

- In Q1'23 **Polsat Plus Group's revenue** amounted to **PLN 3,199m** and **increased by 7.1% YoY**. The level of total revenue was mainly influenced by:
 - Significantly higher revenue from **sale of equipment**, principally as a result of an increased share of more expensive smartphone models in the sales mix with stable sales volumes,
 - Higher **other revenue** primarily due to the recognition of revenue from the sale of apartments (no corresponding revenues in the comparative period), higher revenue from rental of premises, a better result on the sale of gas and electricity, higher revenues from operations on the photovoltaic market and increasing interest revenue from sales in the installment plan model,
 - Increase in **retail revenue** as a result of the successful execution of our strategy aimed at building customer value, which is reflected in ARPU growth dynamics from contract B2C and B2B customers.
- In Q1'23 **Polsat Plus Group's costs** amounted to **PLN 2.892m** and increased by 9.8% YoY. Their level was mainly influenced by the following factors:
 - Increase in the **cost of equipment sold**, mainly as a result of a higher share of more expensive smartphone models in the sales mix,
 - Increase in **content cost** mainly as a result of higher costs of internal production and investments aimed at increasing the attractiveness of our TV channels' programming as well as higher costs of sports rights,
 - Increase in **salaries and employee-related costs** mainly due to the increased headcount and continuing inflationary pressure,
 - Increase in **other cost** related, among others, to the recognition of higher cost of operations in the photovoltaics market, cost of apartments sold in our real estate segment (no corresponding costs in the comparative period), higher property maintenance costs, which were due to significantly higher electricity costs and inflationary pressure on rental fees, and higher legal, advisory and consulting costs.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q1'23 increased by 4.1% YoY, to PLN 284m, while the whole TV advertising and sponsorship market recorded a 4.0% increase. As a result, our share in the TV advertising and sponsorship market **amounted to 28.2%**.
- **Adjusted EBITDA of Polsat Plus Group**, excl. costs of supporting Ukraine¹ in Q1'22, amounted to **PLN 761m**, recording a decrease by 4.9% YoY, with adjusted EBITDA margin of **23.8%**.
- **EBIT** of Polsat Plus Group amounted **to PLN 299m**.
- **Finance costs, net** increased by **PLN 179m** YoY, primarily on the back of higher costs of servicing the Group's debt driven by persistently high interest rates. In connection with the issuance of Series D Bonds and the early redemption of part of Series B and C Bonds, a one-time income resulting from the modification of cash flows following the conversion of bonds, totaling PLN 19.2m, was recognized in finance costs, net in Q1'23.
- **Net profit** of the Group decreased by 66.6% YoY to **PLN 71m**, primarily due to the pressure from increasing operating and financial costs.

¹ EBITDA excl. costs of supporting Ukraine (PLN 34.1m) in Q1'22

- **Adjusted FCF after interest** amounted to **PLN -222m** in Q1'23 (**PLN 386m** in the twelve-month period, posting a **49.7% decrease** compared to Q4'22). The FCF result was impacted mainly by higher interest costs, higher receivables from installment plan sales related to high revenues from sales of equipment to retail customers, an increase in inventories, a decline in liabilities as well as inflationary pressure on OPEX.
- The main bank covenant – total net debt/EBITDA LTM **reached the level of 3.26x** in Q1'22.
- **Key performance indicators in Q1'23:**
 - The **contract B2C customer base** amounted to **5,887K (-2.1% YoY)**.
 - **ARPU per B2C contract customer** amounted to **PLN 71.4** in Q1'23, **growing by 2.3% YoY**. The increase in ARPU resulted from the consistent building of the value of the existing customer base.
 - **Very low churn ratio of 7.2%** per annum, which reflects the high level of loyalty of our bundled services customers, as well as the effect of our activities aimed at building high satisfaction among our customers.
 - We maintain a high level of RGU saturation per B2C contract customer at **2.24x**.
 - Decrease of the total base of **contract services for B2C customers** by **216K** YoY (-1.6%):
 - Increase by **27K (+0.4%)** YoY of **mobile telephony** RGUs thanks to the successful implementation of our strategy of cross-selling services to an individual customer.
 - The **pay TV** RGU base recorded a decrease by **226K (-4.4%)** YoY, mainly due to the price repositioning and change in the strategy of offering our video online services, a lower number of provided satellite TV services and the decision to discontinue the Mobile TV service. This decrease is partially compensated by the growing popularity of TV services offered in online technologies (IPTV/OTT).
 - The number of **Internet** RGUs remained stable thanks to, among others, the constantly improving quality of our telecommunications networks.
 - **Continuation of the multiplay strategy**
 - As a result of the consistent implementation of the multiplay strategy, already **2.46m of our customers use the multiplay offer** – this is 41.8% of our customer base.
 - The number of RGUs owned by customers of bundled services increased to 7.42m.
 - Consistent implementation of our multiplay strategy supports a **low level of churn (7.2%)**.
 - **High base and stable ARPU of prepaid services**
 - YoY decrease in the number of mobile telephony RGUs is the effect of a high reference point resulting from the Q1'22 support campaign for newly-arrived refugees from Ukraine, consisting in the distribution of free Plus starters allowing free communication.
 - **ARPU level** (-0.6% YoY in Q1'23) at a stable level YoY.
 - **Stable base and growing ARPU of B2B customers**
 - Polsat Plus Group serves 69.3K B2B customers, successfully upholding the scale of this base.
 - We maintain a high level of B2B customer ARPU, which amounted to PLN 1,434/month (+3.0% YoY) in Q1'23.

