k. |
| February 15, 2023 | DIsposal of 50% of shares in Polsat Jim Jam Ltd. by Telewizja Polsat |
| July 20, 2023 | Acquisition of 60% of shares in naEkranie.pl Sp. z o.o. by Polsat Investments Ltd. |
| July 21, 2023 | Acquisition of 60% of shares in 4Fun Sp. z o.o. by Polsat Investments Ltd. |
| July 31, 2023 | Merger of Interia.pl Sp. z o.o. (acquiring company) with Grupa Interia.pl. Sp. z o.o. Sp.k. (acquired company) |
| July 31, 2023 | Acquisition of 0.01% of shares in Eleven Sports Network Sp. z o.o. by Telewizja Polsat. As a result of the transaction, Telewizja Polsat owns 100% of shares in Eleven Sports Network Sp. z o.o. |
| August 31, 2023 | Merger of Telewizja Polsat Sp. z o.o. (acquiring company) with Polsat Media Biuro Reklamy Sp. z o.o. (acquired company) |
| August 31, 2023 | Registration in the court register of Muzo Media Sp. z o.o. |
| September 1, 2023 | Registration in the court register of Mobiem Sp. z o.o., established as a result of the transformation from Mobiem Polska Sp. z o.o. Sp. k. |
| December 8, 2023 | Acquisition of 9.88% of shares in Antyweb Sp. z o.o. by Interia.pl Sp. z o.o. As a result of the transaction, Interia.pl Sp. z o.o. owns 79.88% of shares in Antyweb Sp. z o.o. |
| December 19, 2023 | Removal of Mobiem Polska Sp. z o.o. from the court register<br>Registration of the suspension of the activities of Mobiem Polska Sp. z o.o.. On January 17, 2024, the court registered the opening of the company's liquidation |
| December 19, 2023 | Merger of Telewizja Polsat Sp. z o.o. (acquiring company) with Muzo Media Sp. z o.o. (acquired company) |
| December 20, 2023 | Merger of TV Spektrum Sp. z o.o. (acquiring company) with Polo TV Sp. z o.o., Music TV Sp. z o.o. and Superstacja Sp. z o.o. (acquired companies) |
| **Green energy segment** | |
| July 3, 2023 | Acquisition of 10.1% of shares in PAK-Polska Czysta Energia Sp. z o.o. by Cyfrowy Polsat. As a result of the transaction, Cyfrowy Polsat owns ca. 50.5% of shares in PAK-PCE and took control over PAK-PCE together with its subsidiaries |
| **Real estate segment** | |
| May 31, 2023 | Merger of Megadex SPV Sp. z o.o. (acquiring company) with Megadex Księży Młyn Sp. z o.o. (acquired company) |
| July 3, 2023 | Acquisition of ca. 32% of shares in Pantanomo Ltd. by Cyfrowy Polsat |
| August 17, 2023 | Merger of Port Praski Sp. z o.o. (acquiring company) with Port Praski Inwestycje Sp. z o.o. (acquired company) |
| September 4, 2023 | Removal of Port Praski Sp. z o.o. Białystok Sp. k. from the register of entrepreneurs |

| | |
|---|---|
| October 4, 2023 | Acquisition of 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. by Pantanomo Ltd. As a result of the transaction, Pantanomo Ltd. owns 100% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. |
| November 8, 2023 | Merger of Centrum Zdrowia i Relaksu Verano Sp. z o.o. (acquiring company) with Turystyka Zdrowotna Verano Plus Sp. z o.o. (acquiried company) |

The changes described above are the effect of acquisitions and the systematically executed process of steady optimization of the capital structure of the Group. The changes in the Group's structure entail, among other things, improved efficiency of financial management on the consolidated level through the simplification and streamlining of intragroup financial flows and the elimination of redundant costs.

Furthermore, the Group is acquiring selected assets in order to effectively and dynamically implement its Strategy 2023+ which is focused, in particular, on the Group's development in the area of energy production from low- and zero-emission sources and the acquisition of attractive real estate projects.

# 2. Our business

## 2.1. Our products and services

### 2.1.1. B2C and B2B services segment

In the B2C and B2B services segment, we offer a wide range of high-quality pay TV and telecommunications services to individual and business customers. Telecommunications services include mobile and fixed Internet access, mobile and fixed telephony, ICT services and business solutions. We also provide services to other telecom MNOs and MVNOs in the wholesale business.

Bundling of services is one of the strongest trends on the Polish media and telecommunications market. In keeping with the rapidly changing market environment and customers' expectations, seeking media and telecommunications services at affordable prices from a single operator with one contract, one bill and one fee, we consistently implement our multiplay strategy, we are consistently implementing our multiplay strategy, which allows us to bundle our core products and services of pay TV, telephony and broadband Internet access with additional services and products in a simple and flexible manner. The successful implementation of the multiplay strategy supports the maintenance of a high level of customer loyalty, thereby reducing the churn rate and contributing to an increase in the average revenue per user.

***Pay TV and online video***

**Our pay TV offering**. We are the largest pay TV provider in Poland. We provide pay TV services under the 'Polsat Box', 'Netia' and 'Polsat Box Go' brands. In order to meet the changing trends in television content consumption, we provide our customers with TV services in such technologies as satellite (DTH), Internet (IPTV and OTT) and terrestrial (in DVB-T2 HEVC standard). In addition, we provide additional services aimed at building customer value such as our OTT platform Polsat Box Go, access to the Disney+ platform, VOD/PPV, online video and music services, catch-up TV, Multiroom HD services and paid premium content channels.

Our programming strategy is to offer a wide range of channels that appeal to the whole family at attractive prices. Our customers have access to over 160 TV channels which focus on diverse topics: general, sports, movie, lifestyle, education, music, news/information and children's channels. Our contract pay TV services consist of four basic packages, which vary in the number of available channels and additional services depending on the subscription amount, and are offered for a fixed period of time, usually 24 months. We also offer the opportunity to purchase 12 add-on packages, including 9 premium content packages, which are available for a fixed or indefinite period of time, providing freedom to customize the offering.

Premium content is an important element that builds the value of our pay TV offer, and this is one of the reasons why we have introduced sports and film TV packages to our offer, such as Polsat Sport Premium, Eleven Sports, Canal+ Sports 3 and 4, HBO with HBO Max service and FilmBox with HBO Max service. A differentiator of our TV offer is access to the Disney+ platform under a subscription agreement, which Polsat Plus Group offers to its customers as the only operator of pay TV and telecommunication services in Poland. The full current offer of pay TV services is available at polsatbox.pl.

As part of our pay TV offer we offer our customers the opportunity to rent a high-quality set-top box. We view subsidizing of set-top boxes as a support tool for acquiring new customers. We operate on the principle that the higher the price of the package the lower the price of the set-top box and the higher set-top box subsidy incurred by us. All new set-top boxes rent by us are produced in-house at our manufacturing plant in Mielec. We systematically develop the software and improve functionality of our set-top boxes, so as to better address changing consumer preferences and video consumption trends. We also dynamically expand next generations of our set-top boxes to offer, in particular, new devices which allow to receive our content via Internet links, both in IPTV and OTT technologies.

**Online video.** In addition to the basic and add-on packages, our offer also includes access to the Polsat Box Go service and app, which offers paid content from the Group and third party producers and broadcasters (including an extensive library of VOD content and more than 130 online channels). Polsat Box Go offers several hundreds of hours of live coverage per month from the largest sports events nationwide and worldwide, exclusive full seasons of the latest Polish premium series, the latest movies, news and entertainment programs, Ukrainian language channels and channels broadcast in 4K quality, and access to Disney+ in one of the packages.

Polsat Box Go provides users with content in one of two paid models. The first one is single access, in which the customer pays a fixed amount for the opportunity to view a specific material. The second model includes access to packages of materials and/or channels in return for a monthly access fee. Thanks to the www.polsatboxgo.pl website and dedicated applications the content of Polsat Box Go is available on a wide array of consumer devices. Due to the flexibility of the offer, Polsat Box Go subscriptions are recognized as prepaid services.

**Other services.** We also provide signal broadcast services to television and radio broadcasters. These services include the provision of transponder bandwidth, broadcasting and encoding the signal and its distribution to networks of other operators, including cable operators.

**How do we provide pay TV and online video services?** We have signed a long-term contract with Eutelsat S.A. regarding the use of capacity on eight transponders on Hot Bird satellites. Our broadcasting center located in Warsaw enables us to transmit TV channels in SD, HD and 4K quality. We also have a backup broadcasting center located in Radom, which guarantees broadcasting continuity. Access to TV channels offered in our DTH pay TV packages is secured by a conditional access system that we lease from the company Nagravision SA. Moreover, we cooperate with another provider of a conditional access system - Irdeto B.V. Beside securing digital content transmitted using DVB-T2 technology, the Irdeto system also provides security of the satellite system (DHT) and IPTV. Furthermore, Irdeto provides us with specialized and complete monitoring of the Internet enabling the collection and analysis of occurrences that may infringe copyrights of entities in our Group.

Our modern streaming platform Polsat Box Go, whose applications were built using modern UX/UI (User Experience and User Interface) trends, is adapted to the most important operating systems and a wide range of consumer devices. We have developed unique technological competences in encoding and streaming audiovisual content on the Internet, as well as optimizing distribution of this type of signal. We apply proprietary solutions, which enable us to provide services optimally adjusted to the limitations of Internet infrastructure in Poland and the capacities of external systems with which our applications are integrated. We use our own servers and our own CDN (Content Distribution Network) infrastructure.

### *Mobile and fixed-line telephony*

We provide mobile voice services mainly through our subsidiary Polkomtel, Plus network operator and one of the leading Polish telecommunications operators, under the Plus umbrella brand as well as under the Plush, Premium Mobile, Netia and a2mobile brands, while fixed line voice services are available under the Netia offering. Retail mobile services are available in contract and prepaid models.

**Mobile voice services.** The offer for individual contract customers is standardized and includes a variety of tariff plans. As part of the monthly subscription fee, the customer receives unlimited calls, SMS and MMS, as well as Internet packages or additional minutes, SMS and GB for roaming. In addition, the customer can receive streaming services, online services on the phone such as Polsat Box Go, device or Internet protection services, as well as other value-added services (VAS). In the era of increasing content consumption via the

Internet, an important element of mobile voice offers is data service. As part of the subscription, customers are offered data packages, the size of which depends on the commitment level. Customers opting for lower commitments can also purchase services not included in the subscription, such as additional data packages or roaming packages.

Contracts are concluded for a fixed period, usually 24 months, although the Plush sub-brand and the Premium Mobile offer also allow customers to conclude contracts for an indefinite period. Our contract mobile offering is complemented by an extensive portfolio of smartphones supporting LTE, LTE Advanced and 5G technologies. Customers can opt for a no-phone offer or choose from a range of handsets offered on an installment plan. We also offer cash or installment purchase options, as well as used phone buy-backs.

Prepaid voice offers allow our customers to access the mobile network after purchasing and registering the appropriate starter (SIM card with an allocated amount to use for mobile services). With prepaid offers, there are no fixed monthly commitments and customers only need to top up their accounts when they want to use the services.

**Fixed-line services.** We provide fixed-line telecommunications services under the Netia and Plus brands based mainly on the landline infrastructure of our subsidiary Netia. The dedicated retail offering of fixed-line telephony includes both business customers, including institutions, medium and large enterprises and small companies, as well as individual customers.

### *Mobile and fixed-line Internet*

We offer broadband Internet access services in both mobile technology, under the Plus, Premium Mobile and Netia brands, and fixed line technology, under the Netia and Plus brands, based on the wireline infrastructure of our subsidiary Netia and wholesale access to the wireline networks of other operators.

Our Internet access service offering is universal in nature, providing access to the Internet via all mobile or fixed technologies supported by the network for a single subscription fee. Currently, almost 100% of Poles are covered by our LTE Plus Internet service, almost 97% by LTE Plus Advanced Internet and nearly 70% by 5G networks. Approximately 7 million of Polish households are currently within range of our fixed line internet service, which is available over both Netia's extensive nationwide fixed line infrastructure and other operators' fiber broadband networks.

**Mobile Internet.** Dedicated contract tariff plans offer basic mobile broadband Internet access. These contract plans are based on a monthly subscription and allow for a defined data transmission limit. Under our contract plans customers may purchase or lease Internet access devices (including dongle modems, fixed and mobile routers, Home Internet Sets). In addition, our offer includes tablets laptops and other devices, which can be purchased in an installment plan, as well as tariffs without equipment. Contracts are concluded for a fixed term, usually for 24 months.

We also offer tariffs based on a prepaid model which allow customers to receive a specific data package, whose size and period of validity are determined by the value of the top-up. For the top-up money the customer can buy additional packages priced up to PLN 40, which offer, depending on the selected package, unlimited calls, text and multimedia messages, as well as additional data packs.

A unique product in our portfolio is Home Internet Set, thanks to which we can offer our customers a product based on wireless technology that constitutes a substitute for fixed-line Internet. The Home Internet Set works perfectly in non-typical locations where the signal strength is low, as well as in all the places where no fixed-line access to the Internet is offered via cable connection. Based on a special technical solution ODU-IDU (Outdoor Unit Indoor Unit), the Home Internet Set consists of an external modem (ODU) and a Wi-Fi router (IDU). ODU/IDU devices can be installed separately, or they can be integrated with the existing satellite or terrestrial TV antenna systems. The signal is transmitted from the ODU modem to a Wi-Fi IDU router over a concentric cable. The router, in turn, distributes the signal to all the rooms ensuring wireless access to the Internet. This solution provides better network coverage and, as a result, higher transfer quality than traditional modems and routers. The offer includes sets operating on 5G and LTE technologies. When choosing the Home Internet Set, the customer buys an ODU-IDU device in the installment plan and selects the Internet package.

For the provision of mobile services we use, among others, a 5G network based on a dedicated 2600 MHz band in TDD technology. Polkomtel, Plus network operator, was the only operator on the Polish market to allocate a separate, dedicated band for 5G. This solution allowed the implementation of 5G technology without the accelerated shutdown mode of older technologies (mainly 3G), providing the possibility of uninterrupted Internet access to customers' devices using older data transmission technologies. 5G in the additional 2600 MHz band guarantees Plus network customers very high speed parameters, confirmed by independent tests. In a summary of rankings conducted by SpeedTest.pl in 2023, Plus 5G network had the highest average download speeds, and its result far exceeded the average download speeds in 5G networks of other operators and via older LTE technology. As of March 2024, more than 23 million Polish residents in 1,150 locations across the country were already within the range of Plus' 5G network, and the total number of 5G base stations was nearly 3,700. As a result, more than half of the Polish population is already within range of our 5G network in Poland.

**Fixed-line Internet.** The fixed-line Internet offer includes access to high speed Internet, provided mostly in fiber optic technologies. The service is provided in four technologies depending on the available infrastructure: copper (CU), Ethernet (ETTH), cable (HFC) and fiber optic (PON). Offer varies depending on speed and additional options selected, including TV and mobile services. The offering is concluded for a 24-month period, including dedicated promotional offers. The Internet services for individual customers are primarily sold in bundles with TV and voice services, including mobile services. The offering is complemented by a range of value-added services that support ARPU levels and have a positive impact on customer loyalty.

We offer fixed-line Internet access primarily based on Netia's extensive, nationwide fixed-line infrastructure, which comprises both a backbone network and an access network. This network currently reaches approximately 3.3 million households across the country, and over 800 largest office buildings. When taking into account agreements for wholesale access to fixed-line networks with Orange Polska, Światłowód Inwestycje, Nexera, Tauron and Fiberhost, we are able to reach over 6.9 million households with our fixed-line Internet access offer.

### *Solutions for business customers*

Under the Plus and Netia brands, we offer business customers comprehensive solutions tailored to the needs of each industry. Our offer is aimed at all business segments, and our services support the operations of large business entities (corporations, state institutions), small and medium-sized businesses, and SOHO (Small Office / Home Office).

The Group's B2B division has an extensive sales structure that ensures convenient contact and efficient implementation of services. Our customers are supported by business experts dedicated to serving individual entities, and the implementation of advanced solutions and technologies is carried out by experienced engineers.

The B2B portfolio includes a wide range of solutions that provide reliable and secure connectivity and high-speed access to the Internet:

- we offer a full range of mobile and fixed telephony services;

- we offer state-of-the-art IP telephony services with cloud virtual private branch exchange (VPBX), integrated communications services (unified communications) and video communications (HD video conferencing services);
- we provide access to broadband Internet in mobile (including 5G) and fixed technologies (FTTx, Ethernet, xDSL and HFC), which is an essential tool for any business today;
- we provide simple tools for effective communication with customers and employees, such as bulk SMS (with or without parameters);
- we take care of the security of our customers' resources by implementing cybersecurity solutions and IT outsourcing (colocation);
- we facilitate cost optimization with services that allow you to monitor your fleet of vehicles, production lines or the performance of your employees' tasks;
- we facilitate cost optimization with services that allow you to monitor your fleet of vehicles, production lines or the performance of your employees' tasks.

Despite this broad portfolio, we are constantly expanding the Group's product offering in response to market changes and the needs of our customers. In 2023, we commercially launched a dedicated nationwide NBIoT (Narrow Band IoT) radio network, allowing us to collect data from places that are difficult to access or have limited range (parking lots, basements, sewer manholes, etc.) and guaranteeing long-lasting operation of devices on battery power (even up to several years). This is a further step in the development of solutions for the Internet of Things.

In addition to numerous services and solutions, we also offer equipment (telephones, routers, etc.) and accessories (watches, projectors, headsets, etc.) from reputable suppliers. We are a seller of electricity and gas, and since we value ecology, our B2B portfolio also includes products in the area of renewable energy sources, such as photovoltaics.

In 2023, we entered into strategic partnership with Google Cloud under which Polsat Plus Group will receive strong content support from Google Cloud for long-term development of its business and digital transformation. In order to support its development and to adjust to the evolving customer needs, Polsat Plus Group will be migrating part of its IT infrastructure to clean-energy-powered cloud solutions provided by Google. Cloud solutions enhance flexibility in terms of selection of IT services and tools, offer faster and more efficient adaptation of products and services to customer needs as well as easier access and analysis of the data coming from various sources, while reducing the cost of maintenance of own infrastructure and, thanks to the use of off-the-shelf components, offering shorter lead times for delivery of new applications as well as cost reduction which is owed to increased adoption of cloud-based approach, reduction of number of systems and lower energy consumption. As part of the strategic partnership, the IT staff of Polsat Plus Group companies (i.a. Polkomtel, Netia, Oktawave) will gain strong training support from Google in the field of Google’s latest cloud solutions, with particular stress on machine learning (ML) and artificial intelligence (AI) skills. This will help us fully exploit the computational power of the cloud to the benefit of the new solutions which will be implemented for the Group’s customers.

### *Retail sales channels*

Retail customers can buy our services and products from our physical sales network, which as of December 31, 2023, consisted of 846 points of sale located throughout the country. The points of sale offer pay TV, mobile telephony, mobile and fixed Internet as well as a range of other additional services and products.

In the digital era, online sales channels play an increasingly important role in the commercial area, ranging from the presentation of a rich offer to the possibility of conducting the full purchase process and after-sales service on-line as well as watching video content. We maintain commercial websites containing detailed information about various products and services offered by Polsat Plus Group companies and brands, the most important of which are polsatbox.pl, polsatboxgo.pl, plus.pl, plushbezlimitu.pl, premiummobile.pl, a2mobile.pl and netia.pl.

Another sales channel is the call center. Our call centers are available to our existing and potential customers 24 hours a day, seven days a week, and are responsible for providing comprehensive and professional customer service, active product up-selling and customer retention as well as providing information about our services and brokering subscriptions.

Sales of prepaid telecommunication services take place through other channels of distribution. As at December 31, 2023, we had 30 active agreements with non-exclusive independent dealers of our prepaid services, with a total of approximately 60 thousand outlets selling starter kits and scratch cards and approximately 150 thousand outlets selling electronic top-ups. Prepaid top-ups are also executed online via our own websites: www.doladuj.plus.pl and www.doladuj.plushbezlimitu.pl, via the dedicated websites of our partners and via Internet banking services.

### *Customer relations and retention management*

**Customer relations management.** In a highly competitive market, the quality of customer service is an important factor that often determines the choice of a particular operator. We consistently improve the quality of our customer service using the latest technologies. We use an advanced customer relationship management system which makes it possible to comprehensively handle and document all requests placed by customers in a timely and effective manner.

The core of customer service is the call center. It consists of eight separate centers integrated through a system of intelligent call distribution, providing 24-hour customer service on all days of the year. Within the Group, we have about 1,650 telephone desks and about 920 back-office desks for handling written and electronic requests (including handling technical requests). We are actively developing alternative channels of contact through social media, chat and online forums.

We also provide customer service using advanced self-service solutions to manage subscriber accounts. These solutions are offered in a form of such online services and mobile applications as iPolsatBox, iPlus and Netia Online. These tools include, among others, constant and free-of-charge access to up-to-date information on billing, current offers, current usage, they allow to purchase additional packages and services, effect online payments and modify contact details. Moreover, our services include a technical support section, FAQs, an online contact form and an online communication channel.

**Customer retention management** is one of our key business areas. Our goals in this area are to minimize value and volume churn, thereby effectively securing revenues from Polsat Plus Group's customer base. Thanks to extensive analytical tools, we are able to verify and learn about the needs of our customers. This allows us to effectively use this knowledge in dedicated customer retention activities. What's more, we start these activities during the contract period (proactive retention process). We offer our customers the opportunity to change their contract terms and increase their Internet packages at any time during the contract period. The reactive retention process depends on the customer declaring his or her desire to stop using our services. As part of this process, a specialized team of consultants contacts the customer and presents new, attractive terms of further cooperation to encourage them to stay with our Group.

All processes are based on value creation and the consistent resale of additional services to the customer. This is possible thanks to the wide range of products we offer. Our loyalty offers can be implemented in any sales channel - online, by phone with home delivery, or at any point of sale.

### *Wholesale business on telecommunication market*

As part of our wholesale business we offer network interconnection, international and national roaming, services to MVNOs, shared access to network assets, lease of network infrastructure, as well as other telecommunications services provided to other telecommunications companies in Poland and abroad.

**Exchange of traffic between operators (network interconnection).** Our telecommunications infrastructure used in interconnection cooperation enables us to effectively manage telecommunications traffic routing from and to networks of all operators domestically and abroad. As at December 31, 2023, Polkomtel was party to 23 interconnection agreements with national and foreign operators with respect to voice calls. Such a number of interconnection relations allows for reducing our costs of call termination in the networks of other operators, while maintaining the highest quality of telecommunication services for our end-users with respect to traffic, both initiated and terminated in our network.

In 2023, we implemented new, lower rates of wholesale settlements in all our interconnection relations following the implementation of uniform maximum Union-wide mobile voice termination rates (MTR) and fixed voice termination rates (FTR). In parallel, just as in previous years, active steps were taken in relations with domestic and foreign operators in order to reduce the costs of wholesale termination of voice calls and text messages incurred by us.

In 2023, Polkomtel has actively increased the number of agreements for the purchase of wholesale access to local loops in the networks of fixed operators under the Bitsream Access model, which enables the provision of retail Internet access services based on the fixed access infrastructure of other operators.

**International roaming.** Within our wholesale business we provide international roaming services to foreign mobile operators that allow customers of foreign mobile telecommunications network operators to use mobile telecommunications services (voice calls, texting and multimedia messages (SMSs and MMSs) and data transmission) when logged to our network and outside their home network. We also enter into international roaming wholesale agreements in order to provide, both to our own customers and the customers of MVNOs' partners operating on our network, international roaming services in the networks of our roaming partners.

As present, Polkomtel offers roaming services in 593 networks in 229 countries and regions as well as on ships, ferries and aircraft decks. Fast Internet access (LTE) is possible in 449 networks in 185 countries. Polkomtel's customers may use services in 3G in 201 networks in 78 countries.

Due to the shutting down of 2G and 3G services by roaming partners, and in order to provide our customers with high quality voice roaming connection, we continue to open VoLTE roaming, in which voice calls are made using LTE technology. The service is currently available on 18 networks in 13 countries, including the US.

**Virtual operators (MVNOs).** We provide operators present in Poland with wholesale access to our mobile telecommunications network based on all network technologies available to Plus subscribers, such as 5G, VoLTE and VoWIFI, both domestically and on international roaming. As a rule, this type of cooperation is used by operators who do not own complete technical infrastructure required to provide telecommunications services (including frequency allocations).

As part of the cooperation with MVNOs, we provide wholesale services including voice calls, text messaging (SMS) and data transmission (including MMS services), premium rate services, value-added services, international roaming, services provided to specific governmental authorities and agencies, hosting services on our billing platform, MVNO customer support, handling claims of MVNOs' customers, access to SIM cards, telephone devices and Plus's telephone card recharging sales channels as well as other services, depending on the needs and selected technical model of cooperation.

Polkomtel was the first mobile operator in Poland to open its network to MVNOs (already in 2006) and since then it sustains the leading position in this telecommunications market segment. MVNO business is an important part of Polsat Plus Group's wholesale sales. Currently, more than 1 million end users use the Polkomtel network through MVNO partners' offers.

### *Technology and infrastructure of telecommunication services*

**Mobile Network.** Our mobile telecommunication network enables nationwide access to a number of various technologies, including GSM/GPRS/EDGE (2G technologies), UMTS/HSPA +/HSPA + Dual Carrier (3G technologies), LTE/LTE Advanced (4G technologies) and the most modern 5G technology. We provide these services on the basis of frequency bands and a core network owned by our subsidiary Polkomtel, while in the radio and transmission area we closely cooperate with Towerlink Poland, a member of the Spanish Cellnex Group with whom we entered into an agreement in July 2021 to sell 99.99% of the shares of our subsidiary Polkomtel Infrastruktura. The assets of the sold company included in particular the passive and active layers of the mobile infrastructure of Polsat Plus Group.

The Master Services Agreement signed by us was concluded for 25 years, with an option of extension for additional 15-year periods. Under the terms of the agreement, our mobile telecommunications network is developed in the radio and transmission areas using services provided by Towerlink Poland. These services provide access to infrastructure enabling our customers to use all currently available technologies on the basis of all frequency bands held by Polsat Plus Group. Towerlink Poland’s monthly remuneration is dependent mainly on the number of sites and active infrastructure systems ordered and used within the active layer of the infrastructure. In parallel to the service agreement, a detailed Service Level Agreement has been concluded, which ensures the highest quality both in terms of implementing new network projects and maintaining the existing services provided to Polsat Plus Group. Effective enforcement of the quality parameters required by the SLA is possible at the level of the systems monitoring the condition of the network on an ongoing basis contained in our core network, which remains the property of Polsat Plus Group. This allows us to continuously provide our customers with the highest quality of service.

The table below shows the number of emission services provided by Towerlink Poland to our customers at the end of December 2023:

| Technology | Number of systems on-air as at December 31, 2023 | Change YoY |
|---|---|---|
| **2G technology, including:** | **7,955** | |
| GSM 900 | 7,386 | 218 |
| GSM 1800 | 569 | 2 |
| **3G technology, including:** | **11,433** | |
| WCDMA 2100 | 3,953 | 20 |
| WCDMA 900 | 7,480 | 222 |
| **4G technology, including:** | **19,233** | |
| LTE 1800 | 7,486 | 244 |
| LTE 2600 TDD | 352 | 4 |
| LTE 2600 FDD | 3,104 | 229 |
| LTE 2100 | 681 | -460 |
| LTE 900 | 7,610 | 225 |
| **5G technology, including:** | | |
| 5G 2600 TDD | 3,679 | 299 |

Our core network ensures central handling of customer services, integrating them for the 2G/3G/4G/5G technologies (Single Core). In this way, we are able to provide customers with access to our services irrespective of the radio technology applied, enabling an evolutionary transition of voice services from 2G (GSM), through 3G (including higher quality voice services), to 4G (with voice services based on CSFB or VoLTE) and 5G. The same strategy is used for data transmission services, enabling customers to use the broadband Internet access both in the 3G (HSPA+, HSPA+ Dual Carrier) as well as the 4G (LTE/LTE Advanced) and 5G (2600 MHz TDD) networks. The core network architecture facilitates effective and easy capacity expansion to match the growth of the customer base and increased service demand.

**Frequency reservations for the purpose of provision of telecommunication services.** Currently, there is no regulatory requirement to hold a license to provide mobile telecommunications services and the right to use frequencies results from issued frequency allocation decisions and can be extended for further periods by the President of the Office of Electronic Communications (UKE). At present, based on frequency allocations issued by the President of UKE Polkomtel is entitled to use frequencies in the 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz FDD and TDD, 420 MHz and 3600 MHz bands (see item 2.2.1. – *Mobile telephony market in Poland*).

All frequency allocations are technology neutral and can also be used to provide services in each of the technologies currently in use (2G, 3G, 4G or 5G).

**Fixed-line network.** Our fixed-line network is based on DWDM transport, which in its backbone layer contains 260 nodes, including 190 nodes with automatic GMPLS protection/restoration, thus guarantying very high network reliability. The maximum throughput of a single DWDM span is 34TB.

The modern DWDM network is characterized by higher channel throughout and band capacity which ensures links with speeds of 100G/200G/400G and ultra-low latency. service channels, and can carry 1TB channels. The network is equipped with automatic fault location diagnostics (GPS coordinates) with integrated OTDR components, which enables significant reduction of fault clearing time.

There are over 700 DWDM/CWDM access nodes enabling connections to end users in metropolitan networks and to B2B customers in operation.

As part of the DWDM transmission network, international links to Frankfurt, Berlin, Prague and Lviv were launched, and DWDM access to the main data centers in Poland was provided.

Additionally, our transmission network has the possibility of encrypting client connections and establishing virtual transport networks for other operators.

The IP layer of our network is based on 8 backbone nodes which provide interconnection points to Tier1 operators, XSP operators, IP traffic exchange points, content providers and Cloud infrastructure. The IP backbone aggregates Carrier Ethernet traffic, B2C customer traffic and its own CDN for the purposes of the IPTV services provided by the Polsat Plus Group.

The Carrier Ethernet layer, based on IP MPLS technology, consists of 180 distribution routers connected by 100G lines and over 2,800 access switches with 10G ports. This allows us to reach customers throughout the country and abroad with our services. Within the Carrier Ethernet network we provide services compliant with MEF CE 2.0 certification/standard.

We provide Internet access services for B2C customers via an access network comprising 1,400 DSLAM access nodes (in xDSL and SuperVector technologies), two metropolitan areas with the cable HFC network (DOCSIS 3.x), nearly 12,000 access switches performing ETTH access and 820 FTTH nodes.

Currently, we are in the process of upgrading our access network based on two main fiber optic technologies: FTTH (Fiber to the Home, i.e. fiber optic access to every apartment) using GPON (passive optical network) technology and FTTB (Fiber to the Building), in which fiber reaches every building and subscriber access is provided using Gigabit Ethernet technology. Together with a modern, constantly developed HFC DOCSIS 3.x network in Warsaw and Kraków, this enables the provision of services with a capacity of 1 Gbps to all customers being within the reach of these networks.

### 2.1.2. Media segment: television and online

#### *Broadcasting and television production*

**Our offering.** Our activities in broadcasting and television production include primarily production, acquisition and broadcasting of information, sports and entertainment programs as well as TV series and feature films broadcast on television channels. Our portfolio comprises 43 own channels including our flagship channel POLSAT. Moreover there is a group of 6 cooperating channels which are related with Polsat Plus Group either by capital links or joint broadcasting projects. The Group’s channels are delivered both over multiplexes in the terrestrial network (free of charge) and over cable, satellite or IP network (paid).

We have a portfolio of channels that appeal to key audience segments, we maintain a strong position in the news television segment and a leading position in sports programming. Our offer is addressed to the entire family. With a view to maintaining our overall audience and advertising market share, we focus on developing our portfolio of thematic channels and increasing the appeal of the content we offer to our viewers.

**Scheduling.** We tailor our programs and programming schedules to the interests of the group, that considering its demographic characteristics, we believe is most attractive to advertisers as well as to maintain viewer loyalty. It is especially important in the time slot between early afternoon and ‘prime time’, which is the period of highest viewership. To achieve this goal, each day (from Monday to Friday) we plan stable slots so that the viewer can remember the programming scheme of the channel. This strategy is implemented between 3pm and 8pm. A strong line-up of movies, reality shows, talent shows and popular series dominates after 8 pm.

Our scheduling is based on two schedules that are key from the point of view of generating advertising revenue: the spring (March-May) and autumn (September-November) schedules. That is when we broadcast premieres. In the summer and winter, we schedule mainly re-runs of the content premiering in the high season, although recently it has become a custom to introduce premieres into the programming offer also outside the regular season scheduling.

**Sources of Polish programming.** We aim to diversify sources of Polish content, enabling us to efficiently manage production costs. Thanks to that we are able to choose those offers from a wide range of proposals which are both attractive and cost-effective in order to ensure successful scheduling. In case of formats owned by us, we cooperate with external producers, both Polish and foreign ones.

Polish programs are primarily commissioned to independent external producers. However, we also create programs in-house. Approximately 60% of our programming hours consist of Polish content.

Programs supported by in-house production include news and journalistic programs as well as special events. Also, sports channels, which are based primarily on the broadcasting of sports events for which we have acquired the rights, are produced with TV Polsat's own resources. As a leading commercial broadcaster and content creator, Telewizja Polsat uses the latest technologies and equipment. We have the largest production facilities in Poland, including, most importantly, 7 state-of-the-art TV studios, 3 shooting halls with a surface area of 1200 m2, 1600 m2 and 2400 m2, a fleet of digital broadcast trucks adapted to produce major sporting and performing events, modern satellite trucks for transmitting TV signals directly from venues, comprehensive IT systems to support program production, data storage, framed graphics generation, program library maintenance and license management.

Commissioned programs are sub-contracted, when justifiable, to third-party production companies to provide us with additional support for implementing them and avoid increasing overhead costs. In most cases we use a standard template for all production contracts we enter into. When the production of TV programs is commissioned to external producers, the contracts generally include the transfer of ownership of the work to TV Polsat. The producer's fees include production fees as well as fees for the transfer of copyrights, related intellectual property rights to the program (or, alternatively, for granting the license) and for granted authorizations and consents. All production and license agreements have definite terms, the number of reruns within the Group, typically covering the time of production with the possibility for extensions.

**Sources of foreign programming.** We purchase programming licenses from foreign providers primarily for films, series and sports. The purchase of foreign formats for local productions, both entertainment and feature films, is done with an eye toward the possibility of broadcasting on different antennas. Our key partners for movie and series licenses are the world's major movie studios. Usually, these contracts have terms of two to three years as well as for film packages and are denominated in U.S. dollars or euro. We acquire broadcasting rights under one of two types of contractual arrangements. The first are the so called volume contracts, which involve the acquisition of a specified volume of films or series, while the second constitute spot contracts, In both cases, the negotiations involve specific titles.

**Purchase of sports broadcasting rights.** Important sports licenses purchased by Polsat Group include broadcasting rights to the football and volleyball competitions. We offer football fans broadcasts of qualifiers to the UEFA European Championships and the FIFA World Championships as well as the football Nations League. As for volleyball, we offer the biggest and most prestigious volleyball tournaments – the men's and women's World Volleyball Championships, games of the volleyball Nations League, the men's and women's Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and also the volleyball matches of CEV Champions League.

Through our subsidiary Eleven Sports Network we have access to attractive sports rights to football games, including Spanish LaLiga EA Sports and Supercopa de España, Italian Serie A, English The Emirates FA Cup, French Ligue 1 Uber Eats, German DFB-Pokal, Belgian Jupiler Pro League, and speedway races of the Polish PGE Ekstraliga.

We also offer boxing and mixed martial arts galas (UFC, Frank Warren, FEN, Babilon), Wimbledon and ATP 1000 and 500 tournaments, and many others.

We acquire sports rights by participating in a bidding process or tender contest. The duration of license contracts usually relates to playing seasons for each event. Typically, they are concuded for the 3 year term on the territory of Poland and denominated in euro. We leverage the acquired sports rights by offering broadcasts to our viewers and subscribers, including on specially created dedicated Polsat Sport Premium channels and Eleven Sports Network sports channels. In addition, the sports content is sold as program packages to pay TV operators active on the Polish market as well as directly to customers through OTT applications (among others, ELEVEN SPORTS and Polsat Box Go).

Under the existing agreement with the International Volleyball Federation FIVB until 2032 we will broadcast the most important events in the world and national team volleyball. The package of acquired rights includes the Volleyball Nations League (260 matches in total during the season and qualifying tournaments to the Volleyball Nations League), Challenger Cup, qualifying tournaments to the 2024 Olympic Games and men's and women's World Championship.

Furthermore, we have been holding broadcasting rights purchased from PLPS (Polish Professional Volleyball League) to Plus League and Tauron League matches already for a decade. In 2020, we extended this contract for another four seasons until 2027/2028.

From 2018 Polsat Plus Group also offers its viewers and subscribers the matches of the prestigeous football club games - the UEFA Champions League for all channels of distribution, including television, the Internet, and mobile devices. The games are broadcast in Polsat Sport Premium channels. The current UEFA Champions League license expires in mid-2024.

In the area of other sports, we concluded agreements for the broadcast of ORLEN Super League and ORLEN Women's Super League handball matches for the next 7 seasons - until 2030, extended the license agreement with the Polish Basketball League for the broadcast of the Energa Basket League until the end of the 2029/2030 season and acquired exclusive rights to broadcast the Ice Hockey World Championship from 2024 to 2029.

### *Sale of advertising and sponsoring on the TV market*

We offer the sale of spots in commercial blocks and program sponsorship in the form of presented sponsorship boards placed on program trailers, before and after the resumption of the program after a commercial break or at the end of the program.

Advertising time is sold in a form of GRP sales and monthly rate-card sales. GRP sales are based on delivering a specified audience to the advertiser based on viewership results. The valuation of the service is based on fixed price per one rating point. Rate-card sales are based on a broadcaster’s official rate-card for individual advertising breaks. The terms of cooperation with customers include negotiation of prices per GRP point (for individual months) and discounts depending on the declared amount of annual expenses.

Sponsor projects are sold throughout the year on the basis of a project created together with a client. Prices and discount conditions are negotiated individually for each customer and each sponsor campaign.

Forecasts of advertising break audience are prepared for each month based on the overall TV audience, the channel’s share in the overall audience and seasonality (prices of commercials are highest from October to November, before Christmas season, and lowest from January to February and from July to August). In 2023, rate-card sales accounted for 68% of all advertising sales on our main channel, POLSAT.

In turn, pricing of sponsoring is based on the relevance of the subject matter of the program to the sponsor’s needs and the target group, the quality of our programs, recognition of brands and the attractiveness of the broadcast slot. As a result, sponsorship revenue is not directly dependent on the economy, as is the case with advertising revenue.

## TV channels of Polsat Plus Group

| Channel | Description | Signal distribution | Technical reach [1] |
|---|---|---|---|
| **POLSAT** | The main channel, broadcast since December 5, 1992, was the first commercial channel in Poland to obtain a nationwide license for analogue broadcasting. POLSAT is one of the leading Polish TV channels in terms of shares in the commercial audience group. POLSAT broadcasts daily, 24/7. The channel is available via digital terrestrial TV on the second multiplex (MUX-2) and on local multiplexes (MUX-L4 and MUX-TVS). The channel features a broad selection of films, entertainment shows, news and commentaries, Polish and foreign TV series, as well as popular sporting events. | terrestrial / cable/ satellite | 97.9% |
| **General interest** | | | |
| **Super Polsat** | Channel offering entertainment and information programs, movies, series and live sports coverage. | terrestrial / cable/ satellite | 96.9% |
| **Polsat 1** | Channel addressed to Poles living abroad, broadcasts various productions from the libraries of the channels: Polsat, TV4, Polsat Cafe and Polsat Play. | satellite | n/a |
| **Polsat 2** | Channel broadcasting reruns of programs that premiered on our other channels. | cable/ satellite | 72.5% |

| Channel | Description | Signal distribution | Technical reach [1] |
|---|---|---|---|
| **TV4** | Nationwide entertainment channel, the programming offer of which includes feature movies, series, entertainment and popular science programs. | terrestrial / cable/ satellite | 98.4% |
| **TV6** | Nationwide entertainment channel broadcasting popular foreign formats, as well as series, entertainment programs and feature movies from Polsat's library. | terrestrial / cable/ satellite | 97.0% |
| **Nowa TV** | Universal TV channel airing lifestyle programs, series, news, journalistic shows and cabaret skits. | terrestrial / cable/ satellite | 93.8% |
| **Polsat X** | Universal TV channel. Its diversified programming offer includes movies and documentaries as well as entertainment shows. Around 75% of airing time is occupied by program reruns. | satellite | n/a |
| **Polsat Reality** | Universal TV channel. Its diversified programming offer includes movies and documentaries as well as entertainment shows. Around 75% of airing time is occupied by program reruns. | satellite | n/a |
| **Sports** | | | |
| **Polsat Sport** | The first sports channel of Polsat Plus Group broadcasting major sports events in Poland and worldwide (volleyball, athletics, football, world class boxing and MMA contests), which include live broadcasts. | cable/ satellite | 55.8% |
| **Polsat Sport Extra** | The channel broadcasts volleyball matches (including the Tauron 1st League), football (including the Dutch Eredivisie and the American MLS), basketball or tournaments from the ATP series. | cable/ satellite | 47.8% |
| **Polsat Sport News** | The channel is an extension of Polsat Sport and Polsat Sport Extra. Viewers can watch all the most popular sports, with football, volleyball, martial arts and tennis in the forefront. | cable/ satellite | 42.6% |
| **Polsat Sport Fight** | Channel dedicated to martial arts, broadcasting, among others, professional boxing galas and mixed martial arts, as well as coverages of Polsat Boxing Night. | satellite | 33.9% |
| **Eleven Sports 1**<br>**Eleven Sports 1 4K** | Sports channel dedicated mainly to football. The most interesting live events, matches from the best European leagues, championships and qualifying games. Eleven Sports 1 HD broadcasts 24 hours a day, in HD quality and with Polish commentary. Since November 2017 the channel is also available in 4K technology. | cable/ satellite | 18.4% |
| **Eleven Sports 2** | Channel that broadcasts large sports events and offers sports fans premium quality entertainment. The channel broadcasts 24 hours a day, in HD quality and with Polish commentary. | cable/ satellite | 18.5% |
| **Eleven Sports 3** | Channel offering the most important European football live matches. In addition, the channel presents documentary films about sports and reruns of the most interesting events broadcasted by the Eleven Sports 1 and Eleven Sports 2 channels. | cable/ satellite | n/a |
| **Eleven Sports 4** | Channel broadcasting large sports events, documentary films about sports and reruns of the most interesting events broadcasted by the Eleven Sports 1, Eleven Sports 2 and Eleven Sports 3 channels. | cable/ satellite | n/a |
| **Polsat Sport Premium 1** | Premium sports channel. Launched in August 2018 in connection with the Group's acquisition of rights to the UEFA Champions League. The channel is offered in a package with four Polsat Sport Premium PPV services aired during matches. Broadcasts without ads, in Super HD quality. | satellite | n/a |
| **Polsat Sport Premium 2** | Premium sports channel. Launched in August 2018 in connection with the Group's acquisition of rights to the UEFA Champions League. The channel is offered in a package with four Polsat Sport Premium PPV services aired during \ matches. Broadcasts without ads, in Super HD quality. | satellite | n/a |
| **Movies** | | | |
| **Polsat Film** | Movie channel broadcasting movie hits from the libraries of major US movie studios as well as non-mainstream movies. | cable/ satellite | 65.2% |

| Channel | Description | Signal distribution | Technical reach [1] |
|---|---|---|---|
| **Polsat Film 2** | Movie channel, an extension to Polsat Film's programming offer airing movies, documentaries, cartoons and series. Around 65% of airing time is occupied by program reruns. | satellite | n/a |
| **Polsat Seriale** | Channel created for and dedicated to women. The programming offer includes feature movies as well as popular Polish and foreign series. | cable/ satellite | 59.2% |
| **Music** | | | |
| **Eska TV** | Music and entertainment channel broadcasting the latest music clips, exclusive interviews, gossip about show biz stars and information about musical events. Available in digital terrestrial television. | terrestrial / cable/ satellite | 97.2% |
| **Eska TV Extra** | Channel broadcasting recent hits and the greatest pop music hits of the last 20 years. | cable/ satellite | 67.7% |
| **Eska Rock TV** | Channel offering music defined as mainstream pop-rock, classic rock and alternative rock. | cable/ satellite | 55.6% |
| **Polo TV** | Channel broadcasting the greatest hits of disco polo and dance, coverage of the most famous festivals of disco dance, concerts and euro disco hits, italo disco and dance music from the 80s and the 90s. Available in digital terrestrial television. | terrestrial / cable/ satellite | 97.3% |
| **Polsat Music** | Channel broadcasting rock and pop music as well as the best video clips, both classics and novelties. | cable/ satellite | 60.5% |
| **Vox Music TV** | Music and entertainment channel broadcasting disco hits from the 80s and the 90s, italo disco, euro dance and disco polo. The channel's programming offer also includes programs devoted to pop stars and hit lists. | cable/ satellite | 66.3% |
| **Disco Polo Music** | Music channel broadcasting disco polo, dance and festive music. | cable/ satellite | 62.3% |
| **4FUN.TV** | Music TV channel aimed at viewers interested in the latest trends. The channel is characterized by strong interaction with viewers. In the channel portfolio of the Group from July 2023. | cable/ satellite | 70.0% |
| **4FUN DANCE** | Channel broadcasting Polish dance music - disco polo and dance. In the channel portfolio of the Group from July 2023. | cable/ satellite | 68.2% |
| **4FUN KIDS** | Music educational and interactive channel for children. In the channel portfolio of the Group from July 2023. | cable/ satellite | 68.9% |
| **News** | | | |
| **Polsat News** | 24-hour news and journalism channel broadcasting live shows and covering primarily news from Poland and key international events. | cable/ satellite | 69.6% |
| **Polsat News 2** | News channel offering debates on politics, business and world economy, as well as programs on culture, society, current and international affairs. | cable/ satellite | 66.0% |
| **Wydarzenia24** | News channel produced in cooperation with Polsat News, *'Wydarzenia'* news service and Interia.pl portal. Provides the most up-to-date information about events in Poland and abroad. Available on digital terrestrial television from January 10, 2024. | terrestrial / cable/ satellite | 87.7% |
| **Polsat News Polityka** | A news and current affairs channel broadcasting programs on Polish politics since January 10, 2024. Broadcasts live the proceedings of the Sejm, the Senate, press conferences, the work of committees, interviews with politicians. | cable/ satellite | 85.0% |
| **Lifestyle** | | | |
| **Polsat Cafe** | Channel dedicated to women, focusing on lifestyle, fashion and gossip as well as reality shows. | cable/ satellite | 65.2% |
| **Polsat Play** | Channel dedicated to men, focusing on consumer gadgets, the automotive industry, angling. Presents historical facts, addresses social issues, shows the lives of ordinary people. | cable/ satellite | 60.8% |

| Channel | Description | Signal distribution | Technical reach [1] |
|---|---|---|---|
| **Polsat Games** | Channel dedicated to gamers. Addressed not only to fans of computer games or e-sports, but also to enthusiasts of new technologies and animation. The channel's programming includes original gaming programs, coverage from e-sports tournaments, Japanese animated series and documentaries. | cable/ satellite | 54.4% |
| **Polsat Rodzina** | Family channel for three generations: from children, via parents, to grandparents, and living anywhere in Poland. The channel helps to deal with challenges of the modern world. Its programing includes informative programs, educational cartoons, series and Christian matters programs. | cable/ satellite | 41.9% |
| **TV Okazje** | Channel broadcasting 24 hours a day, dedicated to teleshopping and broadcasting spots that encourage shopping. | cable/ satellite | n/a |
| **Popular science** | | | |
| **Fokus TV** | A popular science channel for the whole family. The channel's mission is to share knowledge in an entertaining and accessible way. | terrestrial / cable/ satellite | 97.3% |
| **Polsat Doku** | Documentary channel broadcasting historical and scientific programs, addressed to viewers interested in the problems of today's world, travel and nature. | cable/ satellite | 46.5% |

| **Channels cooperating with Cyfrowy Polsat Plus Group (non-consolidated)** | |
|---|---|
| **CI Polsat** | Criminal channel that takes its viewers to the world of crime providing insight into criminal laboratories, police archives and courtrooms. The channel is a joint project of Polsat Plus Group and A+E Networks UK. |
| **Polsat Viasat Explore** | Channel dedicated to men, simple-unusual people, who work hard and have fun while making their dreams come true. Polsat Viasat Explore operates based on cooperation with Viasat World. |
| **Polsat Viasat Nature** | Nature channel targeting the entire family, which allows viewers to accompany wildlife researchers, veterinary doctors and celebrities in their journeys developing knowledge on dangerous predators, domestic pets and wild animals from around the world. Polsat Viasat Nature operates based on cooperation with Viasat World. |
| **Polsat Viasat History** | Channel offering viewers a journey to the past through high-quality programs, that entertain and educate at the same time. The content features historical events that influenced world history. Polsat Viasat History operates based on cooperation with Viasat World. |
| **Polsat Comedy Central Extra** | Channel broadcasting Polish and foreign comedy series and cabaret programs, launched in March 2020 as a result of cooperation between TV Polsat and ViacomCBS (currently Paramount). Previously the channel was aired under the name Comedy Central Family. |

(1) Nielsen Media, average TV household coverage, arithmetic average of monthly coverage in 2023. For Polsat News Policy technical coverage for January 2024.

**How do we distribute our Group's TV channels?** We broadcast TV channels through digital terrestrial television (over free multiplexes), cable TV networks and digital satellite platforms (in particular, through our platform Polsat Box) and over IP networks (paid). Certain channels are available as online streams on our platform Polsat Box Go.

**Terrestrial transmission.** POLSAT, our main channel, and the channels Super Polsat, TV4 and TV6 are broadcast via a nationwide network of digital terrestrial transmitters within the MUX-2. Other channels of Polsat Plus Group, i.e. Eska TV, Polo TV and Fokus TV, are distributed by networks of transmitters within the MUX-1 multiplex, on which the channel Wydarzenia24 has been broadcast since January 10, 2024. POLSAT's main channel is also broadcast on local multiplexes: MUX-L4 and MUX-TVS. In addition, our channel Nowa TV is broadcast on the nationwide MUX-8. MUX-4 is reserved for our subsidiary INFO-TV-FM, which uses it to broadcast TV and radio channels in the DVB-T2 standard as part of the encrypted Polsat Box package, including Polsat Sport, Polsat Sport Extra, Eleven Sports, Eurosport, Polsat News and others. Since January 10, 2024, the multiplex has been broadcasting the free-to-air news channel Polsat News

Polityka, which replaced the channel Wydarzenia24. The remaining channels of Telewizja Polsat are broadcast via digital satellite platforms, cable TV networks and IPTV distributors.

**Broadcasting licenses.** In our media segment we currently dispose of broadcasting licenses for 37 channels, including 6 universal broadcasting licenses and 31 broadcasting licenses for thematic TV channels. 4 broadcasting licenses are for terrestrial broadcasting only (POLSAT, TV4, Nowa TV, Fokus TV and Wydarzenia24 channels), 4 broadcasting licenses are for terrestrial broadcasting DTT and satellite broadcasting (Super Polsat, TV6, Polo TV and Eska TV channels) and 28 broadcasting licenses are for satellite broadcasting only. Our current broadcasting licenses were granted by the National Broadcasting Council (KRRiT). In 2023, we obtained extensions for three concessions and one new concession (the Wydarzenia24 channel). In 2024, 8 concessions will expire, of which we have already obtained extensions for five, and three are pending before the KRRiT.

**Restrictions on programming and advertising.** The Broadcasting Act also imposes certain restrictions on broadcasting time, the content of programming and advertising aired by Polish TV broadcasters. All of these restrictions are usually described in detail in the broadcasting licenses granted by the KRRiT. In particular, the restrictions are related to the percentage share of programming originally produced in the Polish language, obtained from independent producers and of European origin, protection of minor viewers from inappropriate content, the identification, placement and total air time of commercials between and during other programming, as well as the placement of commercials for specific products.

Additionally, the Broadcasting Act imposes on broadcasters the duty to ensure that their media services are accessible to people with visual or hearing disabilities.

### *Internet media*

**Our offering.** We develop thematic web portals which leverage on the unique content produced by our TV channels and dedicated editorial teams. Among portals established by us the most important role is played by the portals ‘PolsatNews.pl’ and ‘PolsatSport.pl’. We also develop the Polsat Box Go portal - a TV Everywhere service offering access to streaming linear channels and a wide range of VOD content, also available as a mobile application and on Smart TV. In turn, Interia.pl Group, acquired by us in July 2020, is a leading player on the Polish market of new generation media.

The portal ‘Interia.pl’, which belongs to the Group, is one of the three largest horizontal portals in Poland, comprising a multitude of thematic services. It provides with a vast selection of the highest quality information, entertainment, social and communication services. Currently, the Interia portfolio includes about 20 thematic websites dedicated to sports and economy events, ecology and nature, technology, automotive, weather, education, health and fashion tips, music and movies, and more as well as one of the country's first email services, with approximately 2.6 million monthly users. In addition, Interia Group includes a number of non-domain thematic websites, such as ‘Pomponik.pl’ (entertainment service), ‘Smaker.pl’ (culinary service) and ‘Deccoria.pl’ (interior and garden service). In parallel, thanks to the ‘Pogoda.Interia.pl‘ weather forecast service, which is one of the leaders in its category, we became one of top online weather forecast services in Poland.

Since the acquisition of Interia.pl Group, the monthly average number of page and app users for the combined Polsat-Interia media group increased from 18 million in the third quarter of 2020 to nearly 21 million in the fourth quarter of 2023. In the same period, the average monthly number of page and app views increased from about 1.5 billion to nearly 2.0 billion (data for the third quarter of 2020 according to the Gremius/PBI study; data for the fourth quarter of 2023 according to the Mediapanel study).

### *Sale of advertising in the Internet*

Our Polsat Media advertising agency offers a number of types of online advertising, such as graphic (display) advertising, video advertising, email marketing, sponsored articles and influencer marketing.

There are two basic models of selling advertising space. In the direct model Polsat Media sells advertising space to an advertiser directly, and in the programmatic model advertising space is put up for auction in which a given advertisement can be purchased by any advertiser (open market) or by selected advertisers only (private marketplace).

Polsat Media sells advertisements in two payment settlement models. In the page view model, a customer purchases a defined number of advertisement issues or buys constant presence of the advertisement in a certain place of a website for a defined period of time. In the efficiency model, an advertiser pays only for specified actions of a user. In our case, the most commonly used performance model is the click-based model. The customer pays for a certain number of clicks on their ads on our sites, regardless of how many of their ads were displayed by us in total to achieve that goal. In case of non-standard formats, the prices are set individually.

- **Polsat Media Display** - presentation of the advertising message through a variety of graphic forms, placed in strictly defined locations next to the Group's articles and editorial productions;
- **Polsat Media Video** - the broadcast of TV video spots as advertisements that precede the airing of the actual video material. This form of advertising is characterized by high visibility and effectiveness;
- **Polsat Media Digital Audio** - broadcasting audio spots before or during the broadcasts of the largest Polish radio stations that broadcast their programs on the Internet;
- **Polsat Media Mobile** - an advertising network created from popular apps and games installed on users' end devices. By identifying these devices, the network has one of the most precise systems for targeting mobile ads in apps;
- **Adretail** - Poland's largest platform for publishing digital advertising newspapers and catalogs based on advanced technological solutions in the field of cross-device user identification and online-to-offline conversion analysis;
- **PERFOads** - performance campaign advertising service offering. It is based on the most popular display placements, email marketing and advertising feeds;
- **Polsat Media AdTube** a platform that brings together popular web developers who are trendsetters.

### *Synergies in content distribution*

Within the media segment, we benefit from two-way synergies in the creation and use of content from traditional TV to the Internet and vice versa from the Internet to traditional TV. The TV content that we produce and premiere on our TV channels is also made available on Polsat Box Go. Making these productions available on our VOD service is another way of providing access to this content so that viewers can find it at a time and place that is most convenient for them. It is also a way to reach potential new viewers and attract new subscribers by broadening the programming base of the Polsat Box Go service, thus increasing its attractiveness. In addition, it is another field for monetizing already produced content by displaying advertising alongside it. In addition to the classic model described above, we are increasingly dealing with the reverse model, where content produced for the VOD service is reused on traditional television after some time.

Another example of synergy is a common newsroom for the Polsat News TV channel, the Polsatnews.pl website and the Interia portal, thanks to which all our major news media can use the same information and materials, providing all viewers and users with the same, highest level of information. In addition, thanks to the use of links redirecting to other sites and services, there is no need to rewrite all the news for each site separately, which saves the editors' time and is a kind of self-promotion, making users aware that they can also find interesting content on other Group sites.

### *Wholesale activities in the media segment*

**Sale of TV/online advertising and sponsorship.** As part of our wholesale business, we sell advertising time on our own channels as well as on channels owned by other broadcasters. Revenue generated from selling advertising time is an essential source of revenue for the media segment (approximately 64% in 2023). Almost all of our advertising revenue is collected through our subsidiary Polsat Media, which acts as our advertising agent (sales house). Polsat Media is responsible for sales of our advertising time, sponsorship, campaign planning, after-sales analysis, market research and analysis, development of new products and, most importantly, enhancing relationships with existing and potential advertisers.

In 2023, Polsat Media carried out the sale of advertising time on our TV channels and 57 channels of other broadcasters outside our Group. Polsat Media often works with international media houses that operate as intermediaries, negotiating purchase conditions and conducting campaigns for their customers. The sale of advertising time is carried out both through annual contracts entered into with media houses, as well as individual direct customers. Similarly to other nationwide broadcasters in Poland, Polsat Media has a stable group of advertisers that it works with.

In addition to providing advice on the scheduling of advertisements on our channels, Polsat Media sales force cooperates closely with advertisers to design special campaigns, such as sponsorship campaigns, product placement and related cross-promotional opportunities.

Polsat Media also offers a comprehensive array of non-TV products, including: Polsat Media Online (video and display advertising) including comprehensive advertising services to Interia.pl Group, Polsat Media AdScreen (digital OOH media), Polsat Media AdTube (a platform which group popular Internet authors) and Polsat Media Digital Audio (audio advertising in the Internet).

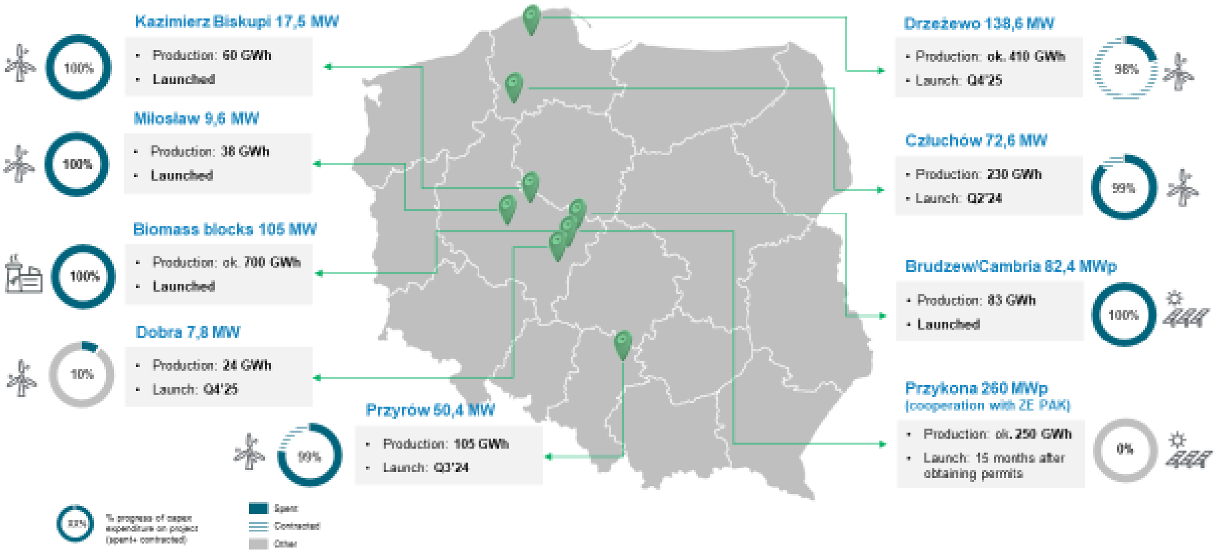
**Sale of broadcasting rights to TV channels.** The second largest source of revenue in our media segment are agreements with cable TV networks and satellite TV operators to broadcast our channels, which comprised 28% of total revenue in this business segment in 2023. Our agreements with cable TV networks and satellite TV operators are generally non-exclusive licenses for the broadcasting of our channels. Under typical licenses, operators agree to pay us a monthly license fee, the amount of which generally depends on the number of customers who receive our programs. Our channels are distributed by the majority of Polish cable networks, including such operators as Vectra, UPC, Inea, Toya and by all major satellite platforms (with the exception of selected sports channels, which are exclusive to the Polsat Box Go platform), as well as using the IPTV technology (Polsat Box, Orange Polska, Netia) and selected OTT platforms.

## 2.1.3. Green energy segment

We commenced operations in the green energy segment on July 3, 2023, when we acquired control of PAK-PCE and its subsidiaries. In the green energy segment, we are active in the production and trading of low- and zero-carbon energy from wind, photovoltaic and biomass sources. In addition, we are pursuing pioneering hydrogen projects, including the production of green hydrogen, the development of hydrogen infrastructure, and the construction and sale of hydrogen-powered buses and electrolysers.

**Low- and zero-carbon energy production.** In line with our strategy, we are investing in the development of renewable energy production capacity, which is carried out by special purpose companies concentrated within the structures of PAK-PCE Group.

As of the date of publication of this Report, the Group's generation assets include the Brudzew/Cambria photovoltaic farm of 82.4 MW and 3 wind farms: Miłosław, Kazimierz Biskupi and Człuchów (technical commissioning phase) with a total capacity of 99.7 MW. The Group's energy producer is also Biopaliwa i Wodór sp. z o.o., which uses 2 biomass units located in Konin with a total generating capacity of 105 MW (50 MW and 55 MW) to produce electricity and heat from biomass. At the same time, in accordance with the strategic assumptions, other RES projects are under construction - wind farms in Przyrów (50.4 MW with a planned completion date in Q3 2024), Drzeżewo (138.6 MW with a planned completion date in Q4 2025) and Dobra (7.8 MW with a planned completion date in Q4 2025). In addition, together with ZE PAK S.A., we are in the process of designing the construction of another photovoltaic park with an installed capacity of approximately 250 MWp in Przykona.




One of the Group's biomass units benefits from a support program, the so-called green certificates, which is valid until 2027. The number of certificates received depends on the production level and is sold to other market participants, providing an additional source of revenue in the green energy segment. In addition, one of our biomass units has a power contract that allows it to generate revenue from the electricity market mechanism. The contract was concluded for a period of 17 years for a capacity of 40 MW at a base price of PLN 259.87/kW/year. On January 1, 2024, participation in the power market entered the operational phase, which is expected to have a positive impact on the financial results of the green energy segment. The value of the concluded power contract for the first year of delivery in 2024 is PLN 10.4 million. On January 5, 2024, the final results of the main electricity market auction for the 2028 delivery year were published, resulting in a second biomass unit with a power contract of OM 40 MW.

**Energy sales and trading.** Electricity is sold and traded with the leading participation of our subsidiary PAK-VOLT S.A., which serves as the Group's energy hub. PAK-VOLT's electricity trading activities are conducted on the basis of license No. OEE/171/9255/W/1/2/99/MS dated May 25, 1999, issued by decision of the President of the Energy Regulatory Office for the period from May 25, 1999 to December 31, 2030. The license allows the company to trade and sell electricity throughout the country.

The company also conducts business activities in the field of trading with gaseous fuels on the basis of concession No. OPG/223/9255/W/DRG/2013/MSa dated March 4, 2013, granted by decision of the President of the Energy Regulatory Office (URE) for the period from July 1, 2023 to December 31, 2030. The concession allows for the trading and sale of gaseous fuels throughout the country.

The main activities of PAK-VOLT include:

- sale and commercial balancing of electricity and gaseous fuels to wholesale and final consumers (excluding households);
- purchase and sale of electricity and guarantees of origin from low-carbon sources - biomass units owned by PAK-PCE BIOPALIWA I WODÓR Sp. z o.o;
- purchase and sale of electricity and guarantees of origin from renewable sources - photovoltaic and wind farms owned, inter alia, by PAK-Polska Czysta Energia Sp. z o.o. under long-term Power Purchase Agreements (PPAs);
- purchase of electricity from non-Group renewable sources - micro and small photovoltaic and cogeneration systems from end users;
- trading of electricity and gaseous fuels on TGE S.A. and on the technical balancing market.

The green energy produced by the Group's renewable energy plants is sold mainly under bilateral power purchase agreements through PAK-VOLT, which resells the energy to end users or on the Polish Power Exchange (TGE S.A.). Based on the concluded PPAs, the end users of the energy produced by the Miłosław, Kazimierz Biskupi and Człuchów wind farms and the Brudzew/Cambria photovoltaic farm are the companies of the Polsat Plus Group, which, in line with the long-term ESG assumptions, aim to fully decarbonize their operations by increasing the share of renewable energy sources in their energy mix. In October 2023, we signed a 10-year fPPA to sell green energy from the Przyrów wind farm to Google Cloud.

In addition, PAK-VOLT has a portfolio of non-Group customers with whom it has bilateral agreements for the sale of electricity, gaseous fuels and the repurchase of energy from RES micro-installations.

wholesale customers - PAK-VOLT's customers are trading companies or distribution system operators that also trade in electricity.

- manufacturing and processing industries such as industrial production, automotive production, consumer electronics production, chemical production, food production or construction,
- service sectors such as transport, communications, utilities, trade and health care.

**Green hydrogen production and distribution.** As part of the green energy segment, we are also building a full value chain of the green hydrogen economy, i.e. hydrogen produced by electrolysis based on electricity from renewable energy installations, i.e. wind, photovoltaic and biomass.

Our company Biopaliwa i Wodór is implementing a project to build a hydrogen plant in Konin, next to a biomass power plant, the energy from which will be used to produce hydrogen. We are in the process of commissioning the first electrolyzer using PEM technology with a capacity of 2.5 MW and the ability to produce 1,000 kg of green hydrogen per day. In addition, our subsidiary Exion Hydrogen Polskie Elektrolizery sp. z o.o. has designed a prototype of the first Polish alkaline electrolyzer with a capacity of 0.5 MW and a production capacity of 200 kg of hydrogen per day. The design of alkaline electrolyzers allows for modular combinations, which makes it possible to increase the production capacity depending on the demand for hydrogen.

The model for the sale of hydrogen is based on contracts with municipal (public) transport companies, which issue tenders for the supply of hydrogen, in which a Group company competes and provides hydrogen and the option of refueling at stationary stations, as is the case in Rybnik. The company also offers a model in which it provides a package that includes a hydrogen station, a hydrogen bus, and a supply of green hydrogen, with billing based on kilometers driven by the hydrogen bus.

At the same time, we are developing the infrastructure needed to transport, store and distribute hydrogen. Hydrogen is stored and transported in the Group's own hydrogen buses with capacities of 371 kg and 1,000 kg. Hydrogen is transported to hydrogen filling stations. Our subsidiary PAK PCE Stacje H2 is investing in the construction of a network of hydrogen refueling stations. Currently, there are 2 Group-owned public hydrogen refueling stations operating under the Neso brand - one in Warsaw and the other in Rybnik. Other stations are under construction in Gdansk, Gdynia, Lublin and Wroclaw, which we plan to commission in the first half of 2024. In addition, 2 mobile hydrogen refueling stations are already in use by a Group company, and the remaining 2 ordered mobile stations will appear in April and May 2024, respectively.

