



Cyfrowy Polsat S.A. Capital Group

**Interim Condensed Consolidated Financial Statements
for the 3 months ended 31 March 2022**

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

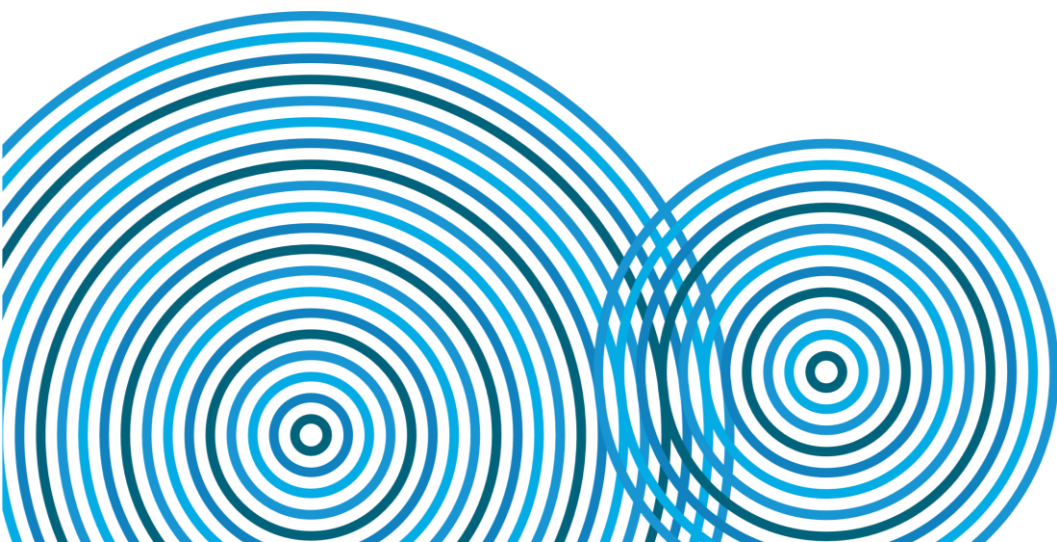


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Approval of the Interim Condensed Consolidated Financial Statements

On 11 May 2022, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed consolidated financial statements of Cyfrowy Polsat S.A. Capital 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 2022 to 31 March 2022 showing a net profit for the period of: PLN 212.8

Interim Consolidated Statement of Comprehensive Income for the period

from 1 January 2022 to 31 March 2022 showing a total comprehensive income for the period of: PLN 223.7

Interim Consolidated Balance Sheet as at

31 March 2022 showing total assets and total equity and liabilities of: PLN 31,895.2

Interim Consolidated Cash Flow Statement for the period

from 1 January 2022 to 31 March 2022 showing a net decrease in cash and cash equivalents amounting to: PLN 288.2

Interim Consolidated Statement of Changes in Equity for the period

from 1 January 2022 to 31 March 2022 showing an increase in equity of: PLN 222.3

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
Błaszczuk**

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, 11 May 2022

Interim Consolidated Income Statement

		for the 3 months ended	
	Note	31 March 2022 unaudited	31 March 2021 unaudited
Continuing operations			
Revenue	8	2,986.7	2,987.4
Operating costs	9	(2,633.7)	(2,430.9)
Other operating income/(cost), net		(32.7)	5.0
Profit from operating activities		320.3	561.5
Gain/(loss) on investment activities, net	10	6.9	(22.4)
Finance costs, net	11	(76.8)	(57.1)
Share of the profit/(loss) of associates accounted for using the equity method		14.7	16.5
Gross profit for the period		265.1	498.5
Income tax		(52.3)	(108.1)
Net profit for the period		212.8	390.4
Net profit attributable to equity holders of the Parent		214.9	389.6
Net profit/(loss) attributable to non-controlling interest		(2.1)	0.8
Basic and diluted earnings per share (in PLN)		0.37	0.61

Interim Consolidated Statement of Comprehensive Income

		for the 3 months ended	
	Note	31 March 2022 unaudited	31 March 2021 unaudited
Net profit for the period		212.8	390.4
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Valuation of hedging instruments	13	10.8	2.7
Share of other comprehensive income of associates		0.1	-
Other comprehensive income, net of tax		10.9	2.7
Total comprehensive income for the period		223.7	393.1
Total comprehensive income attributable to equity holders of the Parent		225.8	392.3
Total comprehensive income/(loss) attributable to non-controlling interest		(2.1)	0.8

Interim Consolidated Balance Sheet - Assets

	Note	31 March 2022 unaudited	31 December 2021
Reception equipment		292.7	284.0
Other property, plant and equipment		3,375.4	3,326.9
Goodwill	16	10,831.9	10,802.0
Customer relationships		903.6	1,005.7
Brands		2,060.6	2,069.6
Other intangible assets		2,299.9	2,374.1
Right-of-use assets		671.8	696.5
Non-current programming assets		460.9	739.5
Investment property		28.3	28.4
Non-current deferred distribution fees		72.6	73.5
Non-current trade receivables		748.7	777.1
Other non-current assets, includes:		2,037.6	1,902.3
<i>shares in associates accounted for using the equity method</i>		1,774.8	1,764.4
<i>derivative instruments</i>		23.0	23.0
Deferred tax assets		87.6	80.2
Total non-current assets		23,871.6	24,159.7
Current programming assets		826.8	630.6
Contract assets		393.8	418.0
Inventories		597.5	595.7
Trade and other receivables		2,424.3	2,450.3
Income tax receivable		15.2	4.5
Current deferred distribution fees		221.2	226.8
Other current assets, includes:		191.1	107.1
<i>derivative instruments</i>		108.8	60.9
Cash and cash equivalents		3,342.9	6,632.4
Restricted cash		10.8	11.9
Total current assets		8,023.6	8,077.3
Total assets		31,895.2	32,237.0

Interim Consolidated Balance Sheet - Equity and Liabilities

	Note	31 March 2022 unaudited	31 December 2021
Share capital	12	25.6	25.6
Share premium	12	7,174.0	7,174.0
Share of other comprehensive income of associates		32.2	32.1
Other reserves	12	2,812.1	2,801.3
Retained earnings		8,038.5	7,823.6
Treasury shares	12	(2,461.0)	(2,461.0)
Equity attributable to equity holders of the Parent		15,621.4	15,395.6
Non-controlling interests		(14.5)	(11.0)
Total equity		15,606.9	15,384.6
Loans and borrowings	14	7,346.2	7,671.8
Issued bonds	15	1,931.4	1,942.1
Lease liabilities		467.5	497.5
Deferred tax liabilities		721.0	794.9
Other non-current liabilities and provisions		273.2	319.8
Total non-current liabilities		10,739.3	11,226.1
Loans and borrowings	14	1,219.1	1,072.7
Issued bonds	15	103.8	66.4
Lease liabilities		197.9	201.1
UMTS license liabilities		142.4	139.9
Contract liabilities		637.5	650.8
Trade and other payables		2,241.3	2,531.2
Income tax liability		1,007.0	964.2
Total current liabilities		5,549.0	5,626.3
Total liabilities		16,288.3	16,852.4
Total equity and liabilities		31,895.2	32,237.0

