

- In Q2'22 **Polsat Plus Group's revenue** amounted to **PLN 3,228m** and **increased YoY by 2.2%**. Excluding the impact of reduced interconnection settlements resulting from the MTR/FTR regulation, **total revenue increased by 5.8% YoY**. The level of total revenue was mainly influenced by:
 - An increase in **retail revenue** as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth, as well as the consolidation of the results of Premium Mobile from July 2021.
 - Lower **wholesale revenue** principally due to the gradual regulatory reduction of MTR and FTR rates for terminating traffic in our network by other operators. Moreover, as a result of taking control over Premium Mobile in H2'21, wholesale revenue generated on transactions with this company was eliminated on consolidation.
 - Significantly higher revenue from the **sale of equipment** as a result of both higher volumes of equipment sold and greater propensity of customers to choose more expensive smartphone models.
 - A lower level of **other revenue** due to the decrease in revenue from operations on the photovoltaic market, resulting primarily from a high reference point in the comparative period due to the then ongoing construction of Brudzew solar power plant, which was offset to a significant extent by **higher revenue from the sale and rent of premises, mainly due to the consolidation of operations of Port Praski**, and the recognition in H1'22 of debt collection activities carried out by the newly acquired Vindix S.A. group.
- In Q2'22 **Polsat Plus Group's costs** amounted to **PLN 2,815m** and increased YoY by 14.1%. Their level was mainly influenced by the following factors:
 - Higher **technical costs and cost of settlements with telecommunication operators** mostly due to the recognition of costs resulting from the agreement on using the mobile infrastructure sold to Cellnex Poland as well as higher electricity costs that remain under strong inflationary pressure. The increase in this cost category was partially mitigated by lower costs of interconnection settlements related to the regulatory reduction of MTR/FTR rates.
 - An increase in the **cost of equipment sold** as a result of higher volumes of equipment sold and an increased share of more expensive models of smartphones in the sales mix, which corresponds with higher revenue from the sale of equipment.
 - An increase in **content cost** mainly as a result of higher costs of internal production and amortization of sports rights. Higher costs reflect our decision to allocate larger budgets to increase the attractiveness of our TV channels' programming.
 - An increase in **distribution, marketing, customer relation management and retention costs** as a result of intensified marketing activities and higher sales commissions. Consolidation of Premium Mobile costs was an additional factor contributing to higher costs in this category.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q2'22 remained stable at PLN 330m, while the whole TV advertising and sponsorship market recorded a 3.3% decrease. As a result, our share in the TV advertising and sponsorship market **increased to 28.6%**.
- **Adjusted EBITDA of Polsat Plus Group, excl. NetCo result¹** amounting to **PLN 893m**, and recorded a decrease by 5.9% YoY, with adjusted EBITDA margin of **27.7%**. The main factors behind the decline were significantly higher costs of purchasing electricity and higher content costs with stable revenues from TV advertising and sponsorship.

¹ EBITDA excl. EBITDA of NetCo (PLN 191.6m) in Q2'21

- **EBIT** of Polsat Plus Group **amounted to PLN 426m**.
- **Finance costs, net** increased by 116% YoY to the level of **PLN 131m**, primarily on the back of higher costs of servicing the Group's debt following the gradual increase of interest rates by the NBP, which was partially mitigated by the favorable revaluation of our hedging instruments (IRS).
- **Net profit** of the Group decreased by 47.8% YoY, reaching the level of **PLN 283m**. The decrease in net profit is mainly due to increasing financial costs (the effect of interest rate increases) and the fact that in 2021 the Group did not recognize the depreciation costs of assets held for sale (mobile network components then sold to Cellnex).
- **Adjusted FCF after interest** amounted to **PLN 373m** in Q2'22 (**PLN 1,340m** in the twelve-month period, posting a **7.1% decrease** compared to Q4'21). The FCF result was under pressure from the increase in OPEX and interest costs, with the positive impact of changing the business model of the TMT segment to the *capex light* model.
- The main bank covenant – total net debt/EBITDA LTM in Q2'22 **reached the level of 1.39x**.
- **Key performance indicators in Q2'22:**
 - The **contract B2C customer base** amounted to **5,990K**.
 - **ARPU per B2C contract customer** amounted to **PLN 70.2** in Q2'22, **growing YoY by 3.5%** compared to PLN 67.8 in Q2'21. The increase in ARPU resulted from the consistent building of the value of the existing customer base.
 - RGU saturation of **2.23** per B2C contract customer with an upward trend.
 - **Very low churn ratio of 6.8%** per annum.
 - **Growth** of the total base of **contract services for B2C customers** by **161K** YoY (1.2%):
 - Increase by **366K** (6.2%) YoY of **mobile telephony** RGUs thanks to the successful implementation of our strategy of cross-selling and focusing on customer satisfaction, as well as the acquisition of Premium Mobile.
 - The **pay TV** RGU base recording a decrease by **215K** (-4.0%) YoY, mainly due to the price repositioning and change in the strategy of offering our video online services, the lower number of provided satellite TV services as well as the decision to discontinue the Mobile TV service.
 - The number of **Internet** RGUs remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications network – a consequence of our investments, exemplified by the rapid roll-out of the 5G network and the gradual modernization of our fixed-line network.
 - **Continuation of the multiplay strategy**
 - Consistent implementation of our multiplay strategy results in a **stable increase in the number of customers of bundled services by 45K YoY**.
 - The total number of customers using bundled offers reached the level of **2.46m** at the end of Q2'22.
 - The share of customers using multiplay packages reached 41.1%.
 - The number of RGUs owned by customers of bundled services increased to 7.38m.
 - **Low churn (6.8%)** mainly thanks to our multiplay strategy.
 - **Growing base and strongly growing ARPU of prepaid services**

