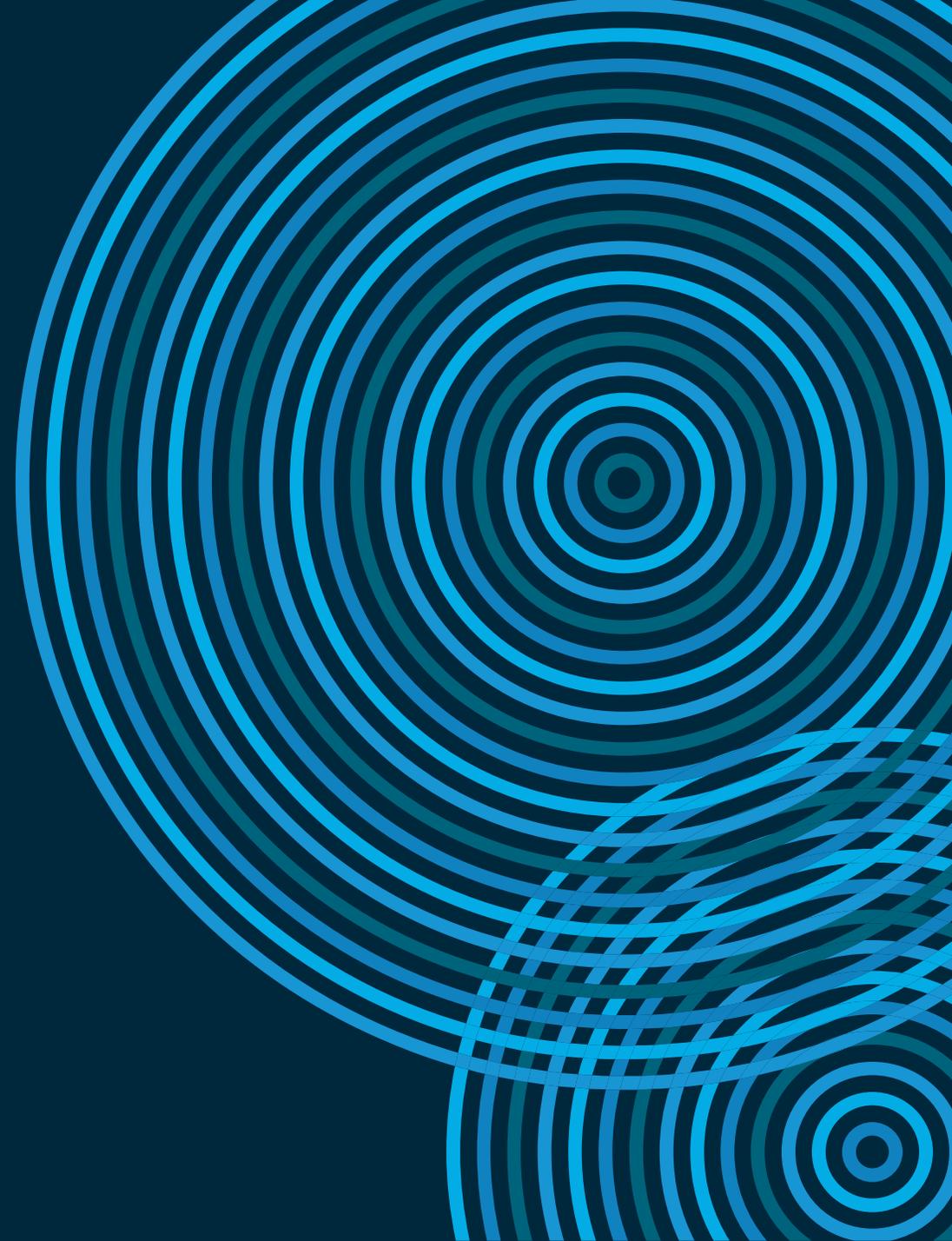


# Financial results Q4'21/ FY 2021

24 March 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



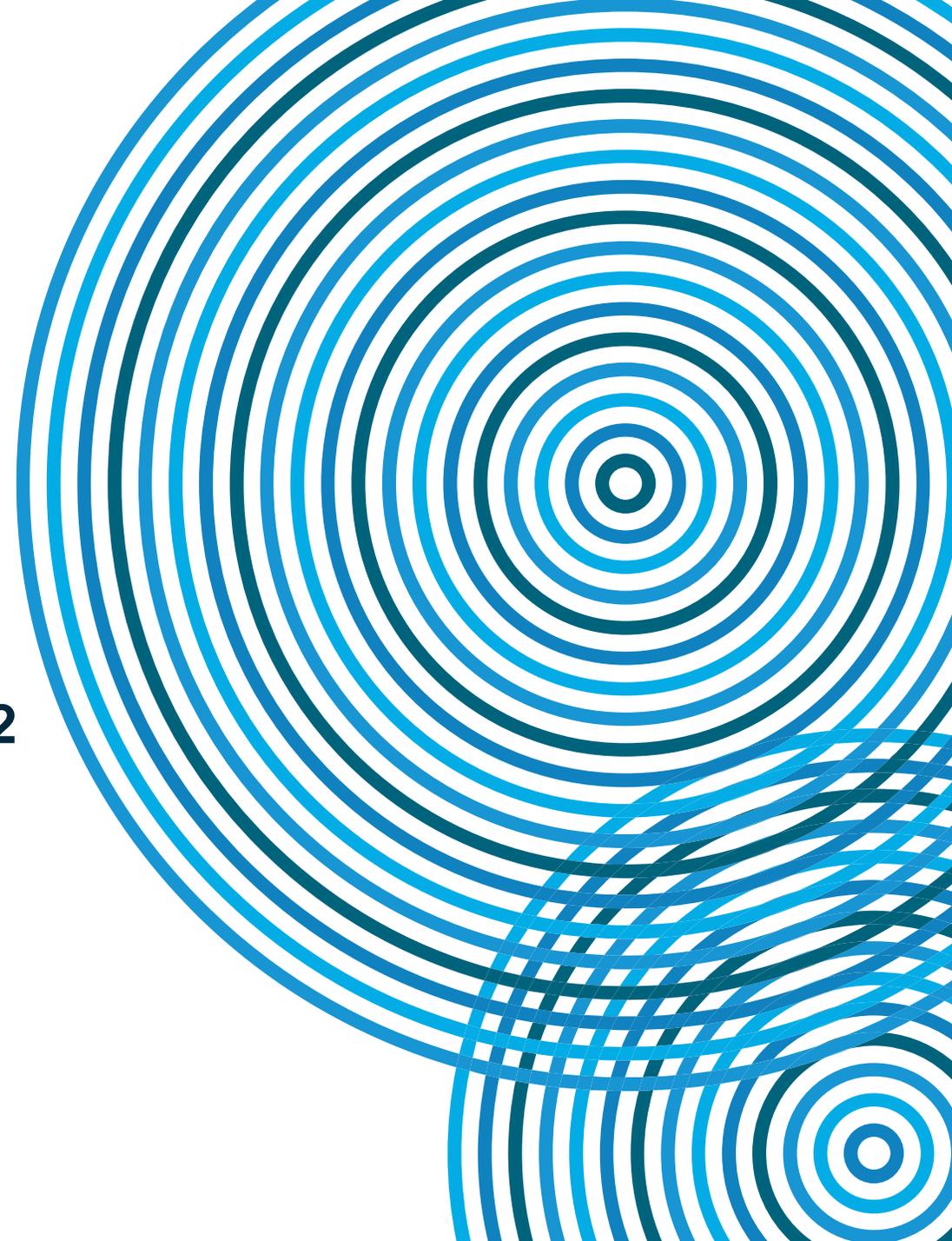
**KATARZYNA OSTAP-TOMANN**  
MEMBER OF THE MGMT BOARD, CFO



**STANISŁAW JANOWSKI**  
PRESIDENT, TELEWIZJA POLSAT

# Agenda

- 1. Key events in 2021**
- 2. Operating results**
- 3. Financial results**
- 4. Summary of 2021 and objectives for 2022**



# Key events in 2021



**Mirosław Błaszczuk**

*President of the Management Board, Cyfrowy Polsat*

# Key events in 2021

- We announced the *Strategy 2023+ of Polsat Plus Group* which includes activities related to the development of the key segments of our operations – Connectivity under the Plus brand, Content under the Polsat brand and our new strategic segment – Clean Energy.
- We have entered into a strategic, long-term partnership with Cellnex Telecom to assure faster and more cost-efficient roll-out of our network
- As a result, we have been dynamically rolling out the only true 5G network in Poland which offers data speeds of up to 600 Mbps and is based on the unique 2.6 GHz frequency band dedicated to 5G services – already more than 19 million people in Poland live within the coverage of Plus' 5G network
- We have implemented the new Polsat Plus Group branding strategy to harmonize and simplify communication with our customers and to achieve synergies between our brands
- We paid out a record-high dividend to our shareholders (PLN 767m, or PLN 1.2 per share) and we have formulated a consistent dividend policy for the coming years

