

# **CYFROWY POLSAT S.A. GROUP**

**Interim Condensed Consolidated Financial Statements  
for the 3 months ended 31 March 2021**

**Prepared in accordance  
with International Accounting Standard 34  
*Interim Financial Reporting***

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## APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On 12 May 2021, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed consolidated financial statements of Cyfrowy Polsat S.A. Group prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union, which include:

**Interim Consolidated Income Statement for the period**

from 1 January 2021 to 31 March 2021 showing a net profit for the period of: PLN 390.4

**Interim Consolidated Statement of Comprehensive Income for the period**

from 1 January 2021 to 31 March 2021 showing a total comprehensive income for the period of: PLN 393.1

**Interim Consolidated Balance Sheet as at**

31 March 2021 showing total assets and total equity and liabilities of: PLN 32,954.5

**Interim Consolidated Cash Flow Statement for the period**

from 1 January 2021 to 31 March 2021 showing a net decrease in cash and cash equivalents amounting to: PLN 97.2

**Interim Consolidated Statement of Changes in Equity for the period**

from 1 January 2021 to 31 March 2021 showing an increase in equity of: PLN 940.1

**Notes to the Interim Condensed Consolidated Financial Statements**

The interim condensed 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, 12 May 2021

### Interim Consolidated Income Statement

		for the 3 months ended	
	Note	31 March 2021 unaudited	31 March 2020 unaudited
<b>Continuing operations</b>			
Revenue	8	2,987.4	2,848.5
Operating costs	9	(2,430.9)	(2,392.1)
Other operating income/(cost), net		5.0	5.8
<b>Profit from operating activities</b>		<b>561.5</b>	<b>462.2</b>
Gain/(loss) on investment activities, net	10	(22.4)	(74.2)
Finance costs, net	11	(57.1)	(153.8)
Share of the profit/(loss) of associates accounted for using the equity method		16.5	16.3
<b>Gross profit for the period</b>		<b>498.5</b>	<b>250.5</b>
Income tax		(108.1)	(66.7)
<b>Net profit for the period</b>		<b>390.4</b>	<b>183.8</b>
Net profit attributable to equity holders of the Parent		389.6	182.4
Net profit/(loss) attributable to non-controlling interest		0.8	1.4
<b>Basic and diluted earnings per share (in PLN)</b>		<b>0.61</b>	<b>0.29</b>

### Interim Consolidated Statement of Comprehensive Income

	Note	for the 3 months ended	
		31 March 2021 unaudited	31 March 2020 unaudited
<b>Net profit for the period</b>		<b>390.4</b>	<b>183.8</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Valuation of hedging instruments	13	2.7	(6.3)
<b>Other comprehensive income/(loss), net of tax</b>		<b>2.7</b>	<b>(6.3)</b>
<b>Total comprehensive income for the period</b>		<b>393.1</b>	<b>177.5</b>
Total comprehensive income attributable to equity holders of the Parent		392.3	176.1
Total comprehensive income attributable to non-controlling interest		0.8	1.4

### Interim Consolidated Balance Sheet - Assets

	Note	31 March 2021 unaudited	31 December 2020
Reception equipment		297.3	293.4
Other property, plant and equipment		2,877.2	5,391.0
Goodwill		11,808.4	11,808.4
Customer relationships		1,310.9	1,412.7
Brands		2,023.5	2,031.7
Other intangible assets		2,503.3	2,616.4
Right-of-use assets		727.0	1,519.4
Non-current programming assets		290.5	282.5
Investment property		50.2	50.0
Non-current deferred distribution fees		90.6	93.5
Non-current trade receivables		797.7	832.0
Other non-current assets, includes:		1,330.6	1,283.6
<i>shares in associates accounted for using the equity method</i>		1,274.3	1,257.8
<i>derivative instruments</i>		2.9	0.4
Deferred tax assets		158.6	223.2
<b>Total non-current assets</b>		<b>24,265.8</b>	<b>27,837.8</b>
Current programming assets		412.7	413.2
Contract assets		505.6	537.7
Inventories		359.8	299.4
Trade and other receivables		2,387.4	2,390.4
Income tax receivable		9.4	9.0
Current deferred distribution fees		222.9	222.4
Other current assets		57.7	39.3
<i>includes derivative instruments</i>		1.6	2.0
Cash and cash equivalents		1,147.6	1,355.4
Restricted cash		11.2	10.4
<b>Total current assets</b>		<b>5,114.3</b>	<b>5,277.2</b>
Assets held for sale		3,574.4	-
<i>includes cash and cash equivalents</i>		108.5	-
<b>Total assets</b>		<b>32,954.5</b>	<b>33,115.0</b>

## Interim Consolidated Balance Sheet - Equity and Liabilities

	Note	31 March 2021 unaudited	31 December 2020
Share capital	12	25.6	25.6
Share premium	12	7,174.0	7,174.0
Share of other comprehensive income of associates		21.2	21.2
Other reserves		(4.3)	99.7
Retained earnings		7,501.9	7,112.3
<b>Equity attributable to equity holders of the Parent</b>		<b>14,718.4</b>	<b>14,432.8</b>
Non-controlling interests		647.9	(6.6)
<b>Total equity</b>		<b>15,366.3</b>	<b>14,426.2</b>
Loans and borrowings	14	8,701.9	8,887.8
Issued bonds	15	1,959.8	1,959.2
Lease liabilities		537.4	1,140.5
UMTS license liabilities		139.0	136.7
Deferred tax liabilities		857.5	902.1
Other non-current liabilities and provisions		104.9	388.1
<i>includes derivative instruments</i>		6.7	16.8
<b>Total non-current liabilities</b>		<b>12,300.5</b>	<b>13,414.4</b>
Loans and borrowings	14	947.4	753.0
Issued bonds	15	38.6	38.7
Lease liabilities		198.7	432.5
UMTS license liabilities		128.8	126.7
Contract liabilities		663.1	675.6
Trade and other payables		1,855.9	2,155.3
<i>includes derivative instruments</i>		31.3	39.2
Liabilities to shareholders of the Parent Company related to dividend for 2019		-	415.7
Liabilities due to tender offer for shares in Netia S.A.*		-	548.0
Income tax liability		171.0	128.9
<b>Total current liabilities</b>		<b>4,003.5</b>	<b>5,274.4</b>
Liabilities held for sale		1,284.2	-
<i>includes lease liabilities</i>		803.1	-
<b>Total liabilities</b>		<b>17,588.2</b>	<b>18,688.8</b>
<b>Total equity and liabilities</b>		<b>32,954.5</b>	<b>33,115.0</b>

\*The announcement of the tender offer for Netia's shares dated 23 December 2020 resulted in a financial liability for the Group resulting from the put option, defined as the Netia's share price in the tender offer (PLN 4.80 (not in millions)) and the number of shares in the tender offer (114,173,459 shares (not in millions)). Subscriptions for 84,868 shares (not in millions) were accepted in the tender offer until 26 February 2021. As a result, on 8 March 2021, the financial liability in the amount of PLN 547.6 was derecognised from the balance sheet. See note 22.

