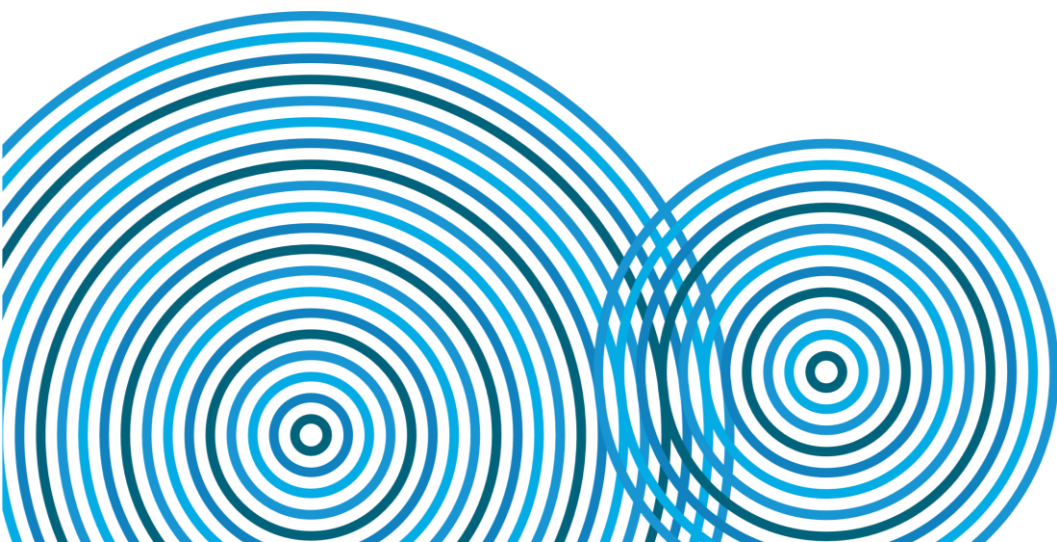


# **Cyfrowy Polsat S.A.**

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

**prepared in accordance  
with International Accounting Standard 34  
“Interim Financial Reporting”**



# Table of contents

|  |           |
|--|-----------|
| <b>Approval of the interim condensed financial statements</b>                      | <b>3</b>  |
| <b>Interim Income Statement</b>  | <b>4</b>  |
| <b>Interim Statement of Comprehensive Income</b>                                   | <b>5</b>  |
| <b>Interim Balance Sheet</b>   | <b>6</b>  |
| <b>Interim Cash Flow Statement</b>   | <b>8</b>  |
| <b>Interim Statement of Changes in Equity for the 3 months ended 31 March 2022</b> | <b>10</b> |
| <b>Notes to the Interim Condensed Financial Statements</b>                         | <b>11</b> |
| General information  | 11        |
| 1. The Company   | 11        |
| 2. Composition of the Management Board of the Company                              | 11        |
| 3. Composition of the Supervisory Board of the Company                             | 11        |
| 4. Basis of preparation of the interim condensed financial statements              | 12        |
| 5. Approval of the Interim Condensed Financial Statements                          | 12        |
| Explanatory notes  | 12        |
| 6. Information on seasonality in the Company's operations                          | 12        |
| 7. Revenue   | 13        |
| 8. Operating costs   | 13        |
| 9. Gain on investment activities, net  | 14        |
| 10. Finance costs, net   | 14        |
| 11. Equity   | 14        |
| 12. Hedge valuation reserve  | 15        |
| 13. Loans and borrowings   | 16        |
| 14. Issued bonds   | 16        |
| 15. Transactions with related parties  | 17        |
| Other notes  | 19        |
| 16. Litigations  | 19        |
| 17. Risk and fair value  | 20        |
| 18. Important agreements and events  | 22        |
| 19. Other disclosures  | 24        |
| 20. Events subsequent to the reporting date  | 25        |
| 21. Judgments, financial estimates and assumptions                                 | 25        |

## Approval of the interim condensed financial statements

On 11 May 2022, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed financial statements of Cyfrowy Polsat S.A. prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, which include:

### Interim Income Statement for the period

from 1 January 2022 to 31 March 2022 showing a net profit for the period of: PLN 67.6

### Interim 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 78.4

### Interim Balance Sheet as at

31 March 2022 showing total assets and total equity and liabilities of: PLN 16,241.5

### Interim 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 123.0

### Interim Statement of Changes in Equity for the period

from 1 January 2022 to 31 March 2022 showing an increase in equity of: PLN 78.4

### Notes to the Interim Condensed Financial Statements

The interim condensed financial statements have been prepared in PLN million unless otherwise indicated.