- The rapid acceleration in the number of provided prepaid mobile telephony services is related to the support action in the form of distribution of free starters to refugees from Ukraine. The scale of our mobile telephony customer base was also favorably impacted in the reported period by the consolidation of the results of Premium Mobile.
- **Increase in ARPU (+8.7% YoY)** thanks to changes in our mobile and TV offering (price repositioning of the Polsat Box Go streaming service). We also observe a growing willingness of our mobile telephony customers to choose bundled solutions instead of offers based on the *pay-as-you-go* model.
- **High base and stable ARPU of B2B customers**
 - Polsat Plus Group serves 68.8K B2B customers, successfully upholding the size of this base.
 - Successively expanded offer of communication and ICT services enables us to maintain ARPU from our B2B customers at a high level of PLN 1.378K monthly.

Financial results of Polsat Plus Group

in mPLN	Q2'22	YoY change	Market consensus ²	Difference
Revenue, incl.:	3,228	2%	3,142	+2.7%
- Retail revenue	1,726	+4%	n/a	n/a
- Wholesale revenue	880	-9%	n/a	n/a
- Sale of equipment	451	+29%	n/a	n/a
- Other revenue	172	-5%	n/a	n/a
Operating costs, incl.:	2,815	+14%	n/a	n/a
- Technical costs and cost of settlements with telecommunication operators	808	+28%	n/a	n/a
- Depreciation, amortization, impairment and liquidation	468	+2%	n/a	n/a
- Cost of equipment sold	382	+32%	n/a	n/a
- Content costs	505	+12%	n/a	n/a
- Distribution, marketing, customer relation management and retention costs	256	+11%	n/a	n/a
- Salaries and employee-related costs	247	+8%	n/a	n/a
- Cost of debt collection services and bad debt allowance and receivables written off	22	-2%	n/a	n/a
- Other costs	127	-20%	n/a	n/a
EBITDA adjusted, excl. NetCo result³	893	-6%	n/a	n/a
<i>EBITDA adjusted margin excl. NetCo result⁴</i>	27.7%	-2.3pp	n/a	n/a
EBITDA	893	-22%	888	+0.5%
<i>EBITDA margin</i>	27.7%	-8.4pp	28.3%	-0.6pp
EBIT	426	-38%	443	-3.9%
Net profit	283	-48%	272	+3.8%

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

^{3,4} EBITDA excl. EBITDA of NetCo (PLN 191.6m) in Q2'21

B2C and B2B services segment

	Q2		
	2022	2021	YoY change
B2C AND B2B SERVICES SEGMENT¹			
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,349	13,188	1.2%
Pay TV	5,117	5,332	-4.0%
Mobile telephony	6,230	5,864	6.2%
Internet	2,002	1,992	0.5%
Number of B2C customers (EOP) [thous.]	5,990	5,932	1.0%
ARPU per B2C ⁽³⁾ customer [PLN]	70.2	67.8	3.5%
Churn in B2C ⁽⁴⁾ subsegment	6.8%	7.3%	-0.5 p.p.
RGU saturation per one B2C customer	2.23	2.22	0.5%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], incl.:	2,772	2,596	6.8%
Pay TV	81	135	-40.0%
Mobile telephony	2,655	2,414	10.0%
Internet	36	47	-23.4%
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.4	16.0	8.7%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	68.8	68.3	0.7%
ARPU per B2B ⁽³⁾ customer [PLN]	1,378	1,387	-0.6%

- (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 as at the end of Q2'22 was 5,990K (+1.0% YoY). The main reason behind the increase of the contract customer base was the consolidation of the results of Premium Mobile, a company acquired in the beginning of July 2021. Simultaneously, the process of further merging of contracts under one common contract for the household continued, which is reflected in the growing RGU saturation per customer ratio (increase by 0.5% YoY to 2.23 RGU per customer).
- The number of contract services for B2C customers provided by us increased by 161K (+1.2%) YoY, to 13,349K as at the end of Q2'22.
- The number of provided mobile telephony services to B2C customers increased by 366K YoY (+6.2%), reaching the level of 6,230K as at the end of Q2'22. This result was achieved mainly thanks to the successful implementation of our strategy of cross-selling and focus on customer satisfaction, which translated into a low churn ratio. An

additional factor contributing to the growth in the analyzed period was the acquisition of Premium Mobile.

