

**Report of the Management Board
on the activities
of Cyfrowy Polsat S.A. Capital Group
for the three month period ended
September 30, 2022**

Warsaw, November 14, 2022

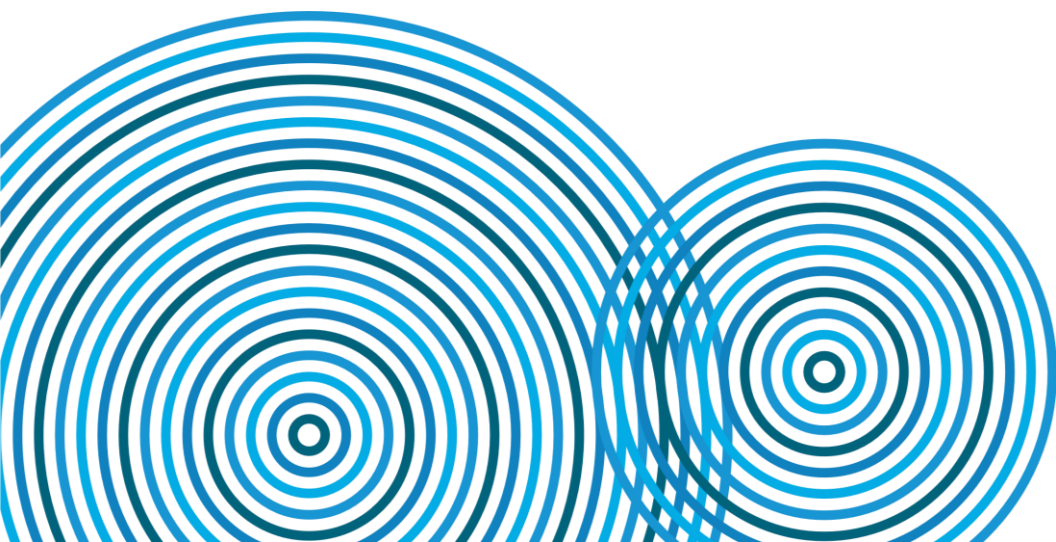


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Polsat Plus Group at a glance

Polsat Plus Group is Poland's largest media and telecommunications group and the leader on the Polish entertainment and telecommunications markets. Within the scope of our activities we provide a comprehensive array of integrated services in the following areas:

- **pay TV services** offered under the 'Polsat Box' brand by Cyfrowy Polsat – the largest pay TV provider in Poland – and our subsidiary Netia. We offer our customers access to over 150 TV channels broadcast in satellite, terrestrial and Internet (IPTV, OTT) technologies as well as modern OTT services and Multiroom. We also provide online video services through online services 'Polsat Box Go' and 'Polsat Go', the leaders on Poland's online video market;
- **telecommunication services**, including voice and data transmission services, as well as various added services (VAS). We provide mobile telecommunication services under the 'Plus' brand through Polkomtel – one of Poland's leading telecommunications operators - and fixed-line telecommunication services mainly through Netia;
- **mobile broadband Internet**, offered mainly under the 'Plus' brand in the state-of-the-art LTE, LTE Advanced and 5G technologies. We offer the largest LTE coverage and the first commercial, and concurrently the largest and fastest 5G network in Poland, thanks to which our customers enjoy the best quality of services;
- **fixed-line broadband Internet**, offered under the 'Netia' and 'Plus' brands based on our nationwide access infrastructure reaching approximately 3.2 million homes passed as well as based on access to networks of other fixed-line operators;
- **broadcasting and television production** through Telewizja Polsat, the leading commercial TV broadcaster on the Polish market, offering 39 own popular TV channels, including our main channel POLSAT, one of the leading FTA channels in Poland;
- **Internet media** through the portal Interia.pl, one of the three largest horizontal portals in Poland, as well as a number of thematic portals;
- **wholesale services to other operators**, including, i.a., network interconnection, IP and voice traffic transit, lease of lines, and national and international roaming services;
- **activities on the real estate market**, consisting mainly on the implementation of construction projects as well as the sales, rental and management of real estate. Our flagship project being the Port Praski investment located in the strict center of Warsaw.

We operate mainly on the territory of Poland in three business segments: the B2C and B2B services segment, the media segment: television and online and the real estate segment.

The shares of Cyfrowy Polsat S.A., the dominant entity of Polsat Plus Group, are listed in the Warsaw Stock Exchange on Warsaw since May 6, 2008.

Our mission and main strategic goals

Our strategic motto is offer high quality commodities for a reasonable price to the inhabitants of Poland. For everyone. Everywhere.

We believe that high-speed and reliable Internet within easy reach means freedom for everyone and everywhere. We believe in locally produced, unique content available wherever, whenever and on whatever device you want. We believe that the transition towards clean and affordable energy, in particular energy produced from renewable sources, is what our country needs and that it creates new development opportunities for our Group.

Our mission is to create and deliver high quality commodities: high-speed and reliable connectivity, the most attractive and unique content and entertainment, clean and affordable energy and other services and commodities for the home and for individual and business customers, using state-of-the-art technologies to provide top quality services that meet the changing needs and expectations of our customers, so as to maintain the highest possible level of their satisfaction. Concurrently, in line with the concept of ESG, we want to create the value of our Group in a sustainable manner taking into account and addressing environmental, social, responsible and transparent business issues, to the benefit of local society and all our Stakeholders.

The overarching goal of the strategy of Polsat Plus Group is the permanent, long-term growth of the value of Cyfrowy Polsat S.A. for its Shareholders. We intend to achieve this goal by implementing the key elements of our operating strategy based on three main pillars and supported by an effective financial policy.

PILLAR I - CONNECTIVITY	PILLAR II - CONTENT	PILLAR III – CLEAN ENERGY
High-speed and reliable connectivity is critical to our work, education and entertainment. Easy communication with friends and family	Attractive content and excellent user experience ensure entertainment wherever, whenever and on whatever device you want	Affordable, clean energy is essential to the daily functioning and further development of the Polish society and economy
<ul style="list-style-type: none"> growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction 		<ul style="list-style-type: none"> building a position on the clean, energy market, in particular from the sun, wind, biomass, thermal waste treatment and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction
<ul style="list-style-type: none"> growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of channels produced by us 		<ul style="list-style-type: none"> analysis of additional development opportunities in other prospective directions, such as nuclear technologies
<ul style="list-style-type: none"> use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services 		
<ul style="list-style-type: none"> effective management of the cost base of our integrated capital group by exploiting its inherent synergies and economies of scale 		
<ul style="list-style-type: none"> effective management of the Group's finances, including its capital resources 		

Disclaimers

This constitutes the report of Cyfrowy Polsat Capital Group S.A. (the "Report") prepared as required by Article 60 sections 1 and 2 and Article 66 of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

Presentation of financial data and other information

References to the Company or Cyfrowy Polsat contained in this Management Board's report on the activities of Polsat Plus Group apply to Cyfrowy Polsat S.A., while all references to the Group or Polsat Plus Group apply to Cyfrowy Polsat S.A. and its consolidated subsidiaries. Expressions such as "we," "us," "our" and similar apply generally to the Group, unless it is clear from the context that they apply only to the Company. A glossary of terms used in this document is presented at the end of this Report.

This Report contains financial statements and financial information relating to the Company and the Group. In particular, this Report contains our condensed financial statements for the nine-month period ended September 30, 2022, prepared in accordance with International Financial Reporting Standards as approved for use in the European Union ("IFRS") and are presented in millions of zlotys. The financial statements attached to this Report have not been reviewed by an independent auditor.

Certain financial data contained in this Report have been subject to rounding adjustments. Accordingly, certain numbers presented as the sum may not conform exactly to the arithmetical sum of their components.

Forward-looking statements

This Report contains forward looking statements relating to future expectations, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). These statements are expressed, without limitation, through words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this Report. Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this Report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this Report.

In this Report, we disclose important factors which may impact our future operating activities and financial results that could cause our actual results to differ materially from our expectations.

Industry and market data

In this Report, we set out information relating to our business and the markets in which we and our competitors operate. The information regarding the market, its size, the market share, the market position, the growth rates and other industry data relating to our business and markets in which we operate consists of data and reports compiled by various third-party entities, including other operators present on the Polish market, and

our internal estimates. We believe that industry publications, surveys and forecasts we use are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.

Moreover, in numerous cases we have made statements in this Report regarding our industry and our position in the industry based on our own experience and our examination of market conditions. We cannot guarantee that any of these assumptions properly reflect our market position. Our internal surveys have not been verified by any independent sources.

Financial data overview

The following tables set out selected consolidated financial data for the three- and nine-month periods ended September 30, 2022 and September 30, 2021. This information should be read in conjunction with the consolidated financial statements for the nine-month period ended September 30, 2022 (including notes thereto) constituting part of this Report and the information included in item 3 of this Report – *Operating and financial review of Polsat Plus Group*.

Selected financial data:

- from the consolidated income statement for the three-month periods ended September 30, 2022 and September 30, 2021 have been converted into euro at a rate of PLN 4.7440 per EUR 1.00 (average exchange rate in the period from July 1, 2022 to September 30, 2022 announced by the NBP)
- from the consolidated income statement and the consolidated cash flow statement for the nine-month periods ended September 30, 2022 and September 30, 2021 have been converted into euro at a rate of PLN 4.6727 per EUR 1.00 (average exchange rate in the period from January 1, 2022 to September 30, 2022 announced by the NBP)
- from the consolidated balance sheet data as at September 30, 2022 and December 31, 2021 have been converted into euro at a rate of PLN 4.8698 per EUR 1 (average exchange rate on September 30, 2022 published by the NBP).

Such recalculations shall not be viewed as a representation that such zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

It should be noted that the financial data for the three- and nine-month periods ended September 30, 2022 and September 30, 2021 are not fully comparable due to acquisitions and changes to the Group's structure in the period from January 1, 2021 to September 30, 2022, which are described in detail in item 1.2 - *Composition and structure of Polsat Plus Group – Changes in the organizational structure of Polsat Plus Group and their effects*, as well as in item 1.2. of the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the twelve-month period ended December 31, 2021.

Consolidated income statement

	for the three-month period ended September 30				for the nine-month period ended September 30			
	2022		2021		2022		2021	
	mPLN	mEUR	mPLN	mEUR	mPLN	mEUR	mPLN	mEUR
Revenue	3,270.9	689.5	3,031.9	639.1	9,485.7	2,030.0	9,179.0	1,964.4
Retail revenue	1,753.3	369.6	1,707.4	359.9	5,201.3	1,113.1	5,036.3	1,077.8
Wholesale revenue	840.9	177.3	827.1	174.3	2,533.8	542.2	2,672.0	571.8
Sale of equipment	472.7	99.6	359.1	75.7	1,259.7	269.6	1,042.2	223.1
Other sales revenue	204.0	43.0	138.3	29.2	490.9	105.1	428.5	91.7
Total operating costs	(2,877.3)	(606.5)	(2,595.9)	(547.2)	(8,326.4)	(1,781.9)	(7,494.9)	(1,604.0)
Technical costs and cost of settlements with telecommunication operators	(823.2)	(173.5)	(790.3)	(166.6)	(2,440.7)	(522.3)	(2,048.0)	(438.3)
Depreciation, amortization, impairment and liquidation	(452.1)	(95.3)	(463.6)	(97.7)	(1,365.9)	(292.3)	(1,442.0)	(308.6)
Cost of equipment sold	(365.4)	(77.0)	(297.6)	(62.7)	(1,024.9)	(219.3)	(863.5)	(184.8)
Content costs	(530.0)	(111.7)	(426.9)	(90.0)	(1,508.4)	(322.8)	(1,295.5)	(277.3)
Distribution, Marketing, customer relation management and retention costs	(256.6)	(54.1)	(280.6)	(59.2)	(763.9)	(163.5)	(740.2)	(158.4)
Salaries and employee-related costs	(242.3)	(51.1)	(210.8)	(44.4)	(734.0)	(157.1)	(675.6)	(144.6)
Cost of debt collection services and bad debt allowance and receivables written off	(25.6)	(5.4)	(30.4)	(6.4)	(72.7)	(15.6)	(82.9)	(17.7)
Other costs	(182.1)	(38.4)	(95.7)	(20.2)	(415.9)	(89.0)	(347.2)	(74.3)
Gain on disposal of a subsidiary and an associate	113.4	23.9	3,690.8	778.0	113.4	24.3	3,690.8	789.9
Other operating income/(cost), net	(6.1)	(1.3)	4.6	1.0	(25.7)	(5.5)	1.7	0.3
Profit from operating activities	500.9	105.6	4,131.4	870.9	1,247.0	266.9	5,376.6	1,150.6
Loss on investment activities, net	(18.1)	(3.8)	(16.5)	(3.5)	(5.5)	(1.2)	(31.1)	(6.6)
Finance costs, net	(209.3)	(44.1)	(54.7)	(11.5)	(416.8)	(89.2)	(172.3)	(36.9)
Share of the profit of associates accounted for using the equity method	23.8	5.0	22.5	4.7	62.7	13.4	64.0	13.7
Gross profit for the period	297.3	62.7	4,082.7	860.6	887.4	189.9	5,237.2	1,120.8
Income tax	(66.2)	(14.0)	(934.0)	(196.9)	(160.8)	(34.4)	(1,156.4)	(247.5)
Net profit for the period	231.1	48.7	3,148.7	663.7	726.6	155.5	4,080.8	873.3
Net profit attributable to equity holders of the Parent	236.7	49.9	3,142.4	662.4	740.5	158.5	4,071.3	871.3
Net profit/(loss) attributable to non-controlling interest	(5.6)	(1.2)	6.3	1.3	(13.9)	(3.0)	9.5	2.0

	for the three-month period ended September 30				for the nine-month period ended September 30			
	2022		2021		2022		2021	
	mPLN	mEUR	mPLN	mEUR	mPLN	mEUR	mPLN	mEUR
Basic and diluted earnings per share in PLN (not in millions)	0.42	0.09	4.92	1.04	1.30	0.28	6.38	1.37
Weighted number of issued shares (not in millions)	550,703,531		639,546,016		560,135,689		639,546,016	
EBITDA⁽¹⁾	953.0	200.9	4,595.0	968.6	2,612.9	559.2	6,818.6	1,459.2
EBITDA margin	29.1%	29.1%	151.6%	151.6%	27.5%	27.5%	74.3%	74.3%
Gain on disposal of a subsidiary and an associate	113.4	23.9	3,690.8	778.0	113.4	24.3	3,690.8	789.9
Costs of supporting Ukraine	-	-	-	-	(34.1)	(7.3)	-	-
adjusted EBITDA⁽²⁾	839.6	177.0	904.2	190.6	2,533.6	542.2	3,127.8	669.3
adjusted EBITDA margin	25.7%	25.7%	29.8%	29.8%	26.7%	26.7%	34.1%	34.1%
EBITDA result of Polkomtel Infrastruktura	-	-	-	-	-	-	366.9	78.5
EBITDA adjusted excluding the result of Polkomtel Infrastruktura	839.6	177.0	904.2	190.6	2,533.6	542.2	2,760.9	590.8
EBITDA adjusted margin excluding the result of Polkomtel Infrastruktura	25.7%	25.7%	29.8%	29.8%	26.7%	26.7%	30.1%	30.1%
Operating margin	15.3%	15.3%	136.3%	136.3%	13.1%	13.1%	58.6%	58.6%

(1) We define EBITDA as net profit/(loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

(2) Adjusted EBITDA excludes the gains on disposal of shares in our subsidiary Polkomtel Infrastruktura Sp. z o.o. in the third quarter of 2021 and our stakes of shares in Modivo S.A. CSK Ossa Sp. z o.o., and Ossa Medical Center Sp. z o.o. in the third quarter of 2022 as well as the costs of supporting Ukraine incurred in the first quarter of 2022.

Consolidated cash flow statement

	for the nine-month period ended September 30			
	2022		2021	
	mPLN	mEUR	mPLN	mEUR
Net cash from operating activities	1,090.2	233.3	2,442.7	522.7
Net cash used in investing activities	(1,402.5)	(300.1)	4,646.0	994.3
<i>Incl. capital expenditures⁽¹⁾</i>	<i>(812.2)</i>	<i>(173.8)</i>	<i>(901.8)</i>	<i>(193.0)</i>
Net cash used in financing activities	(1,729.7)	(370.2)	(981.5)	(210.0)
Net increase/(decrease) in cash and cash equivalents	(2,042.0)	(437.0)	6,107.2	1,307.0

(1) Capital expenditures represent payments for our investments in property, plant and equipment and intangible assets. Excludes expenditures on purchase of reception equipment leased to our customers, which are reflected in the cash flow from operating activities, or payments for concessions, which are reported in a separate line of our cash flow statement.

Consolidated balance sheet

	September 30, 2022		December 31, 2021	
	mPLN	mEUR	mPLN	mEUR
Cash and cash equivalents ⁽¹⁾	1,596.1	327.8	3,644.3	748.3
Assets	31,686.2	6,506.7	32,237.0	6,619.8
Non-current liabilities	10,457.8	2,147.5	11,226.1	2,305.3
Non-current financial liabilities ⁽²⁾	9,079.2	1,864.4	10,111.4	2,076.3
Current liabilities	5,573.9	1,144.6	5,626.3	1,155.3
Current financial liabilities ⁽²⁾	1,717.3	352.6	1,340.2	275.2
Equity	15,654.5	3,214.6	15,384.6	3,159.2
Share capital	25.6	5.3	25.6	5.3

(1) Includes Cash and cash equivalents, deposits and restricted cash.