### Interim Consolidated Cash Flow Statement

	Note	for the 3 months ended	
		31 March 2021 unaudited	31 March 2020 unaudited
<b>Net profit</b>		<b>390.4</b>	<b>183.8</b>
<b>Adjustments for:</b>		<b>603.9</b>	<b>677.2</b>
Depreciation, amortization, impairment and liquidation	9	521.2	564.5
Payments for film licenses and sports rights		(175.1)	(160.5)
Amortization of film licenses and sports rights		136.8	125.1
Interest expense		78.0	111.9
Change in inventories		(5.4)	(85.7)
Change in receivables and other assets		(48.2)	185.1
Change in liabilities and provisions		(2.1)	(138.9)
Change in contract assets		32.1	10.6
Change in contract liabilities		(12.5)	12.0
Foreign exchange (gains)/losses, net		8.3	41.2
Income tax		108.1	66.7
Net additions of reception equipment		(33.9)	(33.1)
Share of the (profit)/loss of associates accounted for using the equity method		(16.5)	(16.3)
Other adjustments		13.1	(5.4)
<b>Cash from operating activities</b>		<b>994.3</b>	<b>861.0</b>
Income tax paid		(106.0)	(87.1)
Interest received from operating activities		0.7	4.9
<b>Net cash from operating activities</b>		<b>889.0</b>	<b>778.8</b>
Acquisition of property, plant and equipment		(270.1)	(255.9)
Acquisition of intangible assets		(65.4)	(51.5)
Concessions payments		(21.6)	-
Acquisition of subsidiaries, net of cash acquired		(0.7)	(48.8)
Acquisition of shares in associate		-	(7.4)
Proceeds from sale of property, plant and equipment		3.4	1.7
Investment funds outflows		-	(30.0)
Investment funds inflows		-	30.0
Loans granted		(2.0)	(5.0)
Acquisition of bonds		(27.8)	-
Bonds redemption with interest		8.6	1.4
Other inflows		1.4	1.5
<b>Net cash used in investing activities</b>		<b>(374.2)</b>	<b>(364.0)</b>

Cyfrowy Polsat S.A. Group  
Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2021  
(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Bonds issue (Series C Bonds)	15	-	1,000.0
Loans and borrowings inflows	14	-	35.0
Repayment of loans and borrowings	14	-	(857.2)
Payment of interest on loans, borrowings, bonds and commissions*		(54.8)	(84.6)
Payment of lease liabilities		(119.0)	(106.3)
Payment of interest on lease liabilities		(11.4)	(12.4)
Dividend payment		(415.7)	-
Other outflows		(11.1)	(4.5)
<b>Net cash used in financing activities</b>		<b>(612.0)</b>	<b>(30.0)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(97.2)</b>	<b>384.8</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,365.8**</b>	<b>753.1***</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(1.3)	2.9
Transfer to assets held for sale		(108.5)	-
<b>Cash and cash equivalents at the end of the period</b>		<b>1,158.8****</b>	<b>1,140.8*****</b>

\* includes impact of derivative instruments and amount paid for costs related to the new financing

\*\* Includes restricted cash amounting to PLN 10.4

\*\*\* Includes restricted cash amounting to PLN 9.6

\*\*\*\* includes restricted cash amounting to PLN 11.2

\*\*\*\*\* includes restricted cash amounting to PLN 10.2



### Interim Consolidated Statement of Changes in Equity for the 3 months ended 31 March 2021

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings*	Equity attributable to equity holders of the Parent	Non-controlling interests	Total equity
<b>Balance as at 1 January 2021</b>	<b>25.6</b>	<b>7,174.0</b>	<b>21.2</b>	<b>99.7</b>	<b>7,112.3</b>	<b>14,432.8</b>	<b>(6.6)</b>	<b>14,426.2</b>
Dividend approved and share of profits	-	-	-	-	-	-	(0.6)	(0.6)
Put option valuation	-	-	-	(106.7)	-	(106.7)	654.7	548.0
Acquisition of subsidiary	-	-	-	-	-	-	(0.4)	(0.4)
Total comprehensive income	-	-	-	2.7	389.6	392.3	0.8	393.1
<i>Hedge valuation reserve</i>	-	-	-	2.7	-	2.7	-	2.7
<i>Net profit for the period</i>	-	-	-	-	389.6	389.6	0.8	390.4
<b>Balance as at 31 March 2021 unaudited</b>	<b>25.6</b>	<b>7,174.0</b>	<b>21.2</b>	<b>(4.3)</b>	<b>7,501.9</b>	<b>14,718.4</b>	<b>647.9</b>	<b>15,366.3</b>

\* 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 March 2021 the capital excluded from distribution amounts to PLN 8.5.

### Interim Consolidated Statement of Changes in Equity for the 3 months ended 31 March 2020

	Share capital	Share premium	Other reserves	Retained earnings*	Equity attributable to equity holders of the Parent	Non-controlling interests	Total equity
<b>Balance as at 1 January 2020</b>	<b>25.6</b>	<b>7,174.0</b>	<b>1.5</b>	<b>6,610.2</b>	<b>13,811.3</b>	<b>653.2</b>	<b>14,464.5</b>
Acquisition of subsidiary	-	-	-	-	-	(2.0)	(2.0)
Total comprehensive income	-	-	(6.3)	182.4	176.1	1.4	177.5
<i>Hedge valuation reserve</i>	-	-	(6.3)	-	(6.3)	-	(6.3)
<i>Net profit for the period</i>	-	-	-	182.4	182.4	1.4	183.8
<b>Balance as at 31 March 2020 unaudited</b>	<b>25.6</b>	<b>7,174.0</b>	<b>(4.8)</b>	<b>6,792.6</b>	<b>13,987.4</b>	<b>652.6</b>	<b>14,640.0</b>

\* 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 March 2020 the capital excluded from distribution amounts to PLN 8.5.

## Notes to the Interim Condensed Consolidated Financial Statements

### General information

#### 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 'Cyfrowy Polsat' and paid digital terrestrial television as well as telecommunication services provider.

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

These interim condensed consolidated financial statements comprise the Parent and its subsidiaries ('the Group') and joint ventures. The Group operates in two segments: (1) B2C and B2B services which relates 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; and (2) 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.

#### 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

- Marek Kapuściński	President of the Supervisory Board,
- Józef Birka	Member of the Supervisory Board,
- Marek Grzybowski	Member of the Supervisory Board
- Robert Gwiazdowski	Member of the Supervisory Board,
- Aleksander Myszka	Member of the Supervisory Board,
- Leszek Rekxa	Member of the Supervisory Board,
- Tomasz Szelağ	Member of the Supervisory Board,
- Paweł Ziolkowski	Member of the Supervisory Board
- Piotr Żak	Member of the Supervisory Board.

## **4. Basis of preparation of the interim condensed consolidated financial statements**

### **Statement of compliance**

These interim condensed consolidated financial statements for the 3 months ended 31 March 2021 have been prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS EU"). These interim condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2021.

During the three-month period ended 31 March 2021 the following became effective:

- a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

Amendments and interpretations that apply for the first time in 2021 do not have a material impact on the interim condensed consolidated financial statements of the Group.

