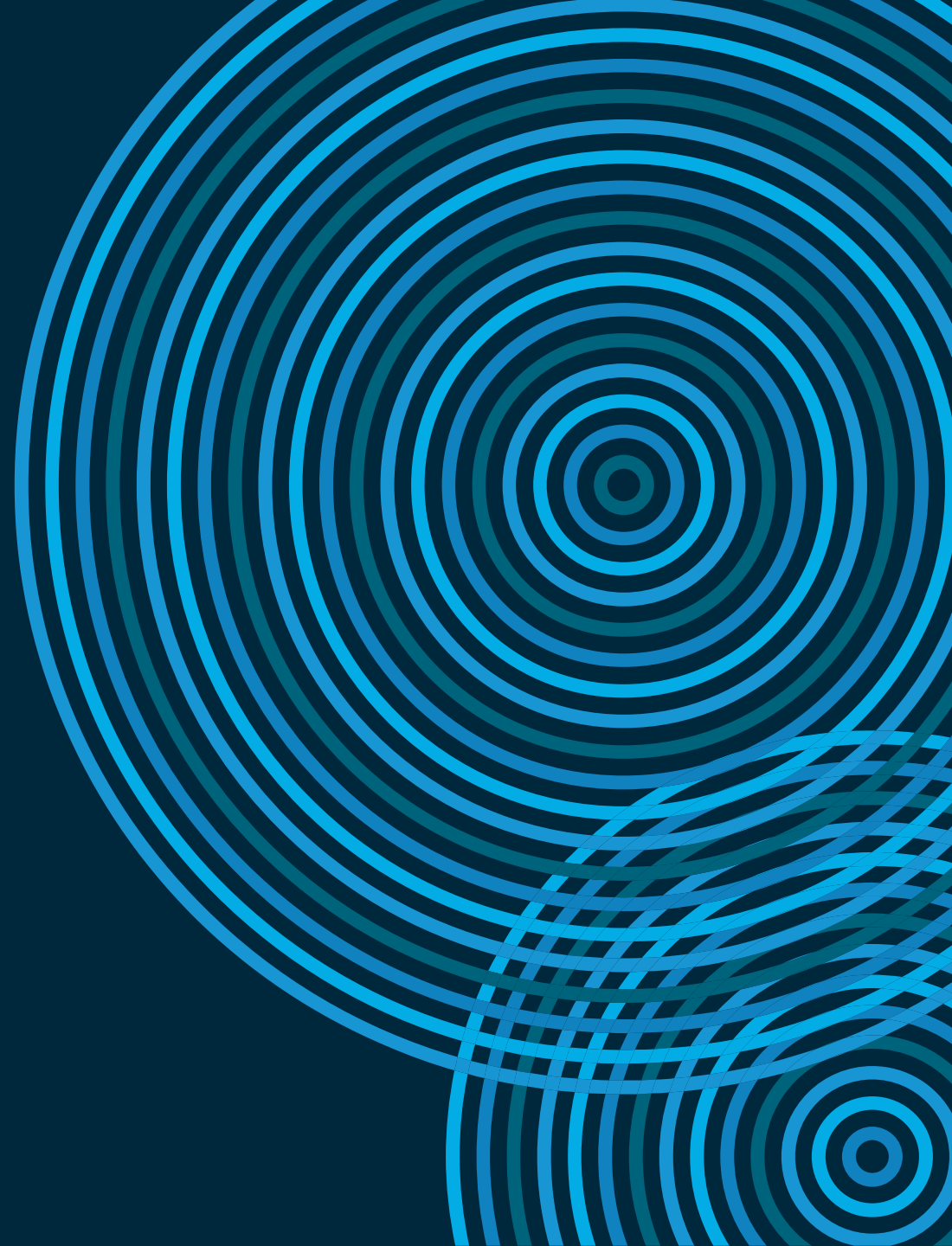


# Financial results Q2'22

18 August 2022



# Disclaimer

This presentation may include forward-looking statements, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. The actual results may be materially different from those expressed or implied by such forward-looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this presentation.

We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this presentation.

# Speakers



**MIROŚLAW BŁASZCZYK**  
PRESIDENT OF THE MGMT BOARD



**MACIEJ STEC**  
VICE-PRESIDENT FOR STRATEGY



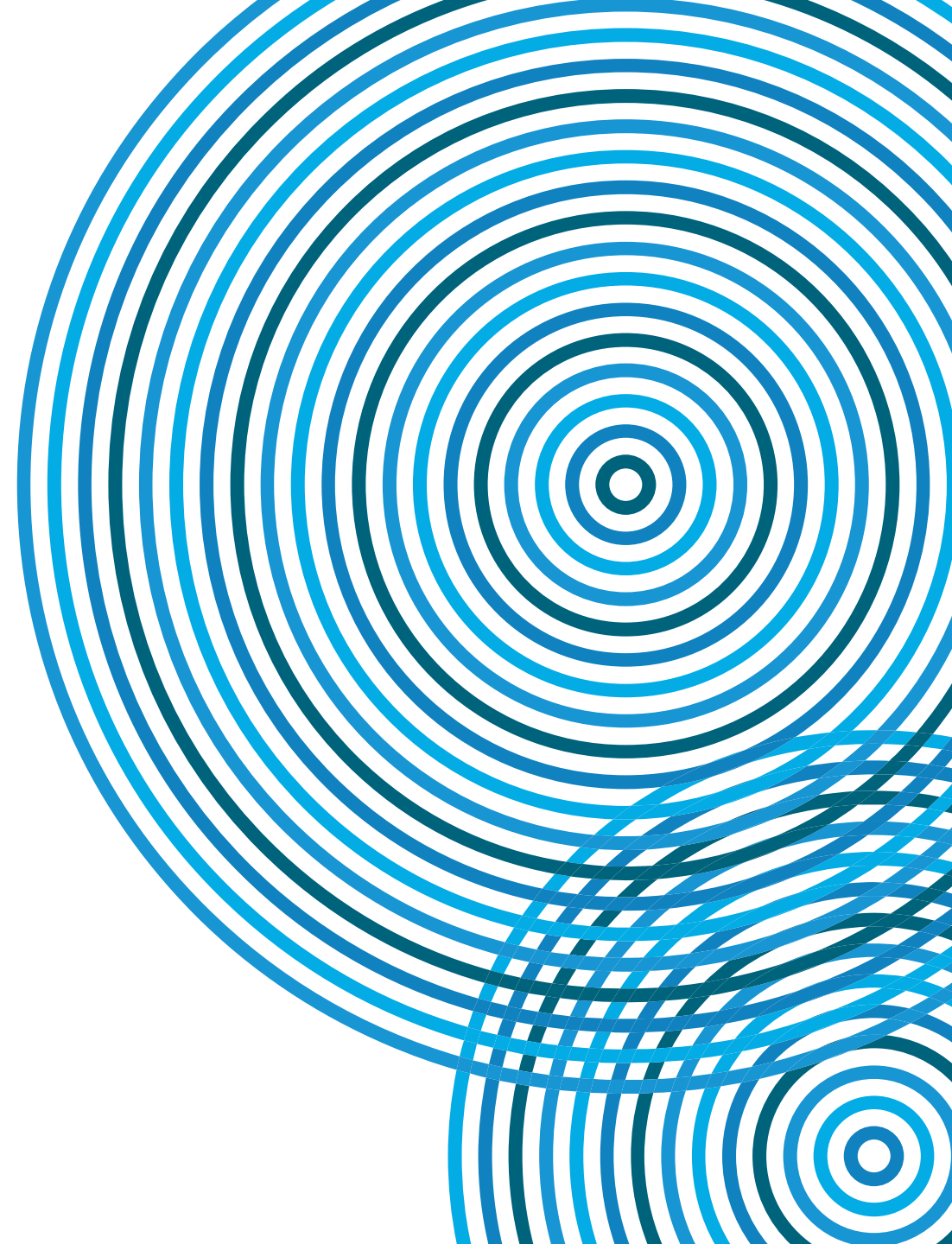
**KATARZYNA OSTAP-TOMANN**  
MEMBER OF THE MGMT BOARD, CFO



**STANISŁAW JANOWSKI**  
PRESIDENT, TELEWIZJA POLSAT

# Agenda

1. **Key events in Q2'22**
2. **Operating results**
3. **Financial results**
4. **Summary and Q&A**



# Key events in Q2'22



**Mirosław Błaszczuk**  
*President of the Management Board, Cyfrowy Polsat*

# Key events in Q2'22

- We have acquired *Port Praski* – an exceptional real estate development project located in the strict center of Warsaw – and we have signed a JV agreement with a highly experienced European developer – HB Reavis with whom we would like to build office towers.
- We have acquired the Człuchów wind farm project. 33 turbines with the total capacity of 72,6 MW will increase the scale of already initiated wind investments to the level of >140MW
- We have publicly presented the Polish hydrogen bus NesoBus – a joint project of Polsat Plus Group and ZE PAK – and we have started the construction of a bus factory in Świdnik
- We extended our cooperation with Volleyball World for another 10 years. The agreement concerns TV broadcasting rights to international women's and men's competitions, including the World Championships
- As the only operator in Poland, we distribute the Disney+ offer with very high-quality content (Disney, Marvel, Star Wars, Pixar, National Geographic, Star)
- Our General Meeting of Shareholders adopted a resolution on the dividend pay-out in the amount of PLN 661m, i.e. PLN 1.20 per share



# Operating results



# Media segment: TV and online



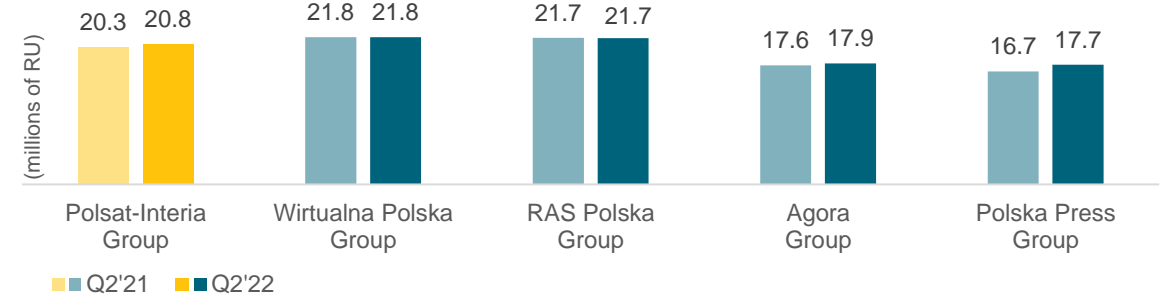
**Stanisław Janowski**  
*President of the Management Board, Telewizja Polsat*