Interim Consolidated Cash Flow Statement

		for the 3 months ended	
	Note	31 March 2022 unaudited	31 March 2020 unaudited
Net profit		212.8	390.4
Adjustments for:		454.0	603.9
Depreciation, amortization, impairment and liquidation	9	446.3	521.2
Payments for film licenses and sports rights		(178.0)	(175.1)
Amortization of film licenses and sports rights		149.8	136.8
Interest expense		112.3	78.0
Change in inventories		(1.8)	(5.4)
Change in receivables and other assets		41.7	(48.2)
Change in liabilities and provisions		(143.8)	(2.1)
Change in contract assets		24.2	32.1
Change in contract liabilities		(13.3)	(12.5)
Foreign exchange losses, net		2.6	8.3
Income tax		52.3	108.1
Net additions of reception equipment		(37.7)	(33.9)
Share of the profit of associates accounted for using the equity method		(14.7)	(16.5)
Other adjustments		14.1	13.1
Cash from operating activities		666.8	994.3
Income tax paid		(98.9)	(106.0)
Interest received from operating activities		10.9	0.7
Net cash from operating activities		578.8	889.0
Acquisition of property, plant and equipment		(222.5)	(270.1)
Acquisition of intangible assets		(102.4)	(65.4)
Concessions payments		(6.4)	(21.6)
Acquisition of subsidiaries, net of cash acquired	16	(13.0)	(0.7)
Proceeds from sale of property, plant and equipment		0.6	3.4
Loans granted		(192.7)	(2.0)
Acquisition of bonds		-	(27.8)
Bonds redemption with interest		-	8.6
Other inflows		1.6	1.4
Net cash used in investing activities		(534.8)	(374.2)

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2022
(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Note	for the 3 months ended	
		31 March 2022 unaudited	31 March 2021 unaudited
Repayment of loans and borrowings	14	(200.0)	-
Payment of interest on loans, borrowings, bonds, and commissions ⁽¹⁾		(78.7)	(54.8)
Payment of lease liabilities		(52.9)	(119.0)
Payment of interest on lease liabilities		(5.4)	(11.4)
Dividend payment		-	(415.7)
Hedging instrument effect		6.3	(10.9)
Other outflows		(1.5)	(0.2)
Net cash used in financing activities		(332.2)	(612.0)
Net decrease in cash and cash equivalents		(288.2)	(97.2)
Cash and cash equivalents at the beginning of the period		3,644.3⁽²⁾	1,365.8⁽³⁾
Effect of exchange rate fluctuations on cash and cash equivalents		(2.4)	(1.3)
Transfer to assets held for sale		-	(108.5)
Cash and cash equivalents at the end of the period		3,353.7⁽⁴⁾	1,158.8⁽⁵⁾

⁽¹⁾ Includes impact of derivative instruments and amount paid for costs related to the new financing

⁽²⁾ Includes restricted cash amounting to PLN 11.9

⁽³⁾ Includes restricted cash amounting to PLN 10.4

⁽⁴⁾ Includes restricted cash amounting to PLN 10.8

⁽⁵⁾ Includes restricted cash amounting to PLN 11.2

Interim Consolidated Statement of Changes in Equity for 3 months ended 31 March 2022

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings ⁽¹⁾	Treasury shares	Equity attributable to equity holders of the Parent	Non- controlling interests	Total equity
Balance as at 1 January 2022	25.6	7,174.0	32.1	2,801.3	7,823.6	(2,461.0)	15,395.6	(11.0)	15,384.6
Dividend approved and share of profits	-	-	-	-	-	-	-	(1.4)	(1.4)
Total comprehensive income	-	-	0.1	10.8	214.9	-	225.8	(2.1)	223.7
<i>Hedge valuation reserve</i>	-	-	-	10.8	-	-	10.8	-	10.8
<i>Share of other comprehensive income of associates</i>	-	-	0.1	-	-	-	0.1	-	0.1
<i>Net profit for the period</i>	-	-	-	-	214.9	-	214.9	(2.1)	212.8
Balance as at 31 March 2022 unaudited	25.6	7,174.0	32.2	2,812.1	8,038.5	(2,461.0)	15,621.4	(14.5)	15,606.9

⁽¹⁾ 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 2022 the capital excluded from distribution amounts to PLN 8.5

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 ⁽¹⁾	Equity attributable to equity holders of the Parent	Non- controlling interests	Total equity
Balance as at 1 January 2021	25.6	7,174.0	21.2	99.7	7,112.3	14,432.8	(6.6)	14,426.2
Dividend approved	-	-	-	-	-	-	(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
Balance as at 31 March 2021 unaudited	25.6	7,174.0	21.2	(4.3)	7,501.9	14,718.4	647.9	15,366.3

* 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.

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 'Polsat Box' 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:

- B2C and B2B services which relates mainly 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,
- 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

- | | |
|---------------------|-----------------------------------------|
| • Zygmunt Solorz | Chairman of the Supervisory Board, |
| • Marek Kapuściński | Vice-Chairman of the Supervisory Board, |
| • Józef Birka | Member of the Supervisory Board, |
| • Jarosław Grzesiak | Member of the Supervisory Board, |
| • Marek Grzybowski | Member of the Supervisory Board, |
| • Alojzy Nowak | Member of the Supervisory Board, |
| • Tobiasz Solorz | Member of the Supervisory Board, |
| • Tomasz Szelaąg | 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 2022 have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting as adopted by the EU. These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the year ended 31 December 2021, 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 2021, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2022.

During the three-month period ended 31 March 2022 the following became 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".

Amendments and interpretations that apply for the first time in 2022 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 IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current,
- b) Amendments to IAS 1 Presentation of Financial Statements and IFRS Board guidelines - Disclosure of Accounting policies,
- c) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- d) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

5. Group structure

These interim condensed consolidated financial statements for the 3 months ended 31 March 2022 include the following entities:

			Share in voting rights (%)	
	Entity's registered office	Activity	31 March 2022	31 December 2021
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%
Polsat Investments Ltd. (formerly Polsat Brands AG)	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, United Kingdom	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%
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%

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2022	31 December 2021
Subsidiaries accounted for using full method (cont.):				
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	*	*
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%
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%
Netia S.A. ^(b)	Poleczki 13, 02-822 Warsaw	telecommunication activities	99.999%	99.999%

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2022	31 December 2021
Subsidiaries accounted for using full method (cont.):				
Netia 2 Sp. z o.o.	Poleczki 13, 02-822 Warsaw	telecommunication activities	99.999%	99.999%
TK Telekom Sp. z o.o.	Kijowska 10/12A, 03-743 Warsaw	telecommunication activities	99.999%	99.999%
Petrotel Sp. z o.o.	Chemików 7, 09-411 Płock	telecommunication activities	99.999%	99.999%
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.	Kielecka 5, 81-303 Gdynia	retail sales	75.96%	75.96%
ISTS Sp. z o.o.	Bociana 4a/68a, 31-231 Cracow	wired communication	99.999%	99.999%
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%
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. ^(b)	Księcia Janusza I 3, 18-400 Łomża	wired communication	-	99.999%