Standards published but not yet effective:

- a) Amendments to IFRS 3 Business Combinations
- b) Amendments to IAS 16 Property, Plant and Equipment
- c) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- d) Annual Improvements 2018-2020 – the amendments contain explanations and clarify the guidelines for recognition and measurement: IFRS 1 "Adoption of International Financial Reporting Standards for the first time," IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and examples to illustrate IFRS 16 "Leases"
- e) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current
- f) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- g) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

## 5. Group structure

These interim condensed consolidated financial statements for the 3 months ended 31 March 2021 include the following entities:

			Share in voting rights (%)	
	Entity's registered office	Activity	31 March 2021	31 December 2020
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 Biuro Reklamy Sp. z o.o. Sp. k.	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.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polkomtel Infrastruktura Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	100%	100%
Polsat Brands AG	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, UK	media	100%	100%
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%

		Share in voting rights (%)		
	Entity's registered office	Activity	31 March 2021	31 December 2020
<b>Subsidiaries accounted for using full method (cont.)</b>				
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.	Konstruktorska 4, 02-673 Warsaw	intellectual property rights rental	100%	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%
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	*	*
Aero 2 Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	100%	100%
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%

			Share in voting rights (%)	
	Entity's registered office	Activity	31 March 2021	31 December 2020
Subsidiaries accounted for using full method (cont.)				
Music TV Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Lemon Records Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Coltex ST Sp. z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	telecommunication activities	100%	100%
Netia S.A. <sup>(c)</sup>	Poleczki 13, 02-822 Warsaw	telecommunication activities	66%	65.98%
Netia 2 Sp. z o.o. <sup>(c)</sup>	Taśmowa 7A, 02-677 Warsaw	telecommunication activities	66%	65.98%
TK Telekom Sp. z o.o. <sup>(c)</sup>	Kijowska 10/12A, 03-743 Warsaw	telecommunication activities	66%	65.98%
Petrotel Sp. z o.o. <sup>(c)</sup>	Chemików 7, 09-411 Plock	telecommunication activities	66%	65.98%
Eleven Sports Network Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw	media	99.99%	99.99%
Superstacja Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Netshare Media Group Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	advertising activities	100%	100%
TVO Sp. z o.o. <sup>(d)</sup>	Kielecka 5, 81-303 Gdynia	retail sales	75.96%	75.96%
Pure Omni Wework Sp. z o.o. Sp.k. <sup>(d)</sup>	Kielecka 5, 81-303 Gdynia	retail sales	-	75.96%
Wework Sp. z o.o. <sup>(d)</sup>	Kielecka 5, 81-303 Gdynia	administrative services	-	75.96%
MESE Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	100%	100%
ISTS Sp. z o.o. <sup>(c)</sup>	Bociana 4a/68a, 31-231 Cracow	wired communication	66%	65.98%
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%

			Share in voting rights (%)	
Entity's registered office		Activity	31 March 2021	31 December 2020
Subsidiaries accounted for using full method (cont.)				
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	26.14%	26.14%
Alledo Parts Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	wholesale	26.40%	26.40%
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%
IST Sp. z o.o. (c)	Księcia Janusza I 3, 18-400 Łomża	wired communication	66%	65.98%
Grupa Interia.pl Sp. z o.o.	Os. Teatralne 9a, 31-946 Cracow	holding activities	100%	100%
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%	100%
Mobiem Polska Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	holding activities	100%	100%
Mobiem Polska Sp. z o.o. Sp.k.	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. (formerly Tako Media Sp. z o.o.) (a)	ul. Ludwika Solskiego 55, 52-401 Wrocław	consulting	60%	60%
Polot Media Sp. z o.o. Sp. k. (formerly Tako Media Sp. z o.o. Sp.k.) (b)	ul. Ludwika Solskiego 55, 52-401 Wrocław	movie and TV production	60%	60%
BCAST Sp. z o.o.	ul. Rakowiecka 41/21, 02-521 Warszawa	telecommunication activities	70.02%	70.02%

\* Cyfrowy Polsat S.A. indirectly holds 100% of certificates.

(a) On 2 February 2021 company's name change to Polot Media Sp. z o.o. was registered.

(b) On 18 February 2021 company's name change to Polot Media Spółka z ograniczoną odpowiedzialnością Sp. k. was registered.

(c) On 8 March 2021 Cyfrowy Polsat S.A. acquired 0.0253% shares of Netia Consequently, Cyfrowy Polsat holds 66% shares of Netia.

(d) On 19 March 2021 merger of TVO Sp. z o.o. with Pure Omni Wework Sp. z o.o. Sp.k. and Wework Sp. z o.o. was registered.



Investments accounted for under the equity method:

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2021	31 December 2020
Polsat JimJam Ltd.	111 Salusbury Road London NW6 6RG UK	media	50%	50%
Polski Operator Telewizyjny Sp. z o.o.	Wiertnicza 159, 02-952 Warsaw	technical services	50%	50%
Premium Mobile Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	24.47%	24.47%
Vindex S.A.	Rzymowskiego 53, 02-697 Warsaw	other financial services	46.27%	46.27%
Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	22.95%	22.95%

Additionally, the following entities were included in these interim condensed consolidated financial statements for the 3 months ended 31 March 2021:

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2021	31 December 2020
Karpacka Telewizja Kablowa Sp. z o.o.*	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o.	Al. Jerozolimskie 65/79 loc. 11.31, 00-697 Warsaw	web portals activities	21.43%**	21.43%**
InPlus Sp. z o.o.	Wilczyńskiego 25E loc. 216, 10-686 Olsztyn	infrastructure projects advisory	1.5%***	1.5%***
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%

\* Investment accounted for at cost less any accumulated impairment losses.

\*\* Not included in investments accounted for under the equity method due to immateriality

\*\*\* Altalog Sp. z o.o. holds 2.3% share in voting rights in InPlus Sp. z o.o.

## 6. Approval of the Consolidated Financial Statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 12 May 2021.

## Explanatory notes

### 7. Information on seasonality in the Group's operations

Wholesale revenue includes *inter alia* advertising and sponsoring revenue which tends to be lowest during the third quarter of each calendar year due to the summer holidays period and highest during the second and fourth quarter of each calendar year due to the introduction of a new programming offer.

Within retail revenue category mobile revenue is a subject to slight fluctuations during the year. This revenue stream tends to decrease in the first quarter of each year due to fewer number of calendar and business days.

### 8. Revenue

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Retail revenue	1,664.1	1,604.5
Wholesale revenue	880.7	823.7
Sale of equipment	332.7	345.7
Other revenue	109.9	74.6
<b>Total</b>	<b>2,987.4</b>	<b>2,848.5</b>

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

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.

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 electric energy and revenue from the sale of photovoltaic installations.

## 9. Operating costs

	Note	for the 3 months ended	
		31 March 2021 unaudited	31 March 2020 unaudited
Technical costs and cost of settlements with telecommunication operators		624.7	600.8
Depreciation, amortization, impairment and liquidation		521.2	564.5
Cost of equipment sold		276.7	282.3
Content costs		419.4	388.8
Distribution, marketing, customer relation management and retention costs		229.0	224.4
Salaries and employee-related costs	a	236.9	221.9
Cost of debt collection services, bad debt allowance and receivables written off		29.8	44.3
Other costs		93.2	65.1
<b>Total</b>		<b>2,430.9</b>	<b>2,392.1</b>

### a) Salaries and employee-related costs

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Salaries	193.9	181.6
Social security contributions	34.6	32.9
Other employee-related costs	8.4	7.4
<b>Total</b>	<b>236.9</b>	<b>221.9</b>

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

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Interest on lease liabilities	(11.2)	(12.0)
Interest, net	(0.4)	3.4
Other foreign exchange gains/(losses), net	(8.1)	(62.7)
Other income/costs	(2.7)	(2.9)
<b>Total</b>	<b>(22.4)</b>	<b>(74.2)</b>

## 11. Finance costs, net

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Interest expense on loans and borrowings	51.1	88.7
Interest expense on issued bonds	10.2	12.1
Valuation and realization of hedging instruments	1.3	0.1
Valuation and realization of derivatives not used in hedge accounting – relating to interest	(6.7)	52.3
Guarantee fees, bank and other charges	1.2	0.6
<b>Total</b>	<b>57.1</b>	<b>153.8</b>

## 12. Equity

### (i) Share capital

Presented below is the structure of the Company's share capital as at 31 March 2021 and 31 December 2020:

Share series	Number of shares	Nominal value of shares	Type of shares
Series A	2,500,000	0.1	preference shares (2 voting rights)
Series B	2,500,000	0.1	preference shares (2 voting rights)
Series C	7,500,000	0.3	preference shares (2 voting rights)
Series D	166,917,501	6.7	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
<b>Total</b>	<b>639,546,016</b>	<b>25.6</b>	

The shareholders' structure as at 31 March 2021 was as follows:

	Number of shares	Nominal value of shares	% of share capital held	Number of votes	% of voting rights
TiVi Foundation <sup>2</sup> , incl. through Reddev Investments Ltd. <sup>1</sup>	306,432,094	12.3	47.91%	466,149,605	56.92%
Embud 2 Sp. z o.o. S.K.A. <sup>2</sup>	306,432,084	12.3	47.91%	466,149,585	56.92%
Tipeca Consulting Limited <sup>2,3</sup>	64,011,733	2.6	10.01%	64,011,733	7.82%
Others	2,152,388	0.1	0.34%	2,152,388	0.26%
<b>Total</b>	266,949,801	10.6	41.74%	286,649,791	35.00%
<b>Total</b>	<b>639,546,016</b>	<b>25.6</b>	<b>100%</b>	<b>818,963,517</b>	<b>100%</b>

<sup>1</sup> Reddev Investments Ltd. is an indirect subsidiary of Mr. Zygmunt Solorz.

<sup>2</sup> Entity is controlled by Mr. Zygmunt Solorz.

<sup>3</sup> Entity is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 Act of the Public Offering Act

The shareholders' structure as at 31 December 2020 was as follows:

	Number of shares	Nominal value of shares	% of share capital held	Number of votes	% of voting rights
TiVi Foundation <sup>2</sup> , incl. through Reddev Investments Ltd. <sup>1</sup>	298,080,297	11.9	46.61%	457,797,808	55.90%
Embud 2 Sp. z o.o. S.K.A. <sup>2</sup>	298,080,287	11.9	46.61%	457,797,788	55.90%
Tipeca Consulting Limited <sup>2,3</sup>	64,011,733	2.6	10.01%	64,011,733	7.82%
Others	2,152,388	0.1	0.34%	2,152,388	0.26%
	275,301,598	11.0	43.05%	295,001,588	36.02%
<b>Total</b>	<b>639,546,016</b>	<b>25.6</b>	<b>100%</b>	<b>818,963,517</b>	<b>100%</b>

<sup>1</sup> Reddev Investments Ltd. is an indirect subsidiary of Mr. Zygmunt Solorz.

<sup>2</sup> Entity is controlled by Mr. Zygmunt Solorz.

<sup>3</sup> Entity is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 Act of the Public Offering Act

## (ii) Share premium

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

## 13. Hedge valuation reserve

Impact of hedging instruments valuation on other reserves

	2021	2020
<b>Balance as at 1 January</b>	<b>(8.3)</b>	<b>(0.2)</b>
Valuation of cash flow hedges	3.3	(7.7)
Deferred tax	(0.6)	1.4
<b>Change for the period</b>	<b>2.7</b>	<b>(6.3)</b>
<b>Balance as at 31 March unaudited</b>	<b>(5.6)</b>	<b>(6.5)</b>

## 14. Loans and borrowings

Loans and borrowings	31 March 2021 unaudited	31 December 2020
Short-term liabilities	947.4	753.0
Long-term liabilities	8,701.9	8,887.8
<b>Total</b>	<b>9,649.3</b>	<b>9,640.8</b>

Change in loans and borrowings liabilities:

	2021	2020
<b>Loans and borrowings as at 1 January</b>	<b>9,640.8</b>	<b>10,509.5</b>
Loans and borrowings on acquisition of Alledo Sp. z o.o.	-	3.0
Revolving facility loan	-	35.0
Repayment of capital	-	(857.2)
Repayment of interest and commissions	(42.9)	(84.5)
Interest accrued and commissions	51.4	89.2
<b>Loans and borrowings as at 31 March unaudited</b>	<b>9,649.3</b>	<b>9,695.0</b>

## 15. Issued bonds

	31 March 2021 unaudited	31 December 2020
Short-term liabilities	38.6	38.7
Long-term liabilities	1,959.8	1,959.2
<b>Total</b>	<b>1,998.4</b>	<b>1,997.9</b>

Change in issued bonds:

	2021	2020
<b>Issued bonds liabilities as at 1 January</b>	<b>1,997.9</b>	<b>1,004.0</b>
Bonds issue (Series C Bonds)	-	1,000.0
Repayment of interest and commissions	(9.7)	(0.1)
Interest accrued and commissions	10.2	9.9
<b>Issued bonds liabilities as at 31 March unaudited</b>	<b>1,998.4</b>	<b>2,013.8</b>

## Other notes

## 16. Acquisition of a subsidiaries

### Acquisition of shares in Interia Group – provisional purchase price allocation

On 30 April 2020 Telewizja Polsat (Company's subsidiary) executed with Bauer Media Invest GmbH and Bauer Polen Invest GmbH the Preliminary Share and Rights Purchase Agreement concerning: (i) an acquisition from Bauer Media Invest GmbH of 100 shares in Grupa Interia.pl Sp. z o.o. ("GIGO"), representing 100% of the share capital of GIGO and carrying the right to exercise 100% of the total number of votes at the shareholders' meeting of GIGO; and (ii) an acquisition from Bauer Polen Invest GmbH of all rights and obligations of a limited partner of Grupa Interia.pl Media Sp. z o.o. Sp.k. ("GIKO") (the "Preliminary Agreement").

The closing of the Transaction depended on the satisfaction of a condition precedent that Telewizja Polsat obtains consent of the President of the Office for Competition and Consumer Protection (UOKiK) (the "UOKiK President") for the concentration.

On 2 July 2020 Telewizja Polsat received a decision of the UOKiK President granting the unconditional consent for the concentration consisting of the acquisition by Telewizja Polsat the exclusive control over the Interia Group companies: GIGO, GIKO, Grupa Interia.pl Sp. z o.o. Sp.k., Mobiem Polska Sp. z o.o. and Mobiem Polska Sp. z o.o. Sp.k. The above consent concludes the satisfaction of the condition precedent set forth in the Preliminary Agreement.

On 8 July 2020 Telewizja Polsat executed with Bauer Media Invest GmbH and Bauer Polen Invest GmbH Final Share and Rights Purchase Agreement for the amount of PLN 420.

The above acquisition resulted in Telewizja Polsat acquiring exclusive control over Interia Group companies: GIGO, GIKO, Grupa Interia.pl Sp. z o.o. Sp.k., Mobiem Polska Sp. z o.o. and Mobiem Polska Sp. z o.o. Sp.k. (jointly the "Interia Group"), and an indirect acquisition of shares representing 16.67% of the share capital of Polskie Badania Internetu Sp. z o.o.

Taking into account the above mentioned circumstances Cyfrowy Polsat obtained control over Interia Group on 8 July 2020.

**a) Provisional consideration transferred**

	<b>Provisional value of consideration transferred</b>
Consideration	420.5
<b>Provisional value as at 8 July 2020</b>	<b>420.5</b>

**b) Reconciliation of transactional cash flow**

Cash transferred	(420.5)
Cash and cash equivalents received	12.6
<b>Cash decrease in the period of 12 months ended 31 December 2020</b>	<b>(407.9)</b>

**c) Provisional fair value valuation of net assets as at the acquisition date**

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

Provisional and temporary fair value of assets and liabilities as at 8 July 2020:

	<b>Provisional fair value as at the acquisition date (8 July 2020)</b>
<b>Net assets:</b>	
Other property, plant and equipment	11.2
Other intangible assets	6.3
Other non-current assets	0.4
Trade and other receivables	15.8
Other current assets	0.7
Cash and cash equivalents	12.6
Trade and other payables	(12.4)
<b>Provisional value of net assets</b>	<b>34.6</b>
<b>Provisional consideration transferred</b>	<b>420.5</b>
<b>Provisional goodwill</b>	<b>385.9</b>

Goodwill is allocated to the "Media" operating segment.