Production and distribution of hydrogen buses. Together with ZE PAK, we have developed an innovative, environmentally friendly hydrogen bus, the NesoBus (where "Neso" stands for the Polish phrase "Nie Emituje Spalin i Oczyszcza", meaning "Does not emit exhaust and cleans the air"). The hydrogen buses are manufactured in the Group's production plant located in the Economic Activity Zone in Świdnik. The plant was commissioned in the third quarter of 2023 and is capable of producing approximately 100 buses per year. Activities related to the production and sale of hydrogen buses are concentrated in our subsidiary PAK-PCE Polski Autobus Wodorowy.

We believe that the importance of hydrogen in the low-carbon economic model will grow, and one area with significant potential is public transportation. Taking into account the desire of cities and agglomerations to decarbonize their public transport fleets, reinforced by current regulations requiring an increasing share of low-emission vehicles in the transport fleet, we intend to target our offer precisely at them. At present, the company can boast the first deliveries of buses for a city transport company, as well as the execution of other orders resulting from won tenders. In addition to the buses themselves, thanks to the presence in the Group of companies engaged in the production and distribution of hydrogen, we are able to offer a comprehensive service of providing cities with a complete value chain of hydrogen, refueling stations and hydrogen buses. We are competing in city tenders and building the NesoBus brand and awareness. The main competitive advantages of NesoBus are very low $CO_2$ emissions, no emissions of other harmful substances as a side effect of combustion, ease of use (short refueling time) and the relatively long range possible on a single refueling. We see great potential in the possibility of offering the hydrogen bus in foreign markets.

### 2.1.4. Real estate segment

In the real estate segment, we are engaged in real estate development and construction, as well as commercial leasing and property management.

Our key investment in the real estate segment is Port Praski, which is being developed in the center of Warsaw, close to the Old Town and on the left bank of the Vistula River, on an area of almost 38 hectares. It is a very attractive district of Warsaw due to its location in the very center of the capital, excellent transportation links, including the proximity of the underground, train and a pedestrian bridge over the Vistula River. We are also working hard to create a modern space that offers contact with nature and attractive cultural and entertainment facilities. Development investments in Port Praski are carried out by special purpose vehicles around our subsidiary Port Praski Sp. z o.o.

We are a developer with many years of experience. Between 2014 and 2022 we built and launched 10 residential projects with a total of 890 residential units with an area of over 70.000 sqm. In February 2023 we started selling apartments in two recent developments located at 1 Sierakowskiego and 3 Sierakowskiego. These developments offer a total of 172 residential units with a total area of approximately 11 thousand sqm, of which ca. 60% have been sold as of the date of this report. These developments are expected to be completed by the end of 2024.

In order to increase the attractiveness of Port Praski, we are taking care to provide residents with high quality services and commercial facilities. To this end, the first floors of the projects we are developing include service premises that we lease to entities operating in the fields of gastronomy, culture, education, medical care or entertainment.

Medium-term development plans for Port Praski include the construction of the City business and commercial complex, which will offer office space for sale or lease, and Doki, a luxury residential and commercial development located directly on the waterfront. These are two complementary developments that will create a unique real estate product in Europe. The project will implement the idea of a 15-minute city, i.e. a place where all the needs of a modern metropolitan resident can be met in close proximity. The project will be a showcase for Warsaw and will enable the creation of high added value for shareholders. The pace of development at Port Praski, as well as its exact characteristics, will depend largely on the pace at which the necessary permits and regulatory approvals are obtained.

Our current business model involves the pre-sale of residential units upon receipt of a building permit for a new development. Customers sign development agreements that establish a prepayment schedule based on construction progress. Funds paid by customers are accumulated in dedicated escrow accounts and used to finance subsequent phases of construction. These funds are recognized in the statement of cash flows at the time of payment, whereas, in accordance with accounting principles, revenues and expenses related to the sale of apartments are not recognized in the income statement until the apartment is handed over to the customer. As a result, high-margin revenue from housing sales and EBITDA do not represent a regular, recurring stream and are highly dependent on the pace of housing development. On the other hand, we have regular cash flows from leasing commercial space. We generally seek to enter into multi-year leases with tenants, typically for a period of approximately five years, resulting in stable and predictable rental income.

Within Port Praski Group there are also specialized construction companies, which provide services to other Polsat Plus Group companies, such as, for example the construction of a recording studio for the media section or new hydrogen stations for the energy section.

## 2.2. Competitive environment and key market trends

### 2.2.1. Mobile telephony market in Poland

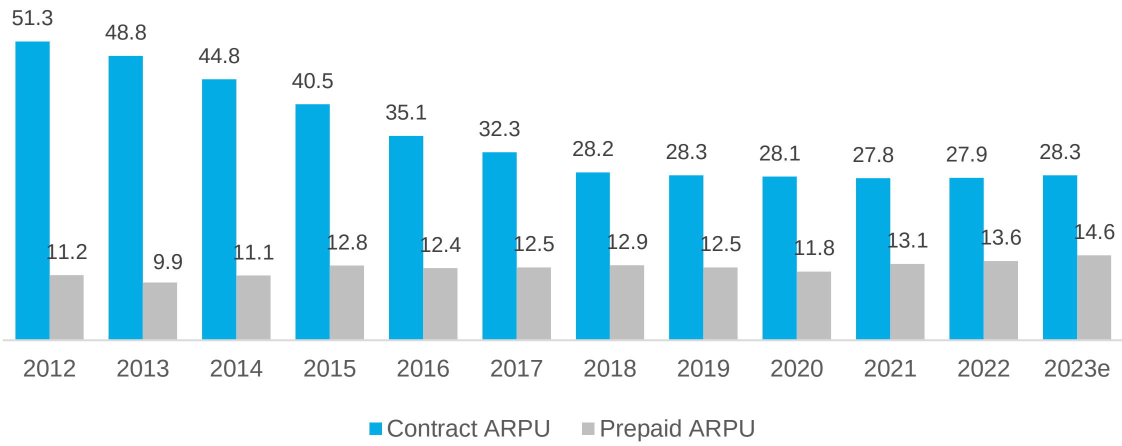
#### *Market value and growth dynamics*

The Polish mobile telephony market is a mature market characterized by a high level of saturation with services and competition. Based on the estimates published by PMR, in 2022 the number of mobile telephony SIM cards per capita amounted statistically to nearly 1.6. Starting from 2017, the level of SIM card penetration is in a visible upward trend and, at the same time, the share of postpaid SIM cards in the structure of the Polish mobile market has been clearly growing and at the end of 2022 it exceeded 70%. In addition, MNOs are experiencing significant growth in the number of contract customers, a direct result of operators' strategies focused on migrating customers from prepaid services. The growing number of SIM cards in Poland is also influenced by the growing development of the M2M (machine-to-machine) segment, and in 2022 alone a campaign to give free starters to Ukrainian citizens caused a surge in the number of prepaid cards.

Mobile telephony remains the largest segment of the Polish telecommunications market, with a share in the total market revenue of nearly 57% in 2023. PMR is forecasting that the value of the mobile telephony market in Poland in 2023, expressed as the sum of operators' retail and wholesale revenues (including revenue from sales of equipment and other revenue) was approximately PLN 29 billion (+4.5% YoY).

In recent years average revenue per SIM in mobile voice services (ARPU per SIM) decreased systematically as a result of competitive pressure stimulated by regulatory reductions of wholesale voice and SMS termination rates (MTR) and the regulations relating to international roaming. According to PMR, in 2023 the average revenue per SIM on retail market, excluding low margin M2M cards, amounted to PLN 27.8, which is one of the lowest levels recorded among EU Member States. It is worth noting that this is the third consecutive year that the level of ARPU per SIM card in the retail market has remained on an upward trend.

**ARPU per SIM on retail mobile services market [PLN]**




*Source: Own estimates based on PMR, Telecommunication market in Poland in 2023*

The breaking of the long-term downward trend in ARPU levels is due to changes in the offering tactics of individual MNOs noted in recent years. As of 2019, one of the most important trends in the Polish mobile market remains the gradual introduction of price list adjustments according to the more-for-more strategy, which involves offering larger data packages in exchange for higher prices. For many years telecoms have carried on an aggressive price war, which resulted in the current level of prices for telecommunication services, which is the lowest in Europe. Current strategies of main mobile telecommunication operators are evolving towards building value and increasing revenue and profitability, which is related to a large degree to extensive infrastructure investments into frequencies, LTE and 5G networks as well as continued high inflationary pressure on costs in 2022-2023. In our opinion, this is a very positive change which should have a positive impact on the value of the mobile telephony market in the years to come, thus enabling the continuation of the investments aimed at expanding mobile network coverage and data throughputs to cope with the growing demand for data transmission.

The impact of the introduced changes in price levels are clearly reflected in the value of the retail mobile market. According to PMR estimates, this segment of the telecom market has been growing consistently since 2019 and was worth PLN 17.6 billion (+5.6% YoY) in 2023. The vast majority of the value, 83%, is generated by contract customers. The operators' focus on contract service customers is driven by a desire to reduce turnover in the customer base and to help stabilize the revenue stream in the medium term. Bundling of voice services with non-mobile services, like pay TV (VOD) or broadband Internet access via fixed-line connections, usually on the basis of wholesale agreements, is an equally important trend.

Dynamic growth of use of mobile Internet access on smartphones is becoming an increasingly important market trend. This is due to the growing penetration of smartphones in the mobile subscriber base and the systematic improvement of network quality parameters, including through the use of 5G technology. According to PMR, total mobile data transmission increased by nearly 17% YoY in 2023 and reached 9.8 million GB and in parallel, the average monthly data usage is on the rise. In 2022 a mobile network customer consumed an average of 12.3 GB of data, nearly two times more than in 2019.

Telecommunication operators' wholesale revenues have remained under pressure since 2020 as a result of the European Commission's successive cuts in maximum mobile termination rates (MTRs), from PLN 0.043 per minute in 2020 to PLN 0.019 per minute in 2023. The latest reduction of MTRs to PLN 0.009 per minute took effect on January 1, 2024. As a result, the value of the wholesale telecom market segment remains on a downward trend and is estimated by PMR to be just under PLN 3.8 billion in 2023 (-14% YoY).

Also significant for the 2022-2023 telecommunication market is the dynamic growth of operators' revenues from equipment sales. According to the PMR report, these revenues will reach PLN 6.6 billion in 2022 and PLN 7.5 billion in 2023, representing 14% YoY growth in both years. According to PMR forecasts, the momentum of these increases will slow down in the coming years, but will still be significant, reaching a CAGR of 6.2% in 2023-2028 and PLN 9.5 billion in 2028. One of the reasons for these increases is the growing interest in higher-end devices compatible with 5G technology.

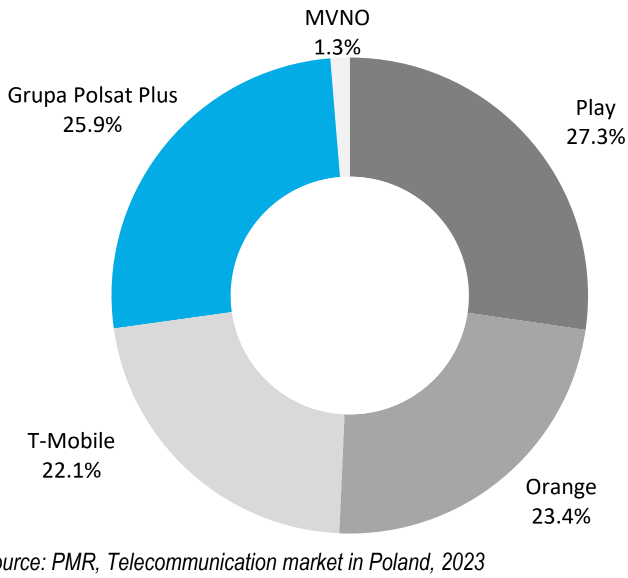
### *Competitive environment*

The Polish mobile telephony market is relatively polarized and highly competitive. Four leading infrastructural operators operate on the Polish market: Polkomtel (Plus network) which is part of Polsat Plus Group, Orange Polska (Orange network), T-Mobile Polska (T-Mobile network) and P4 (Play network). In addition, there are many MVNOs in the market, but their share both in terms of revenue and number of customers is relatively low.

**Mobile Network Operators (MNO).** Four MNOs operate commercially in Poland based on allocated frequency bands and the infrastructure necessary to provide mobile telephony services on their own, that is Polkomtel, Orange, T-Mobile and P4.

According to PMR's estimates, the above mentioned operators together accounted for approximately 99% of total revenue generated on the Polish mobile telephony market in 2023.

**Market shares in 2023 in terms of revenue from mobile telephony services**




*Source: PMR, Telecommunication market in Poland, 2023*

Polkomtel operates under the umbrella Plus brand and owns a Plush sub-brand. Since 2014 it has been a member of Polsat Plus Group.

Orange Polska operates under Orange umbrella brand and also has Orange Flex and nju.mobile sub-brands. Apart from the operations on the mobile market, Orange Polska is also the leading Polish fixed-line telephony operator, currently focusing its strategy on the development of broadband access services based on the fiber optic infrastructure delivered to retail and wholesale clients.

P4 operates under Play umbrella brand and also owns several additional sub-brands, i.e. Play na Kartę, Fakt Mobile and Virgin Mobile. In 2020 the French group Iliad acquired in total 100% of shares of Play Communications, a company which controls P4, and in April 2022, P4 completed the acquisition of cable operator UPC Polska. Thus, P4, from an operator focused on mobile services, has become an important player in the market for convergent services, including those based on fixed-line broadband services.

T-Mobile operates under the T-Mobile umbrella brand and also uses additional brands such as Heyah and tuBiedronka. T-Mobile currently provides fixed-line telephony services addressed to business customers based on the infrastructure of GTS Poland, a company it acquired in 2014. T-Mobile currently offers fiber access services to residential customers based on wholesale access agreements with other operators.

**Frequency allocations.** The key resource that enables wireless communications is radio spectrum. Network parameters, such as signal coverage and throughput, depend primarily on the frequency reservations held. The table below provides key information on frequency reservations held by mobile infrastructure operators in Poland.

| MNO | Frequency band | Size of allocated band | Allocation decision expiry date |
|---|---|---|---|
| Polkomtel | 900 MHz | 2x5 MHz | December 31, 2038 |
| | | 2x9 MHz | February 24, 2026 |
| | 1800 MHz | 2x9.6 MHz | September 14, 2029 |
| | | 2x19.6 MHz + 2x0.4 MHz | December 31, 2037 |
| | 2100 MHz | 2x14.8 MHz + 4x0.1 MHz | December 31, 2037 |
| | 2600 MHz | 1x50 MHz | December 31, 2024 |
| | | 2x20 MHz | January 25, 2031 |
| | 3600 MHz | 1x100 Mhz | November 30, 2038 |
| | 420 MHz | 2x2.5 MHz | December 31, 2035 |
| Orange | 800 MHz | 2x10 MHz | January 25, 2031 |
| | 900 MHz | 2x6.8 MHz | July 6, 2029 |
| | 1800 MHz | 2x9.6 MHz + 2x0.4 MHz | August 22, 2027 |
| | 2100 MHz | 2x14.8 MHz + 4x0.1 MHz | December 31, 2037 |
| | 2600 MHz | 2x15 MHz | January 25, 2031 |
| | 3600 MHz | 1x100 Mhz | November 30, 2038 |
| T-Mobile | 800 MHz | 2x10 MHz | June 23, 2031 |
| | 900 MHz | 2x9 MHz | February 28, 2026 |
| | 1800 MHz | 2x10 MHz | December 31, 2027 |
| | | 2x9.6 MHz + 4x0.2 MHz | August 12, 2029 |
| | 2100 MHz | 2x14.8 MHz + 4x0.1 MHz | December 31, 2037 |
| | 2600 MHz | 2x15 MHz | January 25, 2031 |
| | 3600 MHz | 1x100 Mhz | November 30, 2038 |
| P4 | 800 MHz | 2x5 MHz | June 23, 2031 |
| | 900 MHz | 2x5 MHz | December 31, 2023 |
| | 1800 MHz | 2x15 MHz | December 31, 2027 |
| | 2100 MHz | 2x14.8 MHz + 4x0.1 MHz | December 31, 2037 |
| | 2600 MHz | 2x20 MHz | January 25, 2031 |
| | 3600 MHz | 1x100 MHz | November 30, 2038 |

*Source: Own analysis based on UKE's summary dated March 21, 2024.*

**Mobile infrastructure.** In recent years the worldwide trend of separation and monetization of mobile infrastructure has intensified, among others due to operators' expectations that the development of state-of-the-art 5G technology will entail a need of intensive roll-out of the mobile network, thus requiring considerable capital expenditures. The cooperation of mobile operators and possible involvement of independent infrastructure operators may help to significantly decrease costs related to the development of mobile technology, most of all as a result of infrastructure sharing and its optimum roll out.

In Poland, the first example of the above mentioned trend was the infrastructural cooperation established between two MNO operators. For the purpose of planning, building and maintaining a mobile telecommunications network, and participating in related tenders, Orange Poland and T-Mobile formed a joint venture in 2011 under the name NetWorks! Networks! manages both operators' radio access network with approximately 12,000 base stations in 2023.

Recently, the global telecommunication market, to a larger degree than before, moved towards involvement of specialized, independent infrastructure operators for cooperation in order to optimize and develop mobile telecommunication infrastructure. In Poland, Cellnex Telecom is successfully building the position of an independent infrastructure operator. In March 2021, Cellnex acquired from Play a 60% stake in On Tower Poland which controls the passive mobile infrastructure built by Play. Furthermore, in July 2021 Cellnex acquired mobile infrastructure in passive and active layers from Polsat Plus Group. It is expected that the cooperation between mobile operators and independent infrastructure operators should contribute to increasing the pace of 5G network roll-out in a cost-effective way.

**Mobile virtual network operators (MVNOs)** are the operators who provide mobile telephony and/or mobile data transmission services but do not hold any frequency allocations on their own and do not need to have their own infrastructure to provide such services. Under the MVNO business model existing infrastructural operators provide frequency resources and the necessary infrastructure to MVNOs. According to the UKE report, 120 operators provided mobile services under the MVNO model in 2021, whereas in 2017 operations of this type were declared by only 31 entities. A fourfold growth of the number of MVNO operators is due to the appearance on the market of companies that have agreements with a mobile operator (MNO) and re-sell services to other smaller operators.

Despite a substantial number of MVNOs operating on the Polish market, none of them has significant market power. According to the PMR report, the total revenues of all MVNOs in 2023 accounted for only 1.3% of the total value of the Polish mobile services market.

At the same time, it should be noted that some MVNOs build the scale of their operations with the intention of re-selling their businesses to MNOs. Such decisions may be made in particular when, despite a relative market success, MVNOs are not able to ensure satisfying profitability of their business. This phenomenon was apparent when P4 took control over Virgin Mobile in 2020, or when Polkomtel took control over Premium Mobile in 2021.

### *Development forecasts for the mobile telephony market*

PMR forecasts that the mobile market, as measured by total operator revenues, including equipment sales and other revenues, will grow at an average annual rate of 2.9% (CAGR 2023-2028) until 2028, when its value will reach PLN 33.2 billion.

The upward repositioning of prices, initiated in mid-2019, will continue to be a key factor setting the direction of further development of the mobile market in Poland in the years to come. This trend is likely to be supported by the implementation and commercial launch of 5G services by all operators in Poland as a result of an auction which took place in late 2023. What is also important is the extension of mobile operators' activities to new areas, including sale of dedicated equipment and bundling of voice services with TV or fixed-line Internet access services. Additional positive factors will be the continued migration of customers from prepaid to postpaid offers and growing revenues from equipment sales and roaming.

At the same time, until the end of 2024, wholesale revenues of telecommunication operators will remain under regulatory pressure resulting from the last reduction of maximum MTR and FTR rates, in accordance with the EU regulation on uniform wholesale charges. What is important, this factor will have a limited impact on the level of profitability of telecommunication operators, in particular mobile operators.

Analyzing the retail mobile services market, only (excluding wholesale revenue and revenue from the sale of equipment), PMR expects clear, positive dynamics in the years 2023-2028 (CAGR +3.8%), which is derived from the mobile services pricing increases initiated in the years 2019-2022 within the more-for-more strategy, as well as migration of users to more expensive 5G tariffs.

According to PMR estimates, the SIM card base in Poland will grow organically in the years 2023-2028, and in the long term the market will stabilize (CAGR 2023-2028 +2%), mainly due to the growing number of M2M cards).

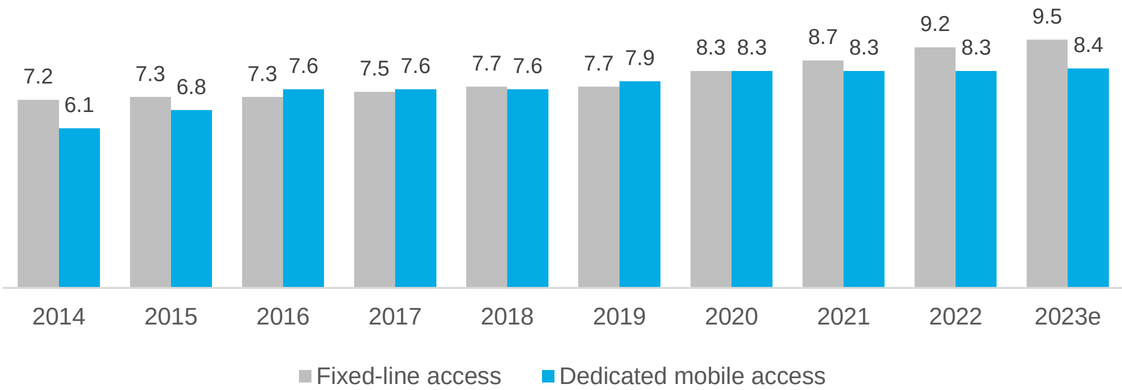
Due to the high level of competition on the market and high penetration with services, taking over customers from competitors will be the main factor driving the growth of mobile customer bases, in PMR’s opinion. Number porting between networks is possible since 2009. According to the data published by UKE, 1.4 million users changed operators in 2022. It should be noted that, following a few years of downward trend observed on the MNP market, in the years 2021-2022 the volume of phone numbers ported between networks stabilized. In our opinion, it is proof of market maturity and equalization of price levels between individual operators’ offers, as well as of the increasing loyalty of customers bases to their operator, resulting from, among others, the popularization of bundled offers.

### 2.2.2. Broadband Internet access market in Poland

Broadband Internet access services can be provided through a wide range of different solutions based on fixed-line technologies, including, among others, xDSL, cable modems, LAN-Ethernet, fiber optic links and WLAN, or mobile technologies such as mobile modems or routers operating, for example, in the LTE, 5G or satellite technologies. In Poland broadband Internet access is provided through fixed-line and wireless networks.

Based on the estimates published in the PMR reports, there were 9.5 million active lines of fixed-line broadband Internet access in Poland in 2023 (+3.8% YoY) while 8.3 million customers used dedicated mobile Internet through a dedicated mobile data transmission card (excluding data transmission in smartphones made under voice tariff plans). According to PMR, the penetration of mobile Internet access services per number of residents in Poland stood at around 90% in 2023, while excluding smartphone data transmission the penetration rate was only 22%. Penetration of fixed-line broadband Internet services per number of residents has been steadily increasing since 2020 and was around 25% in 2023.

**Users of fixed-line broadband Internet access and dedicated mobile Internet access in Poland [mln]**




*Source: Own estimates based on PMR, Mobile Internet and VAS market in Poland 2023, Telecommunication market in Poland in 2023*

A visible slowdown in the growth dynamics of the dedicated mobile Internet access is related to the growing popularity of data transmission in voice tariff plans, driven by the growing sizes of data packs offered to customers as well as higher penetration of these offers. Over 80% of smartphone users actively use mobile data transmission. PMR estimates the number of mobile Internet users using mobile data transmission in 2022 at 25.5 million (+6.3% YoY).

Despite increasing popularity of data transmission service in smartphones, dedicated wireless access will remain, in our view, a meaningful segment of the Internet market due to the fact that it is widely used in Poland in the mobile-for-fixed model. This is caused by Poland's low urbanization level and relatively underdeveloped fixed-line infrastructure, which means in practice that in many locations wireless Internet is the only available option of access. For the same reason, dedicated mobile access and fixed-line access are rather complementary than substitutional services in Poland.

PMR estimates that the value of fixed-line Internet access market was PLN 5.6 billion in 2023 (+ 9.5% YoY). The main driver behind this growth was the increasing number of Internet users resulting from COVID-19 pandemic and substantially higher need to ensure access to high speed links in the conditions of remote work and education. At the same time market value growth was driven by higher service prices which were among others associated with higher throughput of lines offered to customers thanks to the popularization of fiber optic solutions, as well as the price increases implemented by mobile operators in connection with the "more-for-more" strategy. The above factors resulted in high growth dynamics of ARPU from fixed-line Internet access (+4.6% YoY) which, according to PMR forecasts, amounted to PLN 50 in 2023. In turn, the value of dedicated mobile Internet access market (excluding data transmission using voice tariffs) was estimated by PMR at approximately PLN 2.6 billion (+6.2% YoY) in 2023. The segment of mobile Internet access via smartphones is growing in importance, and according to PMR forecasts, its value increased to PLN 5.4 billion in 2023 (+11.3% YoY).

### *Fixed broadband Internet access*

In Poland, availability of fixed-line broadband Internet access services is limited mainly to urban areas. Outside urban areas, fixed-line broadband services are offered only to a limited extent, which is due to historical underinvestment resulting primarily from the high cost of build-out of local loops and the strategies adopted by leading fixed-line operators.

The fastest-growing and most popular wired access technology is fiber-optic access (FTTx), which PMR estimates to have 45% of the fixed Internet access market in terms of subscribers as of 2023. According to UKE data, there were more than 3.5 million fiber-optic Internet users in Poland at the end of 2022, generating revenues of PLN 2.1 billion.

The reason for the increasing popularity of fiber optic lines is the highest data throughput ensured currently by this technology, offering data transmission speed of up to 1 Gbps (Netia, Orange Polska) or even as much as 10 Gbps (Inea), as well as the operators' sales strategies which are focused on promoting fiber optic Internet access, also as part of their convergent offers. At present fiber optic technology is the investment priority for a majority of telecommunication operators. Orange Polska, the dominant market player on the fixed-line Internet access market, owns currently the most extensive fiber optic infrastructure which was reaching ca. 7.7 million of households as of end of the third quarter of 2023 (including paid access provided to Orange by third parties). Netia is successively executing its investment plan consisting in a comprehensive modernization of its access network, which currently covers approximately 3.3 million households and is dominated by the fiber optic technology. In the area of wholesale access, an important role is played by Polski Światłowód Otwarty (PŚO). It is purely a wholesale operator, established by Play, which offers retail operators in Poland open access to its broadband network. PŚO's coverage was 3.8 million households in 2023, and the target plan is to reach more than 6 million households.

The factor which stimulates investments in fiber optic technologies are projects implemented as part of the government's "Digital Poland Operating Program" (*Program Operacyjny Polska Cyfrowa – POPC*), an initiative which is subsidized from European Union funds. The main goal of the program is to strengthen the digital foundations for social and economic development of the country, such as broadband Internet access, effective and user-friendly public e-services and constantly growing level of the society's digital competence. One of the priorities is to eliminate differences in access to fast broadband networks between rural and urban areas, resulting in all Polish households gaining access to fast broadband connections. Most of the investments covered by this program assume providing access to the broadband network with at least 30 Mbps throughput capacity. Orange Polska, Fiberhost (Inea's infrastructural unit), Nexera and Tauron are among the players carrying out investments in broadband networks under the POPC program. Currently, the POPC program's assumptions continue under the KPO (National Reconstruction Plan) and FERC (European Funds Program for Digital Development 2021-2027).

As indicated in PMR's report, the market of Internet access relying on fiber optic technology is currently significantly fragmented, which is demonstrated by the fact that the largest providers who operate on this market (Orange, Inea, Netia, T-Mobile and Vectra Group) controlled about half of it in 2022. Hence, telecommunication operators are currently seeking possibilities of acquisition of smaller local companies. At the same time, models of commercial cooperation between operators in the field of use of existing fiber optic network resources are sought. Granting wholesale access to fiber optic infrastructure in an open model constitutes an increasingly visible trend on the Polish market, which supports growth strategies based on convergence. At present, wholesale access services are provided by Orange (to T-Mobile and Netia), Inea (to Orange, T-Mobile, UPC and Netia), Netia (to Polkomtel) and Vectra (to Play). Also Nexera and Tauron, who operate solely in the wholesale model, grant access to their fiber optic networks to MNOs.

At the same time, it is worth mentioning that thanks to recent substantial investments in fiber optic infrastructure roll-out and the popularization of this type of infrastructure in times of the COVID-19 pandemic, Poland has been closing the gap to European Union countries. According to the ranking published by the FTTH Council Europe, Poland is among the European leaders in terms of fiber optic networks roll out, with penetration of 47.4% as of September 2022, compared to the average penetration for the 27 EU states and the United Kingdom of 48.5%. In the most advanced European countries (Latvia, Spain) penetration with FTTH reached 89%.

The second most popular fixed-line access technology is Cable technology (CATV) (ca. 32% of market share in 2023, on a market defined as comprising solely fixed technologies). UPC Polska and Vectra - Multimedia Group.

The xDSL technology continues to be a popular fixed-line access type in Poland, with a share on the fixed-line Internet market estimated by PMR at 11% in 2023. Orange is the dominant player operating in this technology. Simultaneously, Orange consistently pursues the strategy of developing its fiber optic networks. The second largest xDSL operator is Netia, a Polsat Plus Group company.

### *Mobile broadband Internet access*

The market of broadband Internet access based on mobile technologies (defined as access via modems or dedicated SIM cards integrated with laptop computers or tablets) is divided roughly equally between the four mobile MNO operators: Orange, Polkomtel, P4 and T-Mobile.

A clearly visible trend on the market is the dynamic growth of users of mobile Internet access on mobile phones under voice tariff plans (data transmission), at the expense of dedicated mobile Internet access (via a modem or a SIM card). According to PMR estimates, the number of users of mobile Internet on smartphones amounted to 25.9 million in 2023, generating nearly 68% of the value of the mobile market in Poland. The dynamic growth of this market segment is driven mainly by the popularization of smartphones and increasingly bigger data packs offered in voice tariffs, supported by the “more-for-more” strategy, which has been pursued by mobile operators since 2019, growing demand for data transmission on mobile devices as well as investments carried out by mobile operators with the view to increasing quality parameters of their networks, including the roll out of 5G networks. COVID-19, and the associated increase in the importance of data services on phones, formed an additional factor which has had positive influence on the growth of this market segment.

Compared with other EU Member States, the Polish mobile broadband market is quite extensive. This is related to a relatively low quality of the existing fixed-line infrastructure in Poland, which makes mobile broadband technology more attractive to numerous Internet users as it offers better quality parameters in their respective areas of residence. Moreover, Poland's low urbanization level often makes mobile access the only technology available in less densely populated areas due to the cost of building infrastructure to enable access via fixed technologies. Therefore, in our opinion, dedicated mobile Internet access will remain an important segment of the Internet access market in Poland, especially in view of the distribution of frequencies from the 3.6-3.8 GHz band in late 2023 and early 2024 and the consequent intensification of investment in the construction of 5G networks in Poland.

As forecasted by PMR, the years 2022-2027 will see strong growth of the segment of Internet access and value added services on mobile phones (CAGR 2023-2028 at the level of 6.6% in terms of value growth), At the same time PMR expects data transmission traffic in mobile networks to grow in the subsequent years from ca. 8.4 EB in 2022 to ca. 19.3 EB in 2028. The forecasted strong traffic growth, in combination the growing mobile ARPU (the more-for-more strategy), will translate into growth of mobile operators’ revenues in further years.

### *Development forecasts for the broadband Internet access market*

According to PMR forecasts, the current 50:50 ratio between the number of subscribers of fixed Internet access and dedicated mobile access will gradually turn in favor of fixed access. PMR forecasts that in 2028 around 10.7 million Internet users will be using fixed-line access while mobile access technologies will be used by ca. 8.7 million users. Further investments in the roll-out of the last mile, by both mobile and fixed-line operators, in particular investments in developing fiber optic networks as well as further development of the LTE and 5G technologies, will be the most significant factors. According to PMR forecasts, in 2023-2028 the value of the fixed-line broadband market will demonstrate continuous positive average annual dynamics of ca. 4.5% (CAGR 2023-2028), reaching the level of almost PLN 7.0 billion in 2028. In case of dedicated mobile Internet access (excluding data transmission in voice tariff plans), PMR forecasts that the market will grow at 4.2% per year on average (CAGR 2023-2028) and it will reach the value of PLN 3.2 billion in 2028.

In the area of fixed-line broadband access, fiber optic technology (FTTx) is going to gain importance the fastest. It will replace the obsolete copper infrastructure to a significant extent as a result of large scale investments of fixed-line operators. In our opinion, in the coming years these investments will lead to a gradual growth of the number of users of fixed links with higher quality parameters. PMR estimates that the share of fiber optic technologies in the total number of fixed lines will amount to 59% in 2028, compared to 25% in 2019. The second most popular technology will remain lines offered by cable TV operators, reaching a market share of ca. 30% in 2028.

### 2.2.3. Pay TV market in Poland

#### *Market value and growth dynamics*

The Polish pay TV market is a mature market characterized by a high degree of penetration estimated by PMR at ca. 60% of households. On the other hand, pay TV operators actively increase the loyalty of their subscriber bases, mainly through service packaging, i.e. by combining pay TV with telecommunication services (Internet, phone), or developing and offering to customers their own online video services as a complementary service to the core offering. This trend leads to an increasingly strong interpenetration of pay TV and telecommunication markets.

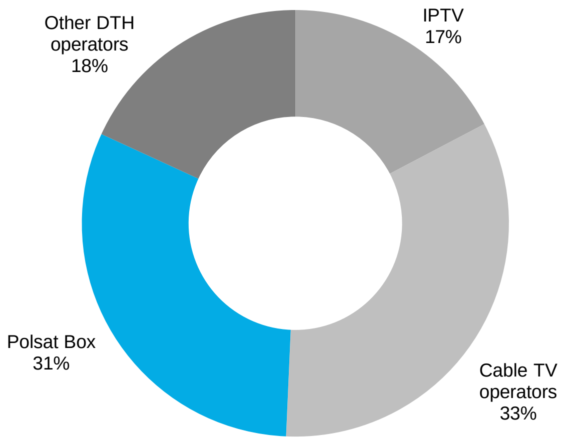
Both in terms of the number of subscribers and value, the situation on the Polish pay TV market is stable. According to PMR estimates, in 2022 the market value was stable YoY and amounted to PLN 6.3 billion, with a stable customer base at the level of approximately 10 million subscribers. At the same time ARPU from pay TV services in Poland continues to be among the lowest in Europe (ca. PLN 51 in 2022). In this context the strategy of competing for customers with the merit and quality of the offered content rather than with price is one of the key trends affecting the value of the pay TV market. Operators expand their offers by adding premium packages and proposing attractive film or sports content, which leads to higher ARPU from a stable base. Also the dynamically growing IPTV segment, and the systematically increasing penetration of customer base with VOD services, are the factors influencing the value of pay TV market.

The market for VOD and OTT video-on-demand services is growing rapidly in Poland. PMR estimates that the household penetration of paid VOD services in 2022 stood at around 51%. It is worth noting that there is a trend of coexistence of traditional pay TV and VOD services in Poland, as a result of which the growing penetration of VOD services does not translate into a decrease in the percentage of households using pay TV. Due to the tendency in the Polish market to share accounts and subscribe to more than one service at a time, the number of VOD users is more meaningful from a market value perspective. According to PMR estimates, VOD services in Poland were already used by more than 14 million users in 2022, with less than 70% of users paying for content. The value of the market for all VOD services in Poland in 2022 was almost PLN 2 billion (+26% YoY), with almost 90% of this value generated by paid VOD services.

#### *Competitive environment*

Pay TV services in Poland are offered by satellite platform operators (DTH), cable TV operators as well as by IPTV providers. According to our estimates, sector data and PMR forecasts, in 2022 operators of satellite TV platforms had the dominant share, both in terms of the number of subscribers and revenue, on the pay TV market – approximately 49% in terms of subscriber base, followed by digital cable TV operators with approximately 33%. IPTV is the pay TV market segment which demonstrates the strongest growth and its market share increased to ca. 17%. At the same time, paid VOD services are becoming an increasingly important part of the pay TV market in Poland.

**Pay TV market in Poland in 2022 in terms of the number of subscribers**




*Source: Based on own estimates, sector data and PMR estimates*

Pay TV services provided by operators of satellite platforms and cable TV are in principle substitutes. At the same time competition between the two technologies of access to pay TV services is restricted due to different geographical reach of each of these services. DTH operators are able to provide their services to both, the customers who live in cities as well as to those living in less densely populated and rural areas without incurring significant additional costs, whereas cable TV operators concentrate on the inhabitants of densely inhabited areas where highly developed fixed-line network infrastructure already exists or in locations where the establishment of such infrastructure involves a relatively low cost per customer. Since cable infrastructure in Polish towns with up to 20 thousand inhabitants, as well as in suburban and rural areas which are inhabited by more than half of Poland's population, is poorly developed, hence these areas are not attractive for cable TV operators and they remain the natural target markets for DTH.

**DTH operators.** According to our estimates and PMR forecasts, the subscriber base of the DTH market in Poland remains under moderate pressure and in 2022 was just under 5.0 million (-3% YoY). DTH platforms are losing users in favor of the more advanced technologically IPTV offers, especially in areas with access to high quality broadband infrastructure.

Three DTH platforms operate in Poland: Polsat Box (until August 2021 it operated under the Cyfrowy Polsat brand), Canal+ (operating until September 2019 under the nc+ brand) and Orange, while the market is practically divided between the first two. Orange does not offer pay TV as a standalone service but only as an add-on to its integrated offer. Based on own and PMR forecasts, we estimate that at the end of 2022 the share held in the Polish pay TV market by our platform Polsat Box, in terms of the number of subscribers, was approximately 31%.

In less populated rural and suburban areas, where cable and broadband infrastructure is underdeveloped, digital terrestrial TV with around 30 channels aired in the DVB-T standard until June 2022 and from June 2022 also in DVB-T2/HEVC standard, presents a real alternative to satellite pay TV services. PMR estimates that the percentage of households that rely exclusively on free-to-air terrestrial TV is around 30% and will remain at that level for the next few years. However, it is worth noting that the pay TV offer surpasses alternative solutions, such as digital terrestrial TV, in terms of the quality of the programming offer. Dedicated and premium content, exclusive content available only from a given operator, live programs, or coverage of attractive sports events remain the key distinctive features.

**Cable TV operators.** The Polish cable TV market is strongly fragmented, with nearly 300 companies operating on it, according to UKE. The four dominating players, however, are: Play (after taking over UPC), Vectra Group, Inea and Toya. PMR estimates that in 2022 the combined share held in the Polish cable TV market by these three operators amounted to 87% in terms of the number of subscribers.

The Polish cable operator market is undergoing a process of consolidation, which increases the chances of building a strong convergent offering and leveraging the potential of customer bases. In recent years, the

Polish market has seen three transactions that are significant in terms of size. In 2018, Polsat Plus Group took control of Netia, 2020 saw the consolidation of Poland's second and third largest cable operators, i.e. Vectra and Multimedia Poland, and 2022 the completion of mobile operator Play's acquisition of control of UPC.

**Digital television through the IP protocol (IPTV).** The leading IPTV providers in Poland are Orange Polska and Netia, a company belonging to Polsat Plus Group. The remaining part of the IPTV market is fragmented between Vectra Group and local Internet service providers (ISPs). The predominant model of sale of IPTV services on the market relies on bundling of the service, especially with broadband Internet access.

The value of the IPTV market reached nearly PLN 790 million in 2022 (+11% YoY), with the number of subscribers reaching about 1.7 million (+13% YoY). IPTV is the most rapidly growing segment of the pay TV market, among others due to the improving quality of broadband connections, fiber optic networks in particular, following infrastructural investments. In spite of the high growth dynamics, IPTV market still encounters barriers, mainly due to technological obstacles which result from still restricted coverage of advanced infrastructure capable of offering sufficient data throughputs for providing IPTV services, especially outside big cities.

IPTV development enhances competition between IPTV operators and cable TV operators, especially in big cities where high quality broadband infrastructure exists, including fiber optic links. In less populated areas, on which DTH operators focus their activities, the influence of the expansion of IPTV is less pronounced due to the underdeveloped infrastructure for broadband Internet access. At the same time it is worth stressing that the effect of outflow of DTH and cable TV subscribers is to some extent compensated for by the migration of these customers to the IPTV standard, as a result of which the total pay TV subscriber base in Poland remains stable.

**Video on demand.** The popularity of streaming services offering video-on-demand content is growing in Poland. The development of OTT and VOD services in Poland is positively influenced by the progressive improvement of the quality of broadband connections and, consequently, the speed of data transmission as well as by the changing preferences of consumers who want to access their favorite content anytime, on any device, anywhere. The dynamic growth of the paid sVOD market is also influenced by the increasing range of content available exclusively on a given platform.

The Polish VOD market is dynamic and highly fragmented. Several dozen online services operate on the market, including those offered by TV broadcasters, DTH satellite platform operators, cable TV networks or telecommunication operators as well as by global players. According to PMR estimates, in 2022 Netflix remained the undisputed leader in terms of subscriptions, followed by Player and Viaplay platforms on the podium. However, it should be noted that after a strong debut in 2021, Viaplay, which based its content offering on numerous sports rights, announced its exit from all markets outside Scandinavia, including Poland, already in July 2023 due to financial problems. Other major players in the Polish market include HBO Max and Disney+, Polsat Box Go and CDA.

VOD services are available in free (aVOD) or paid models, mainly based on a monthly subscription purchased directly from the platform operator (sVOD) and sales in the so-called operator channel, i.e. VOD subscriptions are purchased and paid for as part of the telecommunications bill. PMR estimates the number of paid VOD subscribers at around 6.5 million, of which almost 74% are direct sales. In Poland, there is a growing trend among sVOD users to subscribe to more than one service at a time. The number of sVOD subscriptions per household is steadily increasing, reaching 2.2 in 2022.

In Poland, a major challenge in the sVOD market is the phenomenon of account sharing, i.e. the use of a single subscription by several households, which limits the ability of platform operators to monetize content. According to PMR estimates, as many as 40% of the 5.8 million households with access to sVOD services in 2022 were using someone else's subscription. The first operator to combat this phenomenon is Netflix, which restricted subscription sharing options at the end of May 2023.

Despite dynamic growth in recent years, OTT and VOD services in Poland exert limited substitution pressure on the pay TV market. PMR's research shows that VOD is more of a complementary service to traditional pay TV. An important factor contributing to this trend is the popularity of the distribution of VOD services in the operator channel. The majority of the most popular VOD services are available from telecom and pay TV operators. In addition, pay TV operators are effectively competing with global VOD players by developing their own VOD platforms and offering Polish-language content better suited for local audiences, premium content or exclusive sports broadcasts. Bundling of services is also important, especially the bundling of TV services with Internet access, which has a positive effect on the loyalty of pay TV users.

### *Development forecasts for the pay TV market*

According to PMR forecasts, in the years 2023-2028 the pay TV market in Poland will be slowly growing (CAGR of 1.2%), with a slight erosion of the subscriber base (CAGR 2023-2028 of -0.6%). At the same time, the number of households using paid access to VOD services is expected to continue to grow rapidly (CAGR of +5.0%). The market should remain under the influence of three major trends: high market penetration of pay TV services, dynamic growth of IPTV technology and limited competition from free-to-air terrestrial TV and VOD services.

According to PMR, in the years 2023-2028 satellite platforms will remain the biggest segment of the pay TV market in Poland, reaching market share of ca. 39% in terms of subscriber numbers at the end of the forecast period, with a 47% market share by value. Cable TV operators will remain the second major segment, with a market share of approximately 32% at the end of the forecast period and a 30% market share by value. Thanks to the highest growth dynamics IPTV services will systematically gain importance, on the back of the dynamic development of broadband Internet access networks, including fiber optic networks. According to PMR by the end of 2028 IPTV operators will have a market share of around 29% in terms of the number of subscribers and ca. 23% market share by value.

The number of VOD users in Poland will continue to grow in the coming years, mainly due to the growth of subscriptions in the paid model. PMR estimates that the number of VOD users in Poland will exceed 19 million by 2028, of which more than 80% will be users of paid VOD services, especially sVOD. As a result, the value of the market for paid VOD services in Poland will grow at an average annual rate of around 12% between 2023 and 2028, with the growth rate of this segment gradually slowing down over time as a result of increasing saturation and market competitiveness.

Pay TV operators will aim to increase their competitiveness by proposing unique offers to their customers. Bundled offers containing telecommunication and content services combined with sales of equipment (tablets, smartphones, laptops, TV sets) and supplementary services as well as an extended offer of exclusive content are of key importance for the enhancement of customer loyalty and own customer base retention. Access to broadband Internet, including fiber optic access, is a particularly important element, which at the time of the pandemic became key from the point of view of maintaining customer loyalty. In this context, infrastructure investments aimed at increasing the coverage and quality of broadband networks are becoming increasingly important. Offering premium content will continue to be crucial, as, on the one hand, it will attract subscribers looking for unique, high quality content, and on the other it will support ARPU growth.

A clearly visible trend in the Polish pay TV market in 2022-2023 was the modification of price lists by all major players, dictated, among other factors, by persistent inflationary pressures. The increases concerned both TV packages and additional fees, such as the rental of a set-top box or the use of services based on another operator's infrastructure. The increase in pay TV prices in Poland will have a positive impact on the value of the market, but may also lead to a higher incidence of cord-cutting and migration of customers to terrestrial TV or VOD platforms.

State-of-the-art technologies will continue to gain in importance at a fast pace as they enable operators to provide personalized content (such as content on demand) via the Internet, to mobile devices in particular. Substitution pressure from independent providers of OTT and VOD services present on the market (e.g., Netflix, CDA, HBO MAX or Amazon Prime) will still continue to be limited in Poland. Moreover, pay TV providers will compete with the offers of the above mentioned services by developing their own VOD platforms, which are complementary to traditional TV services, and by introducing mobile solutions. We think that in upcoming years VOD services will supplement and extend the offers available on the market instead of substituting linear TV.

It can be expected that the Polish pay TV market will continue to see consolidation trends, both within the sector as well as between cable TV and telecommunication operators, which can be exemplified by the finalized in 2022 acquisition of UPC cable TV by P4, telecommunication operator.

### 2.2.4. Bundled services market in Poland

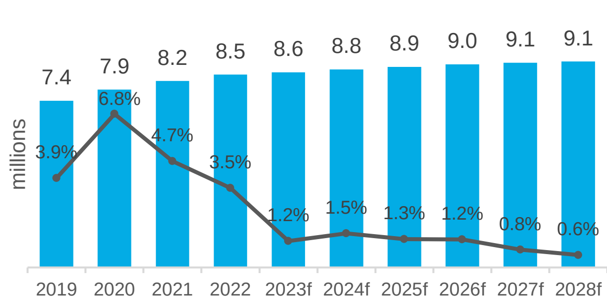
***Market value and development forecasts***

Service bundling has been one of the strongest trends on Polish media and telecommunications market for several years. Operators develop their offers of bundled services in response to the changing preferences of customers, who seek media and telecommunications services from one provider at affordable prices, under one contract, with one subscription fee and one invoice. At the same time, given the high level of saturation of the pay TV and mobile telephony markets, bundling of services plays a key role in retaining existing customers. Offering bundled services allows operators to increase customer loyalty and, consequently, reduce churn rates. It also contributes to the growth of average revenue per customer.

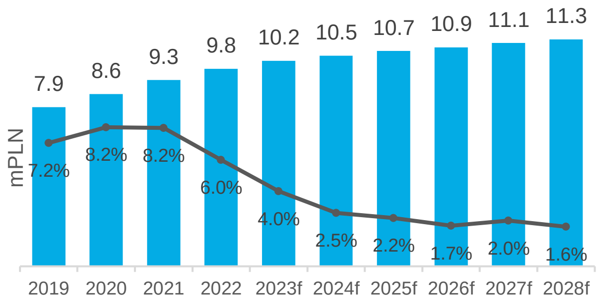
The Polish multi-play services market has been growing systematically both by volume and value. According to PMR's estimates, the number of services sold in packages in the years 2013-2022 recorded an average annual growth rate of 9%, increasing to 36.4 million at the end of 2022, while the total number of subscribers (both individual and business) using bundled services was estimated at over 11 million, of which 8.5 million were households. According to PMR estimates, in 2022 the value of the bundled services' market in Poland grew at the pace of 6% year-on-year, and reached PLN 13.3 billion. Service bundling is a strong tool supporting increase of the customer base's loyalty and customer value building. This is confirmed by the ARPU from bundled services which continued on an upward trend and amounted to PLN 97.6 at the end of 2022 (+1.9% YoY).

PMR projects that the market for integrated services will continue to grow in the coming years, both in terms of volume and value. This is due to the fact that the bundling of services has become a strategic objective for players in the telecommunications and pay TV markets. PMR expects the number of subscribers of bundled services to grow at a much slower rate in the coming years (CAGR 2022-2028 of +1.1%). The growth rate of the value of the bundled services market will gradually slow down, and the forecast average annual growth rate of the market in value terms in 2022-2028 will be 2.3%. Growth will be driven by continued ARPU growth path and increasing household penetration of integrated services. A factor supporting further growth of the bundled services market will be an increase in the quality of services stimulated by the development of fiber optic networks and the expansion of 5G networks.

Number of subscribers of retail bundled services in Poland




Value of the retail bundled services market in Poland




*Source: PMR Report on bundled telecommunication services in Poland, 2023*

In subsequent years, the development of the Polish market of bundled services will be influenced not only by the low level of saturation of this market with services but also by the systematic roll out of fixed-line infrastructure and improving quality of network access, in particular higher throughput. The increased demand for higher-bandwidth Internet connections initiated during the pandemic period has solidified in the market, partly as a result of many companies maintaining remote or hybrid work, and will be further supported by EU funds flowing into Poland under the National Recovery and Resilience Plan. This creates the potential for reselling additional services to the retail market as part of a bundle. In particular, the prospects for offering IPTV/OTT pay TV services and video-on-demand content are improving.

Operators' strategies based on combining telecommunication and media services with services from outside the telecommunications sector are also an important factor. The bundled offers of leading operators on the Polish market comprise, among others, additional services, such as the sale of electricity, as well as financial and insurance products. Consolidation trends, observed on the media and telecommunications market, may also affect the development of the bundled services market, enriching the convergent offers available to customers.

## *Market structure*

Bundled services in Poland are provided primarily by cable TV operators and telecommunications service providers. According to PMR, at the end of 2022 over three quarters of the bundled services market, in terms of the number of subscribers, was held by four major players – Polsat Plus Group, Play-UPC partnership, Orange and T-Mobile. According to PMR estimates, Polsat Plus Group was the leader in this market, with a 27.9% share at the end of 2022.

When analyzing the structure of bundled services in Poland, one should bear in mind that the majority of operators provide multiplay services on the basis of wholesale agreements with other operators since they themselves do not have the relevant infrastructure or supporting business services to be able to create a complete portfolio of convergent services. For example, T-Mobile provides fixed-line broadband Internet access using, among others, the infrastructure of Orange Polska. Cable TV operators, in turn, offer mobile voice services in an MVNO model and acquire the entire content for their TV services from third party TV production companies. Our important competitive advantage on this market comes from the fact that within Polsat Plus Group we have all the assets which are required to be able to offer customers a fully convergent offer of telecommunication and TV services, enriched with unique content which we produce ourselves.

Both fixed-line telecommunication and cable TV operators offer their bundled services mainly in large and medium sized cities, mainly due to the geographical limitations of their landline access infrastructure. The multi-play services market in Poland is, in turn, relatively underdeveloped in less urbanized areas and therefore has the potential to grow rapidly in the suburbs, small towns and rural areas. In addition to the low penetration rate of multi-play services in less densely populated areas, Internet services provided by cable operators typically suffer in quality of service due to the limitations of the existing infrastructure. This creates an opportunity for satellite pay TV providers, such as Polsat Box, who are not bound by geographic reach, to become the leading providers of high quality multi-play services to consumers in suburbs, small towns and rural areas in Poland.

### 2.2.5. TV broadcasting and online media market in Poland

The Polish **TV broadcasting market** consists of state-owned and private commercial broadcasters airing both at the regional and national levels. A significant number of stations are offered through paid channels, such as cable networks and DTH platforms. The Polish TV broadcasting market is supervised by the National Broadcasting Council (KRRiT) which grants broadcasting licenses and supervises the operations of Polish TV broadcasters (such as checking compliance with license terms for specific channels).

The Polish TV market remains dominated by the four largest terrestrial channels: POLSAT, TVN, TVP1 and TVP2. There is a clear trend towards the fragmentation of the TV market. The importance of smaller broadcasters available on multiplexes was growing, mainly at the expense of the abovementioned four largest TV channels. According to Nielsen Media data, in 2023 the collective audience share in the 16-59 age group for the four leading channels totaled 26.6%, compared to 28.0% in 2022.

In 2023, our main channel POLSAT had an all-day audience share of 8.0% in the 16-59 age group. Average annual technical coverage was 97.9%. Other channels of the Polsat Group had a 14.4% combined audience share. The channels of Polsat Group, apart from the main channel, include 42 channels with competitive offers on various market segments (including sports, channels dedicated to female and male audiences, information, music, games, e-sport). They include channels distributed by cable and satellite networks, as well as nine channels available through DTT (digital terrestrial television).

In 2023, POLSAT’s main competitor, TVN achieved an 8.0% all-day audience share in the 16-59 age group and had 98.5% average annual technical coverage. TVN channel, launched in 1997, currently belongs to Warner Bros. Discovery Group. TVN Warner Bros. Discovery Group’s 25 thematic channels achieved a 15.5% combined all-day audience share in 2022.

TVP Group broadcasts 16 channels, including TVP1 and TVP2, and is also one of the main players on the Polish TV advertising market. In 2023, the main channels of TVP Group had 5.4% (TVP1) and 5.6% (TVP2) all-day audience shares in the 16-59 age group. The technical coverage of both channels reached 99.7% of households in Poland. Except advertising revenue, as the national state-owned broadcaster, TVP receives additional revenue from license fees mandatorily charged to Polish TV viewers under the License Fees Act of April 21, 2005, as well as compensation granted by the National Broadcasting Council. Revenue from license fees and compensation from the National Broadcasting Council constituted 62% of total revenue of TVP group in 2022.

**Digital Terrestrial TV.** Starting from July 2013, terrestrial television is broadcast digitally in the Digital Video Broadcasting – Terrestrial (DVB-T) technology and from 2022 also in DVB-T2/HEVC standard. A multiplex, or MUX, is a term used to describe the package of radio and TV channels, possibly enriched by additional services, transmitted digitally on a specific band. Currently, digital television is offered in Poland on five free multiplexes (MUX-1, MUX-2, MUX-3, MUX-8 and MUX-6 launched on February 1, 2023) and one paid multiplex (MUX-4), dedicated for TV reception on mobile devices, as well as on several local multiplexes. The DTT offer includes free-of-charge access to 31 channels, with multiplex coverage exceeding 99% of Poland's population. It is expected that ultimately six multiplexes may function on the Polish market.

The Polish **online market** consists of a mix of various entities, starting from large international corporations, through large Polish media groups and smaller publishers, to small websites owned by companies and private individuals.

The online market is not regulated, any company or a physical person can create an own website and the only requirement is that a website address which is currently not in use must be registered in a proper domain. NASK (Research and Academic Computer Network) is the body which serves in Poland as a register for the ‘pl’ Internet domain.

Polsat-Interia Group is among the leading online media groups defined as Internet publishers producing editorial content.

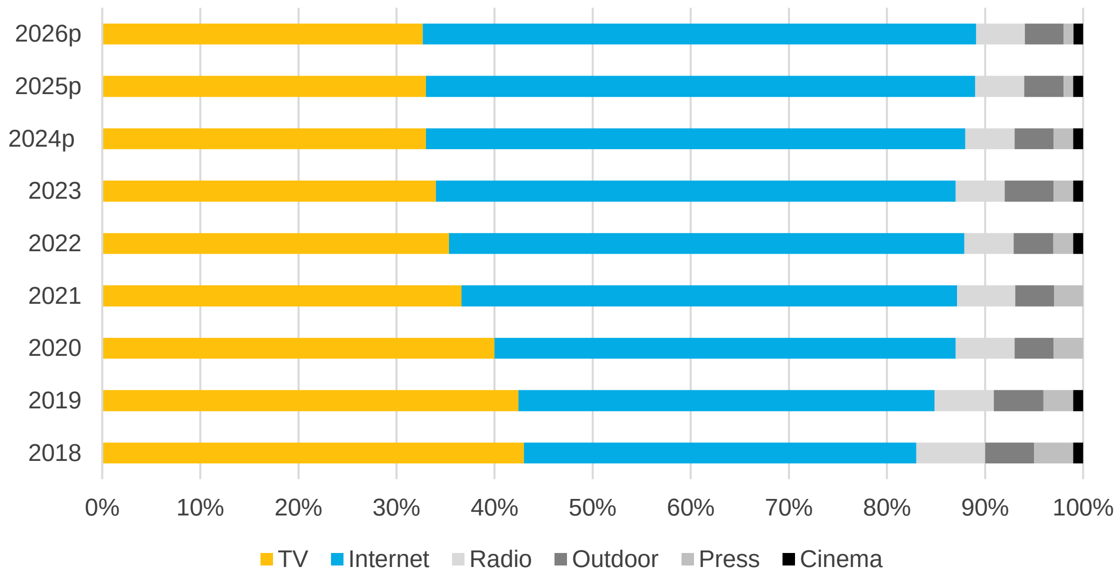
| No. | Media Group | Number of real users | Coverage | Page views | Average time per user | Average time per visit |
|---|---|---|---|---|---|---|
| 1 | RAS Polska Group | 20 849 238 | 63.80% | 2 632 345 627 | 2h 33m 8s | 5m 3s |
| 2 | Wirtualna Polska Group | 20 751 714 | 63.50% | 3 430 111 760 | 3h 11m 54s | 4m 49s |
| 3 | Polsat-Interia Group | 20 698 254 | 63.34% | 1 913 103 388 | 1h 45m 32s | 5m 46s |
| 4 | Agora Group | 18 475 290 | 56.53% | 867 769 483 | 52m 30s | 3m 3s |
| 5 | Polska Press Group | 16 962 534 | 51.90% | 759 563 101 | 14m 44s | 1m 30s |
| 6 | ZPR Media Group | 16 078 176 | 49.20% | 384 852 742 | 52m 22s | 8m 13s |
| 7 | TVN WBD Group | 13 747 968 | 42.07% | 259 243 094 | 1h 29m 52s | 12m 49s |
| 8 | Burda Media Polska Group | 12 996 126 | 39.77% | 123 583 435 | 19m 59s | 3m 3s |
| 9 | DGP Infor Group | 11 402 208 | 34.89% | 56 727 697 | 6m 52s | 2m 0s |
| 10 | Iberion Group | 10 858 860 | 33.23% | 103 512 330 | 10m 16s | 1m 28s |

*Source: Mediapanel, December 2023*

**Polish advertising market.** According to the estimates of GroupM media agency, in 2023 Poland was the second largest advertising market in Central-Eastern Europe (after Turkey) with total net advertising expenditure exceeding PLN 3.6 billion (after discounts) growing by over 10% compared to 2022.

In 2023, TV was the second largest advertising medium in Poland with a 34% share in total advertising expenditure. According to GroupM forecasts, this share is expected to remain at similar level in upcoming years with a slight downward tendency due to the faster growth of the Internet share (among others due to the COVID-19 pandemic) at the expense of other media, cinema and press in particular.

**Advertising expenditure by medium from 2018 to 2026f**




*Source: GroupM, "This Year – Next Year Report 2023".*

The Polish TV ad market is characterized by a continuously high level of TV consumption. In 2023, the average daily TV viewing time among the surveyed population remained at a very high level, estimated at 239 minutes. Considering such a high average TV viewing time, it is justified to assume that the TV market will continue to be an attractive communications platform for advertisers.

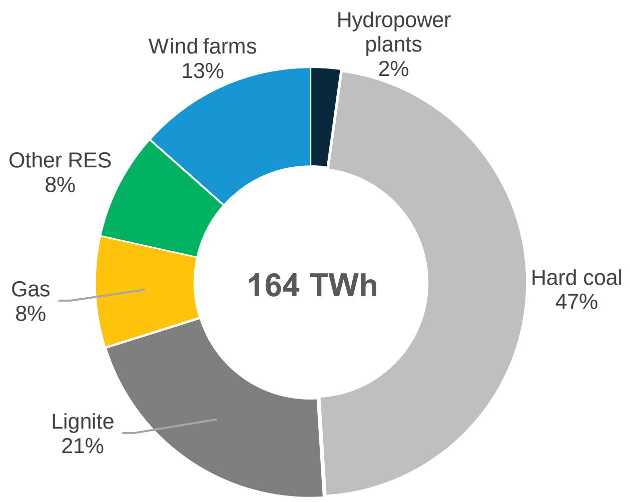
### 2.2.6. Green energy market in Poland

**Energy market trends in Poland and Europe.** The Polish energy sector is currently undergoing an energy transition aimed at minimizing the use of coal in the country's electricity generation mix and replacing it with efficient low- and zero-carbon sources, including renewables, and achieving energy independence while maintaining the full security of the national electricity system (KSE). The years 2020-2023 in the Polish economy, as well as in the global economy, were marked by significant volatility and turbulence, caused first by the Covid-19 pandemic and later by the outbreak of war in Ukraine and the increase in global political tensions. This led to an energy crisis in Europe and very large fluctuations in electricity and gas prices, which in 2022 were several times higher than in the previous year and had a negative impact on the macroeconomic situation. The quest for energy self-sufficiency and diversification of energy sources in the face of geopolitical and macroeconomic challenges has opened up the potential for rapid growth in renewable energy.

An important driving force behind the changes in both the Polish and EU energy sectors is the growing awareness of the need to counteract climate change by transitioning to a zero-carbon economy, including a shift from so-called dirty, conventional energy sources to low-carbon and clean energy, such as renewable energy or gas. One factor supporting this trend is the European Union's climate policy. The Union is implementing this policy by, among others, promoting the development of renewable energy sources, which provide an alternative to fossil fuels and help reduce greenhouse gas emissions. There is increasing pressure to accelerate the transition to renewable energy sources. In 2023, the European Commission increased the target for the share of renewables in the EU's energy mix for 2030 from 32% to 42.5%, with a view to reaching 45% (in 2022, the share was 23%).

**Electricity generation by source.** According to Polskie Sieci Elektroenergetyczne (PSE), Poland's total energy production in 2023 was 163.6 TWh (-6.6% YoY), with consumption at 167.5 TWh.

**Electricity generation by source in 2023**




*Source: own analysis based on PSE data*

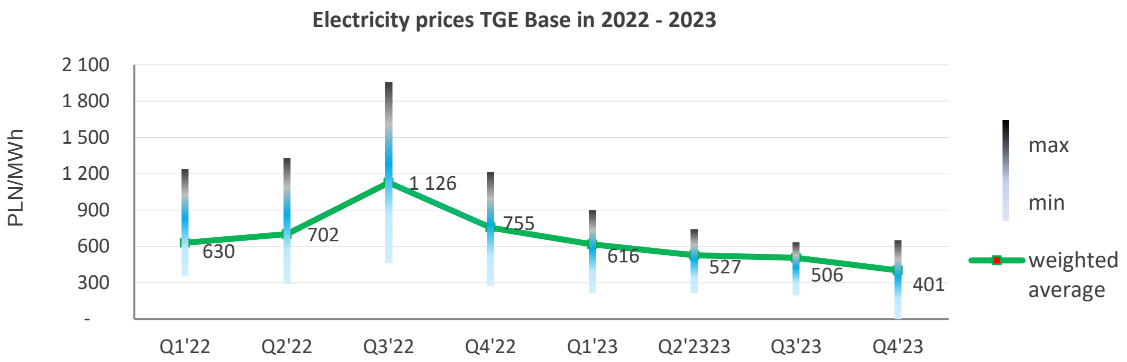
Coal and lignite remain the main source of domestic electricity generation. The overall share of coal-fired power plants in domestic production has decreased from 77% in 2022 to 68% in 2023 due to increasing legal restrictions in the area of climate protection, as well as rising costs associated with the strong influence of unions in the mining industry and the declining availability of the mined raw material. In Poland, the trend of substituting coal energy with green energy from renewable energy sources (RES) is slowly progressing. The share of green energy production in Poland's energy mix increased to 21% in 2023, up from 15% in the previous year. The share of wind power plants was 13% and was the fastest growing RES technology, with a 20.2% increase in the volume of energy produced. Photovoltaic power plants and other renewables produced 8% of the country's electricity in 2023, an increase of 42.1% in volume. Energy production from gas-fired power plants increased by 36.5% YoY, with this source's share of total domestic electricity production in 2023. 8% and remained stable YoY.

**Entity structure of the RES market.** According to the Institute of Renewable Energy (IEO), the total installed capacity of RES at the end of 2022 was more than 22 GW, of which 12.1 GW was installed in wind farms and 8.1 GW in PV farms. The remaining capacity included biomass, biogas, and hydroelectric plants. At the same time, according to the Institute's data, at the end of March 2023 there were 3,404 professional PV installations and 1,347 wind installations in Poland. According to the IEO report, the largest players in the PV market in Poland are Respect Energy, PAK-PCE (formerly part of the ZE PAK Group), which was acquired by the Polsat Plus Group in mid-2023, Solis Bond Company, Better Energy, and Energa. In the case of onshore wind farms, however, state-owned companies play a key role in terms of installed capacity. The IEO identifies PGE (772 MW of installed capacity), Tauron (417 MW of installed capacity), and Energa (244 MW of installed capacity) as the owners of wind farms with the largest total capacity. In addition, Orlen will have more than 500 MW of installed capacity in onshore wind farms in 2023. Private companies are also present on the market, most notably Polenergia and RWE Renewables, which at the end of March 2023 had 435 MW and 450 MW of installed capacity in onshore wind farms, respectively.

**Price formation mechanism.** As a rule, the most important benchmark for energy prices in the OTC market in Poland is the exchange quotation conducted by TGE (Towarowa Giełda Energii S.A.) - the Polish Power Exchange. Energy on the TGE is sold on the spot market, i.e. the Day-Ahead and Intraday market (RDNiB), as well as on the Organized Trading Platform (OTF) in futures contracts. Energy prices in Poland are determined by market mechanisms. The segment of the energy market that performs essential functions in ensuring the safety and reliability of the national power system is the balancing market operated by Polskie Sieci Elektroenergetyczne S.A. This market provides signals on the cost of electricity production. The most important mechanism influencing energy prices on this market is the so-called "merit order", i.e. a mechanism aimed at ensuring that offers from sources with the lowest variable production costs are used first to meet electricity demand. Prices from this market are then reflected by market participants in the TGE by submitting bids corresponding to the price level in the balancing market. In practice, this means that renewable energy sources, such as wind and photovoltaic farms, benefit from this mechanism as the sources with the lowest variable costs. Depending on the current demand for electricity, sources with increasingly higher variable costs are used in order. The price of energy is determined by the unit that "closes" the current "stack" covering the demand. In practice, in Polish conditions, this means that in the current energy mix, the price is determined primarily by coal or gas-fired power plants, which are the pillars of NPS security. According to the rules of the European energy market, the price is also influenced by cross-border exchanges, which are limited by the available transmission capacity.

In addition, the current price formation is also influenced by the annual and daily seasonality of production, due to the weather conditions that shape the supply of electricity from RES. In the case of photovoltaics, energy production occurs during the day and primarily during the sunny months, i.e. from early March to mid-October. For wind farms, the highest production is observed in the first and fourth quarters, when more windy days are recorded. The high production of RES sources due to seasonality and/or favorable meteorological conditions can lead to a supply of electricity that exceeds the demand of the grid at any given time, leading to a temporary drop in energy prices and even to temporary negative prices.

The graph below presents the evolution of electricity prices TGE Base in 2022-2023.




