

- In Q3'22 **Polsat Plus Group's revenue** amounted to **PLN 3,271m** and **increased YoY by 7.9%**. The level of total revenue was mainly influenced by:
 - 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 from both contract B2C and B2B customers as well as prepaid customers.
 - Significantly higher revenues from the **sale of equipment**, mainly as a result of greater propensity of customers to choose more expensive smartphone models. In addition, in the analyzed period, revenues from the sale of equipment were supported by the recognition of revenues from the sale of photovoltaic devices by Esoleo in connection with the liquidation of part of the inventory.
 - Higher **other revenue** primarily due to higher revenue from the sale and rent of premises, driven mainly by the consolidation of operations of Port Praski and its subsidiaries, and the consolidation of the results of debt collection activities carried out by Vindix group over which we took control in January 2022.
- In Q3'22 **Polsat Plus Group's costs** amounted to **PLN 2,877m** and increased YoY by 10.8%. Their level was mainly influenced by the following factors:
 - Increase in **content cost** mainly as a result of higher costs of internal production and amortization of sports rights. A one-time event that significantly affected the level of content costs in the period under review was Telewizja Polsat's full-scale production of the Men's Volleyball World Championship in Q3'22, which was relocated from Russia to Poland and Slovenia as a function of the geopolitical situation. In parallel, we continue to invest in increasing the attractiveness of the programming offer of our TV channels in order to improve the viewer profile.
 - Increase in the **cost of equipment sold** mainly as a result of a higher share of more expensive models of smartphones in the sales mix, which corresponds with higher revenue from the sale of equipment.
 - Higher **technical costs and cost of settlements with telecommunication operators** mostly due to the recognition of significantly higher electricity costs YoY.
 - Increase in **salaries and employee-related costs** mainly due to the consolidation of companies acquired during the last 12 months (Port Praski Group, Vindix Group) and continuing inflationary pressure.
 - Increase in **other costs** mainly due to the recognition in Q3'22 of higher costs of apartments sold and higher property maintenance costs, primarily associated with the consolidation of Port Praski and its subsidiaries. In addition, this cost item was impacted by higher electricity costs and the recognition of a tax on civil law transactions in connection with the acquisition of shares in Port Praski.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q3'22 increased by 2.9%, to PLN 275m, while the whole TV advertising and sponsorship market recorded a 1.2% decrease. As a result, our share in the TV advertising and sponsorship market **increased to 29.4%**.
- **Adjusted EBITDA of Polsat Plus Group, excl. the gain on the disposal of a subsidiary and an associate¹**, of **PLN 840m** recorded a 7.1% decrease YoY, with adjusted EBITDA margin of **25.7%**. The main factors behind the decline were significantly higher costs of purchasing electricity and higher content costs.
- **EBIT** of Polsat Plus Group **amounted to PLN 501m**.

¹ EBITDA excl. gain on disposal of a subsidiary and an associate (PLN 3,690.8m in Q3'21 and PLN 113.4m in Q3'22)