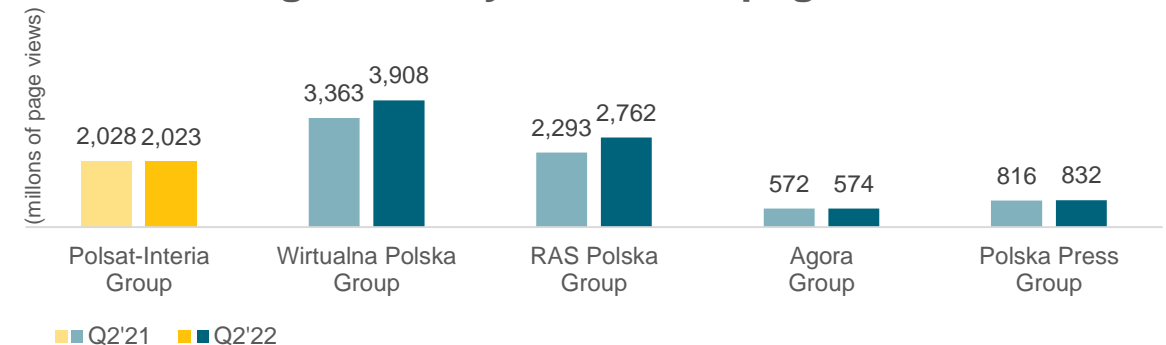
# The number of users of our Internet portals increased to 21 million

- We are a leading Internet publisher in Poland thanks to the acquisition of Interia.pl
- Our leading position in the online media:
  - 20.8 m users and
  - 2.0 bn page views
- We have delivered the announced synergies as planned and we are continuing to build our position on the market of Internet portals

### Average monthly number of users



### Average monthly number of page views

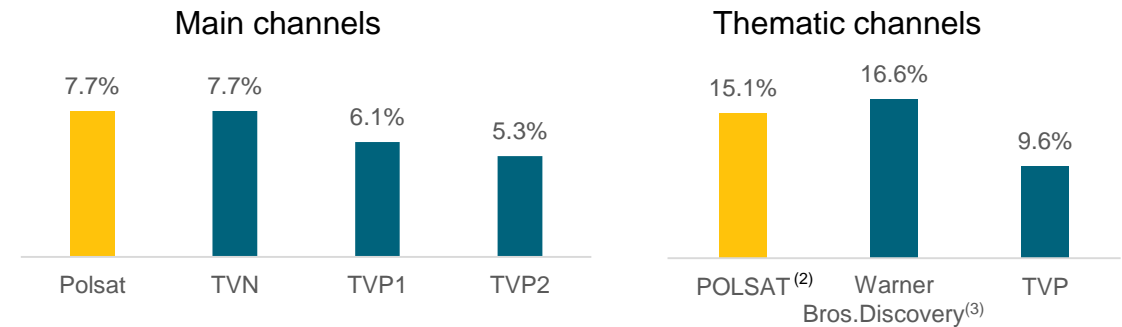


Source: Mediapanel, number of users – real users (RU) indicator

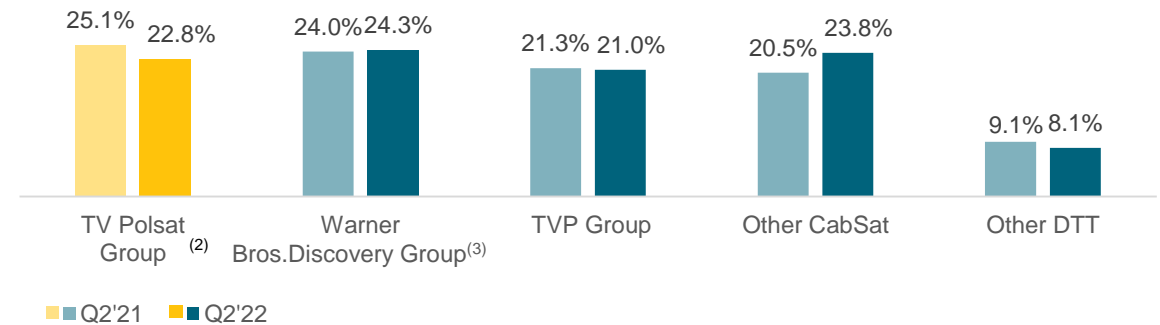
# Viewership of our channels in Q2'22

- Viewership results of TV Polsat Group channels in line with the strategy despite the negative impact of refarming to the DVB-T2 standard

## Audience shares



## Dynamics of audience share results



Source: NAM, All 16-59, all day, SHR%, including Live+2<sup>(1)</sup>, starting from September 2021 incl. the TV audience out of home (OOH – out of home viewing), internal analyses

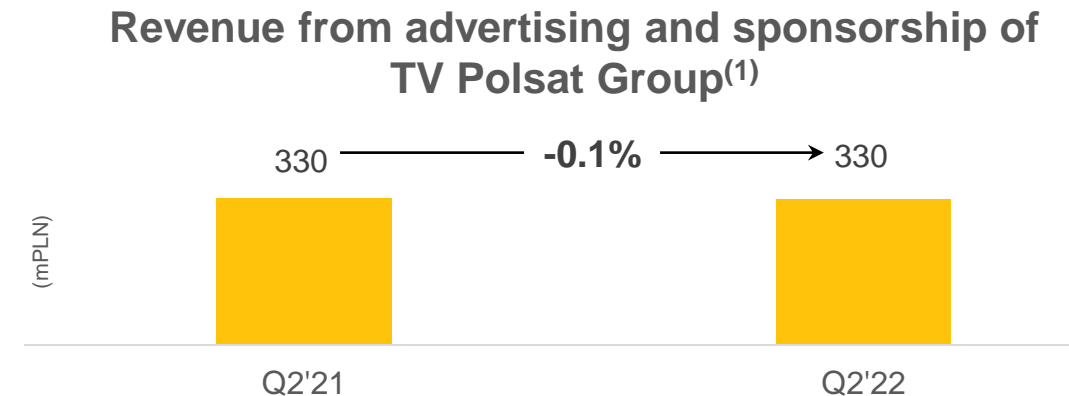
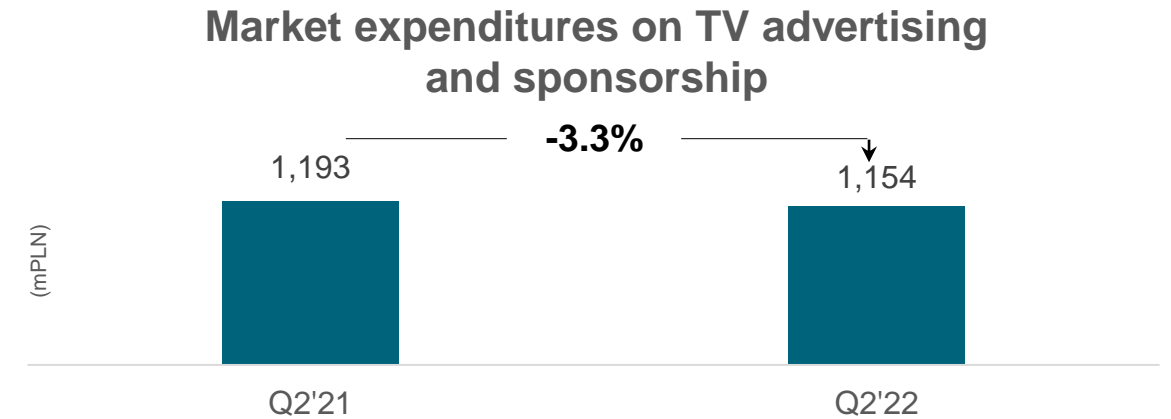
Note: (1) Audience shares include both live broadcasting and broadcasting during 2 consecutive days (i.e. Time Shifted Viewing)

(2) Excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam, CI Polsat, Polsat Comedy Central Extra

(3) The group was established on April 8, 2022 as a result of the merger of WarnerMedia and Discovery, data before that period refer to channels belonging to the Discovery Group

# Position on the advertising market in Q2'22

- Stable level of advertising and sponsorship revenue of TV Polsat Group against the backdrop of a declining market
- As a result, our share in the TV advertising and sponsorship market increased to 28.6%



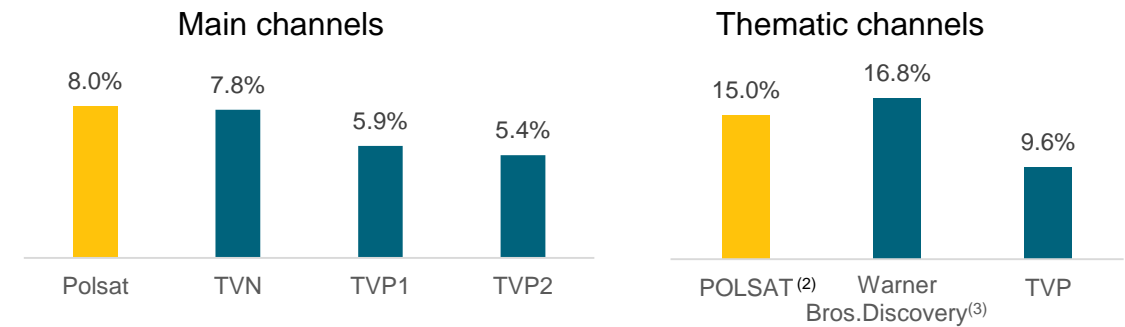
Source: Publicis Groupe, preliminary data, spot advertising and sponsorship; TV Polsat; internal analyses

Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Publicis Groupe definition

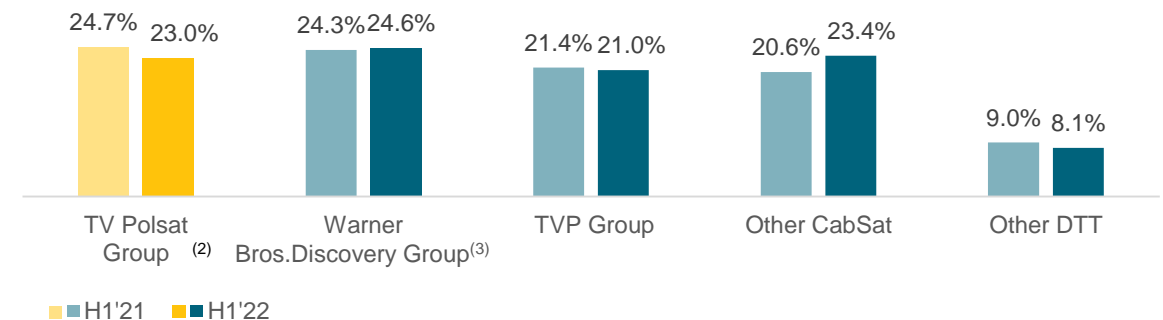
# Viewership of our channels in H1'22

- Our main channel is the viewership leader in the commercial group (16-59 age group)

## Audience shares



## Dynamics of audience share results



Source: NAM, All 16-59, all day, SHR%, including Live+2<sup>(1)</sup>, starting from September 2021 incl. the TV audience out of home (OOH – out of home viewing), internal analyses

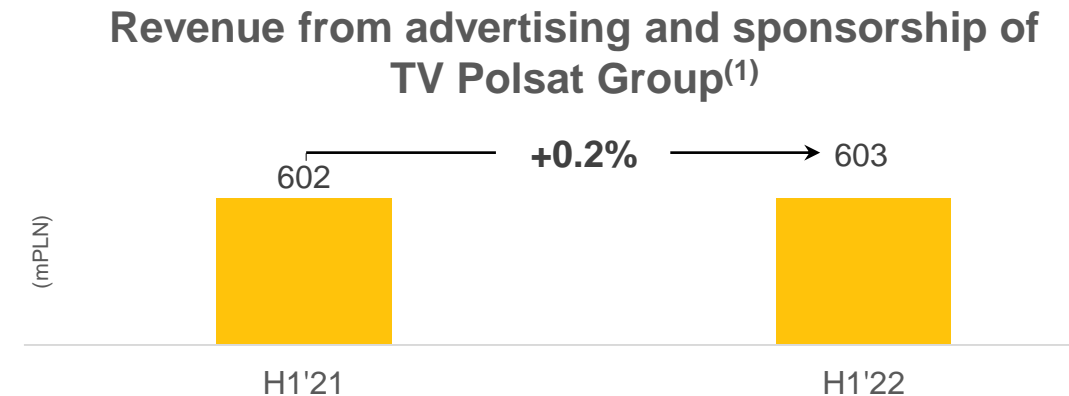
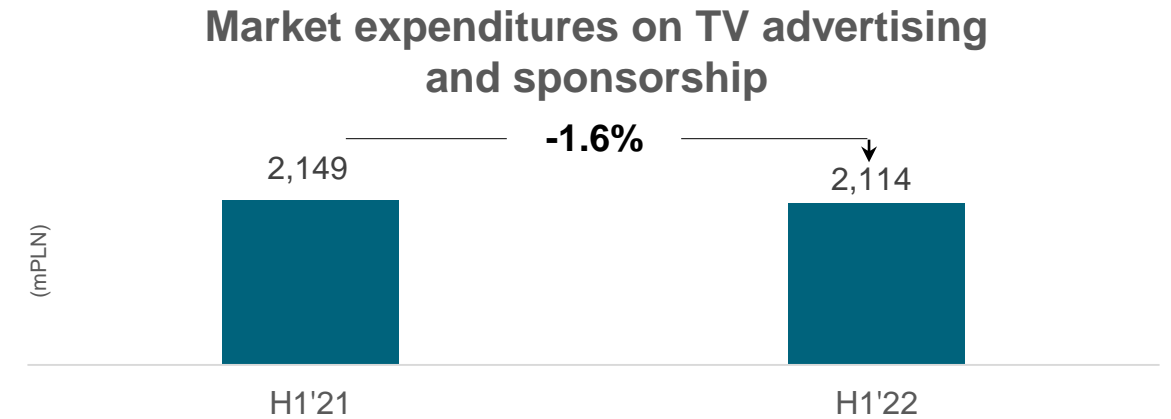
Note: (1) Audience shares include both live broadcasting and broadcasting during 2 consecutive days (i.e. Time Shifted Viewing)

(2) Excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam, CI Polsat, Polsat Comedy Central Extra

(3) The group was established on April 8, 2022 as a result of the merger of WarnerMedia and Discovery, data before that period refer to channels belonging to the Discovery Group

# Position on the advertising market in H1'22

- Stable level of advertising and sponsorship revenue of Telewizja Polsat Group against the backdrop of a declining market
- As a result, our share in the TV advertising and sponsorship market increased to 28.5%



Source: Publicis Groupe, preliminary data, spot advertising and sponsorship; TV Polsat; internal analyses

Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Publicis Groupe definition

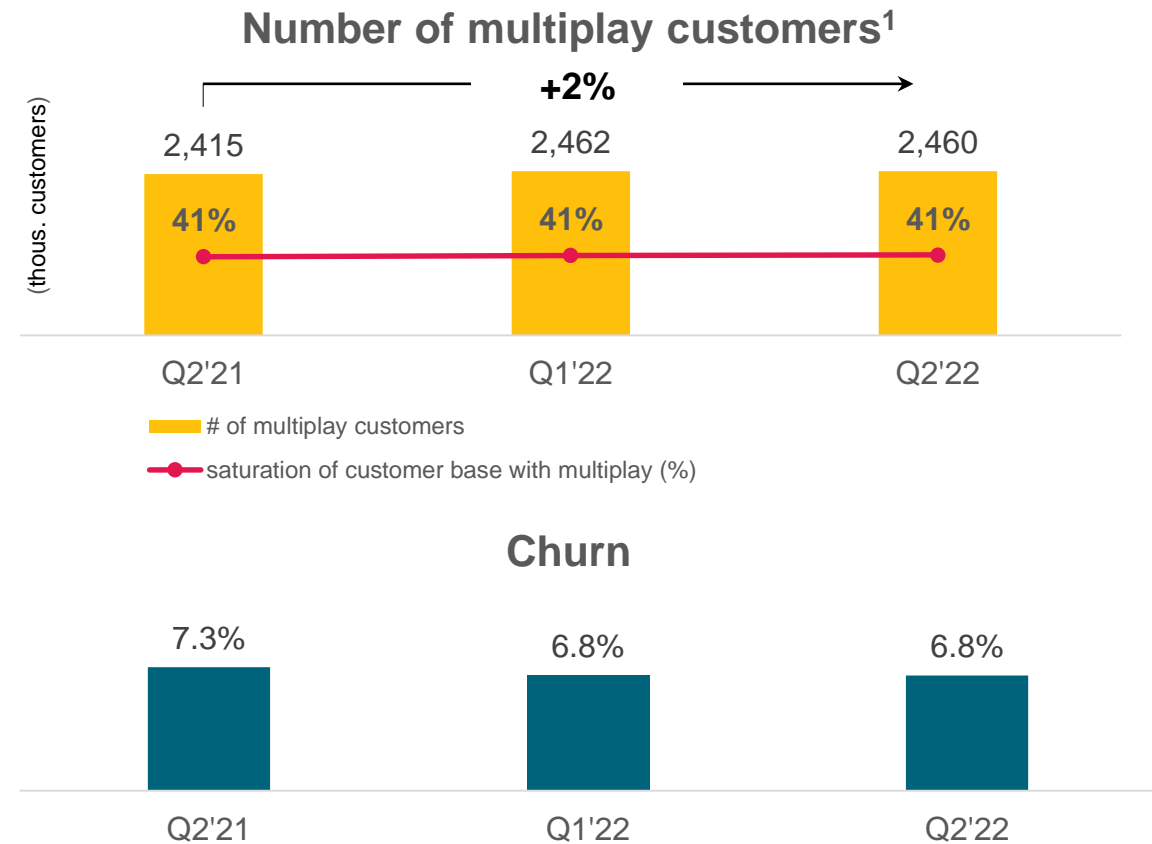
# B2C and B2B services segment



**Maciej Stec**  
*Vice President of the Management Board, Cyfrowy Polsat*

# Almost 2.5 million customers of the multiplay offer

- Consistent implementation of our multiplay strategy results in a stable increase in the number of customers with bundled services by 45K YoY
- The number of RGUs owned by these customers increased to 7.38m
- Consistently low churn – mainly due to our multiplay strategy

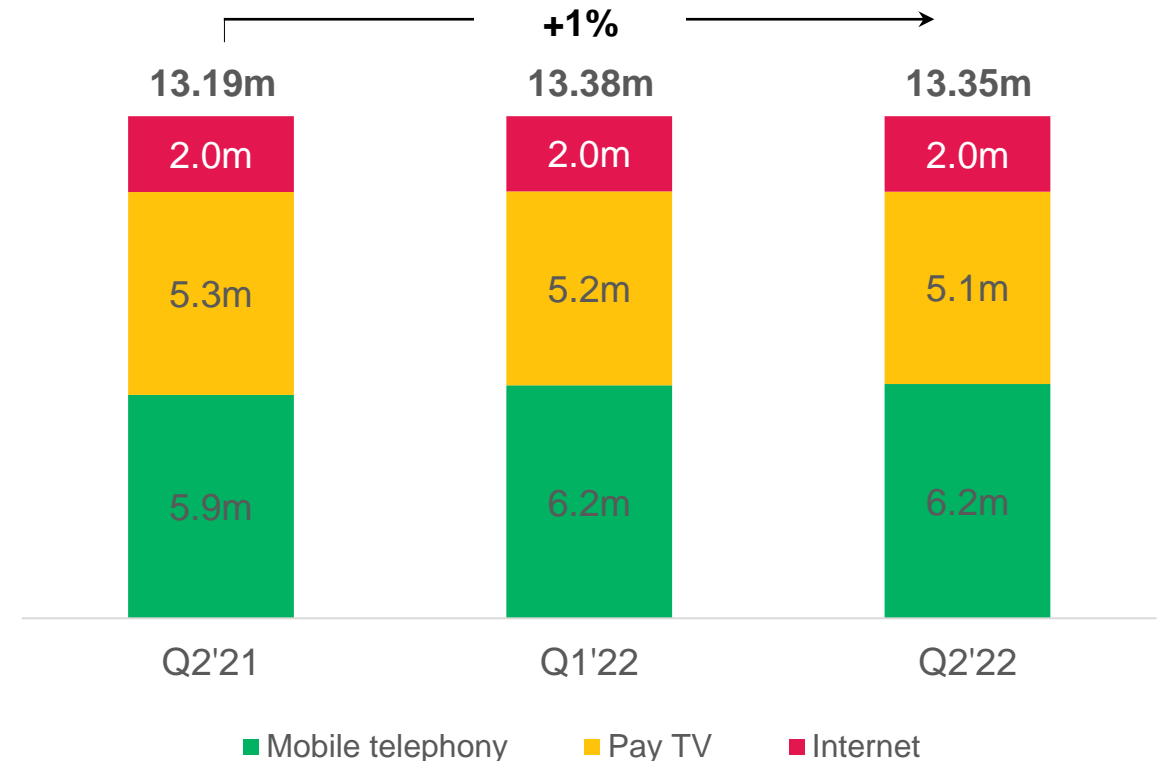


Note: (1) including customers of bundled services from the Netia Group and Premium Mobile