*Source: own analysis based on TGE data*

**Prospects for the development of the renewable energy market in Poland.** Renewable energy has a very high development potential in Poland. Despite the rapid development of renewable energy sources in recent years and the increase in the share of RES in Poland's energy mix, it remains at a low level compared to other EU countries, taking into account the specific climatic, weather, terrain, etc. conditions in individual EU countries, which allowed for the intensive development of individual sources, such as hydropower in Scandinavian countries or photovoltaics in Southern Europe. According to Ember's "European Electricity Review 2024" report, in 2023 two thirds of the EU's electricity were generated from renewable sources, with wind and photovoltaic sources accounting for 27%. At the same time, Poland is one of the largest emitters of greenhouse gases in the EU. Given the climate targets Poland has committed to for 2030, the rate of increase in the share of renewables in the national energy mix will need to accelerate significantly in the coming years. Ember estimates that the share of RES in Poland's electricity generation will exceed 47% in 2030.

The second important trend supporting the development of RES will be a further increase in electricity demand due to the increasing electrification of various sectors of the Polish economy. According to the assumptions of the Polish Energy Policy until 2040 (PEP2040), the electricity demand will increase by 40.4% between 2020 and 2040. Renewable energy sources will have to keep pace with the growth in demand, otherwise the reduction in fossil fuel consumption will not be sufficient to meet the EU's climate targets.

**Hydrogen market in Poland.** The hydrogen market is developing very rapidly in the European Union as well as in Poland. The strategic document defining the main goals for the development of the hydrogen economy in Poland and the directions of activities necessary to achieve them is the Polish Hydrogen Strategy (PSW) until 2030 with an outlook to 2040. The main indicators define, among others, the amount of installed capacity of low-emission hydrogen production facilities, the number of hydrogen buses and hydrogen refueling stations in use. The aim is to increase the share of green hydrogen production, i.e. hydrogen produced using electricity from renewable energy sources (RES). Hydrogen can be used as an energy storage medium. It offers the possibility of using surplus energy to produce green hydrogen, which can then be used for both transport and industry. Poland is the third largest hydrogen producer in Europe. However, it is mainly grey hydrogen, which is associated with CO2 emissions. Therefore, the strategy is to develop methods to produce, store and distribute low-emission hydrogen, i.e. green hydrogen. Polsat Plus Group's strategic plans for the production and distribution of green hydrogen are fully in line with the Polish Hydrogen Strategy.

According to an analysis by the International Energy Agency, the demand for low-carbon hydrogen in 2050 will be four times the total demand in the base year (2022). According to the forecast, the main consumers will be transport and industry. At present, the use of hydrogen in individual transport in Poland is less important than plans to develop organized transport. In connection with calls for proposals for the National Fund for Environmental Protection and Water Management's (NFOŚiGW) "Green Public Transport" program, funds have been allocated to Polish cities for the purchase of more than a hundred hydrogen buses. A hydrogen bus factory in Świdnik owned by PAK-PCE Polski Autobus Wodorowy Sp. z o.o., a Group company, was completed in the fall of 2023. The current production capacity is up to 100 buses per year, with the prospect of expanding production to 200 buses per year.

In the area of hydrogen distribution in Poland, numerous hydrogen filling stations are being built in many Polish cities. Polsat Plus Group currently distributes hydrogen in two locations: Warsaw and Rybnik, while advanced construction work is underway in Gdansk, Gdynia, Wroclaw and Lublin. In its development plans, Polsat Plus Group expects to create a network of stationary hydrogen refueling stations in Poland.

## 2.3. Competitive advantages

### *We are the leading integrated media and telecommunications group in the region*

Our major competitive advantage is that we have gathered and manage autonomously all key assets within our Group. Thanks to this we can efficiently operate a diversified business comprising pay TV in DTH and online (IPTV, OTT), mobile and fixed-line telephony, mobile and fixed-line broadband Internet, wholesale business as well as TV broadcasting and production and on-line services of content, news and video sharing.

We are a leading player in the markets in which we operate. Since 2006, we are the leader of the Polish pay TV market both in terms of customers and the number of active services and market share. Our subsidiary, Polkomtel, which focuses on the provision of mobile telecommunication services under the ‘Plus’ brand, is one of the leading telecommunication operators in terms of generated revenues and the scale of the base of mobile telephony and the mobile broadband Internet access services. In turn, our subsidiary Netia is a leading provider in fixed-line services, including broadband Internet offered mainly in fiber optic technologies. At the same time we are the leading TV group in Poland in terms of advertising revenues and audience share and, starting from 2020, following the acquisition of Interia.pl Group we became one of the major Internet publishers in Poland.

Additionally, our advantage is that we have an extensive nationwide distribution network through which we sell most of the services offered by our Group. We simultaneously offer our services in alternative telemarketing channel as well as online in our own online stores. Furthermore, both Polkomtel and Netia have their own separate B2B sales and service channels and, additionally, Polkomtel has an extensive prepaid distribution network.

### *We have strong brand recognition and enjoy good reputation among our customers*

Our core brands – 'Plus,' 'Polsat,' and 'Polsat Box' – are well recognized by Polish consumers and we believe they are associated with high quality and value-for-money services addressed to the entire family.

We believe that our position as the largest pay TV operator in Poland and good relations with programming licenses providers give us a competitive advantage in obtaining high quality content on attractive market terms. Therefore, we are able to offer attractive programming packages at competitive prices which translates favorably into viewers' opinions on us. At the same time, through investing in the latest technologies which allow to offer high quality telecommunication services, we constantly increase attractiveness of our services which contributes to high satisfaction levels among our customers. We also enjoy the viewers' trust in the objectivity of the information we provide, and the programs of Telewizja Polsat have been recognized for many years as one of the most reliable and unbiased sources of information among the main TV stations in Poland.

### *We own the largest advertising office in Poland*

Polsat Media, our advertising sales office, is currently the largest broker on the television market with 90 TV channels in its portfolio, including a large nationwide TV station and a wide package of thematic channels belonging to Polsat Plus Group and other Polish and foreign broadcasters. Polsat Media is currently the largest advertising office not only in terms of the number of channels served, but also in terms of audience share (35% in a target group aged 16-59 years) and its share in the TV advertising market (46% egGRP in 2023). Thanks to the rich portfolio of supported channels and the ability to reach many specialized audiences with the message, we are able to precisely locate the customer's commercial information and reach the desired audiences, optimizing the cost of reaching them. We have the ability to communicate with advertising recipients not only through traditional spots, but also through non-standard methods, such as product placement or special cross-media advertising campaigns. The scale of our operations makes it easier for us and our customers to negotiate and coordinate marketing activities.

Polsat Media is responsible for all advertising services and sales of advertising space in website services of Interia.pl Group.

### *We have a significant customer base to which we can up-sell a broad portfolio of services*

Polsat Plus Group has a significant base of individual, business and corporate customers, as well as prepaid users. This base includes approximately 6 million unique individual customers, bound by contracts for definite or indefinite periods of time, which generate a regular monthly revenues stream. We provide retail services to nearly every second household in Poland, which makes us one of the largest Polish service providers for residential customers.

Our strategy assumes up-selling to this customer base of an extensive portfolio of telecommunication, television and other services and products by our companies independently or in partnership with other entities, in order to increase revenues generated by every customers. We believe that up-selling services to our own base will enable us to increase revenue in a cost-effective way, while simultaneously offering to our customers attractive price terms, which should translated into an improvement of customer satisfaction and loyalty.

### *We offer a unique combination of integrated services*

We provide multiplay services combining mainly pay TV, Internet access and telecommunication services. In addition, we offer our customers the option to purchase other services essential for the home and business at attractive prices. The *Strategy 2023+* that we adopted in December 2021 assumes the further expansion of our portfolio with new services related to the production and sale, at affordable prices, of clean energy from zero and low-emission sources. The ability to provide a comprehensive range of multi-play services represents our significant competitive advantage on the pay TV market in Poland. At the same time we are a telecommunication operator who offers bundled services comprising a rich pay TV offer provided using our own assets and infrastructure, which ensures greater price elasticity and more operational effectiveness on this highly competitive market.

The provision of services in an integrated model enables us to offer attractive price terms to our customers, while simultaneously simplifying the process of customer service, which translates into the improvement of customer satisfaction and loyalty, thus decreasing the churn rate. We believe that, similarly to highly-developed European countries, preferences of Poles will gradually move into integrated services direction, which will strengthen our competitive advantage.

### *We are the country's leader in development of 5G technology*

We develop our telecommunication network on an ongoing basis in order to provide the most technologically advanced services to our customers. We were the first operator in Poland to implement LTE technology, which enabled our customers to benefit from its advantages already in 2011. In turn, in 2020 we offered Poland's first commercial 5G network.

The network went operational in May 2020 and then our first customers in selected cities were able to start using the 5G technology in the 2.6 GHz TDD bandwidth. Thanks to intensive work, in March 2024 the footprint of our 5G network covered over 23 million of people, i.e. more than half of the population of Poland, and the total number of base stations increased to almost 3,700.

The 5G technology is currently at an early stage of development in Europe whereas, in our opinion, it will gradually gain popularity. According to the estimates presented in the *Ericsson Mobility Report* of November 2022, the scale of penetration with this technology among users of mobile devices in the Central and Eastern Europe region will reach approximately 43% in 2028. Thus Ericsson expects that the 5G technology will be gaining popularity significantly faster than the LTE technology at the time of its implementation a decade ago. Simultaneously, by 2028 data transmission in 5G technology is expected to outrank the total data transmission in networks built in 2G/3G/4G technologies. Rapidly increasing usage of data in smartphones is to be the main driver for data transmission growth in mobile networks, with forecasted growth rate of 18% CAGR in 2022-2028 in Central and Eastern Europe and expected target level of 35 GB per month (compared to 13 GB in 2022). We want to actively benefit from this increasing demand by leveraging on our investment in 5G technology.

For the purpose of our 5G network we are presently using the unique 2.6 GHz TDD bandwidth, which ensures a significant advantage over other operators in our country. The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. Thus it offers balance between data transmission speed (up to 600 Mbps) and coverage (wide availability) while maintaining the highest quality of both parameters. In the future, as the 5G network develops, current use of the 2.6 GHz band will guarantee better land mass coverage than when using the 3.4-3.8 GHz bands only, and it will enable us to maintain a competitive edge during further stages of 5G network roll out by offering the possibility of aggregating 5G frequency bands. In addition, in 2023 we implemented a pioneering solution that aggregates three bands - two with 5G technology (2600 MHz and 2100 MHz) and an additional 4G layer (1800 MHz) - allowing us to offer mobile Internet service with a maximum download speed of 1 Gbps, comparable to fiber Internet (Ultra 5G), to 6 million people in the country. With the planned aggregation of existing network resources with the 3600 MHz band acquired in the auction at the end of 2023, we plan to increase the maximum technological speed to as much as 2 Gbps.

We are also working on the development of the 5G technology using other radio frequencies and technologies. For example, in December 2021, we successfully tested the 5G technology in the Standalone standard. This will enable us to strengthen our position as the 5G technology leader in Poland in the future and offer the services to even more customers in even a bigger number of locations.

***Multi-platform distribution of online video content and proprietary technology for video online content distribution***

Our Polsat Box Go online video service offers access to unique content through a wide range of end-user devices, including computers/notebooks, tablets, smartphones, TV sets with Internet connections and set-top boxes, in line with our principle: "For everyone. Everywhere". Our objective is to provide access to an extensive range of audio-visual content through any type of device for playing online multimedia files. We strive to ensure that each type of platform is supported by all major equipment manufacturers and operating systems.

Polsat Box Go strengthens our position as an aggregator and distributor of content as well as ensures an important competitive advantage. We continue to develop our services using many years of experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues.

We have also developed unique technological competences in encoding and streaming audio-visual content, as well as optimizing distribution of this type of signal. Unlike our competitors, we apply proprietary solutions to our online video platforms, which enables us to provide services that are optimally adjusted to the limited Internet infrastructure in Poland and the capacities of external systems with which our applications are integrated. In this way, we may offer services of higher quality than the widely used solutions, for instance, our system of HD video stream encoding helps reduce the broadband required to deliver the signal by half as compared with solutions implemented by other operators on the Polish market. Hence, the optimized technology has a direct effect on our projects, their coverage potential and the number of concurrent viewers.

***We own the biggest portfolio of TV channels in Poland, offering attractive programming content for each family member***

We offer the largest and most diversified portfolio of channels on the Polish market, which gives us a leading position in terms of audience share among television groups in Poland and advertising market share. Polsat Plus Group portfolio consists of 43 own channels. Moreover, there is a group of 5 cooperating channels which are related with the Group either by equity links or joint broadcasting projects. The portfolio of our thematic channels includes general entertainment, music, sports, news, lifestyle, movie and children's channels.

We have contracts with major film studios, which provide us with access to a wide selection of the most attractive films and series.

We believe that our rich portfolio of Polish language TV channels and our assets, which enable us to produce diversified and attractive Polish language video content dedicated to Polish viewers, constitute our key competitive differentiators and will allow us to successfully build our revenue on many fields of exploitation. Thereby, Polsat Plus Group is in a position to successfully compete not only with companies which offer media or communication services in Poland, but also with the competitive pressure emerging from global content producers operating in the OTT model.

***We successfully monetize a rich portfolio of sports rights***

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Our offer is exceptionally attractive for fans of football and volleyball. We offer football fans broadcasts of qualifiers to the UEFA European Championships and the FIFA World Championships as well as the football Nations League. Additionally, we own rights to the world's most popular football club competitions – the UEFA Champions League. As for volleyball, we offer the biggest and most prestigious volleyball tournaments – the men's and women's World Volleyball Championships, games of the volleyball Nations League, the men's and women's Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and also the volleyball matches of CEV Champions League. We also offer boxing and mixed martial arts galas (UFC, Frank Warren, FEN, Babilon), Wimbledon and ATP 1000 and 500 tournaments, and many others.

Through our subsidiary company Eleven Sports Network in May 2018 we have access to attractive sports rights which are sold as program packages to pay TV operators active on the Polish market as well as directly to customers through OTT applications (among others, ELEVEN SPORTS and Polsat Box Go). This premium sports content includes Spanish La Liga EA Sports and Supercopa de España, Italian Serie A, English The Emirates FA Cup, French Ligue 1 Uber Eats, German DFB-Pokal, Belgian Jupiler Pro League and speedway races of the Polish PGE Ekstraliga. Unique sports content represents an important element that builds the value of our pay TV offering.

We believe that attractive content, including exclusive content that is not available in the offer of other pay TV operators, is a significant competitive advantage over other pay TV operators in Poland.

Concurrently, we seek to monetize TV channels from our portfolio, also by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenues we generate in the media segment.

#### *We have a high quality telecommunication infrastructure and broad portfolio of frequency bands*

We provide telecommunication services including voice, data transmission and wholesale services, as well as a broad array of added services based on the integrated 2G/3G/4G/5G mobile network. These services are provided based on frequencies and core network owned by us, while our partner in the maintenance and expansion of the mobile access network is Towerlink Poland, a specialized company from Cellnex Group.

The network used by our customers supports the following technologies: GSM/GPRS/EDGE (2G), UMTS/HSPA/HSPA+/HSPA Dual Carrier (3G), LTE/LTE Advanced (4G) and 5G. We own spectrum reservations in an extensive portfolio of telecommunication frequencies, including 420 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz FDD and 2600 MHz TDD and 3400-3500 MHz bands. Our rich frequency resources not only guarantee flexibility in bandwidth management, but also open up many possibilities for network reconfiguration in the future. In particular, in 2011, as the first operator in Poland, we introduced services based on LTE and LTE Advanced technologies and in May 2020 we offered our customers Poland's first commercial 5G network. Currently, practically the entire population of Poland is within the coverage of our 2G/3G/4G mobile services while the coverage of our 5G network already reaches over 23 million of Poles.

Thanks to the extensive footprint of the mobile network that we use, we are able to reach with our telecommunication services customers who live in less populated suburban and rural areas of Poland, while incurring substantially lower costs than cable TV or fixed-line operators. This enables us to build a strong position in smaller cities and less urbanized areas of Poland and provide telecommunication services – in a cost-effective way – to the existing customers of Cyfrowy Polsat, who are located mainly in the aforementioned areas. Due to the high cost of network roll-out, starting of operations and regulatory barriers related to obtaining access to frequencies, we will continue to profit from our strong market position.

#### *New entrants must overcome significant regulatory and operational barriers and acquire access to radio spectrum or incur very significant investment outlays to compete effectively in the markets in which we operate*

We believe that we benefit from significant market entry barriers that will aid us in maintaining our leading positions in the competitive Polish pay TV, telecommunication and TV broadcasting markets. Unlike potential entrants to the Polish pay TV market, we benefit from economies of scale and a loyal customer base, and we can spread the relatively high cost of the necessary technologies over our large customer base and leverage the stronger bargaining power that comes with a leading market position.

On the other hand, entry to the telecommunication market requires obtaining direct access to telecommunication frequencies and very expensive and time-consuming investments into telecommunication network or obtaining paid access to radio frequencies via one of the four mobile operators. However, at present the majority of radio spectrum allocated to mobile technologies is nearly fully distributed among the current market players and a scenario assuming the emergence of a new infrastructure operator seems unlikely. Operators who provide mobile services based only on paid access to the existing mobile networks so far have failed to achieve a scale of business in Poland which could create a significant competitive threat to us. As for fixed-line telecommunications services, in particular broadband Internet access, entry barriers include time- and capital-consuming outlays which new players would need to incur to develop their network infrastructure.

### *We have strong, stable and diversified cash flows*

In 2022 we generated revenue through three business segments: the B2C and B2B services segment, the media segment: TV and online and the real estate segment. In the B2C and B2B services segment our large retail customer base, stable monthly subscription revenue and low churn rates provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient, even during periods of challenging economic conditions, such as the COVID-19 pandemic.

In the case of our cost base, we focus on improving the efficiency while maintaining high quality by carrying out initiatives aimed at the development of in-house services and systems. Examples include our own set-top-boxes manufacturing plant or the gradual centralization of back-office processes within the Group.

### *We have experienced managing staff*

Our management team consists of executives who were members of the management boards or served in other managerial positions within the media, TV and telecommunications industries and have many years of experience in these industries. In addition, our business segments are managed by teams of experienced senior managers who provide expertise and a deep understanding of the markets in which we operate. What distinguishes us is a low factor of rotation among our key managing staff, which positively reflects on the stability of our business and operating results. Our senior managers have a significant track record of increasing our customer base and market share and introducing new products in competitive environments while managing costs and increasing free cash flow.

# 3. Significant investments, agreements and events

## 3.1. Corporate events

### *Issuance of sustainability-linked bonds*

As part of the Bond Issuance Program of November 29, 2022 with the total maximum nominal value of PLN 4 billion, the Company issued:

(i) 2,670,000 unsecured, PLN-denominated series D bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 2,670.0 million on January 11, 2023;

(ii) 820,000 unsecured, PLN-denominated series E bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 820.0 million on September 28, 2023;

(iii) 400,000 unsecured, PLN-denominated series F bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 400.0 million on December 21, 2023, (jointly the "Bonds").

All three series of the Bonds mature on January 11, 2030. The Series D and E Bonds have been assimilated and are listed in the Alternative Trading System operated by the WSE on the Catalyst market in the continuous trading system under the ISIN code PLCFRPT00070 and the abbreviated name CPS0130. The Series F Bonds have been allotted to one investor, i.e., PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its registered office in Warsaw and are not listed on any market.

The issuance of the Bonds is the largest corporate bond issuance by a private company in the history of the Polish capital market and, at the same time, the first Polish issuance of Sustainability-Linked Bonds fully compliant with the ICMA (International Capital Market Association) standards. In line with Polsat Plus Group's Sustainability-Linked Financing Framework, the Bonds are linked to the sustainability goals described in Polsat Plus Group's Sustainability-Linked Financing Framework, thus linking the margin to the achievement of the ESG targets. The Group made a commitment to bondholders to gradually migrate to zero-emission sources of electricity used for own purposes.

Proceeds from the issuance of the Bonds will be used to support the implementation of Strategy 2023+, in particular the planned construction of 1,000 MW of installed low- and zero-emission clean electricity generation capacity and the full value chain of an economy based on green hydrogen, which will ultimately contribute to the reduction of $CO_2$ emissions in the Polish economy by approximately 2 million tons per year.

Part of the funds raised in the Bonds issue were used in 2023 for the redemption of 776,202 Series B Bonds and 911,947 Series C Bonds with the total nominal value of PLN 911.9 million in 2023. On January 5, 2024 the Company repurchased all outstanding Series B and C Bonds (for details please see item 4.3. – *External financing*).

### *Conclusion of significant financial agreements*

On April 28, 2023, Cyfrowy Polsat and Polkomtel, as the borrowers, along with the following subsidiaries: Telewizja Polsat Sp. z o.o., Netia S.A,, Polsat Media Sp. z o.o., Muzo.fm Sp. z o.o. and Polsat Media Biuro Reklamy Sp. z o.o., concluded the Senior Facilities Agreement with a consortium of Polish and foreign financial institutions. The concluded loan agreements are linked to the sustainability goals which Polsat Plus Group is implementing mainly through its Strategy 2023+: investments in zero-emission power generation capacity, production of green energy and transition of the Group companies to use solely clean, green energy in their operations. One of the factors on which the loan margin will depend is the achievement of certain targets related to the production and consumption of clean, zero-carbon energy by Polsat Plus Group companies.

The facilities agreement provides for a PLN term facility loan to be granted to the Company and Polkomtel up to a maximum amount of PLN 7,255.0 million, an EUR term facility loan up to a maximum amount of EUR 506.0 million and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million ("Senior Facilities Agreement", "SFA"). The loan was disbursed on May 16, 2023.

The facilities bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the facilities depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Group in such a way that the lower the ratio, the lower the applicable margin, and also on the achievement by the Group of certain targets concerning green energy production and zero-carbon electricity consumption by specified entities from the Group.

The term of the facilities is 5 years from the date of execution of the facilities agreement and the final repayment date of each of these facilities is April 28, 2028.

The facilities were or will be utilized by the Company in particular:

(i) to repay in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended, which was made on May 16, 2023;

(ii) to make funds available to companies implementing investment projects defined in the SFA; and

(iii) to finance general corporate needs of the Group.

In accordance with the SFA, the Company and other entities from the Group established collateral securing the repayment of loans granted thereunder.

Detailed information on the concluded Senior Facilities Agreement and established collateral is described in item 4.3.2. – *External financing – Significant financing agreements* – of this Report.

### *Early repayment of loans*

In connection with the conclusion of the Senior Facilities Agreement on April 28, 2023, on May 9, 2023, the Company and Polkomtel executed an early repayment of the full amount of the term facility loan and the revolving facility loan granted under the senior facilities agreement of September 21, 2015, as amended by the amendment, restatement and consolidation deeds of March 2, 2018 and April 27, 2020.

The prepayment in the aggregate amount of PLN 8,843.7 million was made on May 16, 2023.

### *Changes in the Supervisory Board*

On May 31, 2023, Mr. Marek Kapuściński resigned from membership in the Supervisory Board of the Company, effective immediately.

On June 29, 2023 the Annual General Meeting of the Company resolved to entrust Mr. Tobias Solorz and Mr. Piotr Żak with the functions of Vice-Chairmen of the Supervisory Board.

### *Distribution of profit for 2022*

On June 29, 2023, the Annual General Meeting of Cyfrowy Polsat resolved to allocate the Company's net profit for the fiscal year 2022 in the amount of PLN 1.248.6 million in full to the reserve capital. The resolution of the Annual General Meeting was in accordance with the previous recommendation of the Company's

Management Board of May 31, 2023, which was positively reviewed by the Supervisory Board on the same date.

The Company's Management Board decided not to recommend the dividend payout from the 2022 profit due to the capital-intensive strategic investments carried out by the Company as part of its Strategy 2023+, aimed at continuing the development of the Company's capital group over the long term in line with the overarching strategic goal of sustainably growing the Company's value for its shareholders. In particular, the funds retained in the Company will be employed for the timely implementation of currently ongoing projects involving, among others, the construction of wind farms in Miłosław, Kazimierz Biskupi, Człuchów and Przyrów with total installed capacity of 150 MW. As a result of the implementation of the above-mentioned projects, by the end of 2024, the estimated production capacity of energy from wind farm will exceed 430 GWh per year, which, on the one hand, will ensure that the Company and its capital group's internal needs for electricity are fully met, thereby offsetting the Company's exposure to fluctuations in energy prices, and on the other hand, will enable sales of clean energy to third parties.

At the same time, in deciding not to pay the dividend, the Management Board took into account the Company's net debt ratio, which remains at an elevated level, i.a. as a result of the financing of strategic investments, as well as the unfavorable macroeconomic environment, in particular high inflationary pressure and persistently high interest rates that translate into rising debt service costs for the Company.

### *Acquisition of shares in PAK-Polska Czysta Energia*

On July 3, 2023, in execution of the preliminary share purchase agreement with ZE PAK S.A. dated December 20, 2021, as amended, the Company acquired from ZE PAK S.A. for the amount of PLN 117.0 million 2,390,600 shares in PAK-PCE, representing approx. 10.1% of the share capital of PAK-PCE and entitling to exercise approx. 10.1% of votes at the shareholders' meeting of PAK-PCE. Furthermore, based on an annex to the preliminary share purchase agreement dated December 20, 2021 two subsidiaries of PAK-PCE, Przedsiębiorstwo Remontowe "PAK Serwis" sp. z o.o. and PCE-OZE 5 sp. z o.o., were transferred to ZE PAK and therefore were not subject of the transaction.

Following the above mentioned transaction and taking into account the shares previously acquired and subscribed for by the Company in PAK-PCE, as of the date of this Report the Company holds approx. 50.5% of the shares in the share capital of PAK-PCE. In connection with the acquisition of a majority stake in PAK-PCE, as of July 3, 2023, the Group consolidates the financial results of PAK-PCE and its subsidiaries (PAK-PCE Group) using the full method.

### *Acquisition of shares in Pantanomo Limited*

On July 3, 2023, the Company and Tobe Investments Group Limited entered into a share purchase agreement, pursuant to which the Company acquired from Tobe 4,705 shares in Pantanomo Limited, representing approx. 32% of Pantanomo's share capital. Pantanomo belongs to Port Praski capital group and its operating activities include, among others, the management of its real estate holdings.

The purchase price for the Pantanomo shares amounted to PLN 307.2 million and will be paid by the Company in instalments, the first instalment of PLN 107.2 million was paid in October 31, 2023, the second instalment of PLN 100.0 million will be paid by April 30, 2024, with the remainder of the price will be paid by October 31, 2024.

### *Disposal of shares in Asseco Poland S.A.*

On September 21, 2023, Cyfrowy Polsat sold 10,642,046 shares in Asseco Poland S.A. at a price of PLN 80.00 per share, for a total amount of PLN 851.4 million, in response to Asseco Poland S.A.'s invitation to submit offers for the sale of shares, published on September 6, 2023.

At present, Cyfrowy Polsat holds 8,405,327 shares in Asseco Poland S.A., representing 10.13% of its share capital and 10.13% of the total number of votes at the General Meeting.

***Conclusion of a credit agreement for the development of the Przyrów wind farm***

On October 16, 2023, the Company's indirect subsidiary, Farma Wiatrowa Przyrów sp. z o.o., executed a credit agreement with EFG Bank (Luxembourg) S.A. providing for financing in the form of a term loan of up to PLN 360.0 million at a variable interest rate. The obtained funds will serve as financial security for the execution of the Przyrów wind farm with targeted installed capacity of 50.4 MW. Pursuant to the provisions of the agreement, the final repayment date of the term loan was set for October 16, 2028.

***Conclusion of a credit agreement for the development of the Człuchów wind farm***

On November 9, 2023, the Company's indirect subsidiary, Great Wind sp. z o.o., executed a credit agreement with a consortium of banks providing for financing in the form of a term loan of up to PLN 656.0 million, a revolving facility up to PLN 44,0 million and a revolving VAT facility up to PLN 100,0 million. The obtained funds will serve as financial security for the execution of the Człuchów wind farm with targeted installed capacity of 72.6 MW. Pursuant to the provisions of the agreement, the final repayment date of the term loan was set for December 20, 2039, the revolving facility for December 31, 2029 and the revolving VAT facility for June 30, 2025.

## 3.2. Business related events

***Modifications of offers for customers***

In March 2023, Plus introduced new subscription plans for B2C and B2B customers using its mobile voice services and 5G/LTE and fiber Internet access. The new plans include larger data bundles than those offered previously with a simultaneously increased subscription fees (the more-for-more strategy). As a promotion, Plus offered its customers free access to the Disney+ streaming service for a given time and made 5G technology available to all its customers: users of post-paid, prepaid and mobile Internet offers.

A new bundled Polsat Box and Plus offer went into effect in August 2023, allowing customers to purchase Polsat Box TV service with Disney+ and Plus fiber Internet at a discount for the first year of the contract. The new offer includes three options, which differ in the number of available channels and data speeds.

In August 2023, Plus introduced a promotional offer for residential and business customers that allows customers to purchase two subscriptions for the price of one and two smartphones for the price of one (both subscription and hardware promotions can be combined).

In August 2023, Polsat Box introduced the "Television for up to 12 months free at launch" promotion. The offer is available in different technologies (satellite, cable IPTV and Internet with a set-top box) and different variants, including with the Disney+ service.

In March 2024, we introduced an innovative *All In Streaming* bundle to our Plus-branded mobile offerings, providing combined access to the offerings of three popular streaming platforms: Disney+, HBO MAX and Polsat Box Go Plus (via a Polsat Box Go account linked to a Plus phone number). The new package gives users the freedom to choose the content offered by these platforms at a price of PLN 49.99 per month (with a 24-month contract), while offering the possibility of using the service free of charge for a promotional period of 3 or 6 months, depending on their voice subscription (subscriptions up to and beyond PLN 69 per month with a 24-month contract). Plus is the only operator on the Polish market to offer simultaneous access to several streaming platforms in a single package.

### *Concluding financial PPA agreements*

In March 2023, the Company entered into so-called financial PPA (Power Purchase Agreement) agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK-VOLT S.A. regarding electricity generated by the photovoltaic farm Brudzew. The contracts were concluded for a period of 15 years, with the possibility of termination in certain situations, and became effective in April 2023.

In April 2023, the Company entered into financial PPA agreements with Park Wiatrowy Palczyn1 Sp. z o.o. (Miłosław wind farm) and PAK-Volt S.A. regarding electricity generated by the Miłosław wind farm. The agreements were concluded for a period of 15 years and 6 months, starting from January 2024.

On October 25, 2023, Farma Wiatrowa Przyrów Sp. z o.o. entered into a financial PPA agreement with Topaz Computing Sp. z o.o. regarding electricity generated by the Przyrów wind farm. The financial PPA agreement was concluded for a period of 10 years and will be effective from the date of the commercial launch of the farm, which is planned for the second half of 2024.

In November 2023, the Company entered into financial PPAs with Great Wind Sp. z o.o. (Człuchów wind farm) and PAK-Volt S.A. regarding electricity to be generated by the Człuchów wind farm. The agreements were concluded for a period of 15 years, with the possibility of termination in certain situations. The agreements will become effective in August 2024, however the parties allow for a potential postponement of this date to December 2024.

The Company committed in the financial PPA agreements to make financial settlements in order to ensure a fixed price for the sale or purchase of electricity (so-called contract on difference). The settlement price in the financial PPA agreements was established for the first year of the term and will be indexed in subsequent years by the inflation rate, subject to applicable legal regulations specifying the maximum sales price of electricity produced from renewable sources.

### *Launch of 5G Ultra network*

In June 2023, we offered our customers in selected locations the opportunity to use mobile Internet with a maximum download speed of 1 Gbps, comparable to the speed of fiber Internet - 5G Ultra. This is a pioneering solution that was launched through the aggregation of 3 bands - two in 5G technology (2600 MHz and 2100 MHz) and in addition a 4G layer (1800 MHz). 5G Ultra is available free of charge to all customers within range of the service and with a compatible device. Currently, the 5G Ultra network is available to 6 million Polish residents in over 250 towns and cities thanks to nearly 1.000 base stations.

### *Renewal of frequency reservation*

On July 10, 2023, Polkomtel received a decision of the President of UKE reserving frequencies in the 900 MHz band for Polkomtel for the next 15 years – until December 31, 2038. According to this decision, Polkomtel paid a fee of PLN 300.3 million to the State Treasury for making the reservation on July 24, 2023.

### *Acquisition of the naEKRANIE.pl website and 4FUN channels*

On July 20, 2023, Polsat Investments Ltd. acquired 60% of shares in naEkranie.pl, a company which owns the naEKRANIE.pl website for the amount of PLN 10.8 million. On July 21, 2023, Polsat Investments Ltd. acquired 60% of shares in 4Fun Sp. z o.o., a company which owns 4FUN.TV, 4FUN KIDS and 4FUN DANCE TV channels for the amount of PLN 37.1 million. At the same time, the companies entered into a long-term investment agreement under which they will jointly develop the existing 4FUN and naEKRANIE.pl businesses.

With the above acquisition, Polsat Plus Group expanded its portfolio of thematic channels, thereby increasing the attractiveness of the content offered to viewers. naEKRANIE.pl is a pop culture website writing about movies, series, books, comics and games, as well as technology. 4FUN.TV has been on the television market since February 14, 2004. It is a music television channel broadcasting entertainment music, for years characterized, in addition to broadcasting music videos, by a very strong interaction with viewers. 4FUN DANCE has been on the television market since September 27, 2011 (it started under the name TV DISCO). This channel features Polish dance music - disco polo and dance. 4FUN KIDS is a music, educational and interactive channel for children. It premiered on September 1, 2020.

### *Conclusion of significant agreements for the execution of the Drzeżewo wind farm*

In connection with the execution of the Drzeżewo wind farm, located in the Pomeranian Voivodeship, with a total installed capacity of 138.6 MW and estimated production of 410 GWh/year, on 2 October 2023, Eviva Drzeżewo sp. z o.o., an indirect subsidiary of Cyfrowy Polsat, entered into a turbine supply agreement with Vestas Poland sp. z o.o. for the supply, installation and commissioning of 63 wind turbines, and an operations and maintenance agreement covering maintenance work and a guarantee of the availability of the aforementioned turbines by Vestas for a period of 15 years from the date of commissioning.

### *Repayment of part of the financial indebtedness of PAK–Polska Czysta Energia*

On July 3, 2023 PAK-PCE repaid the financial indebtedness in the total amount of approximately PLN 568 million arising from the investment loan granted to PAK-PCE under the loan agreement dated June 23, 2021 by EFG Bank Ltd. and loans granted to PAK-PCE by entities that are not members of the Company's capital group.

### *Auction for frequency reservations in the 3.6 GHz band*

On October 18, 2003, the President of UKE announced the results of an auction for frequency reservations in the 3.6 GHz band, the subject of which were 4 frequency blocks of 100 MHz each. Polkomtel, acquired the frequency reservation for Block A (3400-3500 MHz) for PLN 450.0 million. In the case of the other frequency blocks, the following operators won the auction: P4 - Block B (3500-3600 MHz) for PLN 487.1 million, Orange - Block C (3600-3700 MHz) for PLN 487.1 million and T-Mobile - Block D (3700-3800 MHz) for PLN 496.8 million.

Reservations of frequencies were in the beginning of 2024. Polkomtel's reservation decision for block A of the 3.6 GHz band specifies the company's quantitative, coverage and qualitative commitments for network development. The quantitative commitments consist in the launch of at least 3,800 base stations by the operators who will obtain the spectrum within 48 months from the date of delivery of the decision. In terms of coverage and qualitative commitments, the quality requirements were applied which constitute a new element of the frequency distribution process in Poland. The required coverage of the country's territory also defines quality parameters of services to be provided in terms of minimum throughput and maximum latency. Winners of the auction will be required to provide throughput (using any frequency band) of 95 Mbps to 99% of households nationwide within 60 months, in 90% of the country's territory within 60 months, along 95% of national roads within 84 months, along 95% of provincial roads within 84 months, along 95% of designated railroads within 84 months, and to 24-hour border crossings within 24 months from the date of delivery of the reservation decision.

### *Strategic partnership between Google Cloud and Polsat Plus Group*

On October 26, 2023, Google Cloud and Polsat Plus Group announced a strategic partnership under which Google Cloud concluded a long-term power purchase agreement with the Group for the purchase of green energy produced by the Przyrów wind farm. In parallel, Polsat Plus Group will accelerate its technological development and digital transformation through the use of Google Cloud solutions. For Polsat Plus Group, the partnership with Google is one of the practical elements of implementing its sustainable development strategy and supporting its digital transformation towards increasing the use of cloud solutions in the daily business activities of the Group's companies.

In order to support its development and to adjust to the evolving customer needs, Polsat Plus Group will be migrating part of its IT infrastructure to clean-energy-powered cloud solutions provided by Google. Cloud solutions enhance flexibility in terms of selection of IT services and tools, offer faster and more efficient adaptation of products and services to customer needs as well as easier access and analysis of the data coming from various sources, while reducing the cost of maintenance of own infrastructure and, thanks to the use of off-the-shelf components, offering shorter lead times for delivery of new applications as well as cost reduction which is owed to increased adoption of cloud-based approach, reduction of number of systems and lower energy consumption.

As part of the partnership, Farma Wiatrowa Przyrów Sp. z o.o. entered into a financial PPA (Power Purchase Agreement).

## 3.3. Events after the balance sheet date

### *Early Redemption of the Series B and C Bonds*

On January 17, 2024, the Company decided to carry out the early redemption of all outstanding:

(i) 223,798 Series B bearer bonds with the total nominal value of PLN 223.8 million issued by the Company on April 26, 2019 with the redemption date specified in the terms and conditions of the issuance of the series B bonds of April 24, 2026, with the ISIN PLCFRPT00047, listed in the Alternative Trading System operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A., the “WSE”) within the Catalyst market under the abbreviated title CPS0426; and

(ii) 88,053 Series C bearer bonds with the total nominal value of PLN 88.1 million issued by the Company on February 14, 2020 with the redemption date specified in the terms and conditions of the issuance of the series C bonds of February 12, 2027, with the ISIN PLCFRPT00054, listed in the Alternative Trading System operated by the WSE within the Catalyst market under the abbreviated title CPS0227.

The Early Redemption was effected through the payment of (i) for each Series B Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 20.46, and (ii) for each Series C Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 39.41 and the Early Redemption premium of PLN 5.00.

In connection with the Early Redemption, all Series B Bonds and Series C Bonds were retired.

### *Sale of intangible assets*

On January 25, 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 (IPv4) communications protocol address package, to an unrelated party for a total consideration of USD 56.1 million. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provides for the completion of the above transaction and payment in three tranches. The first payment instalment of PLN 164.0 million, net of transaction costs, was recognized under 'Other operating income' in the consolidated income statement for the first quarter of 2024.

### *Contract for delivery of NesoBus hydrogen buses to Chelm*

On March 18, 2024, the Chelm City Hall signed a contract with our subsidiary PAK-PCE Polski Autobus Wodorowy Sp. z o.o. for the supply of 26 hydrogen buses for the city, in the result of a tender. The delivery of zero-emission, environmentally friendly NesoBus hydrogen buses to Chelm will take place in three tranches and will be completed by October 30, 2025. The contract value is PLN 97.0 million. The agreement with Chelm is the third major order for NesoBus hydrogen buses for Polish cities (previous agreements were signed with Rybnik and Gdansk).

# 4. Operating and financial review of Polsat Plus Group

## 4.1. Operating review of the Group

### 4.1.1. B2C and B2B services segment

When assessing our operating results in the B2C area, we analyze contract services and prepaid services separately. In the case of contract services we consider the number of unique, active services provided in the contract model (RGUs), the number of customers, churn rate and average revenue per customer (ARPU). When analyzing prepaid services we consider the number of unique, active services provided in the prepaid model (prepaid RGUs) as well as average revenue per prepaid RGU. The number of reported RGUs of prepaid services of mobile telephony and internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.

In turn, the B2B area is analyzed by us across two base dimensions. We focus on maintaining and building the scale of our customer base, expressed as the number of businesses serviced by us, as well as on measuring their value through ARPU.

| | for the 3-month period ended December 31 | | change / % | |
|---|---|---|---|---|
| | 2023 | 2022 | nominal | % / p.p. |
| Contract services for B2C customers | | | | |
| **Total number of B2C RGUs (EOP) [thous.], incl.:** | **13,083** | **13,285** | **(202)** | **(1.5%)** |
| Pay TV | 4,843 | 5,049 | (206) | (4.1%) |
| Mobile telephony | 6,246 | 6,238 | 8 | 0.1% |
| Internet | 1,994 | 1,998 | (4) | (0.2%) |
| **Number of B2C customers (EOP) [thous.]** | **5,795** | **5,934** | **(139)** | **(2.3%)** |
| ARPU per B2C customer [PLN] | 73.6 | 71.7 | 1.9 | 2.6% |
| ARPU per B2C customer (YTD) [PLN] | 72.6 | 70.8 | 1.8 | 2.5% |
| Churn in B2C subsegment | 7.6% | 7.0% | - | 0.6 p.p. |
| RGU saturation per one B2C customer | 2.26 | 2.24 | 0.02 p.p. | 0.9% |
| Prepaid services | | | | |
| **Total number of RGUs (EOP) [thous.], incl.:** | **2,646** | **2,691** | **(45)** | **(1,7%)** |
| Pay TV | 98 | 82 | 16 | 19,5% |
| Mobile telephony | 2,522 | 2,578 | (56) | (2.2%) |
| Mobile Internet | 26 | 31 | (5) | (16.1%) |
| ARPU per prepaid RGU [PLN] | 17.4 | 17.4 | - | - |
| ARPU per prepaid RGU (YTD) [PLN] | 17.6 | 17.5 | 0.1 | 0.6% |
| Contract services for B2B customers | | | | |
| **Total number of B2B customers (EOP) [thous.]** | **68.8** | **69.1** | **(0.3)** | **(0.4%)** |
| ARPU per B2B customer [PLN] | 1,463 | 1,427 | 36.0 | 2.5% |
| ARPU per B2B customer (YTD) [PLN] | 1,454 | 1,406 | 48.0 | 3.4% |

### *Contract services for B2C customers*

The total number of B2C customers to whom we provided contract services as at the end of 2023 was 5,795 thousand (-2.3% YoY). The erosion of the base was influenced by, among others, the declining popularity of the satellite technology as well as the continued process of merging contracts under one common contract for the household within our base. In line with our strategic assumptions, we avoid conducting an aggressive sales policy on individual products and focus on increasing customer loyalty, in particular through offering a wide portfolio of bundled services, as well as on increasing ARPU per contract customer.

The churn rate for our B2C customers amounted to 7.6% in the twelve-month period ended December 31, 2023 (+0.6 p.p. YoY). The continued low churn rate is primarily the effect of a high level of loyalty of our customers of bundled services, which results from the successful implementation of our multiplay strategy, as well as our actions aimed at fostering high customer satisfaction.

In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract B2C customer through up-selling and cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, and offering enhanced television and telecommunications packages (the more-for-more strategy). In the fourth quarter of 2023, average revenue per B2C customer increased to PLN 73.6 (+2.6% YoY) while in the full year 2023 it reached the level of PLN 72.6 (+2.5%). The growth of ARPU per B2C contract customer results, in particular, from the continuous building of customer value by bundling services. We believe that the growing popularity of 5G tariff plans, coupled with our more-for-more strategy, as well as continued expansion of our content offer will contribute to support customer value growth, reflected in the level of ARPU.

The number of contract services for B2C customers provided by us at the end of 2023 amounted to 13,083 thousand RGUs, i.e., 202 thousand less compared to the previous year (-1.5% YoY). The main reason for this decline was the decrease in the number of contract pay TV services by 206 thousand (-4.1% YoY) to the level of 4,843 thousand RGUs. The key drivers of this decline were a lower number of provided satellite TV services and the price repositioning and change in the strategy of offering our video online services (in 2021, we replaced the Ipla platform with the Polsat Box Go offer, which is differently positioned in terms of pricing). This decrease was partially compensated by an increasing number of TV services offered in online technologies (IPTV/OTT).

At the end of December 2023, the base of contract mobile telephony services for B2C customers remained stable YoY and amounted to 6,246 thousand.

At the end of 2023, the number of Internet access services provided to B2C customers in the contract model remained stable and amounted to 1,994 thousand. Within this service category, the share of fixed-line Internet access services is consistently increasing at the cost of declining mobile Internet RGUs. This is driven by the increasing popularity of data transmission packages in mobile telephony tariff plans (smartphones) which is associated with diminishing differences between the sizes of data packages offered in both product lines.

The saturation of our B2C customer base with integrated services, expressed in the ratio of contract services per customer, develops at a stable, high level and as at the end of December 2023 amounted to 2.26 contract services per customer. We believe that further saturation of our customer base with integrated services, including our flagship product smartDOM will positively influence the growth of the number of contract RGUs provided by us in the future and will support keeping the churn rate at a low level.

Our bundled services offer is based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group’s portfolio and has a positive effect on the churn rate, RGU saturation per customer ratio and ARPU per contract B2C customer. At the end of December 2023, the number of customers using our bundled services remained strong year on year and amounted to 2,456 thousand, which translates to a 42.3% saturation of our contract customer base with multiplay services. This group of customers had 7,438 thousand RGUs as at the end of December 2023, up by 25 thousand (+0.3% YoY). Bearing in mind our strategic goal - the successive build-up of revenue per contract customer through cross-selling of additional products and services - our bundled services offer is perfectly in line with our strategy. Therefore, despite having reached a high level of our multiplay base, we will continue to further popularize this program among our customers.

### *Prepaid services*

The number of prepaid services provided by us decreased by 45 thousand (-1.7% YoY) to 2,646 thousand as at 31 December 2023. The main reason behind the decline in the prepaid service base in the analyzed period was a decrease by 56 thousand (-2.2% YoY) in the number of prepaid mobile telephony RGUs, which amounted to 2,522 thousand services at the end of 2023, and the systematically declining number of prepaid mobile broadband Internet access services (-5 thousand, -16.1% YoY) at the end of 2023. This is primarily attributable to the growing popularity of data transmission in mobile tariffs (smartphones) due to the disappearing differences in the size of data packages offered in the two product lines. These decreases were partially offset by an increase by 16 thousand YoY in the number of prepaid pay TV services (+19.5%). The prepaid pay TV RGU base has been adjusted to exclude the promotional package Polsat Box Go Start offered at PLN 30 per year, which was launched in connection with the decision to close down the ad-based service Polsat Go.

In the fourth quarter of2023, average monthly retail revenue per prepaid RGU remained unchanged YoY at PLN 17.4, while for the full year 2023 it stood at PLN 17.6 (+0.1% YoY).

### *Contract services for B2B customers*

The total number of B2B customers as at the end of 2023 was 68.8 thousand (-0.4% YoY). The scale of our B2B customer base remains stable in the long term, proving the high efficiency of our efforts directed at fostering high satisfaction of our business customers. At the same time, we maintain a high level of ARPU from our B2B customers, which increased to PLN 1,463 (+2.5% YoY) per month in the fourth quarter of 2023 and PLN 1.454 (+3.4% YoY) per month in 2023.

The B2B area continues to be under strong competitive pressure, which translates into pricing levels for traditional telecommunication services. Building the value of our B2B base in founded in a natural way on additional services provided to our business customers. We strive to constantly expand our offering for business customers by new services which generate incremental revenue. The continued expansion of data center resources offered to business customers, cybersecurity solutions or cloud computing can serve as an example. In parallel, we seek to provide specialized IT solutions for specific sectors of the economy (finance and banking, real estate, hotels, energy production, etc.). We believe that thanks to a comprehensive telecommunication and IT services offering for our B2B customers we will be in a position to maintain their high level of satisfaction and therefore to secure our revenue in this market segment.

### 4.1.2. Media segment: television and online

We consider predominantly audience share by channel and TV advertising and sponsoring market share when analyzing and evaluating our television broadcasting and production activities and the average monthly number of users and average monthly number of page views when analyzing and evaluating our online activities. The following tables set forth these key performance indicators for the relevant periods.

| | 3 months ended December 31 | | Change | 12 months ended December 31 | | Change |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | p.p. / % | 2023 | 2022 | p.p. / % |
| **TV channels** | | | | | | |
| **Audience share [1] [2], including:** | **22.00%** | **21.63%** | **0.37 p.p.** | **22.00%** | **22.53%** | **(0.53 p.p.)** |
| POLSAT (main channel) | 7.50% | 7.81% | (0.31 p.p.) | 7.61% | 7.85% | (0.24 p.p.) |
| Thematic channels | 14.50% | 13.82% | 0.68 p.p. | 14.39% | 14.68% | (0.29 p.p.) |
| **TV advertising and sponsoring market share** | 28.6% | 28.3% | 0.3 p.p. | 28.6% | 28.6% | - |
| **Online – Internet portals** | | | | | | |
| Average number of users [millions] | 20.8 | 21.2 | (1.9%) | 20.9 | 20.9 | - |
| Average number of page views [millions] | 1.982 | 2.016 | (1.7%) | 1.941 | 2.045 | (5.1%) |

### *Audience shares*

| Audience share | 3 months ended December 31 | | Change / p.p. | 12 months ended December 31 | | Change / p.p. |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | | 2023 | 2022 | |
| **Audience share [1] [2], including:** | **22.00%** | **21.63%** | ***0.37*** | **22.00%** | **22.53%** | ***(0.53)*** |
| ***POLSAT (main channel)*** | **7.50%** | **7.81%** | ***(0.31)*** | **7.61%** | **7.85%** | ***(0.24)*** |
| ***Thematic channels*** | **14.50%** | **13.82%** | ***0.68*** | **14.39%** | **14.68%** | ***(0.29)*** |
| TV4 | 2.86% | 3.08% | *(0.22)* | 2.91% | 2.82% | *0.09* |
| Polsat 2 | 1.19% | 1.23% | *(0.04)* | 1.27% | 1.27% | - |
| Polsat News | 1.60% | 1.33% | *0.27* | 1.36% | 1.70% | *(0.34)* |
| TV6 | 1.21% | 1.01% | *0.20* | 1.18% | 1.18% | - |
| Super Polsat | 0.98% | 0.95% | *0.03* | 1.00% | 1.02% | *(0.02)* |
| Fokus TV | 0.84% | 0.92% | *(0.08)* | 0.86% | 1.11% | *(0.25)* |
| Polsat Play | 0.60% | 0.72% | *(0.12)* | 0.66% | 0.67% | *(0.01)* |
| Polsat Film | 0.60% | 0.65% | *(0.05)* | 0.64% | 0.68% | *(0.04)* |
| Wydarzenia24 | 0.76% | 0.61% | *0.15* | 0.67% | 0.63% | *0.04* |
| Polsat Sport | 0.39% | 0.33% | *0.06* | 0.52% | 0.42% | *0.10* |
| Polo TV | 0.51% | 0.42% | *0.09* | 0.46% | 0.45% | *0.01* |
| Polsat Seriale | 0.43% | 0.45% | *(0.02)* | 0.46% | 0.40% | *0.06* |
| Nowa TV | 0.39% | 0.37% | *0.02* | 0.38% | 0.38% | - |
| Polsat Cafe | 0.37% | 0.37% | - | 0.39% | 0.40% | *(0.01)* |
| Eska TV | 0.34% | 0.29% | *0.05* | 0.36% | 0.40% | *(0.04)* |
| Eleven Sports 1 | 0.14% | 0.19% | *(0.05)* | 0.16% | 0.21% | *(0.05)* |
| Disco Polo Music | 0.17% | 0.15% | *0.02* | 0.17% | 0.16% | *0.01* |
| Polsat Doku | 0.11% | 0.12% | *(0.01)* | 0.14% | 0.13% | *0.01* |
| Polsat Sport Extra | 0.12% | 0.10% | *0.02* | 0.13% | 0.11% | *0.02* |
| Polsat News 2 | 0.07% | 0.09% | *(0.02)* | 0.07% | 0.09% | *(0.02)* |

| Audience share | 3 months ended December 31 | | Change / p.p. | 12 months ended December 31 | | Change / p.p. |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | | 2023 | 2022 | |
| Polsat Rodzina | 0.06% | 0.08% | *(0.02)* | 0.06% | 0.09% | *(0.03)* |
| Vox Music TV | 0.04% | 0.04% | - | 0.05% | 0.05% | - |
| Polsat Music HD | 0.06% | 0.06% | - | 0.06% | 0.06% | - |
| Eska TV Extra | 0.06% | 0.07% | *(0.01)* | 0.06% | 0.07% | *(0.01)* |
| Polsat Sport News HD | 0.06% | 0.04% | *0.02* | 0.05% | 0.05% | - |
| Eleven Sports 2 | 0.03% | 0.04% | *(0.01)* | 0.04% | 0.04% | - |
| Polsat Games | 0.06% | 0.05% | *0.01* | 0.05% | 0.05% | - |
| Eska Rock TV | 0.02% | 0.02% | - | 0.02% | 0.02% | - |
| Polsat Sport Fight | 0.03% | 0.02% | *0.01* | 0.03% | 0.03% | - |
| 4FUN.TV(3) | 0.21% | 0.21% | - | 0.23% | 0.19% | *0.04* |
| 4FUN KIDS(3) | 0.13% | 0.10% | *0.03* | 0.14% | 0.14% | - |
| 4FUN DANCE(3) | 0.07% | 0.05% | *0.02* | 0.07% | 0.07% | - |
| Polsat News Polityka(4) | n/a | n/a | *n/a* | n/a | n/a | |
| Polsat 1(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Polsat Sport Premium 1(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Polsat Sport Premium 2(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Eleven Sports 3(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Eleven Sports 4(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| TV Okazje(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Polsat Film 2(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |
| Polsat X(5) | n/a | n/a | *n/a* | n/a | l/d | *n/a* |

(1) Nielsen Media, All day ages 16-59 audience share, including Live+2 (viewership results include 2 additional days of time-shifted viewing) + out of home viewing – OOH).
(2) When calculating the total audience share of Polsat Plus Group and audience share of thematic channels, we take into account the moment of including the channel in our portfolio.
(3) As of July 21, 2023, Polsat Plus Group is the majority shareholder of the companies that own the 4FUN.TV, 4FUN KIDS and 4FUN DANCE channels.
(4) The channel has been broadcasting since January 10, 2024.
(5) Channel not included in the telemetric panel.

**Channels cooperating with Polsat Plus Group (non-consolidated)**

| Audience share | 3 months ended December 31 | | Change / p.p. | 12 months ended December 31 | | Change / p.p. |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | | 2023 | 2023 | |
| Polsat Comedy Central Extra | 0.35% | 0.30% | *0.05* | 0.34% | 0.32% | *0.02* |
| Polsat Viasat History | 0.25% | 0.21% | *0.04* | 0.25% | 0.20% | *0.05* |
| Polsat Viasat Explore | 0.16% | 0.16% | - | 0.17% | 0.15% | *0.02* |
| CI Polsat | 0.17% | 0.21% | *(0.04)* | 0.17% | 0.19% | *(0.02)* |
| Polsat Viasat Nature | 0.07% | 0.07% | - | 0.07% | 0.06% | *0.01* |

The audience share in the commercial group for Polsat Plus Group amounted to 22.0% in both the fourth quarter of 2023 (+0.37 p.p. YoY) in and in 2023 (-0.53 p.p. YoY).

The Group's channels audience shares were adversely affected by the refarming from the DVB-T to DVB-T2 standard, completed on June 27, 2022, in which commercial broadcasters were treated unequally by favoring the public broadcaster, who was allowed by an administrative decision to continue broadcasting TVP channels in the old standard until the end of 2023. As a result of the refarming process, which was carried out in stages, terrestrial TV viewers equipped with older-generation TV sets were deprived of access to the commercial broadcasters' offer until they purchased a new set-top box or TV set. In the case of Polsat Plus Group, channels with limited access to digital terrestrial television include Polsat, TV4, TV6, Super Polsat, Eska TV, Polo TV and Fokus TV.

In parallel, continuous market fragmentation can be observed on the Polish market, which, by dispersing audiences, adversely impacts audience shares of the four main TV channels (Polsat, TVN, TVP1 and TVP2). Rapidly growing popularity of other forms of consumption of video content displayed on TV sets also determines the viewership of traditional linear TV. Despite the fact that the intensity of these phenomena slowed down slightly in the periods under review, it continues to shape the audience of, among others, our main Polsat channel, which decreased by 0.3 p.p. YoY in the fourth quarter of 2023 to 7.5% and by 0.2 p.p. YoY to 7.6% in twelve months of 2023. Our thematic channels recorded an increase by 0.7 p.p. YoY to 14.5% in the fourth quarter of 2023 and a decrease by 0.3 p.p. YoY to 14.4% in twelve months of 2023.

As mentioned above, the audience levels of the Group's channels is under the influence of the growing audience of non-linear video content (including OTT services) and unmonitored TV channels displayed on TV sets, referred to by Nielsen Media as the "others" category. In January 2022, Nielsen broadened the definition of content eligible for this node, and as a result, we are observing sustained growth of "others" audience shares. It is worth noting that a significant portion of the "others" category does not compete with traditional TV channels for TV advertising revenue. Thus, the changes introduced by Nielsen Media may permanently reduce the audience shares of traditional TV channels, with far less impact on their position in the TV advertising and sponsorship market.

Compared to 2022, a time of the outbreak and the initial phase of the armed conflict in Ukraine, we can observe lower viewership of news channels. Polsat News, our main news channel, posted an audience share of 1.7% during that period. The interest in the conflict gradually faded over the course of the year, and as a result, the station's audience share was 1.4% in 2023. On the other hand, the parliamentary elections in Poland in the fall of 2023 and the victory of the opposition caused an increase in viewers' interest in politics and news journalism, thanks to which Polsat News' audience share in the fourth quarter of 2023 increased to 1.6% (+0.3 p.p. YoY).

Our sports channels, in particular Polsat Sport, which saw its audience share in the commercial group rise to 0.5% (+0.1 p.p. YoY) in 2023, saw an increase in viewership during the analyzed periods. Among the drivers of Polsat Sport's viewership were volleyball and football national team games (League of Nations, UEFA EURO 2024 qualifiers) and Grand Slam tennis tournaments featuring Poland's representatives. Thanks to the above events, in July 2023 Polsat Sport, with a 1.4% share of the audience, was the leading sports channel in Poland. After May and June, this was another successful month for Polsat's sports editorial team, which, thanks to the cooperation between Polsatsport.pl and Interia Sport, records excellent results also on the Internet. Polsat Sport also had a record high audience share on September 16, 2023 (13.4%) during the broadcast of the final match of the European Men's Volleyball Championship Italy - Poland.

Moreover, in July 2023 we expanded the portfolio of our stations by three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which in our opinion will further enhance the attractiveness of our programing offer with the ability to reach younger audiences, contributing to an increase in viewership of our thematic channels. In turn, in January 2024, we expanded the information and journalism section with the new Polsat News Politics channel, which offers viewers, among other things, live broadcasts of Sejm and Senate debates, interviews with politicians, coverage of press conferences and investigative committee meetings.

### *TV advertising and sponsoring market share*

According to estimates of Publicis Group, expenditures on TV advertising and sponsoring in 2023 amounted to approximately PLN 4.7 billion (+3.3% YoY). Based on these data, we estimate that our TV advertising market share was 28.6% in the analyzed period, remaining stable YoY.

Publicis Group estimated that in the fourth quarter of 2023 expenditures on TV advertising and sponsoring amounted to approximately PLN 1.5 billion (+0.4% YoY) and our TV advertising market share amounted to 28.6%, which represents an increase by 0.3 p.p. from the 28.3% share recorded in the fourth quarter of 2022.

### *Average monthly number of Internet users*

In the fourth quarter of 2023 the average monthly number of users (the 'real users' indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps amounted to 20.8 million, which represents a decrease by 0.4 million from the same period in 2022 (-1.9% YoY), and in 2023 it amounted to 20.9 million, the same as a year earlier.

The table below presents a list of websites, whose number of average users per month exceeded 0.5 million in the fourth quarter of 2023. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

| Average number of users [(1)] [millions] | 3 months ended December 31 | | Change | | 12 months ended December 31 | | Change | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | nominal | % | 2023 | 2022 | nominal | % |
| **Polsat-Interia Group[(2)]** | **20.8** | **21.2** | **(0.4)** | **(1.9%)** | **20.9** | **20.9** | **-** | **-** |
| *Selected websites:* | | | | | | | | |
| interia.pl | 15.7 | 15.7 | - | - | 15.6 | 15.6 | - | - |
| pomponik.pl | 7.4 | 6.5 | 0.9 | 13.8% | 7.4 | 6.5 | 0.9 | 13.8% |
| polsatnews.pl | 5.0 | 5.6 | (0.6) | (10.7%) | 5.8 | 4.4 | 1.4 | 31.8% |
| smaker.pl | 4.3 | 4.7 | (0.4) | (8.5%) | 4.2 | 4.0 | 0.2 | 5.0% |
| polsatsport.pl | 4.0 | 3.4 | 0.6 | 17.6% | 3.7 | 2.8 | 0.9 | 32.1% |
| top.pl[(3)] | 3.7 | - | - | - | 2.3 | - | - | - |
| deccoria.pl | 3.2 | 4.0 | (0.8) | (20.0%) | 3.7 | 3.3 | 0.4 | 12.1% |
| twojapogoda.pl | 2.7 | 1.7 | 1.0 | 58.8% | 2.1 | 1.8 | 0.3 | 16.7% |
| bryk.pl | 2.5 | 2.9 | (0.4) | (13.8%) | 2.3 | 2.0 | 0.3 | 15.0% |
| naekranie.pl[(4)] | 1.5 | 2.2 | (0.7) | (31.8%) | 1.6 | 2.3 | (0.7) | (30.4%) |
| polsatboxgo.pl | 1.2 | 1.6 | (0.4) | (25.0%) | 1.2 | 1.5 | (0.3) | (20.0%) |
| okazjum.pl | 1.0 | 0.9 | 0.1 | 11.1% | 0.9 | 0.8 | 0.1 | 12.5% |
| opracowania.pl | 0.6 | 0.7 | (0.1) | (14.3%) | 0.5 | 0.5 | - | - |
| ding.pl | 0.5 | 0.6 | (0.1) | (16.7%) | 0.5 | 0.6 | (0.1) | (16.7%) |

(1) Mediapanel survey, Real Users indicator.
(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.
(3) The service was launched in June 2023. Data for the period of the service's existence.
(4) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.

Our largest portal, interia.pl, maintained its strong performance both in the fourth quarter and throughout 2023. In addition, we are systematically building the position of our sites polsatnews.pl and polsatsport.pl, which in 2023 improved their performance in terms of the number of users by more than 30% YoY. Also noteworthy is the significant increase in the number of users of twojapogoda.pl weather forecast site, which grew by 60% YoY in the fourth quarter and almost 17% YoY for the year as a whole. A very good result in 2023 was also recorded by pomponik.pl (+13.8% YoY), which has continuously occupied the leading position among sites and services in the thematic category "Gossip, life of the stars" since May 2023. The largest declines in the number of users were recorded by naekranie.pl (-32% YoY in the fourth quarter and -30% YoY for the whole of 2023), affected by the stagnation in the film industry related to the screenwriters' strike in the US. The number of users also decreased at polsatboxgo.pl (-25% YoY in the fourth quarter and -20% YoY for the whole of 2023), due to increasing competition and the arrival of more international players on the Polish market.

### *Average monthly number of Internet views*

The average monthly number of page and app views of Polsat-Interia Group websites reached 2 billion in the fourth quarter of 2023 (-1.7% YoY) and 1.9 billion in 2023 (-5.1% YoY).

The table below presents the list of websites, whose number of views exceeded 0.5 million in the fourth quarter of 2023. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

| Average number of views (1) | 3 months ended December 31 | | Change | | 12 months ended December 31 | | Change | |
|---|---|---|---|---|---|---|---|---|
| [millions] | 2023 | 2022 | nominal | % | 2023 | 2022 | nominal | % |
| **Polsat-Interia Group(2)** | **1,981.9** | **2,016.3** | **(34.4)** | **(1.7%)** | **1,941.2** | **2,044.9** | **(103.7)** | **(5.1%)** |
| *Selected websites* | | | | | | | | |
| interia.pl | 927.4 | 1,006.1 | (78.7) | (7.8%) | 931.5 | 1,042.8 | (111.3) | (10.7%) |
| pomponik.pl | 55.3 | 47.5 | 7.8 | 16.4% | 56.8 | 48.9 | 7.9 | 16.2% |
| polsatnews.pl | 30.7 | 31.4 | (0.7) | (2.2%) | 32.6 | 30.6 | 2.0 | 6.5% |
| okazjum.pl | 26.4 | 28.6 | (2.2) | (7.7%) | 26.2 | 21.4 | 4.8 | 22.4% |
| smaker.pl | 20.4 | 23.2 | (2.8) | (12.1%) | 20.2 | 18.6 | 1.6 | 8.6% |
| polsatsport.pl | 19.8 | 15.7 | 4.1 | 26.1% | 21.4 | 15.2 | 6.2 | 40.8% |
| ding.pl | 13.5 | 8.2 | 5.3 | 64.6% | 9.1 | 13.8 | (4.7) | (34.1%) |
| twojapogoda.pl | 12.8 | 12.3 | 0.5 | 4.1% | 14.2 | 15.2 | (1.0) | (6.6%) |
| bryk.pl | 12.1 | 12.6 | (0.5) | (4.0%) | 9.8 | 8.6 | 1.2 | 14.0% |
| top.pl(3) | 8.9 | - | - | - | 5.0 | - | - | - |
| naekranie.pl(4) | 7.2 | 9.9 | (2.7) | (27.3%) | 7.8 | 9.0 | (1.2) | (13.3%) |
| deccoria.pl | 7.0 | 9.3 | (2.3) | (24.7%) | 9.8 | 7.9 | 1.9 | 24.1% |
| polsatboxgo.pl | 5.1 | 6.3 | (1.2) | (19.0%) | 5.2 | 7.3 | (2.1) | (28.8%) |

(1) Data from Mediapanel survey, Views indicator –views of websites/apps.
(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.
(3) The service was launched in June 2023. Data for the period of the service's existence.
(4) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.

In the analyzed periods, pomponik.pl recorded an increase in page views, which confirms its popularity as a leading gossip site. In the case of polsatsport.pl, the increase in page views correlates with an increase in the number of users, suggesting that new users of the site are as engaged as existing users. Promotional sites ding.pl (+64.6% YoY in Q4 2023) and okazjum.pl (+22.4% YoY in 2023) also recorded increases in the number of page views. The increase in the number of page views on sites with this theme may, in our opinion, be related to high inflation and the resulting increase in commodity prices, which may have prompted consumers to search more frequently for bargains, promotions, discounts and rebates. The sports service polsatsport.pl also performed very well (+26% YoY in Q4 and +6.9 million page views, +41.0% YoY in 2023). In contrast, a change in the strategy of offering our online video services and increasing competition from international players resulted in a considerable decline in the number of page views of the streaming service polsatboxgo.pl (-19% YoY in Q4 2023 and -29% YoY in 2023).

In September 2023, we introduced changes to our VOD service offering. The former polsatgo.pl service, which offered free video content in exchange for viewing commercials before and during the broadcast of the material, was permanently discontinued. In return, our service for polsatboxgo.pl subscribers was enriched with a new Polsat Box GO Start package, whose users can watch their favorite programs for a small annual fee and with a very limited number of commercials aired before the video material. In addition, existing polsatgo.pl users were offered free access to the new Polsat Box GO Start package at polsatboxgo.pl for a period of two months.