Financial results of Polsat Plus Group

in mPLN	Q1'23	YoY change	Market consensus ²	Difference
Revenue, incl.:	3,199	7%	3,163	1.1%
- Retail revenue	1,734	1%	n/a	n/a
- Wholesale revenue	792	-3%	n/a	n/a
- Sale of equipment	485	44%	n/a	n/a
- Other revenue	188	64%	n/a	n/a
Operating costs, incl.:	2,892	10%	n/a	n/a
- Technical costs and cost of settlements with telecommunication operators	809	0%	n/a	n/a
- Depreciation, amortization, impairment and liquidation	463	4%	n/a	n/a
- Cost of equipment sold	393	42%	n/a	n/a
- Content costs	515	9%	n/a	n/a
- Distribution, marketing, customer relation management and retention costs	244	-3%	n/a	n/a
- Salaries and employee-related costs	276	13%	n/a	n/a
- Cost of debt collection services and bad debt allowance and receivables written off	29	19%	n/a	n/a
- Other costs	165	55%	n/a	n/a
Adjusted EBITDA³	761	-5%	n/a	n/a
<i>Adjusted EBITDA margin⁴</i>	23.8%	-3.0pp	n/a	n/a
EBITDA	761	-1%	759	0.3%
<i>EBITDA margin</i>	23.8%	-1.9pp%	24.0%	-0.2pp
EBIT	299	-7%	299	0.0%
Net profit	71	-67%	74	-4.5%

² Based on estimates prepared by: BM mBanku, BM BDM, DM BOŚ, DM PKO BP, ERSTE, Ipopema, Trigon, Pekao, Santander, Wood&Co

^{3,4} EBITDA excl. costs of supporting Ukraine (PLN 34.1m) in Q1'22

B2C and B2B services segment

	Q1		
	2023	2022	YoY change
B2C AND B2B SERVICES SEGMENT¹			
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,163	13,379	-1.6%
Pay TV	4,951	5,177	-4.4%
Mobile telephony	6,232	6,205	0.4%
Internet	1,980	1,997	-0.9%
Number of B2C customers (EOP) [thous.]	5,887	6,012	-2.1%
ARPU per B2C ⁽³⁾ customer [PLN]	71.4	69.8	2.3%
Churn in B2C ⁽⁴⁾ subsegment	7.2%	6.8%	0.4 pp
RGU saturation per one B2C customer	2.24	2.23	0.4%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], incl.:	2,693	2,832	-4.9%
Pay TV	121	129	-6.2%
Mobile telephony	2,542	2,666	-4.7%
Internet	30	37	-18.9%
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.1	17.2	-0.6%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	69.3	68.9	0.6%
ARPU per B2B ⁽³⁾ customer [PLN]	1,434	1,392	3.0%

(1) Customer – a 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 national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON).

(2) RGU (revenue generating unit) – a single, active and retail revenue generating service of pay TV provided in all types of access technologies, mobile or fixed-line internet access, or mobile telephony provided in the contract or prepaid model.

(3) ARPU per B2C/B2B customer - average monthly revenue per customer generated in a given settlement period.

(4) Churn - termination of the contract with B2C customer by means of a termination notice, collections or other activities resulting in the situation that after the 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 a 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.

(5) ARPU per prepaid RGU - average monthly revenue per prepaid RGU generated in a given settlement period.