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**Mirosław  
Błaszczyk**  
President of the  
Management Board

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**Maciej  
Stec**  
Vice-President of the  
Management Board

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**Jacek  
Felczykowski**  
Member of the  
Management Board

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**Aneta  
Jaskólska**  
Member of the  
Management Board

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**Agnieszka  
Odorowicz**  
Member of the  
Management Board

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**Katarzyna  
Ostap-Tomann**  
Member of the  
Management Board

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**Agnieszka  
Szatan**  
Chief Accountant

Warsaw, 11 May 2022

## Interim Income Statement

|  | Note | for the 3 months ended     |                            |
|--|------|----------------------------|----------------------------|
|  |      | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Revenue  | 7    | 598.5                      | 618.5                      |
| Operating costs                                      | 8    | (488.9)                    | (491.8)                    |
| Other operating costs, net                           |      | (0.6)                      | -                          |
| <b>Profit from operating activities</b>              |      | <b>109.0</b>               | <b>126.7</b>               |
| Gain on investment activities, net                   | 9    | 23.4                       | 19.5                       |
| Finance costs, net                                   | 10   | (47.2)                     | (22.5)                     |
| <b>Gross profit for the period</b>                   |      | <b>85.2</b>                | <b>123.7</b>               |
| Income tax   |      | (17.6)                     | (138.4)                    |
| <b>Net profit/(loss) for the period</b>              |      | <b>67.6</b>                | <b>(14.7)</b>              |
| <b>Basic and diluted earnings per share (in PLN)</b> |      | <b>0.12</b>                | <b>(0.02)</b>              |

## Interim Statement of Comprehensive Income

|   | for the 3 months ended |                            |                            |
|---|------------------------|----------------------------|----------------------------|
|   | Note                   | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| <b>Net profit/(loss) for the period</b>                               |                        | <b>67.6</b>                | <b>(14.7)</b>              |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |                        |                            |                            |
| Valuation of hedging instruments                                      | 12                     | 10.8                       | 2.7                        |
| <b>Other comprehensive income, net of tax</b>                         |                        | <b>10.8</b>                | <b>2.7</b>                 |
| <b>Total comprehensive income/(loss) for the period</b>               |                        | <b>78.4</b>                | <b>(12.0)</b>              |

## Interim Balance Sheet - Assets

|  | Note | 31 March 2022<br>unaudited | 31 December 2021 |
|--|------|----------------------------|------------------|
| Reception equipment                                    |      | 342.2                      | 332.5            |
| Other property, plant and equipment                    |      | 131.2                      | 122.9            |
| Goodwill   |      | 197.0                      | 197.0            |
| Other intangible assets                                |      | 100.4                      | 96.4             |
| Right-of-use assets                                    |      | 18.3                       | 19.0             |
| Investment property                                    |      | 33.7                       | 34.3             |
| Shares in subsidiaries, associates and other includes: | 18   | 12,434.3                   | 12,410.3         |
| <i>shares in associates</i>                            |      | 1,729.2                    | 1,749.9          |
| Non-current deferred distribution fees                 |      | 17.4                       | 17.1             |
| Other non-current assets, includes:                    |      | 553.4                      | 446.5            |
| <i>derivative instruments</i>                          |      | 5.3                        | 4.1              |
| <b>Total non-current assets</b>                        |      | <b>13,827.9</b>            | <b>13,676.0</b>  |
| Contract assets  |      | 120.0                      | 121.1            |
| Inventories  |      | 84.9                       | 65.1             |
| Trade and other receivables                            |      | 296.8                      | 288.3            |
| Current deferred distribution fees                     |      | 60.5                       | 63.7             |
| Other current assets includes:                         |      | 39.6                       | 27.1             |
| <i>derivative instruments</i>                          |      | 20.1                       | 9.3              |
| Cash and cash equivalents                              |      | 1,811.8                    | 1,934.8          |
| <b>Total current assets</b>                            |      | <b>2,413.6</b>             | <b>2,500.1</b>   |
| <b>Total assets</b>                                    |      | <b>16,241.5</b>            | <b>16,176.1</b>  |