### 4.1.3. Green energy segment

***Energy production from renewable sources***

In analyzing and evaluating our renewable energy activities, which is presented as a new operating segment from July 3, 2023, we primarily consider electricity generation from low- and zero-emission sources and the average price received for the sale of the energy produced. Although the consolidation of the results of operations of PAK-PCE Group covers the period from July 3, 2023 to December 31, 2023, we also present in the following table operating data relating to electricity production by generation technology on a year-to-date basis and for the comparative periods.

| | 3-month period ended December 31 | | change | | 6-month period ended December 31 | | change | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | nominal | % / p.p. | 2023 | 2022 | nominal | % / p.p. |
| **Total electricity generation (GWh), of which:** | **179.3** | **176.6** | **2.7** | **1.5%** | **370.6** | **312.5** | **58.1** | **18.6%** |
| *Biomass* | *150.1* | *168.5* | *(18.4)* | *(10.9%)* | *307.2* | *277.4* | *29.8* | *10.7%* |
| *Photovoltaics* | *7.8* | *8.1* | *(0.3)* | *(3.7%)* | *35.7* | *35.1* | *0.6* | *1.7%* |
| *Wind farms onshore* | *21.4* | *-* | *21.4* | *n/d* | *27.7* | *-* | *27.7* | *-* |
| Average selling price of energy produced[1) ] [PLN/MWh] | 692.1 | - | - | - | 721.1 | - | - | |

1) Calculated as the ratio of the green energy segment's generated revenues from the sale of own electricity and the volume of production

As of the date of taking control over PAK-PCE Group, the operational generation assets in the area of renewable energy sources (RES) were 2 biomass units generating electricity and heat with a total capacity of 110 MW located at the Konin power plant, and the Brudzew photovoltaic farm with a capacity of 70 MW. In the third quarter of 2023, the expansion of the Brudzew farm was completed, bringing its total installed capacity to 82.4 MW, which will result in a higher level of solar power generation in future periods. In addition, the first wind farms, Miłosław with installed capacity of 9.6 MW and Kazimierz Biskupi with installed capacity of 17.5 MW, were launched as part of technical commissioning in August and September 2023 and began commercial production at the turn of 2023 and 2024.

In the fourth quarter of 2023, the total volume of electricity produced was 179.3 GWh, up by 2.7 GWh (+1.5%) YoY. The higher production volume was driven by the start of energy production from onshore wind farms in 2023 (21.4 GWh in the fourth quarter of 2023) and compensated the lower volume of biomass energy production (-18.4 GWh, -10.9%). Solar energy production volume was 7.8 GWh, down by 3.7% YoY.

Overall, in the second half of 2023, when the results of the PAK-PCE Group were consolidated into Polsat Plus Group, the production of renewable energy sources increased by 58.1 GWh (+18.6% YoY) and reached 370.6 GWh. The main growth drivers were biomass energy (+29.8 GWh, +10.7% YoY) and the start of production from onshore wind farms (+27.7 GWh). Photovoltaic generation remained relatively stable (+1.7%

YoY). Given that the capacity expansion of the Brudzew farm was completed in the third quarter of 2023, we expect higher increases in production from this energy source in the second and third quarters of 2024 due to the seasonality of solar energy production.

We note that the wind farms in Miloslaw and Kazimierz Biskupi did not reach their full production capacity in 2023. The two farms were commissioned in the middle of the third quarter of 2023 and were producing energy in technical commissioning mode. In turn, in the fourth quarter of 2023, both plants temporarily paused production due to the ongoing process at the Regulatory Authority (URE) for obtaining a license to produce electricity. As of the publication date of this Report, both farms operate at full capacity.

The average sales price of energy produced from own resources was PLN 692.1 per 1 MWh in the fourth quarter of 2023 and PLN 721.1 per 1 MWh in the second half of 2023. The lower average price of sold energy in the fourth quarter of 2023 is, among others, the result of a decrease in energy prices in the Day-Ahead Market (RDN), which is a spot market for electricity in Poland.

### *Implementation of renewable energy projects*

**Wind farms**. There are currently 4 on-shore wind farm projects under construction:

- Człuchów with installed capacity of 72.6 MW and potential annual production of ca. 230 GWh. Technical commissioning of the farm began in February 2024;
- Przyrów with installed capacity of 50.4 MW and potential annual production of ca. 105 GWh, production start-up planned for the third quarter of 2024;
- Drzeżewo with installed capacity of 138.6 MW and potential annual production of ca. 410 GWh, production start-up planned for the fourth quarter of 2025;
- Dobra with installed capacity of 7.8 MW and potential annual production of ca. 24 GWh, production start-up planned for the fourth quarter of 2025.

Once the ongoing investments are completed, the total installed capacity of the wind projects will be close to 300 MW.

**Photovoltaic farms**. In the area of photovoltaic systems, the Przykona project with an installed capacity of 260 MW and a potential annual production of approximately 250 GWh is currently under construction. The project will be implemented in cooperation with ZE PAK Group, on whose land the plant will be built. The project is at the stage of obtaining necessary permits.

### *Green hydrogen projects*

In addition to dynamically developing renewable energy projects, we are also focused on building a full value chain of an economy based on green hydrogen.

**Hydrogen production**. The first electrolyzer with 2,5 MW of capacity and production capacity of 1,000 kg of green hydrogen per day, is currently being commissioned. The electrolyzer is located in Konin, next to our biomass power plant, and will use biomass energy to produce hydrogen in the future. We have also developed a prototype of Poland's first alkaline electrolyzer with capacity of 0.5 MW and production capacity of 200 kg of hydrogen per day. Work on the prototype is in its final stage. Green hydrogen production is expected to start in the first half of 2024.

**Storage and transportation**. Currently, 8 hydrogen trailers are in operation, one with the capacity of 371 kg and 7 with the capacity of 1,000 kg of hydrogen each. According to the concluded contracts, delivery of 2 more hydrogen trailers is scheduled for the second quarter of 2024.

**Distribution**. The first public hydrogen refueling station operating under the Neso brand was launched in Warsaw in September 2023, while the second such station was launched in Rybnik in October 2023. Construction work is currently underway in Gdansk, Gdynia, Wrocław and Lublin and the expected launch date for stations in these locations is the second and third quarter of 2024.

The construction of a network of hydrogen refueling stations is supported by the National Fund for Environmental Protection and Water Management, which in February 2023 granted PAK-PCE a subsidy of PLN 20 million for the construction of a network of publicly accessible hydrogen refueling stations in Rybnik, Gdańsk, Wrocław, Gdynia and Lublin.

**Hydrogen buses**. Together with ZE PAK, we developed a hydrogen-powered bus, the NesoBus (where "Neso" stands for the Polish phrase "**N**ie **E**mituje **S**palin i **O**czyszcza," meaning "does not emit exhaust fumes and cleans the air"), which made its debut in May 2022. In the third quarter of 2023, we launched a bus manufacturing plant in Świdnik, where we intend to ultimately produce more than 100 hydrogen buses per year.

In March 2023, NesoBus has won the first tender involving the supply of 20 hydrogen buses to Rybnik. The project was completed by the end of 2023. In September 2023, we signed an agreement with the city of Gdansk for a 10-year lease of 10 hydrogen buses with full service and supply of hydrogen fuel. Delivery of the NesoBuses to Gdansk is scheduled for the second and third quarters of 2024. In addition, in March 2024, our subsidiary PAK-PCE Polski Autobus Wodorowy was awarded a tender for the delivery of 26 buses to Chelm, which will be executed in three tranches by the end of 2025.

## 4.2. Review of the Group’s financial situation

The following review of results for the three- and twelve-month periods ended December 31, 2023 was prepared based on the consolidated financial statements for the financial year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards as approved for use by the European Union and based on internal analyses.

It should be noted that the financial data for the three- and twelve-month periods ended December 31, 2023 and December 31, 2022 are not comparable due to the acquisitions and changes to the Group’s structure, which are described in detail in item 1.5. of this Report – *Composition and structure of Polsat Plus Group,* and item 1.2. of the Report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2022. In particular, as of April 1, 2022, the Group consolidates the results of Port Praski and its subsidiaries and as of July 3, 2023, the Group consolidates the results of PAK-PCE and its subsidiaries using the full method.

When analyzing the financial position of the Group, we do not eliminate the impact of companies acquired or disposed of in the period from January 1, 2022 to December 31, 2023. However, if the impact of an acquisition or a disposal is a significant factor, this is indicated for the item in question.

Please note that the comparability of EBITDA results in the analyzed periods was disrupted due to the recognition of a gain on disposal of shares in Modivo S.A. in the third quarter of 2022 and Asseco Poland S.A. and CSiZN sp. z o.o. in the third quarter of 2023 as well as the Group's substantial support to Ukraine in the first quarter of 2022. In order to ensure comparability of EBITDA for the analyzed periods, the Group presents the adjusted EBITDA result, which excludes the above mentioned factors.

An explanation of the accounting policies used and key positions from the consolidated income statement and consolidated balance sheet are included in the consolidated financial statements for the financial year 2003 (Note 6).

### 4.2.1. Income statement analysis

*Results for the fourth quarter of 2023*

| [mPLN] | for the 3-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [% / p.p.] |
| Revenue | 3,681.5 | 3,429.6 | 251.9 | 7.3% |
| Operating costs | (3,486.7) | (3,073.4) | (413.3) | 13.4% |
| Gain/(loss) on disposal of a subsidiary and an associate | (0.4) | 39.8 | (40.2) | n/a |
| Other operating income/(cost), net | (22.2) | (0.8) | (21.4) | n/a |
| **Profit from operating activities** | **172.2** | **395.2** | **(223.0)** | **(56.4%)** |
| Gain/(loss) on investment activities, net | 80.7 | 29.0 | 51.7 | 178.3% |
| Finance costs, net | (126.5) | (233.1) | 106.6 | (45.7%) |
| Share of the profit of associates accounted for using the equity method | - | 31.8 | (31.8) | (100.0%) |
| **Gross profit for the period** | **126.4** | **222.9** | **(96.5)** | **(43.3%)** |
| Income tax | 3.9 | (48.4) | 52.3 | (108.1%) |
| **Net profit for the period** | **130.3** | **174.5** | **(44.2)** | **(25.3%)** |
| ***EBITDA*** | ***676.7*** | ***858.3*** | ***(181.6)*** | ***(21.2%)*** |
| ***EBITDA margin*** | ***18.4%*** | ***25.0%*** | ***-*** | ***(6.6 p.p.)*** |
| Gain/(loss) on disposal of a subsidiary and an associate | (0.4) | 39.8 | (40.2) | n/a |
| ***EBITDA adjusted*** | ***677.1*** | ***818.5*** | ***(141.4)*** | ***(17.3%)*** |
| ***EBITDA adjusted margin*** | ***18.4%*** | ***23.9%*** | ***-*** | ***(5.5 p,p,)*** |

*Revenue*

Consolidated **total revenue** increased by PLN 251.9 million (+7.3% YoY) in the fourth quarter of 2023, primarily as a result of the consolidation of revenues from the sales of energy generated in the green energy segment.

Excluding the impact of the consolidation of PAK-PCE Group's results, consolidated total revenue amounted to PLN 3,347.7 million (-3.4% YoY). The change was primarily due to lower wholesale revenue and revenue from equipment sales.

| [mPLN] | for the 3-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [%] |
| Retail revenue | 1,763.7 | 1,750.8 | 12.9 | 0.7% |
| Wholesale revenue | 929.3 | 997.9 | (68.6) | (6.9%) |
| Sale of equipment | 506.7 | 545.4 | (38.7) | (7.1%) |
| Energy revenue | 285.6 | - | 285.6 | n/a |
| Other revenue | 196.2 | 135.5 | 60.7 | 44.8% |
| **Revenue** | **3,681.5** | **3,429.6** | **251.9** | **7.3%** |

**Retail revenue** increased by PLN 12.9 million (+0.7%) YoY in the fourth quarter of 2023 and amounted to PLN 1,763.7 million.

**Wholesale revenue** decreased by PLN 68.6 million (-6.9%) YoY, mainly due to the recognition of lower interconnection revenue, resulting from the gradual regulatory reduction of MTR rates, and lower revenue from the sale of TV sublicenses.

Revenue from the **sale of equipment** decreased by PLN 38.7 million (-7.1%) YoY mainly due to high sales volumes in the comparative period.

In connection with the consolidation of PAK-PCE Group's results, as of July 3, 2023, the Group recognizes **energy revenue**, which include revenue from the sale of electricity from production and resale of energy, revenue from the sale of heat and revenues from the sale of property rights, particularly certificates of origin. In the fourth quarter of 2023, the Group recognized on a consolidated level energy revenue of PLN 285.6 million, of which revenue from the sale of own electricity amounted to PLN 79.0 million and revenue from energy resale amounted to PLN 179.5 million.

**Other revenue** increased by PLN 60.7 million (+44.8%) YoY. The main reason for increase in this revenue category was the recognition of revenue from the sale of hydrogen buses and gas in connection with the consolidation of the results of PAK-PCE Group from July 3, 2023.

Excluding the impact of the consolidation of PAK-PCE Group, other revenue amounted to PLN 147.9 million, up +9.2% YoY, due in part to higher interest on equipment sales in the installment plan model.

### *Operating costs*

Consolidated **operating costs** increased by PLN 413.3 million (+13.4%) YoY in the fourth quarter of 2023. Excluding the impact of the consolidation of the results of PAK-PCE Group, consolidated operating costs amounted to PLN 3,138.2 million (+2.1% YoY).

| [mPLN] | for the 3-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [%] |
| Technical costs and cost of settlements with telecommunication operators | 862.1 | 830.8 | 31.3 | 3.8% |
| Depreciation, amortization, impairment and liquidation | 494.2 | 463.1 | 31.1 | 6.7% |
| Cost of equipment sold | 415.2 | 429.5 | (14.3) | (3.3%) |
| Content costs | 565.6 | 555.5 | 10.1 | 1.8% |
| Cost of energy sold, includes | 268.2 | - | 268.2 | n/a |
| *Depreciation* | *9.3* | - | *9.3* | *n/a* |
| Distribution, marketing, customer relation management and retention costs | 277.4 | 271.1 | 6.3 | 2.3% |
| Salaries and employee-related costs | 335.6 | 300.0 | 35.6 | 11.9% |
| Cost of debt collection services and bad debt allowance and receivables written off | 26.2 | 25.1 | 1.1 | 4.4% |
| Other costs, includes | 242.2 | 198.3 | 43.9 | 22.1% |
| *Depreciation* | 1.0 | - | 1.0 | n/a |
| **Operating costs** | **3,486.7** | **3,073.4** | **413.3** | **13.4%** |

**Technical costs and cost of settlements with telecommunication operators** increased by PLN 31.3 million (+3.8%) YoY. This increase was caused mainly by higher network maintenance costs due to, among others, higher costs of energy and the valorization of rental contracts, and was largely offset by lower costs of interconnect settlements due to the successive regulatory reduction of MTR rates.

**Depreciation, amortization, impairment and liquidation costs** increased by PLN 31.1 million (+6.7%) YoY, which resulted, among others, from amortizing trademarks owned by Telewizja Polsat due to the change in their useful lifetime from indefinite to finite. Moreover, as a result of the consolidation of PAK-PCE Group, we recognized additional depreciation, amortization, impairment and liquidation expenses of PLN 8.1 million. At the same time, we would like to point out that depreciation and amortization in the green energy segment are also included in the cost of energy sold and the cost of buses sold (in the item Other costs).

The **cost of equipment sold** decreased by PLN 14.3 million (-3.3%) YoY, which reflected lower sales volumes of equipment in the reported quarter and corresponds with lower revenue from the sale of equipment.

**Content costs** increased by PLN 10.1 million (+1.8%) YoY, mainly as a result of higher costs of internal production and amortization of sports rights.

**Distribution, marketing, customer relation management and retention costs** increased by PLN 6.3 million (+2.3%) YoY, mainly as a result of increases in call center and customer service department salaries.

In connection with the consolidation of the results of PAK-PCE Group as of July 3, 2023, the Group recognized **costs of energy sold** in the amount of PLN 268.2 million, of which PLN 9.3 million was depreciation and amortization.

**Salaries and employee-related costs** increased by PLN 35.6 million (+11.9%) YoY, mainly due to the increased headcount and persisting inflationary pressure. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 4.0 million in the fourth quarter of 2023.

Average headcount in the Group increased by 494 FTEs (+6.4%) YoY, which was an effect of the changes in the Group structure in the last 12 months, in particular, the acquisition of 69 points of sales by Liberty Poland, our subsidiary managing the distribution network, in December 2022, and the consolidation of PAK-PCE Group from July 2023.

| Average employment | for the 3-month period ended December 31 | | Change | |
|---|---|---|---|---|
| | 2023 | 2022 | [FTEs] | [%] |
| Permanent workers not engaged in production[(1)] | 8,202 | 7,708 | 494 | 6.4% |

(1) Excluding workers who did not perform work in the reporting period due to long-term absences.

**Cost of debt collection services and bad debt allowance and receivables written off** remained stable YoY.

**Other costs** increased by PLN 43.9 million (+22.1%) YoY, which was related mostly to the impact of the consolidation of PAK-PCE Group results on this item in the amount of PLN 66.6 million in the fourth quarter of 2023. In particular, we recognize in this line the costs of gas sold and buses sold, including depreciation of PLN 1.0 million.

Excluding the impact of the consolidation of PAK-PCE Group, other costs amounted to PLN 175.6 million, recording a decrease of 11.4%, mainly due to lower costs related to the photovoltaic operations and lower cost of sold apartments.

**Other operating cost, net** amounted to PLN 22.2 million in the fourth quarter of 2023 as compared to other operating cost, net of PLN 0.8 million in the comparative period.

**EBITDA** amounted to PLN 676.7 million (-21.2% YoY).

**Adjusted EBITDA** excluding the gain on disposal of subsidiaries and associates amounted to PLN 677.1 million (-17.3%) YoY in the fourth quarter of 2023, resulting in adjusted EBITDA margin of 18.4%. The main reason for the decrease in adjusted EBITDA was inflationary pressure on operating costs whereas revenue recorded positive growth dynamics.

The impact of the consolidation of PAK-PCE Group's results on consolidated EBITDA in the fourth quarter of 2023 was PLN 1.8 million. The lower-than-expected level of generated EBITDA in the green energy segment was primarily due to the decrease in market prices for electricity and the related update of the revenue provision for electricity sold, as well as the regulatory mechanism for the settlement of compensations under the governmental energy price freeze.

**Gain on investment activities, net** amounted to PLN 80.7 million in the fourth quarter of 2023 and was higher by PLN 51.7 million YoY, mainly due to the recognition of the impact of the settlement of the acquisition of control over PAK-PCE in the amount of PLN 67.4 million.

**Finance costs, net** decreased by PLN 106.6 million (-45.7%) YoY, primarily due to the recognition of a non-cash, positive impact of PLN 145.7 million from the revaluation of the euro-denominated tranche of the SFA following the appreciation of the Polish zloty in the fourth quarter of 2023. This decrease was partially offset by higher debt service costs in the Group, resulting from a higher level of gross debt and high interest rates.

Following the disposal of the 12.82% stake in Asseco Poland on September 21, 2023, as of the fourth quarter of 2023 the share in Asseco Poland's profit is no longer being recognized in the share of the profit of associates accounted for using the equity method.

**Net profit** for the fourth quarter of 2023 decreased by PLN 44.2 million (-25.3%) YoY to PLN 130.3 million.

### *Results for the financial year 2023*

| [mPLN] | for the 12-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [% / p.p.] |
| Revenue | 13,626.3 | 12,915.3 | 711.0 | 5.5% |
| Operating costs | (12,488.8) | (11,399.8) | (1,089.0) | 9.6% |
| Gain on disposal of a subsidiary and an associate | 219.7 | 153.2 | 66.5 | 43.4% |
| Other operating cost, net | (45.6) | (26.5) | (19.1) | 72.1% |
| **Profit from operating activities** | **1,311.6** | **1,642.2** | **(330.6)** | **(20.1%)** |
| Gain/(loss) on investment activities. net | 162.4 | 23.5 | 138.9 | 591.1% |
| Finance costs, net | (1,081.9) | (649.9) | (432.0) | 66.5% |
| Share of the profit of associates accounted for using the equity method | 29.7 | 94.5 | (64.8) | (68.6%) |
| **Gross profit for the period** | **421.8** | **1,110.3** | **(688.5)** | **(62.0%)** |
| Income tax | (110.2) | (209.2) | 99.0 | (47.3%) |
| **Net profit for the period** | **311.6** | **901.1** | **(589.5)** | **(65.4%)** |
| ***EBITDA*** | ***3,231.2*** | ***3,471.2*** | ***(240.0)*** | ***(6.9%)*** |
| ***EBITDA margin*** | ***23.7%*** | ***26.9%*** | ***-*** | ***(3.2 p.p.)*** |
| Gain on disposal of a subsidiary and an associate | 219.7 | 153.2 | 66.5 | 43.4% |
| Costs of supporting Ukraine | - | (34.1) | 34.1 | n/a |
| ***EBITDA adjusted*** | ***3,011.5*** | ***3,352.1*** | ***(340.6)*** | ***(10.2%)*** |
| ***EBITDA adjusted margin*** | ***22.1%*** | ***26.0%*** | ***-*** | ***(3.9 p.p.)*** |

### *Revenue*

Our **total revenue** increased by PLN 711.0 million (+5.5% YoY) to PLN 13,626.3 million in 2023, primarily as a result of very good sales of equipment in the period under review and the consolidation of revenues from the sale of energy generated in the green energy segment.

Excluding the impact of the consolidation of the results of PAK-PCE Group, consolidated total revenue amounted to PLN 12,996.2 million (+0.6% YoY).

| [mPLN] | for the 12-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [%] |
| Retail revenue | 6,987.1 | 6,952.1 | 35.0 | 0.5% |
| Wholesale revenue | 3,379.9 | 3,531.7 | (151.8) | (4.3%) |
| Sale of equipment | 1,921.7 | 1,805.1 | 116.6 | 6.5% |
| Energy revenue | 557.6 | - | 557.6 | n/d |
| Other revenue | 780.0 | 626.4 | 153.6 | 24.5% |
| **Revenue** | **13,626.3** | **12,915.3** | **711.0** | **5.5%** |

**Retail revenue** increased by PLN 35.0 million (+0.5%) YoY.

**Wholesale revenue** decreased by PLN 151.8 million (-4.3%) YoY, due to the recognition of lower interconnection revenue, resulting from the gradual regulatory reduction of MTR rates, and lower revenue from the sale of TV sublicenses. This decrease was partially compensated by higher advertising and sponsorship revenue.

Revenue from the **sale of equipment** increased by PLN 116.6 million (+6.5%) YoY, principally as a result of an increased share of more expensive smartphone models.

In connection with the consolidation of PAK-PCE Group's results using the full method, as of July 3, 2023, the Group recognizes **energy revenue**, which include revenue from the sale of electricity from production and resale of energy, revenue from the sale of heat and revenue from the sale of property rights, particularly certificates of origin. In 2023, the Group recognized energy revenue for the consolidation period, i.e. from July 3, 2023 to December 31, 2023, in the amount of PLN 557.6 million, of which revenue from the sale of own electricity production accounted for PLN 161.5 million and revenue from energy resale accounted for PLN 352.4 million.

**Other revenue** increased by PLN 153.6 million (+24.5%) YoY. The most important factors behind the growth in this revenue category include mainly increasing interest revenue from installment sales and higher revenues from operations on the photovoltaic market. In parallel, in connection with the consolidation of PAK-PCE Group from July 3, 2023, the Group recognizes in this revenue item revenue streams related to its energy business, in particular revenue from the sale of hydrogen buses, hydrogen and gas. The impact of PAK-PCE Group's consolidation on other revenue amounted to PLN 72.6 million in the period from July 3 to December 31, 2023.

### *Operating costs*

Our **operating costs** increased by PLN 1,089.0 million (+9.6%) YoY to PLN 12,488.8 million in 2023. The main drivers of the increase in operating costs were continued high inflation and the consolidation of costs of PAK-PCE Group.

Excluding the impact of consolidation of PAK-PCE Group's results, consolidated operating costs amounted to PLN 11,860.5 million (+4.0% YoY).

| [mPLN] | for the 12-month period ended December 31 | | change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [%] |
| Technical costs and cost of settlements with telecommunication operators | 3,332.7 | 3,271.5 | 61.2 | 1.9% |
| Depreciation, amortization, impairment and liquidation | 1,900.4 | 1,829.0 | 71.4 | 3.9% |
| Cost of equipment sold | 1,539.9 | 1,454.4 | 85.5 | 5.9% |
| Content costs | 2,126.1 | 2,063.9 | 62.2 | 3.0% |
| Distribution, marketing, customer relation management and retention costs | 1,026.9 | 1,035.0 | (8.1) | (0.8%) |
| Cost of energy sold, includes | 523.3 | - | 523.3 | n/a |
| *Depreciation* | *17.8* | - | *17.8* | *n/a* |
| Salaries and employee-related costs | 1,158.2 | 1,034.0 | 124.2 | 12.0% |
| Cost of debt collection services and bad debt allowance and receivables written off | 121.0 | 97.8 | 23.2 | 23.7% |
| Other costs, includes | 760.3 | 614.2 | 146.1 | 23.8% |
| *Depreciation* | *1.4* | - | *1.4* | n/a |
| **Operating costs** | **12,488.8** | **11,399.8** | **1,089.0** | **9.6%** |

**Technical costs and cost of settlements with telecommunication operators** increased by PLN 61.2 million (+1.9%) YoY. This increase, caused mainly by higher network maintenance costs due to higher costs of electricity and inflation indexation of rental contracts, was largely offset by lower costs of interconnect settlements due to the successive regulatory reduction of MTR rates.

**Depreciation, amortization, impairment and liquidation costs** increased by PLN 71.4 million (+3.9%) YoY, due to, among others, the recognition of depreciation, amortization, impairment and liquidation costs of Port Praski Group acquired in April 2022 and from amortizing trademarks owned by Telewizja Polsat due to the change in their useful lifetime from indefinite to finite. Moreover, as a result of the consolidation of PAK-PCE Group, we recognized additional depreciation, amortization, impairment and liquidation expenses of PLN 9.4 million for the period from July 3 to December 31, 2023. At the same time, we would like to point out that depreciation and amortization in the green energy segment are also included in the cost of energy sold and the cost of buses sold (in the item Other costs).

The **cost of equipment sold** increased by PLN 85.5 million (+5.9%) YoY as a result of a highershare of more expensive models of smartphones in the sales mix, which corresponds with increased revenue from the sale of equipment.

**Content costs** increased by PLN 62.2 million (+3.0%) YoY, mainly as a result of higher costs of internal production and licenses as well as investments aimed at increasing the attractiveness of our TV channels' programming and pay TV packages.

**Distribution, marketing, customer relation management and retention costs** remained relatively stable YoY.

In connection with the consolidation of the results of PAK-PCE Group as of July 3, 2023, the Group recognized **costs of energy sold** in the amount of PLN 523.3 million, of which PLN 17.8 million was depreciation and amortization.

**Salaries and employee-related costs** increased by PLN 124.2 million (+12.0%) YoY, mainly due to the increased headcount and persisting inflationary pressure on salaries. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 7.3 million in the period from July 3, 2023 to December 31, 2023.

Average headcount in the Group increased by 372 FTEs (+4.9%) YoY, which was mainly an effect of the changes in the Group structure in the last 12 months, in particular, the acquisition of 69 points of sales by Liberty Poland, our subsidiary managing the distribution network, in December 2022, and the consolidation of PAK-PCE Group from July 2023.

| Average employment | for the 12-month period ended December 31 | | Change | |
|---|---|---|---|---|
| | 2023 | 2022 | [FTEs] | [%] |
| Permanent workers not engaged in production(1) | 8,020 | 7,648 | 372 | 4.9% |

(1) Excluding workers who did not perform work in the reporting period due to long-term absences.

**Cost of debt collection services and bad debt allowance and receivables written off** increased by PLN 23.2 million (+23.7%) YoY, as a result of adjusting the level of write-offs on receivables to reflect very good sales in the installment plan model while maintaining a high repayment ratio.

**Other costs** increased by PLN 146.1 million (+23.8%) YoY, which was related, among others, to the recognition of higher cost of operations in the photovoltaics market and higher property maintenance costs, due to higher electricity costs and inflationary pressure on rental fees.

The impact of the consolidation of PAK-PCE Group on this cost item amounted to PLN 91.3 million for the period from July 3, 2023 to December 31, 2023, and includes in particular the costs of gas sold and buses sold, including depreciation of PLN 1.4 million.

In the twelve-month period ended December 31, 2023, the Group recognized a **gain on the disposal of subsidiaries and associates** of PLN 219.7 million. It resulted mainly from the disposal of a 12.82% stake held by the Group in Asseco Poland S.A. under the tender offer for the sale of shares announced by Asseco at a price of PLN 80.0 per share, and the revaluation of the 10.13% stake of Asseco shares remaining in the Group's possession to market value.

**Other operating cost, net** amounted to PLN 45.6 million in 2023 and was higher by PLN 19.1 million (+72.1%) YoY. In the comparative period, the support provided to Ukraine in the face of war was recognized in this cost category while in the period under review it included additional provisions.

**EBITDA** amounted to PLN 3,231.2 million (-6.9% YoY).

**Adjusted EBITDA** excluding the gain on disposal of subsidiaries and associates amounted to PLN 3,011.5 million (-10.2% YoY) in 2023, with EBITDA margin at 22.1%. The main factor behind the decline in adjusted EBITDA on the backdrop of positive growth dynamics of revenue was general inflationary pressure on operating costs. EBITDA was positively impacted by the consolidation of the results of PAK-PCE Group, which generated PLN 24.6 million in EBITDA in the period from July 3, 2023 to December 31, 2023.

**Gain on investment activities, net** amounted to PLN 162.4 million in 2023 and was higher by PLN 138.9 million than in the comparative period, mainly due to the recognition of the impact of the settlement of the acquisition of control over PAK-PCE in the amount of PLN 67.4 million and the recognition of higher interest income.

**Finance costs, net** increased by PLN 432.0 million (+66.5%) YoY. The main driver behind the increase in finance costs, net was an increase in the level of the Group's debt service costs by PLN 512.5 million resulting from a higher level of gross debt and persistently high interest rates in 2023. In the twelve-month period ended December 31, 2023 the Group recognized a one-time income of PLN 20.8 million resulting from the modification of cash flows following the conversion of part of the Series B and C Bonds into Series D and E Bonds and paid a premium for early redemption of part of Series B and C Bonds. At the same time, the level of net financial costs was affected by a number of non-cash factors, including, among others, the recognition of a positive foreign exchange impact from the valuation of the euro-denominated tranche of the SFA in the amount of PLN 82.1 million and a one-off cost of PLN 20.8 million related to the early repayment of the loan.

Moreover, an important factor affecting the change in net finance costs was the recognition of a significant positive revaluation of hedging instruments in the comparative period, resulting from the successive increases in interest rates implemented by the NBP in 2022, while in 2023 the revaluation of hedging instruments had a negative impact on the level of finance costs.

The **share of the profit of associates accounted for using the equity method** amounted to PLN 29.7 million in 2023 and was lower by PLN 64.8 million than in the comparative period. This result is the net effect of recognizing a share in the profit of Asseco Poland S.A. until September 21, 2023 and a share in the loss of PAK-PCE until July 3, 2023. After taking control of PAK-PCE, PAK-PCE Group's results are consolidated using the full method starting July 3, 2023. As a result of the disposal of the 12.82% stake in Asseco Poland on September 21, 2023 the share in Asseco Poland S.A.'s profit is no longer recognized in this category.

**Net profit** for 2023 decreased by PLN 589.5 million (-65,4%) YoY to PLN 311.6 million. The decline was caused mainly by significantly higher finance costs and continued inflationary pressure on operating costs.

### 4.2.2. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- media segment,
- green energy segment (starting from July 3, 2023) and,
- real estate segment (starting from April 1, 2022).

The Group conducts its operating activities primarily in Poland.

The activities of the Group are grouped into segment with distinguishable scope of operations where services are rendered and merchandise delivered in a specific economic environment. Activities of defined segments are characterized by differeant risk levels and different investment returns from those of the Group's other segments. The operating segments also represent reportable segments of the Group.

The operations carried out within each segment are described in detail in item 2 of this Report – *Our business*.

Management evaluates the operating segments' results based on EBITDA. The EBITDA reflects the Group's ability to generate cash in a stable environment. The Group defines EBITDA as profit from operating activities increased by depreciation, amortization, impairment and liquidation (including depreciation included in the energy and buses production costs). EBITDA is not an EU IFRS measure and thus its calculations may differ among different entities.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the twelve-month period ended December 31, 2023.

| Financial year ended December 31, 2023 [mPLN] | B2C and B2B services segment | Media segment | Real estate segment | Green energy segment | Consolidation adjustments | Total |
|---|---|---|---|---|---|---|
| Revenues from sales to third parties | 10,646.6 | 2,206.2 | 133.6 | 639.9 | - | 13,626.3 |
| Inter-segment revenues | 65.6 | 263.8 | 48.6 | 131.7 | (509.7) | - |
| **Revenues** | **10,712.2** | **2,470.0** | **182.2** | **771.6** | **(509.7)** | **13,626.3** |
| **EBITDA adjusted (unaudited)** | **2,493.1** | **472.0** | **27.0** | **24.5** | **(5.1)** | **3,011.5** |
| Gain on disposal of a subsidiary and an associate | 219.7 | - | - | - | - | 219.7 |
| **EBITDA (unaudited)** | **2,712.8** | **472.0** | **27.0** | **24.5** | **(5.1)** | **3,231.2** |
| Depreciation, amortization, impairment and liquidation | 1,713.2 | 155.3 | 22.5 | 9.4 | - | 1,900.4 |
| Depreciation included in energy and bus production costs | - | - | - | 19.2 | - | 19.2 |
| **Profit/(loss) from operating activities** | **999.6** | **316.7** | **4.5** | **(4.1)** | **(5.1)** | **1,311.6** |
| Acquisition of property, plant and equipment and other intangible assets | 792.7 | 74.0 | 24.6 | 710.6 | - | 1,601.9 |
| Acquisition of reception equipment | 145.8 | - | - | - | - | 145.8 |
| Balance as at December 31, 2023 | | | | | | |
| Assets, including: | 26,461.4 | 6,520.1[1)] | 1,471.2 | 4,603.0 | (1,879.0) | 37,176.7 |
| Investments in joint venture and associates | - | - | 10.1 | - | - | 10.1 |

1) Includes non-current assets located outside of Poland in the amount of PLN 5.7 million.

All material revenues are generated in Poland.

It should be noted that the financial data for the twelve-month periods ended December 31, 2023 and December 31, 2022 allocated to the B2C and B2B services segment, the media segment and the real estate segment are not fully comparable due to changes in the Group's structure which were described in item 1.5. of this Report – *Changes in the organizational structure of Polsat Plus Group and their effects* – and item 1.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the twelve-month period ended December 31, 2022.

| Financial year ended December 31, 2022 [mPLN] | B2C and B2B services segment | Media segment | Real estate segment | Consolidation adjustments | Total |
|---|---|---|---|---|---|
| Revenues from sales to third parties | 10,622.2 | 2,186.4 | 106.7 | - | **12,915.3** |
| Inter-segment revenues | 59.4 | 237.8 | 76.7 | (373.9) | **-** |
| **Revenues** | 10,681.6 | 2,424.2 | 183.4 | (373.9) | **12,915.3** |
| **EBITDA adjusted (unaudited)** | **2,834.0** | **506.0** | **17.2** | **(5.1)** | **3,352.1** |
| Gain/(loss) on disposal of a subsidiary | 113.4 | - | 39.8 | - | **153.2** |
| Costs of supporting Ukraine | (33.0) | (1.1) | - | - | **(34.1)** |
| **EBITDA (unaudited)** | **2,914.4** | **504.9** | **57.0** | **(5.1)** | **3,471.2** |
| Depreciation, Amortization, impairment and liquidation | 1,703.6 | 109.7 | 15.7 | - | **1,829.0** |
| **Profit/(loss) from operating activities** | **1,210.8** | **395.2** | **41.3** | **(5.1)** | **1,642.2** |
| Acquisition of property, plant and equipment and other intangible assets | 964.2 | 117.0 | 33.2 | - | **1,114.4** |
| Acquisition of reception equipment | 113.6 | - | - | - | **113.6** |
| Balance as at December 31, 2022 | | | | | |
| Assets, including: | 24,485.9 | 6,465.6(1) | 1,596.3 | (241.2) | **32,306.6** |
| Investments in joint venture and associates | 1,801.6 | 5.9 | 82.6 | - | **1,890.1** |

1) Includes non-current assets located outside of Poland in the amount of PLN 5.9 million.

### 4.2.3. Balance sheet analysis

As at December 31, 2023, our balance sheet amounted to PLN 37,176.7 million and was higher by PLN 4,870.1 million (+15.1%) compared to the balance as at December 31, 2022.

***Assets***

| [mPLN] | December 31 2023 | December 31 2022 | Change [mPLN] | Change [%] |
|---|---|---|---|---|
| Property, plant and equipment | 6,494.3 | 3,882.9 | 2,611.4 | 67.3% |
| Goodwill | 10,980.2 | 10,818.1 | 162.1 | 1.5% |
| Customer relationships | 300.2 | 643.7 | (343.5) | (53.4%) |
| Brands | 1,979.7 | 2,060.9 | (81.2) | (3.9%) |
| Other intangible assets | 4,835.8 | 3,340.6 | 1,495.2 | 44.8% |
| Right-of-use assets | 644.6 | 527.0 | 117.6 | 22.3% |
| Non-current programming assets | 304.8 | 501.8 | (197.0) | (39.3%) |
| Investment property | 700.0 | 647.0 | 53.0 | 8.2% |
| Non-current deferred distribution fees | 85.0 | 79.8 | 5.2 | 6.5% |
| Non-current trade receivables | 968.1 | 930.0 | 38.1 | 4.1% |
| Non-current loans granted | 10.9 | 325.6 | (314.7) | (96.7%) |
| Other non-current assets, includes: | 702.8 | 1,918.0 | (1,215.2) | (63.4%) |
| *shares in associates accounted for using the equity method* | *10.1* | *1,884.2* | *(1,874.1)* | *(99.5%)* |
| *shares in third parties valued in fair value through profit or loss* | *615.9* | *1.6* | *614.3* | *n/a* |
| *derivative instruments* | *35.2* | *17.4* | *17.8* | *102.3%* |
| Deferred tax assets | 142.8 | 99.9 | 42.9 | 42.9% |
| **Total non-current assets** | **28,149.2** | **25,775.3** | **2,373.9** | **9.2%** |
| Current programming assets | 678.2 | 699.2 | (21.0) | (3.0%) |
| Contract assets | 349.0 | 362.9 | (13.9) | (3.8%) |
| Inventories | 1,215.6 | 1,162.4 | 53.2 | 4.6% |
| Trade and other receivables | 2,947.1 | 2,751.3 | 195.8 | 7.1% |
| Current loans granted | 116.2 | 250.5 | (134.3) | (53.6%) |
| Income tax receivable | 20.0 | 5.0 | 15.0 | 300.0% |
| Current deferred distribution fees | 227.4 | 217.3 | 10.1 | 4.6% |
| Other current assets, includes: | 139.7 | 137.2 | 2.5 | 1.8% |
| *derivative instruments* | *21.6* | *63.9* | *(42.3)* | *(66.2%)* |
| Cash and cash equivalents | 3,306.0 | 808.5 | 2,497.5 | 308.9% |
| Restricted cash | 19.7 | 9.3 | 10.4 | 111.8% |
| **Total current assets** | **9,018.9** | **6,403.6** | **2,615.3** | **40.8%** |
| Assets held for sale, includes | 8.6 | 127.7 | (119.1) | (93.3%) |
| *Cash and cash equivalents* | *1.2* | *-* | *1.2* | *n/a* |
| **Total assets** | **37,176.7** | **32,306.6** | **4,870.1** | **15.1%** |

The value of non-current assets amounted to PLN 28,149.2 million (75.7% of total assets) as of December 31, 2023 and increased by PLN 2,373.9 million (+9.2%) compared to the balance at the end of 2022 while the value of current assets amounted to PLN 9,018.9 million (24.3% of total assets) increasing by PLN 2,615.3 million (+40.8%) compared to the balance as at December 31, 2022. The main reason for the increase in non-current and current assets was the consolidation of PAK-PCE Group as of July 3, 2023. With regard to non-current assets, this was primarily reflected in an increase in the value of property, plant and equipment in connection with the investments in renewable energy projects (+PLN 2,611.4 million, +67.3%). Furthermore, the consolidation of PAK-PCE Group was also one of the key factors behind the increase in goodwill (+PLN 162.1 million, +1.5%) and the value of rights of use (+117.6 million, +22.3%). On the current assets side, the consolidation of PAK-PCE Group mainly impacted the increase in inventories (+PLN 53.2 million, +4.6%) and trade and other receivables (+PLN 195.8 million, +7.1%) at the end of December 2023.

Simultaneously, as a result of the elimination on consolidation of loans granted to PAK-PCE after the transition to the full consolidation method, the balance of long- and short-term loans granted decreased by PLN 449.0 million (-77.9%) compared to the balance at the end of December 2022.

The value of other non-current assets at the end of December 2023 decreased by PLN 1,215.2 million (-63.4%) compared to the balance at the end of December 2022. This decrease was due to the sale of a 12.82% stake in Asseco Poland S.A. and the acquisition of control over the PAK-PCE Group (change in consolidation method), partially offset by the revaluation to fair value of the 10.13% stake in Asseco Poland S.A. held by the Company.

As of the end of December 2023, the value of customer relationships decreased by PLN 343.5 million (-53.4%) as a result of successive amortization accruals. The balance of other intangible assets increased by PLN 1,495.2 million (+44.8%) which was due to the consolidation of PAK-PCE Group and also to the renewal of the frequency reservation in the 900 MHz band in July 2023 and the acquisition of a block in the 3.4-3.8 GHz band in the 5G auction.

During the twelve-month period ended December 31, 2023 the value of non-current and current programming assets decreased by PLN 218.0 million (-18.2%), which was associated mainly with the gradual debiting of costs of previously purchased film licenses and sports rights.

In 2023, the balance of cash and cash equivalents increased by PLN 2,507.9 million as a result of the refinancing of bank loans, the issuance of Series D, E and F Bonds, partial early redemption of Series B and C Bonds and the proceeds from the disposal of a 12.82% stake in Asseco Poland S.A. in the amount of PLN 850.5 million.

### *Equity and liabilities*

| [mPLN] | December 31 2023 | December 31 2022 | Change [mPLN] | Change [%] |
|---|---|---|---|---|
| Share capital | 25.6 | 25.6 | - | - |
| Share premium | 7,174.0 | 7,174.0 | - | - |
| Share of other comprehensive income of associates | - | 51.9 | (51.9) | (100.0%) |
| Other reserves | 2,752.8 | 2,815.9 | (63.1) | (2.2%) |
| Retained earnings | 8,334.1 | 8,057.6 | 276.5 | 3.4% |
| Treasury shares | (2,854.7) | (2,854.7) | - | - |
| **Equity attributable to equity holders of the Parent Company** | **15,431.8** | **15,270.3** | **161.5** | **1.1%** |
| Non-controlling interests | 873.4 | 540.5 | 332.9 | 61.6% |
| **Total equity** | **16,305.2** | **15,810.8** | **494.4** | **3.1%** |
| Loans and borrowings | 9,534.3 | 6,624.8 | 2,909.5 | 43.9% |
| Issued bonds | 3,955.4 | 1,900.4 | 2,055.0 | 108.1% |
| Lease liabilities | 444.6 | 345.6 | 99.0 | 28.6% |
| Deferred tax liabilities | 1,035.0 | 978.7 | 56.3 | 5.8% |
| Other non-current liabilities and provisions | 385.6 | 330.9 | 54.7 | 16.5% |
| *includes derivative instruments* | *24.0* | *4.3* | *19.7* | *458.1%* |
| **Total non-current liabilities** | **15,354.9** | **10,180.4** | **5,174.5** | **50.8%** |
| Loans and borrowings | 1,069.7 | 1,512.6 | (442.9) | (29.3%) |
| Issued bonds | 393.7 | 176.0 | 217.7 | 123.7% |
| Lease liabilities | 166.2 | 178.6 | (12.4) | (6.9%) |
| Contract liabilities | 682.2 | 606.8 | 75.4 | 12.4% |
| Trade and other payables | 3,172.6 | 3,767.1 | (594.5) | (15.8%) |
| *includes derivative instruments* | *20.2* | *2.1* | *18.1* | *861.9%* |
| Income tax liability | 31.4 | 74.3 | (42.9) | (57.7%) |
| **Total current liabilities** | **5,515.8** | **6,315.4** | **(799.6)** | **(12.7%)** |
| Liabilities held for sale | 0.8 | - | 0.8 | n/a |
| **Total liabilities** | **20,871.5** | **16,495.8** | **4,375.7** | **26.5%** |
| **Total equity and liabilities** | **37,176.7** | **32,306.6** | **4,870.1** | **15.1%** |

Equity increased by PLN 494.4 million (+3.1%), to PLN 16,305.2 million as at December 31, 2023. The increase in the value of equity is a net effect of the recognition of a net profit of PLN 311.6 million generated in 2023, as well as the disposal of a stake in Asseco Poland S.A., as a result of which no share in the comprehensive income of associates was recognized at the end of 2023, and the recognition of a lower value of non-controlling interests as a result of the acquisition of a 32% stake in Pantanomo Ltd. and the acquisition of control over PAK-PCE.

Total liabilities increased by PLN 4,375.7 million (+26.5%) and amounted to PLN 20,871.5 million as at December 31, 2023, of which current liabilities amounted to PLN 5,515,8 million and non-current liabilities amounted to PLN 15,354.9 million, constituting 26.4% and 73.6% of total liabilities, respectively.

The value of non-current liabilities increased by PLN 5.174,5 million (+50.8%), primarily due to an increase in the value of non-current liabilities related to issued bonds and loans and borrowings. Non-current bond liabilities increased by PLN 2,055.0 million (+108.1%) following the issuance of the Series D, E and F Bonds in 2023, which was partially offset by the early redemption of a portion of the Series B and C bonds. Non-current liabilities from loans and borrowings increased by PLN 2,909.5 million (+43.9%) as a result of the refinancing of bank debt carried out in the second quarter of 2023 and the inclusion on PAK-PCE Group's balance sheet of non-current liabilities from loans and borrowings due to the transition to the full consolidation method as of July 3, 2023. The consolidation of PAK-PCE Group also translated into the increase in the balance of long-term lease liabilities (+PLN 99.0 million, +28.6% compared to the balance at the end of December 2022).

Compared to the end of December 2022, the value of current liabilities decreased by PLN 799.6 million (-12.7%). This change was mainly the result of a decrease in current liabilities from trade and other payables by PLN 594.5 million (-15.8%) compared to the value at the end of 2022. The above mentioned decrease was due primarily to the settlement of the payment for the renewal of the frequency reservation in the 1800 MHz band in the beginning of 2023 and was partially offset by the recognition of higher trade liablities associated with the consolidation of the PAK-PCE Group and the implementation of green energy projects by its subsidiaries. Current liabilities from loans and borrowings were lower by PLN 442.9 million (-29.3%), primarily the result of refinancing bank debt and suspending principal payments until the third quarter of 2024.

### 4.2.4. Consolidated cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the twelve-month periods ended December 31, 2023 and December 31, 2022.

| [mPLN] | for the year ended December 31 | | Change | |
|---|---|---|---|---|
| | 2023 | 2022 | [mPLN] | [% / p.p.] |
| **Net cash from operating activities** | **2,392.4** | **1,761.7** | **630.7** | **35.8%** |
| **Net cash used in investing activities, incl.** | **(2,215.7)** | **(1,876.6)** | **(339.1)** | **18.1%** |
| Capital expenditures | *(1,601.9)* | *(1,114.4)* | *(487.5)* | *43.7%* |
| **Net cash used in financing activities** | **2,336.2** | **(2,705.7)** | **5,041.9** | **n/a** |
| Net increase/(decrease) in cash and cash equivalents | 2,512.9 | (2,820.6) | 5,333.5 | n/a |
| Cash and cash equivalents at the beginning of the period | 817.8 | 3,644.3 | (2,826.5) | *(77.6%)* |
| **Cash and cash equivalents at the end of the period** | **3,325.7** | **817.8** | **2,507.9** | **306.7%** |

#### *Net cash from operating activities*

Net cash received from operating activities amounted to PLN 2,392.4 million in 2023 and increased by PLN 630.7 million (+35.8%) YoY, mainly due to the recognition in the comparative period of a one-time tax payment of PLN 867.9 million resulting from the gain on sale of the Group’s mobile infrastructure in 2021. On the other hand, net cash generated from operating activities for the period was under pressure from lower EBITDA and a higher value of working capital employed, which resulted among others from the increasing level of installment receivables related to strong sales of equipment.

#### *Net cash used in investing activities*

Net cash used in investing activities amounted to PLN 2,215.7 million in 2023 and was higher by PLN 339.1 million (+18.1%) YoY. In 2023, the Group recorded expenses related to license payments of PLN 1,345.9 million (+831.9 million, +161.8% YoY), especially in connection with the renewal of the frequency reservation in the 1800 MHz band in January 2023 in the amount of PLN 847.0 million, in the 900 MHz band in July 2023 in the amount of PLN 300.3 million, and the downpayment in the 5G auction in the amount of PLN 182.0

million (the remaining part of the 5G frequency reservation in the amount of PLN 266.6 million was paid in January 2024).

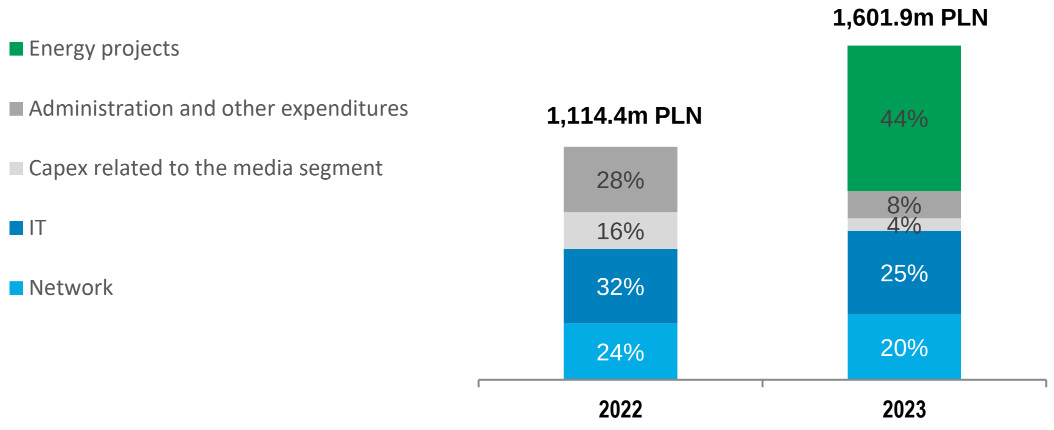
In the analyzed period, we recognized PLN 913.8 million (+156.4 million, +20.6% YoY) in proceeds from the disposal of a 12.82% stake in Asseco Poland S.A. and a 100% stake in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. At the same time, in 2023 we recorded an outflow, net of cash acquired, of PLN 84.9 million from the acquisition of shares in PAK-PCE sp. z o.o., 4FUN sp. z o.o., naEKRANIE.pl sp. z o.o., Pantanomo Ltd. and the repurchase of shares in Port Praski City II sp. z o.o. and Port Praski Medical Center sp. z o.o. from HB Reavis.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 1,601.9 million in 2023 and increased by PLN 487.5 million (+43.7%) YoY. The increase was mainly due to the consolidation of PAK-PCE Group, which is implementing a large-scale investment program aimed at developing our business in the new strategic area of clean energy and green hydrogen production. Investment spending in the renewable energy area is concentrated in the initial phase of projects and once the project becomes operational, replacement and maintenance capex expenses are negligible. In the TMT area, which includes the B2C and B2B services and media segments, the capex-to-revenue ratio remains low at 6.6% for the twelve months ended December 31, 2023.

In 2023 the most substantial capital expenditures included:

- implementation of wind and photovoltaic farm projects;
- expenditures related to hydrogen projects, in particular the construction of hydrogen refueling stations and the production of hydrogen-powered buses;
- expenditures related to the project of the comprehensive modernization and exchange of the IT environment of the Group;
- expenditures related to infrastructure development and maintenance, including: expansion of the core network, fiber optic cables and radio links to increase capacity for data transmission;
- expenditures related to the development of our content services, including, among others, Internet projects, set-top boxes and the development of functionalities of applications and streaming platforms;
- administrative expenditures, including in particular the development and maintenance of real estate.

**Capex decomposition in years 2022-2023**




### *Net cash from finance activities*

Net cash received from financing activities amounted to PLN 2,336.2 million in four quarters of 2023 compared to PLN 2,705.7 million of net cash used in financing activities in the comparative period. This increase was due to the refinancing of debt from bank loans and bonds which included the conclusion of a new senior facilities agreement with a consortium of banks in April 2023, the issuance of Series D Bonds worth PLN 2.67 billion in January 2023, Series E Bonds worth PLN 820.0 million in September 2023 and Series F Bonds worth PLN 400.0 million in December 2023 and the early redemption of a portion of Series B and C bonds (for details, see item 4.3 of this Report – *External financing*). The increase in net cash used in financing activities was partially offset by higher interest on loans, borrowings and bonds and commissions paid, which amounted to PLN 1,203.3 million for 2023, and increased by PLN 586.4 million (+95.1%) YoY. The increase in the Group's debt service costs was related to the higher level of gross debt, on the one hand, and persistently high interest rates, on the other.

## 4.3. External financing

We maintain cash to fund the day-to-day requirements of our business. Our objective is to ensure cost-efficient access to various financing sources, including bank loans, bonds and other borrowings.

We believe that cash balances and cash generated from our current operations, as well as funds available under our revolving credit facilities should be sufficient to satisfy the future needs related to our operating activities, development of our services, service of our debt as well as for the execution of investment plans in the field of the Company’s current activity.

### 4.3.1. Indebtedness

The table below presents a summary of the financial debt of the Group as at December 31, 2023.

| | Balance value as at December 31, 2023 [mPLN] |
|---|---|
| Loans and borrowings liabilities, including: | 10,604.0 |
| *loans and borrowings liabilities excluding project financing* | 9,377.5 |
| *project financing liabilities* | 1,226.5 |
| *liabilities under the revolving credit facility* | - |
| Bond liabilities | 4,349.1 |
| Leasing and other liabilities | 610.8 |
| **Gross debt** | 15,563.9 |
| Cash and cash equivalents(1) | 3,307.2 |
| **Net debt** | 12,257.9 |
| EBITDA LTM(2) | 3,212.3 |
| **Total net debt / EBITDA LTM** | **3.82x** |
| **Net debt / EBITDA LTM, excluding project financing(3)** | **3.51x** |
| Weighted average interest cost of loans and bonds(4) | 8.5% |

(1) Includes cash and cash equivalents held for sale.

(2) Consolidated EBITDA LTM adjusted for non-controlling interests.

(3) EBITDA LTM and net debt of companies using project financing are excluded from the calculation of the ratio.

(4) Prospective average weighted interest cost of the Group's debt (including the Revolving Credit Facility) as of December 29, 2023 assuming WIBOR 1M of 5.80%, WIBOR 6M of 5.82% and EURIBOR 1M of 3.85%, excluding hedging instruments project financing and leases.

#### *Conclusion of the Senior Facilities Agreement*

On April 28, 2023, the Company and Polkomtel, as the borrowers, concluded the Senior Facilities Agreement, which provided for a PLN term facility loan up to PLN 7,255.0 million, a EUR term facility loan up to EUR 506.0 million and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million. The loan was disbursed on May 16, 2023.

On May 16, 2023, Cyfrowy Polsat and Polkomtel made an early repayment of the entire term loan and revolving credit facility granted under the senior facilities agreement concluded on September 21, 2015, as amended by agreements dated March 2, 2018 and April 27, 2020, in the amount of PLN 8,843.7 million.

The Senior Facilities Agreement is linked to sustainability goals, set out by the Company in the Sustainability-Linked Financing Framework of Polsat Plus Group, which is compliant with the ICMA standard.

#### *Bond issues*

Based on the resolution of November 29, 2022, the Company established a Bond Issuance Program with the total maximum nominal value of PLN 4,000 million under which the Company was able to incur financial indebtedness through the issuance of unsecured PLN bearer bonds of the Company and to undertake actions aimed at possible refinancing of the Company's indebtedness under the Series B and Series C bonds. As part of the Bond Issuance Program, in 2023 the Company issued:

- on January 11, 2023, 2,670,000 unsecured sustainability-linked Series D bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 2,670.0 million, maturing on January 11, 2030;

- on September 28, 2023, 820,000 unsecured sustainability-linked Series E bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 820 million which were assimilated with the Series D Bonds, maturing on January 11, 2030;
- on December 31, 2023, 400,000 unsecured sustainability-linked Series F bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 400 million, maturing on January 11, 2030. All Series F Bonds were allotted to one investor, i.e., PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych.

As part of the ongoing refinancing process, during the period under review, the Company repurchased for redemption:

- 691,952 unsecured Series B bearer bonds with the aggregate nominal value of PLN 692.0 million and 835,991 unsecured Series C bearer bonds with the aggregate nominal value of PLN 836.0 million on January 11, 2023;
- 84.250 unsecured Series B bearer bonds with the aggregate nominal value of PLN 84.3 million and 75,956 unsecured Series C bearer bonds with the aggregate nominal value of PLN 76.0 million on September 28, 2023.

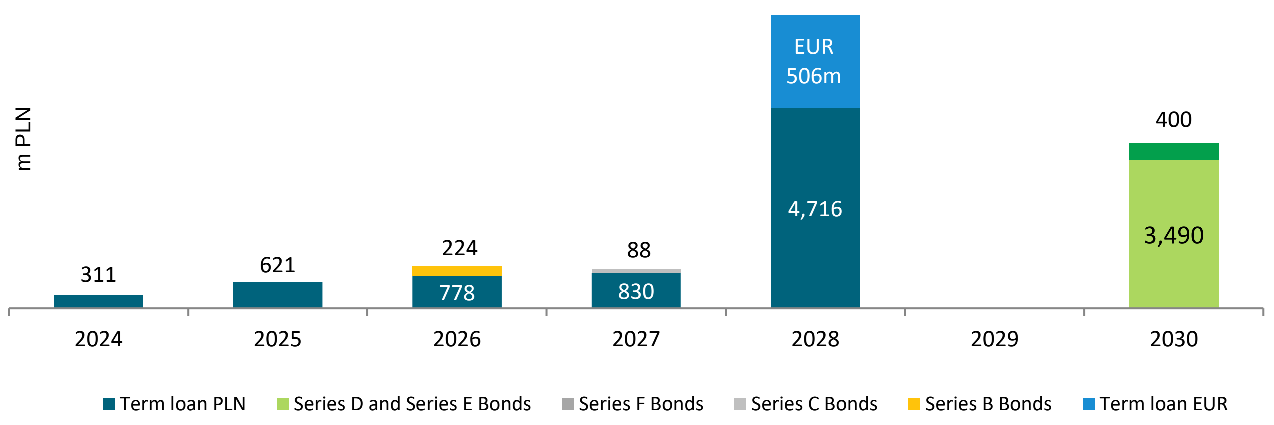
After the balance sheet date, on February 5, 2024 the Company repurchased for redemption 223,798 unsecured Series B bearer bonds with the aggregate nominal value of PLN 223.8 million and 88,053 unsecured Series C bearer bonds with the aggregate nominal value of PLN 88.1 million. In connection with the early redemption, all Series B Bonds and Series C Bonds were retired.

After the redemption of Series B and Series C Bonds, bonds listed in the Alternative Trading System operated by the WSE on the Catalyst market include 3,490,000 Series D and Series E bonds while Series F bonds are not listed.

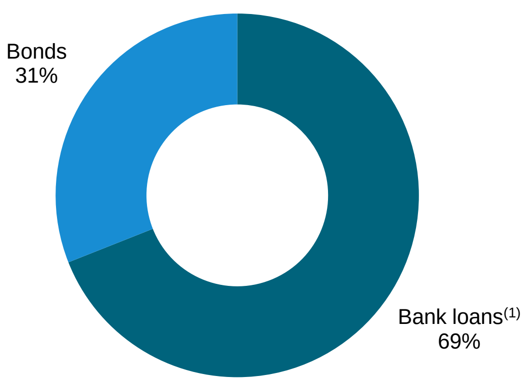
### *Debt structure and maturity*

The graphs below present the maturity profile and the structure of the Group's debt by type and currency, expressed in nominal terms, excluding liabilities arising from project financing, the revolving credit facility and leases, as of December 31, 2023.

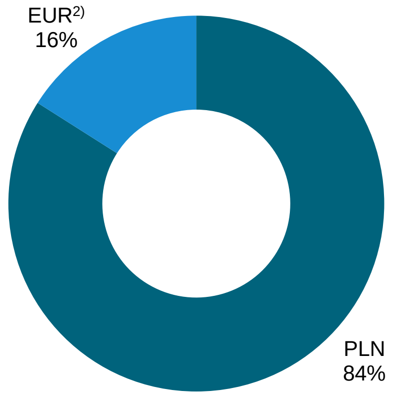
**Maturity profile of debt under the Senior Facitlies Agreement and bonds as of December 31, 2023**




**Debt structure by instrument type(1) as at December 31, 2023**




**Debt structure by currency(1) as at December 31, 2023**




(1) Excluding project financing liabilities, the revolving credit facility and leases.

(2) EUR tranche under the SFA (EUR 506 million) converted into PLN at the exchange rate on the balance sheet date.

### *Project financing*

With the commencement of the consolidation of PAK-PCE Group using the full consolidation method as of July 3, 2023, liabilities under loans and credits granted to PAK-PCE and investment loans granted to PAK-PCE subsidiaries (project companies) for certain investment projects related to the development of low- and zero-carbon energy sources (project financing) were recognized on the consolidated balance sheet (details in item 4.3.2. - *Significant financing agreements*). The indebtedness under project financings is in each case independent and separate from the Group's financing under the Senior Facility Agreement or the Company's issued bonds (corporate financing). Project financings are based on project companies' assets separated from the Group, their separate financial models and ratios (financial covenants) based on stand-alone financial statements, separately defined breaches, separate collateral packages, and serviced with cash generated by the project companies. There is no recourse between corporate financing and project financing.

The Senior Facility Agreement does not allow companies other than project companies to guarantee or secure obligations under project financings, and restricts transactions between project companies and other Group companies.

### *Sustainable financing*

In November 2022, we adopted Polsat Plus Group's Sustainability-Linked Financing Framework linking Polsat Plus Group's external financing to its long-term sustainability goals. We use the financing framework for issuance of debt instruments linked to sustainable development, both in the form of loans and bonds. Currently, all of our external financing is sustainability linked.

In order to ensure transparency of the goals pursued, the Group has decided to develop and implement measurable KPIs, which are reported periodically. In addition, the reported achievement of environmental goals will be audited and certified by an independent expert annually. The SFA is linked to KPIs 2 and 4 outlined in the Framework, while the Bonds are linked to KPI 4. Below is the level of achievement of our quantified long-term environmental targets in 2023.

| KPI | Target for 2025 | Target for 2026 | Target for 2030 | Base year | Performance in 2023 |
|---|---|---|---|---|---|
| #1: Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions (eq$CO_2$ tons/year) | Reduction by 75% | | Reduction by 80% | 2019 | 95% |
| #2: Energy production from Renewable Energy Sources (GWh/year)(1) | 800 GWh/year | | 1600 GWh/year | 2021 | 665.2 GWh |
| #3: Production of green hydrogen (tons/year) | 1500 tonnes/year | | 3000 tonnes/year | 2021 | 0 |
| #4: Share of zero-emission energy in the energy mix used by Polsat Plus Group (%)(2) | 25% | 30%(3) | 50% | 2019 | 5.6% |

(1) Applies to Polsat Plus Group companies with data for the entire year 2023 for companies in the green energy segment.
(2) Applies to Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. and Netia S.A.
(3) Target applicable only to sustainability-lined Bonds Series D, E and F.

## 4.3.2. Significant financing agreements

### *Senior Facilities Agreement of April 28, 2023*

On April 28, 2023, the Company and Polkomtel, as the borrowers, and Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Sp. z o.o., Muzo.fm Sp. z o.o. and Polsat Media Biuro Reklamy Sp. z o.o., as the guarantors, concluded the unsubordinated Senior Facilities Agreement, sustainability linked financing, with a consortium of Polish and foreign financial institutions led by Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A., Bank Polska Kasa Opieki S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., (Global Banking Coordinators) and Santander Bank Polska S.A. (ESG Senior Coordinator), ING

Bank Śląski S.A. and BNP Paribas Bank Polska S.A. (ESG Junior Coordinators) and including SMBC Bank EU AG, Bank of China Limited, Luxembourg Branch, Société Générale Spółka Akcyjna Oddział w Polsce, Bank Gospodarstwa Krajowego, Bank Millennium S.A., PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 1, mBank S.A., Credit Agricole Bank Polska S.A., Erste Group Bank AG, Credit Agricole Corporate and Investment Bank, Bank Ochrony Środowiska S.A., Alior Bank S.A., Powszechny Zakład Ubezpieczeń S.A., Powszechny Zakład Ubezpieczeń na Życie S.A., Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Oddział w Polsce, Haitong Bank S.A. Spółka Akcyjna Oddział w Polsce as well as Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent (the “Senior Facilities Agreement”, “SFA”).

The SFA governs the granting of a PLN term facility loan to the Company and Polkomtel up to a maximum amount of PLN 7,255.0 million, a EUR term facility loan up to a maximum amount of EUR 506.0 million (the “Term Facilities”) and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million (the “Revolving Facility”). The PLN and EUR portion of the Term Loan is PLN 679.5 million and EUR 356.0 million, respectively, for Cyfrowy Polsat and PLN 6,575.6 million and EUR 150.0 million, respectively, for Polkomtel.

The Term Facilities and the Revolving Facility have been or are being utilized by the Company in particular:

- to repay in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended;
- to make funds available to companies implementing investment projects defined in the Senior Facilities Agreement. and
- to finance general corporate needs of the Company’s capital group.

The Term Facilities and the Revolving Facility bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the Term Facilities and the Revolving Facility depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Company’s capital group in such a way that the lower the ratio, the lower the applicable margin, with the maximum margin level applicable when the debt ratio exceeds 4.50:1, and the minimum margin level when that ratio is equal to or less than 1.80:1. The margin of the Term Facilities and the Revolving Facility also depends on the achievement by the Company’s capital group of certain targets concerning green energy production and zero-carbon electricity consumption by certain entities from the Company’s capital group.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Senior Facilities Agreement and the final repayment date of each of these facilities is April 28, 2028. The PLN term facility will be repaid in quarterly installments of varying amounts. The EUR term facility will be repaid in one installment on the final repayment date.

In addition, pursuant to the terms of the Senior Facilities Agreement, the Company and other entities from its Group will have an option to take out additional facilities. The terms and conditions of such additional facilities will be determined each time in a separate additional facility accession deed and they will have to meet certain requirements that will depend on the debt ratio.

Pursuant to the Facilities Agreement, certain members of the Company’s capital group are to grant guarantees under the English law to each of the financing parties under the Senior Facilities Agreement and other finance documents executed in relation thereto (in the amount of the facility increased by all fees and receivables contemplated in the Senior Facilities Agreement or other finance documents executed in relation thereto). The guarantees secure:

(i) the timely discharge of the obligations under the Senior Facilities Agreement and other finance documents executed in relation thereto;

(ii) a payment of amounts due under the Senior Facilities Agreement and other finance documents executed in relation thereto and

(iii) an indemnification of the financing parties referred to above against any liabilities, costs and losses that such financing parties may incur in relation to the unenforceability, ineffectiveness or unlawfulness of any obligation secured by the guarantee described above.

The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

The Facilities Agreement provides for the establishment of collateral by the Company and other entities from Polsat Plus Group securing the repayment of loans granted thereunder. In the event that the debt ratio is equal to or less than 3.30:1, the Company may request to release collateral established in connection with the Senior Facilities Agreement. The released collateral will have to be re-established, if the debt ratio is higher than 3.30:1. In addition, in the event that certain entities from the Group incur any secured debt, a corresponding pari passu collateral will be provided to the Security Agent (acting, inter alia, for the benefit of the lenders under the Senior Facilities Agreement).