# Our B2C customers use an increasing number of contract services

- Increase in the number of contract services by 161K YoY
- Growth of mobile services driven by the successful implementation of our strategy of cross-selling and focus on customer satisfaction, as well as the acquisition of Premium Mobile

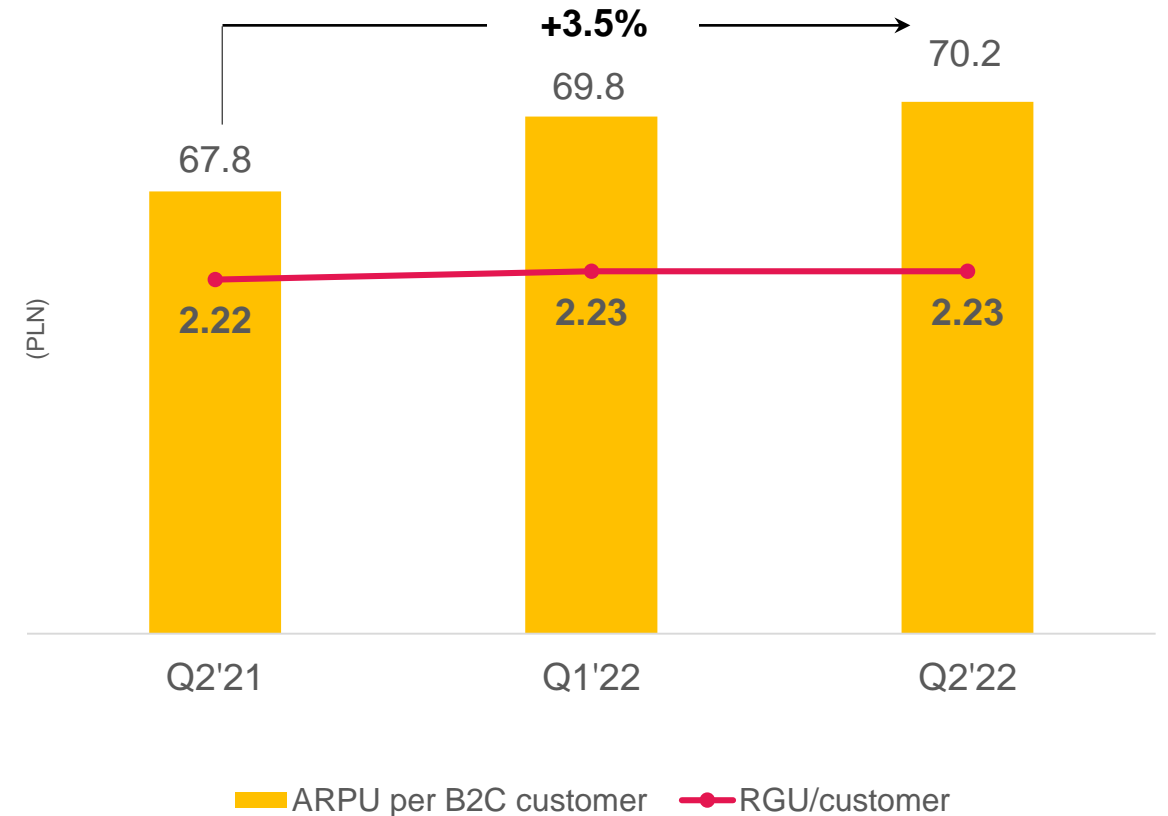
Number of RGUs in the B2C contract segment





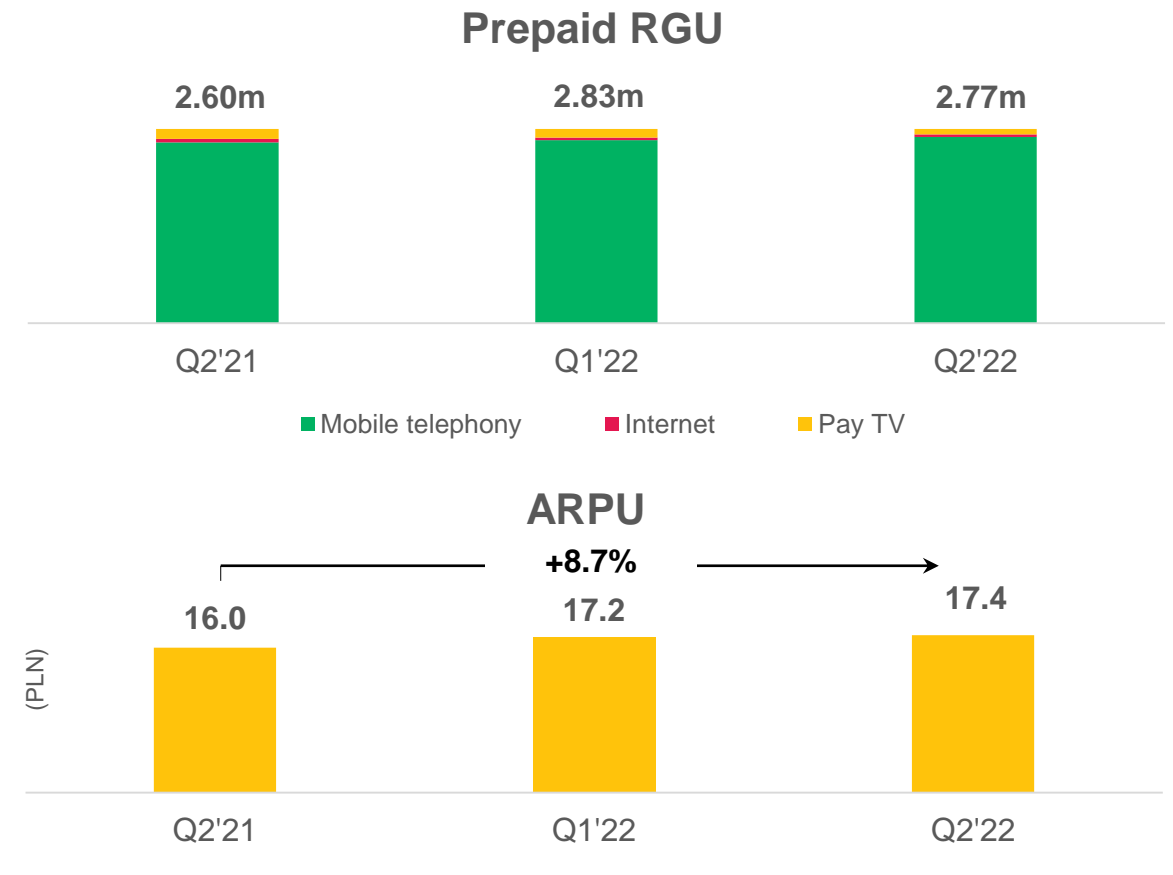
# ARPU growth in B2C thanks to the consistent implementation of our multiplay strategy and popularization of 5G tariffs

- 3.5% YoY increase in ARPU resulting from the consistent building of the value of the existing customer base
- Effective upselling of products under our multiplay strategy continues to be reflected in the growing RGU saturation per customer ratio



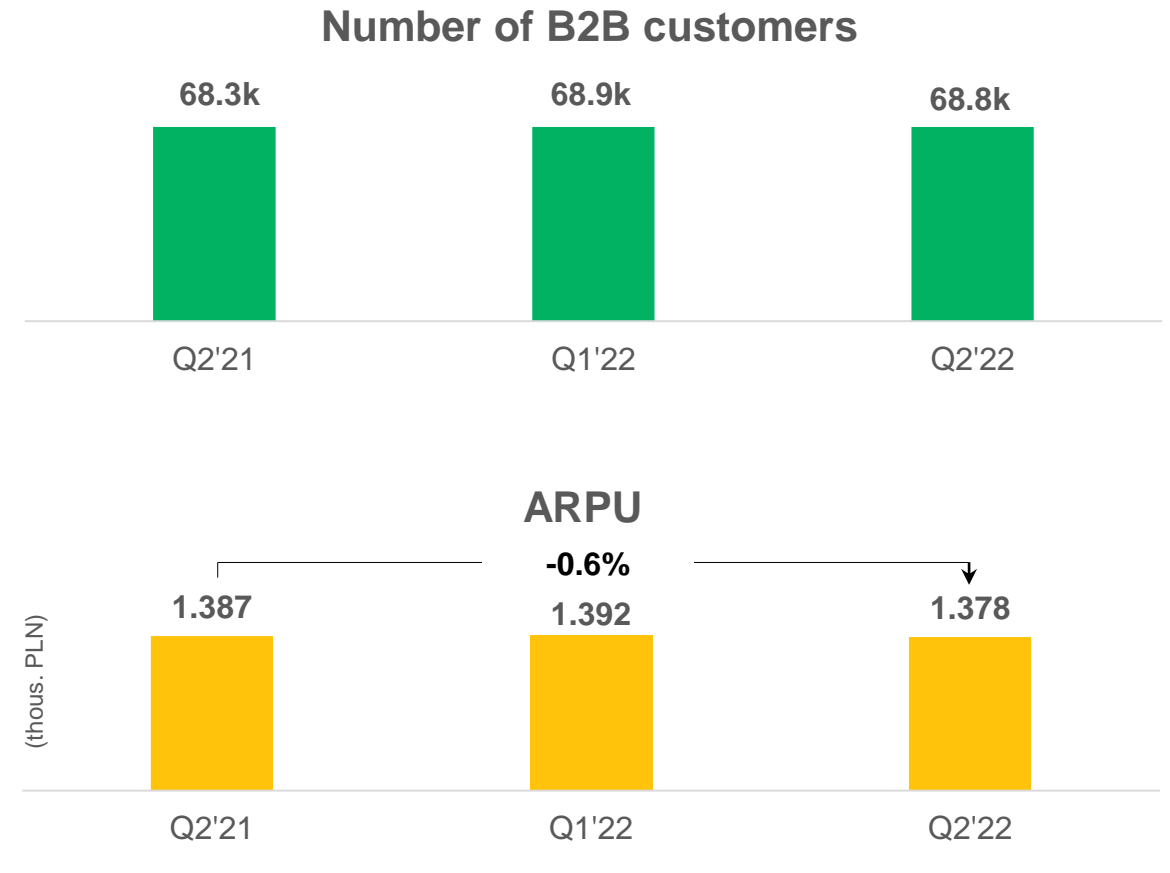
# Growing base and ARPU of prepaid services