## Interim Balance Sheet - Equity and Liabilities

|  | Note | 31 March 2022<br>unaudited | 31 December 2021 |
|--|------|----------------------------|------------------|
| Share capital                                | 11   | 25.6                       | 25.6             |
| Share premium                                | 11   | 7,174.0                    | 7,174.0          |
| Other reserves                               |      | 2,934.6                    | 2,923.8          |
| Retained earnings                            |      | 3,695.6                    | 3,628.0          |
| Treasury shares                              |      | (2,461.0)                  | (2,461.0)        |
| <b>Total equity</b>                          |      | <b>11,368.8</b>            | <b>11,290.4</b>  |
| Loans and borrowings                         | 13   | 1,191.6                    | 1,230.7          |
| Issued bonds                                 | 14   | 1,923.1                    | 1,942.1          |
| Lease liabilities                            |      | 15.9                       | 16.5             |
| Deferred tax liabilities                     |      | 71.0                       | 80.7             |
| Other non-current liabilities and provisions |      | 1.8                        | 2.1              |
| <b>Total non-current liabilities</b>         |      | <b>3,203.4</b>             | <b>3,272.1</b>   |
| Loans and borrowings                         | 13   | 208.2                      | 193.8            |
| Issued bonds                                 | 14   | 103.8                      | 66.4             |
| Lease liabilities                            |      | 3.7                        | 3.7              |
| Contract liabilities                         |      | 236.7                      | 233.9            |
| Trade and other payables                     |      | 456.7                      | 463.3            |
| Income tax liability                         |      | 656.8                      | 649.1            |
| Deposits for equipment                       |      | 3.4                        | 3.4              |
| <b>Total current liabilities</b>             |      | <b>1,669.3</b>             | <b>1,613.6</b>   |
| <b>Total liabilities</b>                     |      | <b>4,872.7</b>             | <b>4,885.7</b>   |
| <b>Total equity and liabilities</b>          |      | <b>16,241.5</b>            | <b>16,176.1</b>  |

## Interim Cash Flow Statement

|  | Note | for the 3 months ended     |                            |
|--|------|----------------------------|----------------------------|
|  |      | 31 March 2022<br>unaudited | 31 March 2021<br>Unaudited |
| <b>Net profit/(loss)</b>                                     |      | <b>67.6</b>                | <b>(14.7)</b>              |
| <b>Adjustments for:</b>                                      |      | <b>39.9</b>                | <b>119.1</b>               |
| Depreciation, amortization, impairment and liquidation       | 8    | 43.5                       | 45.2                       |
| Interest expense   |      | 35.7                       | 19.1                       |
| Change in inventories  |      | (19.8)                     | (8.9)                      |
| Change in receivables and other assets                       |      | 5.5                        | (12.0)                     |
| Change in liabilities and provisions                         |      | (1.3)                      | (16.8)                     |
| Change in contract assets                                    |      | 1.1                        | 7.2                        |
| Change in contract liabilities                               |      | 2.8                        | 0.6                        |
| Income tax   |      | 17.6                       | 138.4                      |
| Net increase in reception equipment provided                 |      | (43.2)                     | (40.2)                     |
| Dividends income and share in the profits of partnerships    | 9    | (13.7)                     | (15.8)                     |
| Valuation of hedging instruments                             |      | 13.3                       | 3.3                        |
| Other adjustments  |      | (1.6)                      | (1.0)                      |
| <b>Cash from operating activities</b>                        |      | <b>107.5</b>               | <b>104.4</b>               |
| Income tax paid  |      | (22.2)                     | (22.5)                     |
| Interest received from operating activities                  |      | 4.5                        | -                          |
| <b>Net cash from operating activities</b>                    |      | <b>89.8</b>                | <b>81.9</b>                |
| Received dividends and shares in the profits of partnerships |      | 46.2                       | 4.2                        |
| Acquisition of shares in subsidiaries and associates         | 18   | (24.0)                     | (0.4)                      |
| Acquisition of property, plant and equipment                 |      | (14.3)                     | (6.0)                      |
| Acquisition of intangible assets                             |      | (12.6)                     | (2.6)                      |
| Loans granted  |      | (156.4)                    | (8.1)                      |
| Other inflows  |      | 2.5                        | 2.0                        |
| <b>Net cash from investing activities</b>                    |      | <b>(158.6)</b>             | <b>(10.9)</b>              |