			Share in voting rights (%)	
	Entity's registered office	Activity	31 March 2022	31 December 2021
Subsidiaries accounted for using full method (cont.):				
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.)	Ludwika Solskiego 55, 52-401 Wroclaw	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k. (formerly Tako Media Sp. z o.o. Sp.k.)	Ludwika Solskiego 55, 52-401 Wroclaw	movie and TV production	60%	60%
BCAST Sp. z o.o.	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	70.02%	70.02%
Polsat Talenty Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	cooperation with artists and presenters	100%	100%
Premium Mobile Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	100%	100%
Visignio Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	sales network management	100%	100%
Saveadvisor Sp. z o.o.	Warszawska 18, 35-205 Rzeszów	call center services	100%	100%
Mobi Dealer Sp. z o.o.	Warszawska 18, 35-205 Rzeszów	sales network management	100%	100%
CKS Ossa Sp. z o. o. (formerly TMS Ossa Sp. z o.o.)	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	hotel services	100%	100%
Ossa Medical Center Sp. z o. o. (formerly Horest, Hotel pod Żaglami Sp. z o. o.)	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	medical services	100%	100%

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2022
(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2022	31 December 2021
Subsidiaries accounted for using full method (cont.):				
Logitus Sp. z o. o.	Orzechowa 5, 80-175 Gdańsk	wired communication	99.999%	99.999%
Stork 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warsaw	holding activities	100%	100%
Swan 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warszawa	agricultural activities	100%	100%
Vindix S.A. ^(a)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	^(a)
Vindix Investments Sp. z o. o. ^(a)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	-
Direct Collection Sp. z o.o. ^(a)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	-
Vindix Sp. z o.o. ^(a)	Heroiv UPA 73 ż, 79018, Lviv	call center services	100%	-
Vindix NSFIZ ^(a)	Mokotowska 49, 00-542 Warsaw	financial services	*	*
Mag7soft Sp. z o.o. ^(a)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	-
Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. ^(c)	Zwierzyniecka 18, 60-814 Poznań	real estate services	100%	-

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

^(a) As at 31 December 2021, Cyfrowy Polsat held 46.27% shares of Vindix S.A., therefore Vindix S.A. and its subsidiaries were consolidated using the equity method. On 19 January 2022 Cyfrowy Polsat acquired 53.73% shares of Vindix S.A. Consequently, Cyfrowy Polsat holds 100% shares of Vindix S.A. and its subsidiaries (jointly the "Vindix Group").

^(b) On 1 February 2022 merger of Netia S.A. with IST Sp. z o.o. was registered.

^(c) On 31 March 2022 Polkomtel acquired 100% shares of Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.

Investments accounted for under the equity method:

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2022	31 December 2021
Polsat JimJam Ltd.	33 Broadwick Street Soho London W1F 0DQ, United Kingdom	media	50%	50%
Polski Operator Telewizyjny Sp. z o.o.	Wiernicza 159 02-952 Warsaw	technical services	50%	50%
Vindix S.A.^(a)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	(a)	46.27%
Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	22.95%	22.95%
Modivo S.A. (formerly eObuwie.pl S.A.)^(b)	Nowy Kisielin-Nowa 9, 66-002 Zielona Góra	retail sales	10%	10%
Polsat Boxing Promotion Sp. z o.o. (formerly TMS Kraków Sp. z o.o.)	Ostrobramska 77, 04-175 Warsaw	movie and TV production	24%	24%

^(a) On 19 January 2022 Cyfrowy Polsat acquired 53.73% shares of Vindix S.A. Consequently, Cyfrowy Polsat holds 100% shares of Vindix S.A. and its subsidiaries.

^(b) On 21 January 2022 company's name change from eObuwie.pl S.A. to Modivo S.A. was registered.

Additionally, the following entities were included in these interim condensed consolidated financial statements for the 3 months ended 31 March 2022:

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2022	31 December 2021
Karpacka Telewizja Kablowa Sp. z o.o.⁽¹⁾	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o.	Al. Jerozolimskie 65/79, 00-697 Warsaw	web portals activities	21.43% ⁽²⁾	21.43% ⁽²⁾
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%
Exion Hydrogen Polskie Elektrolizery Sp. z o.o. (formerly PLCOM Sp. z o.o.)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	production of electrical equipment	10%	10%
Towerlink Poland Sp. z o.o. (formerly Polkomtel Infrastruktura Sp. z o.o.)	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	0.01%	0.01%
MESE Sp. z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	movie and TV production	10%	10%

⁽¹⁾ Investment accounted for at cost less any accumulated impairment losses.

⁽²⁾ Not included in investments accounted for under the equity method due to immateriality.

6. Approval of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 11 May 2022.

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 2022 unaudited	31 March 2021 unaudited
Retail revenue	1,722.2	1,664.1
Wholesale revenue	813.1	880.7
Sale of equipment	336.5	332.7
Other revenue	114.9	109.9
Total	2,986.7	2,987.4

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 2022 unaudited	31 March 2021 unaudited
Technical costs and cost of settlements with telecommunication operators		809.5	624.7
Depreciation, amortization, impairment and liquidation		446.3	521.2
Cost of equipment sold		277.5	276.7
Content costs		473.5	419.4
Distribution, marketing, customer relation management and retention costs		251.1	229.0
Salaries and employee-related costs	a)	244.6	236.9
Cost of debt collection services, bad debt allowance and receivables written off		24.8	29.8
Other costs		106.4	93.2
Total		2,633.7	2,430.9

a) Salaries and employee related costs

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
Salaries	200.2	193.9
Social security contributions	35.0	34.6
Other employee-related costs	9.4	8.4
Total	244.6	236.9

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

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
Interest on lease liabilities	(5.3)	(11.2)
Interest, net	10.3	(0.4)
Other foreign exchange gains/(losses), net	(11.8)	(8.1)
Other income/costs	13.7	(2.7)
Total	6.9	(22.4)

11. Finance costs, net

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
Interest expense on loans and borrowings	90.1	51.1
Interest expense on issued bonds	28.3	10.2
Valuation and realization of hedging instruments	(1.1)	1.3
Valuation and realization of derivatives not used in hedge accounting – relating to interest	(41.7)	(6.7)
Guarantee fees, bank and other charges	1.2	1.2
Total	76.8	57.1

12. Equity

Share capital

Presented below is the structure of the Company's share capital as at 31 March 2022 and 31 December 2021:

Share series	Number of shares*	Nominal value of shares	Type of shares
A	2,500,000	0.1	Registered, preference shares (2 voting rights)
B	2,500,000	0.1	Registered, preference shares (2 voting rights)
C	7,500,000	0.3	Registered, preference shares (2 voting rights)
D	166,917,501	6.7	Registered, preference shares (2 voting rights)
D	8,082,499	0.3	ordinary bearer shares
E	75,000,000	3.0	ordinary bearer shares
F	5,825,000	0.2	ordinary bearer shares
H	80,027,836	3.2	ordinary bearer shares
I	47,260,690	1.9	ordinary bearer shares
J	243,932,490	9.8	ordinary bearer shares
Total	639,546,016	25.6	

* not in millions

The shareholders' structure as at 31 March 2022 and 31 December 2021 was as follows:

	Number of shares*	Nominal value of shares	% of share capital held	Number of votes*	% of voting rights
TiVi Foundation ² , incl. through:	353,348,370	14.1	55.25%	532,765,871	65.05%
Reddev Investments Ltd. ¹	353,348,360	14.1	55.25%	532,765,851	65.05%
incl. through:					
Cyfrowy Polsat S.A. ⁴	71,174,126	2.8	11.13%	71,174,126	8.69%
Embud 2 Sp. z o.o. S.K.A. ²	32,005,867	1.3	5.00%	32,005,867	3.91%
Tipeca Consulting Limited ³	2,152,388	0.1	0.34%	2,152,388	0.26%
Nationale-Nederlanden PTE	41,066,962	1.6	6.42%	41,066,962	5.02%
Others	210,972,429	8.5	32.99%	210,972,429	25.76%
Total	639,546,016	25.6	100%	818,963,517	100%

* not in millions

¹ Reddev Investments Ltd. is an indirect subsidiary of Mr. Zygmunt Solorz.

² Entity is controlled by Mr. Zygmunt Solorz.

³ 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.

⁴ Own shares acquired under the buy-back program announced on 16 November 2021. Pursuant to Art. 364 Item the Public Offering Act. 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights attached to own shares.

Share premium

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

Other reserves

Other reserves as at 31 March 2022 and 31 December 2021 include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,915.0.

Treasury shares

Treasury shares as at 31 March 2022 and 31 December 2021 include a total of 71,174,126 (not in millions) own shares, representing in total 11.13% of the share capital of the Company and entitling to exercise 71,174,126 (not in millions) votes at the general meeting of the Company, constituting 8.69% of the total number of votes at the general meeting of the Company.

13. Hedge valuation reserve

Impact of hedging instruments valuation on other reserves

	2022	2021
Balance as at 1 January	9.0	(8.3)
Valuation of cash flow hedges	13.3	3.3
Deferred tax	(2.5)	(0.6)
Change for the period	10.8	2.7
Balance as at 31 March unaudited	19.8	(5.6)

14. Loans and borrowings

	31 March 2022 unaudited	31 December 2021
Short-term liabilities	1,219.1	1,072.7
Long-term liabilities	7,346.2	7,671.8
Total	8,565.3	8,744.5

Change in loans and borrowings liabilities:

	2022	2021
Balance as at 1 January	8,744.5	9,640.8
Repayment of capital	(200.0)	-
Repayment of interest and commissions	(69.3)	(42.9)
Interest accrued and commissions	90.1	51.4
Balance as at 31 March unaudited	8,565.3	9,649.3

15. Issued bonds

	31 March 2022 unaudited	31 December 2021
Short-term liabilities	103.8	66.4
Long-term liabilities	1,931.4	1,942.1
Total	2,035.2	2,008.5

Change in issued bonds:

	2022	2021
Balance as at 1 January	2,008.5	1,997.9
Issued bonds on acquisition of Vindix S.A. (see note 16)	28.0	-
Effect of gaining control over Vindix S.A. and consolidation	(19.7)	-
Repayment of interest and commissions	(9.9)	(9.7)
Interest accrued and commissions	28.3	10.2
Balance as at 31 March unaudited	2,035.2	1,998.4

Other notes

16. Acquisition of subsidiaries

Acquisition of shares in Premium Mobile Sp. z o.o. – provisional purchase price allocation

On 2 July 2021 Polkomtel Sp. z o.o. (Company's subsidiary) acquired 28.01% shares in Premium Mobile Sp. z o.o. for the purchase price of PLN 35.5.

On 9 July 2021 Polkomtel Sp. z o.o. acquired additional 53.69% shares in Premium Mobile Sp. z o.o. for the purchase price of PLN 68.1.

As a result of the above-mentioned transactions, the Group holds a total of 100.0% shares in Premium Mobile Sp. z o.o. and obtained control over the Premium Mobile Group entities i.e. Premium Mobile Sp. z o.o., Visignio Sp. z o.o., Saveadvisor Sp. z o.o. oraz Mobi Dealer Sp. z o.o. (jointly the "Premium Mobile Group")

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	125.1
Provisional value as at 9 July 2021	125.1

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 28.01% shares	(35.5)
Cash transferred for 53.69% shares	(68.1)
Cash and cash equivalents received	8.6
Cash decrease in the period of 12 months ended 31 December 2021	(95.0)

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 9 July 2021:

	Provisional fair value as at the acquisition date (9 July 2021)
Net assets:	
Other property, plant and equipment	0.2
Other intangible assets	0.1
Right-of-use assets	2.1
Deferred tax assets	1.1
Inventories	0.1
Trade and other receivables	5.0
Other current assets	0.5
Cash and cash equivalents	8.6
Lease liabilities	(2.1)
Contract liabilities	(4.4)
Trade and other payables	(18.0)
Provisional value of net assets	(6.8)
Provisional consideration transferred	125.1
Provisional goodwill	131.9

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

The revenue and net profit for the reporting period since 9 July 2021 to 31 December 2021 contributed by Premium Mobile Group amounted to PLN 47.6 and PLN 11.2, respectively. Had it been acquired on 1 January 2021, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2021 would have amounted to PLN 12,487.6 and PLN 4,415.7, respectively.

Acquisition of shares in Logitus Sp. z o.o. – provisional purchase price allocation

On 29 July 2021 Netia S.A. (Company’s subsidiary) acquired 100% shares in Logitus Sp. z o.o. (“Logitus”).

The consideration for 100% shares of Logitus Sp. z o.o. amounted to PLN 12.9.

Logitus holds 100% of shares in Market Software Sp. z o.o. On 2 December 2021, Logitus merged with its subsidiary Market Software Sp. z o.o. by transferring all assets to Logitus.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Cash transferred for the 100% shares of Logitus	12.2
Liability to pay in accordance with purchase agreement	0.7
Provisional value as at 29 July 2021	12.9

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(12.2)
Cash and cash equivalents received	0.1
Cash decrease in the period of 12 months ended 31 December 2021	(12.1)

PROVISIONAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

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

Provisional and temporary fair value of assets and liabilities as at 29 July 2021:

	Provisional fair value as at the acquisition date (29 July 2021)
Net assets:	
Customer relationships	6.2
Other property, plant and equipment	2.3
Trade and other receivables	0.1
Cash and cash equivalents	0.1
Trade and other payables	(0.1)
Deferred tax liabilities	(1.2)
Provisional value of net assets	7.4
Provisional consideration transferred	12.9
Provisional goodwill	5.5

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

The revenue and net profit included in the consolidated income statement for the reporting period since 29 July 2021 to 31 December 2021 contributed by Logitus amounted to PLN 1.5 and PLN 0.4, respectively. Had it been acquired on 1 January 2021 the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2021 would have amounted to PLN 12,446.1 and PLN 4,414.0, respectively.