In order to secure the repayment of claims under the Senior Facilities Agreement, the Company, other Group companies listed below, as guarantors, and the Security Agent, entered into and signed agreements and other documents providing for the establishment of the following collateral:

(i) registered pledges over collections of movables and property rights of variable composition, included in the enterprises of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o.;

(ii) financial and registered pledges over all shares in Polkomtel sp. z o.o. and Telewizja Polsat sp. z o.o. held by the Company, as well as over all shares in Netia S.A. held by the Company, and all shares in Polsat Media Biuro Reklamy sp. z o.o. and Muzo.fm sp. z o.o. held by Telewizja Polsat sp. z o.o., and over all shares in Polsat Media sp. z o.o. held by the Company, Telewizja Polsat sp. z o.o. and Polsat Media Biuro Reklamy sp. z o.o., for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies;

(iii) financial and registered pledges over the receivables related to the bank accounts of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o., for which the applicable law is the Polish law;

(iv) powers of attorney to the bank accounts of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o., for which the applicable law is the Polish law;

(v) registered pledges over the rights to the trademarks of the Company, Polkomtel sp. z o.o., Telewizji Polsat sp. z o.o., Netia S.A., Polsat Media sp. z o.o., for which the applicable law is Polish law;

(vi) assignment of receivables for security under hedging agreements payable to the Company and Polkomtel sp. z o.o., for which the applicable law is English law;

(vii) assignment of rights for security under insurance agreements for real properties and assets made by the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o.;

(viii) statements of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o. on submission to enforcement under a notarial deed, for which the applicable law is Polish law;

(ix) a joint contractual mortgage, governed by Polish law, over the following real properties owned by or in perpetual usufruct of the Company: (a) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00104992/7, (b) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00102149/9, (c) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00103400/4, (d) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00131411/9, (e) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100110/3, (f) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100109/3, (g) land property located in Warsaw, Praga Północ district, land and mortgage register No. WA3M/00102615/7, (h) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00132063/1, (i) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00101039/8, (j) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00136943/2, (k) land held in perpetual usufruct and a building constituting a separate property located in Warsaw, Targówek district, in the area of ul. Utrata, land and mortgage register No. WA3M/00186120/2;

(x) a contractual mortgage, governed by Polish law, over land property located in Warsaw, Ursynów district, in the area of ul. Baletowa and Puławska, land and mortgage register No. WA5M/00478842/7, owned by Polkomtel;

(xi) a joint contractual mortgage, governed by Polish law, over the following properties owned or co-owned by Netia S.A.: (a) land property located in Jawczyce, Ożarów Mazowiecki commune, land and mortgage register WA1P/00133706/7, (b) land property located in Kraków, Podgórze district, in the area of ul. Luciany Frassati-Gawrońskiej, land and mortgage register KR1P/00359665/5, (c) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA2M/00142936/8, (d) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA5M/00468204/0, (e) land property located in Warsaw, Ursynów district, in the area of ul. Tango, land and mortgage register WA2M/00138733/4.

### *Series D, E and F Bonds*

On January 11, 2023, Cyfrowy Polsat issued 2,670,000 unsecured, sustainability-linked Series D bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 2,670.0 million, maturing on January 11, 2030. On September 28, 2023, Cyfrowy Polsat issued 820,000 unsecured, sustainability-linked Series E bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 820.0 million, which were assimilated with the Series D Bonds. On December 21, 2023, Cyfrowy Polsat issued 400,000 unsecured, sustainability-linked Series F bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 400.0 million, maturing on January 11, 2030.

The purpose of the issuance of the Series D, E and F Bonds was not specified. Part of the proceeds from the both issues was used to refinance the debt under the Series B Bonds and the Series C Bonds. The Series D and E Bonds were issued by way of a public offering addressed to professional clients. All Series F Bonds were allotted to one investor, i.e., PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów

Niepublicznych in a private offer, exclusively addressed only to one person. Detailed terms and conditions of the issuances, redemption and payment of interest are specified in the Series D, E and F Bonds Terms.

The interest rate on the Series D, E and F Bonds is variable and depends on both financial indicators and a sustainability-linked KPI, i.e., the share of electric energy produced from zero-emissions sources in the total electric energy usage for own needs of the four main operating companies of Polsat Plus Group (Cyfrowy Polsat, Telewizja Polsat, Polkomtel and Netia). The sustainability-linked KPI will be tested for the year 2026.

The interest rate on the Series D, E and F Bonds is based on the WIBOR rate for six-month deposits denominated in PLN, increased by a margin whose value depends on the value of the Leverage Ratio (defined in the Series D, E and F Bonds Terms as the ratio of the net financial indebtedness to EBITDA) and on the value of the sustainability-linked KPI:

(i) the margin amounts to 335 bps if the Leverage Ratio in the given period is less than or equal to 3.5:1,

(ii) the margin amounts to 385 bps if the Leverage Ratio in the given period is greater than 3.5:1 but less than or equal to 4.5:1,

(iii) the margin amounts to 435 bps if the Leverage Ratio in the given period is greater than 4.5:1.

(iv) if the value of the sustainability-linked KPI for 2026 is below 30% or the Company fails to provide a settlement of the value of the sustainability-linked KPI as part of the first Compliance Certificate made available after the end of 2026, the interest rate will be permanently increased by 25 bps.

The coupon on Series D, E and F bonds is paid biannually on January 11 and July 11.

In accordance with the provisions of the Series D, E and F Bonds Terms, the Company may exercise at any time an early redemption of all or part of the Series D, E and F Bonds, however, the early redemption may not apply to Bonds that constitute less than 10% of the total nominal value of the Series D, E and F Bonds, or all unredeemed Series D, E and F Bonds in the event that their aggregate nominal value is less than the amount indicated above. An early redemption may be exercised based on the Series D, E and F Bonds' nominal value together with the accrued interest and a possible premium for the early redemption.

If the early redemption, performed as a result of exercising the issuer's right to early redemption by the Company, occurs:

(i) before one year from the issuance date, the premium shall be equal to 3% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(ii) before two years from the issuance date but after one year from the issuance date, the premium shall be equal to 1.5% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(iii) before three years from the issuance date but after two years from the issuance date, the premium shall be equal to 0.75% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(iv) before four years from the issuance date but after three years from the issuance date, the premium shall be equal to 0.5% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(v) if the early redemption occurs after four years from the issuance date, the Series D, E and F Bonds shall be redeemed according to their nominal value,

(vi) in each case the premium shall be increased by 0.25% p.a. for the period between the early redemption date and the redemption date in the event that the SPT is not satisfied or the SPT settlement is not submitted as part of the first Compliance Certificate after the end of 2026, if the early redemption date falls after the date on which the Compliance Certificate for 2026 was delivered or was to be delivered.

Additionally, pursuant to the Series D and E Bonds Terms, the Company and its subsidiaries are obliged to maintain required levels of certain financial ratios and are subject to restrictions, with respect to (but not limited to):

(i) acquisition or taking up of shares in other companies,

(ii) extending guarantees or granting sureties, accession to debt or release from liability,

(iii) granting loans,

(iv) disposing of assets,

(v) payment of dividends or advance dividends, payment of the price for own shares, or returns of additional payment to shareholders,

(vi) incurring of financial indebtedness, and

(vii) entering into potential composition agreements with creditors which are regulated by the Restructuring Act or another regulation which could replace this law.

In the event of a breach of restrictions specified in the Series D, E and F Bonds Terms, bondholders are entitled to demand an early redemption of Series D, E and F Bonds held by those bondholders with the consent of the Meeting of Bondholders.

In the event of change of control, as defined in the Series D, E and F Bonds Terms, cessation of business activity or insolvency of the Company, i.a. by declaring bankruptcy or liquidation of the Company, culpable delay in payment of benefits under the Series D, E and F Bonds, withdrawal of all the Company's shares from trading on the regulated market operated by the WSE, or failure to convene the Bondholders' Meeting, bondholders are entitled to demand an early redemption of Series D, E and F Bonds held by those bondholders.

The Series D Bonds have been traded since January 20, 2023 and Series E Bonds since September 28, 2023 under the abbreviated name “CPS0130” in the continuous trading system called the Alternative Trading System, operated by the Warsaw Stock Exchange within the Catalyst market. The Series F Bonds are not listed on any market.

The Series D, E and F Bonds are issued under Polish law and any potential disputes related to the Series D, E and F Bonds shall be resolved in proceedings at the Polish common court having jurisdiction over the registered office of the Company.

### *Financing of green energy production projects*

PAK-PCE Group companies have entered into investment loan agreements to finance the implementation of renewable energy investment projects in 2021-2023.

**PAK-PCE Biopaliwa i Wodór Sp. z o.o.** On July 1, 2022, an amendment to the loan agreement dated January 29, 2021 was concluded between ZE PAK S. A., PAK-PCE Biopaliwa i Wodór Sp. z o.o. (PAK-PCE BiW) and Bank Polska Kasa Opieki S.A., on the basis of which a loan in the total amount of up to PLN 160.0 million was transferred to PAK-PCE BiW to finance an investment project aimed at adapting the existing coal-fired unit at the Konin power plant for burning biomass. The loan is repayable in equal quarterly installments commencing June 30, 2022, with the final repayment date of December 31, 2030. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest period and the margin. The loan carrying value as of December 31, 2023 was PLN 127.1 million.

In order to secure the repayment of the loan granted, the following have been established and signed: (i) a mortgage on the indicated properties of PAK-PCE BiW, (ii) a financial and registered pledge on the bank accounts maintained by PAK-PCE BiW at Bank Pekao S.A. and a power of attorney for each of the above-mentioned bank accounts, (iii) a transfer for security from the insurance policies of PAK-PCE BiW's assets and an assignment of receivables from the heat supply contracts. bank accounts, (iii) assignment by way of security from insurance policies of PAK-PCE BiW's assets and assignment of receivables from contracts for heat supply to the city of Konin, and (iv) PAK-PCE BiW's statement of submission to execution pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure Act.

On June 23, 2022, PAK-PCE BiW entered into a credit limit agreement with Bank Polska Kasa Opieki S.A. up to a maximum amount of PLN 25.0 million to finance the company's general corporate purposes. The credit limit agreement expires on November 30, 2024. The loan bears interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest period and a margin. As of December 31, 2023, the company had not used the limit.

**Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.** On September 20, 2022, Farma Wiatrowa Kazimierz Biskupi Sp. z o.o. (FW Kazimierz Biskupi) entered into an agreement with Bank Gospodarstwa Krajowego for an investment loan for the construction of a wind farm. The loan agreement provides for a term loan of up to PLN 135.0 million and a VAT loan of up to PLN 30.0 million. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and the margin. The loan is repayable in quarterly installments. The first installment is due no later than June 20, 2024, and the final repayment date is December 20, 2038 for the term loan and September 20, 2024 for the VAT loan. The carrying value of the investment loan as of December 31, 2023 was PLN 122.4 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge (subject to registration) on all shares in the share capital of FW Kazimierz Biskupi, together with a power of attorney to exercise corporate rights from such shares, (ii) financial and registered pledges (subject to registration) on receivables under FW Kazimierz Biskupi's bank account agreements, (iii) a registered pledge (subject to registration) on a collection of property and property rights belonging to FW Kazimierz Biskupi, (iv) an assignment for collateral in favor of the bank of rights and receivables under, among others, an electricity sale agreement, a construction works agreement and loan agreements, (v) a subordination of receivables agreement, pursuant to which PAK-PCE's receivables from FW Kazimierz Biskupi were subordinated to the bank's receivables under the loan agreement, (vi) a power of attorney to dispose of FW Kazimierz Biskupi's bank accounts, and (vii) statements of FW Kazimierz Biskupi and PAK-PCE on submission to execution under Article 777 of the Code of Civil Procedure.

**Park Wiatrowy Pałczyn 1 Sp. z o.o. (Miłosław wind farm).** On April 20, 2023, Park Wiatrowy Pałczyn 1 Sp. z o.o. (PW Pałczyn) entered into an investment loan agreement with Bank Polska Kasa Opieki S.A. for the construction of the Miłosław wind farm. The loan agreement provides for a term loan of up to PLN 95.5 million and a VAT loan of up to PLN 5.0 million. The loans bear interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The loan is repayable in equal quarterly installments. The first installment is due no later than June 20, 2024, and the final repayment date is December 20, 2038 for the term loan and December 31, 2023 for the VAT loan. The carrying value of the investment loan as of December 31, 2023 was PLN 76.9 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge on PW Pałczyn's shares, (ii) a financial and registered pledge on PW Pałczyn's bank accounts and a power of attorney over each of the aforementioned bank accounts, (iii) a registered pledge on the company's assets, (iv) an assignment of contracts constituting material documentation for the project, (v) an assignment of insurance policies, and (vi) PW Pałczyn's statements of submission to execution pursuant to Article 777 § 1 items 5 and 6 of the Code of Civil Procedure Act.

**PAK-Polska Czysta Energia Sp. z o.o.** On June 23, 2021, PAK-Polska Czysta Energia Sp. z o.o. entered into a loan agreement with EFG Bank of up to PLN 300.0 million to support all investments and other activities related to renewable energy projects. On March 17, 2023 the maximum amount of available credit was increased to PLN 360.0 million. The loan bore interest at a variable rate equal to the sum of WIBOR for the relevant interest periods and the margin. The entire loan balance plus interest was repaid on October 3, 2023.

In addition, PAK-PCE was a party to loan agreements with ZE PAK S.A. for an aggregate maximum amount of up to PLN 795.9 million drawn for the purpose of financing investments related to the development and production of green hydrogen, hydrogen buses and the implementation of RES installations. The loans carried interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The loans matured on December 31, 2023. The total loan debt was repaid with interest on October 3, 2023.

**PAK-PCE Fotowoltaika Sp. z o.o.** On March 12, 2021, PAK-PCE Fotowoltaika Sp. z o.o. entered into a loan agreement with a consortium of banks consisting of PKO BP S.A., Bank Pekao S.A. and mBank S.A., under which the Company was granted an investment loan up to PLN 175.0 million to finance the construction of a photovoltaic farm, of which PLN 138.0 million was a term loan and PLN 37.0 million was a loan for VAT financing. The VAT loan was repaid on June 30, 2022. Pursuant to an amendment agreement dated March 31, 2023, the term loan limit was increased to a maximum of PLN 182.0 million. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The term loan is repayable in quarterly installments according to a payment schedule commencing on March 31, 2022 and the final repayment date is December 31, 2035. The carrying value of the loan as of December 31, 2023 was PLN 162.7 million.

In order to secure the repayment of the loan, the following have been signed: (i) mortgage on real estate, (ii) financial and registered pledge on bank accounts, (iii) financial and registered pledge on shares in PAK-PCE Fotowoltaika, (iv) registered pledge on movable assets, (v) assignment of receivables from the main contracts of the project, including the insurance policy, (vi) statement of submission to execution under Art. 777 of the Civil Procedure Code, (vii) surety of ZE PAK up to PLN 10.0 million, (vii) power of attorney to the bank accounts of PAK-PCE Fotowoltaika.

In addition, PAK-PCE Fotowoltaika signed 3 loan agreements with ZE PAK S.A. (on March 8, 2021, March 9, 2021 and March 29, 2022) for a total maximum amount of up to PLN 9.5 million. The funds from the loans received were used for the construction of the photovoltaic farm and served to finance the company's current operations. The loans bear interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest periods and the margin. The loans mature on December 31, 2035. The total debt on the loans as of December 31, 2023 amounted to PLN 11.3 million.

**PAK-PCE Polski Autobus Wodorowy Sp. z o.o.** On December 22, 2022, PAK-PCE Polski Autobus Wodorowy Sp. z o.o. (PAK-PCE PAW) entered into an agreement with the National Fund for Environmental Protection and Water Management for financing in the form of a loan for the construction of a production facility for innovative hydrogen buses in Świdnik. The loan was granted for a maximum amount of up to PLN 50.0 million and bears interest at a variable WIBOR 3M rate, with a limitation of its minimum level. The loan is repayable in equal quarterly installments in accordance with the payment schedule commencing on December 20, 2025 and the final repayment date of the loan is December 20, 2037. As of December 31, 2023, the loan’s carrying value amounted to PLN 30.2 million.

In order to secure the repayment of the loan, the following have been signed: (i) a blank promissory note with a promissory note declaration, (ii) a promissory note surety of ZE PAK S.A. with a promissory note declaration, (iii) a mortgage on the real estate where the project is being implemented, (iv) a statement of submission to execution on the subject of the mortgage, and (v) a pledge on a set of property and rights - after the investment is implemented.

**PAK Volt S.A.** PAK Volt S.A. signed 2 loan agreements with ZE PAK S.A. to finance the company's ongoing operations: December 15, 2020 for a maximum amount of PLN 13.0 million and November 24, 2022 for an amount of up to PLN 120.0 million. The loans bore interest at a variable rate, being the sum of the WIBOR rate for the respective interest periods and the margin. The December 15, 2020 loan repaid with interest on October 2, 2023. The November 24, 2022 loan matures on December 31, 2025 and was not drawn down as of December 31, 2023.

**Farma Wiatrowa Przyrów Sp. z o.o.** On October 16, 2023, Farma Wiatrowa Przyrów Sp. z o.o. (FW Przyrów), entered into a loan agreement with EFG Bank (Luxembourg) S.A., which provides for the granting of financing in the form of a term loan of up to PLN 360.0 million, bearing interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The funds raised are used to implement the "Przyrów" wind power project with an estimated target installed capacity of 50.4 MW. The final repayment date of the loan was set for October 16, 2028. As of December 31, 2023, the loan carrying value amounted to PLN 222.2 million.

**Great Wind Sp. z o.o. (Człuchów wind farm).** On November 9, 2023, Great Wind sp. z o.o. ("Great Wind"), executed a credit facilities agreement with a consortium of banks comprised of: BGK, mBank S.A., Santander Bank Polska S.A. and PKO BP S.A., pursuant to which, Great Wind obtained a PLN-denominated term facility up to PLN 656.0 million, a revolving facility up to PLN 44.0 million and a revolving VAT facility up to PLN 100.0 million. The credit facilities will be used to finance the development of a wind farm in Człuchów. The facilities bear variable interest rates based on WIBOR for the respective interest periods plus margin. The term facility will be repaid in quarterly installments according to a payment schedule starting March 20, 2025, with the final repayment due on December 20, 2039. The revolving facility will be repaid by December 31, 2029. The VAT revolving facility will be repaid by June 30, 2025. As of December 31, 2023, the carrying value of the term loan and VAT (combined) was PLN 473.8 million.

In order to secure the repayment of the loan, the following have been signed and/or established: (i) registered pledge over a collection of movables and property rights of a variable composition, being part of Great Wind's enterprise; (ii) financial pledges and a registered pledge over all Great Wind's shares held by PAK-PCE, with a power of attorney to exercise corporate rights attached to Great Wind shares; (iii) financial pledges and registered pledges over receivables under Great Wind's bank account agreements; (iv) power of attorney to manage Great Wind's bank accounts; (v) contribution guarantee to be provided by PAK-PCE; (vi) cost overrun guarantee to be provided by ZE PAK S.A. Furthermore, agreements on subordination and security assignment of certain PAK-PCE's claims against Great Wind to secure the financing parties' claims under the facilities agreement and related documents; security assignment of Great Wind's claims under certain project documents and warranties/guarantees; direct agreements with counterparties to the agreement for the sale of electricity generated from the renewable energy source and contracts concerning financial settlements (contract for difference) were signed; and statements of submission to enforcement by Great Wind and PAK-PCE were made.

### *Ratings*

The table below presents a summary of ratings assigned to Polsat Plus Group as at the date of publication of this Report.

| Rating agency | Rating / outlook | Previous rating / outlook | Rating / outlook date | Last review date |
|---|---|---|---|---|
| S&P Global Ratings | BB/ stable | BB+/ negative | 21.12.2022 | 21.12.2022 |
| Fitch Ratings | BB / stable | n/a | n/a | 02.06.2023 |

**Fitch Ratings.** On June 2, 2023, Fitch Ratings ("Fitch") assigned the Company a long-term issuer default rating (IDR) of 'BB' with stable perspective. In its press release Fitch stated that the rating reflects the Company's fully integrated telecom and media profile, with strong market position in its segments of operations. At the same time, the rating takes into account the competitive market environment, adverse macro conditions and the diversification of the Company's operations towards renewable energy and real estate. The new business segments will result in increased leverage and an evolving business risk profile of the Company over the rating horizon.

In parallel, Fitch assessed that the Company has adequate access to capital, as demonstrated by the recent refinancing of its senior facility agreement. In Fitch's opinion, access to capital is key to continuing funding the Company's investments in renewables and real estate.

**S&P Global Ratings.** On December 21, 2022 S&P downgraded the issuer credit rating of the Company from BB+ to BB, revising the rating outlook from negative to stable. In its justification, S&P underlined that the downward revision reflects in particular its expectation that S&P-adjusted net leverage of the Group will increase to about 4.0x EBITDA and remain on elevated levels in 2024, due to the investments in the new green energy business line. Moreover, S&P expects the Group to report negative free operating cash flow (FOCF) in 2023 as a result of high capital expenditure needs for the energy business. Additionally, S&P takes into account higher interest rates and refinancing risk on the Company's Polish zloty debt maturing in September 2024, simultaneously recognizing the Company's demonstrated ability to raise debt with the recent PLN 2.7 billion bond issuance. S&P also recognizes the relatively long period until the maturity of the Company's bank debt (2024). The stable outlook reflects S&P's expectation that the Group's revenue will expand 5-7% in the next 12 months while EBITDA margin will remain subdued at 26-27% amid high energy prices. S&P is of the opinion that the Group's diversification into the energy business could have a positive impact on the Group's condition in the long term. In parallel, S&P noted certain short-term execution risks associated with diversifying toward a brand-new industry, underlining that execution in achieving operational and financial goals will be key in the coming years.

S&P may raise the rating of the Group if S&P-adjusted leverage decreases to below 3.5x and FOCF to debt sustainably increases to above 5%, coupled with a successful refinancing of the Group's debt due in September 2024. On the other hand, a downward revision of the rating could take place, if S&P-adjusted leverage increases to 4.5x or above, or if S&P expects FOCF to debt to remain negative while FOCF to debt in TMT business turns well below 5%, or if S&P sees heightened refinancing risk for debt coming due in September 2024, leading to a material liquidity deterioration.

The Company decided not to prolong the agreement and to terminate its cooperation with **Moody's Investors Service** rating agency. Accordingly, on July 20, 2023 Moody's withdrew the corporate rating assigned to the Company. The last rating assigned to the Company by Moody's on October 5, 2022 was a long-term rating of "Ba3" with a negative outlook.

# 5. Factors and trends that may impact our results in subsequent periods

## 5.1. Factors related to social-economic environment

***Impact of the military conflict on the territory of Ukraine on the Company's current operations and expected results***

In the opinion of the Management Board, despite the lack of direct exposure of Polsat Plus Group to the Ukrainian, Russian or Belarusian markets, the war started by the Russian Federation may have a long-lasting effect on the operational and financial results of the Group.

In particular, the war has an adverse effect on a number of macroeconomic indicators. Persistent inflation, high interest rates, slowdown in economic growth and disruptions in the supply of raw materials and fossil fuels are reflected in the increasing costs of our current operating activities and the significantly higher debt service costs of Polsat Plus Group.

The full impact of the war caused by the Russian Federation on the operational and financial activities of both the Company and Polsat Plus Group cannot be predicted as of today and depends on many factors beyond the Group's control.

Apart from macroeconomic and geopolitical factors, which affect virtually every branch of the Polish economy to a varying degree, the Company assesses its operating prospects as relatively stable.

***Macroeconomic outlook in Poland***

Macroeconomic trends in the Polish economy as well as global market conditions have thus far affected our operations and operating results, and are expected to continue affecting them in the future, in particular with respect to the demand for advertisements, the level of expenditures on services that we provide as well as demand for end-user devices.

According to the estimates of the Polish Central Statistical Office (GUS), Poland's GDP grew by 0.2% in 2023. This is below market expectations and the lowest result since the country joined the EU. Private consumption data was particularly disappointing (-1.0% YoY). The pressures that led to the slower-than-expected recovery included persistently high inflation and interest rates.

According to the European Commission's February 2024 forecast, the current year is expected to be marked by a gradual economic recovery. The GDP recovery is expected to be driven by an increase in the purchasing power of money and household consumption, including a record increase in the minimum wage to PLN 4,242 as of January 1, 2024 and the to PLN 4,300 as of July 1, 2024 (vs. PLN 3,600 as of July 2023), and an increase in social transfers. Salaries are also expected to increase across other sectors, including public administration and education. Under these circumstances, one of the challenges for companies in the coming year may be pressure on wages. In addition, the inflow of EU funds under the National Recovery Program (KPO) is expected to significantly stimulate investment levels in the second half of the year. As a result of the above factors, the European Commission forecasts Poland's economic growth to reach 2.7% in 2024 and 3.2% in 2025, with continued elevated average annual inflation above the target of the National Bank of Poland.

Although the level of CPI gradually declined in 2023, the average annual inflation rate remained high at 11.4% (compared to 14.4% in 2022). Forecasts for the level of inflation in 2024 are subject to a high degree of uncertainty due to, among others, the government's anti-inflationary shields, which, according to announcements, are expected to expire during the year. Taking into account the factors described above, and given that the 0% VAT on food will expire in April and energy prices will be unfrozen in June, inflation is expected to pick up later in the year. According to the European Commission's forecasts, average annual inflation in Poland will reach 5.2 % in 2024 and 4.7 % in 2025, with Poland's CPI well above the EU average in these years.

### *Situation on the pay TV market in Poland*

Our revenue depends on the number of our customers and their loyalty, the pricing of our services and the penetration rate of pay TV in Poland, which we consider to be a saturated market. The high level of competition and the dynamically evolving market environment (including consolidation processes on the cable TV market as well as the continued convergence of mobile and fixed-line services) impact offerings addressed to our new customers. In addition, due to high competition, we continuously invest in customer retention programs and building the loyalty of our customers.

We believe that at present our programming packages constitute an attractive value-for-money offer on the Polish pay TV market. Moreover, we invest in new, attractive and unique content. This gives us a chance to attract a significant portion of migrating customers to our platform. What is more, we offer pay TV services as part of our integrated offer, which has a positive impact of the level of loyalty of our customer base and contributes to maintaining a low churn rate.

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. This market is still underdeveloped in Poland as compared to Western Europe or the United States and in our opinion has significant growth prospects, especially in light of the improving quality of fixed broadband links. The launch of services by global players, such as Netflix, Amazon Prime, HBO, Disney+ or SkyShowtime, is proof that Poland is considered an attractive market. In addition, one of the consequences of the COVID-19 pandemic restrictions has been a deepening of pre-existing trends of consuming content at any time and on any device. In view of the above, we systematically develop our VOD and online television services and applications.

At the same time, in 2023, there has been a noticeable trend in Poland to increase prices for pay TV services, which is a natural consequence of the distinctly rising costs of purchasing and producing in-house content. Retail price increases apply to basically all technologies - from traditional satellite platforms and cable offerings, through IPTV offerings, to VOD and OTT platforms. In the future, this trend may translate favorably into ARPU growth while, at the same time, it may cause a part of customers to be inclined to limit their parallel use of more forms of access to paid content.

### *Development of the advertising market in Poland*

A significant part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on our TV channels. Demand for advertising airtime is highly correlated with the macroeconomic situation, which was particularly noticeable during the unexpected slowdown caused by the outbreak of the coronavirus pandemic in 2020. We expect that the development of the TV advertising market in the coming quarters and years will be influenced by the decelerating growth rate of the national GDP, which, according to the estimates of the Central Statistical Office (GUS), will grow by 0.2% in 2023. On the other hand, for 2024-2025, the European Commission predicts an economic recovery (+2.7% YoY and +3.2% YoY).

In our opinion, television will remain an effective advertising medium given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets. We believe there is still growth potential for TV advertising in Poland in the long term. In 2022-2023, the average time spent watching TV among the surveyed population remained high, estimated at 239 to 250 minutes per day. It is worth noting that despite the growing importance of new media and the declining trend in the length of time spent watching traditional television, it is forecasted that television will still remain an attractive and popular pastime thanks to, among others, new technical opportunities and given that television remains a widely available and affordable source of entertainment for the whole family.

The value of the TV advertising market was temporarily negatively affected by the refarming from DVB-T to DVB-T2 standard finalized in the second quarter of 2022, in which the commercial broadcasters were treated unequally, in favor of the public broadcaster, which was allowed by administrative decision to continue broadcasting the signal of the TVP channels in the old standard until the end of 2023. As a result of the gradual refarming process, terrestrial TV viewers equipped with older generation receivers were deprived of access to the commercial broadcasters' offer until they purchased a new set-top box or TV set. In the case of Polsat Plus Group, channels with limited access to digital terrestrial television include Polsat, TV4, TV6, Super Polsat, Eska TV, Polo TV and Fokus TV. The above described decisions have been adversely affecting the viewership results of our TV channels in 2022-2023.

As of March 2024, the method of measuring out of home TV viewership has changed. Starting from September 2021, the TV audience used for advertising settlements takes into account viewing performed away from home – out of home viewership (OOH). Nielsen Media's measurement, based on a household panel, has been enriched with out-of-home viewing data collected by Gemius, which is then added to Nielsen Media's data.

An audit conducted by the French auditor CESP (Centre d'Etude des Supports de Publicité) showed, among other things, that the measured out-of-home audience level was defined as a lower estimate of the phenomenon. In order to make the out-of-home viewership figures more realistic, two modifications were made to the methodology. The first modification was to change the definition of the place of residence. It was changed from a dynamic approach, where Gemius determines, on the basis of GPS coordinates (measurement carried out using smartphones equipped with a special meter), the place where the respondent watches TV most often (defined as home), to a static definition, i.e. the place declared by the respondent as home and confirmed by Gemius in a verification process. The second modification was to reduce the distance from the place of residence, defining TV viewing as out-of-home viewing, from 100 meters to 40 meters.

The result of the changes is a more realistic measurement of viewing away from home, as well as greater consistency with Nielsen Media's core measurement of viewing at home.

For TV Polsat Group, this means an increase in the advertising resources that can be offered to advertisers by approximately 4% in the period March - December 2024, while keeping other station parameters unchanged.

Prospects of the online advertising market are positive. According to the IAB AdEx report for three quarters of 2023, online advertising expenditures in Poland increased at a rate of 12.5% YoY and reached the value of PLN 5.4 billion. The two main segments of the online advertising market in which we are present, i.e., display and video, were responsible for 41% of total expenditures on the online advertising market and their total value increased by7% YoY. We believe that following the acquisition of Interia.pl Group and thus gaining a leading position on the online advertising market we are one of the beneficiaries of the development of these promising segments of the advertising market in the following periods.

### *Growing importance of convergent services*

Convergence of services is one of the strongest trends both on the Polish media and telecommunications market and worldwide. Operators develop their bundled offerings in response to changing preferences of customers, who seek media and telecommunications services provided at competitive prices by a single operator under a single contract, a single invoice and a single fee. Given the high saturation of the pay TV and mobile telephony markets, bundled services play a very important role in maintaining the existing customer base.

In the wake of the increasing importance of convergence and bearing in mind the significant level of fragmentation of the broadband access market, it can be expected that the future shape of the Polish telecommunications and media market will be substantially impacted by consolidation trends which have been visible for a long time on more developed foreign markets, where mobile and fixed-line operators merge with content providers.

The acquisition of a controlling stake in the fixed-line operator Netia by Polsat Plus Group in 2018 can serve as an example of such consolidation in Poland. Thanks to this acquisition we combined within our Group all assets necessary to provide fully convergent services, which facilitates better adjustment of the offering to customers' needs and more effective cost management. On the basis of Netia's infrastructure, we launched a fixed-line broadband Internet access service under the Plus brand, which was subsequently expanded to include the possibility of providing services on the lines of other operators that make their resources available to Netia under wholesale cooperation conditions. In turn, in the first quarter of 2019, we launched a cable television service using IPTV technology, available to users of fixed-line Internet from a Plus, Netia or Orange network operator. The next step in the Group's development was the launch of an OTT Internet TV service in July 2019, which can be used via the Internet from any provider.

### *Consolidation trends in the telecommunications and pay TV markets*

Our immediate competitive environment is also undergoing changes in ownership and partnerships that will shape the markets in which we operate.

**Orange Polska.** In July 2021, Orange Polska together with Dutch pension fund APG Group established a company Światłowód Inwestycje in order to develop a fiber optic network, mostly in areas with a low or medium level of competition. We are of the opinion that the construction of an open fiber optic network by Światłowód Inwestycje may create a chance for certain telecommunication or pay TV operators to strengthen their convergent offers.

Orange has also entered into cooperation agreements with wholesale operators such as Inea, Nexera and Tauron to extend the reach of its fiber optic services.

**T-Mobile Polska.** In July 2018, T-Mobile Polska and Orange Polska signed an agreement based on which T-Mobile provides broadband services to its customers through part of Orange's fiber optic network. Through this collaboration T-Mobile rolled out a convergent service offering for residential customers in mid-2019. Since 2020 the operator has also been providing convergent services relying on access to fiber optic networks of Nexera and Inea. In December 2023, T-Mobile started to cooperate with the wholesale operator Polski Światłowód Otwarty.

**P4.** In November 2020, Iliad, a French telecommunications group, took control over P4. As part of its strategy to develop convergent services in Poland, P4 acquired cable operator UPC Polska in April 2022. In March 2023, P4 transferred to Polski Światłowód Otwarty, a joint venture with French fund InfraVia Capital Partners, the broadband infrastructure of UPC Polska, covering more than 3.7 million households. As the largest dedicated wholesale operator in Poland, Polski Światłowód Otwarty makes its network infrastructure available to other telecom operators under an open and non-discriminatory wholesale access model. It intends to cover a total of more than 6 million households by 2028. In addition, in October 2022, P4 signed wholesale agreements with Orange Polska and Światłowód Inwestycje, with the aim of expanding its fixed-line broadband coverage.

**Cable network operators.** The fragmented Polish cable network market, which comprises around 300 operators, is undergoing consolidation. An example of the process is the acquisition by Vectra, the no. 2 operator in terms of size, of Multimedia Polska, the no. 3 cable player on the market in 2020.

In addition, the Polish cable network market saw similar acquisitions but on a smaller scale, executed by, among others, Orange, P4, Vectra and Netia. In particular, in 2019-2022 Netia acquired four local cable network players. We expect that the consolidation trends on the cable network market will continue in the years to come.

### *Increases in pricing of mobile services*

An important trend visible since 2019 in the Polish mobile telephony market is the gradual introduction by all major telecommunication operators of modifications to their retail services pricelists which in particular consist in increasing monthly fees in exchange for higher data transmission packages (the more-for-more pricing strategy), cancelling selected low-end tariff plans or increasing rates for connections made above package limits. These changes are driven by increased demand for data transmission, low level of prices of telecommunication services in Poland, inflationary pressure on costs of telecommunication activities and a shift in strategies of certain operators towards building customer value and fostering revenue and profitability connected, among others, with the investments in 5G network construction.

The gradual launch of 5G networks enables operators to apply different prices to offers based on the latest technology, which ensures a definitely higher comfort of using mobile services. 5G technology allows to obtain speeds which ultimately can exceed 1 Gb/s while minimizing latency. At the same time, it ensures a significantly larger capacity of newly built networks, translating into a higher number of end-user equipment which can simultaneously use data transmission in a comfortable manner. However, intensive usage of 5G technology will require larger data packages, which may be offered in higher-end tariff plan proposals.

The strong inflationary pressure that is being experienced in the Polish market in 2022 and 2023 was reflected in the observed adjustments of price lists introduced by telecom operators, including, among others, the implementation of inflation clauses into customer contracts, increasing subscription fees after the basic 24-month contract period, withdrawing the cheapest tariffs from the offer or raising subscription thresholds in line with the more-for-more strategy. In March 2023, Plus introduced new offers for voice, 5G/LTE Internet and fiber optic subscriptions for retail and business customers, offering larger data bundles for a higher monthly subscription, in line with its more-for-more strategy. In addition, subscriber contracts signed in 2023 with mobile and pay TV customers include a mechanism for automatic subscription increases from the 25th month of the contract term.

We expect that the above mentioned changes, in connection with increasing demand for transfer in mobile devices and persisting popularity of remote working and learning, shall translate favorably into the growth of the Polish telecommunication market in the medium and long-term.

### *Development of the market for new technologies and devices and the consequent increase in access to and consumption of audiovisual content*

With the expansion of the new technology market, the number of mobile devices owned by consumers is growing rapidly: smartphones, laptops and tablets, or smart TVs. This is leading to a dynamic increase in access to, and viewing of, video content. Consumers expect providers to enable them to watch content on any screen they own, anywhere, anytime. We see this group as a potential customer segment not only for TV services, but also for opportunities to monetize our audiovisual content. At the same time, this trend will lead to increased demand from our customers for data services on mobile devices, which in turn will lead to a growing revenue stream from the sale of these services to our customers.

The successive launch of 5G networks has also allowed operators to apply price differentiation to offers based on the latest technology, providing a far superior mobile experience. 5G technology will make it possible to achieve speeds that will ultimately exceed 1 Gbps with minimal latency, while at the same time offering significantly higher capacity in newly built networks, which means that a greater number of terminals will be able to comfortably enjoy transmissions at the same time. However, intensive use of 5G technology will require larger data bundles, which can be offered at higher tariffs.

We expect that the above-mentioned developments, combined with the growing demand for transfers between mobile devices and the continued popularity of remote working and learning, will have a positive impact on the value of the Polish mobile market in the medium to long term.

### *Development of 5G technology in Poland*

In accordance with the European Digital Single Market strategy and guidelines of the European Commission, in 2020 there should have been a fifth generation (5G) telecommunication network operating in at least one city of each EU Member State. According to EU expectations, Member States should have wide network coverage in 5G technology by 2025.

The frequencies from the 700 MHz, 3.4-3.8 GHz (3.6 GHz) and 26 GHz bandwidths have been designated for the purposes of development of 5G networks in Europe. At present, the processes of spectrum allocation, depending on availability, are ongoing in respective European states.

On June 22, 2023, the Office of Electronic Communications (UKE) announced an auction for frequency reservations in the 3.6 GHz band, which ended on October 18, 2023. As expected, 4 blocks of 100 MHz each were distributed among the four MNOs. In accordance with the auction documentation, quantitative, coverage and qualitative commitments for network development, as detailed in Section 3.2 – *Business related events* – of this Report. These obligations will have a significant impact on our financial results, in particular the costs of further development of the 5G network, and our Group's operations.

The Group is successively expanding its 5G network, launched in May 2020, operating on dedicated frequencies in the 2600 MHz TDD band. With nearly 3,700 transmitters, Plus' 5G network already covers more than 23 million people living in 1,150 towns and cities. In June 2023, we launched the 5G Ultra network, which is currently available to 6 million people in over 250 locations in Poland, thanks to nearly 1,000 base stations, and offers transfer speeds similar to fiber - 1Gbps. With the planned aggregation of existing radio resources with the newly acquired 3600 MHz band, we plan to further improve the quality and coverage of our 5G network.

Precise information regarding the distribution and use of frequencies in the 700 MHz and 26 GHz bands is lacking. As of the date of publication of this Report, however, no plans are known regarding the timing of distribution of the above mentioned frequencies.

### *Growing demand for data transmission on smartphones*

In Poland, the popularity of smartphones has been dynamically growing. Currently, smartphones have almost completely replaced traditional handsets in our sales mix. Concurrently, there is an increasing interest in more technologically advanced devices, which ensure much better user experience. In particular, this is the case for smartphones supporting 5G technology, the price of which has been rapidly reduced from initially high levels and now these devices are available at affordable prices.

The growing popularity of smartphones is reflected in increasing demand for data transmission in the small screen equipment segment. According to estimates presented in the Ericsson Mobility Report of November 2023, the scale of data transmission in the Central and Eastern Europe region, to which Poland is classified, will increase from 19 GB per month in 2023 to 43 GB per month in 2029, driven also by the increasing popularity of 5G technology.

We expect that the growing popularity, availability and technological advancement of smartphones combined with improving quality parameters of mobile data transmission and the constantly expanded offer of applications and content for customers shall continue to be the driving factor behind growing demand for data transmission services.

### *Situation in the electricity market*

The majority of our green energy revenue is derived from the sale of renewable energy and the trading of electricity on the market, and is highly dependent on the level of market energy prices and their volatility. The year 2022 was characterized by record-high energy prices and their very high volatility, as a result of the global energy crisis, fueled by the COVID-19 pandemic, followed by Russia's invasion of Ukraine and destabilization of the gas market in Europe. In 2023, spot electricity prices in Poland fell by 33% compared to the record year of 2022.

**Volatility in market energy prices.** Market energy prices affect the financial performance of the Group's various generation units in different ways. Market prices will largely determine the level of revenues from the production and sale of electricity generated by the two biomass units. PAK-PCE Biopaliwa i Wodór Sp. z o.o., which produces energy from biomass, is an active member of the Towarowa Giełda Energii S.A. (Polish Power Exchange), where it contracts part of its production and also sells energy on the OTC market, while also participating in the balancing market.

In order to reduce its exposure to energy price fluctuations, particularly those observed in 2022, some of PAK-PCE Group's solar and wind generation companies have entered into Power Purchase Agreements (PPAs). This type of contract is intended to provide funds for the repayment of obligations to banks financing investments in renewable energy sources, which is particularly important from the point of view of managing the risk of fluctuations in electricity market prices in a market environment characterized by significant price volatility.

**Energy price regulation.** In order to mitigate the negative effects of sharp fluctuations in electricity prices in 2022, a number of legal measures have been adopted at both EU and national levels, including those regulating energy prices. In particular, the Act of October 27, 2022 on Emergency Measures to Limit Electricity Prices to Support Certain Consumers in 2023 (the "Act") and the Act's implementing regulation, i.e. the Regulation of the Council of Ministers of November 8, 2022 on the Method of Calculating the Price Cap, entered into force. The above-mentioned legal acts introduced a limit on the maximum price for electricity that could be received by power generators and power trading companies. The receipt of a price in excess of the limits established in the Ordinance to the Act meant that the excess had to be returned and paid into a special fund to finance mechanisms to protect consumers from energy price increases. The amendment to the Act introduced provisions obliging to return to the fund also 97% of the proceeds from the sale of guarantees of origin under the Renewable Energy Sources Act and 97% of the proceeds from contracts for the sale of electricity involving financial instruments under the Financial Instruments Trading Act, which undermined the sense of the existence of both the system of guarantees of origin, which promotes the generation and consumption of electricity, and the system of PPAs, which is also a mechanism for supporting RES, as it enables the sale of energy from RES at a fixed price for a long period of time. Undoubtedly, the regulations introduced have had a negative impact on the profitability of RES installations and have also had a negative impact on the results of the trading activities of PAK VOLT S.A., a member of the Group, which is also subject to regulations under this Act. According to the current state of the law, the regulations on maximum energy prices for consumers will remain in force until the end of the first half of 2024. The obligation for electricity producers and energy traders to pay into the fund expired on December 31, 2023. The level of electricity market prices and the above-mentioned events in the market environment will affect the financial performance of electricity traders until the emergency solutions are in force.

**Green certificate prices.** One of our biomass sources participates in the "green certificates" system, i.e. PMOZE_A. The revenue we receive from the sale of green certificates is derived from their market price. The price of green certificates is subject to market laws, but it can also be influenced by regulations introduced by the legislator, in particular the so-called green certificate redemption factor. As a rule, an increase in this coefficient causes an increase in the price of certificates, while a decrease in the coefficient causes a decrease in the price of certificates.

**Biomass prices.** One of PAK-PCE's subsidiaries owns power assets at the power plant in Konin in the form of two biomass units with a total capacity of 105 MW. These units produce electricity and heat using biomass as a feedstock. The Polish biomass market is highly fragmented. Certified biomass is purchased from many suppliers. Purchases are made through a competitive bidding process. It should be noted that the current biomass market does not allow for long-term price security for a large volume of supplies. Biomass supply contracts are usually signed for one year. The price of purchased biomass has a significant impact on the economics of energy production from this feedstock.

#### *Seasonality and meteorological conditions affect the level of production from RES sources*

Meteorological conditions, particularly wind strength and ensolation levels, are an important factor influencing the level of energy production in a given period, and thus the revenue generated, from wind and photovoltaic installations. The peak period of energy generation from photovoltaic farms is in the spring and summer, while wind farms record the highest level of production in the first and fourth quarters. The production volume of renewable energy sources also affects the level of electricity prices. During periods of strong wind or high ensolation there can be overproduction of RES energy, resulting in a temporary drop in market energy prices. On the other hand, unfavorable wind or solar conditions combined with high energy demand (e.g. due to low temperatures) lead to temporary increases in market energy prices.

The risk of meteorological conditions is therefore strongly correlated with the price risk, as the imbalance of the renewable energy generation companies will be settled on the balancing market, in spite of contracting. This means the purchase of missing energy or the sale of surplus energy at unknown prices, which will be determined by the meteorological conditions prevailing during the period.

In addition, during periods of very high RES energy production due to weather conditions, power system operators may use the mechanism of non-market curtailment of RES energy production in order to balance electricity supply or ensure the safety of grid operation. In this case, RES producers receive financial compensation based on the balancing market prices and not on the prices resulting from the PPAs of the RES sources.

### 5.2. Factors related to the operations of the Group

#### *Implementation of renewable energy investment projects*

In accordance with Strategy 2023+, we are implementing large-scale investments in the development of renewable energy facilities. Between 2022 and 2026, we intend to invest about PLN 5 billion in order to achieve an installed capacity of about 1,000 MW of clean energy production from photovoltaics, biomass, onshore wind farms or thermal waste treatment, and about PLN 0.5 billion in order to build a complete value chain for the green hydrogen economy. The Group's goal is to reach a production capacity of about 2 TWh of green energy from RES in 2026.

On July 3, 2023, we acquired a majority stake in PAK-Polska Czysta Energia, around which special purpose companies implementing RES and hydrogen projects are clustered, and began consolidating the financial results of PAK-PCE Group using the full consolidation method. The successive construction and commissioning of projects currently under construction (for details see section 4.1.3. of this Report) by PAK-PCE Group companies will have a significant impact on our consolidated financial results. Due to the magnitude of the ongoing investments, we expect a significantly higher level of capital expenditures in the coming periods related to the expansion of renewable energy production capacity and the implementation of hydrogen projects, which in turn will be reflected in the Group's net debt/EBITDA ratio. At the same time, part of the investments will be financed by external bank loans, which will have an impact on the Group's debt level. On the other hand, we expect that the current projects, once in operation, will make a significant positive contribution to the Group's revenues and EBITDA.

### *Building an offer based on bundled services*

Growing interest in bundled services, observed among our customers, provides us with the possibility to generate growth of average revenue per customer. We carefully follow the evolution of consumption patterns and our customers' expectations and strive to meet their growing needs by combining our pay TV, broadband access and mobile telephony services into attractive packages, complementing them with products and services outside our core activity. We are aspiring that our services meet the needs of every customer and are available everywhere.

Thanks to the acquisition of Netia we have strengthened of our market position in integrated services. We have expanded our portfolio with a wide range of fixed-line products and services, in particular with fixed-line broadband Internet offered, among others, in fiber optic technologies. Netia provides its services via its own access network with approximately 3.3 million homes passed, out of which, as at the end of December 2023, around 2.3 million were within the reach of broadband Internet with transmission speed of 1 Gbps. Netia's own network is supported by an extensive, nationwide backbone infrastructure. Thanks to cooperation with wholesale partners, such as Orange Polska, Światłowód Inwestycje, Nexera, Fiberhost and Tauron this potential has been further strengthened. As a result Polsat Plus Group can already offer fixed broadband access services in fiber optic technologies at over 6 million address points.

Our bundled services offers, addressed both to our individual and business customers, enable our customers to combine products in a flexible way and benefit from attractive discounts. The possibility of selling additional products and services (cross-selling) to our customer base has a positive impact both on our stream of revenue and the level of ARPU per contract customer, and contributes to maintaining high loyalty of customers, who use our bundled services.

Furthermore, we offer a broad range of complementary services to every basic service. We combine our traditional pay TV services provided in the satellite and Internet (OTT, IPTV) technologies with VOD, PPV, Multiroom and online video services. We propose optional value added services (VAS) to our Internet access and mobile telephony services.

Effective use of the potential in the area of provision of integrated services and value added services to our customers, both through up-selling of single products and value added services, as well as through the sale of bundled offers and cross-selling, may significantly increase the number of services used by each individual customer, thus increasing average revenue per customer (ARPU) and concurrently maintaining the churn ratio on a low level.

### *Demand for data transmission and 5G services*

In 2023, our customers transferred over 2.2 EB of data as compared to over 2 EB transferred in 2022, which represents a 10% growth YoY. To meet the rapidly growing consumption of data transmission while maintaining the highest quality of our services, we continue to develop our telecommunication network.

The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. This approach offers balance between data transmission speed (up to 600 Mbps) and coverage (i.e. wide availability), while maintaining the highest quality of both parameters. With the 5G Ultra project, a 2100 MHz band in TDD technology was added to the 2600 MHz band in FDD technology, thus launching the first 5G band aggregation in Poland and achieving up to 800 Mbps transfer to the subscriber in 5G and more than 1Gbps aggregate (5G and 4G). In the future, as the 5G network develops, the current use of the 2.6 GHz band will guarantee better land mass coverage than when using the 3.4-3.8 GHz bands only and it will enable us to maintain a competitive edge during subsequent stages of 5G network roll-out by offering the possibility of aggregating 5G frequency bands.

We believe that the 5G technology is associated with demand for larger data packages and thus supports customer migration to higher tariffs and building customer value.

### *Development of the Group's streaming platforms*

Our Internet services and applications Polsat Box Go and Netia Go strengthen our position as an aggregator and distributor of content. We continue to develop our services using our experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues. The distinguishing element of our platforms is the unique, local content produced by TV Polsat.

In September 2023, we introduced changes to our VOD service offerings. The former polsatgo.pl service, where users could watch video content free of charge in exchange for watching commercials before and during the broadcast of the material, was finally shut down. In turn, our subscription service polsatboxgo.pl has been enriched with a new *Polsat Box Go Start* package, whose users can watch their favorite programs for a small annual fee and with a very limited number of commercials aired before the video material. In addition, existing polsatgo.pl users have been offered free access to the new Polsat Box GO Start package at polsatboxgo.pl for a period of two months.

Mobile video traffic is the fastest growing segment of global mobile data traffic. Bearing this in mind, we believe that online television will make an increasingly significant element of our business in the future. Therefore, we pay attention to providing users of our video services with a wide variety of attractive content. In particular, the coronavirus epidemic and the accompanying lockdowns contributed to higher interest of customers in online television offer, especially with regard to sports events, film and series content as well as entertainment shows. We think that such a trend will continue in the future and that we will benefit from it thanks to investments in the development of this segment of our operations.

### *Development of thematic channels*

Main general entertainment channels (FTA) are experiencing a gradual decline in audience shares as a result of the high penetration level of the Polish market by pay TV which provides viewers with an increasingly greater selection of thematic channels, as well as an offer of channels available via digital terrestrial television (DTT). In turn, the advertising market share of thematic stations and channels broadcast via terrestrial television multiplexes is consistently growing.

In order to maintain total audience shares and advertising market shares, we focus on developing our thematic channels portfolio and increasing the attractiveness of content offered to our viewers. From that point of view, the initiation of cooperation and acquisitions in the field of thematic TV channels, made by the Group from 2017 to 2023, are perfectly in line with the Group's long-term strategy to maintain a strong market presence, measured by viewership results, on an increasingly fragmented market. The channels Eska TV, Eska TV Extra, Eska Rock TV, Polo TV and Vox Music TV, acquired in December 2017, significantly strengthened the music programming of Telewizja Polsat. Moreover, in June 2018 we included Superstacja (currently Wydarzenia24), a news channel, and in May 2019 TV Okazje, a telesales channel, into our thematic channels portfolio. In turn, in September 2020 we increased our capital engagement in Nowa TV and Fokus TV channels, becoming their sole owner and, at the same time, strengthening our position among channels available via digital terrestrial television. Our most recent acquisitions include the purchase of three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which target younger audiences. All of these channels have established market positions and solid viewership. On January 10, 2024, we launched a new news and current affairs channel, Polsat News Polityka, which offers viewers, among others, interviews with politicians, live broadcasts of press conferences or coverage of the Sejm and Senate. At the same time, the Wydarzenia24 channel was moved to the national MUX1 multiplex and broadcasts under a new license.

We pay a lot of attention to creating a strong sports offering for our viewers. An important step in strengthening our position in this field consisted in entering into strategic cooperation with Eleven Sports in Poland in May 2018. By taking control over its Polish subsidiary, Eleven Sports Network, we included premium sports content of the highest quality in our retail and wholesale offering. This represented yet another strategic investment aimed at consistently creating the best programming offering for our viewers.

### *Investment in increasing the attractiveness of offered content and monetization of sports rights*

We offer the biggest and most versatile portfolio of TV channels on the Polish market, which places us in the leading position in terms of viewership among private television groups in Poland and translates into our share in the advertising market. Our direct production covers mainly news programs, documentaries, shows and series based on international formats as well as own concepts. Moreover, we have contracts with major film studios which provide access to a wide selection of the most attractive films and series. In June 2022, we entered into cooperation with Disney+ and were the only pay TV and telecommunication service provider in Poland to include access to Disney+ platform in our packages when it entered the Polish market.

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Polsat Plus Group offers its viewers and subscribers matches from the prestigious club football competition - the UEFA Champions League - for all distribution channels, including TV, Internet and mobile devices. These matches are broadcast on specially created dedicated Polsat Sport Premium channels. We currently hold the license for the UEFA Champions League up to and including the 2023/2024 season. Under the current agreement with the International Volleyball Federation FIVB, we will broadcast the most important events of world and national team volleyball until 2032. The package of acquired rights includes the Volleyball Nations League, the qualifying tournaments for the Volleyball Nations League - Challenger Cup, the qualifying tournaments for the 2024 Olympic Games and the men's and women's World Championships. For the past decade, we have also held the rights acquired from the Professional Volleyball League to broadcast Plus League and Tauron League matches. In 2020, we extended this contract up to and including the 2027/2028 season. Among other sports, we concluded agreements to broadcast the ORLEN Super League and the ORLEN Super League Women's Handball matches for the next 7 seasons - until 2030, extended the license agreement with the Polish Basketball League to broadcast the Energa Basket League until the end of the 2029/2030 season and acquired the exclusive rights to broadcast the Ice Hockey World Championships from 2024 to 2029.

In parallel, we also seek to monetize TV channels from our portfolio by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenues we generate in the media segment.

### *Strengthening of our market position in online advertising*

Thanks to the strategic acquisition of Interia.pl Group in July 2020 we significantly strengthened our position on the dynamically growing Internet and online advertising market. Following the acquisition of Interia.pl Group we have gained an additional channel for distribution and monetization of the content produced by Telewizja Polsat’s channels. We achieve cost optimization thanks to the insourcing of online marketing campaigns for the brands from Polsat Plus Group’s portfolio. Moreover, we have increased efficiency of sales of advertising space by Interia.pl Group thanks to its integrationwith our media house Polsat Media. As a result of these actions, we achieved the synergies announced during the acquisition, in particular, we doubled the EBITDA of Interia.pl Group.

Furthermore, on July 20, 2023, we acquired the website naEKRANIE.pl. It is a pop culture portal writing about movies, TV series, books, comics and games, as well as technology. The above acquisition is another step supporting the development of Polsat Plus Group's position and significance on the new media market.

## 5.3. Financial factors

### *Interest rate fluctuations*

Market interest rate fluctuations do not impact the Group’s revenue directly, but they affect our cash flows from operating activities through the amount of interest on current bank accounts and deposits, and also cash flows from financing activities through the Group's costs of servicing debt. In particular, our liabilities under the SFA of April 28, 2023 and the issued bonds are calculated based on variable WIBOR/EURIBOR interest rates increased by a relevant margin.

From January to August 2023, the NBP kept the reference interest rate at 6.75%. After the September and October 2023 cuts, the reference rate level is 5.75%. In 2023, EURIBOR remained in an upward trend as a result of the successive tightening of monetary policy by the European Central Bank. The ECB's interest rates, which have remained high since last September (deposit rate at 4.00%, refinancing rate at 4.50%) will have an impact on the level of our interest expense and, as a result, on our financial results.

We systematically analyze the Company's interest rate risk, including a risk hedging scenario. We estimate the impact of specific interest rate fluctuations on our financial result. In order to reduce exposure to interest rate risk related to interest payments based on a floating rate, we actively apply hedging strategies based on derivative instruments, swaps (IRS and CIRS) in particular. As at December 31, 2023, transactions hedging the WIBOR interest rate changes, opened and entered into by the Group companies for future periods and maturing in different periods in the years 2024-2027, hedged around 27% of the Group's exposure in relation to the indebtedness under the PLN tranche of the SFA and the bonds issued while EURIBOR interest rate hedging transactions, maturing in 2026 and 2027, hedged about 20% of the exposure with respect to the Group's debt arising from the Euro-denominated tranche of the SFA.

Interest rate fluctuationswill have a material effect (both positive and negative) on our results of operations, financial condition and prospects.

### *Exchange rates fluctuations*

The Polish zloty (PLN) is our functional and reporting currency. The Group's revenue is primarily denominated in PLN, whereas a portion of expenses and capital expenditures is denominated in foreign currencies.

Foreign exchange rate fluctuations have historically affected the level of our operating costs, finance costs, as well as the profit or loss on investing activities, and are expected to do so in the future. In particular, our exposure to foreign exchange rate fluctuations stems from our foreign currency payments made in different areas of our operations. These include, among others, payments for license fees, transponder capacity, purchase of content and equipment, international roaming and interconnect agreements or purchase of wind turbines or photovoltaic modules. The amount of the aforementioned equipment purchase exposure was reduced in the middle of last year as a result of the renegotiation of the terms and the switch to local currency payments.

The Group is exposed to foreign exchange risk in connection with the euro-denominated tranche of the SFA. Changes in the euro exchange rate against the zloty will result in an increase or decrease, respectively, in the zloty-denominated cash required to service interest payments on the euro-denominated tranche of the SFA, which will have a corresponding impact on the level of reported financial expenses.

Strong fluctuations in foreign exchange rates may also affect the amount of foreign exchange differences resulting from the recognition in the income statement of assets and liabilities denominated in foreign currencies, in particular the euro-denominated tranche of the SFA.

We have no control over how exchange rates change in the future, and consequently foreign exchange rate fluctuations will continue to affect (positively or negatively) our operations and financial results. Considering our open exposure to currency exchange risk, the Group has in place a market risk management policy and uses, *inter alia*, natural hedging and hedging transactions, in particular with regard to the currency risk arising from interest payments on the loan granted to the Group in EUR.

### *Valuation of financial Power Purchase Agreements*

In recent years, the rise in market energy prices has enabled the development of renewable energy investments outside the support system, based on long-term power purchase agreements (PPAs). PPAs allow to purchase electricity directly from renewable energy producers (physical PPA) or to hedge the price of electricity against future energy prices on the Polish Power Exchange (financial PPA). A financial PPA is a financial derivative where the underlying price of electricity is settled through a contract for difference in which the parties agree on a strike price for electricity and a market reference price for the duration of the contract. Like other derivative instruments entered into by Group companies, financial PPAs are subject to periodic valuation at present value.

Due to the increasing volume of RES electricity generation by the Group's companies and the increasing use of financial PPAs by both electricity producers and consumers, the valuation of these contracts can have a significant impact on our results, in particular on gains on investment activities. The main factors influencing the valuation are the long duration of the financial PPAs (more than 10 years), changes in current and forecasted market electricity prices and fluctuations in market interest rates.

The financial PPAs are concluded both between Group companies and with third parties, so that the valuation can have different effects on the results of the individual companies and on the consolidated results of the Group.

## 5.4. Factors related to the regulatory environment

### *Cap interconnect rates for termination of calls in other networks*

The provisions of the European Code of Electronic Communication assume regulation of MTRs and FTRs. In line with the provisions of this directive, in 2020 the European Commission issued a delegated act specifying the highest levels of MTRs and FTRs that can be applied by operators in the European Union. Ultimately, the cap rates are to amount to 0.2 euro cents per minute for MTRs and 0.07 euro cents per minute for FTRs. The delegated act adopted by the European Commission provides for a transition period with a time schedule for reducing the rates in order to reach their assumed level in January 2024 for MTRs and January 2022 for FTRs, respectively. The time schedule for reducing the rates came into force on July 1, 2021 and is presented in the table below.

| [EUR or PLN per minute] | Cap rates for termination of calls in other operators' networks in the EU from: | | | |
|---|---|---|---|---|
| | July 1, 2021 to December 31, 2021 | January 1, 2022 | January 1, 2023 | January 1, 2024 |
| Mobile termination rate (MTR) | EUR 0.007 | EUR 0.0055 | EUR 0.004 | EUR 0.002 |
| Fixed termination rate (FTR) | PLN 0.005 | EUR 0.0007 | EUR 0.0007 | EUR 0.0007 |

The gradual reduction of the MTR and FTR rates implemented by the EU will impact the results of Polsat Plus Group in the next periods. In particular, the above mentioned regulation translates into a decrease of wholesale revenue from interconnection settlements, both mobile and fixed-line, and a decrease of interconnection costs which are recognized in our technical costs. Due to the fact that the levels of outgoing and incoming traffic in interconnection settlements are similar we expect the impact of the regulation on Polsat Plus Group's EBITDA result to remain relatively neutral.

### *Extension of the Rome Like at Home (RLAH) regulation*

In April 2022, the regulation of the European Parliament and of the Council was published which prolonged the currently binding Roam Like At Home principle (regarding roaming costs while travelling on the territory of the European Union) until 2032.

The regulation also introduced further reductions of the maximum wholesale rates for interconnection settlements for voice call and text messages (in July 2022 and January 2025) and for Internet usage (in July 2022 and then every January in the years 2023-2027). The new price caps are, respectively:

- 0.022 EUR and 0.019 EUR per minute of an outbound voice calls;
- 0.004 EUR and 0.003 EUR per text message;
- 2 EUR, 1.8 EUR, 1.55 EUR, 1.3 EUR, 1.1. EUR and 1 EUR per 1 GB of data transmission.

The regulation also introduces obligations for operators with regard to providing connections to emergency numbers and premium rates services as well as quality of services in regulated roaming.

# 6. Risk factors

## 6.1. Risk factors related to our business and the sector in which we operate

***The results of our operations in the telecommunications sector depend on the ability to effectively encourage the existing customers to use a wider range of our services, to win customers from competitive telecommunication operators, as well as the ability to reduce churn***

It is expected that further growth of our operations on the mature Polish telecommunication market will chiefly depend on the ability to effectively encourage existing customers to use a wider range of services offered by us, to win customers from competitive mobile and fixed-line operators, as well as the ability to reduce the churn rate. We cannot give any assurance that the measures we undertake will encourage our existing customers to use a wider range of our services or attract customers from competitive operators, or that the measures we undertake to increase customer loyalty will reduce the rate of churn or allow us to maintain a satisfactory churn rate. If we are unable to effectively manage the churn rate, we may be forced to significantly reduce our costs to maintain satisfactory profit margins, or to take alternative steps, which could in turn result in higher costs of customer acquisition and retention.

In addition, the telecommunication industry is characterized by frequent developments in product offerings, as well as by advances in network and end-user device technology. If we are unable to keep up with technological development and provide customers with an attractive, modern portfolio of products and services, we may not be able to retain customers or the customers’ retention cost may increase.

Additionally, competing telecommunication operators may improve their attractiveness for the customers, e.g. by offering their products or services at lower prices, which could make it more difficult for us to retain the current customer base, and the cost of retaining and acquiring new customers could increase.

All such events could have a material adverse effect on the results of our operations, financial condition and prospects.

***The performance of our pay TV and broadcasting and television production operations depends on our customers' satisfaction, the acceptance of our programming content by viewers, as well as our ability to generate profit from our own productions or from acquired broadcasting rights***

We operate on markets where commercial success primarily depends on customer satisfaction and acceptance of programming content which are often difficult to predict. We strive to acquire and retain pay TV customers by providing them with access to a broad range of channels, including sports, music, entertainment, news, children's, educational and film channels, all main terrestrial television channels available in Poland, as well as HD and free-to-air TV and radio channels. Whether customers are satisfied with our programming is vital for our ability to acquire and retain pay TV customers, as well as to generate and increase customer revenue from subscriptions.

Our ability to generate advertising revenue in the media segment depends almost entirely on viewers' demand for our programs. Audience shares achieved by programs we broadcast directly affect both the attractiveness of our television channels to existing and potential advertisers and rates we are able to charge for advertising time. In the media segment, we also generate revenue from production and sale of television programs to third parties operating in Poland and, to a lesser extent, abroad. Prices which we are able to receive from potential buyers of our own productions are directly linked to the audience for those programs, as third-party buyers, interested in generating advertising revenue, look for programming contents with the highest viewership figures.

Demand for TV programs and programming preferences change frequently, irrespective of the media on which they are carried. We might not be able to attract customers or retain customers of our pay TV services and advertisers, if we are not able to effectively predict the demand for programs or changes in audience tastes, or if our competitors prove better at such predictions. This may bring about an increase in customer churn, while in the media segment it may result in decreasing audiences for our programs and subsequent difficulties in acquiring advertisers.

To some extent, the profitability of our operations depends on our ability to produce or obtain broadcasting rights to the most attractive programs in a cost-effective manner. While costs of in-house production of television content are usually higher than the costs of purchasing third-party programs, we believe that a larger number of Polish programs broadcast on our channels will increase viewers' demand and consequently increase demand from advertisers. However, there can be no assurance that financial outlays we have made or will make in the future on Polish programming production will be fully recovered or that we will be able to generate revenue high enough to offset those costs.

Consequently, if customers do not accept our programming offer or we are unable to produce programs or acquire broadcasting rights in a profitable manner, it may have a material adverse effect on the results of our operations, financial condition and prospects.

***We may be unable to attract or retain customers and advertisers if we fail to conclude or extend the license agreements under which we distribute key programs***

Our performance depends on our ability to acquire attractive television programs. Our pay TV customers' access to television channels depends on our purchase of licenses from TV broadcasters. In the media segment, we independently produce certain TV programs, while other TV programs and content are broadcast under license agreements. Our license agreements are usually concluded for definite periods, usually two to three years for films and TV series, and three to ten years for sports programs. Under certain circumstances, a licensor may terminate a license agreement before it expires without our consent. This is particularly likely if we fail to fulfil our obligations, including the obligation to pay license fees. In order to acquire and retain customers and advertisers, it is necessary to maintain an attractive selection of TV programs. There can be no assurance that our license agreements will be extended on equally favorable terms or that they will be extended at all, nor can we exclude the possibility that a licensor will terminate the license agreement before its agreed expiry date. In addition, we have no influence on delays in the realisation of our rights under certain concluded license agreements, which may occur due to extraordinary events of a similar nature such as the COVID-19 pandemic or the war in Ukraine.

Our inability to obtain, maintain, or extend important program licenses, as well as delays in the execution of our license rights may make it difficult for us to provide and offer new attractive channels and programs, which may result in losing our ability to acquire and retain customers and advertisers. This in turn may have a material adverse effect on the results of our operations, financial condition and prospects.

***In the real estate segment, we are exposed to risks associated with a decrease in demand for the properties we offer, undiscovered defects and the impact of external factors, climate change or warranty claims***

Our financial results in the real estate segment directly depend on the level of sales and rental prices of real estate in Poland, which is influenced, among other things, by changes in demand for the premises offered. Market volatility and deterioration of the macroeconomic situation, outflow of foreign investors from the markets of Central and Eastern Europe, limited availability of sources of financing for customers, especially mortgage loans, an increase in the supply of premises in a specific area and a change in purchasers' expectations regarding the standard, location or furnishing of premises may result in a reduction of the demand for the properties we offer.

The development projects we carry out may suffer damage due to undiscovered faults or due to the impact of external factors (e.g. floods, landslides or earthquakes). In particular, our key investment in the real estate segment - Port Praski - is located in the immediate vicinity of the Vistula River, which may expose it in particular to the risk of flooding. The occurrence of such events may entail the need to carry out the associated maintenance and repair work without the possibility of transferring the costs thereof to third parties. However, it should be noted that in recent years the City of Warsaw has built a flood protection embankment and Port Praski has built a lock, which allows the use of the port and is part of the flood protection for the entire Praga Północ district. These measures significantly reduce the risk of flooding.