- **Finance costs, net** increased by 283% YoY to the level of **PLN 209m**, primarily on the back of higher costs of servicing the Group's debt following the gradual increases of interest rates by the NBP.
- **Net profit** of the Group reached the level of **PLN 231m**. This is 92.7% lower than in the previous year, primarily due to the recognition of a gain on the sale of NetCo in Q3'21 in the amount of PLN 3,690.8m and increasing pressure from financial costs in 2022 (the effect of interest rate increases).
- **Adjusted FCF after interest** amounted to **PLN 89m** in Q3'22 (**PLN 1,054m** in the twelve-month period, posting a **26.9% decrease** compared to Q4'21). The FCF result was under pressure from the repayment of the last and the highest installment for the UMTS (EUR 31m), an increase in interest costs, inflationary pressure on OPEX and higher receivables from installment plan sales related to high revenues from sales of equipment to retail customers.
- The main bank covenant – total net debt/EBITDA LTM in Q3'22 **reached the level of 2.64x**.
- **Key performance indicators in Q3'22:**
 - The **contract B2C customer base** amounted to **5,967K**.
 - **ARPU per B2C contract customer** amounted to **PLN 71.3** in Q3'22, **growing YoY by 3.9%** compared to PLN 68.6 in Q3'21. The increase in ARPU resulted from the consistent building of the value of the existing customer base.
 - **Very low churn ratio of 6.8%** per annum, which reflects the high level of loyalty of our customers of bundled services, as well as the effect of our activities aimed at building high satisfaction of our customers.
 - RGU saturation of **2.24** per B2C contract customer with an upward trend.
 - **Decrease** of the total base of **contract services for B2C customers** by **153K** YoY (-1.1%):
 - Increase by **50K** (+0.8%) 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 recording a decrease by **200K** (-3.8%) 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 Internet TV (IPTV/OTT).
 - The number of **Internet** RGUs remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications networks.
 - **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 20K YoY**.
 - The total number of customers using bundled offers reached the level of **2.47m** at the end of Q3'22.
 - The share of customers using multiplay packages reached 41.3%.
 - The number of RGUs owned by customers of bundled services increased to 7.40m.
 - Consistent implementation of our multiplay strategy supports a **low level of churn (6.8%)**.
 - **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. We also note the growing popularity of packages we offer on the Polsat Box Go platform.
- **Increase in ARPU (+9.1% 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 growing ARPU of B2B customers**
 - Polsat Plus Group serves 69.1K B2B customers, successfully upholding the size of this base.
 - The successively expanded offer of communication and ICT services enabled us to increase ARPU from our B2B customers to a high level of PLN 1.425K monthly (+4.2% YoY).

Financial results of Polsat Plus Group

in mPLN	Q3'22	YoY change	Market consensus ²	Difference
Revenue, incl.:	3,271	8%	3,183	2.8%
- Retail revenue	1,753	3%	n/a	n/a
- Wholesale revenue	841	2%	n/a	n/a
- Sale of equipment	473	32%	n/a	n/a
- Other revenue	204	48%	n/a	n/a
Operating costs, incl.:	2,877	11%	n/a	n/a
- Technical costs and cost of settlements with telecommunication operators	823	4%	n/a	n/a
- Depreciation, amortization, impairment and liquidation	452	-2%	n/a	n/a
- Cost of equipment sold	365	23%	n/a	n/a
- Content costs	530	24%	n/a	n/a
- Distribution, marketing, customer relation management and retention costs	257	-9%	n/a	n/a
- Salaries and employee-related costs	242	15%	n/a	n/a
- Cost of debt collection services and bad debt allowance and receivables written off	26	-16%	n/a	n/a
- Other costs	182	90%	n/a	n/a
Adjusted EBITDA³	840	-7%	820	2.3%
<i>Adjusted EBITDA margin⁴</i>	<i>25.7%</i>	<i>-4.1pp</i>	<i>25.8%</i>	<i>-0.1pp</i>
EBITDA	953	-79%	n/a	n/a
<i>EBITDA margin</i>	<i>29.1%</i>	<i>-122.5pp</i>	n/a	n/a
EBIT	501	-88%	354	41.4%
Net profit	231	-93%	198	16.6%

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

^{3,4} EBITDA excl. gain on disposal of a subsidiary and an associate (PLN 3,690.8m in Q3'21 and PLN 113.4m in Q3'22)

B2C and B2B services segment

	Q3		
	2022	2021	YoY change
B2C AND B2B SERVICES SEGMENT¹			
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,341	13,494	-1.1%
Pay TV	5,106	5,306	-3.8%
Mobile telephony	6,232	6,182	0.8%
Internet	2,003	2,006	-0.1%
Number of B2C customers (EOP) [thous.]	5,967	6,069	-1.7%
ARPU per B2C ⁽³⁾ customer [PLN]	71.3	68.6	3.9%
Churn in B2C ⁽⁴⁾ subsegment	6.8%	6.9%	-0.1 pp
RGU saturation per one B2C customer	2.24	2.22	0.9%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], incl.:	2,832	2,773	2.1%
Pay TV	161	145	11.0%
Mobile telephony	2,636	2,584	2.0%
Internet	35	44	-20.5%
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.9	16.4	9.1%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	69.1	68.8	0.4%
ARPU per B2B ⁽³⁾ customer [PLN]	1,425	1,367	4.2%