## Connectivity



## Content



## Energy



# Operating results



# Media segment: TV and online

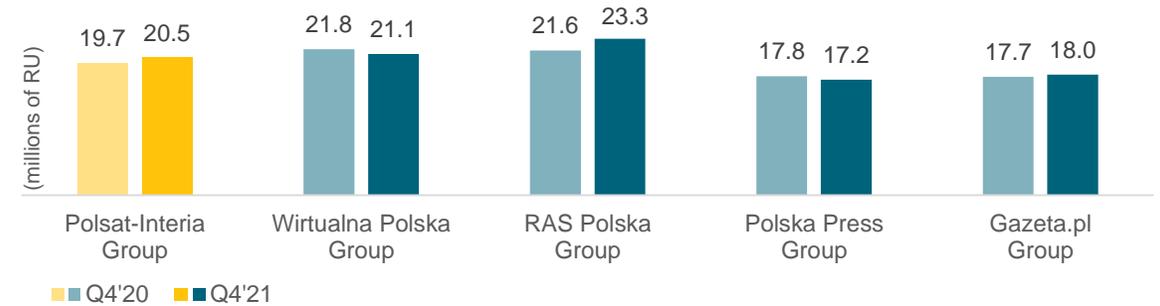


**Stanisław Janowski**  
*President of the Management Board, Telewizja Polsat*

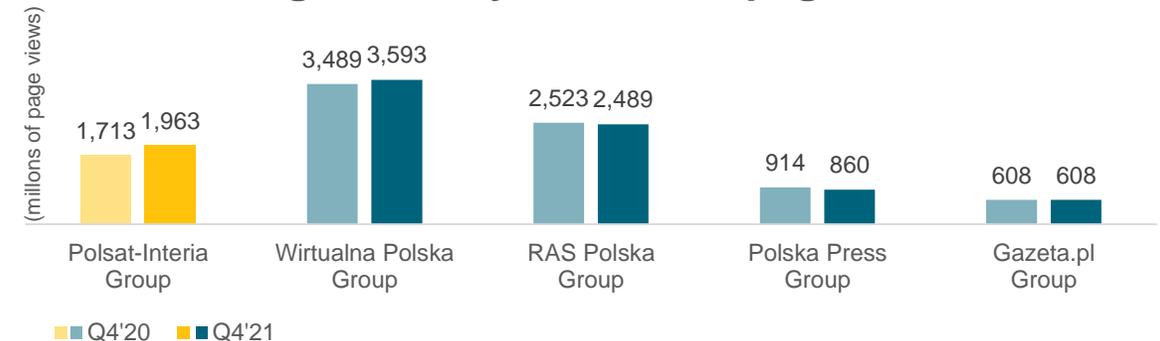
# The number of users of our Internet portals increased to over 20 million

- We are a leading Internet publisher in Poland thanks to the acquisition of Interia.pl
- Our leading position in the online media:
  - 20.5 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

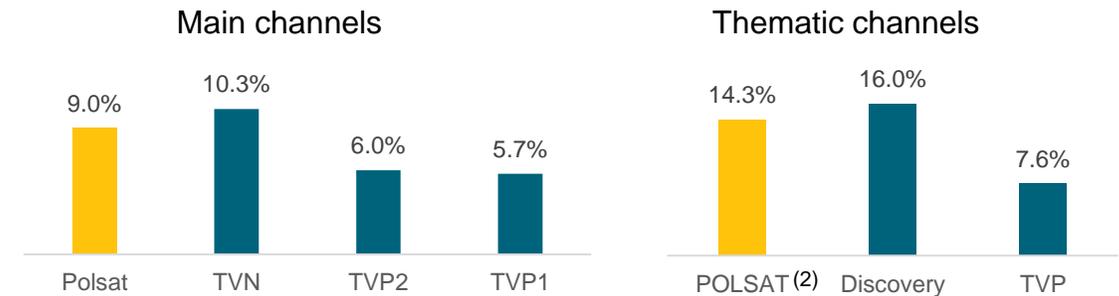


Source: Mediapanel, number of users – real users (RU) indicator

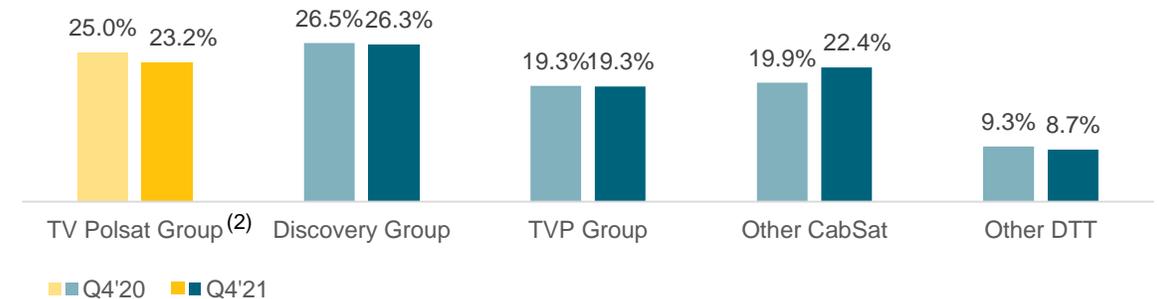
# Viewership of our channels in Q4'21

- Viewership of TV Polsat Group channels in line with the strategy

## Audience shares



## Dynamics of audience share results



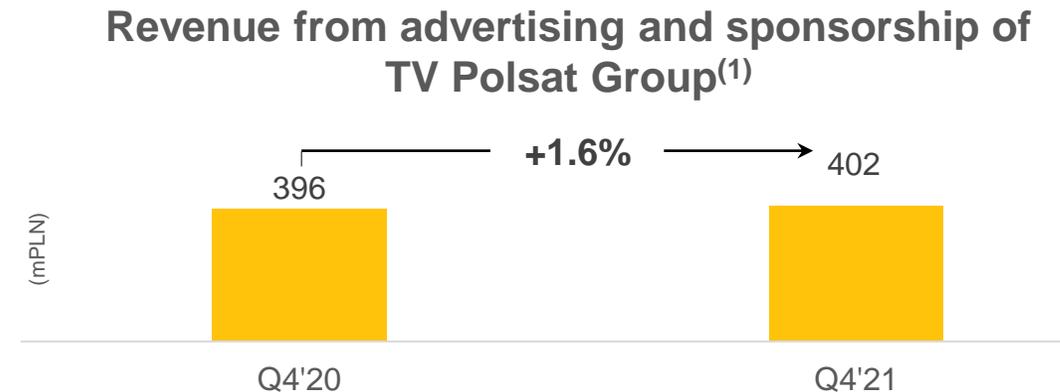
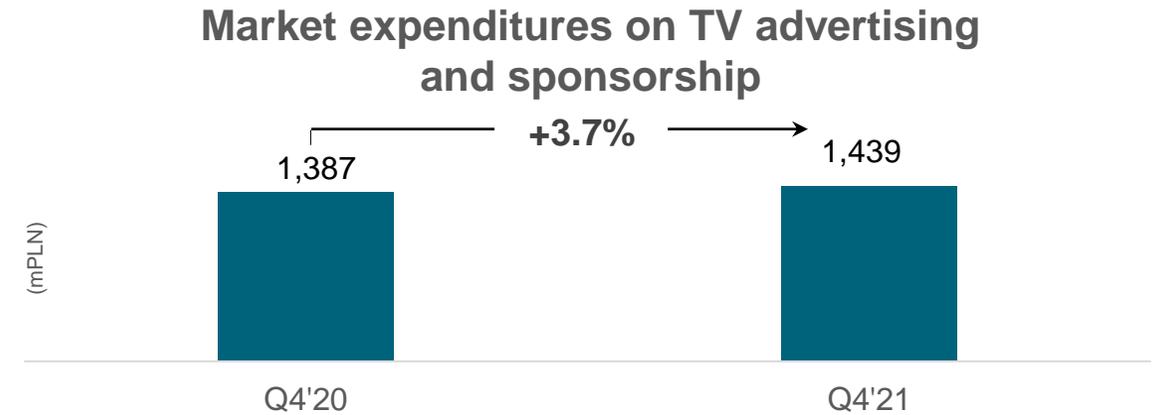
Source: NAM, All 16-49, all day, SHR%, including Live+2<sup>(1)</sup>, starting from September 2021 incl. the TV audience out of home (OOH – out of home viewing), internal analyses

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

# Position on the advertising market in Q4'21

- Good results on the advertising and sponsorship market in Q4'21, given the high reference point in Q4'20. At the same time, our advertising and sponsorship revenues in FY2021 outperformed the market
- TV Polsat Group's share in the TV advertising and sponsorship market reached 28.0%



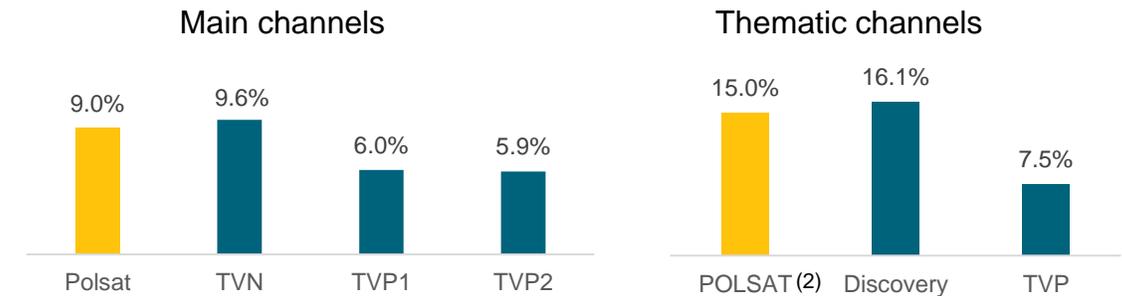
Source: Publicis Groupe, spot advertising and sponsorship; TV Polsat; internal analyses