(2) Includes Loans and borrowings, Issued bonds and Lease liabilities.

1. Characteristics of Polsat Plus Group

1.1. Who we are

Polsat Plus Group is the largest provider of integrated media and telecommunications services in Poland. We are the leading pay TV provider and one of the leading telecommunications operators in the country. We are also one of Poland's largest content producers and hold a leading position among private TV broadcasters in terms of both audience and advertising market shares. We offer a complete package of multimedia services designed for the entire family: pay TV via satellite, terrestrial and online (IPTV and OTT) broadcasting, mobile and fixed-line telephony, data transmission services and broadband Internet access, mainly in LTE, LTE Advanced and 5G mobile technologies and also through fixed-line networks, including fiber-optic. Additionally, we provide a wide array of wholesale services to other telecommunications operators, television operators and broadcasters. Moreover, we are a leading player on the Internet media market through the portal Interia.pl, which is one of the three largest horizontal portals in Poland. We also operate on the Polish online advertising market offering modern marketing and promotional solutions.

In 2022, we began operations in the real estate market, where we are active in the areas of construction, sale, rental and management of real estate. Our flagship investment is the development project Port Praski located in the strict center of Warsaw.

Our mission is to create and deliver the most attractive TV and online content, telecommunications products and other services for the home as well as for individual and business customers, using state-of-the-art technologies, to provide top quality multiplay services that match the changing needs of our customers while maintaining the highest possible level of their satisfaction. We are guided by the principle "For everyone. Everywhere" and we aim to satisfy every customer's needs with our products and services accessible at any time and on any device regardless of the method of service provisioning. We are constantly working on expanding our offering and entering new distribution markets. We pay attention to the development of unique content, acquired both internally and externally, as we consider it an important competitive advantage in our operations.

In December 2021, we adopted the *Strategy 2023+* for our Group, which envisages the expansion of our existing operating activities into a new area - clean energy production. The new operational pillar will open the possibility of building an additional revenue stream for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction. In line with the concept of ESG, we want to create the value of our Group in a sustainable manner taking into account and addressing environmental, social, responsible and transparent business issues, to the benefit of the local society and all our stakeholders. The superior goal of Polsat Plus Group's strategy remains the sustained, long-term growth of the value of Cyfrowy Polsat S.A. for its Shareholders.

In the first quarter of 2022 we operated in two business segments: the B2C and B2B services segment, and the media segment: television and online. Starting from the second quarter of 2022, our operations additionally include a third business segment: the real estate segment. For a detailed description of the business conducted by each segment, please refer to item 3.2.2 - *Operating segments*.

1.2. Composition and structure of Polsat Plus Group

The following table presents the companies from Polsat Plus Group as at specific dates, indicating the consolidation method.

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 2021
B2C and B2B services segment				
Parent Company				
Cyfrowy Polsat S.A.	Łubinowa 4a, 03-878 Warsaw	radio, TV and telecommunication activities	n/a	n/a
Subsidiaries consolidated using the full consolidation method				
Polkomtel Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	100%	100%
Polkomtel Business Development Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	other activities supporting financial services, gaseous fuels trading activities	100%	100%
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%
Liberty Poland S.A.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	telecommunication activities	100%	100%
Interphone Service Sp. z o.o.	Inwestorów 8, 39-300 Mielec	production of set-top boxes	100%	100%
Sferia S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	51%	51%
Teleaudio Dwa Sp. z o.o. Sp.k.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	call center and premium-rate services	100%	100%
Netia S.A.	Poleczki 13, 02-822 Warsaw	telecommunication activities	99.999%	99.999%
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%
Logitus Sp. z o.o.	Orzechowa 5, 80-175 Gdańsk	wired communication	99.999%	99.999%
ISTS Sp. z o.o.	Bociana 4A / 68A, 31-231 Cracow	wired communication	-	99.999%
IST Sp. z o.o.	Księcia Janusza I 3, 18-400 Łomża	wired communication	-	99.999%
Enterpol Sp. z o.o.	Braci Wieniawskich 5, 20-844 Lublin	telecommunication activities	99.999%	-
Oktawave S.A.	Domaniewska 44A, 02-672 Warszawa	website management	99.999%	-

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 2021
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	51.25%	26.14%
Alledo Parts Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	wholesale	51.25%	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%
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%
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%
IB 1 FIZAN	Mokotowska 49, 00-542 Warsaw	finance activities	(1)	(1)
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%
Netshare Media Group Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	advertising activities	100%	100%
BCAST Sp. z o.o.	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	70.02%	70.02%
INFO-TV-FM Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	radio and television activities	100%	100%
CKS Ossa Sp z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	hotel activities	-	100%
Ossa Medical Center Sp. z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	hospital activities	-	100%
Stork 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warszawa	holding activities	100%	100%
Swan 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warszawa	agriculture activities	100%	100%
Vindix S.A. ⁽²⁾	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	(2)

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 2021
Vindix Investments Sp. z o.o. ⁽²⁾	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	-
Direct Collection Sp. z o.o. ⁽²⁾	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	-
Vindix Sp. z o.o. ⁽²⁾	Heroiv UPA 73 ż, 79018, Lviv	call center services	100%	-
Vindix NSFIZ ⁽²⁾	Mokotowska 49, 00-542 Warsaw	financial services	⁽¹⁾	-
Mag7soft Sp. z o.o. ⁽²⁾	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	-
Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.	Zwierzyniecka 18, 60-814 Poznań	real estate market services	100%	-

Subsidiaries consolidated using the equity method

Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	22.95%	22.95%
Vindix S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	⁽²⁾	46.27%
Modivo S.A.	Nowy Kisielin-Nowa 9, 66-002 Zielona Góra	retail sales	-	10%
PAK-Polska Czysta Energia Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	40.41%	-

Media segment: television and online

Subsidiaries consolidated using the full consolidation 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 Media Biuro Reklamy Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Investments Ltd.	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, Great Britain	media	100%	100%
Muzo.fm Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	media	100%	100%
Music TV Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polo TV Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
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%
TV Spektrum Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
TVO Sp. z o.o.	Kielecka 5, 81-303 Gdynia	retail sales	75.96%	75.96%

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 2021
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%
Polot Media Sp. z o.o.	Solskiego 55, 52-401 Wrocław	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k.	Solskiego 55, 52-401 Wrocław	movie and TV production	60%	60%
Polsat Talenty Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	cooperation with artists and presenters	100%	100%
Antyweb Sp. z o.o.	Sarmacka 12C/14, 02-972 Warsaw	web portals activities	70%	-

Subsidiaries consolidated using the equity method

Polsat JimJam Ltd.	33 Broadwick Street Soho London W1F 0DQ, Great Britain	media	50%	50%
Polski Operator Telewizyjny Sp. z o.o.	Wiernicza 166, 02-952 Warsaw	technical services	50%	50%
Polsat Boxing Promotion Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	movie and TV production	24%	24%

Real Estate segment

Subsidiaries consolidated using the full consolidation method

Port Praski Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	-
Port Praski Inwestycje Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	-
Port Praski Nowe Inwestycje Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	real estate management	66.94%	-
Port Praski Sp. z o.o. Białystok Sp. k. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	-
Port Praski Office Park Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Medical Center Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski City Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski City II Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski City III Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski City IV Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Sp. z o.o. S.K.A. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 2021
Port Praski Education Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Doki Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Doki II Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Media Park Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski II Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	-
Port Praski Hotel Sp. z o.o. ⁽³⁾	Krowia 6, 03-711 Warsaw	hotel services	45.52%	-
Pantanomo Limited ⁽³⁾	3 KRINOU, Limassol 4103, Cypr	holding activities	45.52%	-
Laris Investments Sp. z o.o. ⁽³⁾	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	-
Laris Development Sp. z o.o. ⁽³⁾	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	-
Laris Technologies Sp. z o.o. ⁽³⁾	Pańska 77/79, 00-834 Warsaw	property rental and management	66.94%	-
SPV Baletowa Sp. z o.o. ⁽³⁾	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	-
Megadex Development Sp. z o.o. ⁽³⁾	Gdańska 14/1 01-691 Warsaw	property rental and management	66.94%	-
Megadex Expo Sp. z o.o. ⁽³⁾	Adama Mickiewicza 63, 01-625 Warsaw	property rental and management	66.94%	-
Centrum Zdrowia i Relaksu Verano Sp. z o.o. ⁽³⁾	Sikorskiego 8, 78-100 Kołobrzeg	hotel services	66.94%	-
Turystyka Zdrowotna Verano Plus Sp. z o.o. ⁽³⁾	Gen. Wł. Sikorskiego 8 A, 78-100 Kołobrzeg	catering services	66.94%	-
Subsidiaries consolidated using the equity method				
Pollytag S.A. ⁽³⁾	Wielopole 6, 80-556 Gdańsk	sale of wood and construction materials	31.12%	-

- (1) Cyfrowy Polsat indirectly holds 100% of certificates.
- (2) Vindix Group. As at December 31, 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 January 19, 2022 Cyfrowy Polsat acquired 53.73% shares of Vindix S.A. and holds 100% shares of Vindix S.A. and its subsidiaries.
- (3) Port Praski Group. As a result of the acquisition of 66.94% shares of Port Praski Sp. z o.o. on April 1, 2022, Cyfrowy Polsat acquired control over the Port Praski Sp. z o.o. and its subsidiaries.

Additionally, the following entities were included in the consolidated financial statements for the nine-month period ended September 30, 2022:

Company	Registered office	Activity	Share in voting rights (%) as at	
			September 30, 2022	December 31, 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.	Ku Ujściu 19, 80-701 Gdańsk	production of electrical equipment	10%	10%
Towerlink Poland Sp. z o.o.	Marcina Kasprzaka 4, 01-211 Warsaw	telecommunication activities	0.01%	0.01%
MESE Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	10%	10%
Megadex SPV Sp. z o.o. ⁽³⁾	Adama Mickiewicza 63, 01-625 Warsaw	other financial services	7.02%	-
Megadex Księży Młyn Sp. z o.o. ⁽³⁾	Adama Mickiewicza 63, 01-625 Warsaw	implementation of construction projects	7.02%	-

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

(2) Not material and therefore not included into the valuation using the equity method.

(3) On April 1, 2022 Cyfrowy Polsat acquired 66,94% shares of Port Praski Sp. z o.o. which indirectly holds shares in the company.

Changes in the organizational structure of Polsat Plus Group and their effects

From January 1, 2022 until the date of publication of this Report, i.e. November 14, 2022, changes presented in the table below were implemented in the structure of Polsat Plus Group.

These changes are the effect of acquisitions and the systematically executed process of steady optimization of the capital structure of the Group. The changes in the Group's structure entail, among other things, improved efficiency of financial management on the consolidated level through the simplification and streamlining of intragroup financial flows and the elimination of redundant costs.

Furthermore, the Group is acquiring selected assets in order to effectively and dynamically implement its Strategy 2023+ which is focused, in particular, on the Group's development in the area of energy production from low- and zero-emission sources and the acquisition of attractive real estate projects. Part of the acquisitions executed by the Group consists of financial investments which, in our opinion, represent an attractive alternative for allocation of free cash resources.

Date	Description
B2C and B2B services segment	
January 19, 2022	Acquisition of additional 53.73% of shares in Vindix S.A. by Cyfrowy Polsat. As a result of the transaction, Cyfrowy Polsat holds 100% of shares in Vindix S.A. and its subsidiaries.
February 1, 2022	Merger of Netia S.A. (the acquirer) with IST Sp. z o.o. (the acquiree).
March 31, 2022	Acquisition of 100% shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. by Polkomtel.
May 12, 2022	Acquisition of 49% of shares in PAK-PCE Biopaliwa i Wodór Sp. z o.o. by Cyfrowy Polsat.
June 7, 2022	Acquisition of 100% of shares in Enterpol Sp. z o.o. by Netia.

June 7, 2022	Merger of Netia S.A. (the acquirer) with ISTS Sp. z o.o. (the acquiree).
June 21, 2022	Acquisition of 100% of shares in Oktawave S.A. by Netia.
July 27, 2022	Registration of a share capital increase in PAK-Polska Czysta Energia Sp. z o.o., which resulted in Cyfrowy Polsat holding a 40,41% stake in this company.
August 4, 2022	Acquisition of additional 49% of shares in Alledo Parts Sp. z o.o. by Esoleo.
August 4, 2022	Acquisition of 48% of the total rights and obligations of a limited partner in Alledo Parts Sp. z o.o. Sp.k. by Esoleo.
September 28, 2022	Disposal of ca. 10% of shares in Modivo S.A. by Cyfrowy Polsat.
September 28, 2022	Disposal of 100% of shares in CSK Ossa Sp. z o.o. by Polkomtel.
September 28, 2022	Disposal of 100% of shares in Ossa Medical Center Sp. z o.o. by Polkomtel.
Media segment	
September 28, 2022	Acquisition of 70% of shares in Antyweb Sp. z o.o. by Grupa Interia.pl.
Real Estate segment	
April 1, 2022	Acquisition of 66.94% of shares in Port Praski Sp. z o.o. by Cyfrowy Polsat.
August 9, 2022	Acquisition of additional 0.09% of shares in Laris Investments Sp. z o.o. by Port Praski. As a result of the transaction, Cyfrowy Polsat holds 66.94% of shares in Vindix S.A. and its subsidiaries.
October 24, 2022	Disposal of a total of 50% of shares in Port Praski City II Sp. z o.o. by Port Praski City III Sp. z o.o. and Pantanomo Limited.
October 24, 2022	Disposal of 50% of shares in Port Praski Medical Center Sp. z o.o. by Pantanomo Limited.

1.3. Shareholders with qualifying holdings of shares of Cyfrowy Polsat

The table below presents Shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the General Meeting of the Company as at the date of publication of this Report, i.e. November 14, 2022.

Shareholder	Number of shares	% of shares	Number of votes	% of votes
Zygmunt Solorz, through:	396,802,022	62.04%	576,219,523	70.36%
TiVi Foundation, including through:	386,745,257	60.47%	566,162,758	69.13%
Reddev Investments Limited, including through:	386,745,247	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A. ⁽¹⁾	88,842,485	13.89%	88,842,485	10.85%
Tobias Solorz ⁽²⁾	5,607,609	0.88%	5,607,609	0.68%
Tobe Investments Group Limited	4,449,156	0.70%	4,449,156	0.54%
Nationale Nederlanden PTE S.A.	41,066,962	6.42%	41,066,962	5.02%
Others	201,677,032	31.53%	201,677,032	24.63%
Total	639,546,016	100%	818,963,517	100%

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

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

Changes in the structure of ownership of significant number of shares of the Company in the period since the publication of the last periodic report

From the date of publication of the previous interim report, i.e. August 11, 2022 (report for the first half of 2022), until the date of publication of this Report, i.e. November 14, 2022, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

1.4. Shares of Cyfrowy Polsat held by Members of the Management Board and the Supervisory Board

To the Company's best knowledge Members of the Management Board of Cyfrowy Polsat did not hold any shares of the Company, directly or indirectly, as at the date of publication of this Report, i.e. November 14, 2022 as well as at the date of publication of the previous interim report, i.e. August 17, 2022 (report for the first half of 2022).

The table below presents the number of shares of Cyfrowy Polsat which, according to the Company's best knowledge, were held, directly or indirectly, by Members of the Company's Supervisory Board as at the date of publication of this Report, i.e. November 14, 2022, along with changes in shareholding from the date of publication of the previous report, i.e. August 17, 2022 (report for the first half of 2022).

Name and Surname / Function	Holding as at August 17, 2022	Acquisitions	Disposals	Holding as at November 14, 2022
Mr. Zygmunt Solorz ⁽¹⁾ Chairman of the Supervisory Board	396,802,022	-	-	396,802,022
Mr. Tobias Solorz ⁽²⁾ Member of the Supervisory Board	5,607,609	-	-	5,607,609
Mr. Józef Birka ⁽³⁾ Member of the Supervisory Board	-	79,268	-	79,268
Mr. Marek Kapuściński Deputy Chairman of the Supervisory Board	22,150	-	-	22,150
Mr. Tomasz Szeląg ⁽³⁾ Member of the Supervisory Board	25,500	28,310	-	53,810

(1) Zygmunt Solorz holds the Company's shares through the following companies: TiVi Foundation (the parent of Reddev Investments Limited, which in turn is the parent of Cyfrowy Polsat S.A.) and Tobe Investments Group Limited. Within the block of shares held by Zygmunt Solorz, 5,607,609 shares held by Tobias Solorz were disclosed.

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

(3) The disclosed shares were acquired by Ewa Birka, a person closely related within the meaning of Article 19 of the MAR Regulation to Józef Birka.

(4) Tomasz Szeląg holds the Company's shares indirectly, through Pigreto Ltd.

To the Company's best knowledge the remaining Members of the Supervisory Board did not hold any shares of the Company, directly and indirectly, as at the date of publication of this Report, i.e. November 14, 2022, nor at the date of publication of the previous report, i.e. August 17, 2022 (report for the first half of 2022).

2. Significant investments, agreements and events

Outbreak of armed conflict in Ukraine

On February 24, 2022, the armed forces of the Russian Federation launched an invasion and hostilities on the territory of Ukraine, a country that directly borders the Republic of Poland at a distance of 535 km. The Management Board of Cyfrowy Polsat unequivocally condemns this unjustified aggression and stands in full solidarity with the Ukrainian community in its defensive war.