The revenue and net profit included in the consolidated income statement for the reporting period since 8 July 2020 to 31 December 2020 contributed by Interia Group amounted to PLN 57.5 and PLN 16.6, respectively. Had it been acquired on 1 January 2020 the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2020 would have amounted to PLN 12,011.5 and PLN 1,160.4 respectively.

**Acquisition of shares in TV Spektrum Sp. z o.o. – provisional purchase price allocation**

On 18 September 2020 Telewizja Polsat (Company's subsidiary) acquired 50.52% shares in TV Spektrum Sp. z o.o. After this transaction Telewizja Polsat holds 100% shares of TV Spektrum Sp. z o.o.

The consideration for 50.52% shares in TV Spektrum Sp. z o.o. amounted to PLN 19.3.

**a) Provisional consideration transferred**

	<b>Provisional value of consideration transferred</b>
Consideration	29.7
<b>Provisional value as at 18 September 2020</b>	<b>29.7</b>



**b) Reconciliation of transactional cash flow**

Cash transferred	(19.3)
Cash and cash equivalents received	1.4
<b>Cash decrease in the period of 12 months ended 31 December 2020</b>	<b>(17.9)</b>

**c) Provisional fair value valuation of net assets as at the acquisition date**

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

Provisional and temporary fair value of assets and liabilities as at 18 September 2020:

	<b>Provisional fair value as at the acquisition date (18 September 2020)</b>
<b>Net assets:</b>	
Other intangible assets	11.4
Programming assets	15.4
Trade and other receivables	10.7
Other current assets	0.1
Cash and cash equivalents	1.4
Loans and borrowings	(33.1)
Trade and other payables	(42.6)
<b>Provisional value of net assets (100%)</b>	<b>(36.7)</b>
<b>Provisional consideration transferred</b>	<b>29.7</b>
<b>Provisional goodwill</b>	<b>66.4</b>

Goodwill is allocated to the "Media" operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 18 September 2020 contributed by TV Spektrum amounted to PLN 0.1 and PLN 10.3, respectively. Had it been acquired on 1 January 2020, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2020 would have amounted to PLN 11,959.3 and PLN 1,133.0, respectively.

**Acquisition of shares in Polot Media Sp. z o.o. (formerly Tako Media Sp. z o.o.) and joining to Polot Media Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly Tako Media Spółka z ograniczoną odpowiedzialnością Sp. k.) as a limited partner**

On 23 December 2020 Telewizja Polsat (Company's subsidiary) acquired 60% shares in Tako Media Sp. z o.o. for the purchase price of PLN 3,000 (not in million).

On 23 December 2020 Telewizja Polsat (Company's subsidiary) joined Tako Media Spółka z ograniczoną odpowiedzialnością Sp.k. as a new limited partner. After this transaction, Telewizja Polsat holds directly and indirectly (through Tako Media Sp. z

o. o.) 60% share in the profit of Tako Media Spółka z ograniczoną odpowiedzialnością Sp.k. Cash contribution amounted to PLN 75,000 (not in million).

On 23 December 2020 partners of Tako Media Sp. z o.o. Sp.k. adopted a resolution concerning a new policy of share in profit/loss. According to this resolution, Telewizja Polsat has 58.2% share in profit since 1 December 2020.

On 2 February 2021 company's name change from Tako Media Sp. z o.o. to Polot Media Sp. z o. o. was registered. On 18 February 2021 company's name change from Tako Media Spółka z ograniczoną odpowiedzialnością Sp.k. to Polot Media Spółka z ograniczoną odpowiedzialnością Sp. k. was registered.

Taking into account the above mentioned circumstances Cyfrowy Polsat obtained control over Polot Media Sp. z o.o. and Polot Media Sp. z o.o. Sp.k. on 1 December 2020.

**a) Provisional consideration transferred**

	<b>Provisional value of consideration transferred</b>
Consideration	0.1
<b>Provisional value as at 23 December 2020</b>	<b>0.1</b>

**b) Reconciliation of transactional cash flow**

Cash transferred	(0.1)
Cash and cash equivalents received	2.5
<b>Cash increase in period of the 12 months ended 31 December 2020</b>	<b>2.4</b>

**c) Provisional fair value valuation of net assets as at the acquisition date**

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

Provisional and temporary fair value of assets and liabilities as at 1 December 2020:

	<b>Provisional fair value as at the acquisition date (1 December 2020)</b>
<b>Net assets:</b>	
Other property, plant and equipment	5.1
Other intangible assets	0.0
Other non-current assets	0.0
Programming assets	9.1
Trade and other receivables	4.9
Other current assets	0.2
Cash and cash equivalents	2.5
Trade and other payables	(9.2)
Contract liabilities	(10.3)
<b>Provisional value of net assets (100%)</b>	<b>2.3</b>
<b>Provisional value of net assets attributable to non-controlling interest</b>	<b>2.3</b>
<b>Provisional value of net assets attributable to Cyfrowy Polsat Capital Group</b>	<b>0.0</b>
<b>Increase in share capital of purchased entities</b>	<b>(0.1)</b>
<b>Provisional consideration transferred</b>	<b>0.1</b>
<b>Provisional goodwill</b>	<b>0.0</b>

Goodwill is allocated to the "Media" operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 1 December 2020 contributed by Polot Media Sp. z o. o. and Polot Media Spółka z ograniczoną odpowiedzialnością Sp. k. amounted to PLN 0.4 and PLN 2.3. Had it been acquired on 1 January 2020, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2020 would have amounted to PLN 12,000.5 and PLN 1,150.4, respectively.

#### **Acquisition of shares in BCAST Sp. z o.o. – provisional purchase price allocation**

On 25 March 2020 the Company acquired 69.13% shares in BCAST Sp. z o.o. for the purchase price of PLN 7.4. From the date of acquisition of the shares, the Company had a significant influence over BCAST.

On 23 December 2020 the Company acquired additional 0.89% shares in BCAST Sp. z o.o. for the purchase price of PLN 0.1 and obtained control over the entity.

As at 31 December 2020 the Company holds a total of 70.02% of BCAST Sp. z o.o. shares.

**a) Provisional consideration transferred**

	<b>Provisional value of consideration transferred</b>
Consideration	7.3
<b>Provisional value as at 23 December 2020</b>	<b>7.3</b>

**b) Reconciliation of transactional cash flow**

Cash transferred for 69.13% shares	(7.4)
Cash transferred for 0.89% shares	(0.1)
Cash and cash equivalents received	0.5
<b>Cash decrease in period 12 months ended 31 December 2020</b>	<b>(7.0)</b>

**c) Provisional fair value valuation of net assets as at the acquisition date**

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

Provisional and temporary fair value of assets and liabilities as at 23 December 2020:

	<b>Provisional fair value as at the acquisition date (23 December 2020)</b>
<b>Net assets:</b>	
Other property, plant and equipment	4.4
Right-of-use assets	4.0
Deferred tax assets	0.1
Trade and other receivables	0.7
Cash and cash equivalents	0.5
Loans and borrowings	(3.6)
Lease liabilities	(4.2)
Trade and other payables	(0.8)
Income tax liability	(0.1)
<b>Provisional value of net assets (100%)</b>	<b>1.0</b>
<b>Provisional value of net assets attributable to non-controlling interest</b>	<b>0.3</b>
<b>Provisional value of net assets attributable to Cyfrowy Polsat Capital Group</b>	<b>0.7</b>
<b>Provisional consideration transferred</b>	<b>7.3</b>
<b>Provisional goodwill</b>	<b>6.6</b>

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

The revenue and net loss for the reporting period since 23 December 2020 contributed by BCAST amounted to PLN 0.0 and PLN 0.0, respectively. Had it been acquired on 1 January 2020, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2020 would have amounted to PLN 11,968.1 and PLN 1,146.2, respectively.