- The scale of the mobile telephony RGU base positively influenced by the effects of the support action consisting in the distribution of free starters for refugees from Ukraine
- Increase in ARPU thanks to changes in our mobile and TV offering. We also observe a growing willingness of our customers to choose bundled solutions instead of offers based on the *pay-as-you-go* model

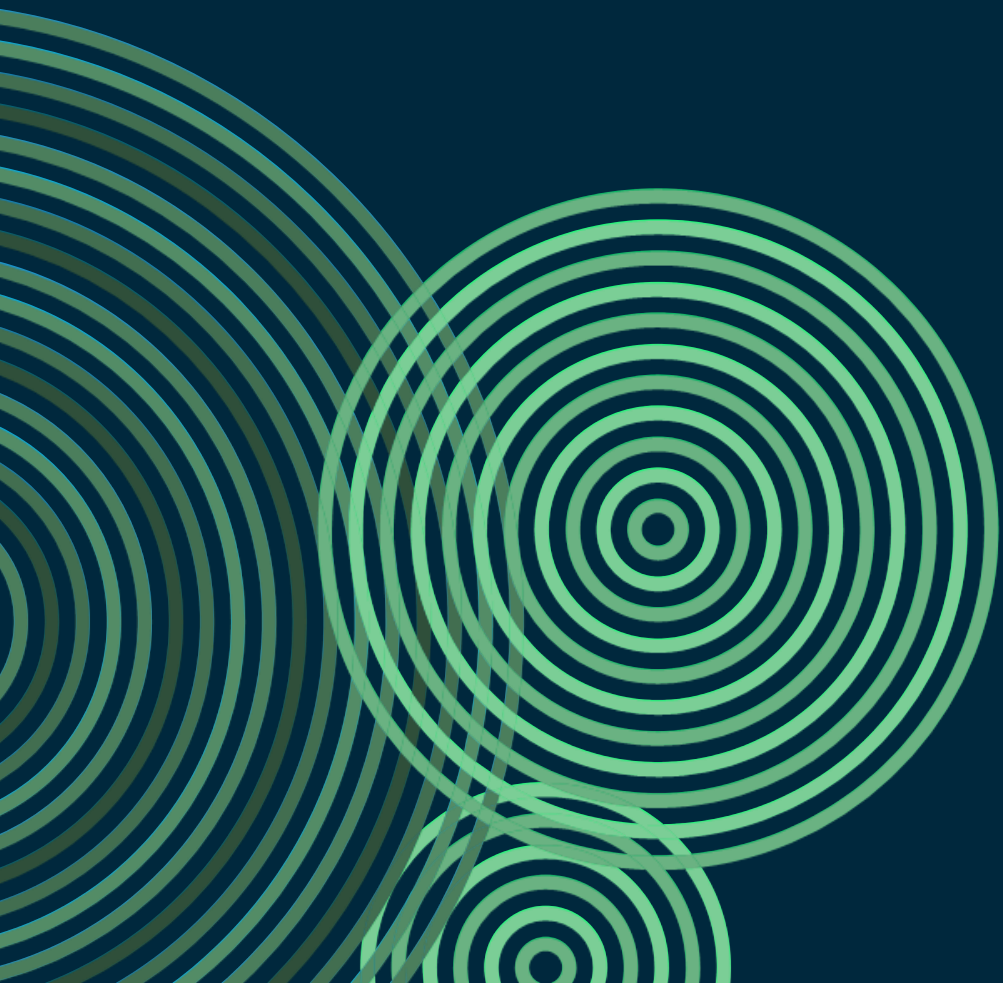


# High base and stable ARPU of B2B customers

- Polsat Plus Group serves 68.8 thous. B2B customers, successfully maintaining the size of this base
- Successively expanded offer of communication and ICT services enables us to maintain ARPU from our B2B customers at a high level of PLN 1.4 thous. monthly



# Clean energy segment





**Maciej Stec**  
*Vice President of the Management Board, Cyfrowy Polsat*

# Goal #1: We want – jointly with ZE PAK – to become a leading producer of clean, green energy

biomass	solar	wind on-shore	thermal waste treatment	wind off-shore	SMR
Goal: 100 MW	Goal: 600 MW	Goal: 250 MW	Goal: 2 installations	Goal: support	Goal: support
					
In operation	In operation	In construction	Initiated	Initiated	In analysis phase

Source: GE Hitachi Nuclear Energy

# Goal #2: We want – jointly with ZE PAK – to become a leading producer of green hydrogen

green energy	production of green hydrogen	storage and transportation	distribution of green hydrogen	end-user products	end-user products
<p>Solar energy Wind energy Biomass energy</p>	<p><b>Goal:</b> Electrolysis plant <b>100 MW</b></p> <p>Production of <b>40t of green H<sub>2</sub> per day</b></p>	<p><b>Goal:</b> Storage and transportation using cylinder manifolds</p> <p><b>40t H<sub>2</sub> per day</b></p>	<p><b>Goal:</b> Construction of a chain of green hydrogen refueling stations</p> <p><b>30 refueling stations</b></p>	<p><b>Goal:</b> Production of Polish hydrogen buses</p> <p><b>&gt;100 buses yearly</b></p>	<p><b>Goal:</b> <b>Popularization of the use of hydrogen cars in Poland</b></p> <p><b>100 cars in own fleet</b></p>
				 <p style="text-align: right; font-size: small;"><i>Source. Gdynia.pl</i></p>	
<p>In operation</p>	<p>First electrolyzer in Q3'22</p>	<p>First storage units in testing phase</p>	<p>First stations in the construction permits phase</p>	<p>Prototype of the bus ready Manufacturing plant in preparation</p>	<p>Hydrogen cars actively used by employees</p>

# Our activities in the area of Clean Energy are starting to have a positive impact on the financial results of Polsat Plus Group

- The biggest photovoltaic farm in Poland, located in Brudzew, has produced 42.9 GWh of clean, green energy in H1'22
- We have doubled the scale of our on-shore wind investments by acquiring the Człuchów wind farm project. Currently we are building wind projects with the total capacity >140MW
- Our hydrogen bus, after acquiring the European type approval certificate, already transported passengers in Gdańsk, Gdynia, Wrocław and Konin. There is positive feedback from city authorities and inhabitants – a fully eco-friendly means of transport based on a Polish product
- We have signed an agreement with Mostostal Puławy for the construction of a hydrogen bus factory in Świdnik. In September, Mostostal will „break the ground” and begin the construction. Planned completion date is Q2'23
- The first 2.5 MW electrolyzer is ready for pickup in Belgium, it will be delivered to Konin at the beginning of September 2022. Additionally, we picked up another hydrogen trailer, this time with a capacity of 1000 kg