|  |      | for the 3 months ended     |                            |
|--|------|----------------------------|----------------------------|
|  | Note | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Repayment of loans and borrowings  | 13   | (39.0)                     | -                          |
| Payment of interest on loans, borrowings, bonds and commissions <sup>(1)</sup> |      | (12.5)                     | (18.4)                     |
| Dividend paid  |      | -                          | (415.7)                    |
| Other outflows   |      | (2.7)                      | (3.2)                      |
| <b>Net cash from financing activities</b>                                      |      | <b>(54.2)</b>              | <b>(437.3)</b>             |
| <b>Net decrease in cash and cash equivalents</b>                               |      | <b>(123.0)</b>             | <b>(366.3)</b>             |
| <b>Cash and cash equivalents at the beginning of period</b>                    |      | <b>1,934.8</b>             | <b>835.4</b>               |
| Effect of exchange rate fluctuations on cash and cash equivalents              |      | -                          | -                          |
| <b>Cash and cash equivalents at the end of period</b>                          |      | <b>1,811.8</b>             | <b>469.1</b>               |

<sup>(1)</sup> Includes impact of IRS instruments.

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

|  | Share capital | Share premium  | Other reserves | Retained earnings <sup>(1)</sup> | Treasury shares  | Total Equity    |
|--|---------------|----------------|----------------|----------------------------------|------------------|-----------------|
| <b>Balance as at 1 January 2022</b>          | <b>25.6</b>   | <b>7,174.0</b> | <b>2,923.8</b> | <b>3,628.0</b>                   | <b>(2,461.0)</b> | <b>11,290.4</b> |
| Total comprehensive income                   | -             | -              | 10.8           | 67.6                             | -                | 78.4            |
| <i>Hedge valuation reserve</i>               | -             | -              | 10.8           | -                                | -                | 10.8            |
| <i>Net profit for the period</i>             | -             | -              | -              | 67.6                             | -                | 67.6            |
| <b>Balance as at 31 March 2022 unaudited</b> | <b>25.6</b>   | <b>7,174.0</b> | <b>2,934.6</b> | <b>3,695.6</b>                   | <b>(2,461.0)</b> | <b>11,368.8</b> |

<sup>(1)</sup> 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. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2022.

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

|  | Share capital | Share premium  | Other reserves | Retained earnings <sup>(1)</sup> | Total Equity    |
|--|---------------|----------------|----------------|----------------------------------|-----------------|
| <b>Balance as at 1 January 2021</b>          | <b>25.6</b>   | <b>7,174.0</b> | <b>(8.5)</b>   | <b>3,719.6</b>                   | <b>10,910.7</b> |
| Total comprehensive income/(loss)            | -             | -              | 2.7            | (14.7)                           | (12.0)          |
| <i>Hedge valuation reserve</i>               | -             | -              | 2.7            | -                                | 2.7             |
| <i>Net loss for the period</i>               | -             | -              | -              | (14.7)                           | (14.7)          |
| <b>Balance as at 31 March 2021 unaudited</b> | <b>25.6</b>   | <b>7,174.0</b> | <b>(5.8)</b>   | <b>3,704.9</b>                   | <b>10,898.7</b> |

<sup>(1)</sup> 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. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2021.

## Notes to the Interim Condensed Financial Statements

### General information

#### 1. The Company

Cyfrowy Polsat S.A. ('the Company', 'Cyfrowy Polsat') was incorporated in Poland as a joint stock company. The Company's shares are traded on the Warsaw Stock Exchange. The Company's registered head office is located at 4a Łubinowa Street in Warsaw.

The Company operates in Poland as a provider of a paid digital satellite platform under the name of 'Cyfrowy Polsat' and paid digital terrestrial television as well as telecommunication services provider.

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

The Company is the Parent Company of Cyfrowy Polsat S.A. Capital Group (the 'Group'). As at 31 March 2022 the Group encompasses the Company, Polkomtel Sp. z o.o. and its subsidiaries and joint ventures, Telewizja Polsat Sp. z o.o. and its subsidiaries and joint ventures, Netia S.A. and its subsidiaries, INFO-TV-FM Sp. z o.o., Interphone Service Sp. z o.o., Teleaudio Dwa Sp. z o.o. Sp.k., Netshare Media Group Sp. z o.o., CPSPV1 Sp. z o.o., CPSPV2 Sp. z o.o., Orsen Holding Limited and its subsidiaries, Mese Sp. z o.o., Esoleo Sp. z o.o. and its subsidiaries, Stork 5 Sp. z o.o. and its subsidiary, BCAST Sp. z o.o., Plus Finance Sp. z o.o. and Vindix S.A. and its subsidiaries.