## **17. Investment in associates**

### *Acquisition of Asseco Poland S.A. shares*

On 18 December 2019 the Company decided to initiate action aimed at acquiring a significant stake of shares in Asseco Poland S.A. (Asseco), in the amount not exceeding 18,221,000 (not in million) and with aggregate value not exceeding PLN 1,184,365,000 (not in million), with a potential participation of other entities controlled by Mr. Zygmunt Solorz (the "Acquisition").

In order to complete the Acquisition, the Company announced an invitation to submit offers for the sale of shares in Asseco („Invitation"). The Invitation concerned no more than 18,221,000 (not in million) shares of Asseco, representing 21.95% of the share capital of Asseco and vesting the right to exercise 21.95% of the total number of votes at the general meeting of Asseco. The proposed price for the Asseco shares to be purchased on the basis of the Invitation was PLN 65.00 (not in million) per share.

On 27 December 2019 the Company decided to acquire under the Invitation a total of 18,178,386 (not in million) Asseco shares, representing 21.90% of the Asseco share capital and carrying the right to exercise 21.90% of the total number of votes at the general meeting of Asseco (the „Purchase Shares"), of which 17,994,259 (not in million) Asseco shares, representing 21.68% of the Asseco share capital and carrying the right to exercise 21.68% of the total number of votes at the general meeting of Asseco were acquired directly by the Company, whereas 184,127 (not in million) Asseco shares, representing 0.22% of the Asseco share capital and carrying the right to exercise 0.22% of the total number of votes at the general meeting of Asseco were acquired by Reddev Investments Limited („Reddev"), an entity controlled by Mr. Zygmunt Solorz.

On 27 December 2019 Cyfrowy Polsat concluded with Reddev an agreement in order to enable Reddev to acquire 184,127 (not in million) Asseco shares under the Invitation. The agreement governs the joint acquisition of the Asseco shares under the Invitation and Reddev's exercising of the voting rights attached to the Asseco shares acquired under the Invitation as instructed by the Company (the „Agreement"). Under the Agreement, Reddev is obliged to resell to the Company the above Asseco shares for the price paid by Reddev for the acquired shares under the Invitation. Reddev shall also receive an additional remuneration for the period between the date on which Reddev acquired Asseco shares and the date on which the shares acquired by Reddev under the Invitation will be resold to the Company („Interim Period") in an amount equivalent to the average weighted cost of financing of the Group provided by financial institutions, prorated to the specific portion of the price paid by Reddev for the shares under the Invitation for each day of the Interim Period.

The transfer of ownership of the Purchase Shares was settled through the depository and settlement system operated by Krajowy Depozyt Papierów Wartościowych S.A. on 30 December 2019.

After settlement of the above 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 holds a total of 22.95% of Asseco shares.

The table below presents summary of Asseco's financial data (these are the most current consolidated financial data of Asseco's capital group published before the date of the approval of these Group's interim condensed consolidated financial statements):

	<b>for the 12 months ended</b>
	<b>31 December 2020</b>
Revenue	12,190.3
Profit from operating activities	1,215.4
Net profit	867.9
Other comprehensive income, net	156.7
Total comprehensive income	1,024.6
	<b>31 December 2020</b>
Non-current assets	9,750.3
Current assets	6,954.2
Assets held for sale	-
Total assets	16,704.5
Non-current liabilities	3,127.5
Current liabilities	4,619.7
Total liabilities	7,747.2

Fair value of the investment held in Asseco as at 30 December 2019 amounted to PLN 1,226. Following the completion of the purchase price allocation process for the acquisition of Asseco as at 30 December 2019, the Group identified goodwill in the amount of PLN 644, included in the carrying amount of the investment.

## 18. Operating segments

The Group operates in the following two segments:

1. 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, and
2. Media segment.

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 interconnection revenues, settlements with mobile network operators and subscription fees,
  - mobile telecommunication prepaid services which generate revenues mainly from interconnection revenues and settlements with mobile network operators,
  - fixed telecommunication services, which generate revenues mainly from subscription fees, interconnection and settlements with operators,
  - 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 (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,
  - production of set-top boxes,
  - sale of telecommunication equipment ,
  - sale of electric energy and other utilities to retail customers,
  - 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.

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. The EBITDA is not an EU IFRS measure and thus its calculations may differ among the 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 3 months ended 31 March 2021:

The 3 months ended 31 March 2021 (unaudited)	B2C and B2B services	Media: TV and online	Consolidation adjustments	Total
Revenues from sales to third parties	2,535.9	451.5	-	<b>2,987.4</b>
Inter-segment revenues	15.1	55.7	(70.8)	-
<b>Revenues</b>	<b>2,551.0</b>	<b>507.2</b>	<b>(70.8)</b>	<b>2,987.4</b>
<b>EBITDA (unaudited)</b>	<b>936.6</b>	<b>146.1</b>	-	<b>1,082.7</b>
Depreciation, amortization, impairment and liquidation	500.8	20.4	-	<b>521.2</b>
<b>Profit from operating activities</b>	<b>435.8</b>	<b>125.7</b>	-	<b>561.5</b>
Acquisition of property, plant and equipment and other intangible assets	295.3	40.2	-	<b>335.5</b>
Acquisition of reception equipment	34.0	-	-	<b>34.0</b>
Balance as at 31 March 2021 (unaudited)				
Assets, including:	27,274.3	5,737.4*	(57.2)	<b>32,954.5</b>
Investments in joint venture and shares in associates	1,274.3	5.9	-	<b>1,280.2</b>

\* Includes non-current assets located outside of Poland in the amount of PLN 5.4.

All material revenues are generated in Poland.

It should be noted that the data for 3 months ended 31 March 2021 allocated to the "B2C and B2B services" segment are not comparable to the 3 months ended 31 March 2020 as 100% shares in IST Sp. z o. o. were acquired by Netia S.A. on 14 February 2020, shares of Asseco Poland S.A. were purchased from Reddev Investments Limited on 31 July 2020 (consequently, the Company holds 22.95% shares), additional 0.89% shares in BCAST Sp. z o.o. were acquired on 23 December 2020 (thus increasing shares held to 70.02%) and additional 0.0253% shares of Netia S.A. were purchased on 8 March 2021 (consequently, the Company holds 66% shares).

It should be noted also that the data for 3 months ended 31 March 2021 allocated to the "Media" segment are not comparable to the 3 months ended 31 March 2020 as 100% shares in Grupa Interia.pl Sp. z o.o. and all rights and obligations of limited partner in Grupa Interia.pl Media Sp. z o.o. Sp.k. were acquired on 8 July 2020, additional 50.52% shares in TV Spektrum Sp. z o.o. were acquired on 18 September 2020 (thus increasing shares held to 100%), 60% shares in Polot Media Sp. z o.o. were acquired on 23 December 2020 and 60% shares (directly and indirectly) in Polot Media Sp. z o.o. Sp. k. were acquired on 23 December 2020.