Acquisition of shares in CKS Ossa Sp. z o.o. (formerly TMS Ossa Sp. z o.o.) – provisional purchase price allocation

On 6 August 2021 Polkomtel Sp. z o.o. (Company's subsidiary) acquired 100% shares in TMS Ossa Sp. z o.o.

The consideration for 100% shares in TMS Ossa Sp. z o.o. amounted to PLN 47.0.

On 15 December 2021 company's name change from TMS Ossa Sp. z o.o. to CKS Ossa Sp. z o.o. was registered.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	47.0
Provisional value as at 6 August 2021	47.0

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(47.0)
Cash and cash equivalents received	2.9
Cash decrease in the period of 12 months ended 31 December 2021	(44.1)

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 6 August 2021:

	Provisional fair value as at the acquisition date (6 August 2021)
Net assets:	
Other property, plant and equipment	120.5
Other intangible assets	0.2
Inventories	0.1
Trade and other receivables	0.7
Other current assets	0.4
Cash and cash equivalents	2.9
Deferred tax liabilities	(3.4)
Other non-current liabilities and provisions	(0.1)
Loans and borrowings	(72.4)
Contract liabilities	(1.4)
Trade and other payables	(6.8)
Provisional value of net assets	40.7
Provisional consideration transferred	47.0
Provisional goodwill	6.3

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

The revenue and net loss included in the consolidated income statement for the reporting period since 6 August 2021 to 31 December 2021 contributed by CKS Ossa Sp. z o.o. amounted to PLN 2.7 and PLN 4.2, respectively. Had it been acquired on 1 January 2021, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2021 would have amounted to PLN 12,444.5 and PLN 4,407.0 respectively.

Acquisition of shares in Ossa Medical Center Sp. z o.o. (formerly Horest, Hotel pod Żaglami Sp. z o.o.) – provisional purchase price allocation

On 6 August 2021 Polkomtel Sp. z o.o. (Company’s subsidiary) acquired 100% shares in Horest, Hotel pod Żaglami Sp. z o.o.

The consideration for 100% shares in Horest, Hotel pod Żaglami Sp. z o.o. amounted to PLN 2.2.

On 17 December 2021 company’s name change from Horest, Hotel pod Żaglami Sp. z o.o. to Ossa Medical Center Sp. z o.o. was registered.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	2.2
Provisional value as at 6 August 2021	2.2

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(2.2)
Cash and cash equivalents received	0.6
Cash decrease in the period of 12 months ended 31 December 2021	(1.6)

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 6 August 2021:

	Provisional fair value as at the acquisition date (6 August 2021)
Net assets:	
Other property, plant and equipment	0.9
Trade and other receivables	0.3
Cash and cash equivalents	0.6
Provisional value of net assets	1.8
Provisional consideration transferred	2.2
Provisional goodwill	0.4

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

The revenue and net loss included in the consolidated income statement for the reporting period since 6 August 2021 to 31 December 2021 contributed by Ossa Medical Center Sp. z o.o. amounted to PLN 0.0 and PLN 0.3, respectively. Had it been acquired on 1 January 2021, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2021 would have amounted to PLN 12,444.0 and PLN 4,414.5 respectively.

Acquisition of shares in Vindix S.A. – provisional purchase price allocation

On 19 January 2022 Company acquired 53,73% shares in Vindix S.A for the amount of PLN 24.0.

After this transaction the Group holds 100% shares of Vindix S.A. and obtained control over Vindix Group companies: Vindix S.A., Vindix Investments Sp. z o.o., Direct Collection Sp. z o.o., Vindix Sp. z o.o., Mag7soft Sp. z o.o. and Vindix Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (jointly the "Vindix Group").

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	44.6
Provisional value as at 19 January 2022	44.6

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(24.0)
Cash and cash equivalents received	8.0
Cash decrease in the period of 3 months ended 31 March 2022	(16.0)

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 19 January 2022:

	Provisional fair value as at the acquisition date (19 January 2022)
Net assets:	
Other property, plant and equipment	0.3
Other intangible assets	0.8
Deferred tax assets	6.3
Trade and other receivables	1.6
Other current assets	29.1
Cash and cash equivalents	8.0
Issued bonds	(28.0)
Deferred tax liabilities	(1.5)
Trade and other payables	(1.3)
Provisional value of net assets	15.3
Provisional consideration transferred	44.6
Provisional goodwill	29.3

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

The revenue and net loss included in the consolidated income statement for the reporting period since 19 January 2022 contributed by Vindix Group amounted to PLN 4.3 and PLN 0.8, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 3 months ended 31 March 2022 would have amounted to PLN 2,988.4 and PLN 212.1 respectively.

Acquisition of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. – provisional purchase price allocation

On 31 March 2022 Polkomtel Sp. z o.o. (Company's subsidiary) acquired 100% shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o..

The consideration for 100% shares in Centrum Szkolenia i Zarządzania Nieruchomości Sp. z o.o. amounted to PLN 4.0.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	4.0
Provisional value as at 31 March 2022	4.0

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash and cash equivalents received	3.0
Cash decrease in the period of 3 months ended 31 March 2022	3.0

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 31 March 2022:

	Provisional fair value as at the acquisition date (31 March 2022)
Net assets:	
Other property, plant and equipment	4.3
Trade and other receivables	0.7
Cash and cash equivalents	3.0
Trade and other payables	(4.6)
Provisional value of net assets	3.4
Provisional consideration transferred	4.0
Provisional goodwill	0.6

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

The revenue and net profit included in the consolidated income statement for the reporting period since 31 March 2022 contributed by Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. amounted to PLN 0.0 and PLN 0.0, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 3 months ended 31 March 2022 would have amounted to PLN 2,987.5 and PLN 212.4 respectively.

17. Investment in associates

Acquisition of Asseco Poland S.A. shares

The transfer of ownership of the Asseco Poland S.A. (Asseco) shares was settled through the depositary and settlement system operated by Krajowy Depozyt Papierów Wartościowych S.A. on 30 December 2019.

After settlement of the 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):

	for the 12 months ended
	31 December 2021
Revenue	14,498.1
Profit from operating activities	1,456.3
Net profit	1,045.4
Other comprehensive income, net	246.9
Total comprehensive income	1,292.3
	31 December 2021
Non-current assets	10,425.7
Current assets	8,132.8
Assets held for sale	12.3
Total assets	18,570.8
Non-current liabilities	3,403.3
Current liabilities	5,520.8
Total liabilities	8,924.1

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.

Acquisition of shares in Modivo S.A. (formerly eObuwie.pl S.A.)

The Company completed transaction of acquisition of 10% of the shares in eObuwie.pl S.A. on 22 June 2021.