# We are dynamically executing the *Strategy 2023+* in the segment of clean energy and green hydrogen



Construction of foundations for a wind turbine in Miłostów



Second biomass turbine in Konin



Hydrogen compressor | Electrolyzer



Hydrogen trailer with the capacity of 1000 kg

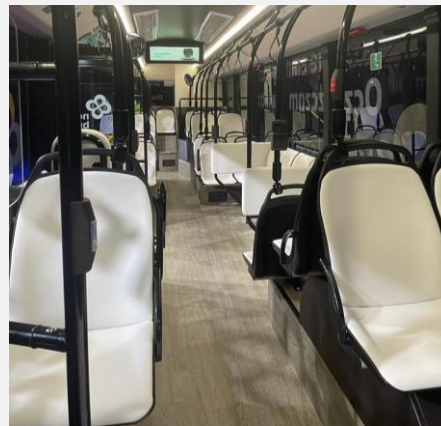


# NesoBus – from Italian design to Polish prototype

## DESIGN



## POLISH PROTOTYPE



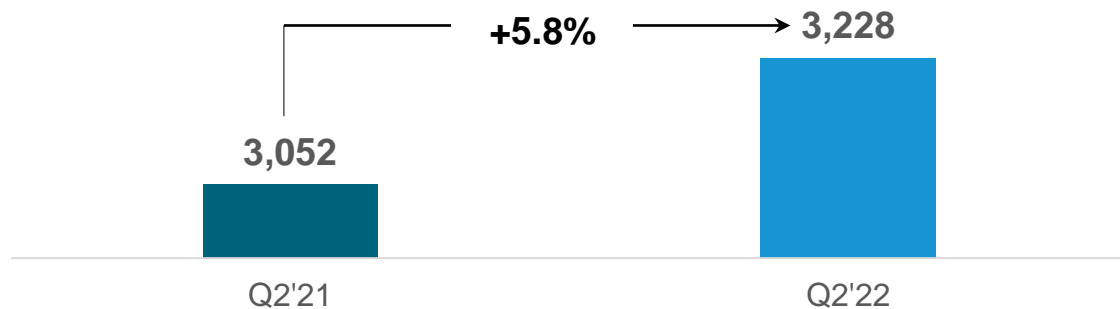
# Financial results



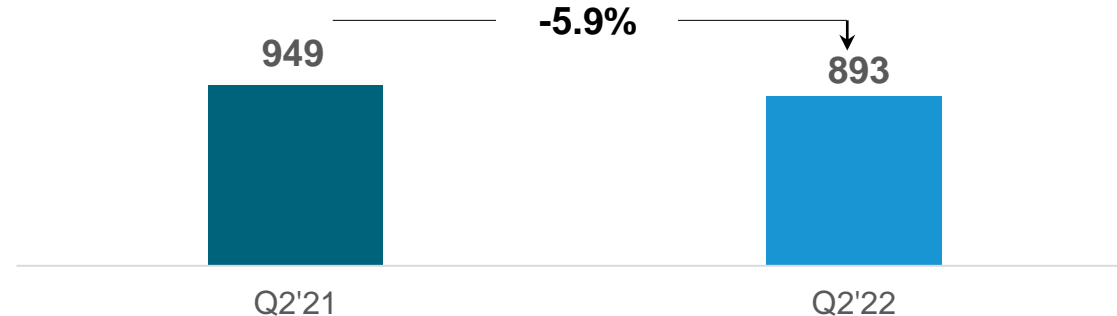
**Katarzyna Ostap-Tomann**  
*CFO, Cyfrowy Polsat*

# Results of the Group in Q2'22

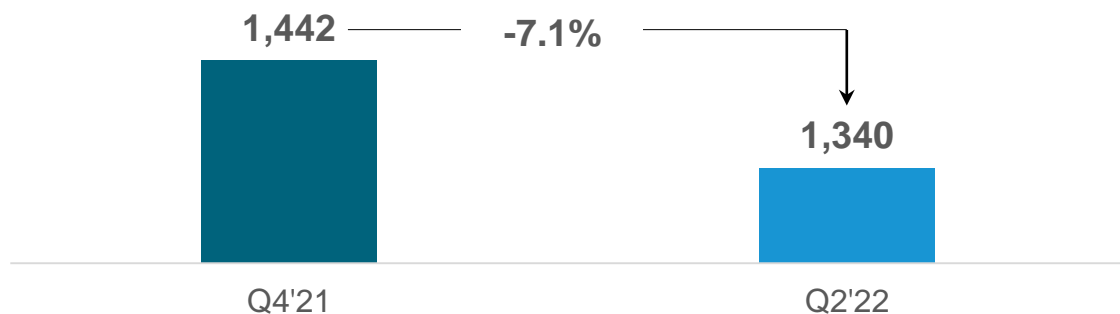
## Revenue adjusted for IC delta



## EBITDA adjusted, excl. NetCo result<sup>1</sup>



## LTM FCF



## Net debt/EBITDA LTM

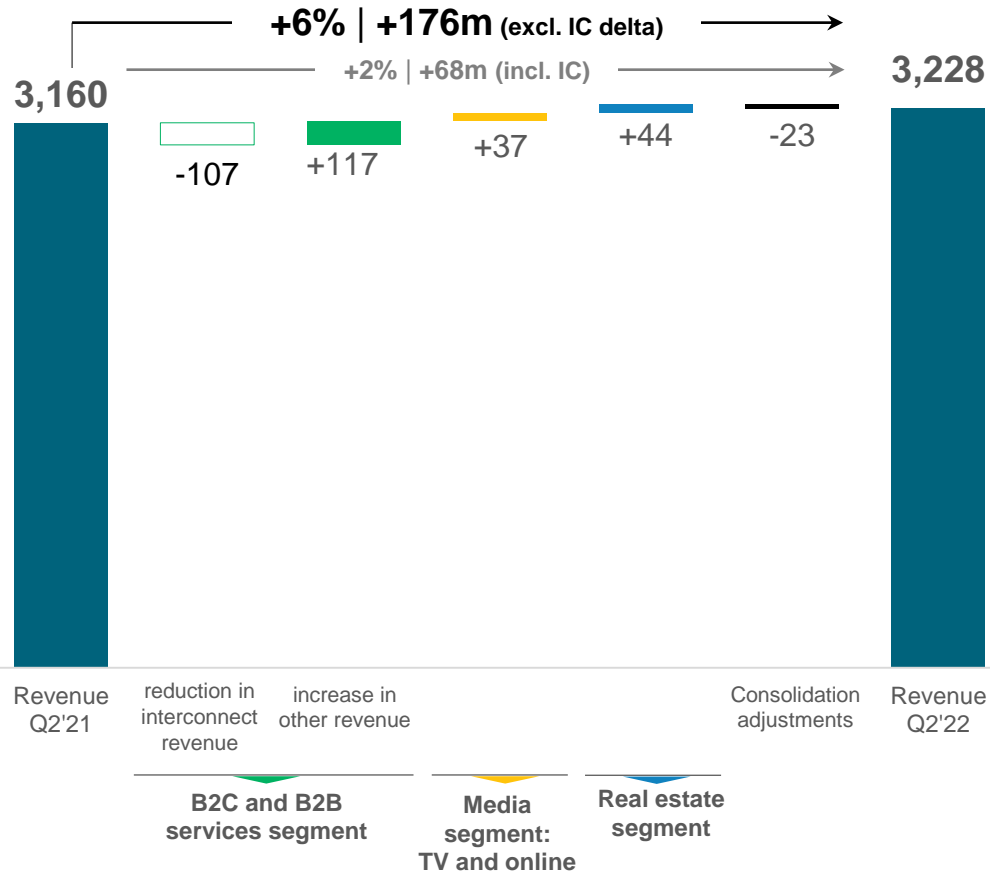


Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

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

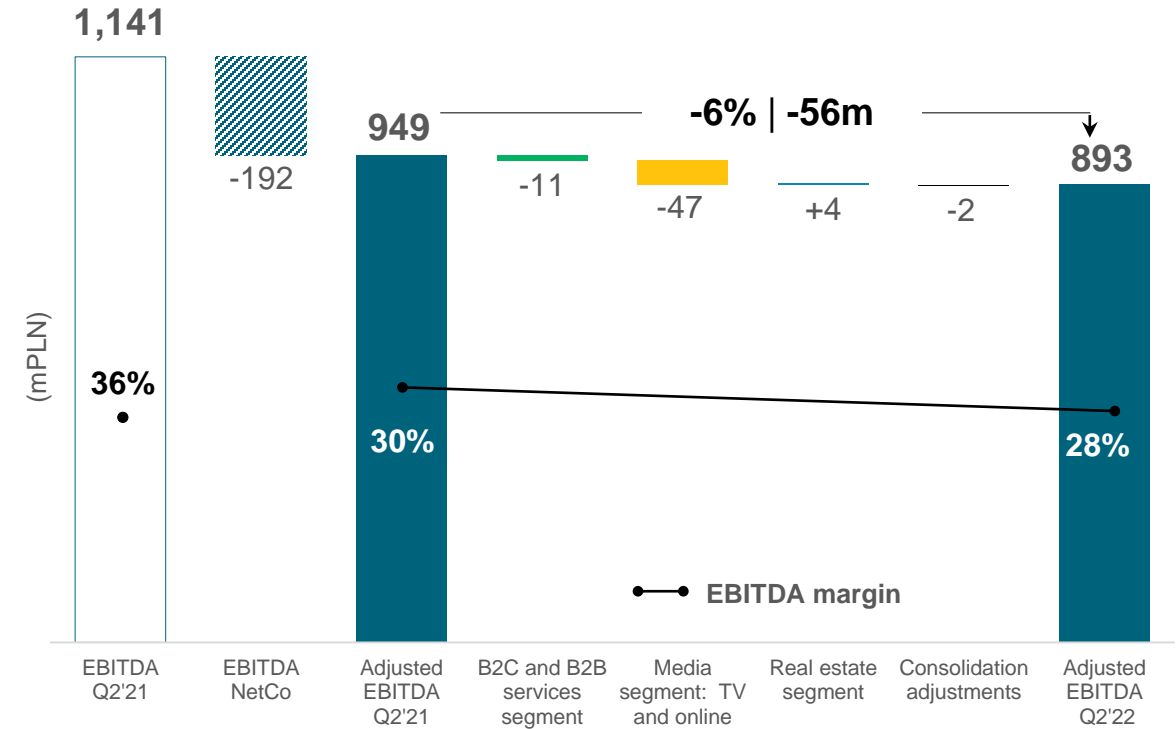
# Revenue and EBITDA – change drivers

## Revenue



## EBITDA

adjusted, excl. NetCo result<sup>1</sup>



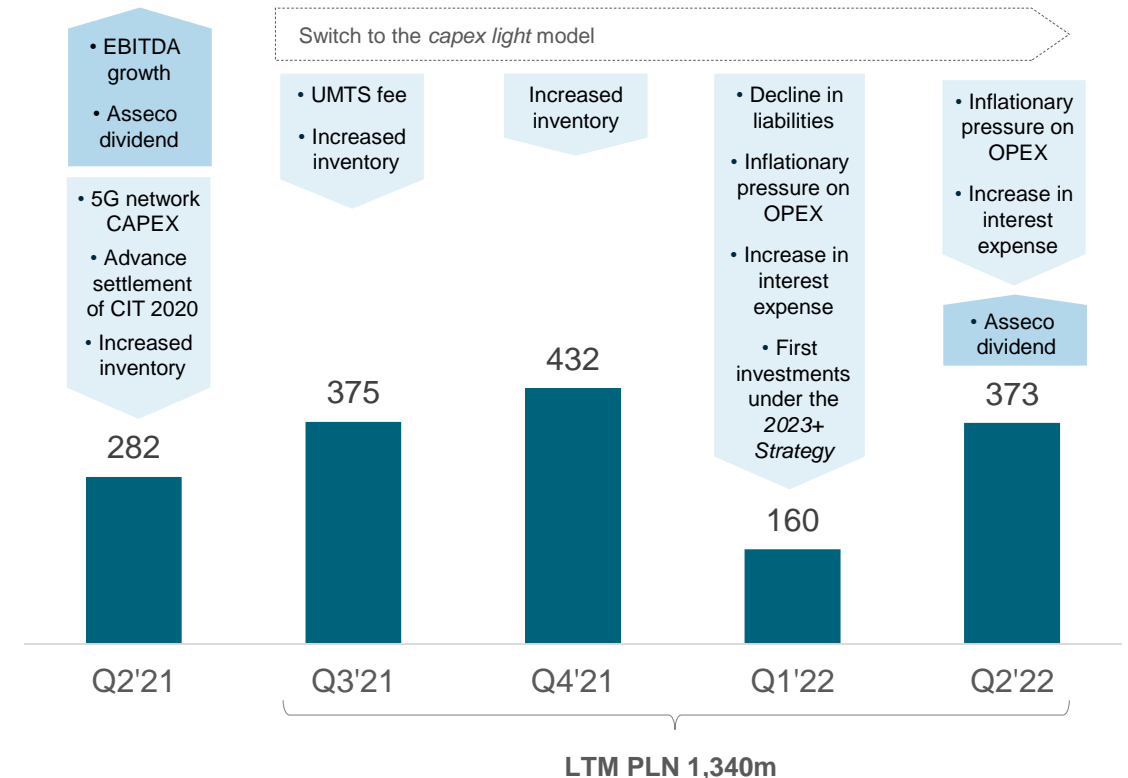
Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