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 3 months ended 31 March 2020:

The 3 months ended 31 March 2020 (unaudited)	B2C and B2B services	Media: TV and online	Consolidation adjustments	Total
Revenues from sales to third parties	2,438.8	409.7	-	<b>2,848.5</b>
Inter-segment revenues	14.6	50.9	(65.5)	-
<b>Revenues</b>	<b>2,453.4</b>	<b>460.6</b>	<b>(65.5)</b>	<b>2,848.5</b>
<b>EBITDA (unaudited)</b>	<b>879.6</b>	<b>147.1</b>	-	<b>1,026.7</b>
Depreciation, amortization, impairment and liquidation	549.4	15.1	-	<b>564.5</b>
<b>Profit from operating activities</b>	<b>330.2</b>	<b>132.0</b>	-	<b>462.2</b>
Acquisition of property, plant and equipment, reception equipment and other intangible assets	283.7	23.7	-	<b>307.4</b>
Acquisition of reception equipment	33.6	-	-	<b>33.6</b>
Balance as at 31 March 2020 (unaudited)				
Assets, including:	27,196.3	5,532.6*	(70.2)	<b>32,658.7</b>
Investments in joint venture and share in associates	1,291.0	21.0	-	<b>1,312.0</b>

\* Includes non-current assets located outside of Poland in the amount of PLN 10.8.

Reconciliation of EBITDA and Net profit for the period:

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
<b>EBITDA (unaudited)</b>	<b>1,082.7</b>	<b>1,026.7</b>
Depreciation, amortization, impairment and liquidation (note 9)	(521.2)	(564.5)
<b>Profit from operating activities</b>	<b>561.5</b>	<b>462.2</b>
Other foreign exchange rate differences, net (note 10)	(8.1)	(62.7)
Interest costs, net (note 10 and 11)	(67.5)	(161.8)
Share of the profit/(loss) of associates accounted for using the equity method	16.5	16.3
Other	(3.9)	(3.5)
<b>Gross profit for the period</b>	<b>498.5</b>	<b>250.5</b>
Income tax	(108.1)	(66.7)
<b>Net profit for the period</b>	<b>390.4</b>	<b>183.8</b>

## 19. Transactions with related parties

### Receivables

	31 March 2021 unaudited	31 December 2020
Joint ventures and associates	28.7	17.9
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.	6.2	7.5
<b>Total*</b>	<b>34.9</b>	<b>25.4</b>

\* amounts presented above do not include deposits paid (31 March 2021 – PLN 3.5, 31 December 2020 – PLN 3.5)

Receivables due from related parties have not been pledged as security.

### Other assets

	31 March 2021 unaudited	31 December 2020
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.	2.3	2.3
<b>Total</b>	<b>2.3</b>	<b>2.3</b>

### Liabilities

	31 March 2021 unaudited	31 December 2020
Joint ventures and associates	38.7	77.1
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.	244.0	482.8*
<b>Total</b>	<b>282.7</b>	<b>559.9</b>

\* Includes liabilities related to dividend paid on 11 January 2021 in the amount of PLN 236.8.

### Loans granted

	31 March 2021 unaudited	31 December 2020
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.	9.0	6.9
<b>Total</b>	<b>9.0</b>	<b>6.9</b>

### Loans received

	31 March 2021 unaudited	31 December 2020
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.	5.5	5.4
<b>Total</b>	<b>5.5</b>	<b>5.4</b>

### Revenues

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Joint ventures and associates	6.8	6.3
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.	27.7	6.5
<b>Total</b>	<b>34.5</b>	<b>12.8</b>

### Expenses and purchases of programming assets

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Joint ventures and associates	2.6	12.4
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.	56.1	60.9
<b>Total</b>	<b>58.7</b>	<b>73.3</b>

In 3 months ended 31 March 2021 and 31 March 2020 the most significant transactions include cost of electrical energy, advertising services and property rental.

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

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
Joint ventures and associates	-	0.7
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.	(1.6)	(0.9)
<b>Total</b>	<b>(1.6)</b>	<b>(0.2)</b>

### Finance costs, net

	for the 3 months ended	
	31 March 2021 unaudited	31 March 2020 unaudited
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.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 20. Contingent liabilities

Management believes that the provisions as at 31 March 2021 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 („UOKiK")

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 Appeals 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 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 advertising slogans, which in the opinion of the authorities were misleading and suggested that the LTE data transmission will not be limited. Pursuant to the decision of the President of UOKiK the Company and Polkomtel were charged with a penalty in the amount of PLN 5.3 and PLN 18.4, respectively. The Group appealed to SOKiK against the decision. On 18 June 2019 SOKiK annulled the decision of the President of UOKiK in relation to Polkomtel. The President of UOKiK appealed against the SOKiK verdict. On 7 August 2019 the court dismissed the appeal of Cyfrowy Polsat. The Company appealed against the decision. Pursuant to the Court of Appeals verdict from 11 March 2021, the Company paid a penalty of PLN 5.3 on 26 March 2021. The Company intends to file a cassation appeal to the Supreme Court.

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. Other significant proceedings described in the consolidated financial statements for the year ended 31 December 2020 remained unchanged.

## **21. Risk and fair value**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended as at 31 December 2020. There have been no significant changes in any risk management policies since the end of year 2020.

### **Fair value**

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.

Presented below are fair values and carrying amounts of financial assets and liabilities not measured in fair value.

	Category according to IFRS 9	The level of the fair value hierarchy	31 March 2021 unaudited		31 December 2020	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	9.8	9.8	7.8	7.8
Trade and other receivables	A	*	3,086.2	3,086.2	3,121.6	3,121.6
Cash and cash equivalents and short-term deposits	A	*	1,256.1	1,256.1	1,355.4	1,355.4
Restricted cash	A	*	11.2	11.2	10.4	10.4
Loans and borrowings	B	2	(9,777.3)	(9,649.3)	(9,796.2)	(9,640.8)
Issued bonds	B	1	(2,035.8)	(1,998.4)	(2,023.1)	(1,997.9)
UMTS licence liabilities	B	2	(276.3)	(267.8)	(274.2)	(263.4)
Lease liabilities	B	2	(1,539.2)	(1,539.2)	(1,573.0)	(1,573.0)
Accruals	B	*	(872.0)	(872.0)	(970.4)	(970.4)
Liabilities to shareholders of the Parent Company related to dividend for 2019	B	*	-	-	(415.7)	(415.7)
Liabilities due to tender offer for shares in Netia S.A.	B	*	-	-	(548.0)	(548.0)
Trade and other payables and deposits	B	*	(966.9)	(966.9)	(969.9)	(969.9)
<b>Total</b>			<b>(11,104.2)</b>	<b>(10,930.3)</b>	<b>(12,075.3)</b>	<b>(11,883.9)</b>
Unrecognized loss				(173.9)		(191.4)

A – assets subsequently measured at amortised cost

B – liabilities subsequently measured at amortised cost

\* 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 a WIBOR 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 UMTS license liability, forecasted cash flows from the reporting date to September 2022 were discounted at EURIBOR market rate.

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 interest rate plus a margin regarding the credit risk.

As at 31 March 2021 and 31 December 2020 loans and borrowings comprised bank loans and other loans. The discount rate for each payment was calculated as a sum of implied WIBOR interest rate and a margin regarding the credit risk. When determining the fair value of bank loans as at 31 March 2021 and as at 31 December 2020, 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).

The fair value of issued bonds as at 31 March 2021 and 31 December 2020 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations.