Fair value of the investment held in eObuwie as at 22 June 2021 amounted to PLN 500. Following the completion of the purchase price allocation process for the acquisition of eObuwie as at 22 June 2021, the Group identified goodwill in the amount of PLN 245.6, included in the carrying amount of the investment.

On 21 January 2022 company's name change to Modivo S.A. was registered.

18. Operating segments

The Group operates in the following two segments:

- 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
- 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 (Polsat Box Go, formerly 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 2022:

the 3 months ended 31 March 2022 (unaudited)	B2C and B2B services	Media: TV and online	Consolidation adjustments	Total
Revenues from sales to third parties	2,512.2	474.5	-	2,986.7
Inter-segment revenues	13.7	59.0	(72.7)	-
Revenues	2,525.9	533.5	(72.7)	2,986.7
EBITDA adjusted (unaudited)	704.1	96.6	-	800.7
Costs of supporting Ukraine	33.0	1.1	-	34.1
EBITDA (unaudited)	671.1	95.5	-	766.6
Depreciation, amortization, impairment and liquidation	418.7	27.6	-	446.3
Profit from operating activities	252.4	67.9	-	320.3
Acquisition of property, plant and equipment and other intangible assets	257.9	67.0	-	324.9
Acquisition of reception equipment	37.7	-	-	37.7
Balance as at 31 March 2022 (unaudited)				
Assets, including:	25,407.8	6,544.2*	(56.8)	31,895.2
Investments in joint venture and shares in associates	1,774.8	5.9	-	1,780.7

* Includes non-current assets located outside of Poland in the amount of PLN 3.1.

All material revenues are generated in Poland.

It should be noted that the data for 3 months ended 31 March 2022 allocated to both the "B2C and B2B services" segment and "Media" segment are not fully comparable to the data for 3 months ended 31 March 2021 due to changes in the structure of the Group, described in notes 5, 16 and 17 as well as in the consolidated financial statements for the financial year ended 31 December 2021.

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	-	2,987.4
Inter-segment revenues	15.1	55.7	(70.8)	-
Revenues	2,551.0	507.2	(70.8)	2,987.4
EBITDA (unaudited)	936.6	146.1	-	1,082.7
Depreciation, amortization, impairment and liquidation	500.8	20.4	-	521.2
Profit from operating activities	435.8	125.7	-	561.5
Acquisition of property, plant and equipment and other intangible assets	295.3	40.2	-	335.5
Acquisition of reception equipment	34.0	-	-	34.0
Balance as at 31 March 2021 (unaudited)				
Assets, including:	27,274.3	5,737.4*	(57.2)	32,954.5
Investments in joint venture and shares in associates	1,274.3	5.9	-	1,280.2

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

Reconciliation of EBITDA and Net profit for the period:

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
EBITDA adjusted (unaudited)	800.7	1,082.7
Costs of supporting Ukraine	(34.1)	-
EBITDA (unaudited)	766.6	1,082.7
Depreciation, amortization, impairment and liquidation (note 9)	(446.3)	(521.2)
Profit from operating activities	320.3	561.5
Other foreign exchange rate differences, net (note 10)	(11.8)	(8.1)
Interest costs, net (note 10 and 11)	(70.6)	(67.5)
Share of the profit of associates accounted for using the equity method	14.7	16.5
Other	12.5	(3.9)
Gross profit for the period	265.1	498.5
Income tax	(52.3)	(108.1)
Net profit for the period	212.8	390.4

19. Transactions with related parties

RECEIVABLES

	31 March 2022 unaudited	31 December 2021
Joint ventures and associates	0.6	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.	15.8	9.6
Total *	16.4	10.3

* Amounts presented above do not include deposits paid (31 March 2022 – PLN 3.5, 31 December 2021 – PLN 3.5)

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

OTHER ASSETS

	31 March 2022 unaudited	31 December 2021
Joint ventures and associates	0.3	-
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.	2.1	1.2
Total	2.4	1.2

LIABILITIES

	31 March 2022 unaudited	31 December 2021
Joint ventures and associates	24.9	83.8
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.	197.7	195.1
Total	222.6	278.9

A significant portion of liabilities relates to liabilities for lease of premises and facilities.

LOANS GRANTED

	31 March 2022 unaudited	31 December 2021
Joint ventures and associates	3.0	-
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.	169.5	33.1
Total	172.5	33.1

LOANS RECEIVED

	31 March 2022 unaudited	31 December 2021
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.	5.7	5.6
Total	5.7	5.6

REVENUES

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
Joint ventures and associates	1.0	6.8
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.	6.0	27.7
Total	7.0	34.5

EXPENSES AND PURCHASES OF PROGRAMMING ASSETS

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 unaudited
Subsidiaries	0.1*	-
Joint ventures and associates	3.8	2.6
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.	102.5	56.1
Total	106.4	58.7

* Concerns transaction with subsidiaries executed prior to gaining control.

In the period of 3 months ended 31 March 2022 and 31 March 2021 the most significant transactions include *inter alia* cost of electrical energy and advertising services.

GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

	for the 3 months ended	
	31 March 2022 unaudited	31 March 2021 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.	-	(1.6)
Total	-	(1.6)

20. Contingent liabilities

Management believes that the provisions as at 31 March 2022 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 Appeal 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 24 January 2022 Polkomtel's appeal was dismissed. Polkomtel examines the possibility of bringing a cassation 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 24 November 2020, the Court of Appeal revoked the SOKiK decision and transferred the case for re-examination. On 19 April 2021, SOKiK dismissed Polkomtel's appeal in its entirety. Polkomtel appealed against the SOKiK decision. On 10 November 2021, the Court of Appeal upheld the penalty originally imposed by UOKiK. Polkomtel submitted a cassation appeal. On 7 August 2019 the court dismissed the appeal of Cyfrowy Polsat. The Company appealed against the decision. Pursuant to the Court of Appeal verdict from 11 March 2021, the Company paid a penalty of PLN 5.3 on 26 March 2021. On 24 June 2021 the Company filed a cassation appeal to the Supreme Court. On 12 January 2022, the Supreme Court accepted the Company's cassation appeal for consideration. The case will be considered during a closed session on 11 May 2022.

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 sale offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company and Polkomtel were charged with a penalty in the amount of PLN 4.4 and PLN 12.3, respectively. The Group appealed to the Court against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Group appealed against the decision. On 31 December 2020 the Group's appeal was dismissed. On 14 January 2021 Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On 20 April 2022, the Supreme Court accepted the Company's cassation appeal for consideration.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and incomplete and unreliable information to consumers in response to reports regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9. The Company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court

dismissed the Company's appeal in its entirety. The Company submitted a cassation appeal to the Court of Appeal in Warsaw.

On 22 January 2020 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 20.4. Polkomtel appealed to SOKiK against the decision. On 8 April 2022, SOKiK dismissed Polkomtel's appeal. After receiving a written judgment justification, an appeal against the SOKiK judgment will be filed.