An analysis of the impact of the war in Ukraine on the Group's current operations and expected results is presented in item 4.4.1. of this Report. Taking into account the lack of significant exposure of operating activities of Polsat Plus Group companies on the territory of Ukraine, Russia or Belarus, in the face of the Russian aggression the priority of Polsat Plus Group is to support refugees from Ukraine, which we have been actively providing since the first days of the Russian invasion. Detailed information on the actions taken by the Group in connection with the war in Ukraine is presented in the Reports of the Management Board on the activities of the Group for the first quarter and the first half of 2022.

2.1. Corporate events

Joint venture agreement with HB Reavis to develop Port Praski project

On July 21, 2022, the Company's subsidiaries engaged in the development of the Port Praski project executed the following agreements with HB Reavis Holding Cz a.s. with its registered office in Prague, Czech Republic:

- a joint venture agreement concerning the construction and development of a property located in Warsaw, including a joint construction of high-end office buildings, with additional retail space – the agreement was signed by Port Praski City II Sp. z o.o., Port Praski Medical Center sp. z o.o. and Pantanomo Limited; and
- a share purchase agreement for shares in Port Praski City II Sp. z o.o., Port Praski Medical Center sp. z o.o. – the agreement was signed by Pantanomo Limited and Port Praski City III Sp. z o.o.

Under the share purchase agreement, its parties agreed, subject to the conditions precedent specified therein, to execute an agreement under which HB Reavis was to acquire: (i) 50% of shares in Port Praski City II in total from Port Praski City III and Pantanomo; and (ii) 50% of shares in Port Praski City Medical Center from Pantanomo. The aggregate purchase price of EUR 24.3 million was to be adjusted for (i) the amount of working capital of Port Praski City II and Port Praski Medical Centnries at the transaction closing date, and (ii) the total office and retail usable floor area actually constructed on the property as part of the project.

The acquisition of shares by HB Reavis was subject to the satisfaction of, among others, conditions precedent, including in particular a clearance of the Office of Competition and Consumer Protection (UOKiK) to establish a joint venture. The agreements under which HB Reavis acquired 50% of the shares in Port Praski City II and Port Praski Medical Center were concluded on October 24, 2022 following the satisfaction of all conditions precedent.

As the next step, the parties to the joint venture intend to apply for the relevant administrative decisions aimed at obtaining a construction permit, after which they will proceed to determine the precise cost and timing of the project's implementation.

Collaterals for the liabilities and a loan for investment projects related to renewable energy production

In view of the fact that the Company is a party to the preliminary agreement dated December 20, 2021 (as amended) concerning the Company's purchase of shares in PAK-Polska Czysta Energia sp. z o.o. ("PAK-PCE"), the Company decided to grant sureties or guarantees and a number of loans in order to support PAK-PCE in the execution, among others, of the following investment projects:

- construction and operation of an on-shore wind installation in the form of a group of 14 wind turbines within the commune of Przyrów, Częstochowa county, Silesian Voivodeship - on June 2, 2022 the Company decided to grant sureties or guarantees in the amount not exceeding EUR 53.0 million;
- construction and operation of an on-shore wind installation in the form of a group of 33 wind turbines within the commune of Czluchów, Czluchów county, Pomeranian voivodship, with the potential to construct a photovoltaic farm within the obtained connection capacity of the project – on June 10, 2022 the Company decided to grant sureties or guarantees in the amount not exceeding EUR 96.0 million and to grant a loan in the amount not exceeding the equivalent of PLN 236.4 million.
- construction and operation of an on-shore wind installation in the form of a group of 23 wind turbines within the commune of Potęgowo, Słupsk county, Pomeranian voivodship– on September 6, 2022 the Company decided to grant sureties or guarantees in the amount not exceeding EUR 73.0 million.

Execution of Annex 3 to the preliminary share purchase agreement concerning the acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o. by the Company

On September 26, 2022, the Company entered with ZE PAK S.A. into an annex 3 to the preliminary purchase agreement dated December 20, 2021, concerning the acquisition by the Company of shares in the share capital of PAK-PCE, which represent 67% of share capital in PAK PCE. The subject of Annex 3 was to change the long-stop date by which all conditions precedent of the aforesaid agreement should be fulfilled, which was moved from September 30, 2022 to January 5, 2023.

Earlier, i.e., on June 29, 2022, the Company entered with ZE PAK into an annex 2 to the above mentioned preliminary purchase agreement in which the parties have decided, among others, to change the procedure and time for the transfer of all power sector activities of Konin Power Plant, including, in particular, biomass-generated electricity business, constituting an organized part of the enterprise ("ZCP Elektrownia Konin"), to PAK-PCE's subsidiary operating under the name PAK-PCE Biopaliwa i Wodór sp. z o.o., ("PP BiW"). The transfer of the ownership took place on July 1, 2022. From April to May 2022, several legal transactions were effected and as a result the Company acquired the ownership of 49% of shares in the share capital of PP BiW. This involved an outflow of a total amount of PLN 478.7 million. In particular, the ownership change in PP BiW was accompanied by its share capital increase. Proceeds from the share capital increase are allocated to the acquisition of ZCP Elektrownia Konin from ZE PAK.

Under the agreement amended by annex 2 the Company and ZE PAK will be obliged to execute the final agreement provided that: (i) the ZCP Elektrownia Konin ownership transfer is completed and (ii) all shares in the share capital of PP BiW held by the parties as at June 27, 2022 are contributed to cover the increase in the share capital of PAK-PCE. On July 27, 2022, a share capital increase in PAK-PCE was registered, as a result of which Cyfrowy Polsat holds a 40.41% stake in PAK-Polska Czysta Energia Sp. z o.o.

Total expenditures incurred by the Company to acquire 67% of the share capital of PAK-PCE together with ZCP Elektrownia Konin (in the absence of non-permitted leakages) will amount to PLN 807.6 million, including the adjustment for the working capital of ZCP Elektrownia Konin.

Agreement to dispose shares in Modivo S.A.

As a result of conducted negotiations and after obtaining relevant consents required under the Modivo S.A. shareholders agreement, on 26 September 2022 the Company entered into the agreement with Embud 2 sp. z o.o. S.K.A. concerning the disposal by the Company of 1,000,000 shares in the company Modivo S.A. for a total sale price of PLN 600.0 million.

In accordance with information disclosed earlier in current report no. 4/2021 dated March 11, 2021, the Company acquired the said shares while considering an exit option for Modivo shares in the form of an initial public offering ("IPO") planned at that time for 2022 or 2023. However, in connection with the current, unfavourable market conditions, which are not supportive to the execution of the IPO in the short time horizon, the Company decided to exit the investment in Modivo shares in an alternative way within the originally assumed timeframe.

2.2. Business related events

Development of renewable energy projects

The Group's *Strategy 2023+*, announced in December 2021, is based on ambitious goals in the new area - Clean Energy, which comprise in particular a target level of installed capacity from zero- and low-emissions energy sources and the reduction of greenhouse gas emissions. We are of the opinion that the rapid implementation of the assumed strategic goals in this area takes on a completely new dimension in the context of the current macroeconomic and geopolitical challenges, which is why we are already working intensively with ZE PAK to quickly launch the production of clean energy and green hydrogen. In particular, taking into account the ongoing process of the acquisition of 67% of shares of PAK-PCE, we are already actively supporting the activities of PAK-PCE Group by granting strictly controlled guarantees and loans for the development of renewable energy projects.

We are dynamically developing onshore wind farm projects. At present, five wind farms are under construction: in Miłosław (9.6 MW), Kazimierz Biskupi (17.5 MW), Przyrów (42 MW), Człuchów (73 MW) and Drzeżewo (51 MW). The first two projects are expected to be completed in the third quarter of 2023, while the following two are scheduled for the third quarter of 2024. According to assurances of suppliers of the turbines and companies conducting the construction works, the above mentioned deadlines are not threatened despite current disruptions in supply chains of raw materials. The completion of the five wind projects described above corresponds to approximately 77% of the 250 MW onshore wind capacity target announced in our *Strategy 2023+*.

PAK-PCE is also currently conducting preparatory work for a project to build a photovoltaic farm with a capacity of about 180-200 MW in Przykona, on post-mining land owned by PAK-PCE. Together with the already operating photovoltaic farm in Brudzew – the largest in Poland with a capacity of 70 MW – and the adjacent 12.4 MW Cambria/Brudzew farm under construction, this project will significantly accelerate the achievement of our strategic target of 600 MW of installed photovoltaic capacity.

In addition to dynamically developing projects oriented towards the production of clean energy from renewable sources, we are also focusing on building the full value chain of the green hydrogen economy. Of particular note, the installation of the first 2.5 MW electrolyzer, which will be capable of producing 1,000 kg of green hydrogen per day, is currently underway.

Moreover, the hydrogen bus designed by us and PAK-PCE has received European type-approval, which means that it can be sold and operated throughout the EU. The "NesoBus" (where "Neso" stands for the Polish phrase "Nie Emituje Spalin i Oczyszcza" which means "Does Not Emit Exhaust Fumes and Purifies the Air") had its premiere in May 2022. The NesoBus' most important competitive advantage is a very low

level of CO₂ emissions compared to combustion and electric buses (given the share of coal in electricity production in Poland at approximately 70%). Moreover, NesoBus' range is approximately 500 km and its refueling takes only 15 minutes. Currently, the NesoBus is being tested at public transport facilities in selected Polish cities and, in parallel, construction of a bus factory in Świdnik is underway. The bus factory is expected to become operational in 2023 and, ultimately, we want to produce more than 100 hydrogen buses per year. We are also working to develop a hydrogen distribution network. Design work is currently underway for the construction and commissioning of stationary hydrogen refueling stations in 6 cities in Poland. In addition, contracts have been concluded for the supply of 4 mobile hydrogen stations and 7 hydrogen trailers with completion dates falling in 2023.

In March 2022, the city of Rybnik signed a letter of intent with ZE PAK, according to which we plan to invest about PLN 500 million in the construction of a modern waste management center in Rybnik, including a sorting and composting plant as well as installations for processing biodegradable, bulky, construction waste. Construction by 2026 of a thermal waste conversion plant, which will manage waste in an environmentally friendly and safe way, resulting in the production of heat, electricity and hydrogen, is to be the main investment.

In June 2022, the Clean Poland Program Association, whose signatories include the Group's companies, and the Local Government Movement Association YES! For Poland signed an agreement on cooperation in areas related to Poland's energy transformation. The cooperation of the two associations will support, among others, the promotion and creation of sources of green and clean energy, zero-emission urban transportation, including hydrogen technologies or energy storage, and the improvement of energy efficiency in local governments.

Polsat Plus Group recognized as the Company of the Year at the Economic Forum in Karpacz

Cyfrowy Polsat was awarded the "Company of the Year" distinction at the 31st Economic Forum held on September 6-8, 2022 in Karpacz, Poland. The justification for such a decision highlighted not only the business achievements of Cyfrowy Polsat and the entire Polsat Plus Group, but also the social and charity initiatives implemented by both Polsat and its founder Zygmunt Solorz. The Forum featured the presentations of Polsat Plus Group's *Strategy 2023+*, which was expanded to include clean energy, as well as the NesoBus hydrogen-powered bus, designed and manufactured in Poland. In October 2022, the NesoBus won an honorable mention at the TransExpo trade fair held in Kielce, Poland's largest and one of Europe's largest trade fairs in the mass transport industry.

The Economic Forum in Karpacz is Central and Eastern Europe's largest platform for the exchange of opinions among representatives of business, administration and non-governmental organizations, during which important social issues are discussed, including security issues, prospects for economic development, contemporary challenges and crises. The Program Council of the Economic Forum awards prizes every year.

Antyweb.pl joins Polsat Plus Group

In September 2022, Polsat Plus Group acquired, through Grupa Interia.pl, 70% of shares in Antyweb Sp. z o.o., the owner of the Antyweb.pl Internet service. The other 30% remains in the hands of the to-date owners of the service, Grzegorz Marczak and Haprin Sp. z o.o. Grzegorz Marczak, the founder, creator and chief editor of the service remains in Antyweb.pl and will continue managing it and will handle all editorial aspects.

Antyweb.pl is one of the most popular Polish Internet services focusing on new technologies. The service specializes in creating original and independent content which is at the same time geared towards a wider audience. The thematic scope of articles published on the website includes the areas of consumer

electronics, gaming, new media, IT sector, startups, science and telecommunications. Currently the service cooperates with more than 15 authors.

2.3. Events after the balance sheet date

Analysis of the possibility of refinancing Polsat Plus Group's debt

In connection with the pursued *Strategy 2023+* and the entry into new areas of operations, including, among others, the production of clean energy based on low and zero-emission, on October 5, 2022 the Company informed that it commenced the analysis of the possibility of refinancing the debt of Polsat Plus Group taking into account the possibility of increasing it, including the indebtedness granted to Group companies in the form of bank loans and bonds.

The Company notes that the above mentioned analysis concerning the refinancing is at an initial stage and decisions on the terms, structure and timing of the potential refinancing and its implementation depend in particular on the Company's assessment of developments in the financial markets.

Moody's Investors Service downgraded Polsat Plus Group's credit rating

On October 5, 2022, Moody's Investors Service downgraded the corporate family rating ("CFR") of Cyfrowy Polsat Group from Ba1 to Ba3, with a negative outlook.

In its justification Moody's underlined that the rating action concludes the ratings review process initiated on December 23, 2021, following the Group's decision to relax its financial policy in order to accommodate investments in the renewable energy and real estate sectors.

Moody's stated that the rating downgrade reflects in particular: (1) the deterioration in credit metrics resulting from the increased operating costs and lower than anticipated earnings in the media segment; (2) a more aggressive financial policy to support investments in new areas such as renewable energy and real estate; (3) weakened liquidity owing to upcoming spectrum payments; and (4) an approaching bank debt maturity wall in 2024.

Moody's expects the Group's debt leverage to remain elevated at around 3.5x (according to Moody's own methodology), stressing in parallel that the Group will be able to cope with challenges resulting from higher electricity prices thanks to existing generation capacity from renewable energy sources which the Group will take over in 2023.

Renewal of frequency reservations

On October 21, 2022 Polkomtel received the decision of the President of UKE, which reserved Polkomtel frequencies in the 2100 MHz band for the next 15 years - until December 31, 2037. Pursuant to this decision, Polkomtel is obliged to pay a fee in the amount of PLN 351.6 million to the State Treasury. The payment was made on November 4, 2022.

It is estimated that the UKE President's decision on the frequency reservation in the 1800 MHz band for the next period will take place at the turn of November and December 2022. The amount that the President of UKE presented in the consultation process of the draft reservation decision for renewal of the frequency reservation in the 1800 MHz band for the next period of 15 years amounts to PLN 847 million.

3. Operating and financial review of Polsat Plus Group

3.1. Operating review of the Group

When assessing our operating results in the B2C area, we analyze contract services and prepaid services separately. In the case of contract services we consider the number of unique, active services provided in the contract model (RGUs), the number of customers, churn rate and average revenue per customer (ARPU). When analyzing prepaid services we consider the number of unique, active services provided in the prepaid model (prepaid RGUs) as well as average revenue per prepaid RGU. The number of reported RGUs of prepaid services of mobile telephony and internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.

In turn, the B2B area is analyzed by us across two base dimensions. We focus on maintaining and building the scale of our customer base, expressed as the number of businesses serviced by us, as well as on measuring their value through ARPU.

Due to ongoing analysis and work on the assumptions for the development of a new real estate segment, as of the date of this Report the Company has not determined key performance indicators for this business segment. Once the work on strategic assumptions for the segment is completed, the Company will select and present key operating indicators for this area of operations.

	for the 3-month period ended September 30		change / %	
	2022	2021	nominal	% / p.p.
B2C AND B2B SERVICES SEGMENT ¹⁾				
Contract services for B2C customers				
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,341	13,494	(153)	(1.1%)
Pay TV	5,106	5,306	(200)	(3.8%)
Mobile telephony	6,232	6,182	50	0.8%
Internet	2,003	2,006	(3)	(0.1%)
Number of B2C customers (EOP) [thous.]	5,967	6,069	(102)	(1.7%)
ARPU per B2C ³⁾ customer [PLN]	71.3	68.6	2.7	3.9%
ARPU per B2C ³⁾ customer (YTD) [PLN]	70.4	67.9	2.5	3.7%
Churn in B2C ⁴⁾ subsegment	6.8%	6.9%	-	(0.1 p.p.)
RGU saturation per one B2C customer	2.24	2.22	0.02	0.9%
Prepaid services				
Total number of RGUs (EOP) [thous.], incl.:	2,832	2,773	59	2.1%
Pay TV	161	145	16	11.0%
Mobile telephony	2,636	2,584	52	2.0%
Mobile Internet	35	44	(9)	(20.5%)
ARPU per prepaid RGU ⁵⁾ [PLN]	17.9	16.4	1.5	9.1%
ARPU per prepaid RGU ⁵⁾ (YTD) [PLN]	17.5	16.0	1.5	9.4%
Contract services for B2B customers				
Total number of B2B customers (EOP) [thous.]	69.1	68.8	0.3	0.4%
ARPU per B2B ³⁾ customer [PLN]	1,425	1,367	58.0	4.2%
ARPU per B2B ³⁾ customer (YTD) [PLN]	1,398	1,386	12.0	0.9%

	for the 3-month period ended September 30		change / %	
	2022	2021	nominal	% / p.p.
MEDIA SEGMENT: TELEVISION AND ONLINE				
TV channels				
TV audience share (in the 3-month period)	22.5%	25.0%	-	(2.5 p.p.)
Advertising market share (in the 3-month period)	29.4%	28.2%	-	1.2 p.p.
TV audience share (YTD)	22.8%	24.8%	-	(2.0 p.p.)
Advertising market share (YTD)	28.8%	28.1%	-	0.7 p.p.
Online – internet portals				
Average number of users [millions]	20.5	19.9	0.6	3.0%
Average number of page views [millions]	1,970	1,996	(25)	(1.3%)
1) Customer – a natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in the contract model. A customer is identified by a unique national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON). 2) RGU (revenue generating unit) – a single, active and retail revenue generating service of pay TV provided in all types of access technologies, mobile or fixed-line internet access, or mobile telephony provided in the contract or prepaid model. 3) ARPU per B2C/B2B customer - average monthly revenue per customer generated in a given settlement period. 4) Churn - termination of the contract with a B2C customer by means of a termination notice, collections or other activities resulting in the situation that after the termination of the contract the customer does not have any active services provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of a termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period. 5) ARPU per prepaid RGU - average monthly revenue per prepaid RGU generated in a given settlement period.				

