

- In Q4'22 **Polsat Plus Group's revenue** amounted to **PLN 3,430m** and **increased by 5.0% YoY**. The level of total revenue was mainly influenced by:
 - Significantly higher revenue from **sales of equipment**, mainly as a result of greater propensity of customers to choose more expensive smartphone models with a simultaneous year-on-year decrease in the volume of equipment sold,
 - 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,
 - Higher **other revenue**, primarily due to the recognition of higher revenue from the sale and rent of premises in our real estate segment (no corresponding revenues in the comparative period).
- In Q4'22 **Polsat Plus Group's costs** amounted to **PLN 3,073m** and increased by 9.4% 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 **other cost** related, among others, to the recognition of higher cost of apartments sold in our real estate segment in Q4'22 (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 the recognition of higher costs of operations in the photovoltaic market,
 - Higher **technical costs and costs of settlements** with telecommunication operators, mostly due to the recognition of significantly higher electricity costs,
 - Increase in **salaries and employee-related costs** mainly as a result of changes in the Group structure during the last 12 months and continuing inflationary pressure,
 - Increase in **content cost**, mainly due to investments aimed at increasing the attractiveness of the program offerings of our TV channels in order to improve the viewer profile.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q4'22 increased by 2.0% YoY, to PLN 410m, while the whole TV advertising and sponsorship market recorded a 0.3% decrease. As a result, our share in the TV advertising and sponsorship market **increased to 28.4%**.
- **Adjusted EBITDA of Polsat Plus Group**, excl. the gain on the disposal of subsidiaries and associates¹, amounted to **PLN 819m**, recording an 8.2% decrease YoY, with adjusted EBITDA margin of **23.9%**.
- **EBIT** of Polsat Plus Group **amounted to PLN 395m**.
- **Finance costs, net** increased by **PLN 227m** YoY, primarily on the back of higher costs of servicing the Group's debt following the gradual increase of interest rates by the NBP.
- **Net profit** of the Group decreased by 47.7% YoY to **PLN 175m**, primarily due to the pressure from increasing operating and financial costs.
- **Adjusted FCF after interest** amounted to **PLN 146m** in Q4'22 (**PLN 768m** in the twelve-month period, posting a **46.7% decrease** compared to Q4'21). The FCF result was impacted mainly by higher 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 **reached the level of 2.86x** in Q4'22.

¹ EBITDA in Q4'21 excl. one-off costs related to the sale of NetCo (PLN 10.2m) while in Q4'22 excl. gain on the disposal of subsidiaries and associates (PLN 39.8m)

- **Key performance indicators in Q4'22:**
 - The **contract B2C customer base** amounted to **5,934K (-1.9% YoY)**.
 - **ARPU per B2C contract customer** amounted to **PLN 71.7** in Q4'22, **growing by 3.8% YoY**. The increase in ARPU resulted from the consistent building of the value of the existing customer base.
 - **Very low churn ratio of 7.0%** 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.
 - RGU saturation of **2.24** per B2C contract customer remains in an upward trend.
 - **Decrease** of the total base of **contract services for B2C customers** by **180K YoY (-1.3%)**:
 - Increase by **43K (+0.7%) 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 **215K (-4.1%) 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, 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 41.5% of our customer base
 - The number of RGUs owned by customers of bundled services increased to 7.41m.
 - Consistent implementation of our multiplay strategy supports a **low level of churn (7.0%)**.
 - **Stable base and growing ARPU of prepaid services**
 - The year-on-year growth in the number of provided prepaid mobile telephony services is related to the support action in the form of distribution of free starters enabling free communication for the newly arrived refugees from Ukraine.
 - **Increase in ARPU (+4.8% YoY** in Q4'22) 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.
 - We maintain a high level of B2B customer ARPU, which in Q4'22 amounted to PLN 1,427/month (+1.7% YoY).

Financial results of Polsat Plus Group

in mPLN	Q4'22	YoY change	Market consensus ²	Difference
Revenue, incl.:	3,430	5%	3,432	-0.1%
- Retail revenue	1,751	1%	n/a	n/a
- Wholesale revenue	998	-1%	n/a	n/a
- Sale of equipment	545	34%	n/a	n/a
- Other revenue	136	14%	n/a	n/a
Operating costs, incl.:	3,073	9%	n/a	n/a
- Technical costs and cost of settlements with telecommunication operators	831	4%	n/a	n/a
- Depreciation, amortization, impairment and liquidation	463	0%	n/a	n/a
- Cost of equipment sold	430	27%	n/a	n/a
- Content costs	556	5%	n/a	n/a
- Distribution, marketing, customer relation management and retention costs	271	-5%	n/a	n/a
- Salaries and employee-related costs	300	11%	n/a	n/a
- Cost of debt collection services and bad debt allowance and receivables written off	25	101%	n/a	n/a
- Other costs	198	80%	n/a	n/a
Adjusted EBITDA³	819	-8%	n/a	n/a
<i>Adjusted EBITDA margin⁴</i>	23.9%	-3.4pp	n/a	n/a
EBITDA	858	-3%	827	3.8%
<i>EBITDA margin</i>	25.0%	-2.0pp	24.1%	0.9pp
EBIT	395	-6%	368	7.5%
Net profit	175	-48%	156	11.7%