- (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 Q3'22 was 5,967K (-1.7% YoY). The main reason behind the decrease of the contract customer base was the continued process of merging contracts under one common contract for the household within our base, which is reflected in the growing RGU saturation per customer ratio (increase by 0.9% YoY to 2.24 RGU per customer) and the declining popularity of the satellite technology.
- The churn rate for our B2C customers amounted to only 6.8% in the twelve-month period ended September 30, 2022. Low churn 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 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 Q3'22, average revenue per B2C customer increased by 3.9% YoY to PLN 71.3.**

- The number of contract services for B2C customers provided by us decreased by 153K (-1.1%) YoY, to 13,341K as at the end of Q3'22.
- The number of provided mobile telephony services to B2C customers increased by 50K YoY (+0.8%), reaching the level of 6,232K as at the end of Q3'22. 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 5,106K as at the end of Q3'22 and recorded a decrease by 200K (-3.8% YoY), mainly due to the price repositioning and change in the strategy of offering our video online services (in 2021, we replaced the lpla 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 the increasing number of TV services offered in online technologies (IPTV/OTT).
- The number of mobile broadband services amounted to 2,003K RGUs as at the end of Q3'22 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 approximately 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 Q3'22, already 2,465K customers were using our bundled services, which constitutes an increase by 20K customers, or 0.8%, YoY. This means that the saturation of our contract customer base with multiplay services was at the level of 41.3% at the end of Q3'22. This group of customers had a total of 7,403K RGUs, that is by 113K, or 1.6%, more than in Q3'21.
- **Prepaid services:**
 - The number of prepaid services provided by us as at the end of Q3'22 increased by 59K, or 2.1% YoY and amounted to 2,832K. 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. We also note the growing popularity of packages we offer on the Polsat Box Go platform.
 - **In Q3'22, average revenue per prepaid RGU (prepaid ARPU) increased by 9.1% YoY to PLN 17.9.** 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 Q3'22 was 69.1K** (+0.4% YoY) and remains stable in the long term. 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 high level of **ARPU from B2B customers**, which increased to **PLN 1,425** per month on average in Q3'22 (+4.2% YoY).

Media segment: television and online

	Q3		
	2022	2021	YoY change
TELEVISION			
Audience share⁽¹⁾, including:	22.47%	24.97%	-2.50 pp
POLSAT (main channel)	7.51%	8.71%	-1.20 pp
Other channels	14.96%	16.26%	-1.30 pp
Advertising market share⁽²⁾	29.4%	28.2%	+1.2 pp
Market expenditures on TV advertising and sponsorship⁽³⁾ [mPLN]	948	936	-1.2%
Revenue from advertising and sponsorship of TV Polsat Group⁽⁴⁾ [mPLN]	275	267	+2.9%
ONLINE: POLSAT-INTERIA GROUP⁽⁵⁾			
Average monthly number of users [millions]	20.5	19.9	3.0%
Average monthly number of page views [millions]	1,970	1,996	-1.3%

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 results of TV Polsat Group channels in line with the strategy despite the negative impact of refarming to the DVB-T2 standard.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q3'22 increased by 2.9%, to PLN 275m, while the broad TV advertising and sponsorship market recorded a 1.2% decrease. As a result, our share in the TV advertising and sponsorship market **increased to 29.4%**.
- Given that the TV advertising market has decreased by 1.5% over the past 9 months, we do not expect a return to growth in the last quarter of this year.

Online

- The average monthly number of users of Polsat-Interia Group websites and applications reached 20.5 million in Q3'22 (+3.0% YoY).
- The average monthly number of page views of Polsat-Interia Group websites reached 2.0 billion in Q3'22 (-1.3% YoY).