Climate change, which has been observed with increasing intensity in recent years, such as global temperature increase, weather anomalies or increase in greenhouse gas concentrations, can have a negative impact on our development activities at every stage, from design to construction and maintenance of buildings, exposing us to additional costs associated with the need to adapt properties to dynamic climate change.

In addition, the construction, lease and sale of the property may involve claims for defective construction work repair or otherwise. We are liable to purchasers of premises under the warranty for physical and legal defects of the buildings and the land on which the buildings are built, as well as for defects in the individual premises. Possible claims of this type may have an adverse effect on the perception of the Group's business, properties and projects by target customers, tenants or investors.

The occurrence of damage due to undiscovered defects and external factors, climate change or warranty claims may have an adverse effect on the Group's reputation which, together with a decline in demand for the properties we offer, could have a material adverse effect on the results of our operations, financial condition and prospects.

### *Our ability to increase sales of our services depends on the effectiveness of our sales network*

We operate an organized and specialized Poland-wide sales network, which distributes the products and services we offer. Because of strong competition with other pay TV providers and telecommunications services providers, as well asincrease in wages observed on the domestic labor market we might have to raise fees paid to our distributors which may result in higher operating costs and probably lead to lower profit from operating activities.

Furthermore, if we decide that our distribution network requires extensive reorganization or reconstruction, we may face the need to incur substantial financial outlays. Moreover, our sales network may be subject to operational downtime in the event of extraordinary events, which could result in a reduction of our revenues. For example, in 2020, as a result of the COVID outbreak, restrictions were imposed as a result of which part of our sales network remained closed periodically or experienced a significantly lower volume of visits by existing and potential customers, which negatively impacted our sales during this period. The occurrence of future extraordinary events with similar effects may translate into a decline in sales of services and equipment, as well as the number of churn rates, and may require us to incur additional costs to reorganise our sales channels to adapt them to permanently changing customer preferences.

Any failure to maintain, expand or modify our sales and distribution network, as well as the reduced efficiency of its operation as a result of extraordinary events, may make it much harder to acquire and retain customers of our services, which may have a material adverse effect on the results of our operations, financial condition and prospects.

***In our business, we depend on third-party providers for certain services, infrastructure or equipment. If these are delivered late or if they are not delivered at all our services may be delayed or even suspended***

Our ability to grow our customer base depends on our ability to provide high-quality, reliable services and products. In offering products and services, we rely on a number of third-party providers of network, services, equipment and content over whom we have no control.

We collaborate with a number of third parties in providing our pay TV, broadband Internet access and mobile telephony and landline services and the ability to deliver services to our customers depends on the correct operation of the infrastructure and equipment belonging to the entities with which we collaborate.

The access layer of the mobile network infrastructure used by our customers as of July 2021 belongs to Cellnex Group. Any long-term problems in the cooperation with the Cellnex Group or the failure of the Cellnex Group to comply with the arrangements contained in our signed Service Level Agreement, resulting in our inability to provide high quality services, could lead us to exercise the option contained in the Buyback Agreement, which provides an entitlement (but not an obligation) for Polkomtel to repurchase shares in Towerlink Poland (formerly Polkomtel Infrastruktura) for a price reflecting the fair value of the shares to be repurchased, taking into account the discount agreed between the parties. We have no assurance that the repurchase process would not negatively impact the continuity of our service provision or the satisfaction of our customers with the services we provide. We also cannot ensure that Polsat Plus Group, if required to exercise the repurchase option, would have adequate financial resources or would be able to arrange additional financing of sufficient scale and on acceptable terms, and thus we have no certainty that the exercise of the repurchase option would be effectively possible.

Our customers’ pay TV antennas are usually adapted to receiving signals delivered through transponders leased from Eutelsat S.A. In order to switch the satellite operator in the event of our failure to extend a contract, or in the event of contract termination by Eutelsat S.A., or for other reasons, we would be forced to find an alternative provider of satellite transmission capacities and potentially reposition our customers' satellite antennas, which would be a cost- and time-consuming process considering the size of our customer base.

To broadcast our terrestrial channels, we use the services provided by Emitel S.A. We also rely on other third-party contractors, Nagravision and Irdeto, which provide us with a conditional access systems to secure our networks against unauthorized access. We regularly take steps to detect unauthorized access due to the significant risks it poses to our business and, consequently, to our revenues. In accordance with our agreement with Nagravision, when unauthorized access to our services is detected, Nagravision will replace the conditional access system with the cards provided to our customers and, if necessary, adapt the decoders to support the new system, if there is no other option. Our broadcasting services also rely on a number of third-party contractors, and we outsource a number of non-core activities (including certain IT functions) not related to our broadcasting business. These, and other services, are often central to our operating activities.

The provision of our services may be disrupted or interrupted if any of our contractor (or its subcontractor) is unable to, or refuses to, perform their contracted services or provide access to infrastructure or equipment in a timely manner, on acceptable terms or at all. These and other disruptions or interruptions may have a material adverse effect on our business, financial condition, results of operations or prospects.

A possibility of provision of telecommunications services depend to a large degree on our ability to interconnect with the telecommunications networks and services of other telecommunications operators, including those our direct competitors. In particular, part of our services are provided based on regulated access to Orange Polska’s infrastructure or wholesale access to the networks of other wireline operators. We also rely on third-party operators for the provision of international roaming services to our customers. While we have interconnection, infrastructure access and roaming agreements in place with these operators, we do not have direct control over the quality of their networks and the interconnections and roaming services they provide, due to the fact that we do not have direct control over availability or quality of networks of these operators or interconnect and roaming services, there can be no assurance that availability and quality of services provided by such other operators will be in accordance with contract. Any difficulties or delays in interconnecting with other networks and services, the failure of any operator to provide reliable interconnections, regulated access or roaming services on a consistent basis or early termination of any of material interconnection, regulated access or roaming agreements could result in an inability or limited ability to provide services to our customers or in a deterioration of quality of the services, which in turn can lead to loss of customers or decreased usage of our services, and consequently have a material adverse effect on our performance, financial condition and growth prospects.

We are in the gradual process of implementing a new, integrated IT environment supporting sales and customer care as well as a convergent billing system for our products and services. The purpose of the implementation is to redefine and standardize the sales processes and the offers across Polsat Plus Group as well as to provide a single, consistent and effective tool which will enable management of sales and customer relations in all possible spheres. The project is implemented in cooperation with Asseco Poland S.A. who provides IT systems and, as the main integrator of the system is responisble for effecting the implementation.

Ongoing cooperation with some of the external suppliers is important for the ability to conduct uninterrupted operational activities. In the event that any of the major suppliers of telecommunication equipment to be considered a high-risk supplier and excluded from the supply chain, the competitiveness of the market may be reduced and the price of telecommunication equipment may increase. In addition, imposing an obligation on telecommunication operators to replace hardware or software supplied by a supplier deemed to be a high-risk supplier may entail additional high costs for the replacement of such network equipment and, as a result, adversely affect the pace of construction and modernisation of the telecommunication network of the operator concerned. We cannot exclude the possibility that this fact would have a negative impact on the cost and pace of construction and modernisation of the telecommunication network used by our customers.

We also rely on agreements with external suppliers of handsets and modems, external suppliers of components necessary for the production of end devices in our factory in Mielec and external providers of IT services. We do not have any control over our key suppliers and have limited influence on the manner in which these key suppliers perform their obligations under concluded contracts. There can be no assurance that these providers will not terminate their contracts with us, extend them upon expiry, extend them on the same or more favorable terms, or that we will be able to acquire the necessary equipment and services in the future from these or other suppliers, in required amounts and at the right time, or at all. Furthermore, in the event of a permanent or temporary reduction in the supply of components by external suppliers, there may be disruptions in the supply chain for imported equipment offered to our customers. Accordingly, due to dependence on third-party suppliers, we are exposed to the risk of delayed provision of necessary services or equipment or lack of such provision.

If such third-party providers do not perform their contractual obligations towards us or do not adjust to changes in requirements of the Group's companies, or are unable or refuse to provide services or deliver infrastructure or equipment, on which the possibility of timely and economically justified provision of certain services and products to our customers depends, our customers may experience service interruptions, which could adversely affect the perceived quality of our services and products, therefore, adversely impact the brand and reputation of the Group's companies, thus affecting the results of our operations, financial condition and prospects.

### *We may be unable to keep pace with new technologies used on markets, on which we operate*

The technologies used in broadcasting and delivering pay TV, mobile and fixed-line telephony and broadband Internet access develop extremely quickly, which is why there can be no assurance that we will be able to introduce new and/or enhanced technologies, services and products in a fast and efficient enough way.

Compression, signal encoding and customer management systems vital to the correct functioning of our satellite center, software of set-top boxes manufactured by us, as well as other software and technologies used by us and our suppliers, must be constantly updated and replaced to match the latest technological developments. Our inability to replace obsolete technological solutions may result in disruption of our pay TV services, which may in turn cause an outflow of customers to competitors who have brought their technologies up to date.

Technological progress requires us to modify our content distribution and TV programming methods to keep pace with the changing market. New technologies – including new video formats, IPTV, Internet streaming and downloading services, video on demand (VOD), the DVB-T2/HEVC standard, set-top boxes with recording capability, as well as other devices and technologies – introduce new media and entertainment options and change the way customers receive content. This allows them to enjoy television outdoors or at any chosen time, without commercials and to a custom schedule. Such technologies are growing in popularity and are becoming easier to use, yet the resulting fragmentation of TV viewers may cause a general decline in TV advertising revenues.

It is expected that certain communications technologies that are currently under development, including 5G, as well as fiber optics technology allowing for faster data transmission at lower unit costs, to become increasingly important in the markets in which we operate. Technological developments may also shorten product life cycles and facilitate convergence of various segments in the telecommunications industry. We cannot currently predict how emerging and future technological changes will affect our operations, nor can we predict whether new technologies required to support our planned services will be available when expected, if at all.

Furthermore, fixed-line broadband services are associated with a need for investments in modernization of access networks. Some market players are currently conducting large investments programs which allow to significantly increase throughput provided to end-users and increase the reach of an access network. In particular, Orange Polska has formed a joint venture with APG Group, a Dutch pension fund company to expand the reach of the access fibre network, and P4 has entered into a partnership with InfraVia Capital Partners for the expansion and wholesale access to the fixed access network in HFC and FTTx technologies. In addition, there are programmes to support the construction of broadband fibre networks using subsidies from European Union funds. The National Plan for Rebuilding and Increasing Resilience (KPO) and the European Funds for Digital Development (FERC) for 2021-2027, come from the European Union budget and are a continuation of the Operational Programme Digital Poland 2014-2020 (POPC).

We are not able to guarantee that the demand for our fixed-line broadband services will be sufficient to reach our revenue targets. Neither can we guarantee that the growing coverage of the less developed areas of Poland with optic fiber technologies giving the end users broader access to video content, will not adversely affect the demand for our pay TV satellite access services or wireless Internet.

Given the fast pace of technological change and customers' growing expectations, and considering the risk that our competitors may offer telecommunications products and services that are based on new technologies which are more advanced, less costly or otherwise more attractive to customers than those provided by us, we may be required to rapidly deploy new technologies, products or services. The rapid evolution of technology in the markets in which we operate and the complexity of our information technology systems, as well as a number of other factors, including economic ones, may affect our ability to timely launch new technologies, products or services. We cannot guarantee that we will correctly predict the development of new technologies, products or/and the demand for products and, therefore, that we will at an appropriate moment engage appropriate amounts of capital and resources to develop the necessary technologies, products or services that will satisfy existing customers and attract new customers. If we fail to implement new technologies, products or services or implement such new technologies, products or services too late, it may render our technologies, products or services less profitable or less attractive than those offered by its competitors. In addition, new or enhanced technologies, services or products we introduce may fail to achieve sufficient market acceptance or experience technical difficulties. We may also be unable to recover the investments it has made or may make to deploy these technologies, services and products and therefore no assurance can be given that we will be able to do so in a cost-efficient manner, which would also reduce our profitability. Moreover, we may not be able to obtain funding, in sufficient amounts on reasonable terms, in order to finance capital expenditures necessary to keep pace with technological developments and with the competitors.

Failure on our part to adapt our products and services to the changing lifestyles and preferences of our customers, or to make sufficient use of new technologies in our activities, may have a material adverse effect on the results of our operations, financial condition and prospects.

### *We are exposed to the risk of fraudulent activities by customers*

Given the nature of the telecommunications market stemming from the manner of making interconnect settlements related to the exchange of domestic and international telecommunications traffic, incurring wholesale costs related to traffic generated by our customers when using telecommunications networks of foreign operators (roaming) and fees for sold premium services, some of our customers use telecommunications services in a way that differs from the standard method of their use by the end user, e.g. by terminating mass traffic in the network of another operator while bypassing wholesale interconnect settlements. We prevent such behavior by analyzing any abnormal traffic patterns on individual SIM cards. If such traffic patterns are identified, the card can be immediately deactivated, in accordance with the service provision regulations. However, there can be no assurance that we will be sufficiently effective in preventing this type of fraud. If we do not identify a fraud or identifies a fraud with a delay, we may be exposed to additional costs or lose some revenue due to us, which can have a negative effect on the results of our operations, financial condition and prospects.

### *We might be unable to maintain the good name of the major brands in our portfolio*

The good name of the major brands in our portfolio, including “Polsat Box”, “Plus”, “Polsat”, “Polsat Box Go”, “Netia”, and “Interia.pl” is a significant component of Group's value. Maintaining their good name is fundamental for acquiring new and retaining existing customers and advertisers. Our reputation may also suffer if we are unable to provide existing products and services or implement new products and services due to technical faults, a lack of necessary equipment, or other circumstances. Also, the quality of our products and services depends on the quality of third-party infrastructure and services, over which we have little control. If our partners fail to observe relevant performance standards or supply faulty products or services, the quality of our products and services, as well as our good name may suffer. There can be no assurance that these or other risks, which would compromise the good name of our most important brands, will not materialize in the future. Any damage to our good name may have a material adverse effect on the results of our operations, financial condition and prospects.

### *Goodwill and brand values may be impaired*

Following the acquisitions made in the past, in particular of Telewizja Polsat, Polkomtel, Netia, Aero 2, Interia.pl, Port Praski and PAK-PCE we have carried considerable amounts of goodwill and intangible assets, representing brand value, on our balance sheet. We test the goodwill and brand value allocated to our business segments for impairment on an annual basis, by measuring the recoverable amounts of cash-generating units, based on value in use. Any adverse changes to the key assumptions we apply in impairment testing may have a material adverse effect on the results of our operations, financial condition and prospects.

### *We may lose our management staff and key employees*

Our performance, as well as successful implementation of our strategy, depend on the experience of our management staff and the commitment of our key employees. Whether we are successful in the future will depend partly on our ability to retain the Management Board members who have made considerable contributions to the development of our Group, as well as to acquire and retain qualified employees who will ensure effective operation of our business segments. In the media and telecommunication sectors, both in Poland and worldwide, there is strong competition for highly qualified employees. Therefore, no assurance can be given that in the future we will be able to acquire or retain Management Board members or qualified employees. Loss of our key managers or our inability to acquire, properly train, motivate and retain key employees may have a material adverse effect on the results of our operations, financial condition and prospects.

### *Disruptions to set-top box production may adversely affect our reputation and increase customer churn*

To reduce acquisition costs of pay TV reception equipment and to be able to offer our customers the option to lease set-top boxes at lower prices, we are currently producing most of the set-top boxes we offer and deliver to our customers at our manufacturing plant in Mielec. Should any batch of the set-top boxes we have manufactured prove defective and need to be withdrawn from the market, we are under the obligation to replace the set-top boxes we have made available to our customers. Any disruption of services provided to our customers may trigger our obligation to refund subscription fees due to the inability to use the pay TV services that should be delivered using the defective set-top boxes, and to pay the stipulated damages. Furthermore, the withdrawal of reception equipment due to a confirmed epidemic defect could be harmful to our reputation.

Any problems with production of set-top boxes would force us to acquire larger numbers of set-top boxes from third-party suppliers. There can be no assurance that we will be able to purchase a sufficient number of set-top boxes from third-party suppliers when required. Furthermore, the cost of acquiring from third-party suppliers of the vast majority of set-top box models we offer could be much higher than the cost of manufacturing them at our own plant. If we were unable to obtain set-top boxes from third-party suppliers on satisfactory pricing terms, we might have to raise the prices for our customers to cover our increased expenses. Moreover, if the deliveries of set-top boxes we managed to procure were insufficient to meet the demand, our reputation among our current and potential customers would suffer. As our production of set-top boxes is based on components purchased from third-party contractors, there is a risk that we lose access to such components, for instance due to problems with the availibility of these components, discontinuation of their production or changes in technologies or products. Losing access to certain components would force us to redesign our set-top boxes, which could affect continuity of their production and supplies to our customers.

Any difficulties in the production of most of our set-top boxes at our own production plant could lead to a loss of our current customers or adversely affect our ability to acquire new customers for our pay TV services. Any disruption to our set-top box production and subsequent necessity to procure more set-top boxes from third-party suppliers could adversely affect our reputation, which could have a material adverse effect on the results of our operations, financial condition and prospects.

### *Network infrastructure, including information and telecommunications technology systems, may be vulnerable to circumstances beyond the Group control that may disrupt service provision*

The mobile telecommunications business depends on providing customers with reliable service. The services we provide may encounter disruptions from many sources, including power outages, acts of terrorism and vandalism and human error, as well as fire, flood, or other natural disasters.

Due to the fact that the access layer of the mobile network infrastructure used by the Group's customers is owned by a third party – the company Towerlink Poland, potential disputes between this entity and Group companies, the failure of Towerlink Poland to comply with the agreements (in particular with the detailed provisions of the Service Level Agreement), delays in concluding new orders or failure to execute orders concluded with Towerlink Poland on time, as well as a number of other events and factors may cause part of our network infrastructure to be inaccessible, which could adversely affect our ability to efficiently provide services, maintain and upgrade network infrastructure through wchich we provide services to our customers.

In addition, we could experience interruptions of our services due to, among other things, software bugs, computer virus attacks, or unauthorized access. Any interruptions in our ability to provide services could seriously harm our reputation and reduce customer confidence, which could materially impair our ability to attract and retain customers in both the retail and wholesale segments. Such interruptions could also result in an obligation to pay contractual penalties or cause our customers to terminate their agreements or the imposition of regulatory penalties due to violations of the terms of frequency allocation. They might also result in a need to incur significant expenditure to restore the functionality of the telecommunication network and guarantee reliable services to customers.

In order to provide pay TV services to our customers, we rely primarily on our satellite center, as well as satellite transponders, customer management system, reporting systems, sales support system, and customer relationship management system. Any failure of the individual components of our satellite center, including failure of satellite transponders or any intermediate link, may result in serious disruption or even suspension of our activities for a certain period. In the media segment, the IT systems are used primarily for management of advertising scheduling, program broadcasting, and maintaining relations with advertisers. Failure of any of our IT systems may prevent us from carrying out our operations successfully, while restoring them to full working condition may require significant financial outlays.

Such events may have a material adverse effect on the results of our operations, financial condition and prospects.

### *We could become a party to labor disputes or experience growth of employment costs*

In spite of correct relations with our employees, we may not rule out the risk of occurrence work disruptions, disputes with employees, strikes or significant growth of labor costs in one or many of our companies. Each of the above events could prevent our ability to satisfy customer needs or lead to growth of labor costs which would reduce our profitability. In addition, any employee-related problems affecting external companies providing services or technologies to us could also have adverse impact on us if they hinder our ability to obtain the required services or technologies on time or the ability to offer the expected quality. All disruptions of this type may have a material adverse effect on the results of our operations, financial condition and prospects.

At Polkomtel, Niezależny Samorządny Związek Zawodowy Solidarność (the Solidarity Independent Self-Governing Trade Union) trade union is active. Trade unions are active also at Netia Group. As at December 31, 2023, ca. 5% of the total workforce of Polsat Plus Group were trade union members. Involvement in lengthy negotiations with the trade unions or in collective disputes cannot be ruled out; strikes, work interruptions or other industrial action (triggered, for example, by an attempt to optimize the employment level or labor costs or the need to restructure the workforce), as well as employees' pay rise demands may also be experienced. The occurrence of strikes, significant disputes with the trade unions active at the Group's companies, or increase in employment costs may disrupt our operations, preventing it from timely or cost-effective provision of services to its customers, which can have a material adverse effect on the results of our operations, financial condition and prospects.

#### *The administrative and court proceedings in which we are involved may result in unfavorable rulings*

We were, and currently are, party to a number of past or pending administrative and court proceedings in connection with our business. Therefore, there is a risk of new proceedings being instituted against us in the future, outcomes of which may prove unfavorable (including those instituted in connection with claims made by organizations for collective administration of copyrights). Under Polish copyright law, we are required to pay fees for collective administration of copyrights to organizations that collect royalties on behalf of authors of copyright-protected works we broadcast or distribute as part of our operations. Such fees are charged in accordance with license agreements signed with these organizations. Although relevant agreements are in place with several organizations for collective administration of copyrights, there is a risk that claims will be brought against us by other such entities. We are in turn a party to administrative and court proceedings, including the ones which have been initiated by regulators, competition and consumer protection office, tax authorities as well as disputes and court proceedings involving third party entities.

Any unsuccessful court, arbitration and administrative ongoing and future proceedings may have an adverse effect on the results of our operations, financial condition and prospects.

#### *Should any claims related to the infringement of third-party intellectual property rights be brought against us, we may be forced to incur substantial expenses to defend against those claims, to acquire a license for a third-party technology, or to redefine our business methods to eliminate the infringement*

Our business success depends largely on third-party intellectual property rights, particularly rights in advanced technologies, software, and programming content. No assurance can be given that we have not, or that we will not in the future, infringe any third-party intellectual property rights. Any such infringement may result in claims for damages being brought against us by third parties. We may also be placed under an obligation to obtain a license or acquire new products which would enable us to conduct our business in a non-infringing way, or we may have to expend time, human and financial resources to defend against claims of infringement. Expenditure on defending against intellectual property infringement claims or obtaining necessary licenses, and the need to employ time and human resources, including the management staff, to handle issues related to absence or infringement of intellectual property rights, may have a material adverse effect on the results of our operations, financial condition and prospects.

#### *Our own intellectual property rights and other means of protection may not adequately protect our business, and insufficient protection of our programming content, proprietary technologies and know-how may cause profit erosion and customer churn*

A large proportion of our products make use of proprietary or licensed content, delivered to the customers and the viewers through our broadcast channels, interactive TV services, and pay TV. We establish and protect our property rights on distributed content relying on trademarks, copyrights, and other intellectual property rights, but no assurance can be given that these rights will not be challenged, revoked or disregarded.

Even if our intellectual property rights remain in full effect, no assurance can be given that our protection and anti-piracy measures will successfully prevent unauthorized access to our services and theft of our programming content. Furthermore, our proprietary content and the content we use under licenses may be accessed, copied or otherwise used by unauthorized persons. The risk of piracy is particularly harmful to our segments of media and the distribution of paid content. Media piracy is a problem well known in many geographies, including Poland. Technological advancements and digital conversion of multimedia content are powerful incentives for pirating, as they enable the production and distribution of high-quality unauthorized copies, recorded on various carriers, of pay-per-view programs delivered via set-top boxes, license-free or free-to-air transmissions on television or the Internet. This is further exacerbated by the difficult enforcement of the laws governing copyright and trade-mark infringements on the Internet, which compromises the protection of our intellectual property rights in that medium. Unauthorized use of our intellectual property may adversely affect our operations, harming our reputation and undermining our trading partners' confidence in our ability to properly protect our proprietary and licensed content, which in turn may have a material adverse effect on the results of our operations, financial condition and prospects.

### *Our broadcasting licenses may be revoked or may not be renewed*

Our business operations in the media segment require that we obtain licenses issued by the National Broadcasting Council (KRRiT). These licenses may be revoked or may not be renewed.

To keep our TV broadcasting licenses, we must comply with the applicable laws and the terms and conditions of the licenses. Failure to comply with the applicable laws or breach of the terms and conditions of a broadcasting license, especially with respect to the period within which we must commence broadcasting of a channel, could lead to the license being revoked or a fine being imposed on us. Our broadcasting licenses may also be revoked if we are found to be conducting activities in violation of the applicable laws or the terms and conditions of our broadcasting licenses, or we fail to remedy such violation within the applicable grace period. In addition to license revocation, there is also a risk that licenses granted by KRRiT will not be renewed.

If any of our broadcasting licenses are not extended, are revoked or extended on unfavorable conditions, the Group may be forced to suspend the provision of some services temporarily or permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure, all of which may have a material adverse effect on the results of our operations, financial condition and prospects.

### *Our current frequency allocations may be revoked or may not be renewed on acceptable terms or at all*

We base our business activities in mobile telecommunication services, on acquired radio frequency reservations. All frequency allocations (including those for the media segment) have been issued to us for a definite term. There can be no assurance that our frequency allocations will be extended prior to their expiry. In particular, pursuant to the Telecommunications Law, the President of UKE may refuse to extend or revoke frequency allocations if he decides that the terms of use of the allocated frequencies has been repeatedly breached, used ineffectively, or if particular circumstances occur which jeopardize the state defense abilities, state security or public order, or if revocation of the frequency allocations follows from the necessity to ensure equal and effective competition or substantially better use of frequencies, especially if the extension of the allocation would lead to excessive frequency concentration at the given capital group.

To maintain our frequency allocations, we must comply with the terms of the allocation, as well as relevant laws and regulations. Any breach of those terms, laws or regulations, including in particular failure to pay frequency allocation fees, may cause the allocation to be revoked and penalties to be imposed on the given allocation owner. In particular, given that the regulations and laws governing the Polish telecommunications industry are very complex and often change, there can be no assurance that we will not breach any laws or regulations related to frequency allocation or any terms of such allocation.

If any of our frequency allocations is not extended, is revoked or extended on unfavorable conditions, we may be forced to suspend the provision of some services temporarily or permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure in order to be able to provide services to customers based on frequencies from other bandwidths, all of which may have a material adverse effect on the results of our operations, financial condition and prospects.

In particular, we currently hold frequency allocations in the 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz and 3400-3500 MHz bandwidths. These allocations are fundamental for the roll-out of our mobile telecommunications network. Our competitors have taken a number of steps (initiated administrative and judicial/administrative proceedings), some of which are still pending, involving frequencies in the 1800 MHz band.

In proceedings initiated upon request of T-Mobile Polska S.A. the President of UKE reopened proceedings concluded earlier on April 23, 2009 with a final decision issued by the President of UKE upholding the decision of the President of UKE dated 30 November 2007 awarding frequency reservation in the bands 1710-1730 MHz i 1805-1825 MHz. In these proceedings, in its decision of November 28, 2017 the President of UKE refused to repeal - after the reopening of the proceedings - of the reservation decision of the President of UKE dated April 23, 2009. This decision was upheld in the decision of the President of UKE dated June 4, 2018. Following the complaints filed against the aformentioned decision, in a judgment of March 11, 2019 the Provincial Administrative Court in Warsaw repealed the decision of the President of UKE dated June 4, 2018. On October 10, 2023, the Supreme Administrative Court overturned the appealed judgment and sent the case back to the Court of First Instance for reconsideration.

Separately, on December 5, 2022, the Company received a decision from the President of the UKE granting a frequency reservation in the 1800 MHz band for an additional period of time.

No assurance can be given that if we lost certain frequency allocations on the basis of which we provide telecommunication services, we would be able to gain access to sufficient alternative frequency band resources on satisfactory terms or at all, and failure to obtain access to such resources could have a negative impact on the implementation of business strategies and consequently a material adverse effect on the results of our operations, financial condition and prospects.

***The spectrum of radio frequencies available to the mobile phone industry is limited and therefore we may not be able to obtain new frequency allocations***

The ability to maintain existing and implement new or improved mobile technologies and our ability to successfully compete on the telecommunications services market partly depends on our ability to obtain further radio frequency resources. The size of the spectrum of radio frequencies available for allocation in Poland is limited, and the process of obtaining allocations is long and very competitive.

In May 2017 the European Parliament and the Council issued a decision on the use of the 470-790 MHz frequency band in the European Union under which EU Member States were required to make the 700 MHz band available for broadband services by June 30, 2020 or in justified cases by June 30, 2022 at the latest. The then Ministry of Digitalisation has decided to take advantage of the possibility of postponement. At the same time, TV broadcasters who were forced to release the 694-790 MHz band as a result of the decision, and to use the 470-694 MHz band only, have been given the guarantee of maintaining the latter frequency band, i.e. 470-694 MHz, at least till the year 2030. According to the schedule of Emitel S.A., which is implementing the technical layer of the refarming process in the 700 MHz band involving the release of this band by TV broadcasters for the development of 5G technology, this process was completed in Poland in June 2022, with the decision of the Office of Electronic Communications granting public TV TVP an extension to use the 700 MHz band until the end of 2023. As of the date of this Report, there is no precise information on the distribution and use of frequencies in the 700 MHz band in Poland, nor are the final conditions and deadlines for the distribution of the 700 MHz band known.

The Group's inability, or limited ability, to obtain access to frequency bands important for further development of our operations (on favorable terms or at all), including maintaining the existing or implementing new or improved mobile technologies, or obtaining such access by competitors, including new participants of the national mobile telecommunication market, if any, can have a material adverse effect the results of our operations, financial condition and prospects.

***We may not be able to reap the expected benefits of the past or future Group's acquisitions and strategic alliances***

Whether the Group will be able to reap all expected benefits from past or future acquisitions or strategic alliances may depend on various factors, including our ability to implement our strategy of integrating business processes leading to noticeable income and cost synergies on acquisitions or strategic alliances. Through acquisitions or strategic alliances, the scale of our business continues to grow and we make efforts on a day to day basis to integrate the business processes of the target companies within the Group structure, as well as other actions aimed at consummating the benefits of strategic alliances. If we are unable to attain all or some of our goals, the benefits from past or future acquisitions or strategic alliances, including the estimated income or cost synergies, may deviate from the plans or may fail to be obtained in full or at all, or obtaining them may take longer than anticipated.

It cannot be ruled out that the process of integration of business processes after past or future acquisitions, or the implementation of past or future strategic alliances may result in losing key employees, disruptions to our day-to-day business in some business areas and incoherencies in standards, procedures or policies, which might adversely affect our ability to maintain the existing relations with third parties and employees or our ability to obtain the expected benefits from past or future acquisitions or strategic alliances. In particular, in order to achieve all expected benefits from our past or future acquisitions or strategic alliances, we need to identify and optimize some areas of our business and assets across the whole organization. Our inability to achieve all or any expected benefits from our past or future acquisitions or strategic alliances, as well as any delays in the integration processes related to past or future strategic alliances may have an adverse effect on us. Furthermore, the integration may require additional, unanticipated costs and the benefits of acquisitions or strategic alliances may never the consummated.

All these factors may have a material adverse effect on the results of our operations, financial condition and prospects.

## 6.2. Risk factors associated with the Group's financial profile

***The servicing of our debt is very cash-intensive, and our debt servicing liabilities may impair our ability to finance the Group's business operations***

Our Group uses large financial leverage. In the past, debt servicing and other cash requirements were financed with cash flows from operating activities and revolving credit facilities. Our debt liabilities increased significantly following the past acquisitions, in particular the acquisition of Telewizja Polsat, Polkomtel, Netia or PAK-PCE and completion of the related financial transactions. In addition, our Strategy 2023+ includes the development of new businesses, such as investments in renewable energy sources, which will require external financing in the form of loans and/or bond issues.

Our ability to service and repay debt depends on future results of our operations and our ability to generate sufficient cash flows to pay these and other liabilities, which in turn depends, to a significant extent, on the general economic situation, financing terms, monetary and fiscal policy of the Polish government, market competition, acts of law and secondary legislation, and a number of other factors which are often outside of our control. If our future operating cash flows and other capital resources prove insufficient to repay our liabilities as they fall due or cover our liquidity requirements, we may lose our property, plant and equipment which serve as security for the repayment of our debts, or we may be forced to restrict or postpone certain business and investment projects; dispose of assets; incur more debt or raise new capital; or restructure or refinance our debts, in part or in full, at or prior to their maturity. The terms and conditions of our debts limit our ability to take the above measures. Therefore, we cannot guarantee that they will be taken on commercially reasonable terms, or at all, if need arises.

Also, the refinancing of our debt on unfavorable market terms would require us to pay higher interest margins or observe more stringent covenants, which could further restrict our business activity. If our debt financing increased, the related risks would also increase. Moreover, any significant adverse change in financial market liquidity, resulting in tighter lending terms and debt or equity financing constraints, may restrict our access to financing sources and increase our borrowing costs, which could significantly affect our ability to achieve and manage liquidity, raise additional capital, or restructure or refinance our existing debt.

The SFA, Series D Bonds Terms, Series E Bonds Terms and Series F Bonds Terms provide for a number of restrictions and obligations (including maintaining specified financial ratios and the achievement of sustainable development goals), limiting the Group's ability to incur new debt for financing future operations or to pursue business opportunities and activities that may be in our interest.

If our debts are not repaid in accordance with the underlying debt agreements or terms of debt instruments, then those debts, as well as other liabilities incurred under other agreements or debt instruments, which include cross-default or cross-acceleration clauses, may become immediately payable, and we may not have sufficient funds to repay all our liabilities. Our inability to generate sufficient cash flows to service our debt, or to restructure or refinance it on commercially reasonable terms (or at all), may have a material adverse effect on our business, financial condition, results of operations or prospects.

We may need to incur a significant amount of new debt in the future. In particular, the terms and conditions of the SFA, Series D Bonds Terms, Series E Bonds Terms and Series F Bonds Terms impose certain limitations on, but do not prohibit us from, incurring new debt or other liabilities. In particular, a high level of debt may (i) limit our ability to repay our liabilities under the SFA, or other liabilities; (ii) require us to apply a considerable portion of operating cash flows towards debt repayment, restricting the availability of cash used to finance our investment activities, working capital, and other corporate needs and business opportunities; (iii) reduce our competitiveness relative to other market players with lower debt levels; (iv) affect our flexibility in business planning or responding to the overall unfavorable economic conditions or to specific adverse developments in our sector; and (v) impair our ability to borrow new funds, increase our borrowing costs and/or affect our equity financing capacity. In consequence, any additional debt would further reduce our ability to secure external financing for our operations, which may have a material adverse effect on the results of our operations, financial condition and prospects.

### *We might be unable to refinance our existing debt, secure favorable refinancing terms, or raise capital to finance new projects*

We are exposed to risks related to debt financing, including the risk that the debt will not be repaid, extended, or refinanced at maturity, or that the terms of such extension or refinancing will be less favorable. In the future, we may need to increase our share capital if our operating cash flows are insufficient to ensure financial liquidity or fund new projects. Depending on our capital requirements, market conditions, and other factors, we may be forced to seek additional sources of financing, such as debt instruments or a share offering. If we are unable to refinance our debts on reasonable terms, or at all, we may be forced to sell certain assets on unfavorable terms, or to restrict or suspend certain activities, which could have a material adverse effect on our financial condition and performance. Our inability to secure external financing could force us to delay or abandon new projects, which could have a material adverse effect on the results of our operations, financial condition and prospects.

### *We might be unable to repay our debts if control of the Company changes*

In the event of a change of control of the Company within the meaning of the SFA we are under the obligation to repay our liabilities. Moreover, if a change of control takes place, our ability to repay our debt will be limited by the level of available funds at the time. There can be no assurance that those funds will be sufficient to repay outstanding debts. In view of the above, we believe that in the case of change of control over the Company, we would require additional external financing in order to repay the debt.

Limitations arising from our contract obligations could make it impossible for us to repay the credit facilities or secure external financing if events constituting a change of control actually occur. Any breach of those limitations may lead to a default under other contracts and acceleration of other debts, which could have a material adverse effect on the results of our operations, financial condition and prospects.

## 6.3. Risk factors associated with the market environment and economic situation

### *We are exposed to the effects of the regional or global economic slowdown*

We derive almost all our revenues from telecommunication services customers, pay TV customers and TV advertisers in Poland. Our revenue depends on the amount of cash our existing and potential customers can spend on entertainment, communication services and telecommunications equipment. If the economic conditions in Poland deteriorate or there is prolonged inflationary pressure of a supply-side nature, consumers may be willing to spend less on entertainment, communication servives and telecommunications equipment, which may have an adverse effect on the number of our customers or on our customers' spending on our services and products. In addition, continued inflationary pressures may result in an increase in the cost of our day-to-day operations, thereby reducing the profit margins we achieve. Lower consumer spending caused by economic recession or increase in inflation may also lead existing and potential customers to choose cheaper versions of our service packages or to discontinue using the services and the equipment we offer. The foregoing factors may have a material adverse effect on results of our operations, financial condition, and growth prospects.

Lower advertising spending in Poland may have a material adverse effect on our revenue and the growth prospects of our business in the media segment. Slower GDP growth in Poland usually negatively impacts advertising spending. Moreover, as many of our advertisers are global companies, the global economic downturn, even if it has no direct effect on Poland or its effect on the Polish economy is not as significant as in other countries, as well as economic slowdown in Poland, may force customers to cut their advertising budgets in Poland, which will have a negative impact on the demand for advertising services in Poland. A decrease in our advertising revenue may force us to adjust the level of our costs to lower revenues. As adjustments of the cost base to market conditions are not generally sufficient to fully offset the effect of lower revenue, the consequences of such risk factors may include a reduced EBITDA margin, lower quality of our programs, or limited number of programs broadcast by us, both our own productions and content purchased from third parties. Any constraints on the quality or quantity of our programming may result in the loss of audience share both to our competitors and to alternative forms of entertainment, which in turn may affect the attractiveness of our offering to potential advertisers and sponsors.

The performance of our renewable energy generation business depends on the global and regional macroeconomic and geopolitical situation. Currently, investors in renewable energy projects face potential delays in the execution of construction contracts and contracts for the supply of individual components due to, among others, supply chain disruptions and hostilities in Ukraine. In addition, economic conditions, including inflation and increases in the price of construction materials, result in numerous claims by contractors for increases in the agreed-upon compensation under construction contracts or extensions of the completion period, which may also adversely affect the Company's and the Group's business and the timely completion of projects. The complex situation in the construction market may also adversely affect the financial and operational condition of contractors with whom Group companies enter into construction contracts. As a result, they may not be able to meet certain obligations, which could adversely affect the timing of certain investments included in the strategy. In addition, the start of hostilities in Ukraine has had an unfavorable impact on the global price level for fossil fuels, but also for locally supplied biomass, which - if the war continues, but also if other unfavorable circumstances arise - may have an unfavorable impact on the ability to achieve the originally assumed financial results, especially in the area of biomass power generation.

The results of our operations in the real estate segment are also dependent on the current economic situation in Poland. In the event of an economic downturn, consumers may postpone decisions to buy or lease real estate, or may not be able to obtain the financing necessary to purchase or lease real estate. As a result, we may see a reduction in the ability to sell real estate and a decrease in the rents earned from rental properties. This, in effect may reduce our revenues derived from the real estate segment's operations or lead to the need to revaluate our real estate assets.

Moreover, the worsening of the macroeconomic conditions across the world, as well as possible uncertainty regarding the future economic situation, may have, among others a negative impact on the Group’s ability to acquire sufficient financing on the global capital markets or the cost of obtaining and servicing such financing.

In view of the above, the worsening of macroeconomic conditions in Poland or across the world may, as a result, have a considerably adverse impact on the financial situation, results of our operations and growth prospects of the Group.

### *We are exposed to the effects of extraordinary events such as a pandemic, epidemic or war*

Our operations may be reduced as a result of extraordinary events, such as the announcement of a state of epidemic or pandemic or the start of an armed conflict in our region. In order to combat an epidemic or pandemic a number of restrictions may be taken by the authorities, such as restrictions on movement, organization of events and meetings, entertainment activities, operation of shopping malls or quarantine obligations. Such restrictions may lead to a significant reduction in the functioning of the economy and, as a result, entail negative effects like an economic slowdown or recession, which could negatively affect our operating activities and financial results.

A military conflict in Ukraine could have a significant and long-lasting impact on the global, European and Polish macroeconomic environment. In particular, as a result of a sudden reduction in the availability of raw materials, oil, steel, gas or biomass and fossil fuels, we can expect both a sudden economic slowdown and deepened inflationary pressures. These phenomena may translate adversely into demand for our services, the cost of conducting current operations, as well as the possibility of carrying out certain investments. At the same time, continuing inflationary pressure may cause the monetary authorities to further tighten monetary policy, which may affect the cost of servicing our debt or the ability to raise additional financing. The severity of these effects depends primarily on the length of the military operations in Ukraine, as well as their intensity. We are not able to predict development of events in Ukraine or their long-term impact on the global and regional economy and, consequently, on our operations and financial results.

Deterioration of the national and global economy as a result of the epidemic or the war in Ukraine may negatively affect the advertising market, and thus the level of our advertising revenues and the growth prospects of our business in the media segment. Moreover, restrictions that may be imposed could limit or prevent us from making some or all of our own television productions, which may further translate into a lower attractiveness of our program for advertisers. In addition, as a result of restrictions on operations on a global scale, as was the case in the COVID-19 pandemic, sport events for which we hold broadcasting rights may be suspended. As a result, we are at the risk of postponing revenue included in our budget to the moment of resumption of sport events, or even at the risk of loss in case these sport events are cancelled.

If the relevant authorities introduce recommendations to stay at home and work and study remotely, there could be a significant increase in traffic in telecommunications networks. Any strong growth in voice traffic could translate into higher costs associated with buying traffic from other operators. At the same time any restrictions on border closures and lower ability of movement of people may result in lower traffic volumes for international roaming service. Both of the above factors can lead to a reduction in the margins earned on our telecommunications business.

In turn, when malls are closed and social distance is applied, we may have to periodically close some of the stationary outlets and face relatively less customer traffic at the open outlets. This could adversely affect the number of new customer and service accessions and equipment sold and, as a consequence, may result in a reduction in the level of our sales revenues.

In view of the above, the occurrence of extraordinary events such as a pandemic, epidemic or war and the introduction of related restrictions on the functioning of society and the economy may have a significant adverse impact on our financial position, results of operations and development prospects.

### *The Polish telecommunications industry is highly competitive*

We face strong competition in all of its core business areas, especially from telecommunication operators, in particular: Orange Polska, T-Mobile Polska and Play. There can be no assurance that our current customers will not find the offerings of those operators more attractive.

A shift in the business model of mobile telecommunications network operators in Poland, whereby competing providers of telecommunications services would form joint ventures or strategic alliances, or launch of new types of services, products and technologies may additionally intensify competition on the telecommunications services market. The situation on the telecommunications market in Poland may also change significantly as a result of potential acquisitions or intensify if new mobile telecommunications operators enter the market or if broadband Internet access services are offered by entities other than mobile telecommunications operators.

We face growing competition from entities offering non-traditional voice and data transmission services which rely on the VoIP technology, such as Skype, WhatsApp or Viber, or video conferencing solutions, such as Zoom or Teams, through which customers who use only mobile data transmission can be provided with mobile voice and video services, and users with fixed broadband access can be provided with voice and video services over fixed-line networks, usually at prices lower than traditional voice and data transmission services. To this end, such entities use, among other things, the possibility to provide services via existing infrastructure, belonging to telecommunication operators, so as to avoid having to implement capital-intensive business model themselves. Continued growing popularity of these services may lead to a decrease in ARPU per customer and the customer base of telecommunications operators, including the Group’s one. It can be expected that in the future the Group will also have to compete with providers of services supported by communication technologies which currently are at an early stage of development or which will be developed in the future. The Group's existing competitors as well as new players on the Polish market may introduce different new services or telecommunications services based on better technologies than those currently used by the Group before such services are introduced by the Group, or may offer such services at more competitive prices. Mobile virtual network operators (MVNO) also compete with traditional mobile telecommunications network operators.

The Group’s ability to effectively develop its operations on the Polish telecommunications services market may be also adversely affected by the imposition of new regulatory requirements or new fees or payments on entities operating in Poland, further legal changes, or the regulator's policy designed to increase the competitiveness of the telecommunications services market.

Moreover, the high rate of mobile voice penetration and the highly consolidated nature of the Polish mobile telephony market may result in increased pricing pressure and our ability to compete effectively will depend on our ability to introduce new technologies, convergent services and attractive bundled products at competitive prices. It cannot be ruled out that we will be forced to reduce prices for certain products and services in response to the pricing policies of our major competitors, which may have an adverse effect on our future revenue and profitability.

Group's reduced competitiveness and increased pricing pressures could have a material adverse effect on the financial situation, results of our operations and growth prospects of the Group in the future.

***Our operating results in media segment depend on the importance of television and Internet as advertising media***

In 2023, ca. 64% of the revenue generated by our media segment came from sale of advertising time and sponsored time slots on our TV channels and Internet media. The Polish advertising market sees television competing with other advertising media, such as the Internet, newspapers, magazines, radio, and outdoor advertising. In view of the continuing growth in the importance of online advertising in Poland, we are consistently developing our online advertising channels, however, the vast majority of our advertising revenues come from TV operations. There can be no guarantee that TV commercials will maintain their position on the Polish advertising market, or that changes in the regulatory regime will not favor other advertising media or other broadcasters. The growing competitive pressure among advertising media, significantly higher spending on thematic channels, and the development of new forms of advertising may have an adverse effect on TV advertising revenue generated by our media segment, and thus on our operations, financial condition, performance, and cash flows.

Our potential advertising revenue depends on several factors, including the demand for and prices of advertising time. No assurance can be given that we will be able to respond successfully to the changing preferences of our viewers, which means that our audience share may decrease, which may adversely affect demand for our advertising time and our advertising revenue.

The diminishing appeal of TV as a whole, and our own channels in particular, attributable both to higher interest in other forms of entertainment and to the declining importance of television as an advertising medium, may have an adverse effect on the results of our operations, financial condition and prospects.

***Due to the strong competition in the television market, we cannot guarantee that in the future customers using our services and advertisers will use our offer and not the services offered by our competitors***

The Polish television market is characterised by strong competition and we are therefore unable to guarantee that in the future we will achieve satisfactory revenues from pay TV subscriptions and television advertising in comparison to our competitors. Our current and potential competitors may have greater financial and marketing resources that will enable them to more effectively attract customers and advertisers for their services.

Our main competitor in the satellite TV market is the Canal+ platform. We also compete with broadcasters using other transmission technologies, such as terrestrial television, cable television and internet television. We also expect increasing competition from joint ventures and strategic alliances entered into by satellite TV providers, cable TV providers and telecommunications operators. We are also competing with local and foreign competitors entering the Polish market in the form of OTT services and applications based on providing all types of content, especially video.

Our main competitors in the TV advertising market are other broadcasters such as TVN (Warner Bros. Discovery Group) - the leading commercial broadcaster in Poland, and TVP - a broadcaster financed to a significant extent from public funds, which by definition fulfils the mission of public television. In relation to the fulfilment of the public television mission, TVP has restrictions on interrupting individual programmes and films with advertisements. Any changes to TVP's restrictions on the transmission of advertising may intensify competition from TVP and reduce our advertising revenues. In addition, we will be forced to compete with existing TV broadcasters and potential new entrants for the the granting of licenses for terrestrial and satellite television broadcasting in Poland. The loss of customers and advertisers to our competitors could have a material adverse effect on results of our operations, financial condition and prospects.

***We face competition from entities offering alternative forms of entertainment and leisure***

Technological progress, as well as a number of various other factors expose our operations to growing competition for the time and form of customers' leisure and entertainment activities. In particular, we compete with entities offering such alternative forms of leisure and entertainment as cinema, radio, home video, printed media, as well as other non-media forms of leisure, including live events. Moreover, new technologies, such as video on demand (VoD), Internet streaming and downloading, have broadened and may continue to broaden the selection of entertainment options available to existing and potential users of our services. The media market is witnessing a trend of changing preferences in the way content is consumed, with a gradual shift away from linear television, especially among younger generations. In particular, increasing activity of foreign players operating in the OTT model, e.g. Netflix, Amazon Prime, HBO, Disney+or SkyShowtime. These platforms are increasingly investing in Polish-language content and local productions, enhancing the appeal of their offerings to Polish audiences. The growing variety of leisure and entertainment options offered by our current and future competitors may bring about a decrease in demand for our products and services, and weaken the effect of television as an advertising medium. This may have a material adverse effect on the financial situation, results of our operations and growth prospects of the Group in the future.

***In the green energy segment we face the risk of growing competition in the area of energy generation from renewable sources***

The market for photovoltaic and wind farms attracts interest from investors who may compete with the Group due to its potential and potential returns. The intensification of this competition as well as increased investment in the sector by established companies and start-ups, could result in demand for photovoltaic and wind farm projects exceeding supply, which would have a negative impact on the selling prices of the projects.

Due to the war-related problems with the availability of raw materials and fossil fuels in Ukraine, as well as the systematic increase in the demand for energy produced from renewable sources as a result of current regulations, the relatively low supply of this type of energy (in the long term) and the increase in its prices, the attractiveness of investments in the production of energy from renewable sources is high. Therefore, it is expected that competition in this market segment will increase. PAK-PCE is operating in the field of RES and is in the process of developing more photovoltaic and wind farms. It cannot be excluded that investments in the construction of photovoltaic and wind farms, as well as the acquisition of existing projects, will be of interest to foreign companies with experience in this field gained in other European and world markets.

Increased activity of other companies in the renewable energy market may make it more difficult for PAK-PCE to access attractive sites and increase the cost of acquiring them. The above factors could have a material adverse effect on the Group's business, financial condition and results of operations.

***Key risks associated with production and distribution of hydrogen***

The hydrogen sector, both in Poland and globally, is relatively underdeveloped due to the innovative nature of the technology, which means that economies of scale may take several years to materialize. The small number of suppliers in the hydrogen sector results in limited opportunities for order diversification. In order to mitigate this risk, it is necessary to systematically conduct detailed and comprehensive technology analyses before placing orders. Due to the high demand for hydrogen technology components, such as equipment for hydrogen refueling station, mobile stations or hydrogen trailers, it is also necessary to place orders well in advance.

The Group is currently incurring significant capital expenditures related to the implementation of technology and infrastructure for the production of green hydrogen in the process of electrolysis. The profitability of these investments will depend, among others, on the prices at which we will be able to sell hydrogen produced by the Group. In principle, the price of hydrogen depends on the market cost of electricity, but we believe that the production of green hydrogen based on electricity from our own renewable energy sources, will allow us to largely mitigate the risk of exposure to fluctuations in market energy prices.

Regulatory risks in the hydrogen sector are mainly focused on regulatory changes. The Polish Hydrogen Strategy until 2030 sets the main goals for the development of the hydrogen economy, but specific regulations and financial incentives are needed. Without a stable regulatory environment and support both from Polish and EU legislation, the development of this market may be hampered. Regulatory changes may affect, among others, the regulations related to the construction and operation of electrolysis plants and hydrogen refueling stations, which could have a significant impact on the timing and cost of project implementation. To reduce the impact of this risk, current regulations are monitored and planned changes at the national and European level are analyzed.

## 6.4. Factors relating to market risks

When conducting its business operations, the Group is exposed to a number of financial risk factors, including:

- credit risk,
- liquidity risk,
- market risk, including currency risk and interest rate risk.

The Group's risk management policies are designed to reduce the impact of adverse conditions on the Group's results.

The Management Board is responsible for oversight and management of each of the risk factors that the Group is subjected to in its activities. Therefore, the Management Board has established an overall risk management framework as well as specific risk management policies with respect to market, credit and liquidity risks.

Detailed information about the Group's exposure to each of the above risk factors, the Group's objectives, policies and processes for measuring and managing risk were presented in Note 42 to the Company's consolidated financial statements for the financial year ended December 31, 2023.

### *Market risk management*

We employ an active approach to managing a market risk exposure. The objectives of market risk management are to: (i) limit fluctuations in profit/loss before tax; (ii) increase the probability of meeting budget assumptions; (iii) maintain a healthy financial condition; and (iv) support the process of undertaking strategic decisions relating to investing activity, with attention to sources of capital for this activity.

All the market risk management objectives should be considered as a whole, while their realization is dependent primarily upon the internal situation and market conditions.

We apply an integrated approach to market risk management. This means a comprehensive approach to the whole spectrum of identified market risks, rather than to each of them individually. The primary technique for market risk management is the use in the Group of hedging strategies involving derivatives. Apart from this, we also use natural hedging to the extent available.

All of the potential hedging strategies and the selection of those preferred reflect the following factors: the nature of identified market risk exposures, the suitability of instruments to be applied and the cost of hedging, current and forecasted market conditions. In order to mitigate market risk, derivatives are primarily used. We transact only those derivatives for which we have the ability to assess their value internally, using standard pricing models appropriate for a particular type of derivative, and also these which can be traded without significant loss of value with a counterparty other than the one with whom the transaction was initially entered into. In evaluating the market value of a given instrument, we rely on information obtained from particular market leading banks, brokers and information services.

We are permitted to use the following types of instruments: swaps (IRS/CIRS), forwards and futures and options.

### *Currency risk*

One of the main risks to which we are exposed is the currency risk resulting from fluctuations in exchange rate of the Polish zloty against other currencies. Revenues we generate are denominated primarily in the Polish zloty, while a portion of operating costs and capital expenditures are incurred in foreign currencies. The Company's currency risk is associated mainly to royalties to TV and radio broadcasters (USD and EUR), transponder capacity usage agreements (EUR), fees for conditional access system (EUR and USD) and purchases of reception equipment and accessories for reception equipment (USD and EUR). After the purchase of Telewizja Polsat and the significant expansion of its offer by sport content which require the acquisition of certain licenses, the currency risk exposure is also associated to purchases of foreign programming licenses. After the purchase of Polkomtel the currency risk exposure is also associated to agreements with suppliers of stock, mainly mobile phones, and suppliers of telecommunication network equipment (EUR and USD), roaming and interconnect agreements and rental of office space (various currencies). Following the takeover of the PAK-PCE Group, foreign exchange risk also arises from contractual obligations in connection with the development of photovoltaic and wind farms or hydrogen projects, including the supply of components, goods or installation services.

In respect of license fees and transponder capacity usage agreements, the Group partly reduces its currency risk exposure by means of an economic hedge as it denominates receivables from signal broadcast and marketing services in foreign currencies.

We do not hold for trading any material assets denominated in foreign currencies.

The SFA dated April 28, 2023, which we entered into with a syndicate of banks, provides, among others, for the granting of a EUR-denominated loan tranche to the Company, and therefore there is exposure to foreign currency risk under the financing agreements in place.

We have no means to influence the foreign exchange rates fluctuations and any adverse change of foreign exchange rates to PLN may translated to a significant increase of our costs expressed in PLN, and that may have a material, adverse effect on our performance, financial condition and prospects.

### *Interest rate risk*

Changes in market interest rates have no direct effect our revenues, however they do have an effect on net cash from operating activities due to interest earned on overnight bank deposits and current accounts, and on net cash from financing activities due to interest charged on bank loans and bonds.

We regularly analyse a level of interest rate risk exposure, including refinancing and risk minimising scenarios. Based on these analyses, we estimate the effects of changes in interest rates on its profit and loss.

In order to reduce interest rate risk exposure resulting from interest payments on the floating rate senior facility, the Group stipulated interest rate swaps and currency interest rate swaps for which hedge accounting was adopted. In order to reduce interest rate risk exposure resulting from Polkomtel Group's floating rate senior facilities, the Group also uses interest rate swaps and currency interest rate swaps, and for these the hedge accounting was not adopted.

Interest rates fluctuations may affect our ability to repay current liabilities and have a material adverse effect on our performance, financial condition and prospects.

## 6.5. Risk factors associated with the legal and regulatory environment

### *The complexity, lack of clarity, and frequent amendments of Polish tax laws may lead to disputes with tax authorities*

Tax laws in Poland are complex, unclear and subject to frequent and unpredictable changes. Frequent amendments in the tax laws and contradicting legal interpretations among the tax authorities result in uncertainties and lack of consistency in the tax ordinance, which in fact lead to difficulties in the judgement of the tax consequences in the foreseeable future. In consequence, the application of tax law in practice is accompanied by controversies and interpretation disputes which usually need to be resolved by administrative courts, and even their judicial practice is notoriously inconsistent. The Polish tax laws also includes the so-called General Anti-Avoidance Rule ("GAAR"), intended to prevent artificial legal arrangements designed mainly to obtain tax benefits, and a number of detailed regulations intended to combat tax evasion which are often formulated using non-defined or inaccurate notions or criteria.

Given the frequency of changes in the Polish tax laws and the fact that such changes can be retroactively applied in practice, as well as the existence of inconsistencies and lack of uniform interpretation, and considering the relatively long limitation periods applying to tax liabilities, the risk of misapplication of tax laws in Poland may be greater than in the legal systems of more developed markets. Accordingly, there is a risk that we may fail to bring certain areas of our activity in compliance with the frequently amended tax laws and the ever-changing practice of their application.

Therefore, no assurance can be given that there will be no disputes with tax authorities or that the tax authorities will not see the tax consequences of the Group's business transactions differently than the Group, and, consequently, that tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of such Group companies. Any unfavorable decisions, interpretations (including changes to any interpretations obtained by the Group companies) or rulings by tax authorities may have a material adverse effect on the results of our operations, financial condition and prospects.

### *Tax authorities may question the accuracy of intra-Group and related-party settlements under applicable transfer pricing regulations*

In the course of their business, the Group companies enter into transactions with their related parties within the meaning of the Corporate Income Tax Act. Related-party transactions, which guarantee that the Group's business is run efficiently, include inter-company rendering of services and sale of goods. When entering into and performing related-party transactions, the Group companies take steps to ensure that terms and conditions of such transactions are consistent with the applicable transfer pricing regulations. At the same time, it cannot be ruled out that Group companies may be subject to inspections, audits or tax proceedings by the competent tax authorities with respect to the foregoing. The nature and diversity of transactions with related-parties, the complexity and ambiguity of the regulations governing methods of verifying the prices applied, dynamic changes in market conditions affecting the calculation of prices applied in such transactions, as well as the difficulty in identifying comparable transactions, the risk that the methodology used to determine arm's-length terms for the purpose of such transactions is questioned by tax authorities cannot be excluded, and therefore tax authorities may question the accuracy of the model of settlements implemented by the Group companies with respect to transactions with related parties under applicable transfer pricing regulations, which may have material adverse effect on the results of our operations, financial condition and prospects.

### *Assessment of tax effects of the Group's restructuring activities by tax authorities may differ from assessment of such activities by the Group*

The current composition of the Group is a result of consolidation, restructuring and other transactions involving assets of considerable value, implemented over the recent years by and between the Group's companies. Those activities had an effect on the tax settlements not only of the companies directly involved in such consolidation, restructuring and other transactions involving assets of considerable value, but also of their respective members or shareholders.

Despite monitoring the risk in individual business areas, with respect to completed and planned restructuring activities, no assurance can be given that the tax authorities will not have a different assessment of tax effects of individual restructuring events and transactions, both completed and planned, in particular with respect to the possibility, manner, and timing of the recognition of income and tax-deductible expenses by entities participating in such events and transactions, or that financial terms of such activities will not be questioned, which may have a material adverse effect on the results of our operations, financial condition and prospects.

### *The tax regime applicable to our operations and the sectors in which we operate create numerous uncertainties*

The tax regime applicable to transactions and events typical for our operations and the sectors in which we operate are a source of numerous interpretation uncertainties. Among others, there is uncertainty as to the interpretation of income tax laws with respect to the possibility, manner, and timing of recognition of income and tax-deductible expenses on individual transactions and events and the requirements for their documentation, or the rules of calculation, withholding and remittance of the withholding tax. Also, VAT legislation is characterized by vague and complex regulations, particularly where it concerns goods and services subject to the tax, the tax rate, tax base or time at which the tax liability or right to deduct input tax arises with respect to transactions subject to VAT. Further, Polish tax legislation does not provide unequivocal rules regarding imposition of other taxes, including property tax (in particular with respect to the determination of tax base and taxable property) and custom duties.

Given that Polish tax laws are frequently amended, inconsistent, and lack uniform interpretation, and considering the relatively long limitation periods on tax liabilities, there is a risk that our selected operations may not be harmonized with the changing legal (including tax) regulations and their changing application.

Despite monitoring the risk in individual business areas, there can be no guarantee that disputes with tax authorities regarding assessment of tax effects of individual events and transactions typical for our operations and the sector in which we operate will not occur, and consequently that the tax authorities will not question the correctness of tax settlements on non-statute-barred tax liabilities of Polsat Plus Group entities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of these entities. There is also a risk that tax authorities may question financial terms of individual events and transactions. This may have a material adverse effect on the results of our operations, financial condition and prospects.

### *The Group's companies are subject to legal regulations (including tax legislation) in force in different jurisdictions*

Given the international structure of the Group, its companies are governed by legal regulations (including tax legislation) in force in different jurisdictions. Therefore, in view of such dissimilar legal frameworks, there is a risk that the Group will interpret local legal regulations (including tax legislation) in a way which is divergent from their construction by the tax authorities of the countries where the Group conducted, conducts and will conduct business. The diversity of legal regulations by which individual companies are bound may give rise to internal problems within the Group, including problems with respect to the law governing legal relations between the Group's entities. Another aspect of the relationship between the Group companies which may raise doubts is the application and interpretation of double-tax treaties concluded between countries in which the companies conducted, conduct or will conduct business. An additional risk factor are the regulations introduced in 2021 for hybrid structures (ATAD 2 Directive). The lack of clarity on the interpretation of the regulations and the breadth and multidimensionality of the operations carried out by the Polsat Plus Group may result in a different tax interpretation of the arrangements and events reported by the individual Group's companies to the relevant tax jurisdictions.

At the same time, in many cases the legal regulations (including tax legislation) in countries where the Group conducted, conducts and will conduct its business are frequently ambiguous and there is no single or uniform interpretation or practice followed by local tax authorities. Additionally, the tax legislation (including the provisions of applicable double-tax treaties) in the countries where the Group companies conducted, conducts and will conduct business, may be subject to change. The practice adopted by the local tax authorities in respect of particular tax regulations may change as well, even retroactively.

Therefore, no assurance can be given that there will be no disputes with tax authorities in countries where the Group conducted, conducts and will conduct its business, and consequently that the tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities, and will not determine the existence of tax arrears of such Group companies, which may have an adverse effect on the results of our operations, financial condition and prospects.

### *Pending or future tax inspections, tax and customs inspections, tax proceedings and other reviews of the Group companies to which Group companies are parties conducted by Polish tax authorities or local tax authorities abroad may result in additional tax liabilities in the countries where the Group conducted, conducts and will conduct its business (in particular in Poland)*

The Group companies are and may again be in the future subject to tax inspections, tax audits, tax proceedings or verifications conducted by Polish tax authorities. At the same time, there are or may be activities related to the verification of the correct implementation of the tax obligations of the Group's companies by local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business. Such activities, to which Group companies are or will be parties conducted by Polish tax authorities or local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business (in particular in Poland) may result in the tax authorities challenging the correctness of the Group companies' settlements of outstanding tax liabilities (including, in the jurisdictions where this is applicable, the proper performance of the Group's obligations as a tax remitter) and in assessing tax arrears for these companies.

In particular, as at the date of this Report, the Company is party to tax proceedings before Polish tax authorities, in which the authorities challenged the Company's right to apply the exempt from the obligation to collect the withholding CIT on certain license payments.

Due to the foregoing, it should be assumed all future tax inspections and other reviews conducted against Group companies or tax proceedings to which Group companies are parties conducted by Polish tax authorities or local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business, may result in additional tax liabilities in the jurisdictions where the Group conducted, conducts or will conduct its business (in particular in Poland). The costs related to such tax inspections, reviews or tax proceedings as well as any additional payments on account of taxes, may have a significant, adverse effect on revenues, performance, business, condition or development prospects of the Group, and thereby have a significant, adverse effect on our business performance, financial condition and prospects.

***We are exposed to changes of Polish law which may adversely affect labor costs***

The regulations relevant to the determination of the level of remunerations and labor costs have been recently undergoing profound changes which will affect the level of our costs of employment as well as our ability to employ employees in the future. In particular, on September 14, 2023 the Council of Ministers adopted a regulation on the minimum salary in 2024, setting it at PLN 4,242 as of January 1, 2024 and PLN 4,300 as of July 1, 2024.

Additionally, starting from 2019 selected Polish enterprises (including Polsat Plus Group) have been obliged to launch Employee Capital Plans, a form of pension schemes which envisage additional financial contributions from the employer. In addition, starting from January 2022, the Polish tax system has undergone comprehensive changes including, among other things, an increase in the health contribution without the ability to its deduction from the tax base, which can effectively result in the amount of actual net remuneration received by part of our employees.

All changes affecting the remunerations and costs of labor will have an effect on our ability to employ new employers, the level of remuneration costs incurred as well as the level of external services provided by external providers procured outside the Group, which may have a material, adverse effect on our business performance, financial condition and prospects.

***There can be no assurance that in the competition and consumer protection authorities will not deem – despite our different assessment – the practices we use as limiting competition or violating the Polish consumer protection laws***

Our operations are reviewed by institutions of competition and consumer protection: the President of the Polish Office of Competition and Consumer Protection (UOKiK) and, with respect to any anti-competitive practices which may affect trade among Member States - the European Commission, to ensure that we comply with Polish and European laws prohibiting practices that limit competition or Polish regulations prohibiting infringements of collective interests of consumers, such as for example providing inaccurate information to customers, dishonest market practices or use of abusive contract clauses. As a general rule, our operations are subject to the assessment of the President of the Polish Office of Competition and Consumer Protection (UOKiK). If the regulator finds any of our practices or contract clauses to be in conflict with Polish or European competition and consumer protection laws, we may be subject to fines and our reputation could be harmed. In addition, if such practices or clauses are considered abusive, the President of UOKiK prohibits their application, may impose a fine and define the measures to remedy the subsisting effects of breaching the prohibition and compel us to take actions in order to amend the contracts already concluded with consumers.

In addition to the prohibition of particular practices, the President of UOKiK could impose on us a cash fine of up to 10% of our revenue generated in the financial year immediately preceding the year in which the fine is imposed. Agreements or other legal actions which implement anti-competitive practices are invalid by operation of law in full or in part. Similar regulations, including the European Commission’s right to impose a fine up to 10% of the annual revenue, apply to infringements of the European competition protection regulations. The President of UOKiK may also compel us to pay public compensation to consumers, who were affected by the practices in question or apply other measures. Fines of up to PLN 2 million may also be imposed on our managing persons, if through their actions or omissions, they permitted a breach of the prohibition from entering into agreements limiting competition. Moreover, if we, even unintentionally, fail to provide the President of UOKiK with the required information or provide misleading information, a fine of of up to 3% of the revenue generated in the financial year preceding the year in which the penalty is imposed may be imposed on us.

Any decisions by the President of UOKiK or by appeals bodies confirming our infringement could also result in claims for damages by consumers, contractors and competitors. The potential amount of such claims is difficult to assess but may be significant. If any of our practices or contract terms are deemed to be in conflict with Polish consumer protection laws, the Company may be subject to fines and its reputation could be harmed, which could have a material adverse effect on our business performance, financial condition and prospects.

In addition, expansion of consumer protection legislation or case law in this field, could increase the scope or scale of our potential liability or the scope of consumer rights. Such events may have a material adverse effect on the results of our operations, financial condition and prospects.

***We may violate the acts of law and regulations governing our satellite TV distribution business as well as telecommunications, TV broadcasting, advertising and sponsoring activities, which are subject to periodic amendments***

We are required to comply with Polish and EU laws, which impose limitations on the conduct of our business. Our operations are extensively regulated by government authorities and market regulators, especially the President of the Office of Electronic Communications (UKE) and the National Broadcasting Council (KRRiT), the bodies responsible for overseeing compliance with the Polish Act on Television and Radio Broadcasting, the Telecommunications Law, and the terms of our broadcasting licenses. Decisions by the President of UKE, the Chairperson of KRRiT, or other regulators may place certain restrictions on the way in which our business can be run.