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

# High cash generation despite unfavorable macroeconomic factors

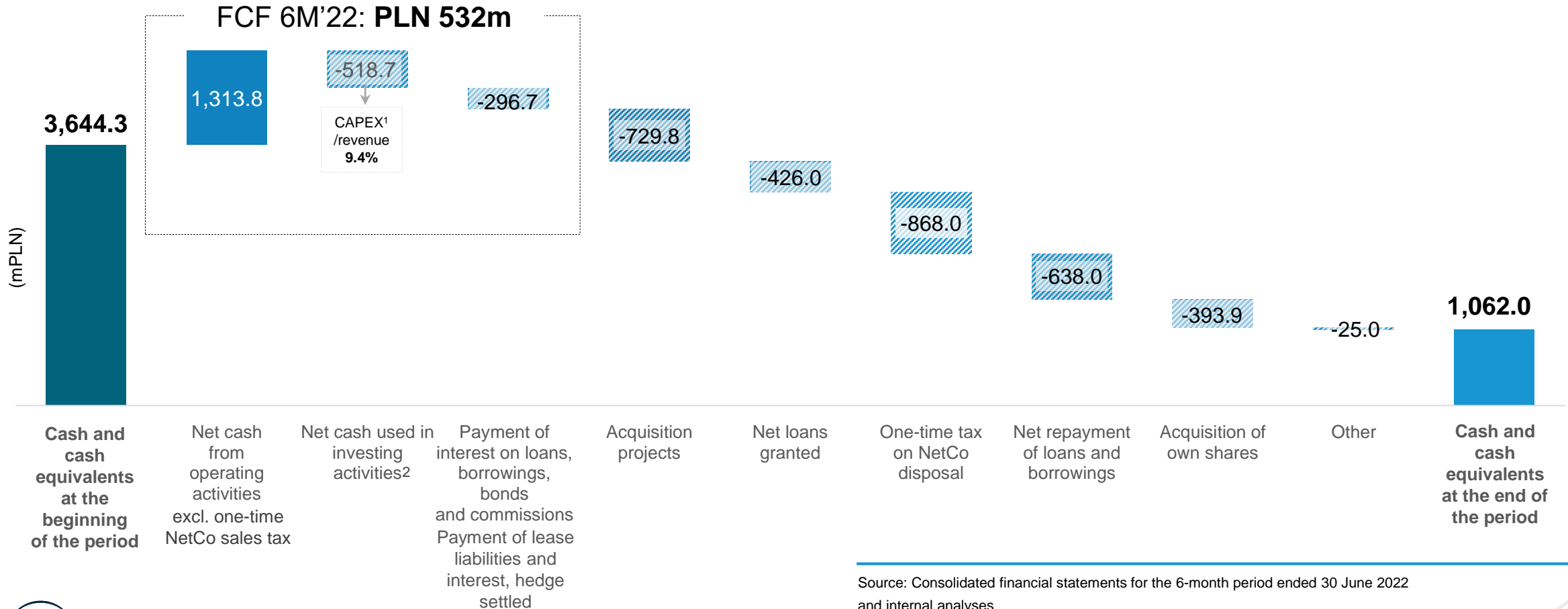
mPLN	Q2'22	6M'22
Net cash from operating activities	-133	446
Net cash used in investing activities	-1,148	-1,683
Payment of interest on loans, borrowings, bonds and hedging instrument effect	-113	-186
Payment of lease liabilities and interest	-53	-111
<b>FCF after interest</b>	<b>-1,447</b>	<b>-1,534</b>
One-time tax on NetCo disposal	868	868
Acquisition projects	717	730
Loans granted	233	426
Concession payments	2	8
Costs of supporting Ukraine	-	34
<b>Adjusted FCF after interest</b>	<b>373</b>	<b>532</b>

## Adjusted FCF after interest



Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

# In H1'22, we carried out acquisition projects and provided cash support for the development of RES projects under the *Strategy 2023+* and we settled a one-time tax on NetCo disposal



Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

Note: (1) Expenses on the acquisition of property, plant and equipment and intangible assets  
 (2) Excl. concessions payments, acquisition projects and loans granted

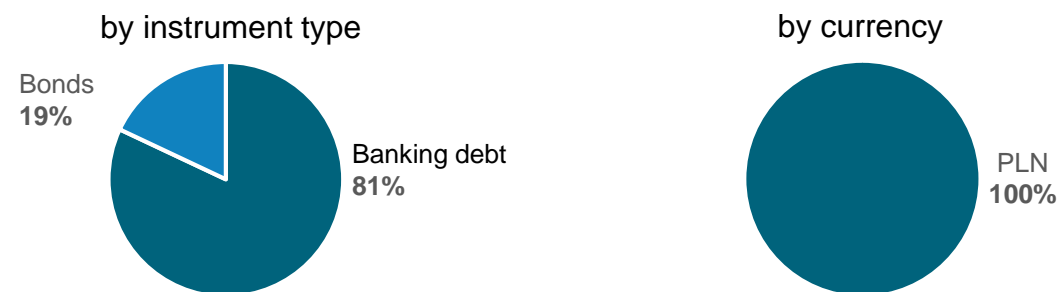
# The Group's debt

mPLN	Carrying amount as at 30 June 2022
SFA (Tranche A and B)	8,376
Revolving Credit Facility (RCF)	-
Bonds	2,054
Leasing and other	542
<b>Gross debt</b>	<b>10,972</b>
Cash and cash equivalents <sup>1</sup>	(1,062)
<b>Net debt</b>	<b>9,910</b>
EBITDA LTM	7,136
<b>Total net debt / EBITDA LTM</b>	<b>1.39x</b>
Weighted average interest cost on loan <sup>2</sup>	8.1%

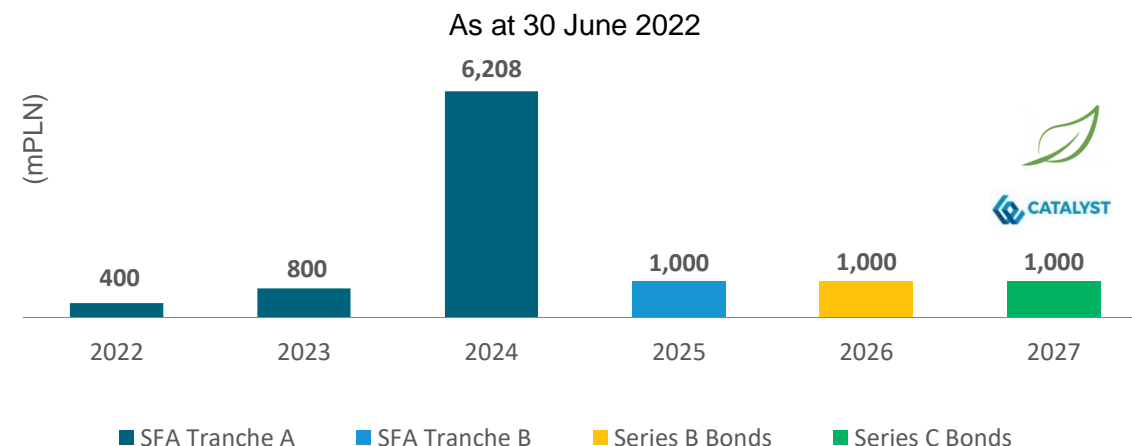
<sup>1</sup> This item comprises cash and cash equivalents, including restricted cash, as well as short-term deposits.

<sup>2</sup> Prospective average weighted interest cost of the SFA (including the Revolving Credit Facility) and the Series B and Series C Bonds, excluding hedging instruments, as at August 11, 2022 assuming WIBOR 1M of 6.83% and WIBOR 6M of 7.30%.