#### 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 financial statements

### Statement of compliance

These interim condensed 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. These interim condensed financial statements should be read together with the annual 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 financial statements have been prepared on a going concern basis.

The Company as the Parent company prepared the interim condensed consolidated financial statements (approved on 11 May 2022). These interim condensed financial statements should be read together with the interim condensed consolidated financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual 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 financial statements of the Company.

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. Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved for publication by the Management Board on 11 May 2022.

### Explanatory notes

## 6. Information on seasonality in the Company's operations

Retail revenue is not directly subject to any seasonal trend.

## 7. Revenue

|                   | for the 3 months ended     |                            |
|-------------------|----------------------------|----------------------------|
|                   | 31 March 2022<br>unaudited | 31 March 2022<br>unaudited |
| Retail revenue    | 553.9                      | 565.1                      |
| Wholesale revenue | 21.9                       | 27.2                       |
| Sale of equipment | 3.4                        | 8.9                        |
| Other revenue     | 19.3                       | 17.3                       |
| <b>Total</b>      | <b>598.5</b>               | <b>618.5</b>               |

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

## 8. Operating costs

|   | Note | for the 3 months ended     |                            |
|---|------|----------------------------|----------------------------|
|   |      | 31 March 2022<br>unaudited | 31 March 2022<br>unaudited |
| Content costs   |      | 202.6                      | 196.9                      |
| Technical costs and costs of settlements with telecommunication operators           |      | 118.3                      | 114.8                      |
| Distribution, marketing, customer relation management and retention costs           |      | 68.4                       | 76.2                       |
| Depreciation, amortization, impairment and liquidation                              |      | 43.5                       | 45.2                       |
| Salaries and employee-related costs   | a)   | 33.7                       | 31.5                       |
| Cost of equipment sold  |      | 1.0                        | 8.2                        |
| Cost of debt collection services and bad debt allowance and receivables written off |      | 0.6                        | 3.4                        |
| Other costs   |      | 20.8                       | 15.6                       |
| <b>Total</b>  |      | <b>488.9</b>               | <b>491.8</b>               |

### a) Salaries and employee-related costs

|                               | for the 3 months ended     |                            |
|-------------------------------|----------------------------|----------------------------|
|                               | 31 March 2022<br>unaudited | 31 March 2022<br>unaudited |
| Salaries                      | 27.6                       | 25.9                       |
| Social security contributions | 4.9                        | 4.5                        |
| Other employee-related costs  | 1.2                        | 1.1                        |
| <b>Total</b>                  | <b>33.7</b>                | <b>31.5</b>                |

## 9. Gain on investment activities, net

|                                      | for the 3 months ended     |                            |
|--------------------------------------|----------------------------|----------------------------|
|                                      | 31 March 2022<br>unaudited | 31 March 2022<br>unaudited |
| Share in the profits of partnerships | 13.7                       | 15.8                       |
| Other                                | 9.7                        | 3.7                        |
| <b>Total</b>                         | <b>23.4</b>                | <b>19.5</b>                |

## 10. Finance costs, net

|  | for the 3 months ended     |                            |
|--|----------------------------|----------------------------|
|  | 31 March 2022<br>unaudited | 31 March 2022<br>unaudited |
| Interest expense on loans and borrowings         | 18.1                       | 8.5                        |
| Interest expense on issued bonds                 | 28.1                       | 10.2                       |
| Valuation and realization of hedging instruments | (1.1)                      | 1.3                        |
| Guarantee fees                                   | 1.6                        | 1.9                        |
| Bank and other charges                           | 0.5                        | 0.6                        |
| <b>Total</b>                                     | <b>47.2</b>                | <b>22.5</b>                |

## 11. 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   |
|--------------|--------------------|-------------------------|--|
| 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                         |
| <b>Total</b> | <b>639,546,016</b> | <b>25.6</b>             |  |