3.1.1. B2C and B2B services segment

Contract services for B2C customers

The total number of B2C customers to whom we provided contract services as at the end of the third quarter of 2022 was 5,967 thousand (-1.7% YoY). The main reason behind the decrease of the contract customer base was the continued process of further merging of contracts under one common contract for the household within our base, which is reflected in the growing RGU saturation per customer ratio (increase by 0.9% YoY to 2.24 RGU per customer) and the declining popularity of the satellite technology. In line with our strategic assumptions, we avoid conducting an aggressive sales policy on individual products and focus rather on increasing customer loyalty, in particular through offering a wide portfolio of bundled services, as well as on increasing ARPU per contract customer.

At the same time, we effectively care about customer satisfaction, which translated into a low churn ratio. The churn rate for our B2C customers amounted to only 6.8% in the twelve-month period ended September 30, 2022 (-0.1 p.p. YoY). Low churn is primarily the effect of a high level of loyalty of our customers of bundled services, which results from the successful implementation of our multiplay strategy, as well as our actions aimed at fostering high customer satisfaction.

In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract B2C customer through cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, and offering enhanced television and telecommunications packages (the more-for-more strategy). In the third quarter of 2022, average revenue per B2C customer increased to PLN 71.3 (+3.9% YoY) while in nine months of 2022 it reached the level of PLN 70.4 (+3.7%). The maintained high pace of growth of ARPU per B2C contract customer results, in particular, from the continuous building of customer value. We believe that our decisions to rapidly roll-out the 5G network and the growing popularity

of tariff plans enabling the use of this technology by our customers as well as continued expansion of our content offer will contribute to the further building of customer value, reflected in the level of ARPU.

The number of contract services for B2C customers provided by us at the end of the third quarter of 2022 amounted to 13,341 thousand RGUs, i.e., by 153 thousand less compared to the previous year (-1.1% YoY). The main reason for this decline was the decrease in a number of contract pay TV services by 200 thousand (-3.8% YoY) to the level of 5,106 thousand RGUs, mainly due to the price repositioning and change in the strategy of offering our video online services (in 2021, we replaced the Ipla platform with the new Polsat Box Go offer, which is differently positioned in terms of pricing), a lower number of provided satellite TV services as well as the decision to discontinue the Mobile TV service. This decrease was partially compensated by the increasing number of TV services offered in online technologies (IPTV/OTT).

In parallel, we recorded the continued increase of contract mobile telephony services for B2C customers – by 50 thousand (+0.8%) YoY to the level of 6,232 thousand. This result was achieved thanks to the successful implementation of our strategy of cross-selling services to an individual customer, including 5G services, which are available in our offer since May 2020.

In the analyzed period, the number of Internet access services provided to B2C customers in the contract model remained at a stable level and amounted to 2,003 thousand as at the end of the third quarter of 2022. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications networks – a consequence of our investments, exemplified by the high quality 5G network covering approximately 50% of Poland's population and the gradual modernization of our fixed-line network.

We observe a steadily increasing saturation of our B2C customer base with integrated services, which is reflected in the growing ratio of contract services per customer. As at the end of September 2022, every customer had on average 2.24 contract services (+0.9% YoY). We believe that further saturation of our customer base with integrated services, including our flagship product smartDOM to which we systematically add new products, will positively influence the growth of the number of contract RGUs provided by us in the future and will support keeping the churn rate at a low level.

Our bundled services offer, based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group's portfolio, remains popular among our customers and records very good sales results, which has a positive effect on the churn rate, RGU saturation per customer rate and ARPU per contract B2C customer. At the end of September 2022, 2,465 thousand customers were using our bundled services, which constitutes an increase by 20 thousand (+0.8%) YoY and translates to a 41.3% saturation of our contract customer base with multiplay services. This group of customers had 7,403 thousand RGUs as at the end of the third quarter of 2022, up by 113 thousand (+1.6%) YoY. Bearing in mind our strategic goal - the successive build-up of revenue per contract customer through cross-selling of additional products and services - our bundled services offer is perfectly in line with our strategy. Therefore, despite having reached a high level of our multiplay base, we will continue to further popularize this program among our customers.

Prepaid services

The number of prepaid services provided by us increased by 59 thousand (+2.1%) YoY and amounted to 2,832 thousand as at September 30, 2022.

In the analyzed period, the main driver behind the growth of our prepaid services base was the increase in the number of prepaid mobile telephony services by 52 thousand (+2.0%) YoY, to 2,636 thousand RGUs. The year on year growth in the number of provided prepaid mobile telephony services is related to the support action in the form of distribution of free starters enabling free communication for the newly arrived refugees from Ukraine. At the same time, the number of prepaid mobile broadband Internet services remained in a downward trend, decreasing by 9 thousand YoY as at the end of the third quarter of 2022. This change was driven primarily by the increasing popularity of data transmission packages in mobile telephony tariff plans (smartphones) which is associated with diminishing differences between the sizes of data packages offered in both product lines.

The number of prepaid TV services provided by us increased by 16 thousand, to the level of 161 thousand at the end of September 2022, which is the result of a very good reception of our autumn program proposals by the users of the Polsat Box Go platform.

In the third quarter of 2022, average revenue per prepaid RGU amounted to PLN 17.9 (+9.1% YoY) while in nine months of 2022 it reached PLN 17.5 (+9.4%). The changes in our mobile offering and TV offering (price repositioning and growing popularity of the Polsat Box Go streaming service) are among the factors which contributed positively to the increase in prepaid APRU in both analyzed periods. We also observe a growing willingness of our mobile telephony customers to choose bundled solutions instead of offers based on the *pay-as-you-go* model.

Contract services for B2B customers

The total number of B2B customers to whom we provided contract services as at the end of the third quarter of 2022 was 69.1 thousand (+0.4% YoY). The scale of our B2B customer base remains stable in the long term, proving the high efficiency of our actions directed at fostering high satisfaction of our business customers. At the same time, we maintain a high level of ARPU from our B2B customers, which increased to PLN 1,425 (+4.2% YoY) per month in the third quarter of 2022 and PLN 1,398 (+0.9% YoY) per month in nine months of 2022.

The B2B area continues to be under strong competitive pressure, which translates into pricing levels for traditional telecommunication services. Building the value of our B2B base is founded in a natural way on additional services provided to our business customers. With this aim, we strive to constantly expand our offering for business customers by new services which generate incremental revenue. The continued expansion of data center resources offered to business customers, cybersecurity solutions or cloud computing can serve as an example. In parallel, we seek to provide specialized IT solutions for specific sectors of the economy (finance and banking, real estate, hotels, energy production, etc.). We believe that thanks to a comprehensive telecommunication and IT services offering for our B2B customers we will be in a position to maintain their high level of satisfaction and therefore to secure our revenue in this market segment.

3.1.2. Media segment: television and online

We consider predominantly audience share by channel and TV advertising market share when analyzing and evaluating our television broadcasting and production activities. We consider the average monthly number of users and average monthly number of page views when analyzing and evaluating our online activities. The following tables set forth these key performance indicators for the relevant periods.

Audience shares

Audience share	3 months ended September 30		Change / p.p.	9 months ended September 30		Change / p.p.
	2022 ⁽¹⁾	2021		2022 ⁽¹⁾	2021	
Audience share^{(2) (3)}, including:	22.47%	24.97%	(2.50)	22.85%	24.80%	(1.95)
POLSAT (main channel)	7.51%	8.71%	(1.20)	7.87%	8.98%	(1.11)
Other channels	14.96%	16.26%	(1.30)	14.98%	15.82%	(0.84)
TV4	2.67%	3.13%	(0.46)	2.73%	3.25%	(0.52)
Polsat News	1.53%	1.70%	(0.17)	1.83%	1.63%	0.20
Polsat 2	1.34%	1.40%	(0.06)	1.29%	1.41%	(0.12)
TV6	1.13%	1.58%	(0.45)	1.24%	1.58%	(0.34)
Fokus TV	1.05%	1.34%	(0.29)	1.18%	1.30%	(0.12)
Super Polsat	0.97%	1.46%	(0.49)	1.04%	1.33%	(0.29)
Polsat Sport	0.72%	0.55%	0.17	0.45%	0.46%	(0.01)
Wydarzenia24 ⁽⁴⁾	0.68%	0.12%	0.56	0.64%	0.05%	0.59
Polsat Play	0.64%	0.72%	(0.08)	0.65%	0.74%	(0.09)
Polsat Film	0.62%	0.78%	(0.16)	0.69%	0.79%	(0.10)
Polo TV	0.52%	0.86%	(0.34)	0.46%	0.67%	(0.21)
Nowa TV	0.47%	0.30%	0.17	0.38%	0.28%	0.10
Polsat Café	0.45%	0.43%	0.02	0.41%	0.43%	(0.02)
Polsat Seriale	0.44%	0.27%	0.17	0.38%	0.26%	0.12
Eska TV	0.43%	0.53%	(0.10)	0.44%	0.52%	(0.08)
Eleven Sports 1	0.25%	0.16%	0.09	0.22%	0.19%	0.03
Disco Polo Music	0.19%	0.13%	0.06	0.16%	0.13%	0.03
Polsat Sport Extra	0.14%	0.10%	0.04	0.11%	0.10%	0.01
Polsat Doku	0.14%	0.13%	0.01	0.13%	0.14%	(0.01)
Polsat News 2	0.09%	0.09%	-	0.09%	0.08%	0.01
Polsat Rodzina	0.09%	0.07%	0.02	0.09%	0.08%	0.01
Eleven Sports 2	0.09%	0.08%	0.01	0.09%	0.05%	0.04
Polsat Music HD	0.07%	0.07%	-	0.07%	0.06%	0.01
Eska TV Extra	0.07%	0.07%	-	0.07%	0.07%	-
Vox Music TV	0.06%	0.06%	-	0.06%	0.07%	(0.01)
Polsat Sport News HD	0.06%	0.06%	-	0.05%	0.05%	-
Polsat Games	0.05%	0.04%	0.01	0.04%	0.05%	(0.01)
Polsat Sport Fight	0.03%	0.03%	-	0.03%	0.03%	-
Eska Rock TV	0.03%	0.03%	-	0.02%	0.03%	(0.01)
Polsat 1 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Sport Premium 1 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Sport Premium 2 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Eleven Sports 3 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Eleven Sports 4 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
TV Okazje ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Film 2 ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat X ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Reality ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a
Advertising market share⁽⁶⁾	29.4%	28.2%	1.2 p.p.	28.8%	28.1%	0.7 p.p.

- (1) Starting from September 2021, the viewership data includes the TV audience out of home (OOH – out of home viewing).
- (2) Nielsen Media, All day ages 16-59 audience share, including Live+2 (viewership results include 2 additional days of time-shifted viewing) + out of home viewing – OOH).
- (3) When calculating the total audience share of Polsat Plus Group and audience share of thematic channels, we take into account the moment of including the channel in our portfolio.
- (4) Channel is broadcasting since September 2021, emerged from the transformed Superstacja channel, which ceased to air.
- (5) Channel not included in the telemetric panel.
- (6) Our evaluation based on Publicis Group's estimates.

Channels cooperating with Polsat Plus Group (non-consolidated)

Audience share	3 months ended September 30		Change / p.p.	9 months ended September 30		Change / p.p.
	2022 ⁽¹⁾	2021		2022 ⁽¹⁾	2021	
Polsat Comedy Central Extra	0.36%	0.42%	(0.06)	0.32%	0.41%	(0.09)
CI Polsat	0.21%	0.17%	0.04	0.19%	0.20%	(0.01)
Polsat Viasat History	0.19%	0.17%	0.02	0.19%	0.19%	-
Polsat JimJam	0.15%	0.13%	0.02	0.14%	0.12%	0.02
Polsat Viasat Explore	0.15%	0.18%	(0.03)	0.15%	0.18%	(0.03)
Polsat Viasat Nature	0.06%	0.03%	0.03	0.05%	0.05%	-

- (1) Starting from September 2021, the viewership data includes the TV audience out of home (OOH – out of home viewing).

Starting from January 2022, our advertising office Biuro Reklamy Polsat Media decided to replace the current age group used for sales settlements, 16-49, with a broader target group, 16-59. This change was justified by the results of published research, which indicates that people from older age groups remain professionally active for longer and are active consumers, which makes them an attractive target group for advertisers. A similar trend, consisting in expanding commercial age groups, is also observed in other European markets. The 16-59 year olds make up approximately 51% of the TV audience in Poland. In our opinion, the inclusion of the age group of 16-59 year olds in the advertising sales calculation may positively affect the value of the advertising market in Poland and, consequently, our advertising revenues.

The audience share in the commercial group (all viewers aged 16-59, including Live+2, i.e. 2 additional days of time-shifted viewing; including out of home viewing - OOH from September 2021) for Polsat Plus Group amounted to 22.5% (-2.5 p.p. YoY) in the third quarter of 2022 and 22.8% in nine months of 2022 (-2.0 p.p. YoY). The Group's channels audience shares were adversely affected by the refarming from the DVB-T to DVB-T2 standard, completed on June 27, 2022, in which commercial broadcasters were treated unequally by favoring the public broadcaster, who was allowed by an administrative decision to continue broadcasting TVP channels in the old standard until the end of 2023. As a result of the refarming process, which was carried out in stages, terrestrial TV viewers equipped with older-generation TV sets were deprived of access to the commercial broadcasters' offer until they purchased a new set-top box or TV set.

In parallel, continuous market fragmentation can be observed on the Polish market, as a result of which audience shares of the main TV channels (Polsat, TVN, TVP1 and TVP2) are decreasing in favor of the growing audience shares of thematic channels and other video content displayed on TV sets. This phenomenon also affects the audience of our main Polsat channel which fell by 1.2 p.p. YoY to 7.5% in the third quarter of 2022 and by 1.1 p.p. YoY to 7.9% in nine months of 2022.

Another factor influencing the audience levels of the Group's channels is the growing audience of non-linear video content (including OTT services) and unmonitored TV channels displayed on TV sets, referred to by Nielsen Media as the "others" category. In January 2022, Nielsen broadened the definition of content eligible for this node, and as a result, we are observing sustained growth of "others" audience shares. It is worth noting that a significant portion of the "others" category does not compete with traditional TV channels for TV

advertising revenue. Thus, the changes introduced by Nielsen Media may permanently reduce the audience shares of traditional TV channels, with far less impact on their position in the TV advertising and sponsorship market.

Simultaneously, a significant increase in viewership was recorded by news channels, in particular Polsat News, whose share in the commercial group audience increased to 1.8% (+0.2 p.p. YoY) in nine months of 2022. The behavior of the audience was linked to the outbreak of the armed conflict in Ukraine and the increased interest of viewers in current news. This factor gradually lessened in the third quarter of 2022.

TV advertising and sponsoring market share

Publicis Group estimated initially that in the third quarter of 2022 expenditures on TV advertising and sponsoring amounted to approximately PLN 0.9 billion, decreasing by 1.2% YoY and our TV advertising market share increased by 1.2 p.p. YoY to 29.4% from 28.2% in the comparative period.

According to initial estimates of Publicis Group, expenditures on TV advertising and sponsoring in three quarters of 2022 amounted to approximately PLN 3.05 billion, decreasing by 1.5% YoY. Based on these data, we estimate that our TV advertising market share increased by 0.7 p.p. YoY to the level of 28.8% in nine months of 2022.

If we compare the current portfolio of Polsat Plus Group's channels, we generated around 11% less EqGRPs in three quarters of 2022 compared to the same period of 2021.

Average monthly number of Internet users

In the third quarter of 2022 the average monthly number of users (the 'real users' indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps reached 20.5 million, which represents an increase by 0.6 million users within twelve months (+3.0% YoY), and in nine months of 2022 it amounted to 20.8 million, which represents an increase by 0.7 million users within twelve months (+3.5% YoY).

The table below presents a list of websites, whose number of average users per month exceeded 0.5 million in the third quarter of 2022. The Interia.pl portal is presented as a whole, without a breakdown into services.