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

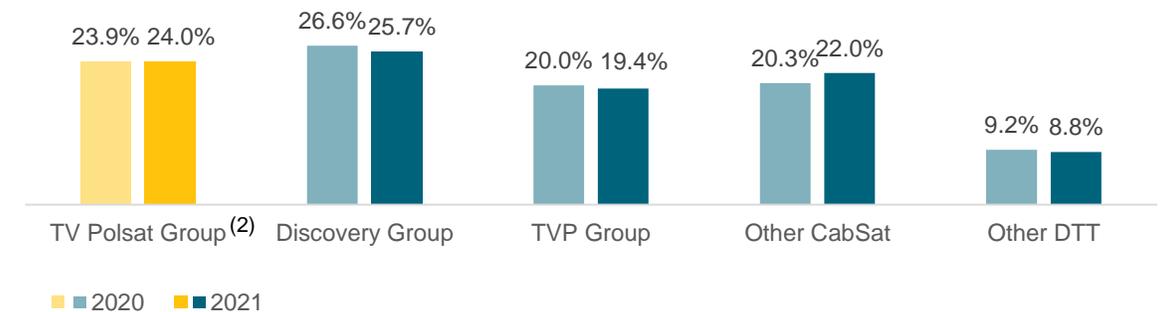
# Viewership of our channels in 2021

- Viewership of TV Polsat Group channels in line with the strategy

## Audience shares



## Dynamics of audience share results



Source: NAM, All 16-49, 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

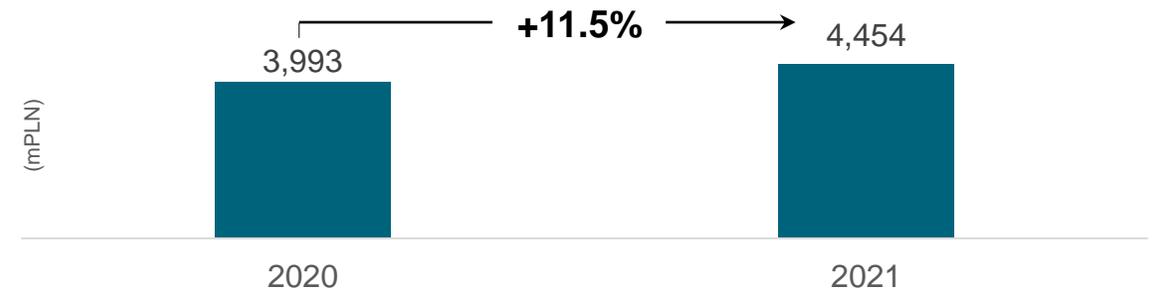
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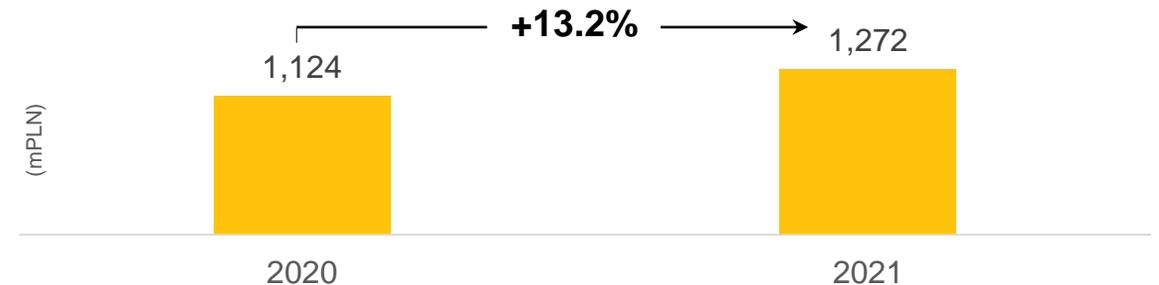
# Position on the advertising market in 2021

- The dynamics of advertising and sponsorship revenues of TV Polsat Group above market trend
- As a result, our share in the TV advertising and sponsorship market increased to 28.6%

Market expenditures on TV advertising and sponsorship



Revenue from advertising and sponsorship of TV Polsat Group<sup>(1)</sup>



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

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

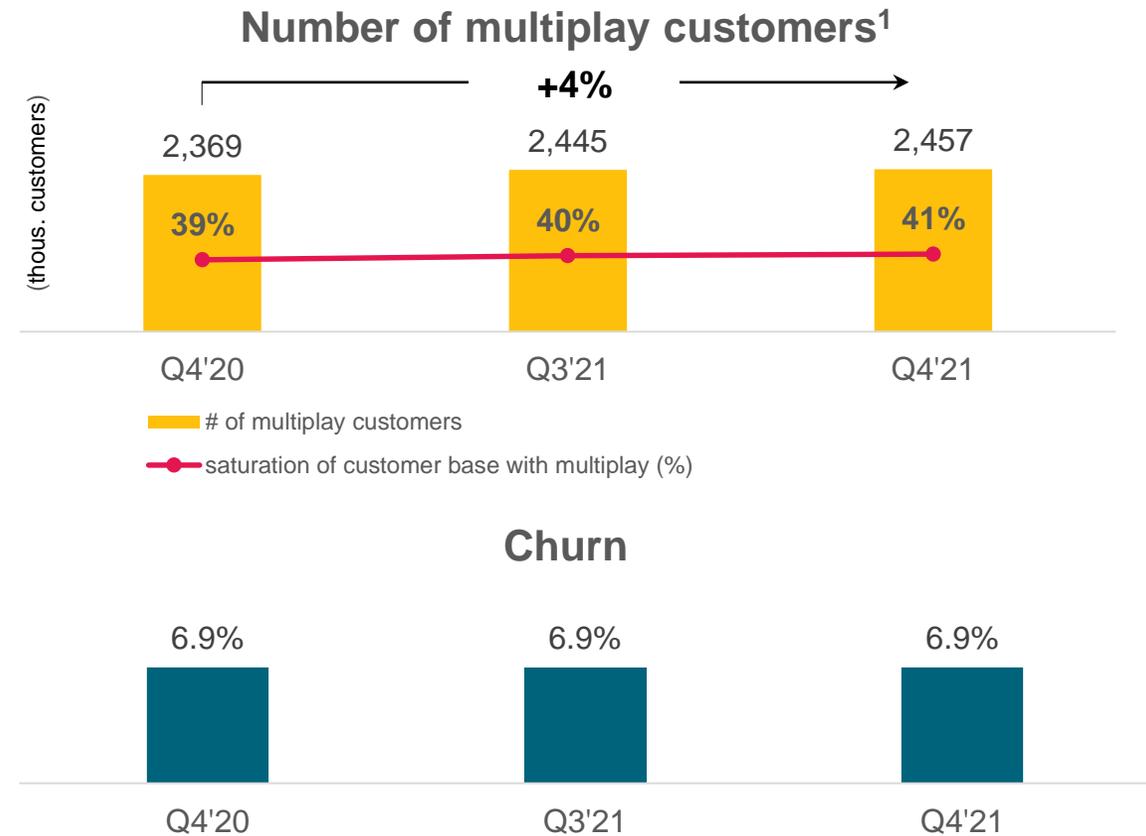
# B2C and B2B services segment



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

# Over 2.4 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 88K YoY
- The number of RGUs owned by these customers increased to 7.34m
- Consistently low churn – mainly due to our multiplay strategy

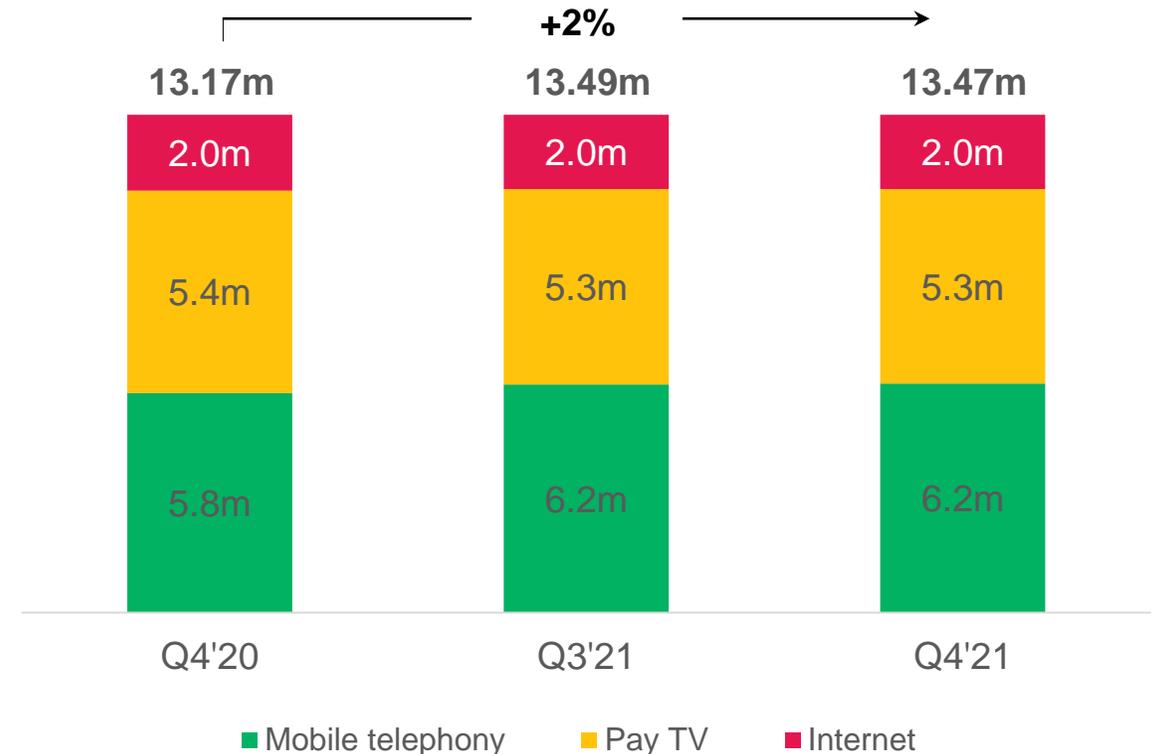


Note: (1) including customers of bundled services from the Netia Group and Premium Mobile