Other proceedings

On 28 April 2017, Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On 10 January 2018 the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, included the mediator's position summarizing the course of mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. At the end of March 2022, the Company received a letter extending the previous claim by the period from 1 January 2010 to 31 December 2020, thus the value of the lawsuit was increased by over PLN 120.

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 2021 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 2021. There have been no significant changes in any risk management policies since the end of year 2021.

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 instruments not measured in fair value.

	Category according to IFRS 9	The level of the fair value hierarchy	31 March 2022 unaudited		31 December 2021	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	267.5	268.9	72.1	72.4
Trade and other receivables	A	*	3,032.7	3,032.7	3,117.5	3,117.5
Cash and cash equivalents and short-term deposits	A	*	3,342.9	3,342.9	3,632.4	3,632.4
Restricted cash	A	*	10.8	10.8	11.9	11.9
Loans and borrowings	B	2	(8,539.8)	(8,565.3)	(8,656.2)	(8,744.5)
Issued bonds	B	1,2	(2,038.3)	(2,035.2)	(2,045.5)	(2,008.5)
UMTS licence liabilities	B	2	(144.5)	(142.4)	(143.2)	(139.9)
Lease liabilities	B	2	(665.4)	(665.4)	(698.6)	(698.6)
Accruals	B	*	(876.5)	(876.5)	(919.6)	(919.6)
Trade and other payables and deposits	B	*	(1,374.3)	(1,374.3)	(1,627.7)	(1,627.7)
Total			(6,984.9)	(7,003.8)	(7,256.9)	(7,304.6)
Unrecognized loss				18.9		47.7

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 an 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 or EURIBOR interest rate plus a margin regarding the credit risk.

As at 31 March 2022 and 31 December 2021 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 2022 and as at 31 December 2021, 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 2022 and 31 December 2021 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations. For the valuation of the remaining bonds, the projected cash flows from the balance sheet date to the expected redemption date of the bonds were analyzed. The discount rate for each payment was calculated as the sum of the WIBOR interest rate plus a margin regarding the credit risk.

As at 31 March 2022, the Group held the following financial instruments carried at fair value on the statement of financial position:

ASSETS MEASURED AT FAIR VALUE

	31 March 2022 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	106.4	-
Interest rate swaps		-	105.9	-
Forwards		-	0.5	-
Hedging derivative instruments		-	25.4	-
Interest rate swaps		-	25.4	-
Other assets		-	27.5	-
Investments in equity instruments		-	0.6	-
Total		-	159.9	-

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

ASSETS MEASURED AT FAIR VALUE

	31 December 2021	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	70.5	-
Forward transactions		-	70.5	-
Hedging derivative instruments			13.4	
Interest rate swaps		-	13.4	-
Investments in equity instruments		-	0.6	-
Total		-	84.5	-

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

Preliminary share purchase agreements concerning PAK-Polska Czysta Energia Sp. z o.o., Port Praski Sp. z o.o. and Pantanomo Limited

In connection with the Group's new strategy announced on 20 December 2021, on 20 December 2021 Cyfrowy Polsat entered into the following agreements with related entities ("Agreements"):

- a preliminary agreement concerning the Company's purchase of shares in PAK-Polska Czysta Energia Sp. z o.o. ("PAK-PCE"), representing 67% of PAK-PCE's share capital, executed between the Company and ZE PAK S.A. ("ZE PAK")
- a preliminary agreement concerning the Company's purchase of 1,070,000 (not in millions) shares in Port Praski Sp. z o.o. ("Port Praski"), representing approximately 66.94% of Port Praski's share capital, executed between the Company and Embud 2 Sp. z o.o. S.K.A. ("Embud"), and
- a preliminary agreement concerning the Company's purchase of 4,705 (not in millions) shares in Pantanomo Limited ("Pantanomo"), representing approximately 32% of Pantanomo's share capital, executed between the Company and Tobe Investments Group Limited ("Tobe").

The base purchase price for shares in PAK-PCE was set at PLN 193.1, for shares in Port Praski at PLN 572.2 and for shares in Pantanomo at PLN 307.2.

The agreement concerning shares in PAK-PCE also provides for an additional ZE PAK obligation, to be performed after the date of sale of shares in PAK-PCE being the subject of the agreement. The whole biomass-based electricity generation business conducted in Elektrownia Konin will be spun-off from the ZE PAK enterprise as an organized part of the enterprise ("Elektrownia Konin OPE"). ZE PAK agreed to contribute the Elektrownia Konin OPE to PAK-PCE (after the Company acquires shares in PAK-PCE) as in-kind contribution valued at PLN 906.5 as at 30 September 2021. In consideration for this in-kind contribution, PAK-PCE will issue shares to ZE PAK and ZE PAK agrees to sell to the Company 67% of those shares for a total price of PLN 607.4. Part of the price for the new PAK-PCE shares in the amount of PLN 90.0 will be required to be paid as a down payment by the Company upon acquisition of shares in PAK-PCE.

The total price for shares in PAK-PCE and the new PAK-PCE shares to be issued in relation to the in-kind contribution in the form of Elektrownia Konin OPE will amount to PLN 800.5. If ZE PAK does not contribute the Elektrownia Konin OPE as an in-kind contribution to PAK-PCE, ZE PAK will be obliged to return the down payment and pay a contractual penalty to the Company in the amount of PLN 100.0.

The closing of the transactions pursuant to the Agreements is contingent on the satisfaction of the following conditions precedent:

- the Company being satisfied with the results of a documentation review, including specifically the legal and tax documents of the companies whose shares are being acquired and their subsidiaries
- the Company obtaining the Supervisory Board's approval for completing the transactions pursuant to the Agreements.

In addition, the closing of the transactions is contingent on the satisfaction of additional conditions precedent in the Agreements including the implementation of agreed changes to the acquired capital structures.

Pursuant to the Agreements, all the conditions precedent have been reserved for the benefit of the Company, therefore the Company may decide to proceed with the closing, despite a condition precedent not having been fulfilled in whole or in part and, should the transactions

to which the additional conditions refer not be completed, may accordingly reduce the base prices.

Pursuant to the Agreements, the Company may terminate each of them with immediate effect, if:

- any of the conditions precedent is not satisfied by 31 March 2022 (the deadline may be extended by the parties by no more than 90 days), regardless of the reason,
- a seller fails to provide the Company with documents that are key for the legal due diligence review, or
- irregularities identified in the course of a legal due diligence review may result in losses in a significant amount (which varies depending on the Agreement), and remedying the identified irregularities is not objectively feasible.

On 30 March 2022 the Company signed an annex ("Annex") to the preliminary purchase agreement concerning the shares in PAK-Polska Czysta Energia Sp. z o.o., representing 67% of the share capital of PAK-Polska Czysta Energia Sp. z o.o., executed on 20 December 2021 between the Company and ZE PAK S.A. ("Agreement").