Average number of users ⁽¹⁾ [million]	3 months ended 30 September		Change		9 months ended 30 September		Change	
	2022	2021	nominal	%	2022	2021	nominal	%
Group	20.5	19.9	0.6	3.0%	20.8	20.1	0.7	3.5%
<i>Selected websites:</i>								
interia.pl	15.7	14.0	1.7	12.1%	15.6	14.0	1.6	11.4%
pomponik.pl	6.3	7.0	(0.7)	(10.0%)	6.5	6.4	0.1	1.6%
smaker.pl	4.1	3.4	0.7	20.6%	3.7	3.8	(0.1)	(2.6%)
polsatnews.pl	4.1	4.7	(0.6)	(12.8%)	4.0	4.8	(0.8)	(16.7%)
polsatsport.pl	3.1	2.9	0.2	6.9%	2.7	2.3	0.4	17.4%
deccoria.pl	3.1	1.1	2.0	181.8%	3.0	1.1	1.9	172.7%
twojapogoda.pl	2.5	2.1	0.4	19.0%	1.9	2.0	(0.1)	(5.0%)
bryk.pl	1.1	0.7	0.4	57.1%	1.7	1.6	0.1	6.2%
polsatboxgo.pl ⁽²⁾	1.0	1.4	(0.4)	(28.6%)	1.4	1.5	(0.1)	(6.7%)
okazjum.pl	0.8	0.5	0.3	60.0%	0.8	0.5	0.3	60.0%
polsatgo.pl ⁽³⁾	0.6	1.2	(0.6)	(50.0%)	0.9	1.2	(0.3)	(25.0%)

(1) Mediapanel survey, Real Users indicator.

(2) Until the end of August 2021 operated as ipla.tv.

(3) The service was launched on August 16, 2021, data for full month periods, i.e., starting from September 2021.

The portal with the highest number of users was the horizontal portal Interia.pl, which recorded 15.7 million users (+12.1% YoY) in the third quarter of 2022 and 15.6 million users (+11.4% YoY) in the period from January to September 2022. We also recorded noticeable increases in the number of users of some other services. The deccoria.pl home renovation service was visited in the third quarter of 2022 and in the period from January to September 2022 by 3.1 million users and 3.0 million users, respectively, i.e. by 2.0 million users and 1.9 million users more than a year ago (+181.8% YoY and 172.7% YoY). Very good upward dynamics was recorded by okazjum.pl promotional service, which saw its average monthly number of users increased by 0.3 million (+60.0% YoY) in both the third quarter and three quarters of 2022. The service polsatsport.pl sports also achieved good results, with an increase in the average monthly number of users by 0.2 million (+6.9% YoY) in the third quarter of 2022 and by 0.4 million (+17.4% YoY) after three quarters.

The website of our new streaming platform Polsat Go recorded a decrease (-0.6 million of users, - 50.0% YoY in the third quarter of 2022 and -0.3 million of users, -25.0% YoY in three quarters of 2022). Declines were also recorded by the news service polsatnews.pl (-0.6 million of users, -12.8% YoY in the third quarter of 2022 and -0.8 million of users, -16.7% YoY in the period from January to September 2022), which can be explained by a decline in user interest in news content with the end of the pandemic, which was not compensated by a temporary resurgence of news interest in connection with the outburst of the war in Ukraine.

Average monthly number of Internet views

The average monthly number of page and app views of Polsat-Interia Group websites reached 2.0 billion in the third quarter of 2022 (-1.3% YoY) and 2.1 billion in nine months of 2022 (+7.0%). It should be noted that in the second quarter of 2021 Mediapanel expanded the definition of views to include video plays embedded in web pages.

The table below presents the list of websites, whose number of views exceeded 0.5 million in the third quarter of 2022. The Interia.pl portal is presented as a whole, without a breakdown into services.

Average number of views ⁽¹⁾ [million]	3 months ended 30 September		Change		9 months ended 30 September		Change	
	2022	2021	nominal	%	2022	2021	nominal	%
Group	1,970.3	1,995.5	(25.2)	(1.3%)	2,054.5	1,920.9	133.6	7.0%
<i>Selected websites:</i>								
interia.pl	996.8	992.8	4.0	0.4%	1,055.0	1,000.1	54.9	5.5%
pomponik.pl	46.0	85.7	(39.7)	(46.3%)	49.3	80.6	(31.3)	(38.8%)
polsatnews.pl	26.1	29.1	(3.0)	(10.3%)	30.4	29.5	0.9	3.1%
okazjum.pl	21.4	8.5	12.9	151.8%	19.0	9.3	9.7	104.3%
twojapogoda.pl	19.6	17.5	2.1	12.0%	16.2	17.7	(1.5)	(8.5%)
smaker.pl	18.5	17.7	0.8	4.5%	17.0	21.0	(4.0)	(19.0%)
polsatsport.pl	18.1	15.6	2.5	16.0%	15.0	12.4	2.6	21.0%
polsatboxgo.pl ⁽²⁾	10.4	10.3	0.1	1.0%	7.6	14.8	(7.2)	(48.6%)
deccoria.pl	7.6	2.4	5.2	216.7%	7.4	2.6	4.8	184.6%
polsatgo.pl ⁽³⁾	4.9	4.2	0.7	16.7%	3.9	4.2	(0.3)	(7.1%)
bryk.pl	3.6	2.7	0.9	33.3%	7.2	7.3	(0.1)	(1.4%)

1) Data from Mediapanel survey, Views indicator –views of websites/apps. Starting from the second quarter of 2021, the above indicator measures, in addition to the website views, the plays of embedded video content.

(2) Until the end of August 2021 operated as ipla.tv.

(3) The service was launched on August 16, 2021, data for full month periods, i.e., starting from September 2021.

In the analyzed period the highest number of views was generated by the Interia.pl horizontal portal. Its content was viewed on average 996.8 million times per month during the third quarter of 2022 (+0.4% YoY) and 1.055,0 million times per month during the period from January to September 2022 (+5.5% YoY). The

second place in terms of the number of views was invariably held by the gossip site pomponik.pl, with an average monthly number of 46.0 million views in the third quarter of 2022 and 49.3 million views in three quarters of 2022, however this website recorded a decline of 39.7 million views (-46.3% YoY) and 31.3 million views (-38.8% YoY), respectively, compared to last year's results.

Significant increases in the number of page views were recorded by our home renovation service deccoria.pl (+5.2 million views, +217% YoY in the third quarter of 2022 and +4.8 million views, +185% YoY in three quarters of 2022) and the promotional service okazjum.pl (+12.9 million views, +152% YoY in the third quarter of 2022 and +9.7 million views, +104% YoY in the period from January to September 2022). In turn, a change in the strategy of offering our online video services resulted in a reported decrease in the number of views of the streaming service polsatboxgo.pl by -7.2 million (-48.6% YoY) in three quarters of 2022. Its performance was partly compared to last year's results of ipla.tv, which operated under a different model of access to VOD materials (in addition to access for subscribers only, it also offered access in the advertising-based model).

3.2. Review of the Group's financial situation

The following review of results for the three- and nine-month periods ended September 30, 2022 was prepared based on the condensed consolidated financial statements for the three- and nine-month period ended September 30, 2022, prepared in accordance with International Financial Reporting Standards as approved for use by the European Union and based on internal analyses.

It should be noted that the financial data for the three- and nine-month periods ended September 30, 2022 and September 30, 2021 are not fully comparable due to the acquisitions and changes to the Group's structure, which are described in detail in item 1.2 - *Composition and structure of Polsat Plus Group – Changes in the organizational structure of Polsat Plus Group and their effects* – of this Report and item 1.2. of the consolidated annual report of Cyfrowy Polsat S.A. Capital Group for 2021.

In analyzing the financial position of the Group, we do not eliminate the impact of companies acquired or disposed of in the period from January 1, 2021 to September 30, 2022. However, if the impact of an acquisition or a disposal is a significant factor, this is indicated for the item in question.

The comparability of EBITDA results in the analyzed periods was disrupted by three events that were material in terms of value, i.e., (1) the disposal of shares in our subsidiary Polkomtel Infrastruktura finalized in the third quarter of 2021, (2) the Group's substantial support to Ukraine in the first quarter of 2022 and (3) the disposal of shares in Modivo S.A., CSK Ossa Sp. z o.o. and Ossa Medical Center Sp. z o.o. in the third quarter of 2022. In order to ensure comparability of EBITDA for the analyzed periods, the Group presents the adjusted EBITDA result, which excludes the above mentioned factors.

3.2.1. Income statement analysis

The description of key positions in the consolidated income statement is presented in item 4.3. of the consolidated annual report of Cyfrowy Polsat S.A. Capital Group for the year 2021 and Note 25 to the interim condensed consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the nine months ended 30 September 2022.

Results for the third quarter of 2022

[mPLN]	for the 3-month period ended September 30		change	
	2022	2021	[mPLN]	[% / p.p.]
Revenue	3,270.9	3,031.9	239.0	7.9%
Operating costs	(2,877.3)	(2,595.9)	(281.4)	10.8%
Gain on disposal of a subsidiary and an associate	113.4	3,690.8	(3,577.4)	(96.9%)
Other operating income/(cost), net	(6.1)	4.6	(10.7)	n/a
Profit from operating activities	500.9	4,131.4	(3,630.5)	(87.9%)
Loss on investment activities, net	(18.1)	(16.5)	(1.6)	9.7%
Finance costs, net	(209.3)	(54.7)	(154.6)	282.6%
Share of the profit of associates accounted for using the equity method	23.8	22.5	1.3	5.8%
Gross profit for the period	297.3	4,082.7	(3,785.4)	(92.7%)
Income tax	(66.2)	(934.0)	867.8	(92.9%)
Net profit for the period	231.1	3,148.7	(2,917.6)	(92.7%)
EBITDA	953.0	4,595.0	(3,642.0)	(79.3%)
EBITDA margin	29.1%	151.6%	-	(122.5 p.p.)
Gain on the disposal of a subsidiary and an associate	113.4	3,690.8	(3,577.4)	(96.9%)
EBITDA adjusted	839.6	904.2	(64.6)	(7.1%)
EBITDA adjusted margin	25.7%	29.8%	-	(4.1 p.p.)

Revenue

Our **total revenue** increased by PLN 239.0 million (+7.9% YoY) in the third quarter of 2022.

[mPLN]	for the 3-month period ended September 30		change	
	2022	2021	[mPLN]	[%]
Retail revenue	1,753.3	1,707.4	45.9	2.7%
Wholesale revenue	840.9	827.1	13.8	1.7%
Sale of equipment	472.7	359.1	113.6	31.6%
Other revenue	204.0	138.3	65.7	47.5%
Revenue	3,270.9	3,031.9	239.0	7.9%

Retail revenue increased by PLN 45.9 million (+2.7%) YoY, mainly as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth from both contract B2C and B2B customers as well as prepaid customers.

Wholesale revenue increased by PLN 13.8 million (+1.7%) YoY, principally due to the recognition of higher advertising and sponsorship revenue and revenue from cable TV and satellite TV operators, as well as from the sale of sublicenses to broadcast sports events. In parallel, we observe less downward pressure on interconnect revenue losses resulting from gradual regulatory reduction of MTR and FTR rates.

Revenue from the **sale of equipment** increased by PLN 113.6 million (+31.6%) YoY, mainly as a result of greater propensity of customers to choose more expensive smartphone models. Moreover, in the analyzed

period revenue from the sale of equipment was supported by the recognition of revenue from the sale of photovoltaic equipment by Esoleo related to the liquidation of part of the inventory.

Other revenue increased by PLN 65.7 million (+47.5%) YoY, primarily due to higher revenue from the sale and rent of premises, driven mainly by the consolidation of operations of Port Praski and its subsidiaries, and the consolidation of the results of debt collection activities carried out by Vindix group, over which we took control in January 2022.

Operating costs

Our **operating costs** increased by PLN 281.4 million (+10.8%) YoY in the third quarter of 2022 and were primarily impacted by higher content costs and general inflationary pressure, especially on electricity costs.

[mPLN]	for the 3-month period ended September 30		change	
	2022	2021	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	823.2	790.3	32.9	4.2%
Depreciation, amortization, impairment and liquidation	452.1	463.6	(11.5)	(2.5%)
Cost of equipment sold	365.4	297.6	67.8	22.8%
Content costs	530.0	426.9	103.1	24.2%
Distribution, marketing, customer relation management and retention costs	256.6	280.6	(24.0)	(8.6%)
Salaries and employee-related costs	242.3	210.8	31.5	14.9%
Cost of debt collection services and bad debt allowance and receivables written off	25.6	30.4	(4.8)	(15.8%)
Other costs	182.1	95.7	86.4	90.3%
Operating costs	2,877.3	2,595.9	281.4	10.8%

Technical costs and cost of settlements with telecommunication operators increased by PLN 32.9 million (+4.2%) YoY, mostly due to the recognition of significantly higher electricity costs YoY.

Depreciation, amortization, impairment and liquidation costs decreased by PLN 11.5 million (-2.5%) YoY, due to the fact that in the comparative period we recognized a one-time depreciation charge related to the IPLA brand.

The **cost of equipment sold** increased by PLN 67.8 million (+22.8%) YoY, mainly as a result of a higher share of more expensive models of smartphones in the sales mix, which corresponds with higher revenue from the sale of equipment.

Content costs increased by PLN 103.1 million (+24.2%) YoY, mainly as a result of higher costs of internal production and amortization of sports rights. A one-time event that significantly affected the level of content costs in the period under review was Telewizja Polsat's full-scale production of the Men's Volleyball World Championship in the third quarter of 2022, which was relocated from Russia to Poland and Slovenia as a function of the geopolitical situation. In parallel, we continue to invest in increasing the attractiveness of the program offerings of our TV channels in order to improve the viewer profile.

Distribution, marketing, customer relation management and retention costs decreased by PLN 24.0 million (-8.6%) YoY as a result of a high reference point in the comparative period when changes of our Group's key brands were underway.

Salaries and employee-related costs increased by PLN 31.5 million (+14.9%) YoY, mainly due to the consolidation of companies acquired during the last 12 months and continuing inflationary pressure.

Average headcount in the Group increased by 304 FTEs (+4.1%) YoY, which was mainly the effect of the consolidation of companies acquired during the last 12 months, in particular Port Praski and its subsidiaries, and Vindix Group as well as the growing scale of operations in the Internet market.

Average employment	for the 3-month period ended September 30		Change	
	2022	2021	[FTEs]	[%]
Permanent workers not engaged in production in Polsat Plus Group ⁽¹⁾	7.639	7.335	304	4.1%

(1) Excluding workers who did not perform work in the reporting period due to long-term absences

Cost of debt collection services and bad debt allowance and receivables written off decreased by PLN 4.8 million (-15.8%) YoY.

Other costs increased by PLN 86.4 million (+90.3%) YoY, which was related mainly to the recognition in the third quarter of 2022 of higher cost of apartments sold and higher property maintenance costs, primarily associated with the consolidation of Port Praski and its subsidiaries. In addition, this cost item was impacted by higher electricity costs and the recognition of a tax on civil law transactions in connection with the acquisition of shares in Port Praski.

In the third quarter of 2022, we recognized a **gain on the disposal of a subsidiary and an associate** of PLN 113.4 million, primarily as a result of recognizing a gain on the disposal of shares in Modivo S.A., compared to a gain of PLN 3,690.8 million in the third quarter of 2021, which was associated with the disposal of shares in Polkomtel Infrastruktura.

Other operating costs, net amounted to PLN 6.1 million in the third quarter of 2022 as compared to other operating income, net of PLN 4.6 million in the third quarter of 2021. This item was particularly impacted by write-offs related to the liquidation of decommissioned set-top boxes.

Loss on investment activities, net amounted to PLN 18.1 million in the third quarter of 2022 compared to a loss on investment activities, net of PLN 16.5 million in the third quarter of 2021. This change was the net effect of negative foreign exchange rate differences due to the depreciation of PLN in the third quarter of 2022 and the recognition of higher interest income on bank deposits and loans granted.

Finance costs, net increased by PLN 154.6 million (+282.6%) YoY, primarily on the back of higher costs of servicing the Group's debt following the gradual increase of interest rates by the NBP.

Share of the profit of associates accounted for using the equity method amounted to PLN 23.8 million in the third quarter of 2022. This item mainly reflects the recognition of our share in the net profit of Asseco Poland, where we are the largest shareholder.

Income tax was lower by PLN 867.8 million YoY, mainly as a result of the recognition of income tax on the gain on the disposal of Polkomtel Infrastruktura in the comparative period.

Net profit for the third quarter of 2022 amounted to PLN 231.1 million. This is 92.7% lower than a year ago, primarily due to the recognition of a gain on the sale of Polkomtel Infrastruktura in the third quarter of 2021 and increasing pressure from financial costs in 2022.

EBITDA amounted to PLN 953.0 million (-79.3%) YoY in the third quarter of 2022 with EBITDA margin reaching 29.1%. The main factors behind the decline included the high reference point in the comparative period due to the recognition of a gain on the disposal of Polkomtel Infrastruktura and significantly higher costs of purchasing electricity and content.

Adjusted EBITDA excluding the gain on disposal of the subsidiary and associate companies amounted to PLN 839.6 million in the third quarter of 2022 and was lower by PLN 64.6 million (-7.1%) YoY compared to PLN 904.2 million in the third quarter of 2021, resulting in adjusted EBITDA margin of 25.7% (-4.1 p.p. YoY). In particular, this was affected by significantly higher electricity purchase costs and higher content costs.