The President of UKE supervises our telecommunications operations, as well as TV broadcasting and production. As part of our telecommunications services, we mainly provide mobile voice services, broadband Internet access as well as certain wholesale services to other operators. Telecommunications enterprises operating in Poland are subject to a number of legal and administrative requirements having a direct impact on their business, both in relations with individual and business customers (for instance, by specifying the scope of customers' rights or the content of standard terms and conditions for the provision of telecommunications services, setting rules for settlements in international roaming services, caps for pricing of international services or restricting the maximum time for which contracts can be concluded with customers) and wholesale customers (for instance, by imposing MTR and FTR caps or defining caps for rates used in roaming traffic settlements). Media segment is in turn overseen by the President of UKE for compliance with the terms of licenses and frequency allocations assigned by the President of UKE for the purposes of TV broadcasting services. In the event of our non-compliance with any provisions of the Telecommunications Law, companies from the Group may face a fine from the President of UKE of up to 3% of revenue generated in the year preceding the year in which such fine is imposed.

The KRRiT regulations primarily affect our operations in the media segment. As a TV broadcaster operating in Poland, we have to observe a number of legal and administrative requirements related to such matters as broadcasting time, programming content, and advertisements. Furthermore, KRRiT undertakes regular checks to ensure that our operations conform to the terms of our broadcasting licenses, provisions of the Polish Act on Television and Radio Broadcasting, and its own internal guidelines. In the event of our non-compliance with any applicable regulations, we may face a fine from KRRiT of up to 50% of the annual fee for the right to use the frequency designated for terrestrial broadcasting and, if we do not pay the fee for the right to use such frequency, a fine of up to 10% of the revenues generated in the previous fiscal year, taking into account the scope and degree of harmfulness of the violation, our past activities and our financial capabilities.

The regulatory regime for the broadcasting industry is subject to frequent changes, and so there can be no assurance that such future changes will not have an adverse effect on our channel mix, ability to attract advertisers or the way in which our business is run.

In future, our pay TV business may be subject to zoning, environmental or other regulations that will place restrictions on where satellite antennas may be deployed. We may also have to deal with pressures from local communities regarding deployment of our satellite antennas. Any such legal restrictions or conflicts with local communities related to the deployment of our satellite antennas may render our pay TV services less attractive, leading to a fall in customer numbers.

Non-compliance with valid law or with the regulations issued by regulatory bodies may have material adverse effect on the results of our operations, financial condition and prospects.

***Operations of companies belonging to Polsat Plus Group are subject to a number of legal regulations and requirements of awarded frequency allocations which could be amended in the future***

As a mobile and fixed telecommunications network operator, we are subject to a number of laws and regulations, in particular those regulating maximum rates charged for specific telecommunications services, those related to ensuring effective competition, non-discrimination, transparency in telecommunication services prices, reporting, data protection and national security. Any potential breach of the applicable laws or terms of frequency allocations may in certain cases result in penalties imposed on us, loss of reputation, inability to obtain new frequency allocations or even loss of current frequency allocations. Furthermore, future changes in our Group's regulatory environment may be disadvantageous to our business, for instance by increasing its costs.

An important and active role in ensuring the observance of telecommunications laws and regulations by entities operating in the telecommunications market in Poland is played by the regulators of the Polish telecommunications market, including in particular the President of the Office of Electronic Communications (UKE). The President of UKE has a number of regulatory and supervisory powers, including those with respect to provision of electronic communications services and managing radio frequency and orbital slot resources. If the President of UKE determines that a relevant market is not sufficiently competitive, the President may designate one or more telecommunications providers as a provider with significant market power (SMP) in such market and impose on such provider(s) certain regulatory obligations, such as an obligation to accept requests from other telecommunications providers for the provision of telecommunications access and the obligation to prepare and submit a draft framework offer for telecommunications access to serve as a basis for cooperation between a provider with SMP and its competitors. Polkomtel has been designated as holding SMP in certain relevant markets at the wholesale level. As a result, Polkomtel is required to meet strict regulatory obligations on the wholesale markets of call termination to a public mobile telecommunications network and of call termination to a public fixed line network. As part of its continued provision of telecommunications services in Poland, Polkomtel is also regularly reviewed by the President of UKE to ensure that it has complied with the terms of the licenses and frequency allocations granted by the President of UKE. If the President of UKE was to declare that Polkomtel breached a provision of the Telecommunications Law, the company could be forced to pay a fine of up to 3% of the revenue it generated in the year prior to the imposition of the fine and it could be prohibited from providing further telecommunications services in Poland.

The President of UKE may also designate one or more network operators to guarantee the provision of universal services (including voice and broadband access, and customer network access) which may then apply to the President of UKE to be compensated by the other telecommunications operators, on the justified net costs basis.

Group's operations are also supervised by the President of the Office of Competition and Consumer Protection, the Personal Data Protection Office, and other agencies.

Violation of the laws or terms of frequency allocations applicable to our business may expose us to costs, penalties, sanctions or claims as a result of potential violation of such requirements or laws that, in turn, could have a material adverse effect on the results of our operations, financial condition and prospects.

***Operations of companies belonging to Polsat Plus Group are subject to a number of legal regulations related to energy generation from renewable sources***

In Poland, the electricity generation segment is heavily influenced by the current legislation governing the industry. The regulations cover, among others, requirements for the implementation of investments, access to the electricity grid, but they can also have a significant impact on the level of market prices.

The basic legal acts applicable to entities generating and trading electricity in Poland are the Energy Act, the Renewable Energy Sources Act, the Environmental Protection Act, which defines the principles of sustainable use of the environment, and the Wind Energy Investment Act. According to the Energy Act, the generation and trading of electricity, subject to the exceptions specified in the Act, require a license issued by the President of the Polish Energy Regulatory Office (URE). Licenses are issued for a fixed term, not less than 10 years and not more than 50 years. In certain situations, the President of the URE may revoke a license, in particular if an energy company grossly violates the conditions set out in the license or other conditions for carrying out licensed activities. In addition, the President of the URE may revoke a license or change its scope, inter alia, in case of a threat to the defense or security of the state or the safety of citizens, in case of a division of an energy company or its merger with other entities, as well as in case of failure to fulfill certain obligations under the Energy Act. A revocation or change in the scope of the license under which the Group's companies operate could have a material adverse effect on the Group's business and financial results.

In connection with the implementation of the acquisition of shares in PAK-PCE, the general provisions of the investment and construction process and the specific provisions of the Wind Power Investment Act will apply to the activities of the Group's entities, particularly to the investment process involving the creation of new photovoltaic and wind power installations. Accordingly, as part of this process, selected Group companies will be required to obtain, among others, decisions on environmental conditions, decisions on development conditions, water permits, construction permits and occupancy permits. In certain situations, the construction of a new photovoltaic and wind power plant may require either the adoption of local zoning plans or an amendment to the local zoning plan to accommodate the planning requirements for this type of investment. In certain situations, a particular Group company may not obtain the required administrative decisions (due to possible protests by the local community or regulatory restrictions) or the administrative process in this matter may be prolonged, which could have a negative impact on the further development of the Group's business and its financial performance. The implementation of investments in renewable energy sources is also associated with the need to enter into a number of agreements to secure legal title to the land on which such an installation is to be made, which means that the financial expectations of many landowners must be met and potential non-market expectations taken into account.

In addition, the war-related volatility of electricity sales prices in the European markets is resulting in ad hoc regulatory decisions, imposed at the European Union level and locally, aimed at limiting in the short term the increase in energy sales prices from producers (set separately for each electricity generation technology) and the level of sellers' margins, thereby limiting the increase in costs for sensitive consumers or households, among others. There can be no guarantee that these ad hoc regulations will not continue in the future or that new regulations will be introduced that will limit the possibility of free pricing of electricity sales on the market and thus affect the ability to generate revenues and margins from the production and sale of energy from biomass, photovoltaic installations or wind farms.

The realization of the above situations may adversely affect the Group's operations, which may have a material adverse effect on the Group's financial results.

### *Risks related to environmental regulations*

Producers of electricity from renewable energy sources are required to comply with relevant environmental laws (including those of the European Union), both in Poland and abroad. These laws regulate, among others, emissions of pollutants, wastewater, protection of soil and groundwater, and the health and safety of humans and wildlife. Failure to comply with laws, regulations and other environmental requirements could subject Group companies to significant fines or even shutdown. Some equipment used in photovoltaic and wind farms, such as transformers, contain substances that can cause environmental contamination in the event of a malfunction or accident.

Compliance with applicable laws and regulations involves certain costs, and potential violations of such laws and regulations and the resulting potential imposition of penalties by the relevant governmental authorities may adversely affect the business, financial condition and results of operations of the Company and the Group companies.

### *Risks related to administrative proceedings in the scope of real estate development and construction law*

Our investment activities in the real estate segment involve the need to obtain numerous decisions and administrative permits. Due to the lack of a municipal zoning plan for Port Praski, we apply for development conditions for almost every investment. Often an environmental decision is required, which involves obtaining additional opinions and documentation. Only after this stage is completed we move on to the design phase and then obtain a construction permit. The final stage is the construction of the designed facilities.

Also, in the course of carrying out the investment there is a risk of suspension of its implementation by the competent authorities, in particular as a result of protests by holders of neighboring properties or for other reasons provided by law. After the completion of the construction process, generally, it is necessary to obtain an occupancy permit. Sometimes during the investment process, it is also necessary to obtain a decision on the division of real estate. In addition, in each case of the trading of constructed residential units, it is necessary to obtain certificates of independence of the premises.

Obtaining the relevant administrative acts is often associated with lengthy administrative proceedings, which creates the risk that we will not be able to complete the particular phases of the investment within the assumed deadlines. In particular, there is often a delay in issuing a construction permit resulting from, among others, a delay in issuing an environmental decision or refusal to issue such a decision by the relevant authorities, which causes additional administrative and court proceedings to be initiated. This has a negative impact on the economics of such an investment. Accumulation of this could have an adverse effect on the results of our operations, financial position or prospects.

### *No assurance can be given that we will not breach any personal data protection laws or regulations, or that we will not fail to meet requirements imposed by the President of the Personal Data Protection Office and we may incur pecuniary penalties for non-compliance with GDPR*

In the course of its business the Group companies gather, keep and use customer data which are protected by personal data protection regulations. Therefore, since May 25, 2018, the companies, as personal data processors, are required to comply with the Regulation of the European Parliament and of the Council (EU)

2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("GDPR").

GDPR has elevated the standards required of personal data administrators and the entities processing personal data on their behalf, and authorized the competent authorities to impose pecuniary penalties of up to EUR 20 million or 4% of total global turnover for the past year on personal data administrator and entities processing personal data on their behalf. It has also authorized the competent authorities to temporarily or indefinitely impose a complete ban on personal data processing.

If the solutions that we implement in order to protect personal data prove ineffective, it may result, for instance, in a disclosure of customer personal data either as a result of a human error, willful, unlawful misconduct by third parties or failure of IT systems, or it result in inappropriate use of such data in other ways. A breach of the personal data regulations and the Polish Personal Data Protection Office may result in imposing pecuniary penalties on us, as well as a loss of customer confidence and thus have a material adverse effect on our business, financial condition or development prospects.

We also use external providers, cooperate with external partners, agents, suppliers and other external entities, therefore we are unable to entirely rile out the risk of a malfunction of the systems involved in the processing or transmission of restricted information in these entities. A breach of the personal data regulations by us or by those entities may result in imposing pecuniary penalties, as well as in a loss of reputation and loss of customers and in consequence have a material adverse effect on the results of our operations, financial condition and prospects.

## 6.6. Risk factors associated with the Series D and E Bonds

Risk factors associated with the Series D Bonds have been described in detail in the Information Note on the issuance of Series D Bonds dated December 22, 2022 while the risk factors associated with the Series E Bonds have been described in detail in the Information Note on the issuance of Series E Bonds dated September 14, 2023. The Notes are available in Polish on Polsat Plus Group's corporate website.

## 6.7. Risk factors associated with climate

Climate-related risk factors, along with an analysis of climate scenarios and the resilience of each operating segment's business model to climate risks, are described in the "Sustainable Development Report of Polsat Plus Group for 2023", which is available on the Polsat Plus Group corporate website.

# 7. Other significant information

## 7.1. Transactions concluded with related parties on conditions other than market conditions

Transactions with parties related to Polsat Plus Group in the financial year ended December 31, 2023 have been concluded exclusively on market conditions and are described in Note 46 of the condensed consolidated financial statements for financial year ended December 31, 2023.

## 7.2. Achievement of previously published forecasts

Pursuant to Article 35 (1a) and (1c) of the Bonds Act, the Company has presented, on its website under the link https://grupapolsatplus.pl/en/investor-relations/bonds projections of the development of financial liabilities as of the last day of the fiscal year in which the bonds were issued and as of the last day of the following fiscal year, including the estimated value of financial liabilities and the estimated structure of financing, understood as the value and percentage share of liabilities from loans and borrowings, bonds and leasing in the total liabilities and equity of the Company's balance sheet and the consolidated balance sheet of the Group.

The following table compares the forecast with actual results based on standalone and consolidated balance sheet data as at December 31, 2023.

| | December 31, 2023 forecast | December 31, 2023 actual results |
|---|---|---|
| **Cyfrowy Polsat S.A.** | | |
| Value of financial liabilities (from loans and borrowings, issue of debt securities, and leasing) | PLN 6.6 billion | PLN 6.6 billion |
| Share in total liabilities and equity | 33% | 33% |
| **Cyfrowy Polsat S.A. Capital Group** | | |
| Value of financial liabilities (from loans and borrowings, the issue of debt securities, and leasing) | PLN 16.6 billion | PLN 15.6 billion |
| Share in total liabilities and equity | 44% | 43% |

On a stand-alone basis, the actual value of financial liabilities (from loans and borrowings, bonds and leasing) as at 31 December 2023 and the share of this value in the Company's total liabilities at the end of 2023 do not deviate from the published estimates.

On a consolidated basis, the deviation from the estimate of the actual value of the Group's financial liabilities (from loans and borrowings, bonds and leasing) as at 31 December 2023 amounted to approximately PLN 1 billion and resulted from the repayment of the entire debt on account of the revolving credit facility of PLN 1 billion in December 2023.

The Company did not publish forecasts for other financial results.

## 7.3. Information on loans granted

The Company and its subsidiaries do not grant material loans to entities that do not belong to the Group. Information on intragroup loans granted by the Company is presented in item 7.3. of the standalone report of the Management Board on the activities of the Company for the financial year ended December 31, 2023.

More information on loans granted is presented in Note 26 of the consolidated financial statements for the financial year ended December 31, 2023.

## 7.4. Information on sureties and guarantees granted by the Company and its subsidiaries

In connection with the implementation of investment projects in the green energy segment by its subsidiaries, the Company provided guarantees of a significant value for the execution of contracts for the implementation of individual wind farm projects, in particular contracts for the supply and installation of wind turbines concluded with Vestas Poland S.A. and Nordex Poland S.A. As of December 31, 2023, the total value of guarantees and warranties provided to the above companies for wind farm projects amounted to EUR 328.3 million, with maturity dates ranging from 2024 to 2026. The financial terms of the guarantees or sureties granted do not deviate from market conditions.

In addition, the Company issued corporate guarantees and warranties in EUR and USD, which guarantee the trade payables of its subsidiary Polkomtel sp. z o.o. to its suppliers. As of December 31, 2023, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 217.4 million. The guarantees expire between 2024 and 2026. The financial terms of the granted guarantees and warranties do not differ from market terms.

## 7.5. Material proceedings at the court, arbitration body or public authorities

Management believes that the provisions as at December 31, 2023 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

### *Proceedings before the Office of Competition and Consumer Protection (UOKiK)*

On February 24, 2011, the President of UOKiK imposed penalty on Polkomtel in the amount of PLN 130.7 million for the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to the Consumer and Competition Protection Court ("SOKiK"). According to management, during the inspection the company had fully and at all times cooperated with UOKiK within the scope provided by the law. On June 18, 2014, the decision of the President of UOKiK was changed by SOKiK, reducing the penalty to PLN 4.0 million (i.e. EUR 1.0 million). On October 20, 2015 SOKiK's verdict was revoked and the case was transferred for re-examination. On April 28, 2017, the decision of the President of UOKiK was changed by SOKiK, reducing the penalty to PLN 1.3 million. Polkomtel and President of UOKiK appealed against the verdict. On April 3, 2020, both Polkomtel's and the President's of UOKiK appeals were dismissed. The Court of Appeal upheld SOKiK's decision. On April 20, 2020, Polkomtel made a payment in the amount of PLN 1.3 million. Polkomtel and the President of UOKiK filed cassation appeals against the Court of Appeal's verdict. On September 28, 2022, the cassation appeal of the President of the UOKiK was dismissed, the appeal of Polkomtel was accepted in the scope dismissing the plaintiff's appeal, and the appealed judgment of the Court of Appeal in Warsaw dated April 3, 2020 was revoked and referred – in accordance with Polkomtel's cassation appeal - to be reconsidered. On March 29, 2023, the Court of Appeal issued a judgment, whereby the court agreed with the company's position that the fine was imposed in euros and then incorrectly converted into PLN. As a result the court changed the appealed judgment of the first instance, reducing the penalty to PLN 1.2 million.

On December 30, 2014 the President of UOKiK issued a decision ending investigations related to Polkomtel's alleged practices which infringed upon the collective interests of consumers by not providing its telecommunication clients (which entered into a written agreement) with terms and conditions of the preferential sales offer as well as not informing about the termination of the preferential sales offer. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 6.0 million. The company appealed to SOKiK against the decision. On March 5, 2018, SOKiK issued a decision where the penalty has been annulled and dismissed the appeal in remaining scope. Both parties appealed to the Court of Appeal in Warsaw. The Court of Appeal annulled in full the verdict of the first instance court and returned the case back to the first instance court. On April 1, 2021 SOKiK dismissed Polkomtel's appeal. On January 24, 2022 Polkomtel's appeal was dismissed. On February 7, 2022 Polkomtel paid the penalty in the amount of PLN 6.0 million. Polkomtel filed a cassation appeal against the judgment of the Court of Appeal.

On December 30, 2016, the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK, the Company and Polkomtel were charged with a penalty in the amount of PLN 4.4 million and PLN 12.3 million, respectively. The Group appealed to the Court against the decision. On October 14, 2019, SOKiK dismissed the appeal. The Group appealed against the decision. On December 31, 2020, the Group appeal was dismissed. On January 14, 2021, Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On May 25, 2023, cassation appeals were dismissed.

On April 29, 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging for activating services to consumers, despite not obtaining an explicit approval of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 39.5 million. Polkomtel appealed to SOKiK against the decision. On May 26, 2021 SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On November 8, 2022, the Court of Appeal dismissed the appeal. On November 22, 2022, Polkomtel paid a penalty of PLN 39.5 million. Polkomtel filed a cassation complaint. Complaint was accepted for consideration by the Supreme Court.

On December 19, 2019, the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9 million. The Company appealed against this decision to SOKiK. On February 14, 2022, First Instance Court dismissed the Company's appeal in its entirety. The Company submitted a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on October 21, 2022. On November 21, 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On July 24, 2023, Company's appeal was again dismissed. On September 6, 2023 the Company filed an appeal against the judgment. To date, hearing date has not been set.

On December 31, 2019, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging additional fees for data transmission using the RSTP protocol, despite the subscribers having internet packages or unlimited LTE Internet services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 50.6 million. Polkomtel appealed to SOKiK against the decision. On December 15, 2021, SOKiK announced decision in which it dismissed Polkomtel's appeal in its entirety. Polkomtel submitted an appeal against the SOKiK verdict. On July 21, 2022, the Court of Appeal partially revoked the President of UOKiK's decision and reduced a penalty to PLN 16.8 million. On August 4, 2022, Polkomtel paid the penalty in the amount of PLN 16.8 million. Both Polkomtel and President of UOKiK filed a cassation appeals. On January 26, 2023, the Supreme Court refused cassation appeals.

On January 22, 2020, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 20.4 million. Polkomtel appealed to SOKiK against the decision. On April 8, 2022, SOKIK dismissed Polkomtel's appeal. On May 31, 2022, Polkomtel submitted an appeal against the SOKiK verdict. On March 28, 2023 the Court of Appeal dismissed the appeal. On April 11, 2023, Polkomtel paid a penalty of PLN 20.4 million. After receiving written justification of the judgment of the Court of Appeal, on June 30, 2023, Polkomtel filed a cassation complaint.

By decision of December 27, 2023, the President of UOKiK recognized the actions of Telewizja Polsat Sp. z o.o. and Teleaudio Dwa Sp. z o.o. Sp. k., as a practice violating the collective interests of consumers. The violations allegedly consisted in misleading as to the rules and costs of participation in the New Year's Eve edition of the SMS competition in the content of verbal and graphic messages as part of the broadcast "New Year's Eve Power of Hits 2021 - New Year's Eve of Happiness" and as to the course of the competition and the prizes that could be won at its individual stages. As a consequence, the President of UOKiK imposed fines on both entities in the total amount of PLN 9.9 million. The decision is not final, each company filed an appeal to the District Court in Warsaw on January. 26 2024.

### *Other proceedings*

In September 2015, Polkomtel received a claim from P4 Sp. z o.o., in which the company demands compensation of PLN 316.0 million (including interest of PLN 85.0 million), for the alleged actions relating to the pricing of the mobile services rendered between July 2009 and March 2012. The claim assumes payment of the above amount jointly by Orange Poland S.A., Polkomtel and T-Mobile Poland S.A. On December 27, 2018 Court dismissed the entire claim. P4 Sp. z o.o. appealed against the decision. On December 28, 2020, the Court of Appeal referred the case to the District Court for reconsideration, Polkomtel appealed to the Supreme Court against this decision. On November 13, 2020, the P4 Sp. z o.o. claim for payment of PLN 313.0 million, including interest of PLN 85.0 million, was delivered by the court. This lawsuit constitutes an "extension” of P4 Sp. z o.o claim dated September 2015 and concerns a further period of the acts alleged against the defendants, i.e. from April 2012 to December 2014.

Management believes that the claim is unfounded, as Polkomtel’s conduct alone or with other tort entities was not wrongful, in particular relating to the pricing of retail mobile services directed to the telecommunications network of P4 Sp. z o.o. In management’s opinion, there is no legal basis for the overall assessment of the alleged actions of each of the operators on the telecommunications market, which is fully a competitive market, and each of the operators has its own business and pricing strategy. The claim of P4 Sp. z o.o. indicates neither nature (premises liability) nor the amount.

On April 28, 2017, the Association of Polish Stage Artists (“ZASP”) filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3 million. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On January 10, 2018, the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The last hearing took place on May 8, 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On May 6, 2020, the Company received a letter from the Court, containing the mediator's position summarizing the course of mediation, with a request to refer to its content. On May 25, 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The next hearing took place on October 20, 2021. At the end of March 2022 the Company received a letter extending the previous claim by the period from January 1, 2010 to December 31, 2020, thus the value of the lawsuit was increased by over PLN 120.0 million. The court set the hearing dates for December 15, 2023 and April 17, 2024. The hearing on December 15, 2023 has been canceled.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from August 20, 2009 to August 20, 2019.

In the claim for payment, SAWP claims PLN 153.3 million for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on January 17, 2024. The hearing was postponed without a date.

### *The legal dispute in respect to the telecommunication concession*

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated May 8, 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on September 23, 2011, which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that “the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA’s rulings and the Court’s guidelines regarding further procedure as well as upon analysis of the legal situation”. UKE also stated that the “reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies”. On December 23, 2016, President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated August 4, 2017, President of UKE notified the parties that the tender dated 2007 has been annulled. On October 13, 2017, Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated August 4, 2017 concerning the annulment of the tender procedure. On January 31, 2018 the President of UKE upheld its decision dated August 4, 2017. On March 7, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on October 4, 2018, the complaint was dismissed. On December 27, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on November 25, 2022.

The decision issued by UKE President did not affect reservation decisions issued following the administrative tender. In addition, on December 5, 2022, the Company received a decision from the President of UKE to grant a frequency reservation in the 1800 MHz band for a further period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on April 23, 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated November 30, 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated November 28, 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated April 23, 2009. This decision was upheld by the decision of the President of UKE dated June 4, 2018. In connection with complaints filed against this decision, in the ruling of March 11, 2019, the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated June 4, 2018. In a judgment dated October 10, 2023, the NSA reversed the appealed judgment and sent the case back to the court of first instance for reconsideration.

On October 4, 2018, T-Mobile Polska S.A. filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated September 5, 2018, issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On November 20, 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On July 4, 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated November 20, 2018, as a result of a cassation appeal filed by T-Mobile Polska S.A. On August 18, 2020, the announcement of the President of

UKE, dated September 5, 2018, was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on December 9, 2021. The case was remanded for re-examination to Voivodship Administrative Court in Warsaw. On October 25, 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. In a judgment dated October 13, 2023, the Supreme Administrative Court dismissed T-Mobile Polska S.A.'s cassation complaint, as a result of which the proceedings were legally closed.

***The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty***

In the beginning of October 2020, Cyfrowy Polsat and Sferia S.A. (Sferia), a company owned by Polsat Plus Group in 51% since February 29, 2016, received from the Ministry of Digital Affairs a copy of the European Commission’s decision dated September 21, 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On February 4, 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the Management Board as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases.

## *Decision of the Head of the Małopolska Tax Office in Cracow*

On February 15, 2018 the Head of the Małopolska Tax Office in Cracow (“Tax Office”) issued the decision assessing the tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 million increased by interest on tax arrears.

In the issued decision the Tax Office contested the Company’s right to an exemption from the obligation to withhold income tax on certain interest payments in 2012. The Company appealed against the decision of the Tax Authority on the basis of acquired opinions issued by renowned entities. The Company has not created any provisions encumbering its financial results.

On July 10, 2018 the Tax Office upheld the previous decision dated February 15, 2018. The Company does not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of February 21, 2019. The Company does not agree with this decision and filled a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on August 17, 2022. The Voivodship Administrative Court, at the hearing on March 15, 2023, revoked the decision of the Head of the Małopolska Tax Office in Cracow and referred the case for reconsideration by this authority. On January 23, 2024, the Company received the decision of the tax authority discontinuing the proceedings in the case.

The Tax Office control activities in the aforesaid matter were in progress in relation to 2013 and 2014.

The Head of the Małopolska Tax Office in Cracow issued a decision on July 19, 2019 in respect to the year 2013. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 million increased by interest on tax arrears. The Company appealed against the decision, but on February 14, 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On October 15, 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

The Head of the Małopolska Tax Office in Cracow issued a decision on September 20, 2019 in respect to the year 2014. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2014 in the amount of PLN 1.7 million increased by interest on tax arrears. The Company appealed against the decision of the Tax Authority. In a second instance decision issued on June 8, 2020, the Tax Authority fully maintained its position. The Company filed a complaint against the decision to the Administrative Court. On October 20, 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

In the case of cases for 2013 and 2014, the Supreme Administrative Court, at the hearing on January 10, 2024, overturned the judgments of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines.

## 7.6. Changes to the principle rules of management of our Company and the Capital Group

There were no changes to the principle rules of management of our Company and the Capital Group in the year 2023.

## 7.7. Information on seasonality

Our wholesale revenue includes, inter alia, advertising and sponsoring revenue which tends to be lower during the first and the third quarter of each calendar year due to the winter and summer holidays and no seasonal programming and higher during the second and fourth quarter of each calendar year due to the introduction of new TV schedulings. In the year ended December 31, 2023, Telewizja Polsat Group generated approximately 21.3% of its advertising revenue in the first quarter, 25.9% in the second quarter, 21.6% in the third quarter and 31.2% in the fourth quarter.

As regards retail revenue, mobile revenue is subject to slight fluctuations during the year. This revenue stream tends to decrease in the first quarter of each year due to a lower number of calendar and business days.

Revenue from the sale of energy produced from wind power is subject to seasonal fluctuations during the year in such a way that the highest production usually occurs in the fourth and first quarters, which is related to the higher number of windy days. Revenue from the sale of energy produced from photovoltaics is subject to seasonal fluctuations during the year in such a way that the highest production usually occurs in the second and third quarters, which is related to the higher number of sunny days. For a detailed description of the impact of seasonality and meteorological conditions on the level of production from renewable energy sources, please refer to item 5 - *Factors and trends that may impact our results in subsequent periods.*

Other revenue generated by the Group is not directly subject to substantial seasonal fluctuations.

## 7.8. Sales markets and dependence on the supplier and customer markets

All our services are offered in Poland. The share of any of our suppliers or customers does not exceed 10% of our operating revenue.

## 7.9. Trade unions

There is *Niezależny Samorządny Związek Zawodowy Solidarność* (the Solidarity Independent Self-Governing Trade Union) at Polkomtel. Trade union organisations are also operating in Netia Group. As at December 31, 2023 ca. 5% of the total workforce of Polsat Plus Group were trade union members.

## 7.10. Disclosure of non-financial information

Concurrently with this Report, we published the “Sustainable Development Report of Polsat Plus Group 2023,” which comprehensively addresses key non-financial issues pertaining to our Group and demonstrates how we aim to achieve our strategic goals in a sustainable and responsible manner. The publication complies with the Global Initiative Reporting Standard, in the Core option, as well as Article 49b items 2-8 of the Accounting Act. The report contains detailed information relating to environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters with respect to both Polsat Plus Group and Cyfrowy Polsat as the parent company of the Group.

The “Sustainable Development Report of Polsat Plus Group 2023” is available on Polsat Plus Group’s corporate website.

## 7.11. Climate issues

Recognizing the importance and magnitude of ongoing climate change, the Company conducted a scenario-based analysis of the climate risks associated with its operations and those of the Group as a whole. As a result, the physical risks associated with climate change and transition risks in the Group's various business areas were identified, as well as the sources of actual and potential future greenhouse gas emissions. The approach used in the analysis is consistent with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD, June 2017), i.e. the logic presented by the TCFD for analyzing climate risks at a qualitative level (including the division into physical and transition risks, as well as further categorization and characterization). The scenario analysis conducted allows us to better understand the current resilience of our business model to climate-related risks and to focus on developing appropriate mitigation measures. A full analysis of climate-related risk factors, along with an analysis of climate scenarios and the resilience of the business model of each of Polsat Plus Group's business segments to climate risks, is described in the "Sustainable Development Report of Polsat Plus Group 2023."

The Company is taking steps to counter the negative effects of climate change, including investing in the development of green energy generation capacity from renewable sources such as the sun, wind and biomass, and building a complete value chain of a hydrogen-based economy. The measures we are taking are aimed at decarbonizing our business by systematically increasing the share of green energy in our own consumption, as well as reducing the emissions of our customers. We estimate that as a result of the current investment plan of approximately PLN 5 billion, which includes the installation of approximately 1,000 MW of clean energy production capacity, we will contribute to reducing greenhouse gas emissions in the Polish economy by more than 2 million tons of $CO_2$ equivalent per year from 2026.

In November 2022, we adopted a framework document for linking Polsat Plus Group's external financing to its long-term sustainability goals (the "Polsat Plus Group Sustainability-Linked Financing Framework"). Currently, all of our external financing, both in the form of bank loans and bonds, is linked to the sustainability goals contained in this document (for more information on sustainable financing, see Section 4.3. - External financing).

## 7.12. Research and development - new services and implementations

In 2023, we continued our efforts in the field of implementation of state-of-the-art technologies and latest technical solutions which offer superior quality and enhanced functionality of services to our customers and enable us to expand our offer by adding new services and products.

**The hydrogen bus NesoBus.** In May 2022, the official launch of the Polish hydrogen bus from Polsat Plus Group and ZE PAK took place. NesoBus is an innovative, environmentally friendly, hydrogen cell-powered city bus designed from the ground up. The hydrogen bus brand "Neso" stands for the Polish phrase ”Nie Emituje Spalin i Oczyszcza” which means “Does Not Emit Exhaust Fumes and Purifies the Air”. The hydrogen bus is in fact an electric vehicle. It generates electricity with the use of a fuel cell, using hydrogen as the fuel. The bus has its own “mini power plant.” Physically the hydrogen supplied from the tank is combined with the oxygen from the air and the electricity powering the motor is generated this way. There is no combustion process of any kind. Additionally, the intake air must be completely purified by special filters so that the fuel cell receives pure oxygen. In this way, the NesoBus purifies the air by removing toxic substances - in addition to CO2, these are mainly nitrogen oxides or dust, especially fine PM 2.5. Water vapor is the only thing that is emitted by the bus from the exhaust pipe as a result of combination of hydrogen and oxygen in the fuel cell. The water is fully distilled.

**Prototype of the Polish 0.5 MW alkaline electrolyzer.** In November 2021, Exion Hydrogen Polskie Elektrolizery was established to design and manufacture the first Polish alkaline electrolyzer. The company's achievements include the design of its own alkaline electrolyzer cell. The completion of the first alkaline electrolyzer is planned for Q2 2024. The alkaline electrolyzer is very safe, robust and reliable. The system consists of two innovative cell stacks, which together provide a nominal hydrogen flow rate of 100 Nm3/h at 30 bar pressure. This enables the production of 200 kilograms of hydrogen per day. The company's next goal is to produce a 2.5 MW electrolyzer using PEM technology. An electrolyzer of this capacity will be able to produce approximately 1,000 kilograms of hydrogen per day.

**5G network rollout - 5G Ultra.** The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. This approach offers balance between data transmission speed (up to 600 Mbps) and coverage (i.e. wide availability), while maintaining the highest quality of both parameters. With the 5G Ultra project, a 2100 MHz band in TDD technology was added to the 2600 MHz band in FDD technology, thus launching the first 5G band aggregation in Poland and achieving up to 800 Mbps transfer to the subscriber in 5G and more than 1Gbps aggregate (5G and 4G). In the future, as the 5G network develops, the current use of the 2.6 GHz band will guarantee better land mass coverage than when using the 3.4-3.8 GHz bands only and it will enable us to maintain a competitive edge during subsequent stages of 5G network roll-out by offering the possibility of aggregating 5G frequency bands.

Thanks to the implementation of innovative technological solutions, in 2023 the Plus network took first place in the SpeedTest.pl ranking in Poland in terms of average download speed both in the 5G category (134.6 Mbps) and in the overall mobile Internet ranking (49.3 Mbps).

## 7.13. Insurance agreements

We maintain insurance coverage for our Company and its operations, substantially against all risks and with sums insured at levels typical of pay TV providers and telecommunication operators operating in Poland.

The Group maintains automobile insurance, property insurance against fire and other casualty events with a loss of profits extension, business and property liability insurance (including product liability), professional liability insurance for broadcasting and telecommunications, loss of profit insurance, and directors and officers liability insurance for the Group companies, all of which are purchased at arm's length.

We believe that our insurance coverage is in line with the practice followed by other pay TV providers and telecommunication operators in Poland.

## 7.14. Business Contingency Plan

As a Group we have over 10 years of experience in business continuity. The Business Contingency Plan of Polkomtel was established in 2010 and is currently maintained in accordance with PN-EN ISO 22301:2020-04. The plan covers processes and critical services executed and provided by Polkomtel and Cyfrowy Polsat. The periodic conduction of the Business Impact Analysis is the key element of the Business Contingency Plan and includes an update of the list of processes and critical services which is approved by resolution of management boards of both companies. The latest update of the Business Contingency Plan was accepted on October 19, 2022. Within the current and periodic (once every two years) update of the Business Contingency Plan we examine threats and vulnerabilities in critical processes and services, and perform risk analysis aimed at identifying main threats and defining recommendations with respect to groups of resources, such as locations, human resources, external and internal service providers, office infrastructure, data stored in both an electronic and paper form, the technical and IT infrastructure.

Within the Business Contingency Plan we maintain a dedicated structure - the Crisis Management Centre – which is targeted to prevent crisis situations in the Group thanks to reacting to incidents which exceed the competences of individual managers running separate organizational units as well as coordinating all emergency and restoration actions of the organization in the crisis mode. The prepared Survival Strategy and alternative operating methods as well as periodic testing of essential elements of the Plan and ongoing training of new staff and crisis team members ensure business continuity of critical processes and services covered by the Business Contingency Plan of Polkomtel and Cyfrowy Polsat. The implementation of the Business Continuity Plan was confirmed as part of the PN-EN ISO/IEC 27001:2017-06 certification obtained in 2022.

## 7.15. Charity and sponsorship activities

We have been engaged in corporate social responsibility activities for many years. As a Group, we fulfill our social mission in five areas.

We undertake **environmental activities** with a view to sustainable development and a better quality of life for our stakeholders. The production of clean energy and green hydrogen, energy efficiency, green products or responsible waste management are our key areas of focus in terms of "green change". We also focus on **environmental education**, by being an active member of the Clean Poland Program Association and running ambitious TV and Internet projects with a wide reach.

In terms of **safety**, the Plus network has been working with rescue organizations (WOPR, MOPR, TOPR, GOPR) for more than 20 years, providing: mountain and water rescue numbers, the Integrated Rescue System and the Rescue mobile application. We also actively fight against TV piracy and train employees in cybersecurity.

We are consistently engaged in the promotion of **sport and healthy lifestyle**.

We provide **social education** by, among others, disseminating medical knowledge, knowledge about ecology or safety trough TV Polsat's programs, articles and podcasts on Interia, the magazine for Plus and Polsat Box subscribers and during various events. We are also actively combating digital exclusion through the development and popularization of modern Internet access technologies and the Plus network's ongoing cooperation with the Copernicus Science Center).

We **support society** mainly through cooperation with the Polsat Foundation, SMS Premium (charity) and volunteer initiatives of our employees.

The details of our charity and sponsoring activities are described in the *"Sustainable Development Report of Polsat Plus Group 2023."*

## 7.16. Information on remuneration policy of Cyfrowy Polsat S.A.

On July 23, 2020, the Annual General Meeting adopted, based on a draft resolution proposed by the Company's Management Board and taking into account the opinion of the Supervisory Board's Remuneration Committee, the Remuneration Policy for the Management Board and Supervisory Board Members of Cyfrowy Polsat S.A. The full wording of the policy is publically available at the following address:

https://grupapolsat.pl/sites/default/files/remuneration_policy_for_mb_and_sb_20200723.pdf

The adopted policy aims to ensure sustained growth of the Company's value, the achievement of which by the Management Board and the Supervisory Board requires, among others, setting up of a relevant structure of remuneration of the members of the Management Board and the Supervisory Board on account of their overall duties. This aim is accomplished by restricting the remuneration of these individuals to a fixed part, allowing them to perform their duties concerning the overall operations of the Company without focusing on the pursuit of selected specific goals only.

The Remuneration Policy for the Management Board and Supervisory Board Members of Cyfrowy Polsat S.A. is based on a general assumption that market volatility, the social and economic situation as well as the need for a flexible response to the emerging risks and business opportunities provide no justification for setting fixed goals. The required flexible response to the changing situation and to the emerging challenges is assured – in the case of Management Board Members – by potential bonuses that can be awarded to them. Such a solution offers flexibility in terms of assuring stable operations of the Company and pursuing its long-term interests.

The remuneration of Management Board Members consists of a fixed part, having the form of a base salary. Management Board Members may have the title to a bonus on the terms defined in the deed establishing their corporate relation or their employment relation. Subject to the terms set by the Supervisory Board in the deed establishing a corporate relation or an employment relation, the Management Board Members may be also covered by additional pension schemes.

In addition, Management Board Members may be entitled to additional benefits of permanent or periodic nature. These include in particular healthcare services for a Management Board Member or for the members of his/her family, right to use the elements of the Company's property, and life insurance and D&O insurance.

Moreover, Management Board Members employed under an employment contract are entitled to the same rights as all other employees of the Company by virtue of the Labor Code regulations, as defined by Article 9 of the Labor Code. Remuneration and other benefits also include benefits on account of the Management Board's activities in the Company's subsidiaries.

The Supervisory Board, based on the recommendation issued by the Supervisory Board's Remuneration Committee, is entitled to determine the amount of the base salary, the conditions for acquiring the right to a bonus as well as other components of the remuneration and benefits in the resolution serving as the basis for entering by a Management Board Member into a corporate relation or into an employment relation, and depending on the nature of the duties of a given Management Board Member as well as the conditions of his/her employment.

Supervisory Board Members receive fixed remuneration on account of the function performed on the basis of a corporate relation. The remuneration may differ depending on the function in the Supervisory Board, especially in connection with participation in the work of respective Supervisory Board committees. In justified cases a Supervisory Board Member may receive additional remuneration. The amount of the remuneration of the Supervisory Board members is determined by the General Meeting.

There were no changes to the Remuneration Policy since the date of its adoption. In parallel, the Remuneration Policy stipulates that it will be adopted by the General Meeting not less frequently than once every four years.

The shape of the Remuneration Policy as proposed by the Management Board and adopted by the General Meeting derives from the many years of remuneration practice developed within Polsat Plus Group and, given the Company's proven track record of achieving long-term value growth for its Shareholders as well as the Group's stable functioning, is evaluated as an effective tool for remunerating and motivating the Company's Management Board and Supervisory Board Members.

Reports on the remuneration of the Management Board and the Supervisory Board Members of the Company are publically available on Polsat Plus Group's website.

# 8. Cyfrowy Polsat on the capital market

## 8.1. Shares of Cyfrowy Polsat

Shares of Cyfrowy Polsat are listed on the Warsaw Stock Exchange since May 6, 2008. The share capital of the Company is PLN 25,581,840.64, divided into 639,546,016 shares. The total number of votes at the General Meeting is 818,963,517.

The table below presents the characteristics of the shares issued as of December 31, 2023:

| Series | Number of shares | Type of shares | Number of votes at the General Meeting | Face value [PLN] |
|---|---|---|---|---|
| A | 2,500,000 | Preferred shares (2 votes per share) | 5,000,000 | 100,000.0 |
| B | 2,500,000 | Preferred shares (2 votes per share ) | 5,000,000 | 100,000.0 |
| C | 7,500,000 | Preferred shares (2 votes per share ) | 15,000,000 | 300,000.0 |
| D | 166,917,501 | Preferred shares (2 votes per share ) | 333,835,002 | 6,676,700.0 |
| D | 8,082,499 | Ordinary shares, introduced to trading | 8,082,499 | 323,300.0 |
| E | 75,000,000 | Ordinary shares, introduced to trading | 75,000,000 | 3,000,000.0 |
| F | 5,825,000 | Ordinary shares, introduced to trading | 5,825,000 | 233,000.0 |
| H | 80,027,836 | Ordinary shares, introduced to trading | 80,027,836 | 3,201,113.4 |
| I | 47,260,690 | Ordinary shares, introduced to trading | 47,260,690 | 1,890,427.6 |
| J | 243,932,490 | Ordinary shares, introduced to trading | 243,932,490 | 9,757,299.6 |
| **Total** | **639,546,016** | | **818,963,517** | **25,581,840.6** |
| including: | 179,417,501 | not traded | 358,835,002 | 7,176,700.0 |
| | 460,128,515 | traded | 460,128,515 | 18,405,140,6 |

On April 20, 2011, the Company issued 80,027,836 Series H ordinary bearer shares with a nominal value of PLN 0.04 each. On May 30, 2011, the shares were registered with the National Depository for Securities (KDPW) under ISIN code PLCFRPT00013 and admitted to trading on the primary market. The issue of Series H shares served as one of the sources of financing for the acquisition of Telewizja Polsat.

On May 7, 2014, the Company issued 47,260,690 Series I shares and 243,932,490 Series J shares with a nominal value of PLN 0.04 each. On May 14, 2014, these shares were registered with KDPW under ISIN codes PLCFRPT00013 and PLCFRPT00021, respectively. The Series I Shares were admitted to trading on May 12, 2014 and the Series J Shares were admitted to trading on April 20, 2015. The Series I and J Shares were issued to finance the acquisition of Metelem Holding Company Limited, the indirect owner of Polkomtel Sp. z o.o.

As at 31 December 2023, 88,842,485 ordinary shares, representing 13.89% of the capital, were held by Cyfrowy Polsat as a result of the acquisition of treasury shares initiated by Resolution No. 7 of the Extraordinary General Meeting of Shareholders of November 16, 2021. Pursuant to Article 364(2) of the Commercial Companies Code, the Company does not exercise the participation rights from its own shares.

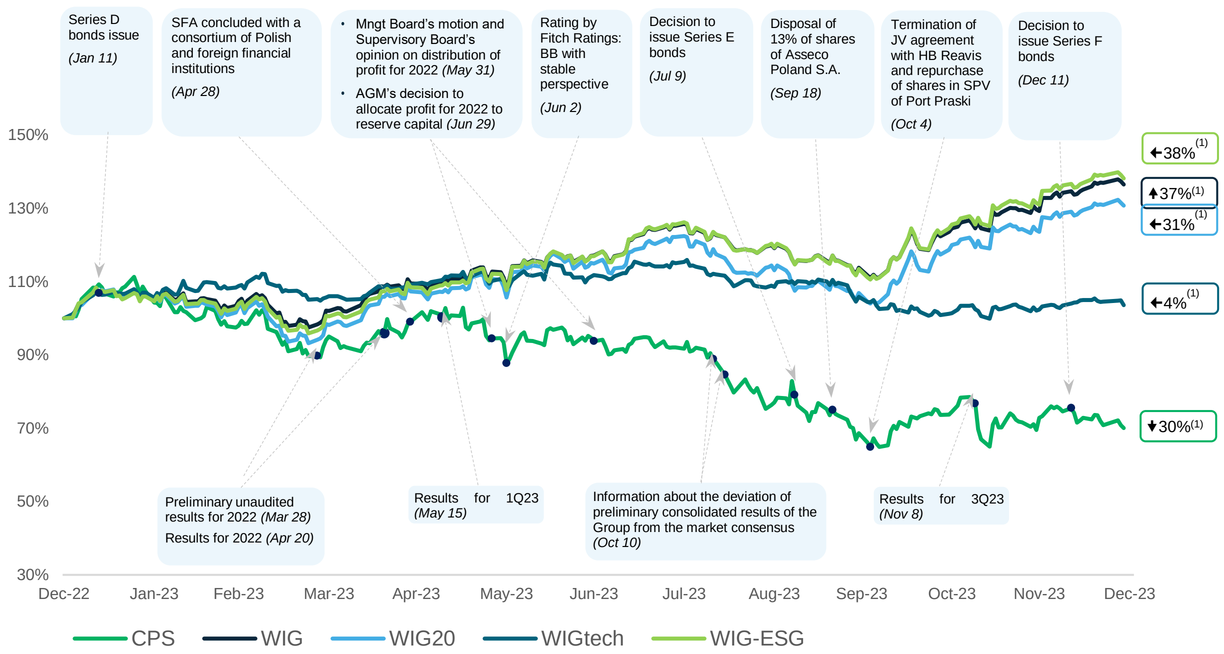
### *Basic data on traded shares*

| | |
|---|---|
| Date of first quotation | May 6, 2008 |
| Component of indices | WIG, WIG20, WIG30, WIG-ESG, WIGtech |
| Macrosector | Technology |
| Market | main |
| Quotation system | continuous |

| | |
|---|---|
| International Securities Identification Number (ISIN) | PLCFRPT00013 (shares admitted and introduced to trading)<br>PLCFRPT00062 (shares with preferential voting rights) |
| Cyfrowy Polsat's identification codes | • WSE: CPS<br>• Reuters: CYFWF.PK<br>• Bloomberg: CPS:PW |

## 8.2. Shares quotes

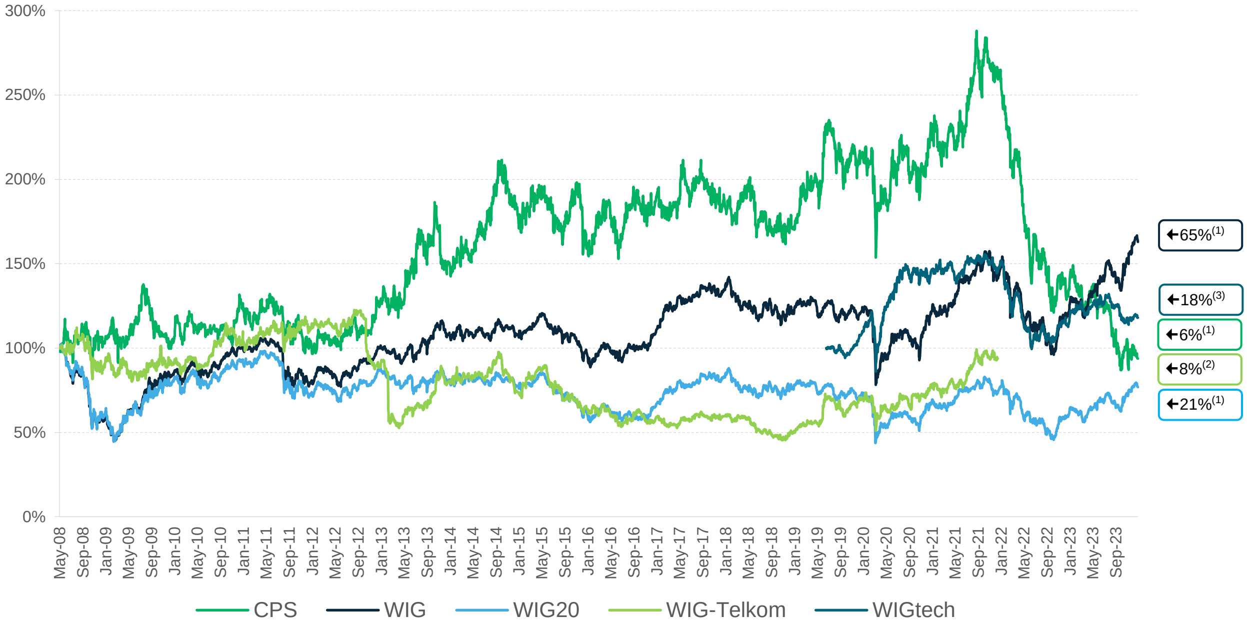
### *Performance of Cyfrowy Polsat shares in 2023*




(1) Change December 29, 2023 vs December 30, 2022

(indexed; 100 = closing price on December 30, 2022)

### *Performance of Cyfrowy Polsat shares since the debut on the WSE in May 2008 until the end of 2023 compared to selected WSE indexes*



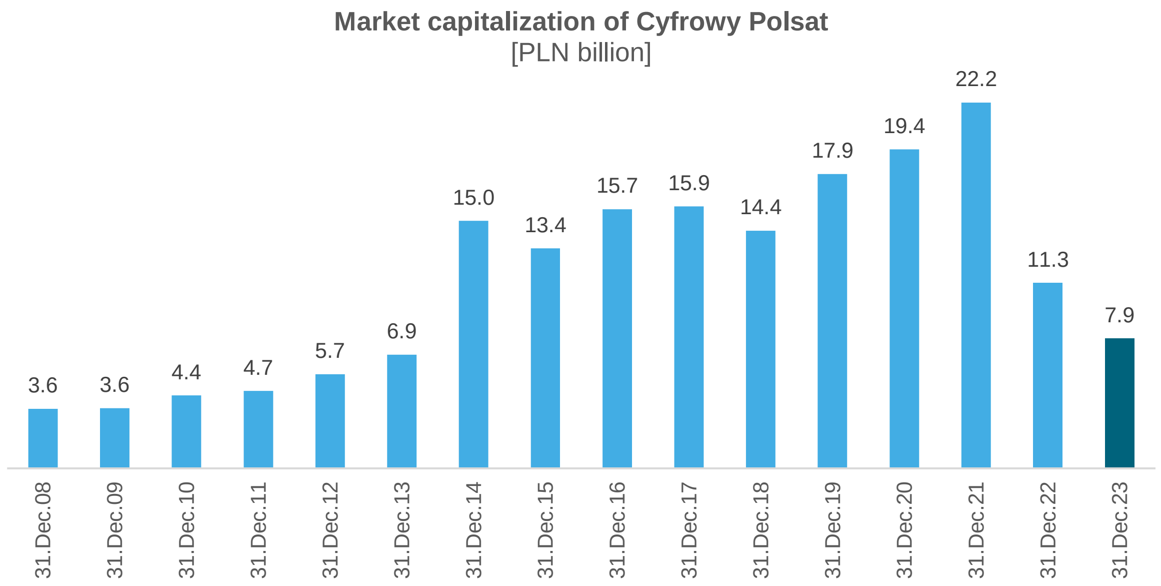

(indexed; 100 = closing price on May 6, 2008)

(1) change December 29, 2023 vs. May 6, 2008
(2) change December 17, 2021 vs. May 6, 2008, index published until December 17, 2021
(2) change December 29, 2023 vs. June 24, 2019, 100 = closing price on June 24, 2019, index started to be published

### *Cyfrowy Polsat shares on the stock exchange in 2023*

| | | 2023 | 2022 |
|---|---|---|---|
| Year-end price | PLN | 12.33 | 17.61 |
| High for the year | PLN | 19.60 | 34.82 |
| Low for the year | PLN | 11.42 | 15.90 |
| Average for the year | PLN | 15.52 | 22.56 |
| Average daily turnover | PLN '000 | 11,048 | 13,020 |
| Average daily trading volume | shares | 761,312 | 596,114 |
| Number of shares (as at year-end) | shares | 639,546,016 | 639,546,016 |
| Listed shares | shares | 460,128,515 | 460,128,515 |
| Market capitalization (as at year-end) | PLN '000 | 7,885,602 | 11,262,405 |

*Market capitalization of Cyfrowy Polsat since its debut on the WSE*




## 8.3. Analysts' recommendations

*Brokers covering the Company*

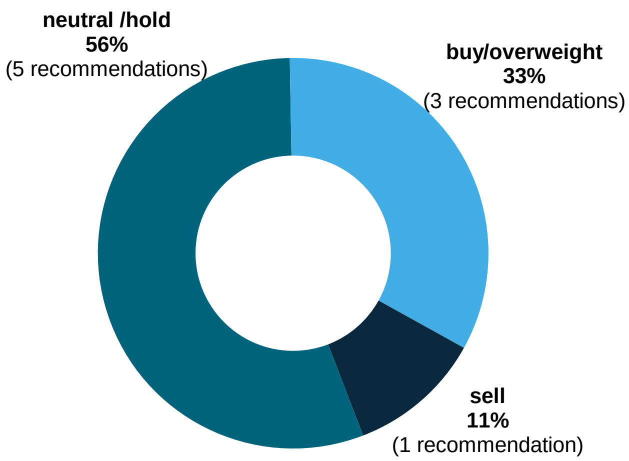
**Local**

- Dom Maklerski BOŚ S.A.
- Biuro Maklerskie mBanku S.A.
- Dom Maklerski PKO BP S.A.
- Trigon Dom Maklerski S.A.
- IPOPEMA Securities S.A.
- Bank Pekao Biuro Maklerskie

**International**

- ERSTE Group Research
- Wood&Company
- Santander Biuro Maklerskie

**Structure of recommendations as at April 9, 2024**




**Target price as at April 9, 2024 [PLN]**

| | |
|---|---|
| minimal | 18.8 |
| maximal | 9.9 |
| average | 14.2 |

***Close dialogue with the capital market***

The goal of our corporate strategy is to create sustainable value of the Company. We support this strategy through regular and open communication with all capital market participants.

In order to ensure current access to information we participate in conferences with investors and we organize numerous individual meetings. Moreover, every quarter, after the publication of our financial results, we organize meetings with investors and sell-side analysts with Members of the Company's Management Board. Both are open events. In 2023, we held meetings with approximately 260 representatives of the capital market, including approx. 15 conferences, both face-to-face and online.

When communicating with the capital market we are guided by the main principle of transparency and equal access to information. Following this principle, we introduced the rule of limited communication before the publication of our financial results. Under this rule the representatives of the Company avoid discussions or meetings with analysts and investors two weeks prior to the publication of the quarterly results. This rule is meant to increase transparency and ensure equal access to information about the Company before the publication of our financial results.

To ensure proper fulfillment of the information obligations imposed by the relevant regulations, including the MAR Regulation, we have implemented, at the Group level, detailed internal rules which define, among others, the principles of analysis and identification of events occurring within our organization, the procedures to be followed upon obtaining any information which is subject to reporting as well as the deadlines for fulfillment of information disclosure requirements. We have also adopted an Individual Reporting Standard which supports the identification and classification of events as inside information.

In order to reach a wide audience we use modern tools to communicate with capital market representatives, such as a website dedicated to investors (http://www.grupapolsat.pl/en/investor-relations), a reliable and practical source of information about Polsat Plus Group, electronic newsletters, selected social media, periodic newsletters including both information on current events in Polsat Plus Group and latest market developments, as well as reminders of the most important events in the Company. In addition, we have been using online meeting tools to enable all interested investors and analysts to actively participate in the Company's events.

## 8.4. Dividend policy

On December 20, 2021, the Management Board of the Company adopted a dividend policy of the Company for the years 2022-2024.

The main goal of the strategy of the Group is the permanent growth of the value of the Company for its Shareholders. We intend to achieve this goal by implementing the major elements of our operational strategy which include:

- growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction;
- growth of revenue from produced and purchased video content by expanding its distribution and maintaining the audience shares of channels produced by us;
- use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services;

- building a position on the clean, renewable energy market, in particular from the sun, wind, biomass, thermal waste treatment and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction;
- effective management of the cost base of our integrated capital group by exploiting its inherent synergies and economies of scale, and
- effective management of the Group's finances, including its capital resources.

Predictable dividend payouts to Shareholders is one of the main goals underlying the capital resources management policy of the Company. At the same time, bearing in mind the goal to achieve and maintain a low level of indebtedness, designated by the General Meeting of Shareholders in the Articles of Association of the Company (the "Target Leverage Ratio"), the Management Board of the Company is obligated to formulate the financial policy of Polsat Plus Group in such a way, so as to meet the expected Target Leverage Ratio. In view of the above, the Management Board of the Company intends to present a proposal concerning dividend payout together with the Management Board's recommendation to the General Meeting annually, subject to the observance of the following general principles:

- the amount of a dividend paid out every year shall guarantee an attractive return on invested capital to the Company's Shareholders;
- the level of the obtained return shall be shaped in relation to the commonly available on the Polish market forms of safe investing of funds, in particular in relation to the level of bank deposits rates, while taking into account a risk premium associated with floating of Cyfrowy Polsat's share prices on the Warsaw Stock Exchange;
- the annually submitted proposal for distribution of the Company's net profit for the previous financial year should allow for the continuation of gradual reduction of the net debt of Polsat Plus Group in order to achieve the Target Leverage Ratio.

In regard to the above, after having reviewed the investment plans of Polsat Plus Group and evaluated the possibilities of allocating the expected cash resources of the Group with an aim to pay out dividends to the Shareholders of the Company, in the years 2022-2024 the Management Board of the Company intends to recommend to the General Meeting dividend payout in the total amount of not less than PLN 3.00 per share in three installments as follows:

- at least PLN 1.00 per share to be paid out from net profit generated in 2021;
- at least PLN 1.00 per share to be paid out from net profit generated in 2022;
- at least PLN 1.00 per share to be paid out from net profit generated in 2023.

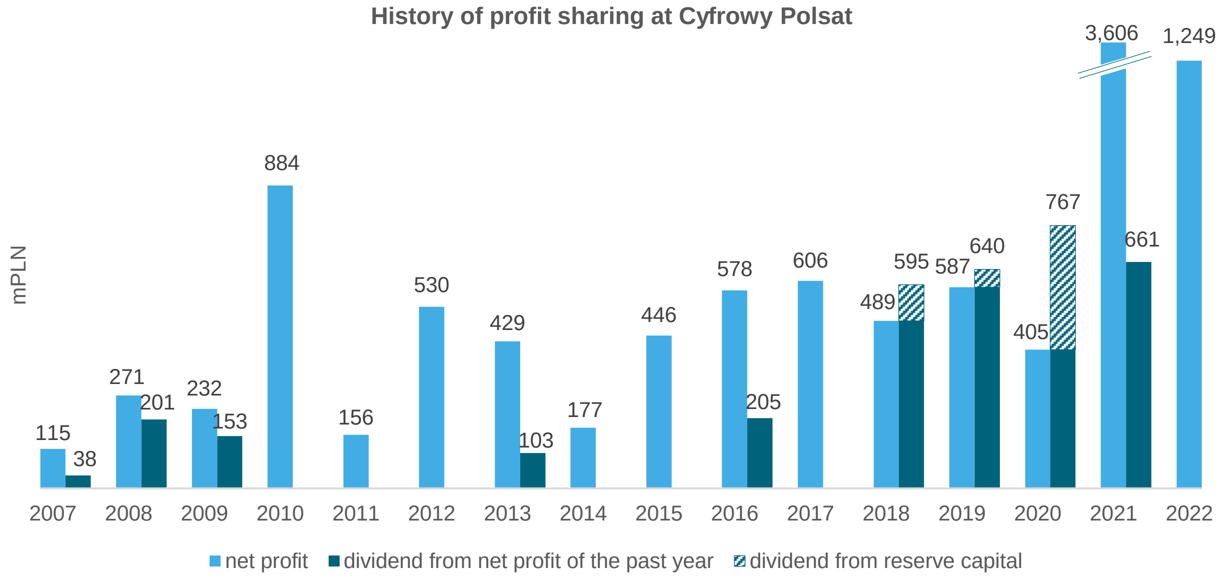
Simultaneously, the Management Board underscores that every time when presenting a proposal for distribution of the profit for the previous year it will take into account the Group's net profit, financial standing and liquidity, existing and future liabilities (including potential restrictions related to facility agreements and other financial documents), the assessment of the Group's prospects in specific market and macroeconomic conditions, potential necessity of spending funds for the Group's development, in particular through acquisitions and embarking on new projects within the framework of the Group's strategy, one-off items, as well as valid legal regulations. The dividend policy will be subject to regular verification by the Company's Management Board. The new dividend policy takes effect from January 1, 2022.

### *Distribution of net profit of Cyfrowy Polsat for 2022*

Acting in accordance with resolution no. 27 of the Annual General Meeting, held on June 29, 2023, regarding profit distribution, net profit earned by the Company in the financial year ended December 31, 2022 in the amount of PLN 1,248.6 million was allocated in full to reserve capital.

The Company's Management Board recommendation not to pay the dividend from the 2022 profit was due to the capital-intensive strategic investments carried out by the Company as part of its Strategy 2023+, aimed at continuing the development of Polsat Plus Group over the long term in line with the overarching strategic goal of sustainably growing the Company's value for its shareholders.

At the same time, the Management Board took into account the Company's net debt ratio, which remains at an elevated level, as a result of the financing of strategic investments, as well as the unfavorable macroeconomic environment, in particular high inflationary pressure and persistently high interest rates that translate into rising debt service costs for the Company.



# 9. Corporate governance Statement

## 9.1. Principles of corporate governance which the Company issuer is subject to

As at December 31, 2023, Cyfrowy Polsat S.A. (the "Company") was subject to corporate governance principles outlined in the "Best Practices of WSE Listed Companies in 2021" ("**Best Practices 2021**"), constituting an appendix to resolution No. 13/1834/2021 of the Council of WSE of March 29, 2021 (this document is available on the official website of the Warsaw Stock Exchange dedicated to the issues of the corporate governance of listed companies – https://www.gpw.pl/dobre-praktyki2021

### *Application of principles outlined in the Best Practices 2021*

The Management Board of the Company adopted the recommendations and principles specified in the Best Practices 2021. In 2023, the Company did not comply with principles set out in items 1.4., 1.4.1., 2.1., 2.2., 3.2., 3.6., 3.7., 3.9., 3.10., 4.1. and 4.9.1.

Below, the Company presents explanations regarding non-compliance or partial application of:

- ***Principle 1.4.*** *regarding the ensuring of quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.*

  The assumptions of the business strategy, along with the description of non-measurable and selected measurable goals, as well as the information on achieved results and the accomplishment of the strategic goals are published by the Company on its website as well as in Polsat Plus Group's annual reports on the activities of the management board and in Polsat Plus Group's sustainability reports. In connection with the publication of its new strategy in December 2021, the Company's Management Board formulated and published on the Group's corporate website measurable long-term strategic goals, both financial and operational, as well as non-financial, particularly related to the expected reduction of greenhouse gas emissions. In addition, in November 2022, the Company formulated and published additional key performance indicators and quantified long-tem sustainability performance targets relating specifically to environmental issues in Polsat Plus Group's Sustainability-Linked Financing Framework, a document that had undergone an independent expert review. The Company provides disclosures on planned and undertaken activities as well as progress in the achievement of its goals in Polsat Plus Group's annual reports on the activities of the management board and in Polsat Plus Group's sustainability reports.

- ***Principle 1.4.1.*** *stating that information concerning the ESG strategy should explain, among others, how the decision-making processes of the company and its group members integrate climate change, including the resulting risks.*

  On December 20, 2021, the Company adopted and announced the assumptions of Polsat Plus Group's new strategy, including strategic assumptions in the area of ESG. The Management Board identified the unfavorable local energy mix as a key challenge for the Polish society and economy, as it impacts negatively both air quality (social aspect) and the cost of conducting business or living in Poland (economic aspect). Accordingly, as part of its new strategy, Polsat Plus Group is focused, among others, on developing new areas of activity, particularly the production and sales of energy from zero- and low-emission sources. In the opinion of the Company's Management Board, the implementation of Polsat Plus Group Strategy 2023+ has a chance to effectively combine ESG considerations with building a new revenue stream for Polsat Plus Group, with long-term benefits for the Company's stakeholders. In its sustainability reports, the Company publishes detailed information regarding the governance principles and the procedures covering the environmental issues that are valid in the Company as well as in the Company's key subsidiaries, describes in detail the efforts of the entire group in the areas of conservation of natural environment and education of the public in this area as well as outlines climate-related risk analysis, taking into account the analysis of climate scenarios and the resilience of the business model of individual business segments to climate risks.

- ***Principle 2.1.*** *stating that companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.*

  The Company has a Human Rights Protection Policy, which also includes an Equal Opportunity Policy, a Diversity Protection Policy, an Anti-Discrimination Policy, a Protection Against All Forms of Violence Policy, a Freedom of Association Policy, and a Safe Work Environment Policy. Human Rights Protection Policy also operates in the companies belonging to the Company's capital group. The provisions of the policy apply to all employees, including management board and supervisory board members. The Company would like to note that high degree of diversity is assured in the Management Board and the Supervisory Board in such areas as age, education, competence and professional experience. Moreover, in spite of the lack of a defined goal, the Management Board fulfills the diversity principle related to gender as women make up 50% of the Management Board. The Human Rights Protection Policy adopted by the Company and by the member companies of the Company's capital group prohibits discrimination of any kind related to employment, direct or indirect, especially in respect of gender, age, sexual-orientation, experience, potential disability, nationality, ethnic and social origin, color of skin, language, parental status, religion, denomination or lack of denomination, political views as well as in respect of the location of the work of place, form of employment, trade union membership, or any other dimension of diversity as defined by valid law. The Human Rights Protection Policy and the policies operating under it do not define, however, the minimum goal for diversity in terms of gender, hence the Company does not apply principle 2.1.

- ***Principle 2.2.*** *stating that decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.*

  The provisions of the Group's diversity policy apply to all of the Group's employees, including Management Board and Supervisory Board Members. The Company's goal is to assure diversity, including diversity in terms of gender, for higher ranking positions, nevertheless the persons who make decisions while selecting Management Board and Supervisory Board Members are above all guided by the candidates' competencies, their professional experience and education.

- ***Principle 3.2.*** *stating that the companies' organization includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.*

  The Company effectively carries out the tasks listed in the principle 3.1, however dedicated organizational units responsible for managing risk and compliance issues have not been established in the Company's organizational structure. Nonetheless, relevant internal processes and procedures have been implemented and operate in the Company, assuring efficient management of financial and operational risks as well as monitoring of compliance of the Company's operations with applicable regulations. High-level managers, managing respective areas covered by specific procedures, are responsible for the efficiency and the proper functioning of these procedures. In spite of the lack of a separate compliance function, control of the Company's compliance in various areas with applicable legislation is executed through internal regulations and takes place at the level of individual organizational units which are responsible for a given area of operations in the capital group, including, in particular, within the finance, controlling, legal, administrative divisions. The Management Board verifies on an on-going basis the correctness of functioning of the internal processes in the areas of risk management and compliance of operations with applicable regulations, and takes action whenever necessary. The Supervisory Board, and in particular the Supervisory Board's Audit Committee, monitors and assesses the effectiveness of functioning of the internal processes of operational and financial risk management, including the process of drafting of financial statements on the basis of the documents and reports presented by the Management Board and by the person responsible for internal audit as well as on the basis of other information obtained in the course of the Supervisory Board's on-going activities.