# Our B2C customers use an increasing number of contract services

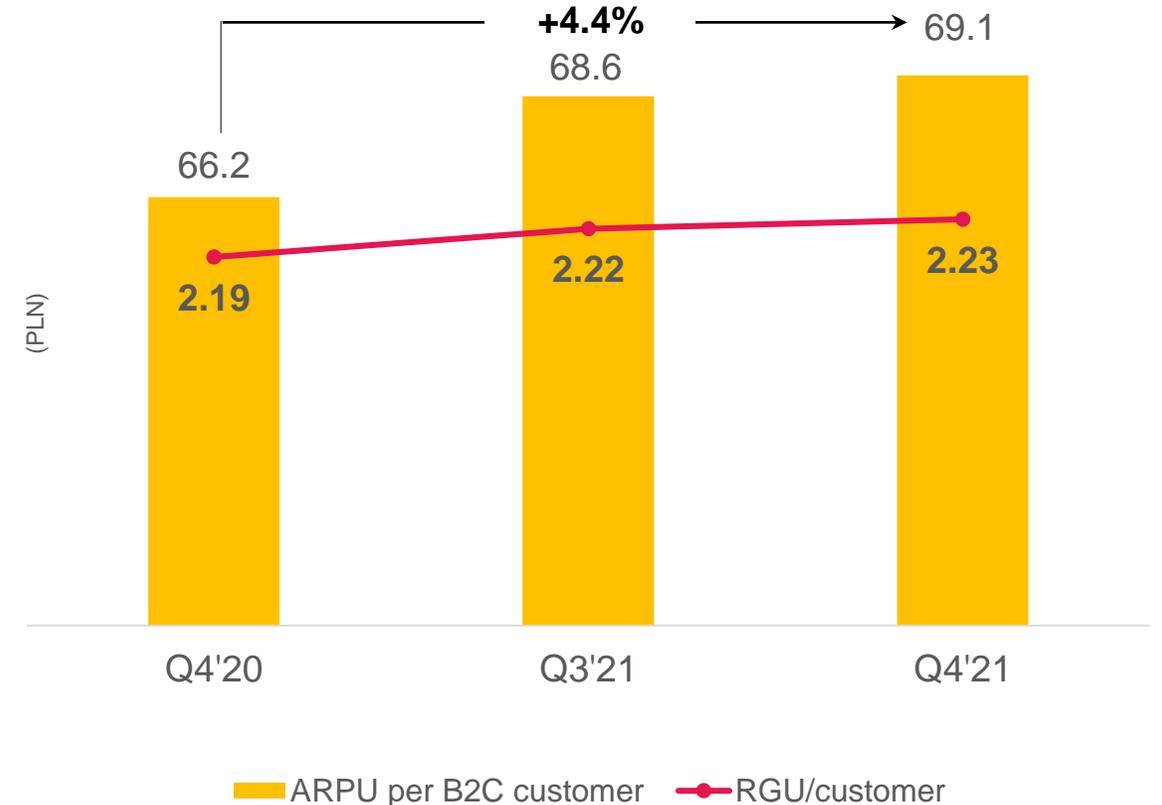
- Increase in the number of contract services by 296K YoY
- Dynamic growth of mobile services driven by the successful implementation of our strategy of cross-selling and focus on customer satisfaction, as well as the acquisition of Premium Mobile

Number of RGUs in the B2C contract segment



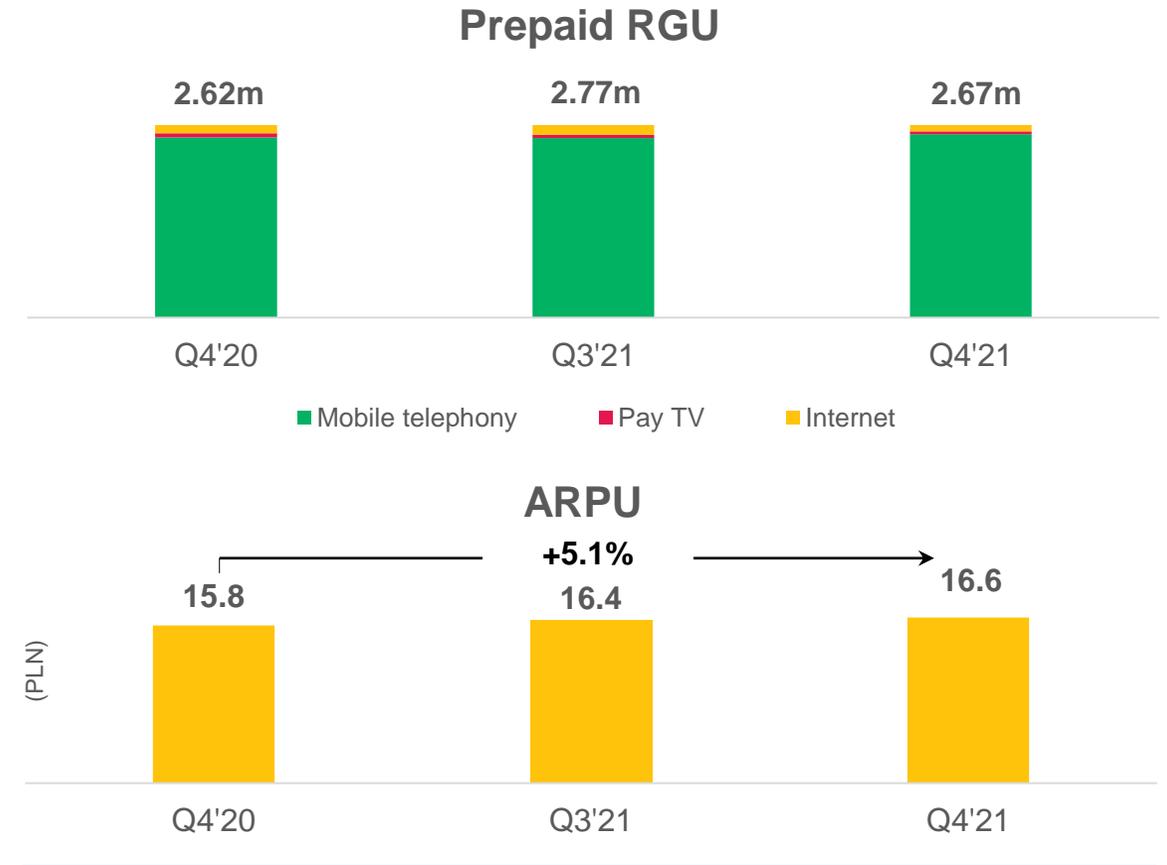
# ARPU growth in B2C thanks to the consistent implementation of our multiplay strategy and popularization of 5G tariffs

- 4.4% 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



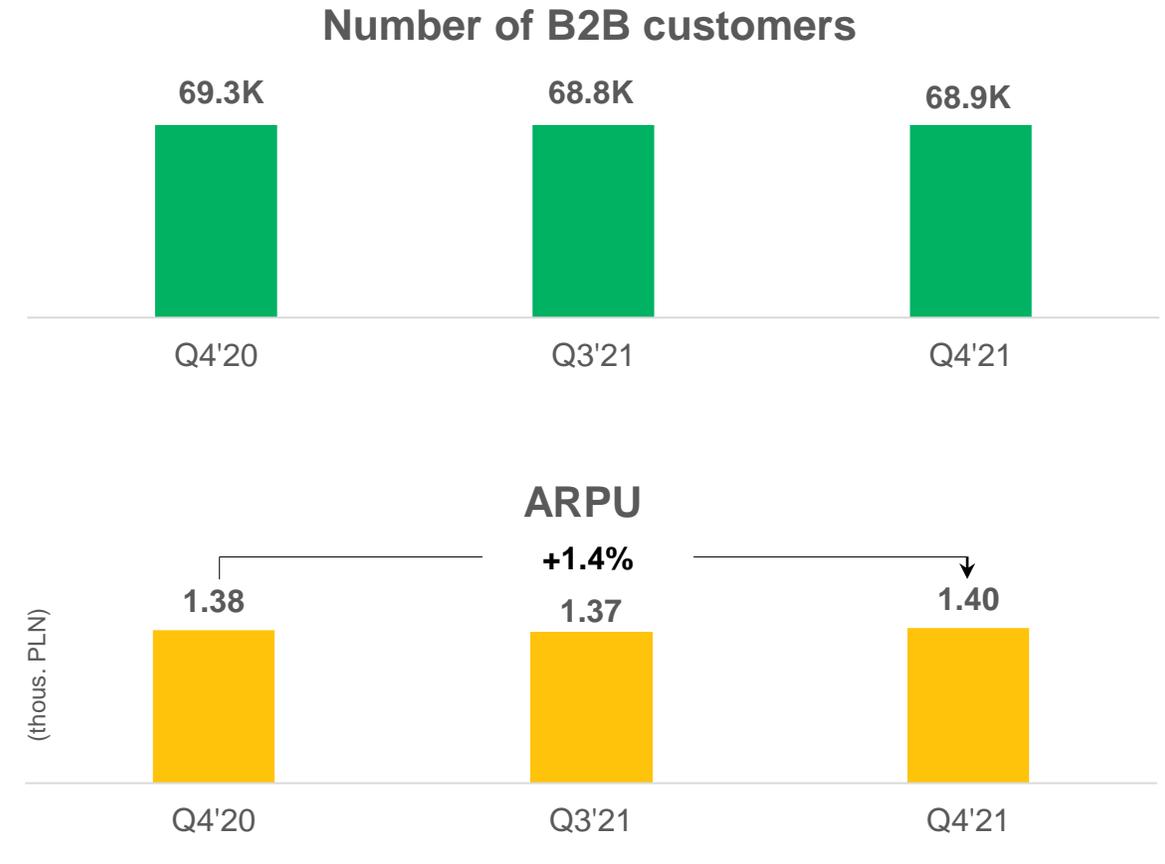
# Stable base and growing ARPU of prepaid services