Results for three quarters of 2022

[mPLN]	for the 9-month period ended September 30		change	
	2022	2021	[mPLN]	[% / p.p.]
Revenue	9,485.7	9,179.0	306.7	3.3%
Operating costs	(8,326.4)	(7,494.9)	(831.5)	11.1%
Gain on disposal of a subsidiary and an associate	113.4	3,690.8	(3,577.4)	(96.9%)
Other operating income/(cost), net	(25.7)	1.7	(27.4)	n/a
Profit from operating activities	1,247.0	5,376.6	(4,129.6)	(76.8%)
Gain/(loss) on investment activities, net	(5.5)	(31.1)	25.6	(82.3%)
Finance costs, net	(416.8)	(172.3)	(244.5)	141.9%
Share of the profit of associates accounted for using the equity method	62.7	64.0	(1.3)	(2.0%)
Gross profit for the period	887.4	5,237.2	(4,349.8)	(83.1%)
Income tax	(160.8)	(1,156.4)	995.6	(86.1%)
Net profit for the period	726.6	4,080.8	(3,354.2)	(82.2%)
EBITDA	2,612.9	6,818.6	(4,205.7)	(61.7%)
EBITDA margin	27.5%	74.3%	-	(46.8 p.p.)
Gain on disposal of a subsidiary and an associate	113.4	3,690.8	(3,577.4)	(96.9%)
Costs of supporting Ukraine	(34.1)	-	(34.1)	n/a
EBITDA adjusted	2,533.6	3,127.8	(594.2)	(19.0%)
EBITDA margin adjusted	26.7%	34.1%	-	(7.4 p.p.)
EBITDA of Polkomtel Infrastruktura	-	366.9	(366.9)	(100.0%)
EBITDA adjusted excluding EBITDA of Polkomtel Infrastruktura	2,533.6	2,760.9	(227.3)	(8.2%)
EBITDA adjusted margin excluding EBITDA of Polkomtel Infrastruktura	26.7%	30.1%	-	(3.4 p.p.)

Revenue

Our **total revenue** increased by PLN 306.7 million (+3.3% YoY) in the nine-month period ended September 30, 2022.

[mPLN]	for the 9-month period ended September 30		change	
	2022	2021	[mPLN]	[%]
Retail revenue	5,201.3	5,036.3	165.0	3.3%
Wholesale revenue	2,533.8	2,672.0	(138.2)	(5.2%)
Sale of equipment	1,259.7	1,042.2	217.5	20.9%
Other revenue	490.9	428.5	62.4	14.6%
Revenue	9,485.7	9,179.0	306.7	3.3%

Retail revenue increased by PLN 165.0 million (+3.3%) YoY, as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth from both contract B2C and prepaid customers.

Wholesale revenue decreased by PLN 138.2 million (-5.2%) YoY, principally due to the gradual regulatory reduction of MTR and FTR rates for terminating traffic in our network by other operators. This decrease was partly compensated by higher advertising and sponsorship revenue as well as higher revenue from cable TV and satellite TV operators.

Revenue from the **sale of equipment** increased by PLN 217.5 million (+20.9%) as a result of greater propensity of customers to choose more expensive smartphone models.

Other revenue increased by PLN 62.4 million (+14.6%) YoY. This was the net effect of recognizing higher revenue from the sale and rent of premises, mainly due to the consolidation of operations of Port Praski and its subsidiaries, the consolidation of the results of the debt collection activities conducted by Vindix Group, over which we took control in January 2022, and lower revenues from operations on the photovoltaic market due to the recognition in the comparative period of additional revenues related to the construction of the solar power plant in Brudzew.

Operating costs

Our **operating costs** increased by PLN 831.5 million (+11.1%) YoY in the nine-month period ended September 30, 2022 and were primarily impacted by higher technical costs, content costs and overall inflationary pressure.

[mPLN]	for the 9-month period ended September 30		change	
	2022	2021	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	2,440.7	2,048.0	392.7	19.2%
Depreciation, amortization, impairment and liquidation	1,365.9	1,442.0	(76.1)	(5.3%)
Cost of equipment sold	1,024.9	863.5	161.4	18.7%
Content costs	1,508.4	1,295.5	212.9	16.4%
Distribution, marketing, customer relation management and retention costs	763.9	740.2	23.7	3.2%
Salaries and employee-related costs	734.0	675.6	58.4	8.6%
Cost of debt collection services and bad debt allowance and receivables written off	72.7	82.9	(10.2)	(12.3%)
Other costs	415.9	347.2	68.7	19.8%
Operating costs	8,326.4	7,494.9	831.5	11.1%

Technical costs and cost of settlements with telecommunication operators increased by PLN 392.7 million (+19.2%) YoY, mostly due to the recognition of costs resulting from the agreement on using the mobile infrastructure sold to Cellnex Poland as well as significantly higher electricity costs. The increase in this cost category was partially mitigated by lower costs of interconnection settlements related to the regulatory reduction of MTR/FTR rates.

Depreciation, amortization, impairment and liquidation costs decreased by PLN 76.1 million (-5.3%) YoY, which was the net effect of the discontinuation of depreciation of mobile infrastructure in connection with the disposal of our subsidiary Polkomtel Infrastruktura in the second quarter of 2021.

The **cost of equipment sold** increased by PLN 161.4 million (+18.7%) YoY as a result of an increased share of more expensive models of smartphones in the sales mix, which corresponds with increased revenue from the sale of equipment.

Content costs increased by PLN 212.9 million (+16.4%) YoY, mainly as a result of higher costs of internal production, amortization of sports rights and film licenses. Higher costs reflect our decision to allocate larger budgets to increase the attractiveness of our TV channels' programming. At the same time, the level of content costs in the analyzed period was significantly affected by a one-time event, associated with Telewizja Polsat's full-scale production of the Men's Volleyball World Championship in the third quarter of 2022, which was relocated from Russia to Poland and Slovenia as a function of the geopolitical situation.

Distribution, marketing, customer relation management and retention costs increased by PLN 23.7 million (+3.2%) YoY as a result of inflationary pressure, particularly in the areas of distribution and logistics costs and sales commission costs. This increase was partially offset by a decrease in marketing costs, resulting from a high reference point in the comparative period in which the process of rebranding the Group's key brands was underway.

Salaries and employee-related costs increased by PLN 58.4 million (+8.6%) YoY, mainly due to the consolidation of companies acquired during the last 12 months and continuing inflationary pressure in nine months of 2022.

Average headcount in the Group increased by 26 FTEs (+0.3%) YoY, which was mainly a net effect of the disposal of shares in Polkomtel Infrastruktura and the consolidation of companies acquired during the last 12 months, in particular Port Praski and its subsidiaries and Vindix Group, as well as the growing scale of operations in the Internet and photovoltaic markets.

Average employment	for the 9-month period ended September 30		Change	
	2022	2021	[FTEs]	[%]
Permanent workers not engaged in production in Polsat Plus Group ⁽¹⁾	7,571	7,545	26	0.3%

(1) Excluding workers who did not perform work in the reporting period due to long-term absences

Cost of debt collection services and bad debt allowance and receivables written off decreased by PLN 10.2 million (-12.3%) YoY.

Other costs increased by PLN 68.7 million (+19.8%) YoY, which was related mainly to the recognition in the nine-month period ended September 30, 2022 of higher cost of apartments sold and higher property maintenance costs, due to the consolidation of Port Praski and its subsidiaries. In addition, this cost item was impacted by higher electricity costs and the recognition of a tax on civil law transactions in connection with the acquisition of shares in Port Praski. Simultaneously, we recorded lower costs of our operations on the photovoltaic market in connection with the recognition of costs related to the construction of the Brudzew solar power plant in the comparative period.

In the nine-month period ended September 30, 2022, we recognized a **gain on the disposal of a subsidiary and an associate** of PLN 113.4 million, primarily as a result of recognizing a gain on the disposal of shares in Modivo S.A., compared to a gain of PLN 3,690.8 million in the nine-month period ended September 30, 2021, which was associated with the disposal of shares in Polkomtel Infrastruktura.

Other operating costs, net amounted to PLN 25.7 million in the nine-month period ended September 30, 2022 as compared to other operating income, net of PLN 1.7 million in the nine-month period ended September 30, 2021. Non-recurring costs in the amount of PLN 34.1 million resulting from the support provided in the first quarter of 2022 to Ukraine in the face of war were recognized in this cost category.

Loss on investment activities, net amounted to PLN 5.5 million in the nine-month period ended September 30, 2022 compared to a net loss of PLN 31.1 million in the nine-month period ended September 30, 2021. This change was a net effect of the recognition of higher interest income on bank deposits and loans granted as well as a favorable revaluation of shares held by us in our subsidiary Vindix and the recognition of negative foreign exchange rate differences due to the depreciation of PLN in the nine-month period ended September 30, 2022.

Finance costs, net increased by PLN 244.5 million (+141.9%) YoY, primarily on the back of higher costs of servicing the Group's debt following the gradual increase of interest rates by the NBP.

The **share of the profit of associates accounted for using the equity method** amounted to PLN 62.7 million in the nine-month period ended September 30, 2022 compared to PLN 64.0 million in the same period of 2021. This item mainly reflects the recognition of our share in the net profit of Asseco Poland, where we are the largest shareholder.

Income tax was lower by PLN 995.6 million YoY as a result of the recognition of income tax on the gain on disposal of Polkomtel Infrastruktura in the comparative period.

Net profit for the nine-month period ended September 30, 2022 amounted to PLN 726.6 million. This is 82.2% lower than a year ago, primarily due to the recognition of a gain on the sale of Polkomtel Infrastruktura in the comparative period and increasing pressure from operating and financial costs in 2022.

EBITDA reached PLN 2,612.9 million (-61.7%) YoY in the nine-month period ended September 30, 2022 with EBITDA margin reaching 27.5% (-46.8 p.p. YoY), with positive revenue growth. The main factors behind the decline included the high reference point in the comparative period due to the sale of Polkomtel Infrastruktura in the third quarter of 2021 and related recognition of a gain on its disposal, as well as significantly higher costs of purchasing electricity and the cost of our financial and in-kind support for Ukraine.

Adjusted EBITDA excluding the gain on disposal of the subsidiary and associate companies, our support for Ukraine and the result of Polkomtel Infrastruktura amounted to PLN 2,533.6 million in the nine-month period ended September 30, 2022 and was lower by PLN 227.3 million (-8.2%) YoY compared to PLN 2,760.9 million in the nine-month period ended September 30, 2021, resulting in adjusted EBITDA margin of 26.7% (-3.4 p.p. YoY).

3.2.2. Operating segments

The Group operates in the following three 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,
- media segment and
- real estate segment (starting from April 1, 2022).

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.

Services provided in the B2C and B2B customers segment include:

- digital pay television services which primarily relate to direct distribution of technologically advanced pay TV services where revenues are generated mainly from pay TV subscription fees,
- mobile telecommunication services (postpaid and mix) which generate revenues mainly from settlements with mobile network operators, traffic and subscription fees,
- mobile telecommunication prepaid services which generate revenues mainly from traffic and settlements with mobile network operators,
- fixed telecommunication services, which generate revenues mainly from subscription fees, traffic and settlements with network 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 fiber optic lines and infrastructure,
- online TV services (Polsat Box Go, formerly IPLA) available on computers, smartphones, tablets, smart TV sets, game consoles and other TV equipment which generate revenues mainly from subscription fees and advertising in the Internet,
- premium rate services based on SMS/IVR/MMS/WAP technologies,
- production of set-top boxes,
- sale of telecommunication equipment,
- sale of electric energy and other utilities to retail customers,
- sale of photovoltaic installations.

The media segment consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcast on television, radio and Internet channels in Poland. Revenues generated by the media segment relate mainly to advertising and sponsorship revenues, as well as revenues from cable and satellite operators.

The real estate segment includes mainly the implementation of construction projects as well as sales, rental and management of owned or leased real estate.

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. EBITDA is not an EU IFRS measure and thus its calculations may differ among different 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 nine-month period ended September 30, 2022.

nine-month period ended September 30, 2022 [mPLN] (unaudited)	B2C and B2B services segment	Media segment	Real estate segment	Consolidation adjustments	Total
Revenues from sales to third parties	7,897.8	1,516.3	71.6	-	9,485.7
Inter-segment revenues	42.7	177.2	46.5	(266.4)	-
Revenues	7,940.5	1,693.5	118.1	(266.4)	9,485.7
EBITDA adjusted (unaudited)	2,211.7	315.8	14.0	(7.9)	2,533.6
Gain/(loss) on disposal of a subsidiary	113.4	-	-	-	113.4
Costs of supporting Ukraine	33.0	1.1	-	-	34.1
EBITDA (unaudited)	2,292.1	314.7	14.0	(7.9)	2,612.9
Depreciation, Amortization, impairment and liquidation	1,274.1	82.3	9.5	-	1,365.9
Profit from operating activities	1,018.0	232.4	4.5	(7.9)	1,247.0
Acquisition of property, plant and equipment and other intangible assets	692.2	97.9	22.1	-	812.2
Acquisition of reception equipment	85.1	-	-	-	85.1
Balance as at September 30, 2022 (unaudited)					
Assets, including:	23,871.8	6,487.0 ¹⁾	1,622.9	(295.5)	31,686.2
Investments in joint venture and associates	1,776.4	5.9	9.7	-	1,792.0

¹⁾ Includes non-current assets located outside of Poland in the amount of PLN 1.9 million.

All material revenues are generated in Poland.

It should be noted that the financial data for the nine-month periods ended September 30, 2022 and September 30, 2021 allocated to the B2C and B2B services segment, the media segment and the real estate segment are not fully comparable due changes in the Group's structure which were presented in detail in item 1.2. - *Composition and structure of Polsat Plus Group – Changes in the organizational structure of Polsat Plus Group and their effects* – of this Report and item 1.2. of the consolidated annual report of Cyfrowy Polsat S.A. Capital Group for 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 nine-month period ended September 30, 2021.

nine-month period ended September 30, 2021 [mPLN] (unaudited)	B2C and B2B services segment	Media segment	Consolidation adjustments	Total
Revenues from sales to third parties	7,759.3	1,419.7	-	9,179.0
Inter-segment revenues	44.7	157.0	(201.7)	-
Revenues	7,804.0	1,576.7	(201.7)	9,179.0
EBITDA (unaudited)	2,674.7	453.1	-	3,127.8
Gain on disposal of a subsidiary	3,690.8	-	-	3,690.8
EBITDA adjusted (unaudited)	6,365.5	453.1	-	6,818.6
Depreciation, amortization, impairment and liquidation	1,353.5	88.5	-	1,442.0
Profit from operating activities	5,012.0	364.6	-	5,376.6
Acquisition of property, plant and equipment and other intangible assets	816.0	85.8	-	901.8
Acquisition of reception equipment	78.2	-	-	78.2
Balance as at September 30, 2021 (unaudited)				
Assets, including:	29,418.6	6,623.8 ¹⁾	(75.0)	35,967.4
Investments in joint venture and associates	1,752.6	5.9	-	1,758.5

¹⁾ Includes non-current assets located outside of Poland in the amount of PLN 4.0 million.

3.2.3. Balance sheet analysis

As at September 30, 2022, our balance sheet amounted to PLN 31,686.2 million and was lower by PLN 550.8 million (-1.7%) compared to its level as at December 31, 2021.

Assets

[mPLN]	September 30 2022	December 31 2021	Change	
			[mPLN]	[%]
Reception equipment	278.5	284.0	(5.5)	(1.9%)
Other property, plant and equipment	3,481.0	3,326.9	154.1	4.6%
Goodwill	10,810.9	10,802.0	8.9	0.1%
Customer relationships	750.9	1,005.7	(254.8)	(25.3%)
Brands	2,070.1	2,069.6	0.5	-
Other intangible assets	2,165.4	2,374.1	(208.7)	(8.8%)
Right-of-use assets	517.5	696.5	(179.0)	(25.7%)
Non-current programming assets	442.8	739.4	(296.6)	(40.1%)
Investment property	1,107.1	28.4	1,078.7	>100%
Non-current deferred distribution fees	77.1	73.5	3.6	4.9%
Non-current trade receivables	839.8	777.1	62.7	8.1%
Other non-current assets. includes	2,285.3	1,902.3	383.0	20.1%
<i>shares in associates accounted for using the equity method</i>	<i>1,786.1</i>	<i>1,764.4</i>	<i>21.7</i>	<i>1.2%</i>
<i>derivative instruments</i>	<i>34.4</i>	<i>23.0</i>	<i>11.4</i>	<i>49.6%</i>
Deferred tax assets	112.1	80.2	31.9	39.8%
Total non-current assets	24,938.5	24,159.7	778.8	3.2%
Current programming assets	829.1	630.6	198.5	31.5%

[mPLN]	September 30 2022	December 31 2021	Change	
			[mPLN]	[%]
Contract assets	361.5	418.0	(56.5)	(13.5%)
Inventories	888.7	595.7	293.0	49.2%
Trade and other receivables	2,669.6	2,450.3	219.3	8.9%
Income tax receivables	3.6	4.5	(0.9)	(20.0%)
Current deferred distribution fees	216.6	226.8	(10.2)	(4.5%)
Other current assets	182.5	107.1	75.4	70.4%
<i>includes derivative instruments</i>	99.3	60.9	38.4	63.1%
Cash and cash equivalents	1,586.0	3,632.4	(2,046.4)	(56.3%)
Restricted cash	10.1	11.9	(1.8)	(15.1%)
Total current assets	6,747.7	8,077.3	(1,329.6)	(16.5%)
Total assets	31,686.2	32,237.0	(550.8)	(1.7%)

In the nine-month period ended September 30, 2022, **non-current assets** increased by PLN 778.8 million (+3.2%) and accounted for 78.7% of total assets. The increase in the value of non-current assets was driven mainly by the consolidation of assets acquired in the analyzed period. The consolidation of Port Praski and its subsidiaries from April 1, 2022 was the main reason behind the increase in the value of the items: **Investment property** by PLN 1,078.7 million and **Other property, plant and equipment** by PLN 154.1 million (+4.6%). In turn, the value of **other non-current assets** increased by PLN 383.0 million (+20.1%) as a result of the recognition of our minority share in PAK Polska Czysta Energia Sp. z o.o., which was acquired in 2022, and the recognition of the value of long-term loans granted to PAK-PCE Group companies for the construction of clean energy and green hydrogen production assets, which was substantially offset by the sale of the block of shares of Modivo S.A. This item also includes the value of our 22.95% stake in Asseco Poland, which we acquired in 2019. Concurrently, during three quarters of 2022 the value of **customer relationships** decreased by PLN 254.8 million (-25.3%) and the value of **other intangible assets** (mostly telecommunication licenses) decreased by PLN 208.7 million (-8.8%) due to the gradual recognition of amortization.