\* 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 <sup>2</sup> , including through:         | 353,348,370        | 14.1                    | 55.25%                  | 532,765,871        | 65.05%             |
| Reddev Investments Ltd. <sup>1</sup> , including through: | 353,348,360        | 14.1                    | 55.25%                  | 532,765,851        | 65.05%             |
| Cyfrowy Polsat S.A. <sup>4</sup>                          | 71,174,126         | 2.8                     | 11.13%                  | 71,174,126         | 8.69%              |
| Embud 2 Sp. z o.o. S.K.A. <sup>2</sup>                    | 32,005,867         | 1.3                     | 5.00%                   | 32,005,867         | 3.91%              |
| Tipeca Consulting Limited <sup>3</sup>                    | 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        | 8.4                     | 32.99%                  | 210,972,429        | 25.76%             |
| <b>Total</b>  | <b>639,546,016</b> | <b>25.6</b>             | <b>100%</b>             | <b>818,963,517</b> | <b>100%</b>        |

\* not in millions.

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

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

<sup>3</sup> The Company under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

<sup>4</sup> The acquired own shares under the share buyback program announced on 16 November 2021. According to Art. 364 Section 2 Code of Commercial Companies Cyfrowy Polsat S.A. does not exercises share rights from the 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 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 includes 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.

## 12. Hedge valuation reserve

### Impact of hedging instruments valuation on hedge valuation reserve

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

### 13. Loans and borrowings

|                        | 31 March 2022<br>unaudited | 31 December 2021 |
|------------------------|----------------------------|------------------|
| Short-term liabilities | 208.2                      | 193.8            |
| Long-term liabilities  | 1,191.6                    | 1,230.7          |
| <b>Total</b>           | <b>1,399.8</b>             | <b>1,424.5</b>   |

Change in loans and borrowings liabilities:

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Balance as at 1 January</b>          | <b>1,424.5</b> | <b>1,528.0</b> |
| Repayment of capital                    | (39.0)         | -              |
| Repayment of interest and commissions   | (3.8)          | (7.0)          |
| Interest accrued                        | 18.1           | 8.5            |
| <b>Balance as at 31 March unaudited</b> | <b>1,399.8</b> | <b>1,529.5</b> |

### 14. Issued bonds

|                        | 31 March 2022<br>unaudited | 31 December 2021 |
|------------------------|----------------------------|------------------|
| Short-term liabilities | 103.8                      | 66.4             |
| Long-term liabilities  | 1,923.1                    | 1,942.1          |
| <b>Total</b>           | <b>2,026.9</b>             | <b>2,008.5</b>   |

Change in issued bonds:

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Balance as at 1 January</b>          | <b>2,008.5</b> | <b>1,997.9</b> |
| Repayment of interest and commissions   | (9.7)          | (9.7)          |
| Interest accrued and commissions        | 28.1           | 10.2           |
| <b>Balance as at 31 March unaudited</b> | <b>2,026.9</b> | <b>1,998.4</b> |



## 15. Transactions with related parties

### RECEIVABLES

|  | 31 March 2022<br>unaudited | 31 December 2021 |
|--|----------------------------|------------------|
| Subsidiaries   | 52.4                       | 92.2             |
| Joint ventures and associates  | 0.1                        | 0.2              |
| 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. | 0.7                        | 0.3              |
| <b>Total</b>   | <b>53.2</b>                | <b>92.7</b>      |

A significant portion of receivables is represented by receivables from share of the profits of partnerships and receivables related to sale of Polkomtel Sp. z o.o. ('Polkomtel') services.

### OTHER ASSETS

|  | 31 March 2022<br>unaudited | 31 December 2021 |
|--|----------------------------|------------------|
| Subsidiaries   | 10.4                       | 11.1             |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 1.0                        | -                |
| <b>Total</b>   | <b>11.4</b>                | <b>11.1</b>      |

Other current assets comprise mainly advances for the unbilled revenue from InterPhone Service and Polkomtel.

### LIABILITIES

|  | 31 March 2022<br>unaudited | 31 December 2021 |
|--|----------------------------|------------------|
| Subsidiaries   | 174.3                      | 138.7            |
| Joint ventures and associates  | 1.8                        | 4.6              |
| 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. | 19.1                       | 23.2             |
| <b>Total</b>   | <b>195.2</b>               | <b>166.5</b>     |

A significant portion of liabilities is represented by liabilities related to Liberty Poland and Polkomtel services, programming licence fees and lease liabilities.