- Stable prepaid base is the outcome of good sales of mobile services, supported by the consolidation of Premium Mobile
- We have been recording growth of revenues from both telecommunication services and content, which translates into positive ARPU dynamics



# High base and stable ARPU of B2B customers

- Polsat Plus Group serves 68.9 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 nearly PLN 1.4 thous. monthly



# Clean energy segment



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

# Our support will accelerate the initiated "green transformation" of ZE PAK Group

## ZE PAK's strategic goal #1

### Transition towards clean, green energy

Energy transition from lignite to RES – from black to green energy  
The plan assumes switching off coal assets by 2030

## ZE PAK's strategic goal #2

### Investment in Green Hydrogen – the future's new zero-emission fuel

Europe's first, nationwide, complete value chain in building the green hydrogen economy – an investment in the future, CO<sub>2</sub> emission reduction and clean air.  
Green hydrogen is a zero-emission fuel of the future.

Implementation of the strategic goals of ZE PAK will be founded on fair transformation, de-carbonization and advanced technology

# 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
<b>Goal: 100 MW</b>	<b>Goal: 600 MW</b>	<b>Goal: 250 MW</b>	<b>Goal: 2 installations</b>	<b>Goal: support</b>	<b>Goal: support</b>
					
In operation	In operation	In construction	Initiated	Initiated	In analysis phase
<ul style="list-style-type: none"> <li>We have started production in the second 50 MW biomass boiler</li> <li>Stable, low-emission source of energy</li> </ul>	<ul style="list-style-type: none"> <li>We have launched the biggest photovoltaic farm in Poland (70MW)</li> <li>We are preparing the project of a 180MW farm in Przykona</li> </ul>	<ul style="list-style-type: none"> <li>We are in the process of implementation of 3 wind farm projects with total power of ca. 70 MW</li> </ul>	<ul style="list-style-type: none"> <li>We have signed a letter of intent with Rybnik municipal authorities regarding the construction of the first thermal waste treatment plant</li> </ul>	<ul style="list-style-type: none"> <li>ZE PAK signed a JV agreement with Ørsted for joint application for a location permit to construct off-shore wind farms in the Baltic Sea</li> </ul>	<ul style="list-style-type: none"> <li>Analysis phase</li> </ul>

# 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><b>Solar energy</b> <b>Wind energy</b> <b>Biomass energy</b></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> Popularization of the use of hydrogen cars in Poland</p> <p><b>100 cars in own fleet</b></p> 
In operation	First electrolyzer in Q3'22	First storage units in testing phase	First stations in the construction permits phase	Prototype of the bus ready Manufacturing plant in preparation	Hydrogen cars actively used by employees
<ul style="list-style-type: none"> <li>We produce clean energy which can be used for producing green hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>We hold an environmental permit for a 50MW electrolysis plant</li> <li>We have confirmation that the first 2.5 MW electrolyzer will be delivered in Q3'22</li> </ul>	<ul style="list-style-type: none"> <li>We operate a mobile hydrogen storage system with 4th generation cylinders</li> <li>We have ordered further mobile hydrogen storage units</li> </ul>	<ul style="list-style-type: none"> <li>We have applied for a building permit for the first hydrogen refueling station (in Warsaw)</li> </ul>	<ul style="list-style-type: none"> <li>We have built a prototype of a hydrogen-powered city bus - it is now in the process of homologation</li> <li>We are preparing for the construction of a bus manufacturing plant</li> </ul>	<ul style="list-style-type: none"> <li>We use a fleet of 100 hydrogen-powered cars (Toyota Mirai and Hyundai Nexa)</li> </ul>

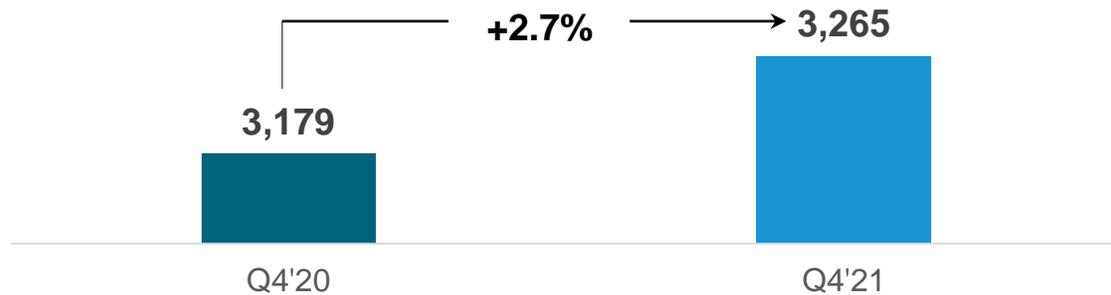
# Financial results



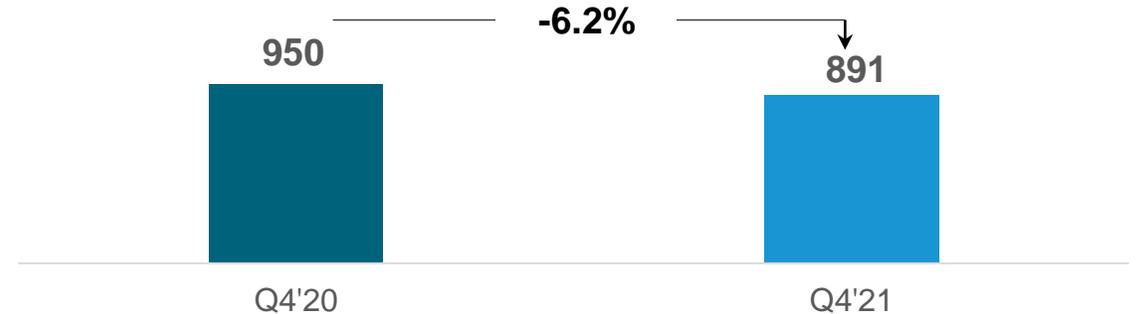
**Katarzyna Ostap-Tomann**  
*CFO, Cyfrowy Polsat*