As at the end of September 2022, **current assets** decreased by PLN 1,329.6 mln zł (-16.5%) compared to their balance as at the end of 2021 and accounted for 21.3% of the total assets of the Group. The decrease in **cash and cash equivalents** by PLN 2,046.4 million (-56.3%) was the main driver behind this change. The most significant cash outflows in three quarters of 2022 included the acquisition of ca. 67% stake in Port Praski for ca. PLN 553.7 million, the acquisition of a 40.41% stake in PAK-PCE for ca. PLN 478.7 million, the scheduled repayment of installments under the SFA in the amount of PLN 600.0 million, the acquisition of treasury shares for PLN 393.9 million and the granting of loans for the development of our renewable energy business. Concurrently, during the analyzed period, we recorded cash inflows from the sale of our shares in Modivo S.A. for PLN 600.0 million and CKS Ossa Sp. z o.o. and Ossa Medical Center Sp. z o.o. in the total amount of PLN 121.2 million (including loan repayment).

Receivables related to the loans granted for the development of our renewable energy business along with higher installment receivables associated with very good sales of equipment to our customers contributed to an **increase in the value of trade and other receivables** by PLN 219.3 million (+8.9%). The decrease in the value of current assets was also partly compensated by an **increase in the value of inventories** by PLN 293.0 million (+49.2%) resulting primarily from building up stock necessary for the development of our activities in the field of renewable energy as well as the recognition of the value of the inventory of apartments ready for sale within the Port Praski investment. In turn, a higher balance of **other current assets** by PLN 75.4 million (+70.4%) resulted mainly from the favorable valuation of hedging instruments.

During the nine-month period ended September 30, 2022 the **value of non-current and current programming assets** decreased by PLN 98.1 million (-7.2%), which was associated mainly with the gradual debiting of costs of previously purchased film licenses and sports rights.

Equity and liabilities

[mPLN]	September 30 2022	December 31 2021	Change	
			[mPLN]	[%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Share of other comprehensive income of associates	56.6	32.1	24.5	76.3%
Other reserves	2,827.1	2,801.3	25.8	0.9%
Retained earnings	7,899.7	7,823.6	76.1	1.0%
Treasury shares	(2,854.7)	(2,461.0)	(393.7)	16.0%
Equity attributable to equity holders of the Parent Company	15,128.3	15,395.6	(267.3)	(1.7%)
Non-controlling interests	526.2	(11.0)	537.2	n/a
Total equity	15,654.5	15,384.6	269.9	1.8%
Loans and borrowings	6,840.6	7,671.8	(831.2)	(10.8%)
Issued bonds	1,910.3	1,942.1	(31.8)	(1.6%)
Lease liabilities	328.3	497.5	(169.2)	(34.0%)
Deferred tax liabilities	1,023.2	794.9	228.3	28.7%
Other non-current liabilities and provisions	355.4	319.8	35.6	11.1%
Total non-current liabilities	10,457.8	11,226.1	(768.3)	(6.8%)
Loans and borrowings	1,367.2	1,072.7	294.5	27.5%
Issued bonds	159.9	66.4	93.5	140.8%
Lease liabilities	190.2	201.1	(10.9)	(5.4%)
UMTS license liabilities	-	139.9	(139.9)	(100.0%)
Contract liabilities	632.7	650.8	(18.1)	(2.8%)
Trade and other payables	2,455.2	2,531.2	(76.0)	(3.0%)
Liabilities to shareholders of the Parent Company related to dividend	660.8	-	660.8	n/a
Income tax liability	107.9	964.2	(856.3)	(88.8%)
Total current liabilities	5,573.9	5,626.3	(52.4)	(0.9%)
Total liabilities	16,031.7	16,852.4	(820.7)	(4.9%)
Total equity and liabilities	31,686.2	32,237.0	(550.8)	(1.7%)

In the nine-month period ended September 30, 2022, **equity increased** by PLN 269.9 million (+1.8%), to PLN 15,654.5 million as at September 30, 2022. The increase in the value of equity resulted from the profit generated in three quarters of 2022 in the amount of PLN 726.6 million and the recognition on the balance sheet of the value of non-controlling interests in connection with the acquisition of a 66.94% stake in Port Praski. The above mentioned increase was offset to a significant extent by the recognition of the value of additional treasury shares acquired in May 2022 under the Share Buy-back Program and due to the Company's General Meeting's resolution to pay dividends.

Total liabilities decreased by PLN 820.7 million (-4.9%) and amounted to 16,031.7 million as at September 30, 2022. Current liabilities amounted to PLN 5,573.9 million and non-current liabilities amounted to PLN 10,457.8 million, constituting 34.8% and 65.2% of total liabilities, respectively. Compared to the end of

December 2021, the **value of current liabilities decreased** by PLN 52.4 million (-0.9%), which was mainly the result of a **decrease of the income tax liability** by PLN 856.3 million in connection with the settlement of tax on the gain from the sale of shares in our subsidiary Polkomtel Infrastruktura in the third quarter of 2021 and **the repayment in full of the UMTS license liability**. The aforementioned decreases were offset to a large extent by **the recognition of a liability to the shareholders of the Company's related to dividend** in the amount of PLN 660.8 million and a **higher balance of short-term loans, borrowings and bonds**. The value of **non-current liabilities decreased** by PLN 768.3 million (-6.8%). The main driver behind this change was **the decrease of the value of long-term liabilities related to loans and borrowings** as well as **lower lease liabilities** related to the consolidation of Port Praski and its subsidiaries from which Polsat Plus Group leases part of the assets in use.

As at September 30, 2022, the value of **loans and borrowings (short- and long-term)** was lower by PLN 536.7 million (-6.1%) compared to December 31, 2021, which was the result of the scheduled repayment of installments under the SFA.

During three quarters of 2022, the value of **trade and other payables** decreased by PLN 76.0 million (-3.0%). This decrease was driven primarily by a lower value of payables due to the purchase of fixed and intangible assets, which resulted from the settlement of a part of payments related to capital expenditures incurred in the end of 2021, and lower liabilities related to the purchase of programming assets, which is also reflected in the lower value of programming assets and and accruals.

Contractual obligations

Commitments to purchase programming assets

As at September 30, 2022 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

[mPLN]	September 30, 2022 (unaudited)	December 31, 2021
within one year	265.2	205.0
between 1 to 5 years	302.1	366.1
more than 5 years	13.6	35.5
Total	580.9	606.6

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

[mPLN]	September 30, 2022 (unaudited)	December 31, 2021
within one year	39.2	9.7
Total	39.2	9.7

Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements for the production and purchases of the property, plant and equipment was PLN 212.8 million as at September 30, 2022 (PLN 243.7 million as at December 31, 2021). The total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 69.5 million as at September 30, 2022 (PLN 31.0 million as at December 31, 2021).

Future contractual obligations

As at September 30, 2022 and December 31, 2021 the Group had future liabilities due for transponder capacity agreements. The table below presents future payments (total):

[mPLN]	September 30, 2022 (unaudited)	December 31, 2021
within one year	130.1	125.6
between 1 to 5 years	292.7	376.7
Total	422.8	502.3

3.2.4. Cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the nine-month periods ended September 30, 2022 and September 30, 2021.

[mPLN]	for the 9-month period ended September 30		Change	
	2022	2021	[mPLN]	[% / p.p.]
Net profit	726.6	4,080.8	(3,354.2)	(82.2%)
Net cash from operating activities	1,090.2	2,442.7	(1,352.5)	(55.4%)
Net cash used in investing activities, incl.	(1,402.5)	4,646.0	(6,048.5)	(130.2%)
Capital expenditures	(812.2)	(901.8)	89.6	(9.9%)
Capital expenditures / revenue	8.6%	9.8%	n/d	(1.3 p.p.)
Net cash used in financing activities	(1,729.7)	(981.5)	(748.2)	76.2%
Net increase/(decrease) in cash and cash equivalents	(2,042.0)	6,107.2	(8,149.2)	n/a
Cash and cash equivalents at the beginning of the period	3,644.3	1,365.8	2,278.5	166.8%
Cash and cash equivalents at the end of the period	1,596.1	7,472.3	(5,876.2)	(78.6%)

Net cash from operating activities

Net cash received from operating activities amounted to PLN 1,090.2 million in the nine-month period ended September 30, 2022 and decreased by PLN 1,352.5 million (-55.4%) YoY. This decrease was primarily impacted by a one-time factor related to the payment of tax in the amount of PLN 867.9 million on the gain from the sale of our mobile infrastructure in 2021. Concurrently, in three quarters of 2022, cash inflow from operating activities was under the pressure from a lower EBITDA result and higher working capital additionally employed, which was mainly the result of increasing installment receivables, associated with high revenue generated from the sale of equipment to retail customers, and higher inventory levels, particularly in relation to our photovoltaic operations. In parallel, in the analyzed period we recorded an increase of PLN 42.8 million YoY of cash inflows from interest related to operating activities.

Net cash used in investing activities

Net cash used in investing activities amounted to PLN 1,402.5 million in the nine-month period ended September 30, 2022 compared to PLN 4,646.0 million (positive value) generated in the nine-month period ended September 30, 2021, primarily as a result of the recognition of the inflow of proceeds from the disposal of shares of our subsidiary Polkomtel Infrastruktura in the comparative period in the amount of PLN 7,111.9 million. In the period under review we granted loans to expand our business in the new strategic area of clean energy and green hydrogen production in the net amount of PLN 405.3 million. At the same time, in three quarters of 2022, the Group completed a number of acquisitions for a total net amount of PLN 739.0 million, including in particular the acquisition of shares in PAK-PCE for a total amount of PLN 478.7 million and the acquisition of shares in companies: Port Praski Sp. z o.o. for a net amount of PLN 187.0 million, Oktawave S.A. for a net amount of PLN 32.9 million, Vindix S.A. for a net amount of PLN 16.0 million and Enterpol Sp. z o.o. for a net amount of PLN 14.2 million. The increase in outflows related to investment activities in the nine-

month period ended September 30, 2022 was partially offset by a higher dividend received from Asseco Poland S.A., in the amount of PLN 64.0 million, and lower capex incurred in our telecommunication and media activities.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 812.2 million in three quarters of 2022 and decreased by PLN 89.6 million (-9.9%) YoY mainly as the result of a change in the Group's investment profile in connection with the disposal of Polkomtel Infrastruktura. In the first three quarters of 2022, the capex-to-revenue ratio was at the level of 8.6%.

In the nine-month period ended September 30, 2022, our capital expenditures included in particular:

- expenditures related to infrastructure development and maintenance, including: expansion of the core network, fiber optic cables and radio links to increase capacity for data transmission;
- expenditures related to the project of the comprehensive modernization and exchange of the IT environment of the Group;
- expenditures related to the process of successive replacement of the vehicle fleet, including the acquisition of hydrogen cars;
- expenditures related to the development of our content services, including, among others, Internet projects, set-top boxes and the development of functionalities of applications and streaming platforms;
- administrative expenditures, including in particular the development and maintenance of real estate;
- expenditures related to the acquisition of fixed assets for the implementation of strategic investments in the area of clean energy and green hydrogen production.

Net cash used in finance activities

Net cash used in financing activities amounted to PLN 1,729.7 million in the nine-month period ended September 30, 2022, and was higher by PLN 748.2 million (+76.2%) YoY, mainly due to the scheduled repayment of installments of the Tranche A of our SFA and the repayment of debt of newly acquired companies, in particular of Port Praski, the payment of higher interest on the Group's debt, which resulted from an increase in interest rates, and an outflow of PLN 393.9 million for share buy-backs. The increase in outflows related to financing activities in three quarters of 2022 was partially offset by lower repayments of lease obligations and lower interest on lease, due to the disposal of the mobile infrastructure in the second half of 2021 and a positive impact from the exercise of hedging instruments of PLN 75.7 million. In turn, in the comparative period, we exercised the payout of the second of two tranches of dividend for 2019 in the amount of PLN 415.7 million and the first out of two tranches of dividend for 2020 in the amount of PLN 255.8 million.

3.2.5. Liquidity and capital resources

We maintain cash to fund the day-to-day requirements of our business. Our objective is to ensure cost-efficient access to various financing sources, including bank loans, bonds and other borrowings.

We believe that our cash balances and cash generated from our current operations, as well as funds available under our revolving facilities should be sufficient to satisfy the future needs related to our operating activities, development of our services, service of our debt as well as for the execution of a majority of investment plans in the field of the Company's current activity. At the same time, we underline that the implementation of the assumptions of the announced Strategy 2023+ will involve the need to arrange new sources of financing for our further development.

The table below presents a summary of the indebtedness of the Group as at September 30, 2022.

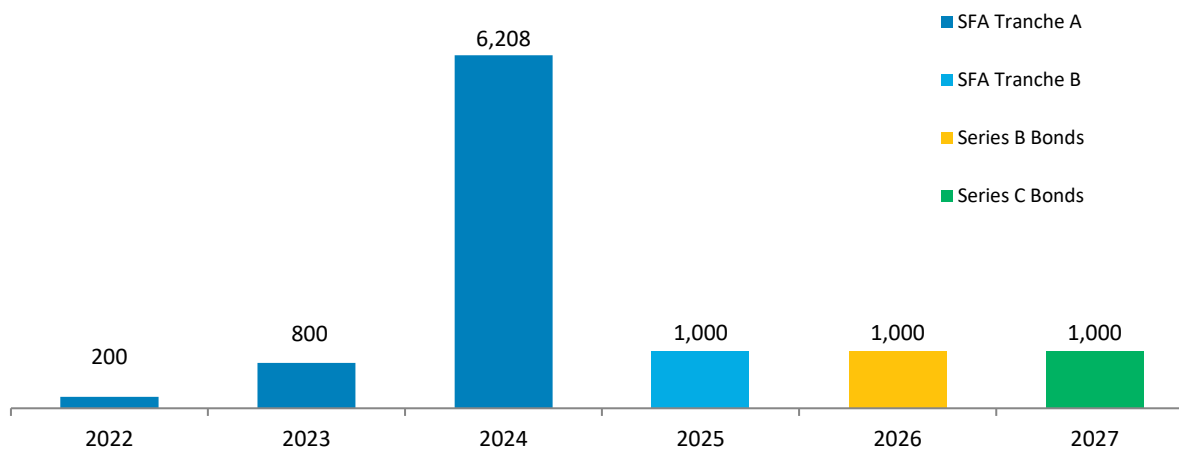
	Balance value as at September 30, 2022 [mPLN]	Coupon / interest / discount	Maturity date
SFA (Tranche A and B)	8,201.3	WIBOR + margin	Tranche A - 2024 Tranche B - 2025
Revolving Credit Facility (RCF)	-	WIBOR + margin	-
Bonds	2,070.2	Series B - WIBOR + 1.75% Series C - WIBOR + 1.65%	Series B – 2026 Series C – 2027
Leasing and other	525.0	-	-
Gross debt	10,796.5	-	-
Cash and cash equivalents ¹	(1,586.0)	-	-
Net debt	9,210.5	-	-
Adjusted EBITDA LTM	3,493.9	-	-
Total net debt / EBITDA LTM	2.64x	-	-
Weighted average interest cost ²		8.4%	-

(1) This item comprises cash and cash equivalents.

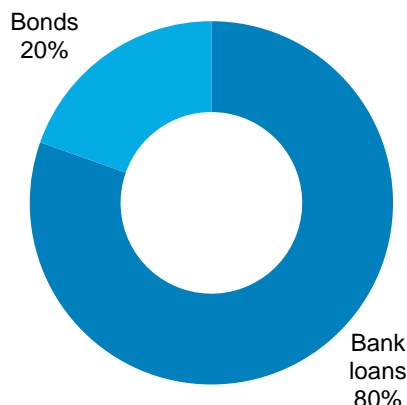
(2) Prospective average weighted interest cost of the SFA (including the Revolving Credit Facility) and the Series B and Series C Bonds, excluding hedging instruments, as at September 30, 2022 assuming WIBOR 1M of 7.07% and WIBOR 6M of 7.41%.