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

^{3,4} EBITDA in Q4'21 excl. one-off costs related to the sale of NetCo (PLN 10.2m) while in Q4'22 excl. gain on the disposal of subsidiaries and associates (PLN 39.8m)

B2C and B2B services segment

	Q4		
	2022	2021	YoY change
B2C AND B2B SERVICES SEGMENT¹			
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,285	13,465	-1.3%
Pay TV	5,049	5,264	-4.1%
Mobile telephony	6,238	6,195	0.7%
Internet	1,998	2,006	-0.4%
Number of B2C customers (EOP) [thous.]	5,934	6,047	-1.9%
ARPU per B2C ⁽³⁾ customer [PLN]	71.7	69.1	3.8%
Churn in B2C ⁽⁴⁾ subsegment	7.0%	6.9%	0.1pp
RGU saturation per one B2C customer	2.24	2.23	0.4%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], incl.:	2,691	2,666	0.9%
Pay TV	82	90	-8.6%
Mobile telephony	2,578	2,537	1.6%
Internet	31	39	-19.5%
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.4	16.6	4.8%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	69.1	68.9	0.3%
ARPU per B2B ⁽³⁾ customer [PLN]	1,427	1,403	1.7%

(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 Q4'22 was 5,934K (-1.9% 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 0.4% 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 7.0% in the twelve-month period ended December 31, 2022. 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 Q4'22, average revenue per B2C customer increased by 3.8% YoY to PLN 71.7.**

- The number of contract services for B2C customers provided by us decreased by 180K (-1.3%) YoY, to 13,285K as at the end of Q4'22.
- The number of mobile telephony services provided to B2C customers increased by 43K YoY (+0.7%), reaching the level of 6,238K as at the end of Q4'22. 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 5,049K as at the end of Q4'22 and recorded a decrease by 215K (-4.1% 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 1,998K RGUs as at the end of Q4'22 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 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 Q4'22, the number of customers using our bundled services remained stable year on year and amounted to 2,462K, which translates into a 41.5% saturation of our contract customer base with multiplay services. This group of customers had a total of 7,413K RGUs as at the end of Q4'22, up by 75K (+1.0%) YoY.
- **Prepaid services:**
 - The number of active prepaid services provided by us as at the end of Q4'22 increased by 25K, or 0.9% YoY, and amounted to 2,691K. The year-on-year growth in the number of provided prepaid mobile telephony services is related to the support action in the form of distribution of free starters enabling free communication for the newly arrived refugees from Ukraine. At the same time, the number of prepaid mobile broadband Internet services remained in a downward trend, which is driven primarily by the increasing popularity of data transmission packages in mobile telephony tariff plans (smartphones) associated with diminishing differences between the sizes of data packages offered in both product lines.
 - **In Q4'22, average revenue per prepaid RGU (prepaid ARPU) increased by 4.8% 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 our **contract B2B customers was 69.1K** as at the end Q4'22 (+0.3% YoY) and remains stable in the long term, proving the high efficiency of our actions 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 1,427** per month on average in Q4'22 (+1.7% YoY).

Media segment: television and online

	Q4		
	2022	2021	YoY change
TELEVISION			
Audience share⁽¹⁾, including:	21.6%	24.0%	-2.4 pp
POLSAT (main channel)	7.8%	8.9%	-1.1 pp
Other channels	13.8%	15.1%	-1.3 pp
Advertising market share⁽²⁾	28.4%	27.7%	0.7 pp
Market expenditures on TV advertising and sponsorship⁽³⁾ [mPLN]	410	402	2.0%
Revenue from advertising and sponsorship of TV Polsat Group⁽⁴⁾ [mPLN]	1,446	1,450	-0.3%
ONLINE: POLSAT-INTERIA GROUP⁽⁵⁾			
Average monthly number of users [millions]	21.2	20.5	3.4%
Average monthly number of page views [millions]	2,016.3	1,963.3	2.7%

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, 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

- Viewership results of TV Polsat Group channels in Q4'22 remain under the negative impact of reformatting to the DVB-T2 standard and the UEFA World Cup broadcast on public TV channels.
- **Revenue from advertising and sponsorship** of TV Polsat Group in Q4'22 increased by 2.0% YoY, to **PLN 410m**, while the whole TV advertising and sponsorship market recorded a 0.3% decrease.
- As a result, our **share in the TV advertising and sponsorship market** increased to **28.4%**.
- We expect 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 reached 21.2m in Q4'22 (+3.4% YoY).
- The average monthly number of page views of Polsat-Interia Group websites reached 2.0bn in Q4'22 (+2.7% YoY).