# Results of the Group in Q4'21

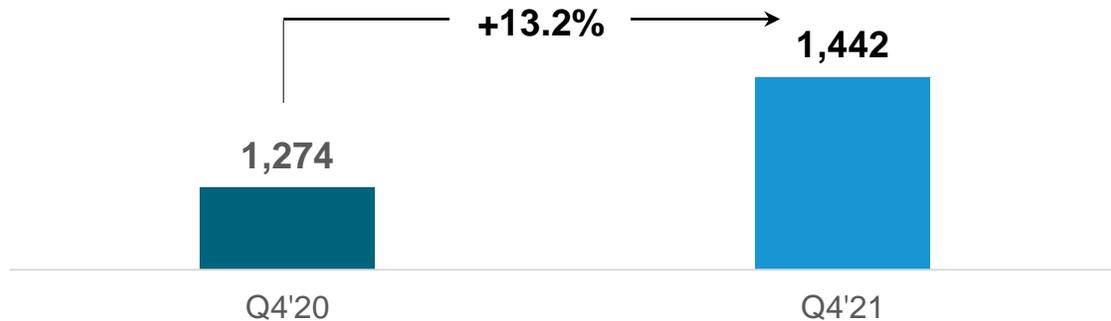
## REVENUE adjusted for IC delta



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



## LTM FCF



## Net debt/EBITDA LTM

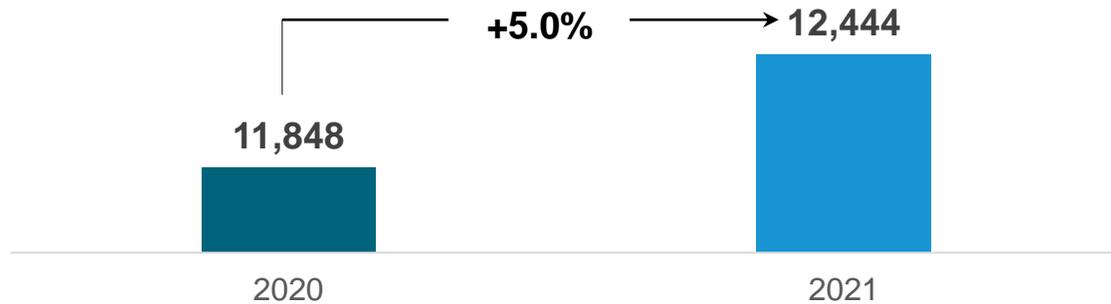


Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

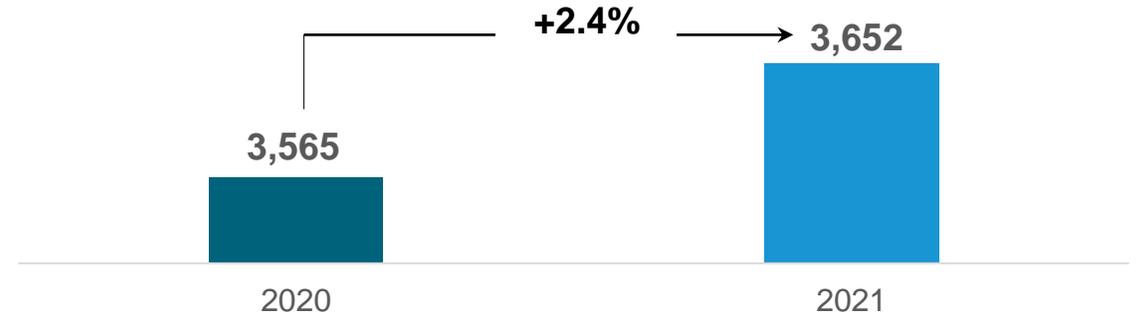
(1) EBITDA in Q4'20 excl. EBITDA of NetCo (PLN 177.7m) and one-off costs related to COVID-19 (incl. donations) in the amount of PLN 1.1m as well as in Q4'21 one-off gain on the disposal of NetCo (PLN 10.2m)

# Results of the Group in 2021

## REVENUE adjusted for the IC delta in H2'21



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



## LTM FCF



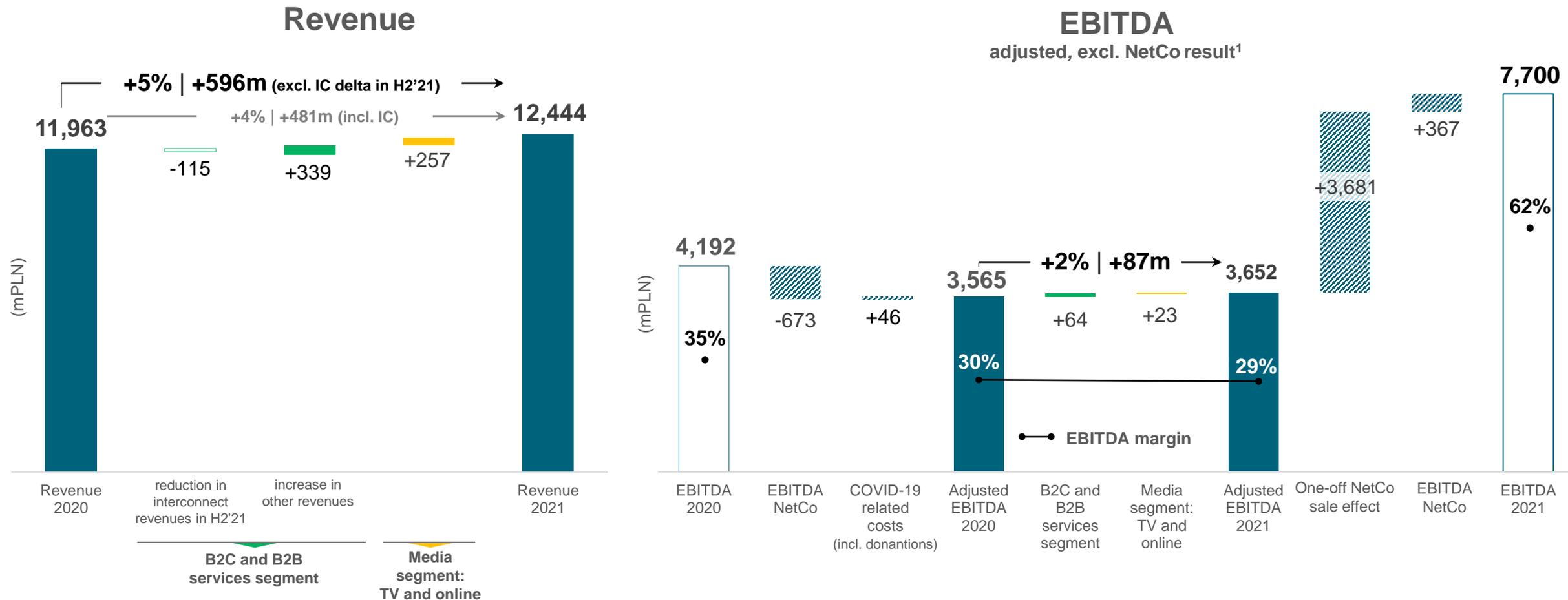
## Net debt/EBITDA LTM



Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

(1) EBITDA excl. EBITDA of NetCo (PLN 672.5m in 2020 and PLN 366.9m in H1'21) and one-off costs related to COVID-19 (incl. donations) in the amount of PLN 45.9m as well as in 2021 one-off gain on the disposal of NetCo

# Revenue and EBITDA – change drivers

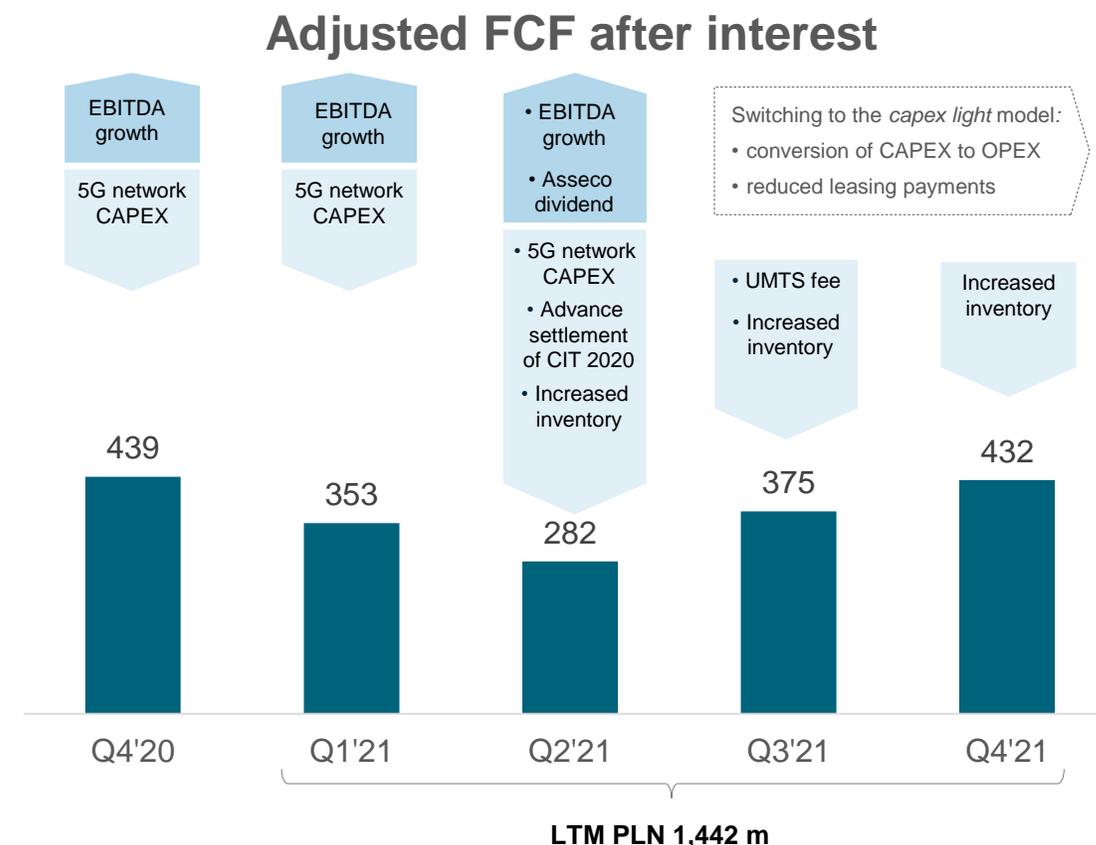


Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

(1) EBITDA excl. EBITDA of NetCo and one-off costs related to COVID-19 (incl. donations) as well as one-off gain on the disposal of NetCo.