- The number of pay TV services provided to B2C customers amounted to 5,117K as at the end of Q2'22 and recorded a decrease by 215K (-4.0% YoY), mainly due to the price repositioning and change in the strategy of offering our video online services, the lower number of provided satellite TV services as well as the decision to discontinue the Mobile TV service. This decrease was partially compensated by the increasing number of TV services offered in online technologies (IPTV/OTT).
- The number of mobile broadband services amounted to 2,002K RGUs as at the end of Q2'22 and remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications network – a consequence of our investments, exemplified by the rapid roll-out of the 5G network and the gradual modernization of our fixed-line network.
- In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract customer through cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, which has a positive impact on ARPU per contract customer. **In Q2'22, average revenue per B2C customer increased by 3.5% YoY to PLN 70.2.**
- Our churn rate remained at a low level of 6.8% in the twelve-month period ended June 30, 2022.
- Our bundled services offer, based on a mechanism of offering attractive rebates 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 Q2'22, already 2,460K customers were using our bundled services, which constitutes an increase by 45K customers, or 1.8%, YoY. This means that the saturation of our contract customer base with multiplay services was at the level of 41.1% at the end of Q2'22. This group of customers had a total of 7,375K RGUs, that is by 177K, or 2.5%, more than in Q2'21.
- **Prepaid services:**
 - The number of prepaid services provided by us as at the end of Q2'22 increased by 176K, or 6.8% YoY and amounted to 2,772K. The hike in the number of provided prepaid mobile telephony services is related to the support action in the form of distribution of free starters enabling communication to refugees from Ukraine. The scale of our mobile telephony customer base was also favorably impacted in the reported period by the consolidation of the results of Premium Mobile.
 - **In Q2'22, average revenue per prepaid RGU (prepaid ARPU) increased by 8.7% YoY to PLN 17.4.** The changes in our mobile and TV offering (price repositioning of the Polsat Box Go streaming service) contributed positively to the increase in prepaid ARPU. We also observe a growing willingness of our customers to choose bundled solutions instead of offers based on the *pay-as-you-go* model.
- **Contract services for B2B customers:**
 - The total number of **B2B customers to whom we provided contract services as at the end Q2'22 was 68.8K** (+0.7% YoY). The scale of our B2B customer base remains stable in the long term, proving the high efficiency of our actions directed at fostering high satisfaction of our business customers.
 - At the same time, we maintain a stable level of **ARPU from B2B customers**, which reached **PLN 1,378** per month on average in Q2'22 (-0.6% YoY).

Media segment: television and online

	Q2		
	2022	2021	YoY change
TELEVISION			
Audience share⁽¹⁾, including:	22.81%	25.09%	-2.28 pp
POLSAT (main channel)	7.69%	8.95%	-1.26 pp
Other channels	15.12%	16.14%	-1.02 pp
Advertising market share⁽²⁾	28.6%	27.7%	+0.9 pp
Market expenditures on TV advertising and sponsorship⁽³⁾ [mPLN]	1,154	1,193	-3.3%
Revenue from advertising and sponsorship of TV Polsat Group⁽⁴⁾ [mPLN]	330	330	-0.1%
ONLINE: POLSAT-INTERIA GROUP⁽⁵⁾			
Average monthly number of users [millions]	20.8	20.3	+2.5%
Average monthly number of page views [millions]	2,023	2,028	-0.3%

¹ NAM, All 16-59, all day, SHR%, including Live+2⁽¹⁾, starting from September 2021 incl. the 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 advertising and sponsorship of TV Polsat Group according to Publicis Groupe definition

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

Television

- Viewership figures of TV Polsat Group's channels were under the negative impact of reformatting to the DVB-T2 standard.
- Revenue from advertising and sponsorship** of TV Polsat Group in Q2'22 remained stable at PLN 330m, while the whole TV advertising and sponsorship market recorded a 3.3% decrease. As a result, our share in the TV advertising and sponsorship market **increased to 28.6%**.
- The situation on the TV advertising and sponsorship market remains stable and we are counting on growth in the second half of 2022.

Online

- The average monthly number of users of Polsat-Interia Group websites and applications reached 20.8 million in Q2'22 (+2.5% YoY).
- The average monthly number of page views of Polsat-Interia Group websites reached 2.0 billion in Q2'22 (-0.3% YoY).