### LOANS GRANTED

|  | 31 March 2022<br>unaudited | 31 December 2021 |
|--|----------------------------|------------------|
| Subsidiaries   | 561.5                      | 538.8            |
| 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. | 156.2                      | 18.0             |
| <b>Total</b>   | <b>717.7</b>               | <b>556.8</b>     |

## REVENUES

|  | for the 3 months ended     |                            |
|--|----------------------------|----------------------------|
|  | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Subsidiaries   | 26.8                       | 41.4                       |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 0.4                        | 0.5                        |
| <b>Total</b>   | <b>27.2</b>                | <b>41.9</b>                |

The most significant transactions include revenues from subsidiaries from signal broadcast, accounting services, programming fees, property rental, subscription revenue from Polkomtel and advertising services.

## EXPENSES

|  | for the 3 months ended     |                            |
|--|----------------------------|----------------------------|
|  | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Subsidiaries   | 178.2                      | 173.0                      |
| Joint ventures and associates  | 1.8                        | 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. | 5.1                        | 5.4                        |
| <b>Total</b>   | <b>185.1</b>               | <b>178.7</b>               |

The most significant transactions include data transfer services.

The Company also pays license fees for broadcasting Telewizja Polsat's programs, commissions on sales, and incurs expenses IT services, property rental costs, advertising production and telecommunication services with respect to the Company's customer call center.

## GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

|  | for the 3 months ended     |                            |
|--|----------------------------|----------------------------|
|  | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Subsidiaries   | 20.0                       | 18.6                       |
| 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. | 1.2                        | (0.2)                      |
| <b>Total</b>   | <b>21.2</b>                | <b>18.4</b>                |

Gains and losses on investment activities comprises of dividends, income from share of the profits of partnerships and guarantees granted by the Company in respect to Polkomtel's and Netia's term facilities.

## FINANCE COSTS, NET

|              | for the 3 months ended     |                            |
|--------------|----------------------------|----------------------------|
|              | 31 March 2022<br>unaudited | 31 March 2021<br>unaudited |
| Subsidiaries | 1.6                        | 1.9                        |
| <b>Total</b> | <b>1.6</b>                 | <b>1.9</b>                 |

Finance costs comprise mostly of guarantee fees in respect to settlement of term facilities.

## Other notes

### 16. Litigations

Management believes that the provisions for litigations 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 Company's financial situation. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Company's Management such disclosure could prejudice the outcome of the pending cases.

On 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations 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 was charged with a penalty in the amount of PLN 5.3. The Company appealed to SOKiK against the decision. On 7 August 2019 the court dismissed the appeal of the Company. The Company appealed against the decision. Pursuant to the Court of Appeals verdict from 11 March 2021, the Company paid a penalty of PLN 5.3 on 26 March 2021. 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 in closed session on 11 May 2022.

On 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations 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 was charged with a penalty in the amount of PLN 4.4. The Company appealed to SOKiK against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Company appealed against the decision. On 31 December 2020 the Company's appeal was dismissed. On 14 January 2021 the Company paid the penalty. The Company submit 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 submit a cassation appeal to the Court of Appeal in Warsaw.

### 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 last 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, the value of the lawsuit was increased by over PLN 120.

Other significant proceedings described in the financial statements for the year ended 31 December 2021 remained unchanged.

## 17. Risk and fair value

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, the risk of changes in cash flows related to interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements. These interim condensed financial statements should be read in conjunction with the Company's annual 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 Company uses the following hierarchy for determining and disclosing the fair value of financial instruments, depending on the selected valuation method:

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 | Level of the fair value hierarchy | 31 March 2022<br>unaudited |                  | 31 December 2021 |                  |
|---------------------------------------|------------------------------|-----------------------------------|----------------------------|------------------|------------------|------------------|
|                                       |                              |                                   | Fair value                 | Carrying amount  | Fair value       | Carrying amount  |
| Loans granted                         | A                            | 2                                 | 691.6                      | 718.1            | 537.4            | 557.2            |
| Trade and other receivables           | A                            | *                                 | 107.4                      | 107.4            | 137.8            | 137.8            |
| Cash and cash equivalents             | A                            | *                                 | 1,811.8                    | 1,811.8          | 1,934.8          | 1,934.8          |
| Loans and borrowings                  | B                            | 2                                 | (1,392.4)                  | (1,399.8)        | (1,414.5)        | (1,424.5)        |
| Issued bonds                          | B                            | 1                                 | (2,030.3)                  | (2,026.9)        | (2,045.5)        | (2,008.5)        |
| Lease liability                       | B                            | 2                                 | (19.6)                     | (19.6)           | (20.2)           | (20.2)           |
| Accruals                              | B                            | *                                 | (264.7)                    | (264.7)          | (213.0)          | (213.0)          |
| Trade and other payables and deposits | B                            | *                                 | (159.2)                    | (159.2)          | (218.9)          | (218.9)          |
| <b>Total</b>                          |                              |                                   | <b>(1,255.4)</b>           | <b>(1,232.9)</b> | <b>(1,302.1)</b> | <b>(1,255.3)</b> |
| Unrecognized loss                     |                              |                                   |                            | <b>(22.5)</b>    |                  | <b>(46.8)</b>    |