- ***Principle 3.6.*** *stating that the head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.*

  In accordance with the organizational structure adopted in the Company, the internal auditor reports directly to the Management Board Member responsible for finance – which is in line with IIA (The Institute of Internal Auditors) standards. The internal auditor functionally reports to the Chairman of the Audit Committee. In the opinion of the Company's Management Board, the internal audit function present in the Company operates in an effective and independent manner.

- ***Principle 3.7.*** *stating that principles 3.4 to 3.6 (concerning, the linking of the remuneration of persons responsible for risk and compliance management and of the head of internal audit with the performance of delegated tasks rather than short-term results of the company, the direct reporting of persons responsible for risk and compliance management report to the president or other member of the management board and the direct reporting of the head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee, respectively) apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.*

  By analogy to the principles 3.4-3.6, the principle are applied partially by the Company. Principles 3.4. and 3.5. also apply to those members of the Company's capital group who are essential from the point of view of the group's operations. Principle 3.6, in turn, does not apply to the group's essential companies since in the selected entities being members of the Company's capital group the internal audit function is fulfilled by the same internal audit and control unit as the one which functions in the Company itself. In the face of the above, the person managing the internal audit function in selected companies having significant importance for the Group reports directly to the Management Board Member responsible for financial matters in the Company, which is in line with the IIA (The Institute of Internal Auditors) standards.

- ***Principle 3.9.*** *stating that the supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred* *to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.*

The Supervisory Board of the Company operates according to the Anglo-Saxon model, i.e., in addition to carrying out its duties under the Polish law, members of the Board (excluding independent members and members of the Audit Committee) simultaneously perform the role of Non-executive Directors. The Board has a wide range of competencies and a high degree of authority set in the Company's corporate documents, which in practice means that the Board is very close to the decision-making process and is well positioned to effectively monitor and evaluate the internal control, risk management and compliance systems, as well as the internal audit function. The Supervisory Board, and the Supervisory Board's Audit Committee in particular, monitors and assesses the effectiveness of functioning of the internal processes of operational and financial risk management, including the process of drafting of financial statements, on the basis of the documents and reports presented by the Management Board and by the person responsible for internal audit as well as on the basis of other information obtained in the course of the Supervisory Board's on-going activities. Risk assessment and mapping is conducted at both management and supervisory boards levels. Risks specific to each business area are identified, monitored, mitigated/managed at the level of: (a) the members of the Management Board responsible for the business area concerned based on internal processes and procedures, (b) the relevant committees (e.g. CAPEX), and if necessary (c) the members of the Management Board with the involvement of individual members of the Supervisory Board. In addition, the Supervisory Board as a whole reviews risks on a regular basis, focusing on key challenges.

- ***Principle 3.10.*** *stating that companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.*

  The Supervisory Board, the Audit Committee specifically, monitors and assesses the efficiency of internal processes, which includes on-going monitoring of the efficiency of the internal audit function.

- ***Principle 4.1.*** *stating that companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.*

  Neither Polish, nor foreign shareholders have so far notified the Company of the interest in or the need for organizing the general meetings in such a form. The Management Board, in turn, considers assuring efficient course of debates of general meetings as well as correctness of adoption of resolutions by general meetings a priority. The adopted practice of holding general meetings is intended to reduce the risk of occurrence of any organizational and technical problems during the meetings, potentially causing disruption of the efficient course of the general meetings, as well as the legal risks, especially the ones which could potentially result in the resolutions adopted by a general meeting being questioned due possible transmission delays, technical faults, both on the Company's end as well as in the locations of the shareholders who participate remotely in the meetings.

- ***Principle 4.9.1.*** *stating that candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.*

  The Company encourages its shareholders to propose their candidates at the times indicated in the principle 4.9.1, including by publishing the relevant information in the notices to convene the general meetings. However, due to the fact that the Company's internal regulations do not provide for any other mode of appointing the supervisory board members than stipulated by the generally valid legal regulations, especially in terms of restricting the time during which the candidates for supervisory board members may be proposed, while the to-date practice of proposing of candidates for supervisory board members differed from the requirements of the principle 4.9.1, hence the Company may not assure that the principle will be applied in the future.

## 9.2. Internal control systems and risk management applied with respect to the process of preparing financial statements

The Management Board is responsible for internal control system in Polsat Plus Group and its effectiveness in the process of preparing financial statements and interim reports prepared and published in accordance with the provisions of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

We draw on our employees' extensive experience in the identification, documentation, recording and controlling of economic operations, including numerous control procedures supported by modern information technologies used for recording, processing and presentation of operational and financial data.

In order to ensure the accuracy and reliability of the accounts of the parent and subsidiary companies, we apply accounting policies for Polsat Plus Group and various internal procedures relating to transaction control systems and processes resulting from the activities of the Company and the Group.

We keep our accounts in IT systems integrated with the underlying source systems and auxiliary books. We ensure data security through the use of access rights aligned with the needs and requirements of granted to authorized users. Systems operations are assured by the specialists with extended experience in this field. In addition, the system security is ensured by applying the appropriate solutions for physical security of the equipment. We have a complete IT system documentation in all its areas. In accordance with Article 10 of the Accounting Act of September 29, 1994, the accounting information systems documentation is periodically reviewed and updated upon approval by heads of units.

An important element of risk management, in relation to the financial reporting process, is ongoing internal control exercised by the Finance and Controlling Department. The Internal Audit Department conducts an independent verification of functioning of the internal control system and, as such, complements its efficient operation.

The Internal Audit functions on the basis of the Audit Charter adopted by the Management Board and the Audit Committee of the Supervisory Board. Its primary task is to test and evaluate controls for the reliability and consistency of financial data underlying the preparation of financial statements and management information.

The Controlling department functions on the basis of financial controlling system and business controlling system, and exercises control over both the current processes and the implementation of financial and operating plans, and preparation of financial statements and reports.

An important element of quality control and data review is the use of a management reporting system on a standalone and consolidated basis, as well as regular monthly analyses by the Management Board of financial and operational performance, and other key indicators. The monthly results analysis is carried out in relation to both the current financial and operating plan and the prior period results.

The budgetary control system is based on monthly and annual financial and operating plans and long-term business projections. Achieved financial and operating results are monitored regularly in relation to the financial and operating plans. During the year, we perform additional reviews of the financial and operating plans for the year if the need arises. The financial and operating plans are adopted by the Management Board and presented to the Supervisory Board.

One of the basic elements of control in the process of preparation of financial statements of the Company and the Group is the verification carried out by independent auditors. An auditor is chosen from a group of reputable firms, which guarantee a high standard of service and independence. The Supervisory Board of the Company chooses the Company's auditor. In the subsidiaries, the auditor is chosen by either the supervisory board, the general meeting or the meeting of shareholders. The tasks of the independent auditor include, in particular: a review of semi-annual standalone and consolidated financial statements and audit of annual standalone and consolidated financial statements. The auditor's independence is fundamental to ensure the accuracy of the audit.

The Audit Committee, appointed within the Company's Supervisory Board, supervises the financial reporting process in the Company. The Audit Committee oversees the financial reporting process, in order to ensure sustainability, transparency and integrity of financial information. As at the date of publication of this Report, two out of three Members of the Audit Committee meet the requirements listed in article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight (as amended).

Moreover, under article 4a of the Accounting Act of September 29, 1994, the duties of the Supervisory Board include ensuring that the financial statements and the report on activities meet the requirements of the law. The Supervisory Board carries out this duty using its competences under applicable law and the Articles of Association of the Company. This is yet another level of control exercised by an independent body to ensure the accuracy and reliability of the information presented in the standalone and consolidated financial statements.

## 9.3. Shareholding structure of Cyfrowy Polsat

### 9.3.1. Shareholders with qualifying holdings of shares of Cyfrowy Polsat

The table below presents shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the General Meeting of the Company as at the date of publication of this Report, i.e. April 11, 2024.

| Shareholder | Number of shares | % of shares | Number of votes | % of votes |
|---|---|---|---|---|
| **Zygmunt Solorz, through:** | **396,802,022** | **62.04%** | **576,219,523** | 70.36% |
| TiVi Foundation, including through: | 386,745,257 | 60.47% | 566,162,758 | 69.13% |
| *Reddev Investments Limited, including through:* | *386,745,247* | *60.47%* | *566,162,738* | *69.13%* |
| *Cyfrowy Polsat S.A.*(1) | *88,842,485* | *13.89%* | *88,842,485* | *10.85%* |
| Tobias Solorz(2), including through: | 10,056,765 | 1.57% | 10,056,765 | 1.23% |
| *ToBe Investments Group Limited* | *4,449,156* | *0.70%* | *4,449,156* | *0.54%* |
| **Others** | **242,743,994** | **37.96%** | **242,743,994** | **29.64%** |
| **Total** | **639,546,016** | **100%** | **818,963,517** | **100%** |

(1) Own shares acquired under the buy-back program announced on November 16, 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, the Company does not exercise voting rights attached to own shares.

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

***Changes in the structure of qualifying holdings of shares in the Company since the publication of the previous interim report***

From the date of publication of the previous interim report, i.e. November 8, 2023 (report for the third quarter of 2023), until the date of publication of this Report, i.e. April 11, 2024, the Company received a notification concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares from Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.

On January 5, 2024, the Company was informed that as a result of the disposal of the Company's shares in a transaction effected on the WSE on December 28, 2023, the funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. decreased their total ownership of the Company's shares below 5% of votes at the Company's general meeting.

### 9.3.2. Securities with special controlling rights

Current shareholders do not have any rights in the General Meeting of the Company other than those resulting from holding the Company's shares. As at December 31, 2023 the shares of the A through D series are preferred shares as to voting rights in the way that:

- Series A shares totaling 2,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series B shares totaling 2,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series C shares totaling 7,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series D shares totaling 166,917,501 numbered 1-166,917,501 have preferential voting rights entitling their holder to two votes per share.

To the Company's best knowledge, as of the date of this Report, Reddev Investments Limited held 179,417,491 voting preferred shares and TiVi Foundation held 10 voting preferred shares.

8,082,499 D Series shares, numbered 166,917,502 - 175,000,000; 75,000,000 E Series shares; 5,825,000 F Series shares, 80,027,836 H Series shares, 47,260,690 I Series shares and 243,932,490 J Series shares are ordinary bearer shares.

Pursuant to Article 19 of the Company's Articles of Association, the Chairperson of the Supervisory Board shall be appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining members of the Supervisory Board shall be appointed and dismissed by the General Shareholders Meeting.

Pursuant to Article 14 of the Company's Articles of Association, the President of the Managment Board is appointed and dismissed by the TiVi Foundation, Vaduz, Liechtenstein, as a personal right of this shareholder. The other members of the Managment Board are appointed and dismissed by the Supervisory Board of the Company.

Shares of Cyfrowy Polsat held by Management Board and Supervisory Board MembersTo the Company's best knowledge, Members of the Management Board of Cyfrowy Polsat did not hold any shares in the Company, directly or indirectly, as at the date of publication of this statement, i.e. April 11, 2024, nor as at the date of publication of the previous report, i.e., November 8, 2023 (report for the third quarter of 2023).

The table below presents the number of shares in Cyfrowy Polsat which, according to the Company's best knowledge, were held, directly or indirectly, by Members of the Company's Supervisory Board as at the date of publication of this statement, i.e. April 11, 2024, along with changes in holdings from the date of publication of the previous report, i.e. November 8, 2023 (report for the third quarter of 2023).

| Name and surname / Function | Holding as at November 8, 2023 | Acquisitions | Disposals | Holding as at April 11, 2024 |
|---|---|---|---|---|
| Mr. Zygmunt Solorz(1)<br>Chairman of the Supervisory Board | 396,802,022 | - | - | 396,802,022 |
| Mr. Tobias Solorz(2)<br>Vice-Chairman of the Supervisory Board | 10,056,765 | - | - | 10,056,765 |
| Mr. Józef Birka(3)<br>Member of the Supervisory Board | 79,268 | - | - | 79,268 |
| Mr. Tomasz Szeląg(4)<br>Member of the Supervisory Board | 75,000 | 25,000 | - | 100,000 |

(1) Mr. Zygmunt Solorz holds the Company's shares through the following companies: TiVi Foundation (the parent of Reddev Investments Limited, which in turn is the parent of Cyfrowy Polsat S.A.). Within the block of shares held by Mr. Zygmunt Solorz, 10,056,765 shares held indirectly and directly by Mr. Tobias Solorz were disclosed.

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies. Mr. Tobias Solorz holds shares directly and indirectly through ToBe Investments Group Limited.

(3) The disclosed shares were acquired by Ms. Ewa Birka, a person closely related to Mr. Józef Birka, a person discharging managerial responsibilities within the meaning of Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

(4) Mr. Tomasz Szeląg holds the Company's shares indirectly, through Pigreto Ltd.

To the Company's best knowledge the remaining Members of the Supervisory Board did not hold any shares of the Company, directly and indirectly, as at the date of publication of this Report, i.e. April 11, 2024, nor at the date of publication of the previous report, i.e. November 8, 2023 (report for the third quarter of 2023).

***Changes in the ownership of the Company's shares by Management Board and Supervisory Board Members since the publication of the previous interim report***

On February 2, 2024, the Company received a notification issued pursuant to Article 19 (1) of the MAR Regulation from Pigreto Limited, a person closely related to Tomasz Szeląg, notifying of a transaction whereby Pigreto Limited acquired 25,000 shares in the Company.

### 9.3.3. Limitations related to shares

As at the date of publication of this Report, i.e. on April 11, 2024, the Company held 88,842,485 ordinary treasury shares constituting 13.89% of the share capital of the Company and entitling to 88,842,485 votes at the General Meeting of the Company, representing 10.85% of the total number of votes at the General Meeting of the Company. The above mentioned shares were purchased under the own shares buyback program announced on November 16, 2021. Pursuant to Art. 364 Section 2 of the Code of Commercial Companies the Company does not exercise voting rights attached to the held treasury shares.

Except for the mentioned above limitations and the limitations regarding securities ownership rights transfer resulting from the general provisions of the law there are no other limitations, in particular contractual limitations, regarding our securities ownership rights transfer.

### 9.3.4. Information on material agreements, which can result in a change in the proportion of shares held by hitherto shareholders in the future

As at the date of publication of this Report, i.e. April 11, 2024, the Company did not have any information on agreements which can result in a change in the proportion of shares held by current shareholders in the future.

## 9.4. Rules of amending the Articles of Association of the Company

An amendment to the Articles of Association of the Company requires a resolution of the General Shareholders' Meeting and a registry in the Court register. The general provisions of law, the Articles of Association and the Bylaws of the General Shareholders' Meeting govern the procedure for adopting resolutions regarding amendments to the Articles of Association.

Pursuant to the provisions of the Articles of Association and taking into account the provisions of art. 417 § 4 of the Commercial Companies Code, an amendment to the Articles of Association may take place without a share buyback.

## 9.5. General Shareholders' Meeting

The General Shareholders' Meeting acts pursuant to the provisions of the Commercial Companies' Code, the Articles of Association, and the Bylaws of General Shareholders' Meeting adopted by Resolution 6 of the Extraordinary Shareholders' Meeting dated December 4, 2007 and amended by Resolution 29 of the Extraordinary Shareholders' Meeting dated April 23, 2009.

The General Shareholders' Meeting adopts resolutions regarding, in particular, the following issues:

a) review and approval of the Management Board's Report and the report of the Supervisory Board as well as the financial statements of the Company for the preceding accounting year and the consolidated financial statements,

b) decisions on the distribution of profits or on the manner of covering the losses,

c) acknowledgement of the fulfilment of duties by the Supervisory Board Members and Management Board Members,

d) establishment of the remuneration of Supervisory Board Members, subject to the provision of Article 18 sec. 3 c) of the Articles of Association, i.e., determining the amount of remuneration of Supervisory Board Members delegated to perform temporarily the tasks of a Management Board Member,

e) amendment of the Articles of Association,

f) modification of the scope of the Company's operations,

g) increase or decrease of the share capital,

h) merger, division or transformation of the Company,

i) dissolution and liquidation of the Company,

j) issuance of convertible bonds or senior bonds as well as issuance of subscription warrants,

k) sale or lease of the enterprise, its organized part or property components constituting a significant part of the enterprise as well as establishment of limited rights *in rem* in the aforementioned scope,

l) consent to any acquisition and sale of real property, perpetual usufruct right or interest in real property, as well as consent to establishing a limited right *in rem* on real property, perpetual usufruct right or interest in real property with a value exceeding the 0.2% ratio of the Company's standalone EBITDA for the preceding financial year as stipulated in Article 1 sec. 3.19 of the Articles of Association,

m) any and all issues connected with claims for remedying a loss caused upon the formation of the Company or in the course of its management or supervision.

As of January 1, 2025, the General Shareholders Meeting shall not be entitled to grant consent to the Company to incur any liability whatsoever if incurring it may result in the debt ratio, expressed as the ratio of the Group's net debt to EBITDA, exceeding a threshold of 2.0x.

The General Meeting shall be attended by persons who are shareholders of the Company sixteen days prior to the date of the General Meeting (the day of registration for participation in the General Meeting). The date of registration for participation in the General Meeting is consistent for bearer shares and preferred shares holders. Pledgees and usufructuaries who are entitled to vote, have the right to participate in the General Meeting if establishment of a limited right on their behalf is registered on a securities account on the day of registration for participation in the General Meeting.

A shareholder, being a natural person, is entitled to participation in the General Shareholders' Meeting and execution of voting rights in person, or through a proxy. A shareholder, being a legal entity, is entitled to participation in the General Shareholders' Meeting and execution of voting rights through a person authorized to make representations of intent on its behalf, or through a proxy.

The power of attorney to attend the General Meeting and exercise voting rights requires a written or electronic form. The shareholder must notify the Company about electronically granting the power of attorney by providing information specifying the Shareholder and the Shareholder's proxy, including the name and surname or company (the name) and address (seat), and indicating the number of shares and votes, of which the proxy is authorized to exercise to the address: akcjonariusze@cyfrowypolsat.pl.

The General Meeting should be attended by Members of the Management Board and Supervisory Board - in the composition which allows for substantive answers to the questions posed during the General Meeting.

The General Meeting shall be opened by the Chairperson or, in his/her absence, the Deputy Chairperson of the Supervisory Board (if appointed). In their absence, the General Meeting shall be opened by the President of the Management Board or a person nominated by the President. Next, the General Meeting shall appoint the Chairperson of the Meeting from among persons authorised to participate in the General Meeting.

Each participant in the General Meeting is entitled to be elected the Chairman of the General Meeting, and also nominate one person as candidate to the position of Chairman of the General Meeting. Decisions shall not be made until Chairman of the General Meeting is elected.

The Chairman of the General Meeting directs proceedings in accordance with the agreed agenda, provisions of law, the Articles of Association and the Bylaws, and in particular: gives the floor to speakers, orders voting and announces the results thereof. The Chairman ensures efficient proceedings and respecting of the rights and interests of all Shareholders. The Chairman may decide on procedural matters.

After the drawing up and signing of the attendance list the Chairman determines that the Shareholders' Meeting has been convened in a proper manner and is authorized to adopt resolutions; presents the agenda and orders the selection of the Ballot Committee.

The General Meeting may pass a motion regarding nonfeasance of voting over an item on the agenda, and also on adjourning the order of issues on the agenda. However, removing an item from the agenda, or its adjourning upon the request of shareholders, requires prior consent of all the shareholders present who have forwarded such a motion, supported by a majority of votes of the General Meeting. Motions regarding the aforementioned issues shall be justified in detail.

The Chairman, after opening an item on the agenda, may give the floor in order of application to speakers. In the event of a significant number of applications the Chairman may set a time limit or limit the number of speakers. The floor may be taken regarding items on the agenda and currently under discussion only. The Chairman may give the floor outside of the order of application to the Members of the Management Board or Supervisory Board, and also to the Company experts called by them.

The Meeting may not adopt resolutions regarding items that are not on the agenda unless all the share capital is represented in the General Meeting and none of the present in the Meeting raises any objections as to the adoption of a resolution.

Voting shall proceed in a manner adopted by the General Meeting using a computerized system of casting and counting votes, ensuring that votes are cast in the number corresponding to the number of shares held and - in case of a secret ballot - allowing to eliminate the possibility of detecting the manner of voting by individual shareholders.

Subject to mandatory provisions of law, the General Meeting shall be valid, if attended by shareholders representing jointly more than 50% of the total number of votes in the Company. The resolutions of the General Meeting shall be adopted by an absolute majority of votes cast, unless the provisions of the Commercial Companies' Code or the provisions of Company's Articles of Association provide for a greater majority.

The Chairman of the General Meeting closes the General Meeting upon exhausting its agenda.

## 9.6. Management Board of the Company

### 9.6.1. Rules regarding appointment and dismissal of the management

Pursuant to article 14 of the Articles of Association of the Company the Management Board consist of one or more members, including the President of the Management Board. The President of the Management Board is appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining Management Board Members are appointed and dismissed by the Supervisory Board. The number of Management Board Members in any given term of office is determined by the Supervisory Board. The term of office of the Management Board is joint and lasts three years.

The Management Board of the Company shall consist in their majority of persons holding Polish citizenship. Prior to their appointment, the Company's Management Board Members are required to submit a written statement that they have familiarized themselves with the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations and Employee Remuneration Rules, and that they undertake to strictly observe and apply them.

### 9.6.2. Composition of the Management Board

The following table sets forth the composition of the Company's Management Board as of December 31, 2023 and the responsibilities of its members. The composition of the Management Board remained unchanged in 2023.

| Name and surname | Function | Tenure (in years) | Expiry of term | Responsibilities |
|---|---|---|---|---|
| Mirosław Błaszczyk | President of the Management Board | 5 | 2025 | sales and marketing strategy, HR, administration |
| Maciej Stec | Vice-President of the Management Board | 10 | 2025 | strategy and business development |
| Jacek Felczykowski | Member of the Management Board | 5 | 2025 | technology and network |
| Aneta Jaskólska | Member of the Management Board | 14 | 2025 | legal and corporate governance, customer relations, security and safety, including cybersecurity |
| Agnieszka Odorowicz | Member of the Management Board | 8 | 2025 | film production |
| Katarzyna Ostap-Tomann | Member of the Management Board | 8 | 2025 | finance, investor relations, internal audit and ESG |

Biographies of the Company's Management Board Members are available on the Company's website at: https://grupapolsatplus.pl/en/corporate-governance/management-board/members.

### 9.6.3. Competences and Bylaws of the Management Board

In accordance with the Company's Articles of Association, the Management Board conducts the business of the Company and represents it in external relations.

The following are entitled to submit statements on our behalf:

- in the case of one person Management Board – the President of the Management Board acting together with a commercial proxy, and
- in the case of a more numerous Management Board – the President of the Management Board, a Management Board Member, and the commercial proxy acting jointly.

The Management Board operates under legal regulations in force, the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations, and Employee Remuneration Rules as well as under the resolutions of the General Meeting of Shareholders.

The Management Board performs its obligations collectively whereas each of its members manages specific areas of the Company's operations within the division of tasks, in accordance with the descriptions mentioned above.

All issues related to our management, not restricted by the provisions of the law or the Articles of Association to the competence of the Supervisory Board or the General Meeting, are within the scope of competence of the Management Board.

Decisions regarding an issue or buyback of the Company's shares are within the competence of the General Shareholders' Meeting. The competences of the Board in respect to the above are limited to the execution of any resolutions adopted by the General Shareholders' Meeting.

In accordance with the provisions of Art. 13 of the Company's Articles of Association, as of January 1, 2025, the Company's Management Board is obliged to manage the business of the Group in such a way that the debt ratio, calculated as the quotient of the Group's net financial debt and EBITDA, never exceeds 2.0x. In the period until December 31, 2024, the Company's Management Board shall be obligated to manage the business of the Group in such a way that a debt ratio not exceeding 2.0x is achieved by December 31, 2024 at the latest. The value of the Group's debt ratio as at December 31, 2024 shall ensue upon the Company's Management Board and the Company's Supervisory Board approving the consolidated financial statements for the accounting year ended on December 31, 2024.

Members of the Management Board may attend the sessions of the Supervisory Board. Furthermore, Members of the Management Board may participate in the sessions of any General Meeting. They provide substantive answers to questions asked during the General Meeting in accordance with the binding laws.

The Management Board conducts the Company's business on the basis of adopted resolutions.

The resolutions of the Management Board are adopted during Management Board's meetings. In extraordinary cases, the resolutions of the Management Board may be adopted without holding a meeting either in writing or using means of distance communication. Management Board resolutions adopted at a Management Board meeting are passed by an absolute majority of votes. If the votes are distributed equally, the President of the Management Board has a casting vote. Management Board resolutions may only be adopted, if all Management Board Members have been duly notified of a Management Board meeting and if the meeting is attended by more than half of the Management Board Members.

Management Board resolutions may be adopted in writing or using means of distance communication, if the draft of the resolution has been effectively served to all Management Board Members and the Chairperson of the Supervisory Board, if all Management Board Members take part in the vote, and if an absolute majority of Management Board Members consent to the resolution. Immediately after a resolution is adopted, the President of the Management Board is obliged to deliver it to the Chairperson of the Supervisory Board in the adopted wording together with information on the result of the vote.

Management Board meetings may be attended by the Chairperson of the Supervisory Board and a Supervisory Board Member or Supervisory Board Members appointed by the Chairperson of the Supervisory Board in writing. The President of the Management Board is obliged to notify the Chairperson of the Supervisory Board in writing of the date and agenda of Management Board meetings. The aforementioned notification shall be served at least 72 hours prior to the appointed time of the meeting. In extraordinary cases, said notification may be served within a shorter time-limit upon the written consent of the Chairperson of the Supervisory Board. Management Board meetings may also be attended by the Company's commercial proxy. The Company's Management Board notifies the commercial proxy of the date and agenda of the meeting.

The Company's Management Board is obliged to maintain the continuity of the commercial power of attorney; in particular, if the commercial power of attorney expires for any reason whatsoever, the Company's Management Board shall be obliged to appoint another commercial proxy immediately. Granting a commercial power of attorney requires the consent of all Management Board Members, subject to the stipulation that it shall only be permitted to grant a commercial power of attorney obliging the commercial proxy to perform transactions jointly with the President of the Management Board and a Management Board Member. A commercial power of attorney may only be granted by the Company's Management Board to candidates approved by the Supervisory Board. A commercial power of attorney can be revoked by any Management Board Member.

### 9.6.4. Remuneration of the Members of the Management Board

Rules for remuneration of Members of the Management Board are regulated by the Remuneration Policy for the Management Board and Supervisory Board Members. Information on the remuneration of Board Members in 2023 is included in the consolidated financial statements (Note 48) and the standalone financial statements (Note 42) for 2023.

### 9.6.5. Contracts with Members of the Management Board setting out severance packages payout

The Company has concluded managerial contracts with the following Members of the Management Board: Aneta Jaskólska, Agnieszka Odorowicz and Katarzyna Ostap-Tomann. These contracts do not provide for the payment of severance packages as a result of the resignation of the mentioned above Members of the Management Board or their dismissal from the position without a material cause, or in the case when their resignation or dismissal results from a merger by acquisition of the Company.

## 9.7. Supervisory Board of the Company

### 9.7.1. Rules regarding appointment and dismissal of the Supervisory Board

In accordance with Art. 19 of the Company's Articles of Association, the Supervisory Board consists of five to nine members, including the Chairperson of the Supervisory Board. A Supervisory Board Member may be appointed Deputy Chairperson of the Supervisory Board by resolution of the General Shareholders Meeting. The Chairperson of the Supervisory Board is appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining Members of the Supervisory Board are appointed and dismissed by the General Shareholders Meeting.

The Supervisory Board is appointed for a joint five-year term of office. The number of Supervisory Board Members in any given term of office shall be determined by the General Shareholders Meeting.

The Supervisory Board of the Company shall consist in their majority of persons holding Polish citizenship. Prior to their appointment, the Company's Supervisory Board Members are required to submit a written statement that they have familiarized themselves with the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations, and Employee Remuneration Rules, and that they undertake to strictly observe and apply them.

The Supervisory Board consists of two Members meeting the criteria of an independent Member of the Supervisory Board as set out in article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight which fulfills the principle 2.3. of the Best Practices 2021. A Supervisory Board Member is required to submit a statement to the Management and Supervisory Boards of the Company on his or her compliance with the independence criteria.

### 9.7.2. Composition of the Supervisory Board

The following table presents the composition of the Company's Supervisory Board as of December 31, 2023.

| Name and surname | Function | First appointment | Appointment for current term | Expiry of term |
|---|---|---|---|---|
| Zygmunt Solorz | Chairman of the Supervisory Board | 2008 | 2021 | 2026 |
| Tobias Solorz | Vice-Chairman of the Supervisory Board | 2021 | 2021 | 2026 |
| Piotr Żak | Vice-Chairman of the Supervisory Board | 2018 | 2021 | 2026 |
| Józef Birka | Member of the Supervisory Board | 2015 | 2021 | 2026 |
| Jarosław Grzesiak | Member of the Supervisory Board | 2021 | 2021 | 2026 |
| Marek Grzybowski | Independent[1] Member of the Supervisory Board<br>Chairman of the Audit Committee | 2020 | 2021 | 2026 |
| Alojzy Nowak | Independent[1] Member of the Supervisory Board<br>Member of the Audit Committee | 2021 | 2021 | 2026 |
| Tomasz Szeląg | Member of the Supervisory Board<br>Chairman of the Remuneration Committee<br>Member of the Audit Committee | 2016 | 2021 | 2026 |

(1) conforms with the independence criteria listed article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight and in principle 2.3. of the Best Practices 2021.

On May 31, 2023, Mr. Marek Kapuściński resigned from membership in the Supervisory Board of the Company, effective immediately.

On June 29, 2023 the Annual General Meeting of the Company resolved to entrust Mr. Tobias Solorz and Mr. Piotr Żak with the functions of Vice-Chairmen of the Supervisory Board of the Company.

Biographies of the Company's Supervisory Board Members are available on the Company's website at: https://grupapolsatplus.pl/en/corporate-governance/supervisory-board/members.

### 9.7.3. Competences and Bylaws of the Supervisory Board

The Supervisory Board acts pursuant to the Commercial Companies Code and also pursuant to the Articles of Association of the Company and the Bylaws of the Supervisory Board.

Pursuant to the Articles of Association of the Company, the Supervisory Board performs ongoing supervision of the Company’s operations in all its fields. In order to exercise supervision in the scope and under the terms stipulated in the Articles of Association, the Supervisory Board is entitled to review any documents of the Company, request reports and explanations from the Management Board, and review the status of the Company’s assets. The Supervisory Board performs its obligations collectively but may also delegate its members to perform specific supervisory activities independently. The Supervisory Board is entitled to establish committees in circumstances provided for under applicable law. The Supervisory Board is also be entitled to appoint other committees and determine the scope and terms of their operation.

The Chairperson of the Supervisory Board is authorized to perform individually supervisory tasks with regard to the manner of performing obligations by the Management Board stipulated under Article 13 sec. 1.3 of the

Articles of Association as well as to the activity of the Management Board with respect to agreements, revenue, costs, and expenses.

The competences of the Supervisory Board include matters restricted by the Commercial Companies Code and provisions of the Company's Articles of Association, in particular:

a) reviewing the annual financial statements of the Company and the consolidated financial statements with respect to their consistency with both the books and documents and the facts; reviewing the annual Management Board Report on the Company's operations and the assessment of the Management Board's work, reviewing the Management Board's motions with respect to distributing profits or covering losses, and submitting a written report on the results of the aforementioned reviews to the Annual Shareholders Meeting,

b) drafting a report on the activities of the Supervisory Board, the assessment of the Company's standing, the assessment of the manner of performing the information obligations by the Company, the assessment of the rationality of the policy pursued by the Company, including but not limited to the price policy, and the assessment of the internal control system and the system for managing significant risks for the Company, in each case in accordance with the terms of corporate governance adopted by the Company, and presenting them to the Annual Shareholders Meeting,

c) delegating Supervisory Board Members to perform temporarily the tasks of a Management Board Member who has been revoked, has resigned or is unable to perform his/her duties for other reasons, for a period not longer than three months,

d) determining the remuneration of Management Board Members,

e) appointing a statutory auditor to audit the financial statements of the Company,

f) granting consent to the payment of an advance towards the predicted dividend to the shareholders,

g) approving the terms, plans and prices of acquisition or sale of goods and services by the Company in the scope stipulated under the Bylaws of the Management Board or a resolution of the Supervisory Board.

Moreover, the competences of the Supervisory Board include:

a) reviewing and issuing opinions on issues that shall constitute the object of the resolutions of the General Shareholders Meeting,

b) approving quarterly, annual, and multi-year plans for the Company's operations drafted by the Management Board and monitoring their performance on an ongoing basis,

c) determining the amount of remuneration of Supervisory Board Members delegated to perform temporarily the tasks of a Management Board Member,

d) granting consent to the appointment and dismissal of supervisory board members of the following companies: Telewizja Polsat sp. z o.o. with its registered office in Warsaw, Polkomtel sp. z o.o. with its registered office in Warsaw, Netia S.A. with its registered office in Warsaw, and every company from the Group if that company's EBITDA in the preceding 12 months exceeded 5% of the Group's consolidated EBITDA, excluding supervisory board members of the above mentioned companies who are appointed and dismissed on the basis of personal rights granted to a partner or a shareholder of these companies,

e) granting consent to the performance by the Company of any legal transaction that does or can result in the disposal in favor of or liability on any account towards a single entity in the value exceeding 0.2% of the Company's standalone EBITDA in the previous accounting year,

f) approving the selection of bidders in the procurement proceedings held by the Company and approving bids submitted by the Company in procurement proceedings,

g) granting consent to any acquisition and sale of real property, perpetual usufruct right or interest in real property, as well as to establishing a limited right in rem on real property, perpetual usufruct right or interest in real property with a value up to the 0.2% ratio of the Company's standalone EBITDA for the preceding accounting year,

h) granting consent to hiring for the positions of director, deputy director, expert or consultant, irrespective of the basis for such employment, including in particular on the basis of employment relationship and other legal relationships. Modification and termination of the aforementioned employment shall also require the consent of the Supervisory Board.

i) approving the Work Regulations and Employee Remuneration Rules,

j) granting consent to the application for, modification or waiver of any license or permit stipulated under Article 6 sec. 2 of the Articles of Association, as well as to transferring or granting access to them to third parties,

k) granting consent to the conclusion of any agreement on consultancy services by the Management Board,

l) granting consent to the issue of bonds by the Company other than bonds convertible to shares or senior bonds,

m) granting consent to any acquisition, sale, assumption or encumbrance of shares and stock in companies as well as any participation titles in entities and organizations other than companies,

n) approving plans for merging or dividing the Company before they are passed and any plans for the reorganization of the Company.

In accordance with Article 18(4) of the Company's Articles of Association, as from January 1, 2025, the Company's Supervisory Board shall not be entitled to grant consent to the Company to incur any liability whatsoever if incurring it may result in the debt ratio, expressed as the ratio of the Group's net debt to EBITDA, exceeding a threshold of 2.0x.

The detailed terms of activity and operation of the Supervisory Board, including but not limited to the terms of operation of its respective committees, are determined in the Supervisory Board Regulations approved by the General Shareholders Meeting. Any amendment to the Supervisory Board Regulations shall require a resolution of the General Shareholders Meeting.

Supervisory Board meetings are convened by the Chairperson of the Supervisory Board. In the absence of the Chairperson, a Supervisory Board meeting shall be convened by the Deputy Chairperson of the Supervisory Board (if appointed) or, if no Deputy Chairperson has been appointed, the meeting is convened by a Supervisory Board Member so nominated in writing by the Chairperson. Supervisory Board meetings are convened ex officio upon the motion of the Management Board or at least two Supervisory Board Members. Supervisory Board meetings are chaired by the Chairperson of the Supervisory Board or, in the Chairperson's absence, by the Deputy Chairperson (if appointed) or, if no Deputy Chairperson has been appointed, by a Supervisory Board member nominated by the Chairperson. Apart from Supervisory Board Members, Supervisory Board meetings may be attended by Management Board Members, the commercial proxy, and invited guests. The person chairing a Supervisory Board meeting is entitled to order persons other than Supervisory Board Members to leave the room where the meeting is held.

Supervisory Board resolutions shall be by two-thirds of cast votes. All Supervisory Board Members must be invited to a Supervisory Board meeting and more than 50% of Supervisory Board Members must attend the meeting for the Supervisory Board resolutions to be binding. Supervisory Board Members shall be entitled to participate in adopting Supervisory Board resolutions by casting their vote in writing through the agency of another Supervisory Board Member. Casting a vote in writing shall not apply to issues added to the agenda at the meeting of the Supervisory Board.

The resolutions of the Company's Supervisory Board may be adopted without holding a meeting either in writing or using means of distant communication. Resolutions adopted in writing or using means of distant communication as well as electronically are passed, if the draft resolution has been effectively served to all Supervisory Board Members, if all Supervisory Board Members take part in the vote, and if at least two-thirds of Supervisory Board Members vote for the resolution. Resolutions may also be adopted electronically. An electronic vote shall be ordered by the Chairperson of the Supervisory Board. In the absence of the Chairperson, an electronic vote shall be ordered by the Deputy Chairperson of the Supervisory Board (if appointed) or, if no Deputy Chairperson has been appointed, by a Supervisory Board Member nominated by the Chairperson.

In 2023, the Supervisory Board's resolutions were adopted at the meeting and in accordance with Article 21 item 4 of the Company's Articles of Association and Article 5 item 4 of the Bylaws of the Supervisory Board, i.e., in writing or using means of direct remote communication. The table below presents the attendance of the Supervisory Board Members in the votes held in 2023.

| Name of Supervisory Board Member | Attendance |
|---|---|
| Zygmunt Solorz | 100% |
| Marek Kapuściński | 100% |
| Józef Birka | 100% |
| Jarosław Grzesiak | 100% |
| Marek Grzybowski | 100% |
| Alojzy Nowak | 100% |
| Tobias Solorz | 100% |
| Tomasz Szeląg | 100% |
| Piotr Żak | 99.96% |

### 9.7.4. Committees of the Supervisory Board

Pursuant to the Bylaws of the Supervisory Board, the Supervisory Board may appoint permanent committees, in particular an Audit Committee, a Remuneration Committee, or a Strategic Committee, as well as ad hoc committees to investigate certain issues remaining in the competence of the Supervisory Board or acting as advisory and opinion bodies of the Supervisory Board.

The functioning of the Audit Committee is regulated by the Bylaws of the Audit Committee. The provisions of the Bylaws of the Supervisory Board apply to meetings, resolutions, and minutes of remaining committees of the Supervisory Board.

The aforesaid committees may be appointed by the Supervisory Board from among its Members by means of a resolution. The committee appoints, by means of a resolution, the Chairman of the particular committee from among its Members. The mandate of a Member of a particular committee expires upon expiry of the mandate of the Member of the Supervisory Board. The Supervisory Board may, by means of a resolution, resolve to dismiss a Member from the composition of a particular committee before the expiry of the mandate of the Member of the Supervisory Board. Dismissal from membership in a committee is not tantamount to dismissal from the Supervisory Board.

The first meeting of a committee is convened by the Chairman of the Supervisory Board or another Member of the Supervisory Board indicated by him or her. Meetings of the committees are convened as the need arises, ensuring thorough delivery of duties assigned to a particular committee. Minutes of committee's meetings and adopted resolutions are made available to the Members of the Supervisory Board that are not Members of the committee. The Chairman of a given committee chairs its proceedings. The Chairman also performs supervision over the preparation of the agenda, distribution of documents, and preparation of minutes of the meetings of the committee.

Pursuant to article 128 item 1 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight, the Company has an Audit Committee and, in addition, a Remuneration Committee.

As at December 31, 2023, **the Audit Committee** comprised the following Members of the Supervisory Board while the composition of the Audit Committee remained unchanged in 2023:

| Name and surname | Function |
|---|---|
| Marek Grzybowski | Chairman of the Audit Committee<br>Independent Member of the Supervisory Board |
| Alojzy Nowak | Independent Member of the Supervisory Board |
| Tomasz Szeląg | Member of the Supervisory Board |

The composition of the Audit Committee meets the requirements listed in article 128 item 1 and article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight.

In 2023, the Audit Committee held 4 remote meetings at which resolutions were adopted using means of direct remote communication.

The table below presents the attendance of the Audit Committee Members at meetings held in 2023.

| Name of Audit Committee Member | Attendance |
|---|---|
| Marek Grzybowski | 100% |
| Alojzy Nowak(1) | 100% |
| Tomasz Szeląg | 100% |

In addition, the Company has a **Remuneration Committee**, which as of December 31, 2023 included Mr. Tomasz Szeląg, who served as the Chairman of the Remuneration Committee. In the period from January 1, 2023 to May 31, 2023, the Committee also included Mr. Marek Kapuscinski. On May 31, 2023, Mr. Marek Kapuściński resigned from membership in the Supervisory Board of the Company, effective immediately.

### *Audit Committee*

In accordance with the Bylaws of the Audit Committee, the Committee consists of at least three Members, appointed for the term of office of the Supervisory Board. The Chairman of the Committee is appointed by the Company's Supervisory Board. Most Members of the Committee, including its Chairman, are independent from the Company that is they meet the independence criteria set out in Article 129 item 2 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Among the Members of the Audit Committee, the statutory independence criteria are met by Mr. Marek Grzybowski and Mr. Alojzy Nowak.

The independence of the indicated Members of the Supervisory Board has been verified by the Supervisory Board on the basis of statements submitted by them confirming that they meet the independence criteria set forth in Article 129 item 2 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight and, moreover, based on information gathered by the Company and sourced in the Company concerning the relations of the persons in question with the Company and other companies from Polsat Plus Group, in particular the capital structure and the composition of governing bodies of Polsat Plus Group and legal relations between the persons in question and the Company and the companies from Polsat Plus Group.

Members of the Audit Committee: Mr. Marek Grzybowski, Mr. Alojzy Nowak and Mr. Tomasz Szeląg, possess knowledge and skills in accounting and/or auditing financial statements which were obtained during studies, scientific career and/or extensive professional practice.

Furthermore, Mr. Tomasz Szeląg possesses knowledge and skills with regard to the sectors in which the Group operates, gained during many years of professional career on key managerial positions within Polsat Plus Group, among others, as Member of the Management Board responsible for finance in Cyfrowy Polsat.

Regulations of the Audit Committee apply to the meetings, resolutions and minutes of meetings of the Audit Committee.

Meetings of the Audit Committee are convened by the Chairman of the Audit Committee or a Member of the Audit Committee authorized by the Chairman and are held at least once a quarter, at dates determined by the Chairman of the Audit Committee. Additional meetings of the Audit Committee may be convened by the Chairman of the Audit Committee at the request of a Member of the Audit Committee, Chairman of the Supervisory Board or another Supervisory Board Member, as well as at the request of the Management Board.

The Audit Committee passes resolutions, if at least half of its Members are present at the meeting and all Members were properly invited. Resolutions are passed by an absolute majority of votes and in the case of an equal number of votes, the Chairman of the Audit Committee shall have a casting vote. Members of the Audit Committee may participate in the Committee's meetings and vote in person, or by means of distant communication.

The work of the Audit Committee is managed by its Chairman who is responsible for preparing an agenda of each meeting or may appoint a Secretary of the Audit Committee whose tasks include in particular the preparation of an agenda of each meeting and organization of the distribution of documents for the Committee's meetings. A notification of the meeting, including its agenda together with all required materials, must be delivered to the Members of the Audit Committee at least 7 days before the meeting and in extraordinary circumstances a Committee's meeting may be convened at a shorter notice than the above mentioned deadline.

The Chairman of the Audit Committee may ask a relevant Management Board Member to prepare appropriate materials.

Minutes are taken of every meeting of the Audit Committee and are then signed by all Members who participated in a given meeting. Minutes of the Audit Committee meetings, including conclusions, instructions, opinions and recommendations are presented to the Supervisory Board at its next meeting as well as to the Management Board.

Members of the Supervisory Board who are not part of the Audit Committee may, at their own initiative, participate in the Committee's meeting, however without a voting right. The Chairman of the Audit Committee may invite Members of the Supervisory Board, auditors, employees of the Company and other persons as experts.

The tasks of the Audit Committee include in particular monitoring of the financial reporting process, efficiency of internal control systems and risk management systems as well as internal audit and performing financial revision activities, in particular carrying out audits by an audit company.

Pursuant to the Audit Charter, the Internal Audit Director meets directly the Audit Committee. In addition, at the request of the Audit Committee he or she joins its sessions and presents additional/supplementary information.

The Audit Committee evaluates, controls and monitors independence of a certified auditor and audit company, in particular in the case when the audit company provides the Company with services other than auditing of financial documents in the Company. The Audit Committee grants consent to provision of such services by the audit company. The Audit Committee notifies the Company's Supervisory Board about the results of audit and the role of the Committee in the auditing process as well as explains how this audit contributed to the reliability of financial reporting in the Company.

The tasks of the Audit Committee also include developing a policy of selection of an audit company to carry out the audit as well as developing a policy of provision by the selected audit company, its affiliated entities and members of the audit company's network of permitted services which are not part of the audit.

**Main assumptions underlying the selection of an auditor in Cyfrowy Polsat**

- In accordance with the Company's Articles of Association, the Company's Supervisory Board is the body selecting the auditing company (in the Company's Articles of Association referred to as the chartered accountant) for carrying out the statutory audit, while the General Meeting of the Company is the body approving the Company's financial statement.
- The first contract with the auditing company for carrying out the statutory audit of financial statements is concluded by the Company for the period of 2 years, extendable for successive two- or three-year periods, with the reservation that the total period of the statutory audit may not exceed ten years and the key auditor may not conduct the statutory audit for more than five years. Termination of the contract with the auditing company is possible, if justified grounds to do so emerge.
- The Audit Committee develops the policy for the selection of the auditing company and determines the procedure of selection of the auditor for performing the statutory audit. The auditor selection procedure is determined at the Audit Committee's discretion. The Audit Committee may instruct the Company's Management Board or employees of the Company selected by it to carry out the selection procedure.
- If an auditor for statutory audit is selected, the selection procedure must meet the following criteria:
  - the auditor on its own, or as part of a chain of companies operating on the territory of the European Union, has not conducted statutory audits for the Company for a period of at least past 10 consecutive years, or of if such a company did conduct a statutory audit for the Company for a continuous period of 10 consecutive years in the past, then a period of at least 4 years has already elapsed since the last of such audits,
  - the organization of the tender process does not exclude from the selection process companies which have obtained less than 15% of their total remuneration on account of auditing public interest units in the Republic of Poland during the past calendar year, which are found on the list of auditors published on the website of the Audit Oversight Committee (Komisja Nadzoru Audytowego) (a sub-page of www.mf.gov.pl).

– in the event that the selection of the auditing company is carried out during the year covered by the audit in question, neither the auditor, nor any member of the chain, of which the auditor is a member, has provided, either directly or indirectly to the Company or to its subsidiaries, any prohibited services, as defined by article 136 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight, during the current financial year, as well as any services related to the development and implementation of internal control procedures or risk management procedures associated with the development or control of financial information, or the development and implementation of any technological systems concerning financial information during the preceding year.

**Major assumptions of the policy of provision to Cyfrowy Polsat of permitted services which are not audit services by the selected auditor, its related companies or members of the chain of which the auditor is a member**

- The Company shall not conclude, with the auditor, its related companies or the members of the chain of which the auditor is a member, any agreements for the provision of prohibited services, as defined in Article 5, section 1, paragraph 2 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.
- Prior to contracting any work, being permitted services and not being an audit, the Audit Committee performs an assessment of the threats and safeguards related impartiality, mentioned in Articles 69-73 of the Act on Statutory Auditors, Audit Firms and Public Oversight. The Audit Committee also oversees compliance of the performed work with the valid law.
- Permitted services include:
  - services involving due diligence procedures related to the Company's economic-and-financial standing;
  - issuing comfort letters in connection with prospectuses issued by the audited entity, carried out in accordance with the national standard for related services and consisting of performance of agreed procedures;
  - assurance services related to pro forma financial information, forecasts of results or estimated results which are included in the audited unit's prospectus;
  - audit of historical financial information to be included in the prospectus which is mentioned in the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;
  - verification of consolidation packages;
  - confirmation of fulfillment of the terms of facility agreements concluded by the Company based on the financial information coming from the financial statements examined by a given auditor;
  - assurance services in the scope related to reporting on corporate governance, risk management and corporate social responsibility;

- services involving assessment of the compliance of the disclosures made by financial institutions and investment firms with the requirements related to disclosure of information concerning capital adequacy and variable components of remuneration;
- assurance concerning financial statements or other financial information intended for the supervisory authority, the supervisory board or any other supervising body of the company, or the owners whose scope exceeds the scope of the statutory audit and which are intended to assist these authorities in the fulfillment of their statutory duties.

The Audit Committee provides the Supervisory Board with a recommendation regarding the selection of audit company.

In the financial year 2018 the Audit Committee recommended to the Supervisory Board to appoint Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, to audit the financial statements of the Company and the consolidated financial statements of the Company's capital group for the years 2018 and 2019. The recommendation fulfilled the criteria set in the adopted policy of selection of an audit company and followed the selection procedure organized by the Company which met the binding criteria. The recommendation was accepted by the Supervisory Board.

Additionally, the Audit Committee presents recommendations to the Company's Management Board aimed at ensuring the reliability of financial reporting in the Company.

### 9.7.5. Agreements with the entity certified to perform an audit of the financial statements

On July 6, 2018, the Company entered into an agreement with Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of the Company's capital group for the financial years ended December 31, 2018 and December 31, 2019.

On February 26, 2020, the Company's Supervisory Board consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Polsat Plus Group for the financial years ended December 31, 2020, December 31, 2021 and December 31, 2022.

On July 10, 2023, the Company's Supervisory Board consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024.

The following summary presents a list of services provided by the certified auditor and remuneration for the services in the twelve month period ended on December 31, 2023 and December 31, 2022.

| [mPLN] | for the year ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Review of interim financial statements | 0.3 | 0.6 |
| Audit of financial statements for the year and other services | 4.8 | 3.0 |
| **Total** | **5.1** | **3.6** |

In the financial year 2023, Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k. provided the following permitted services other than audit services: (i) the review of financial statements, (ii) the execution of agreed procedures with regard to verification of the fulfillment of conditions of concluded credit agreements, based on the analysis of the financial information from the audited consolidated financial statements of Cyfrowy Polsat Group, (iii) the verification of the correctness of the application of Sustainability KPIs in the certificates of compliance reported in accordance with the requirements of the concluded loan agreements, and (iv) the audit of the reports on remuneration of the Members of the Management Board and the Supervisory Board of the Company, after being granted consent from the Audit Committee.

### 9.7.6. Remuneration of the Members of the Supervisory Board

Rules for remuneration of Members of the Supervisory Board are regulated by the Remuneration Policy for the Management Board and Supervisory Board Members. Information regarding remuneration of Members of the Supervisory Board in 2023 is included in the consolidated financial statements (Note 49) and in the standalone financial statements (Note 43) of the Company for 2023.

## 9.8. Diversity policy applicable to administrative, managing and supervising bodies of the Company

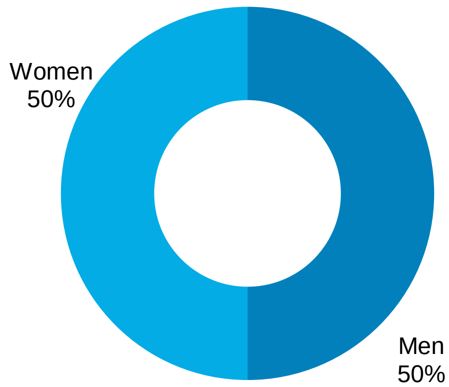
Polsat Plus Group adopted the Diversity and Human Rights Policy which has the purpose of supporting the pursuit of the Group's business goals. The policy enables the Group to respond in a better way to the employees' expectations, make full use of their potential and at the same time help the companies who are part of the Group to adjust to the changes occurring on the labor market. We trust that diversity is one of the sources of our competitive advantage, and competing views, opinions, work styles, skills and experience generate new quality and enable companies to achieve better business results.

The basic principles of Polsat Plus Group's Diversity Policy include respect for human rights and prohibition of any discrimination due to gender, age, sexual orientation, competence, experience, potential degree of disability, nationality, ethnic and social origin, color of skin, language, parental status, religion, confession or lack of any confession, political views, or any other dimensions of diversity which are defined by valid law.

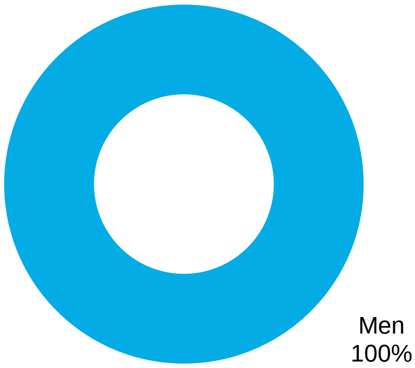
Within the empowerment of these principles, we have developed separate documents which protect diversity and indicate the basic ethical rules. These include, among others, the following policies: Human Resources Policy, Anti-Mobbing Policy, Code of Ethics, Work Regulations, Remuneration Regulations or working time register. The Diversity Policy is implemented, among others, by including diversity-related issues in HR processes and tools, such as organization of training and staff development sessions and recruitment. We expect our leaders to have skills that allow for managing diversified teams and benefit from their diversity in order to fully leverage the potential of employees that make up those teams. An Ethics Officer has been appointed in the Group whose tasks include, among others, the prevention of discrimination and mobbing.

The provisions of Polsat Plus Group's Diversity Policy apply to all employees, including Management Board Members and Supervisory Board Members. While our aim is to promote gender equality among top managerial positions, our policy is above all to appoint persons with appropriate competences, professional experience and education to the Management and Supervisory Boards of the Company. The diagrams below present the gender and age structures of the Members of the Management and Supervisory Boards of Cyfrowy Polsat.

**Structure of the Management Board and the Supervisory Board with respect to gender in 2023**




**Management Board**

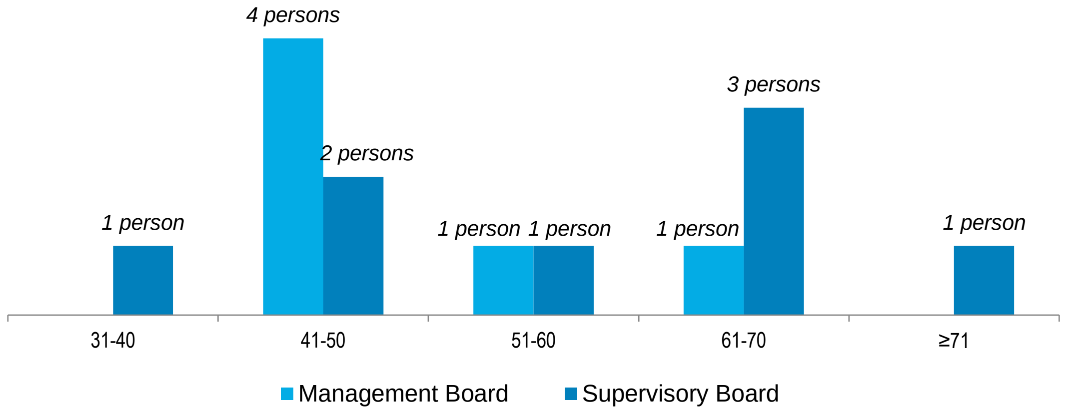



**Supervisory Board**

As at December 31, 2023 three men and three women sat on Cyfrowy Polsat's Management Board while the Supervisory Board included eight men.

Members of the Management Board and the Supervisory Board have education in fields such as management and marketing, law, economy, finance, or technical education as well as rich and diverse professional experience.

**Structure of the Management Board and the Supervisory Board with respect to age as at December 31, 2023**




Mirosław Błaszczyk
*President of the Management Board*

Maciej Stec
*Vice President of the Management Board*

Jacek Felczykowski
*Member of the Management Board*

Aneta Jaskólska
*Member of the Management Board*

Agnieszka Odorowicz
*Member of the Management Board*

Katarzyna Ostap-Tomann
*Member of the Management Board*

Warsaw, April 10, 2024

# Glossary of technical terms

| Term | Definition |
|---|---|
| **2G** | Second-generation cellular telecommunications networks commercially launched on the GSM standard in Europe. |
| **3G** | Third-generation cellular telecommunications networks that allow simultaneous use of voice and data services. |
| **4G** | Fourth-generation cellular telecommunications networks. |
| **5G** | Fifth-generation cellular telecommunications networks. |
| **ARPU per B2C/B2B customer** | Average monthly revenue per B2C/B2B Customer generated in a given settlement period. |
| **ARPU per prepaid RGU** | Average monthly revenue per prepaid RGU generated in a given settlement period. |
| **Base transceiver station** | (or: relay station / base station / BTS / transmitter / nodeB / eNodeB) – a device equipped with an antenna transceiver which connects a mobile terminal (e.g., mobile phone or mobile router) with a transmission part of a telecommunications network. A base station uses a single technology (2G, 3G or LTE) on a separate carrier (a frequency block from a separate bandwidth). A base station shall not be mistaken with a site. |
| **Catch-up TV** | Services providing access to view selected programming content for a certain period after it was broadcast. Cyfrowy Polsat provides such services from 2011. |
| **Churn** | Termination of the contract with B2C Customer by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period. |
| **Convergent (integrated) services** | A package of two or more services from our pay TV, mobile telecommunications and broadband Internet access offering, provided under a single contract and for a single subscription fee. |
| **Customer** | Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model. A customer is identified by a unique ID number (PESEL, NIP or REGON). |
| **DTH** | Satellite pay TV services provided by us in Poland from 2001. |
| **DTT** | Digital Terrestrial Television. |
| **DVB-T** | Digital Video Broadcasting – Terrestrial technology. |
| **DVB-T2** | Digital Video Broadcasting – Terrestrial Second Generation. |
| **ERP** | A family of IT systems supporting enterprise management or shared operation of a group of collaborating enterprises through data collection and enabling transactions on the collected data (enterprise resource planning). |
| **FTR** | A wholesale charge for call termination in another operator's fixed-line telecommunications network (Fixed Termination Rate). |
| **GRP** | A rating point defined as the overall number of persons viewing a given advertising spot over a specific time, expressed as a percentage share of the target group. In Poland, one GRP equals 0.2 million residents in the primary target group for advertisers aged 16-49 (Gross Rating Point). |

| Term | Definition |
| --- | --- |
| **HSPA/HSPA+** | Radio data transmission technology for wireless networks, increasing the capacity of the UMTS network (High Speed Packet Access/High Speed Packet Access Plus). It also covers the HSPA+ Dual Carrier technology (Evolved High Speed Packet Access Dual Carrier). It supports transmission speeds of up to 42 Mbps for download and up to 5.7 Mbps for upload. |
| **IPTV** | Technology enabling transfer of a television signal over IP broadband networks (Internet Protocol Television). |
| **LTE** | Long Term Evolution - a standard for high-speed, wireless data transmission also referred to as 4G. Based on a carrier bandwidth limited to a maximum of 20MHz it supports data transmission speed of up to 150 Mbps (downlink, using MIMO 2x2 antennas). |
| **LTE Advanced** | Subsequence standard for high-speed, wireless data transmission of the fourth generation (4G). Through carrier aggregation from different bandwidths (a total of up to 100 MHz) it allows to significantly increase maximum data transmission speed up to 3 Gbps (downlink, using MIMO 8x8 antennas). |
| **MIMO** | Multiple Input Multiple Output, a method for multiplying the capacity of a wireless network using multiple transmit and receive antennas. |
| **MTR** | A wholesale charge for call termination in another operator's mobile telecommunications network (Mobile Termination Rate). |
| **MUX, Multiplex** | A package of TV and radio channels and additional services, simultaneously transmitted digitally to the user over a single frequency channel. |
| **ODU-IDU** | Outdoor Unit Indoor Unit, a proprietary solution of Polsat Plus Group based on a set comprising an external LTE modem (ODU) and an indoor WiFi router (IDU), which increases effective coverage and improve the quality of the LTE signal. |
| **OTT (Over-The-Top)** | A method of delivering content or television over the Internet without the direct involvement of an Internet access provider (known as an open network). |
| **PPV** | Services providing paid access to selected TV content (pay-per-view). |
| **real users** | An estimated number of persons who visit a website or open an Internet application at least once in a given month (Real Users). |
| **RGU (Revenue Generating Unit)** | Single, active and generating retail revenue service of pay TV in all types of access technology, mobile and fixed-line Internet Access or mobile telephony provided in contract or prepaid model. |
| **Site** | (or: mast/tower/roof construction) – a single steel construction located in a separated geographical region which allows to install one or a number of base stations in order to provide radio signal to mobile terminals of end-users within that region. |
| **Usage definition (90-day for prepaid RGU)** | Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. In the case of free of charge Internet access services provided by Aero 2, the Internet prepaid RGUs were calculated based on only those SIM cards, which used data transmission services under paid packages within the last 90 days. |

# Statement of the Management Board

Pursuant to the requirements of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognized as equivalent the Management Board of Cyfrowy Polsat S.A. in the persons of:

- Mirosław Błaszczyk, President of the Management Board,
- Maciej Stec, Vice President of the Management Board,
- Jacek Felczykowski, Member of the Management Board,
- Aneta Jaskólska, Member of the Management Board,
- Agnieszka Odorowicz, Member of the Management Board,
- Katarzyna Ostap-Tomann, Member of the Management Board,

hereby makes the following statement:

a) to best knowledge of the Management Board, the annual consolidated financial statements and the comparable data have been prepared in accordance with the applicable accounting principles and reflect in a true, reliable and clear manner the economic and financial position of Cyfrowy Polsat S.A. capital group and its financial result;

b) the Management Board's report on the operations of Cyfrowy Polsat S.A. capital group contains a true picture of the development and achievements of Cyfrowy Polsat S.A. capital group and its situation, including a description of key risks and threats.

At the same time, in view of the fact that the Supervisory Board of Cyfrowy Polsat S.A. on July 10, 2023 it consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024, the Management Board of Cyfrowy Polsat S.A., on the basis of the statement of the Supervisory Board of Cyfrowy Polsat S.A., informs that:

a) both the audit firm and the audit team members met the conditions to develop an impartial and independent report on the audit of annual consolidated financial statements in line with the mandatory legal provisions, standards of profession and rules of professional ethics;

b) Cyfrowy Polsat S.A. complies with the provisions on the rotation of the audit firm and the key auditor as well as mandatory cooling-off periods;

c) Cyfrowy Polsat S.A. has adopted a policy of selection of an audit company and the policy of provision to the issuer by an audit company, entities affiliated with that audit company or a member of their networks, of authorized non-audit services, including services exempted conditionally from the ban on provision of services by an audit company.

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|---|---|---|
| Mirosław Błaszczyk<br>President of the Management Board | Maciej Stec<br>Vice President of the Management Board | Jacek Felczykowski<br>Member of the Management Board |
| Aneta Jaskólska<br>Member of the Management Board | Agnieszka Odorowicz<br>Member of the Management Board | Katarzyna Ostap-Tomann<br>Member of the Management Board |

Warsaw, April 10, 2024

# Statement of the Supervisory Board

Pursuant to the requirements of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognized as equivalent, the Supervisory Board of Cyfrowy Polsat S.A. comprised of:

- Zygmunt Solorz – Chairman of the Supervisory Board,
- Tobias Solorz – Vice-Chairman of the Supervisory Board,
- Piotr Żak – Vice-Chairman of the Supervisory Board,
- Józef Birka – Member of the Supervisory Board,
- Jarosław Grzesiak – Member of the Supervisory Board,
- Marek Grzybowski – Member of the Supervisory Board,
- Alojzy Nowak – Member of the Supervisory Board,
- Tomasz Szeląg – Member of the Supervisory Board,

hereby makes the following representations:

## I. Statement on the policy of selection of an auditing company

The Supervisory Board hereby states the following:

1) on July 10, 2023 it consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024, in compliance with the applicable regulations,
2) both the audit firm and the audit team members met the conditions to develop an impartial and independent report on the audit of annual financial statements in line with the mandatory legal provisions, standards of profession and rules of professional ethics,
3) Cyfrowy Polsat S.A. complies with the provisions on the rotation of the audit firm and the key auditor as well as mandatory cooling-off periods,
4) Cyfrowy Polsat S.A. has adopted a policy of selection of an audit company and the policy of provision to the issuer by an audit company, entities affiliated with that audit company or a member of their networks, of authorized non-audit services, including services exempted conditionally from the ban on provision of services by an audit company,
5) the requirements relating to the establishment, composition and functioning of the Audit Committee, including those relating to independence of the majority of its members as well as to knowledge and skills in the sector in which Cyfrowy Polsat S.A. operates as well as in accounting or auditing are fulfilled,
6) the Audit Committee has performed the tasks set forth in the mandatory legal provisions.

## II. Assessment of the financial statements of Cyfrowy Polsat S.A., the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group, the report of the Management Board on the activities of Cyfrowy Polsat S.A. and the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022

The Supervisory Board has examined and assessed the following documents:

1) the financial statements of Cyfrowy Polsat S.A. for the financial year ended December 31, 2023 prepared in accordance with International Financial Reporting Standards, including:

   a) the balance sheet as at December 31, 2023, showing total assets and total equity and liabilities of PLN 19,732.9 million,

   b) the income statement for the financial year ended December 31, 2023, showing net profit of PLN 639.6 million,

   c) the statement of comprehensive income for the financial year ended December 31, 2023, showing a total comprehensive income of PLN 615.7 million,

   d) the statement of changes in equity for the financial year ended December 31, 2023, showing an increase in equity of PLN 615.7 million,

   e) the cash flow statement for the financial year ended December 31, 2023, showing a net increase in cash and cash equivalents amounting to PLN 1,762.9 million,

   f) notes to financial statements.

2) the report of the Management Board on the activities of Cyfrowy Polsat S.A. in the financial year 2023,

3) the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2023 prepared in accordance with International Financial reporting Standards, including:

   a) the consolidated balance sheet as at December 31, 2023, showing the balance sheet total of PLN 37,176.7 million,

   b) the consolidated income statement for the financial year ended December 31, 2023, showing net profit of PLN 311.6 million,

   c) the consolidated statement of comprehensive income for the financial year ended December 31, 2023, showing a total comprehensive income of PLN 262.6 million,

   d) consolidated statement of changes in equity for the financial year ended December 31, 2023, showing an increase in equity of PLN 494.4 million,

   e) consolidated cash flow statement for the financial year ended December 31, 2023, showing a net increase in cash and cash equivalents amounting to PLN 2.512,9 million,

   f) notes to consolidated financial statements.

4) the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in the financial year ended December 31, 2023.

Having analyzed the above-mentioned documents and the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2023, and having acquainted itself with the information of the Audit Committee on the course and results of the examination of fairness of financial reporting in Cyfrowy Polsat S.A. Capital Group, the Supervisory Board hereby states that the information presented in the above mentioned statements reflects in an accurate and proper manner the operational and financial standing of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group.

Considering the above, the Supervisory Board hereby represents that:

- the financial statements of Cyfrowy Polsat S.A. for the financial year 2023,
- the report of the Management Board on the activities of Cyfrowy Polsat S.A. in the financial year 2023,
- the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year 2023,
- the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023

have been drawn up in accordance with the books and documents as well as with the factual status and mandatory legal provisions.

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|---|---|---|
| Zygmunt Solorz<br>Chairman of the Supervisory Board | Tobias Solorz<br>Vice-Chairman of the Supervisory Board | Piotr Żak<br>Vice-Chairman of the Supervisory Board |
| Józef Birka<br>Member of the Supervisory Board | Jarosław Grzesiak<br>Member of the Supervisory Board | Marek Grzybowski<br>Member of the Supervisory Board |
| Alojzy Nowak<br>Member of the Supervisory Board | Tomasz Szeląg<br>Member of the Supervisory Board | |

Warsaw, April 10, 2024