## Debt structure



## Debt maturing profile



Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

# Summary and Q&A



**Mirosław Błaszczyk**

*President of the Management Board, Cyfrowy Polsat*



# Summary & Q&A

- We successfully implement our multiplay strategy, which translates into a very low churn rate (6.8%) and growing ARPU (PLN 70.2), leading to a stable, recurring growth of retail revenue
- We are dynamically executing the *Strategy 2023+* in the segment of clean energy: we have contracted >140MW wind farms and we are building a hydrogen bus factory. At the same time, we actively promote the NesoBus in Polish cities
- Following the acquisition of *Port Praski*, we signed a cooperation agreement with HB Reavis, the developer involved in the construction of the highest office tower in Europe (Varso)
- Our good financial results enable us to pay out dividend in the amount of PLN 661 million, that is PLN 1.20 per share
- Our *Strategy 2023+* answers the challenges of a dynamically changing economic environment and our customers' needs, and also supports the stable and planned development of our business



# Additional information



# Results of the segment of B2C and B2B services

mPLN	Q2'22	YoY change
Revenue	2,671	0%
Operating costs <sup>(1)</sup>	1,928	1%
Adjusted EBITDA <sup>2</sup>	749	-1%
Adjusted EBITDA margin <sup>2</sup>	28.1%	-0.5pp

- Successive building of ARPU translates into the stable growth of retail revenue, which - together with dynamically growing revenue from the sale of smartphones – compensates the loss of wholesale revenue due to the regulation of MTR/FTR rates
- Stable EBITDA result of this segment, despite the growth of costs of electricity

Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

(2) EBITDA excl. EBITDA of NetCo in Q2'21

# Results of the media segment

mPLN	Q2'22	YoY change
Revenue	607	6%
Operating costs <sup>(1)</sup>	465	22%
Adjusted EBITDA	142	-25%
Adjusted EBITDA margin	23.5%	-9.7pp

Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

- Revenue under the positive impact of growing revenue from online advertising, from cable TV / DTH operators and from the sale of licenses, sub-licenses and property rights
- We have decided to maintain our spring programming offer according to initial assumptions in anticipation of improved prospects off the advertising market

# Results of the real estate segment

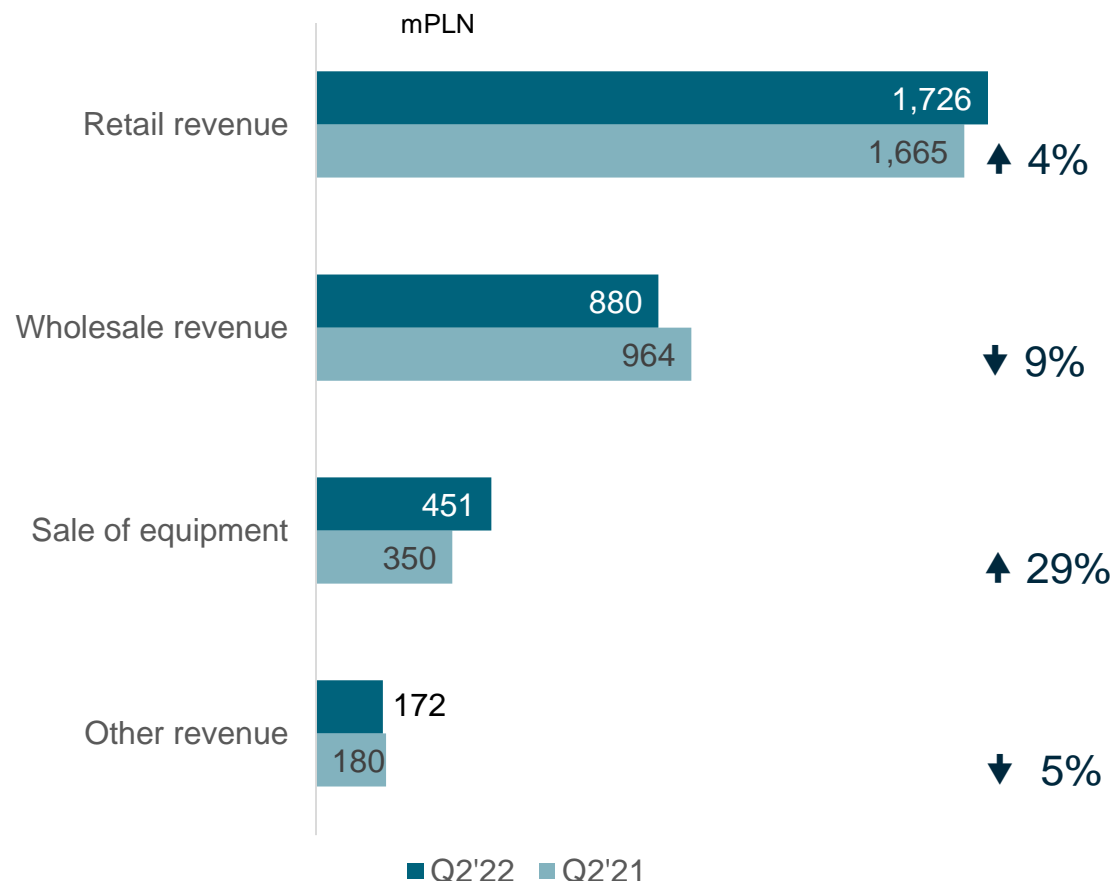
mPLN	Q2'22
Revenue	44
Operating costs <sup>(1)</sup>	43
Adjusted EBITDA	4
Adjusted EBITDA margin	8.4%

Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation

- The real estate segment covers mainly the execution of construction projects, as well as the sale, lease and management of our own and leased real estate properties
- Currently, this segment has a pool of apartments ready for sale in *Port Praski* and executes construction projects for companies belonging to Polsat Plus Group
- Subsequent real estate development projects are planned in the medium term

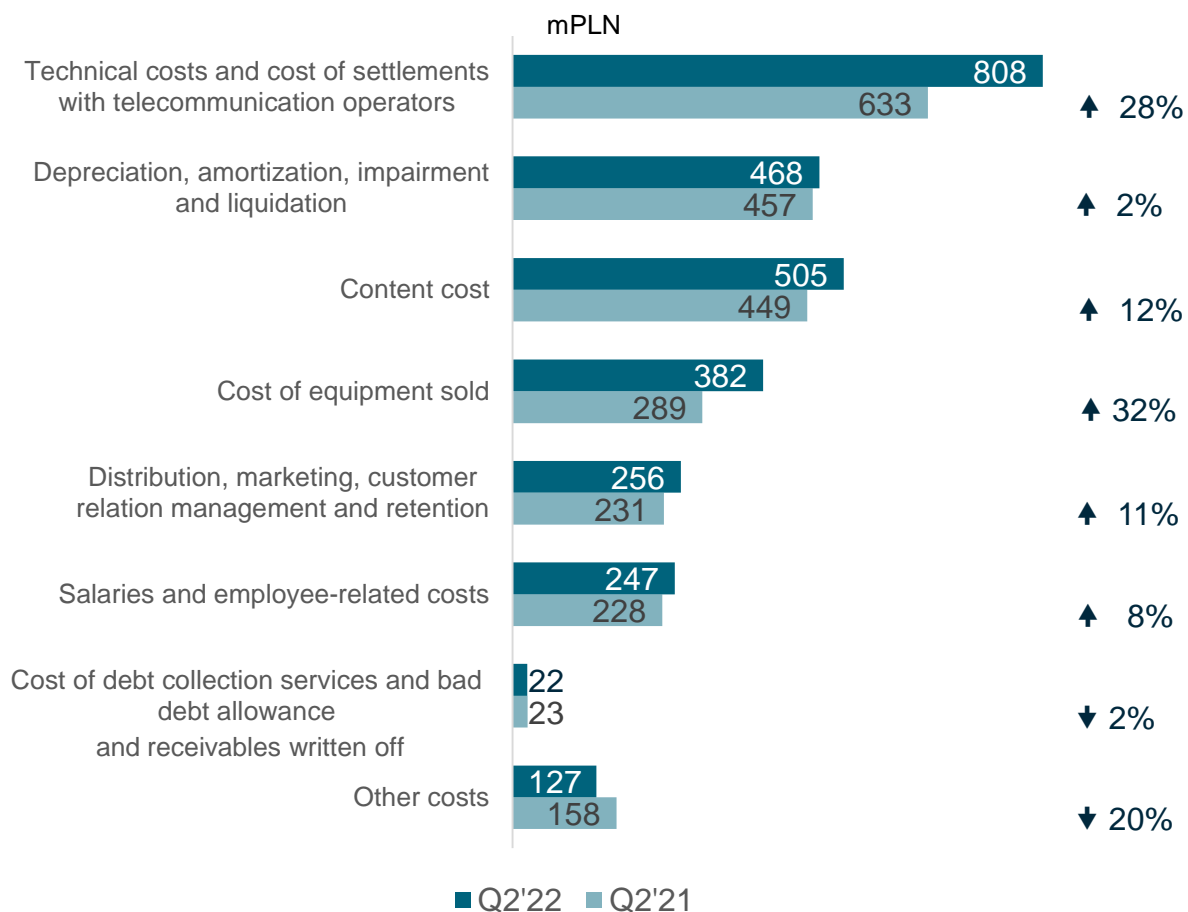
# Revenue structure



- Increase in **retail revenue** as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth, as well as the consolidation of the results of Premium Mobile from July 2021.
- Lower **wholesale revenue** principally due to the gradual regulatory reduction of MTR and FTR rates for terminating traffic in our network by other operators. Moreover, as a result of taking control over Premium Mobile in H2'21, wholesale revenue generated on transactions with this company was eliminated on consolidation.
- Significantly higher revenue from the **sale of equipment** as a result of both higher volumes of equipment sold and greater propensity of customers to choose more expensive smartphone models.

Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

# Operating costs structure



- Higher **technical costs and cost of settlements with telecommunication operators** mostly due to the recognition of costs resulting from the agreement on using the mobile infrastructure sold to Cellnex Poland as well as higher electricity costs that remain under strong inflationary pressure. The increase in this cost category was partially mitigated by lower costs of interconnection settlements related to the regulatory reduction of MTR/FTR rates.
- Increase in the **cost of equipment sold** as a result of higher volumes of equipment sold and an increased share of more expensive models of smartphones in the sales mix, which corresponds with higher revenue from the sale of equipment.
- Increase in **content cost** mainly as a result of higher costs of internal production and amortization of sports rights. Higher costs reflect our decision to allocate larger budgets to increase the attractiveness of our TV channels' programming.
- Increase in **distribution, marketing, customer relation management and retention costs** as a result of intensified marketing activities and higher sales commissions. Consolidation of Premium Mobile costs was an additional factor contributing to higher costs in this category.

Source: Consolidated financial statements for the 6-month period ended 30 June 2022 and internal analyses

# Glossary

<b>RGU (Revenue Generating Unit)</b>	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.
<b>Customer</b>	A natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in the contract model. A customer is identified by a unique national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON).
<b>ARPU per B2C/B2B customer</b>	Average monthly revenue per customer generated in a given settlement period.
<b>ARPU per prepaid RGU</b>	Average monthly revenue per prepaid RGU generated in a given settlement period.
<b>Churn</b>	<p>Termination of the contract with a 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 services provided in the contract model.</p> <p>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.</p>
<b>Usage definition (90-day for prepaid RGU)</b>	Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.



# Investor Relations

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