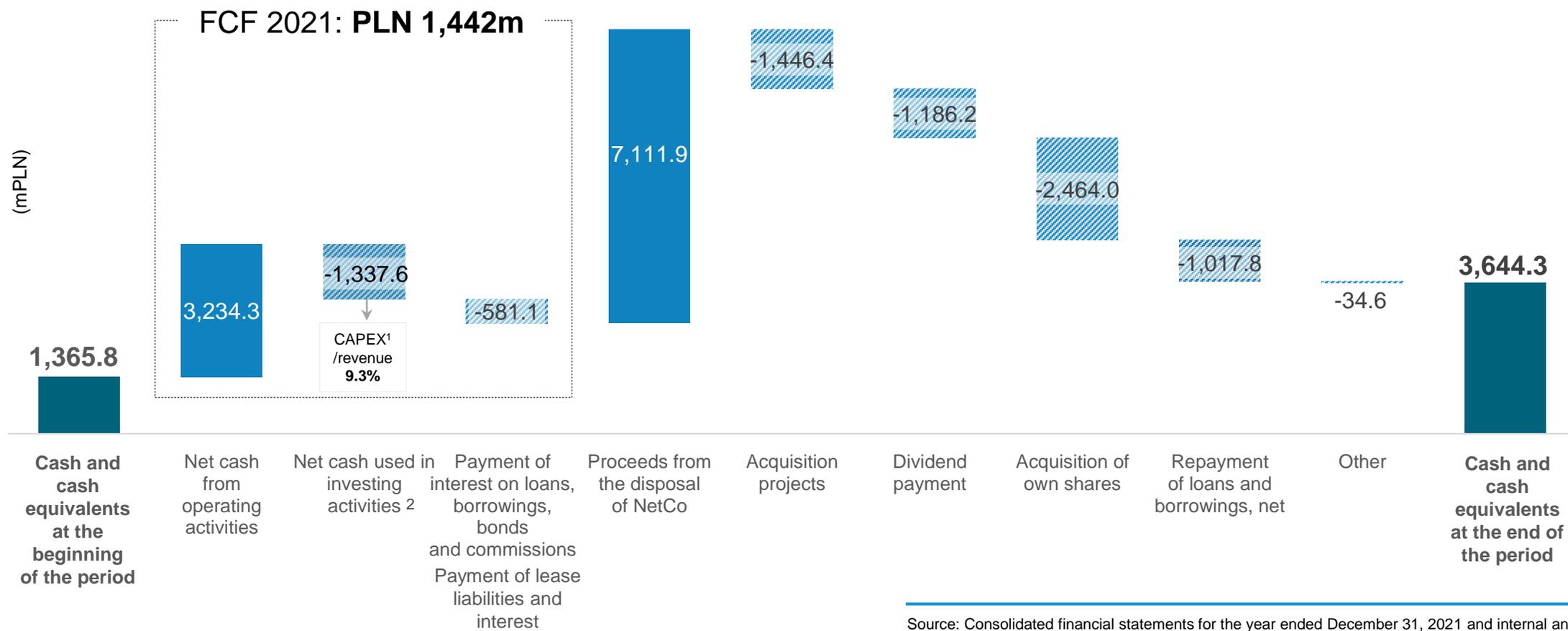
# We consistently generate a strong positive FCF stream

mPLN	Q4'21	FY'21
Net cash from operating activities	792	3,234
Net cash used in investing activities	-318	4,328
Payment of interest on loans, borrowings, bonds and commissions	-49	-213
Payment of lease liabilities and interest	-59	-368
<b>FCF after interest</b>	<b>366</b>	<b>6,981</b>
Concession payments	-	30
Acquisition projects	8	1,446
Gain on the disposal of NetCo	-	-7,112
Project costs	10	49
Loans relating to renewable energy sources	48	48
<b>Adjusted FCF after interest</b>	<b>432</b>	<b>1,442</b>



Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

# Strong FCF and proceeds from the sale of NetCo financed acquisition projects, record-high dividends, purchase of treasury shares and debt reduction



Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

Note: (1) Expenses on the acquisition of property, plant and equipment and intangible assets

(2) Excl. acquisition projects and gain on the disposal of NetCo

# The Group's debt

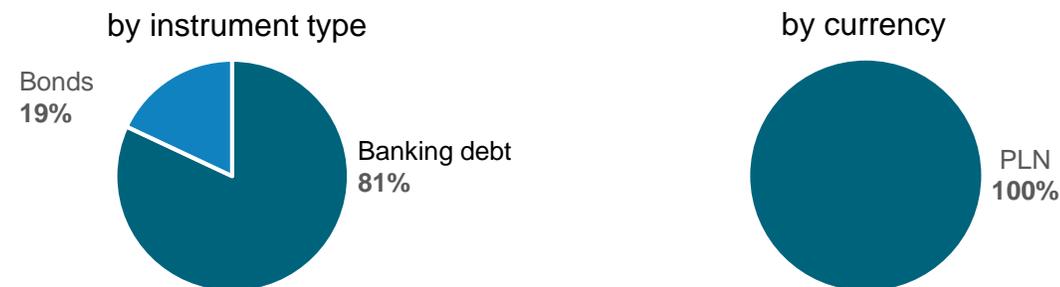
## mPLN

	arrying amount as at 31 Dec. 2021
SFA (Tranche A and B)	8,739
Revolving Credit Facility (RCF)	0,0
Series B and C Bonds	2,009
Leasing and other	704
<b>Gross debt</b>	<b>11,452</b>
Cash and cash equivalents <sup>1</sup>	(3,644)
<b>Net debt</b>	<b>7,807</b>
EBITDA LTM	7,700
<b>Total net debt / EBITDA LTM</b>	<b>1.01x</b>
Weighted average interest cost on loan <sup>2</sup>	5.1%

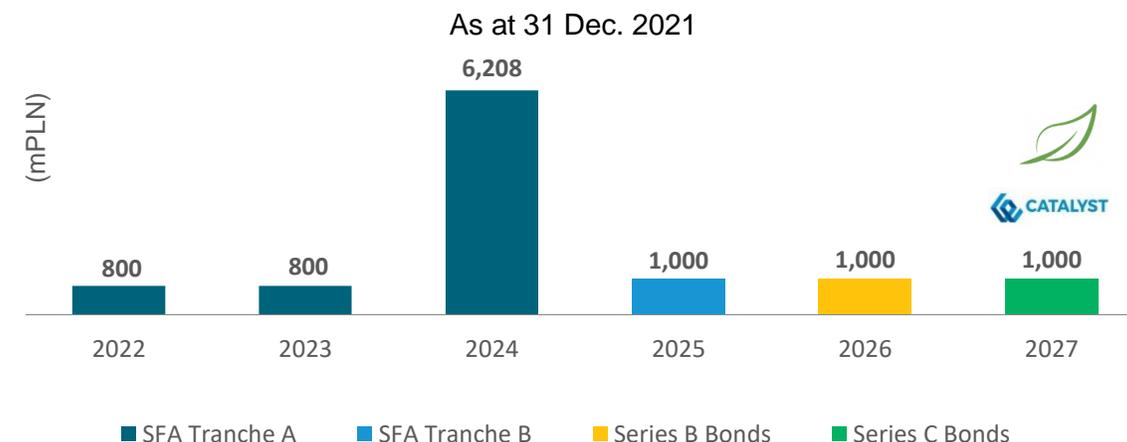
<sup>1</sup> This item comprises cash and cash equivalents, including restricted cash, as well as short-term deposits.

<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 March 15, 2022 assuming WIBOR 1M of 3.71% and WIBOR 6M of 4.69%.

## Debt structure



## Debt maturing profile



Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

# Summary of 2021 and objectives for 2022



**Mirosław Błaszczyk**

*President of the Management Board, Cyfrowy Polsat*

# Objectives for 2021 have been achieved

-  We have built the coverage of our 5G network for over 19m inhabitants of Poland (initial goal: 11m)
-  We have introduced new 5G tariffs, which contribute to the consistent building of ARPU in the segment of mobile services
-  Over 2.4m customers already use our multiplay services, in line with our motto *For everyone. Everywhere.*
-  We continued investing in attractive content and launched new online streaming services and applications - Polsat Box Go and Polsat Go
-  We dynamically develop the scale of operations of new companies in our Group (Netia, Interia.pl, Esoleo)
-  Together with Asseco, we successively implement new IT solutions
-  We maintained high margins and a high level of generated cash, which enabled the payment of a record dividend to our shareholders

# We have also launched additional initiatives which will have crucial impact on the development of our Group in the future

By establishing the strategic partnership with Cellnex Telecom, we switched to the *capex light* model and at the same time gained funds for the development of new segments our business

We acquired full control over Netia and we continue the process of increasing the coverage of our fiber-optic access offer

We have implemented the new branding strategy to harmonize and simplify communication with our customers and to achieve synergies between our brands

We announced the *Strategy 2023+ of Polsat Plus Group* which assumes further development of our key business segments – Connectivity under the Plus brand, Content under the Polsat brand and the new strategic segment – Clean Energy

We are in the process of acquiring assets which will allow us to swiftly implement our *Strategy 2023+*

# This year we will focus on implementing our Strategy 2023+

Jointly with Cellnex, we will continue the roll out of the best and the fastest 5G network

We will offer the best 5G services, with data speeds of up to 600Mbps, and we will expand the reach of our fiber-optic offer. *For everyone. Everywhere.*

We will consistently focus on building customer value (ARPU)

We will invest in attractive content in order to enhance the programming offer of our IPTV/DTH platforms and we will develop the unique offer of Polsat Box Go

We will acquire PAK PCE assets to enable fast construction of clean energy and green hydrogen assets

We will prepare and present the concept of further development of the real estate project Port Praski in the years to come

We will arrange financing agreements to support the execution of our Strategy 2023+

We will strive to maintain high margins and high FCF level from TMT operations in order to continue paying attractive dividends to our shareholders

# Additional information



# Results of the segment of B2C and B2B services

mPLN	Q4'21	YoY change
Revenue	2,651	-1%
Operating costs <sup>(1)</sup>	1,913	9%
EBITDA adjusted, excl. NetCo result <sup>2</sup>	715	-4%
EBITDA margin adjusted, excl. NetCo result <sup>2</sup>	27.0%	-1.0pp

Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

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

(2) EBITDA in Q4'20 excl. EBITDA of NetCo and one-off costs related to COVID-19 (incl. donations) as well as in Q4'21 one-off gain on the disposal of NetCo

- Healthy pace of ARPU growth in all segments translates into a clear increase in retail revenue, which compensates for the loss in wholesale revenue resulting from the regulation of MTR / FTR rates
- EBITDA of the segment influenced by higher marketing costs and the recognition of additional one-off other operating costs

# Results of the media segment

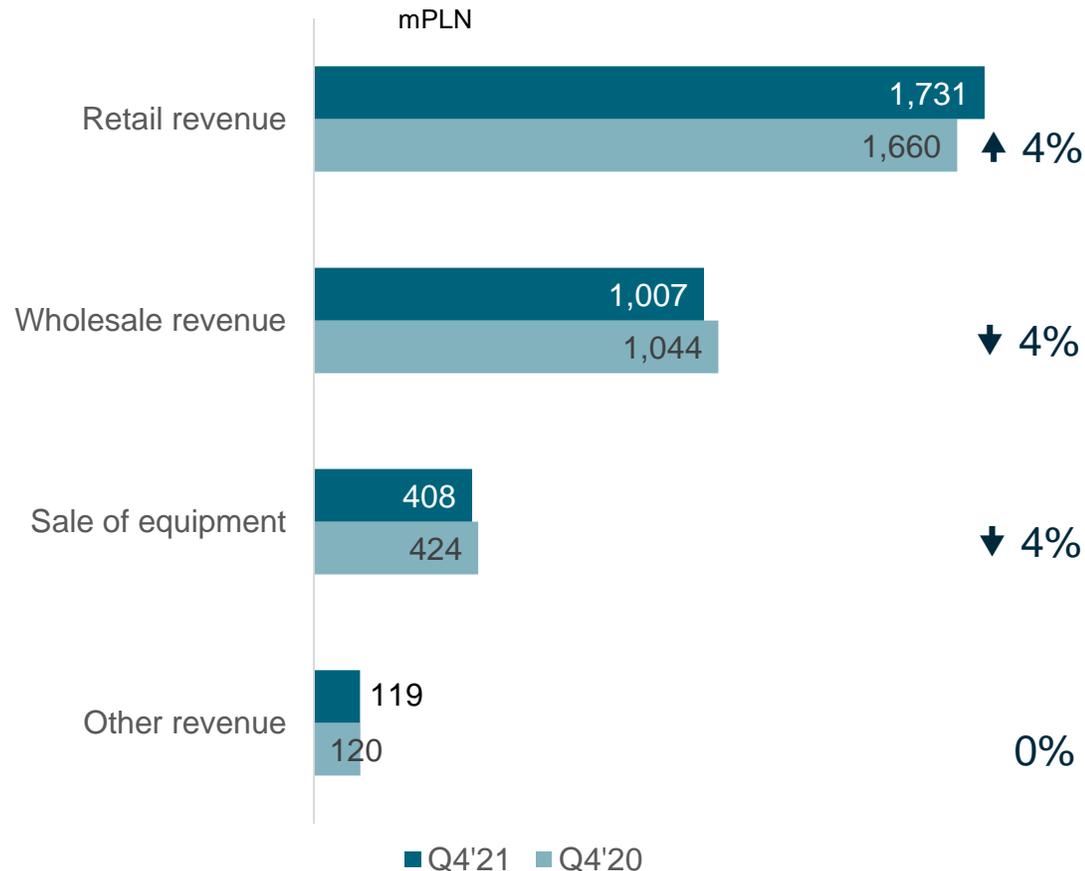
mPLN	Q4'21	YoY change
Revenue	687	5%
Operating costs <sup>(1)</sup>	510	14%
EBITDA	176	-13%
EBITDA margin	25.6%	-5.3pp

Source: Consolidated financial statements for the year ended December 31, 2021 and internal analyses

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

- Revenue positively influenced by growing revenue from advertising and sponsorship in our TV channels and web portals
- EBITDA was influenced by the recognition of higher costs of internal production, the review of our film asset inventory and the recognition of costs related to the qualifying tournament of the World Cup in football

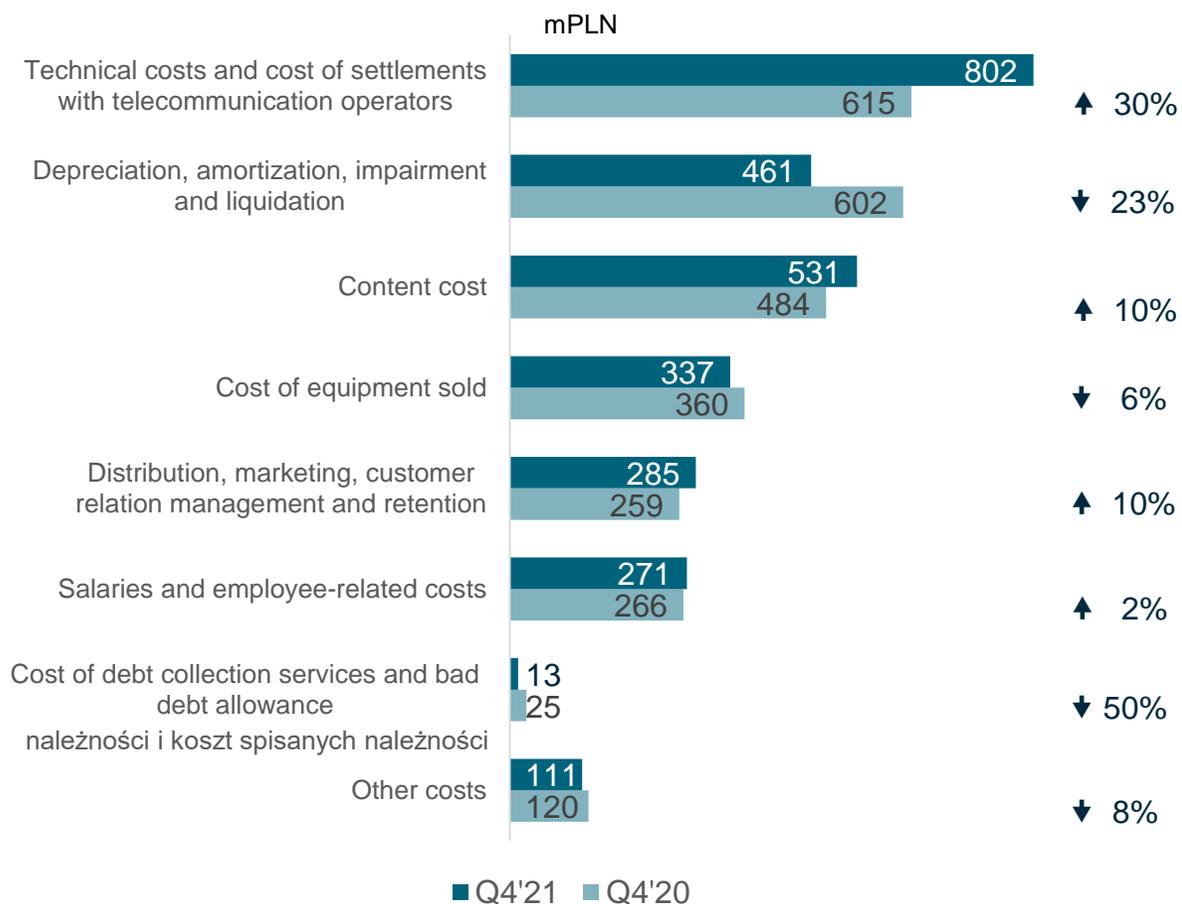
# Revenue structure



- Increase in **retail revenue** mainly as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth from both contract B2C and prepaid customers, as well as the consolidation of the results of Premium Mobile from July 2021.
- Lower **wholesale revenues** – an increase in advertising and sponsorship revenue was offset by the reduction of MTR and FTR rates for terminating traffic in our network by other operators, introduced by new EU regulations. 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.
- Lower revenues from the **sale of equipment** due to lower volumes of equipment sold.

Source: Consolidated financial statements for the year ended December 31, 2021 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. The above mentioned factor was partially mitigated by lower costs of interconnection settlements related to the reduction of MTR/FTR rates.
- **Depreciation, amortization, impairment and liquidation costs** decreased mainly due to the disposal of our subsidiary.
- Increase in **content cost** mainly as a result of higher costs of internal production and amortization of sports rights as well as costs of film licenses, reflecting our decision to allocate more resources in the budget in order to increase the attractiveness of our TV channels as well as the review of our film assets inventory.
- Decrease in **cost of equipment sold** as a result of lower volumes of equipment sold, which corresponds with lower revenue from the sale of equipment.
- Increase in **distribution, marketing, customer relation management and retention costs** in connection with intensified marketing activities related, among others, to the rebranding of our Group's key brands and consolidation of Premium Mobile costs.

Source: Consolidated financial statements for the year ended December 31, 2021 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

Cyfrowy Polsat S.A.  
Konstruktorska 4  
02-673 Warszawa

Tel.: +48 (22) 426 85 62  
+48 (22) 356 65 20  
+48 (22) 337 93 14

Email: [ir@cyfrowypolsat.pl](mailto:ir@cyfrowypolsat.pl)

<https://grupapolsatplus.pl>