• Contract services for B2C customers:

- The total number of B2C customers to whom we provided contract services at the end of Q1'23 was 5,887K (-2.1% YoY). The main reason behind the decrease of the contract customer base was 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 only 7.2% in the twelve-month period ended March 31, 2023. Low churn is primarily the effect of a high level of loyalty of our bundled service customers, 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 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 Q1'23, average revenue per B2C customer increased by 2.3% YoY to PLN 71.4.**

- The number of contract services for B2C customers that we provide decreased by 216K (-1.6%) YoY, to 13,163K as at the end of Q1'23.
- The number of mobile telephony services provided to B2C customers increased by 27K YoY (+0.4%), reaching the level of 6,232K as at the end of Q1'23. This result was achieved thanks to the successful implementation of our strategy of cross-selling services to an individual customer, including 5G services, which are available in our offer since May 2020.
- The number of pay TV services provided to B2C customers amounted to 4,951K as at the end of Q1'23 and recorded a decrease by 226K (-4.4% YoY), mainly due to the price repositioning and change in the strategy of offering our video online services (in 2021, we replaced the Ipla platform with the new Polsat Box Go offer, which is differently positioned in terms of pricing), a lower number of provided satellite TV services as well as the decision to discontinue the Mobile TV service. This decrease was partially compensated by an increasing number of TV services offered in online technologies (IPTV/OTT).
- The number of mobile broadband services amounted to 1,980K RGUs as at the end of Q1'23 and remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications networks – a consequence of our investments, exemplified by the high quality 5G network covering over 50% of Poland's population and the gradual modernization of our fixed-line network.
- Our bundled services offer, based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group's portfolio, has a positive effect on the churn rate, RGU saturation per B2C customer ratio and ARPU per B2C customer. At the end of Q1'23, the number of customers using our bundled services remained stable year on year and amounted to 2,462K, which translates into a 41.8% saturation of our contract customer base with multiplay services. This group of customers had a total of 7,421K RGUs as at the end of Q1'23, up by 65K (+0.9%) YoY.
- **Prepaid services:**
 - The number of active prepaid services provided by us as at the end of Q1'23 decreased by 139K (-4.9%) YoY, and amounted to 2,693K. The YoY decrease in the number of provided prepaid mobile telephony services is related to a high reference point due to the support action in the form of distribution of free starters enabling free communication for the newly arrived refugees from Ukraine in the Q1'22. At the same time, the number of prepaid mobile broadband Internet services remained in a downward trend. This change was driven primarily 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.
 - **In Q1'23, average revenue per prepaid RGU amounted to PLN 17.1** and remained relatively stable YoY.
- **Contract services for B2B customers:**
 - The total number of our **contract B2B customers was 69.3K** as at the end Q1'23 (+0.6% YoY) and remains stable in the long term, proving the high efficiency of our efforts directed at fostering high satisfaction among our business customers.
 - At the same time, we maintain a high level of **ARPU from B2B customers**, which increased to **PLN 1,434** per month on average in Q1'23 (+3.0% YoY).

Media segment: television and online

	Q1		
	2023	2022	YoY change
TELEVISION			
Audience share⁽¹⁾, including:	21.85%	23.19%	-1.34 pp
POLSAT (main channel)	8.00%	8.32%	-0.32 pp
Other channels	13.85%	14.87%	-1.02 pp
Advertising market share⁽²⁾	28.2%	28.2%	0.0 pp
Market expenditures on TV advertising and sponsorship⁽³⁾ [mPLN]	1,009	970	4.0%
Revenue from advertising and sponsorship of TV Polsat Group⁽⁴⁾ [mPLN]	284	273	4.1%
ONLINE: POLSAT-INTERIA GROUP⁽⁵⁾			
Average monthly number of users [millions]	21.2	21.2	-
Average monthly number of page views [millions]	1,938	2,170	-10.7%

¹ NAM, All 16-59, all day, SHR%, including Live+2 (i.e. Time Shifted Viewing), and TV audience out of home (OOH – out of home viewing), internal analyses

² Our estimates based on Publicis Groupe data

³ Publicis Groupe, preliminary data, spot advertising and sponsorship

⁴ Revenue from TV advertising and sponsorship of TV Polsat Group' channels

⁵ Mediapanel, number of users – real users (RU) indicator

Television

- Good viewership results of TV Polsat Group channels in Q1'23 despite the negative impact of refarming to the DVB-T2 standard.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q1'23 increased by 4.1% YoY, to PLN 284m, while the whole TV advertising and sponsorship market recorded a 4.0% increase. As a result, our share in the TV advertising and sponsorship market **amounted to 28.2%**.
- We reiterate our expectation that the TV advertising and sponsorship market will show a low single-digit increase in 2023.

Online

- The average monthly number of users of Polsat-Interia Group websites and applications remained stable YoY and amounted to 21.2m.
- The average monthly number of page views of Polsat-Interia Group websites reached 1.9bn in Q1'23 (-10.7% YoY).