The Company and ZE PAK S.A. ("Parties") signed an Annex in order to:

- change the long-stop date set for the fulfillment of all conditions precedent set out in the Agreement; and
- provide for a down payment that the Company will make to ZE PAK S.A. against the purchase price of shares in PAK-Polska Czysta Energia Sp. z o.o. in the amount not exceeding a total of: the base price for the shares in PAK-Polska Czysta Energia Sp. z o.o. set out in the Agreement, i.e. PLN 193.1 and the purchase price of additional shares in PAK-Polska Czysta Energia Sp. z o.o. that are to be issued pursuant to an additional commitment under the Agreement, and then sold to the Company, amounting to PLN 607.4, subject to adjustments related to the working capital settlements provided for in the Agreement ("Down Payment").

The long-stop date under the Agreement is changed due to the information received by Cyfrowy Polsat and ZE PAK S.A. that one of the conditions precedent cannot be fulfilled by the originally adopted date, i.e. by 31 March 2022. Consequently, the Annex postpones the long-stop date to 30 September 2022.

The Down Payment can be disbursed to ZE PAK S.A. in a single payment or in installments, upon ZE PAK's written request and within 3 business days of its receipt by the Company. As a precondition for the Down Payment disbursement, ZE PAK S.A. will establish a collateral in the form of an ordinary pledge and registered pledge on shares in PAK-Polska Czysta Energia Sp. z o.o., representing 67% of the share capital of PAK-Polska Czysta Energia Sp. z o.o.

The Parties also agreed in the Annex that from the date of the payment by Cyfrowy Polsat of each installment of the Down Payment to ZE PAK S.A. no interest will be charged on the Down Payment (on base purchase price for the shares in PAK-Polska Czysta Energia Sp. z o.o.), if the accrual of such interest was required under the Agreement.

On 30 March 2022, the Company's Supervisory Board resolved, among other things, to:

- approve the acquisition of the shares in PAK-Polska Czysta Energia Sp. z o.o. by Cyfrowy Polsat,
- approve the acquisition of the additional shares in PAK-Polska Czysta Energia Sp. z o.o. by Cyfrowy Polsat,
- authorize the Company's Management Board to perform all necessary legal and factual acts to complete the transactions provided for in the Agreement, which includes the execution and performance of the preliminary purchase agreement for the shares in PAK-Polska Czysta Energia Sp. z o.o.,

- approve the execution of the Annex; and
- authorize Cyfrowy Polsat to make the Down Payment.

Renewal of the frequency reservations

Frequency reservations allocated in the 2100 MHz band held by Polkomtel Sp. z o.o. and frequency reservations allocated in the 1800 MHz band held by Aero 2 Sp. z o.o. will expire at the end of 2022. On 30 November 2021 Polkomtel and Aero were merged, consequently Polkomtel entered into the rights and obligations of Aero 2 and thus taking over the right to Aero 2 frequencies. In December 2021 Polkomtel Sp. z o.o. applied to UKE President for the reservation of frequencies allocated in the 2100 MHz band for the next period as well as for the reservation of frequencies allocated in 1800 MHz band.

Due to the fact that in December 2021 a process of ensuring order in the frequencies management relating to frequencies allocated in the 2100 MHz band was undertaken by the UKE President and due to the fact that the procedure aiming at changing the reservations of frequencies allocated in the 2100 MHz band to four mobile network operators in Poland (including Polkomtel) was completed in March 2022 as well as due to the UKE President's proceedings still pending with regard to the four operators for the reservation of frequencies in the 2100 MHz band for the next period, Polkomtel decided to modify its request for renewal in the 2100 MHz band. The modification relates to reserving frequencies only in the 1950,1-1064,9 MHz and 2140,1-2154,9 MHz bands for the use throughout the country (mobile or fixed) for the next period until 31 December 2037.

It is estimated that the UKE President's decision on the above mentioned frequency reservations for the next period will take place no earlier than in mid of 2022. The amount for making reservations in the 2100 MHz band is PLN 404 (the amount indicated by the President of UKE in the draft decision). The amount for frequency reservations in the 1800 MHz band may be approximately at PLN 822 (in accordance with the UKE President's preliminary estimate from December 2021. The exact amount for the renewal of this frequency reservation will be known after the President of UKE publishes the draft reservation decision).

Acquisition of Vindix S.A. shares

On 19 January 2022, Cyfrowy Polsat acquired 53.73% of shares in Vindix S.A. for the amount of PLN 24.0. As a result of the transaction, the Company holds 100% of shares in Vindix S.A. and its subsidiaries.

Influence of the political and economic situation in Ukraine on the Group's operations and financial prospects

In the Management Board's view, the Company and Group's core business is relatively resistant to the adverse impact of the political and economic situation in Ukraine. More information is presented in the Management Report in note 4.4.1.

23. Events subsequent to the reporting date

Acquisition of shares in Port Praski Sp. z o.o. and concluding an annex to the preliminary share purchase agreement for Pantanomo Limited

On 1 April 2022 the Company entered into the final share purchase agreement with Embud 2 spółka z ograniczoną odpowiedzialnością S.K.A., whereby the Company acquired 1,070,000 (not in millions) shares in Port Praski Sp. z o.o., representing approximately 66.94% of the share capital and carrying 66.94% of the votes at the shareholders' meeting

of Port Praski. The purchase price for the shares in Port Praski Sp. z o.o. was set at PLN 553.7.

In connection with the ongoing analyses of the ultimate capital structure in which Pantanomo Limited participates, on 1 April 2022 Cyfrowy Polsat and Tobe Investments Group Limited executed an annex ("Annex") to the preliminary share purchase agreement concerning 4,705 (not in millions) shares in Pantanomo ("Agreement"), representing approximately 32% of share capital of Pantanomo Limited, executed between the Company and Tobe Investments Group Limited on 20 December 2021 ("Transaction").

Pursuant to the Annex, the Company and Tobe Investments Group Limited ("Parties") agreed to postpone the Transaction closing date. As amended, the closing date of the Transaction will be agreed in writing by the Parties and will occur no later than on 31 May 2022. If the Transaction closing date is not scheduled by the Parties for 31 May 2022 at the latest, the Agreement will expire.

24. Other disclosures

Security relating to loans and borrowings

The Company entered into a series of agreements establishing collateral under the SFA. 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 2022 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 2022 unaudited	31 December 2021
within one year	257.1	205.0
between 1 to 5 years	415.3	366.1
more than 5 years	27.6	35.5
Total	700.0	606.6

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

	31 March 2022 unaudited	31 December 2021
within one year	76.1	9.7
between 1 to 5 years	-	-
Total	76.1	9.7

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 235.8 as at 31 March 2022 (PLN 243.7 as at 31 December 2021). Total amount of contractual liabilities resulting from

agreements for the purchases of intangible assets was PLN 81.0 as at 31 March 2022 (PLN 31.0 as at 31 December 2021).

Future contractual obligations

As at 31 March 2022 and 31 December 2021 the Group had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	31 March 2022 unaudited	31 December 2021
within one year	127.0	125.6
between 1 to 5 years	349.3	376.7
Total	476.3	502.3

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.