As at 31 March 2021, the Group held the following financial instruments carried at fair value on the statement of financial position:

**Assets measured at fair value**

	31 March 2021 unaudited	Level 1	Level 2	Level 3
<b>Derivative instruments not designated as hedging instruments</b>		-	4.5	-
<i>Forward transactions</i>		-	1.3	-
<i>Interest rate swaps</i>		-	3.2	-
<b>Investments in equity instruments</b>		-	0.2	-
<b>Total</b>		-	4.7	-

**Liabilities measured at fair value**

	31 March 2021 unaudited	Level 1	Level 2	Level 3
<b>Derivative instruments not designated as hedging instruments</b>		-	(31.1)	-
<i>Interest rate swaps</i>		-	(31.1)	-
<b>Hedging derivative instruments</b>		-	(6.9)	-
<i>Interest rate swaps</i>		-	(6.9)	-
<b>Total</b>		-	(38.0)	-

As at 31 December 2020, the Group held the following financial instruments carried at fair value on the statement of financial position.

**Assets measured at fair value**

	31 December 2020	Level 1	Level 2	Level 3
<b>Derivative instruments not designated as hedging instruments</b>		-	2.4	-
<i>Forward transactions</i>		-	2.0	-
<i>Interest rate swaps</i>		-	0.4	-
<b>Investments in equity instruments</b>		-	0.2	-
<b>Total</b>		-	2.6	-

**Liabilities measured at fair value**

	31 December 2020	Level 1	Level 2	Level 3
<b>Derivative instruments not designated as hedging instruments</b>	-		<b>(45.8)</b>	-
<i>Interest rate swaps</i>	-		(45.8)	-
<b>Hedging derivative instruments</b>	-		<b>(10.2)</b>	-
<i>Interest rate swaps</i>	-		(10.2)	-
<b>Total</b>	-		<b>(56.0)</b>	-

The fair value of forwards and 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.

## 22. Important agreements and events

### A tender offer for shares in Netia S.A.

On 23 December 2020, the Company announced a tender offer for 114,173,459 (not in million) shares issued by Netia S.A. entitling to 114,173,459 (not in million) votes at Netia's general meeting, representing ca. 34.02% of Netia's share capital and ca. 34.02% of the total number of votes at Netia's general meeting. The share price in the tender offer was set at PLN 4.80 (not in million) per Netia's share.

As a result of the tender offer, on 8 March 2021, the Company acquired 84,868 (not in million) Netia's shares representing ca. 0.0253% of its share capital and carrying the right to ca. 0.0253% of total votes at Netia's general meeting. As of 8 March 2021 the Company held 221,489,753 (not in million) Netia's shares representing ca. 66.0024% of its share capital and carrying the right to ca. 66.0024% of total votes at Netia's general meeting.

In April 2021, the Company acquired 11,405,739 (not in millions) Netia's shares representing ca. 3.40% of total votes at Netia's general meeting. After the change Cyfrowy Polsat holds directly 232,895,492 (not in millions) Netia's shares representing ca. 69.40% Netia's share capital and carrying the right to ca. 69.40%% of total votes at Netia's general meeting.

### Execution of a conditional sale agreement for shares in subsidiary

On 26 February 2021 the Parent and its subsidiary Polkomtel Sp. z o. o. (together "Sellers") concluded a conditional sale agreement ("Sale Agreement") of shares in Polkomtel Infrastruktura Sp. z o. o. ("Polkomtel Infrastruktura"). According to the Sale Agreement, Sellers agreed to sell shares representing 99.99% of the share capital of Polkomtel Infrastruktura for the total price of PLN 7,070.3 The completion of the transaction is conditional on the fulfillment of the following conditions precedent: the buyer must obtain consent of the President of the Office of Competition and Consumer Protection for the acquisition and the Sellers must obtain consents required under the financing documentation of the Sellers, as well as conditional or unconditional release of security interests encumbering the shares of Polkomtel Infrastruktura. The Sale Agreement will terminate, if the conditions precedent are not fulfilled on or before 31 October 2021. This deadline may be postponed until 31

December 2021 by way of a unilateral declaration of will by any of the parties. After the transaction completion Polkomtel Sp. z o. o. will retain 207 shares of Polkomtel Infrastruktura representing 0.01% of the share capital of Polkomtel Infrastruktura.

Conclusion of a conditional agreement regarding the acquisition of shares

On 31 March 2021 Management Board decided to acquire 10% of the share capital of eobuwie.pl S.A. within the scope of a pre-IPO investment for a consideration of PLN 500. As a result of the above, on 31 March 2021 the Company signed a preliminary agreement regarding acquisition of shares and a shareholders' agreement regulating, among others, the future corporate governance principles of eobuwie.pl S.A. This agreement has a conditional nature, in particular the seller is obliged to obtain relevant consents of banks financing the operating activities of the seller's capital group as well as the consent of the general shareholders meeting of eobuwie.pl S.A. for the sale of company's shares.

Estimated impact of COVID-19 coronavirus disease pandemic on the operations and financial prospects of the Group

Immediately upon introducing by the Polish government the state of emergency due to an epidemic, in effect from 13 March 2020, the Group took actions to assure business continuity and reduce the negative impact of the pandemic on its operations. The priorities mainly included ensuring safety of the employees as well as guaranteeing high quality of services provided to the customers of the Group's companies.

In the Management Board's view, the Company and Group's core business is relatively resistant to the adverse impact of the pandemic, maintains a high level of liquidity and generates positive cash flows. Accordingly, no factors indicating impairment of the Group's assets were identified. More information in respect to the estimated impact is presented in the Management Report in note 4.4.1.

The ultimate impact that the COVID-19 coronavirus pandemic may have on the Company's, as well as the entire Group's operations and financial situation is impossible to foresee at present and depends on numerous factors which are beyond the Group's control and which include, among others, the duration of the pandemic and its further development as well as further potential measures that the Polish government may adopt.

## **23. Events subsequent to the reporting date**

Acquisition of shares

On 23 April 2021 the Company acquired 10% of shares in PLCOM Sp. z o.o.

Merger of Liberty and Coltex

On 30 April 2021 a merger of Liberty Poland S.A. (acquiring company) and Coltex ST Sp. z o.o. (company being acquired) was registered by the court.



## 24. Other disclosures

### Security relating to loans and borrowings

#### Establishment of security for loan facilities

The Group entered into a series of agreements establishing collateral under the loan agreements. Detailed information in respect to the agreements is presented in the Management Report in note 3.2.6.

### Commitments to purchase programming assets

As at 31 March 2021 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

	31 March 2021 unaudited	31 December 2020
within one year	224.7	182.9
between 1 to 5 years	505.8	315.6
more than 5 years	39.4	45.1
<b>Total</b>	<b>769.9</b>	<b>543.6</b>

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements:

	31 March 2021 unaudited	31 December 2020
within one year	49.1	22.1
between 1 to 5 years	-	0.2
<b>Total</b>	<b>49.1</b>	<b>22.3</b>

### 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 386.7 as at 31 March 2021 (PLN 313.2 as at 31 December 2020). Total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 145.3 as at 31 March 2021 (PLN 64.9 as at 31 December 2020).

### Future contractual obligations

As at 31 March 2021 and 31 December 2020 the Group had future liabilities due to transponder capacity agreements. The table below presents future payments (total):

	31 March 2021 unaudited	31 December 2020
within one year	127.2	126.0
between 1 to 5 years	477.1	503.9
<b>Total</b>	<b>604.3</b>	<b>629.9</b>

## **25. 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.

Detailed description of the accounting estimates is presented in the annual consolidated financial statements.