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 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.

Trade and other receivables, accruals and 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 the effect of time value of money into account, would approximately be equal to their nominal value.

As at 31 March 2022 and 31 December 2021 loans and borrowings comprised term facility loan. The discount rate for each payment was calculated as a sum of implied WIBOR interest rate and a margin regarding the Company's credit risk. When determining the fair value of senior facility as at 31 March 2022 and 31 December 2021, forecasted cash flows from the reporting date to 30 September 2024 (assumed date of repayment of the loan 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 bonds as at 31 March 2022 and 31 December 2021 is calculated based on the last bid price as at the balance sheet date as quoted on the Catalyst market.

As at 31 March 2022, the Company held the following financial instruments measured at fair value:

#### ASSETS MEASURED AT FAIR VALUE

|              | 31 March 2022<br>unaudited | Level 1 | Level 2     | Level 3 |
|--------------|----------------------------|---------|-------------|---------|
| IRS          |                            | -       | 25.4        | -       |
| <b>Total</b> |                            | -       | <b>25.4</b> | -       |

As at 31 December 2021, the Company held the following financial instruments measured at fair value:

#### LIABILITIES MEASURED AT FAIR VALUE

|              | 31 December 2021 | Level 1  | Level 2     | Level 3  |
|--------------|------------------|----------|-------------|----------|
| IRS          | -                | -        | 13.4        | -        |
| <b>Total</b> | <b>-</b>         | <b>-</b> | <b>13.4</b> | <b>-</b> |

The fair value of interest rate swaps is determined using financial instruments valuation models, based on generally published interest rates. 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.

## 18. 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.

#### Acquisition of shares in Vindix S.A.

On 19 January 2022 Cyfrowy Polsat acquired 53.73% 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.

#### Acquisition of shares in Plus Finanse Sp. z o.o.

On 2 February 2022 Cyfrowy Polsat acquired 99.99% shares in Plus Finanse Sp. z o.o. As a result of the transaction the Company holds 100% of shares in Plus Finanse Sp. z o.o.

#### 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.

## 19. Other disclosures

### Security relating to loans and borrowings

The Company entered into a series of agreements establishing security under the Loans Agreement. Detailed information in respect to the agreements is presented in the Management Report in note 3.2.6.

### Other securities

The Company provided guarantees to its subsidiaries in respect to purchase contracts. Information regarding the amounts of guarantees provided was not separately disclosed, as in the opinion of the Group's Management, such disclosure could have a negative impact on the relations with the third parties.

### Contractual liabilities related to purchases of non-current assets

Total amount of capital commitments resulting from agreements on property construction and improvements was PLN 58.3 as at 31 March 2022 (PLN 77.2 as at 31 December 2021).



Additionally the amount of deliveries and services committed to under agreements for the purchases of licences and software was PLN 0.3 as at 31 March 2022 (PLN 0.3 as at 31 December 2021).

### Future contractual obligations

As at 31 March 2022 and 31 December 2021 the Company had future liabilities due to transponder capacity agreements. The table below presents future payments (total):

|                      | 31 March 2022<br>unaudited | 31 December 2021 |
|----------------------|----------------------------|------------------|
| within one year      | 123.5                      | 122.1            |
| between 1 to 5 years | 339.6                      | 366.2            |
| <b>Total</b>         | <b>463.1</b>               | <b>488.3</b>     |

## 20. 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.

## 21. Judgments, financial estimates and assumptions

The preparation of interim condensed 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 judgements, accounting estimates and assumptions is presented in the annual financial statements.