The graphs below present the debt maturity profile of Polsat Plus Group's debt as well as its structure according to instrument type and currency (expressed in nominal values and excluding the indebtedness under the RCF and leasing) as at September 30, 2022.

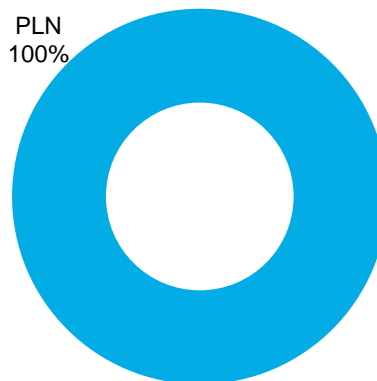
Debt maturing profile as at September 30, 2022 [mPLN]



**Debt structure by instrument type
as at September 30, 2022**



**Debt structure by currency
as at September 30, 2022**



In order to reduce exposure to interest rate risk related to interest payments based on a floating rate, we actively apply hedging strategies based on derivative instruments, swaps (IRS) in particular. As at September 30, 2022, transactions hedging the WIBOR interest rate changes, opened by companies from the Group and maturing in different periods in the years 2022-2025, hedged nearly 30% of the exposure with respect to the Group's total debt.

The description of significant financing agreements executed by the Company and the Group companies, which remain in force as at the date of publication of this Report is presented in item 4.3.5. of the consolidated annual report of Cyfrowy Polsat S.A. Capital Group for 2021.

3.2.6. Information on guarantees granted by the Company or subsidiaries

Securities related to the Senior Facilities Agreement

In order to secure the repayment of claims under the Senior Facilities Agreement the following encumbrances over assets of the Group have been established by the Company and other Group companies:

- (i) registered pledges over variable collections of movable property and rights comprised in the enterprises of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, Polkomtel and Plus Flota Sp. z o.o., governed by Polish law.
- (ii) financial and registered pledges on shares in Telewizja Polsat (with an aggregate nominal value of PLN 236,945,700), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company. The pledged shares represent 100% less 10 shares of the share capital of the company and are held by the Company as a long-term capital investment.
- (iii) financial and registered pledges on shares in Polkomtel (with a total nominal value of PLN 2,360,068,800), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company. The pledged shares represent 100% less 10 shares of the share capital of the company and are held by the Company as a long-term capital investment.

- (iv) financial and registered pledges on shares in Netia S.A. (with a total nominal value of PLN 110,702,441), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company, the pledged shares represent 32.99% of the share capital of the company.
- (v) financial and registered pledges on shares in TV Spektrum Sp. z o.o. (with a total nominal value of PLN 2,400,000), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company, the pledged shares represent 16.11% of the share capital of the company.
- (vi) financial and registered pledges on receivables under bank account agreements of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, and Polkomtel, governed by Polish law.
- (vii) powers of attorney to bank accounts of the Company, Polsat Media Biuro Reklamy spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, Polkomtel, Dwa Sp. z o.o., Teleaudio Dwa Spółka z ograniczoną odpowiedzialnością Sp. k., Polsat Media Biuro Reklamy Sp. z o.o., Interphone Service Sp. z o.o., Muzo.fm Sp. z o.o., INFO-TV-FM Sp. z o.o., Polkomtel Business Development Sp. z o.o., TM Rental Sp. z o.o., Liberty Poland S.A. and Plus Flota Sp. z o.o., governed by Polish law.
- (viii) ordinary and registered pledges on protection rights to trademarks vested in Telewizja Polsat and Polsat Investments Ltd. (formerly Polsat Brands AG), governed by Polish law.
- (ix) assignment for security of certain property rights in Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., governed by Polish law.
- (x) contractual joint mortgage under Polish law on the following real properties owned by the Company: (a) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register WA3M/00102149/9, (b) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00136943/2, (c) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00102615/7, (d) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00101039/8, (e) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00132063/1, (f) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00104992/7, (g) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register WA3M/00100109/3, (h) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00103400/4, (i) land located in Warsaw, Targówek district, vicinity of ul.Łubinowa, Title and Mortgage Register WA3M/00100110/3, (j) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00131411/9.
- (xi) contractual mortgage governed by Polish law on the land property owned by Polkomtel and located in Warsaw, Ursynów district, in the vicinity of Baletowa street, comprising plots of land no. 131/4 and 132/6, Land and Mortgage Register No. WA5M/00478842/7.
- (xii) assignment for security of receivables under hedge agreements of the Company and Polkomtel, governed by English law.
- (xiii) assignment for security of rights under insurance agreements covering the property referred to in item (i) and item (ix) above.

- (xiv) pledge on shares in Polsat License Ltd. (with an aggregate nominal value of CHF 1,000,000), governed by the Swiss law, the pledged shares represent 100% of the company's share capital and are held by the Company as a long-term capital investment.
- (xv) assignment for security of: (a) receivables due from various debtors, (b) receivables and rights to and in bank accounts. and (c) rights under insurance agreements of Polsat License Ltd., governed by the Swiss law.
- (xvi) assignment for security of rights under a license agreement between Polsat Investments Ltd. (formerly Polsat Brands AG) and Polsat License Ltd. and rights under bank account agreements, governed by the Swiss law.
- (xvii) pledge on bank accounts taken over by Cyfrowy Polsat following the merger with Metelem, governed by Cypriot law.
- (xviii) assignment for security of receivables and rights to and in bank accounts taken over by Cyfrowy Polsat following the merger with Metelem, governed by the Swiss law.
- (xix) pledge on shares in Polsat Investments Ltd. (formerly Polsat Brands AG) (with the total nominal value of CHF 250,074), governed by the Swiss law.
- (xx) pledge on receivables under bank account agreements taken over by Polkomtel following the merger with Litenite, governed by Swiss law.
- (xxi) statements of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k., Telewizja Polsat, Polkomtel, and
- (xxii) statement of Polsat Brands AG on the submission to enforcement on the basis of a notarial deed executed under the Polish law (concerning all property located in Poland or governed by Polish law).

4. Other significant information

4.1. Transactions concluded with related parties on conditions other than market conditions

Transactions with parties related to Polsat Plus Group in the nine-month period ended September 30, 2022 have been concluded exclusively on market conditions and are described in Note 19 of the condensed consolidated financial statements for the the nine-month period ended September 30, 2022.

4.2. Discussion of the difference of the Company's results to published forecasts

Polsat Plus Group had not published any financial forecasts.

4.3. Material proceedings at the court, arbitration body or public authorities

Management believes that the provisions as at September 30, 2021 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

Proceedings before the Office of Competition and Consumer Protection (UOKiK)

On February 24, 2011, the President of UOKiK imposed penalty on Polkomtel (Company's subsidiary) in the amount of PLN 130.7 million for the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to the Consumer and Competition Protection Court ("SOKiK"). According to management, during the inspection the company had fully and at all times cooperated with UOKiK within the scope provided by the law. On June 18, 2014, the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 4.0 million (i.e. EUR 1.0 million). On October 20, 2015 SOKiK's verdict has been revoked and the case has been transferred for re-examination. On April 28, 2017, the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 1.3 million. Polkomtel and President of UOKiK appealed against the verdict. On April 3, 2020, both Polkomtel's and the President's of UOKiK appeals have been dismissed. The Court of Appeal upheld the SOKiK's decision. On April 20, 2020, Polkomtel made a payment in the amount of PLN 1.3 million. Polkomtel and the President of UOKiK filed cassation appeals against the Court of Appeal's verdict. On September 28, 2022, the cassation appeal of the President of the UOKiK was dismissed, the appeal of Polkomtel was accepted in the scope dismissing the plaintiff's appeal, and the appealed judgment of the Court of Appeal in Warsaw dated April 3, 2020 was revoked and referred – in accordance with the Polkomtel's cassation appeal - to be reconsidered.

On December 30, 2014, the President of UOKiK issued a decision ending investigations related to Polkomtel's 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 million. The company appealed to SOKiK against the decision. On March 5, 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 April 1, 2021, SOKiK dismissed Polkomtel's appeal. On January 24, 2022, Polkomtel's appeal was dismissed. On February 7, 2022, Polkomtel paid the penalty in the amount of PLN 6.0 million. Polkomtel filed a cassation appeal against the judgment of the Court of Appeal.

On December 30, 2016, the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel 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 million and PLN 18.4 million, respectively. The Group appealed to SOKiK against the decision. On June 18, 2019, SOKiK annulled the decision of the President of UOKiK in relation to Polkomtel. The President of UOKiK appealed against the SOKiK verdict. On November 24, 2020, the Court of Appeal revoked the SOKiK decision and transferred the case for re-examination. On April 19, 2021, SOKiK dismissed Polkomtel's appeal in its entirety. Polkomtel appealed against the SOKiK decision. On November 10, 2021, the Court of Appeal upheld the penalty originally imposed by UOKiK. Polkomtel submitted a cassation appeal. On 7 September 2022, the Supreme Court dismissed Polkomtel's cassation appeal. On August 7, 2019, the court dismissed the appeal of Cyfrowy Polsat. The Company appealed against the decision. Pursuant to the Court of Appeal verdict from March 11, 2021, the Company paid a penalty of PLN 5.3 million on March 26, 2021. On June 24, 2021, the Company filed a cassation appeal to the Supreme Court. On January 12, 2022, the Supreme Court accepted the Company's cassation appeal for consideration. On May 31, 2022, Company's cassation appeal was dismissed.

On December 30, 2016, the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel were allegedly infringing collective consumer interests by presenting promotional 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 million and PLN 12.3 million, respectively. The Group appealed to the Court against the decision. On October 14, 2019, SOKiK dismissed the appeal. The Group appealed against the decision. On December 31, 2020, the Group appeal was dismissed. On January 14, 2021, Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On April 20, 2022, the Supreme Court accepted the Company's cassation appeal for consideration.

On April 29, 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging for activating the services to consumers, despite not obtaining an explicit approval of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 39.5 million. Polkomtel appealed to SOKiK against the decision. On May 26, 2021 SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On November 8, 2022, the Court of Appeal dismissed the appeal. Polkomtel is examining the possibility of submitting a cassation appeal.

On December 19, 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 claims 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 million. The Company appealed against this decision to SOKiK. On February 14, 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. The appeal hearing took place on 21 October 2022. The announcement of the judgment was postponed until 21 November 2022.

On December 31, 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging additional fees for data transmission using the RSTP protocol, despite the subscribers having internet packages or unlimited LTE Internet services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 50.6 million. Polkomtel appealed to SOKiK against the decision. On December 15, 2021, SOKiK announced decision in which it dismissed Polkomtel's appeal in its entirety. Polkomtel submitted an appeal against the SOKiK verdict. On July 21, 2022, the Court of Appeal partially revoked the President of UOKiK's

decision and reduced a penalty to PLN 16.8 million. On August 4, 2022, Polkomtel paid the penalty in the amount of PLN 16.8 million. Polkomtel filed a cassation appeal.

On January 22, 2020, the President of UOKiK issued a decision stating that the operations of Polkomtel 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 million. Polkomtel appealed to SOKiK against the decision. On April 8, 2022, SOKiK dismissed Polkomtel's appeal. On May 31, 2022, Polkomtel submitted appeal against the SOKiK verdict.

Other proceedings

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

By lawsuit, delivered to the Company on December 16, 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from August 20, 2009 to August 20, 2019. In the claim for payment, SAWP claims PLN 153.3 million for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on March 16, 2022, the hearing was postponed without a deadline.

The legal dispute in respect to the telecommunication concession

There is a pending legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.). Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated May 8, 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on September 23, 2011 which partially invalidated the above mentioned tender. Following the decision of the NSA, UKE informed that "the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA's rulings and the Court's guidelines regarding further procedure as well as upon analysis of the legal situation". UKE also stated that the 'reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies'. On December 23, 2016, President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated August 4, 2017 President of UKE notified the parties that the tender dated 2007 has been annulled. On October 13, 2017, Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel) filed a motion to reconsider the decision of the President of UKE dated August 4, 2017 concerning the annulment of the tender procedure. On January 31, 2018, the President

of UKE upheld its decision dated August 4, 2017. On March 7, 2018, Aero2 filed a complaint with the Provincial Administrative Court in Warsaw, on October 4, 2018 the complaint was dismissed. On December 27, 2018, Aero2 filed a cassation appeal against judgment. The hearing is scheduled for November 25, 2022.

The decision issued by UKE President does not affect reservation decisions issued following the administrative tender. In accordance with President of UKE's press release, these reservation decisions remain valid and telecommunication operators may continue to provide their services based on these reservation decisions. In management's opinion this issue should have no negative impact on the results and financial condition of the Group. Accordingly, no valuation adjustment has been made in these interim condensed consolidated financial statements.

In the proceedings instigated by T-Mobile Polska, the President of UKE resumed the proceedings which were terminated on April 23, 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated November 30, 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated November 28, 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated April 23, 2009. This decision was upheld by the decision of the President of UKE dated June 4, 2018. In connection with complaints filed against this decision, in the ruling of March 11, 2019 the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated June 4, 2018. Aero 2 filed a cassation appeal against the judgment, which is awaiting the consideration by the NSA.

On October 4, 2018, T-Mobile Polska filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated September 5, 2018 issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On November 20, 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On July 4, 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated November 20, 2018, as a result of a cassation appeal filed by T-Mobile Polska. On August 18, 2020, the announcement of the President of UKE dated September 5, 2018 was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on December 9, 2021. The case was remanded for re-examination to Voivodship Administrative Court in Warsaw. On October 25, 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska, the judgment is not final and is subject to a cassation appeal to the Supreme Administrative Court.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the Management Board 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 were described in item 5.4. of the consolidated annual report of Cyfrowy Polsat S.A. Capital Group for 2021 remained unchanged.

4.4. Factors that may impact our operating activities and financial results

4.4.1. Factors related to social-economic environment

Impact of the military conflict on the territory of Ukraine on Polsat Plus Group's current operations and expected results

In the opinion of the Management Board, despite the lack of significant direct exposure of Polsat Plus Group to the Ukrainian, Russian or Belarusian markets, the war started by the Russian Federation may have a long-lasting effect on the operational and financial results of Polsat Plus Group companies.

In particular, the war has an adverse effect on a number of macroeconomic indicators. Escalating inflation, gradually raised interest rates, expected slowdown in economic growth and disruptions in the supply of raw materials and fossil fuels are reflected in the increasing costs of our current operating activities and the significantly higher debt service costs of the Group.

Apart from macroeconomic and geopolitical factors, which affect virtually every branch of the Polish economy to a varying degree, Polsat Plus Group assesses its operating prospects as relatively stable. At the moment - contrary to the situation at the beginning of the COVID-19 pandemic outbreak - we do not see a strong reduction in advertising campaigns from our advertisers. This does not mean that possible long-term effects of the expected economic slowdown will not affect the prospects of our media segment in the coming quarters and years.

Poland has received a significant number of refugees from Ukraine. Sustained consumer demand from this group of people, including for telecommunication services, can be expected to impact future results of the Group.

The Management Board notes that the above factors have been described based on the best knowledge of the Management Board as at the date of publication of this Report. The full impact of the war caused by the Russian Federation on the operational and financial activities of both the Company and Polsat Plus Group cannot be predicted as of today and depends on many factors beyond the Group's control, in particular the duration of the armed activities and their further development, as well as further potential actions that may be taken by the Polish government, the authorities of the European Union and NATO. At the same time, the Management Board continuously analyzes the situation related to the development of the armed conflict and assesses its influence on the Group's activities. In case of identifying new factors, which may have a significant influence on the Group's operations and financial results, the Company will inform the market in an appropriate form.

Economic situation in Poland and in the world

Macroeconomic trends in the Polish economy as well as global market conditions have thus far affected our operations and operating results, and are expected to continue affecting them in the future. The key factors that impact our operations, in particular the demand for advertisements, the level of expenditures for our services as well as demand for end-user devices that we sell, include GDP fluctuations, inflation, unemployment rate, dynamics of salaries in real terms, social transfers, household consumption, and capital expenditure incurred by enterprises.

After the global and domestic economic slowdown in 2020 following the coronavirus pandemic, Poland's GDP returned to considerable growth in 2021 (+5.7% according to the European Commission estimates). The recent OECD forecasts from June 2022 indicated a continuation of relatively high national GDP growth rate in 2022 (+4.4%) and then its slowdown in 2023 (+1.8%), as a result of the war in Ukraine and its effects on the European economy.

At the same time, inflationary pressure in Poland has clearly intensified in recent months, with the average inflation rate in 2021 estimated by the Polish Central Statistical Office (GUS) at 5.1% and from June 2022 it remained at 16% approaching 18% in October 2022. We would like to point out that as a result of the armed conflict in Ukraine, macroeconomic indicators, including the inflation rate, may be revised. We expect that the persistently high level of inflation will translate in subsequent periods into an increase in the cost of conducting our business, in particular, in the cost of electricity, goods or raw materials as well as costs related to all types of services that we purchase. Additional pressure on energy prices may come from disruptions in oil and natural gas supplies caused by the war in Ukraine and Russia's aggressive stance. We also expect that our content costs, lease of premises costs, network costs and employee costs, which are further impacted by the changes to Poland's tax system introduced at the turn of 2021 and 2022, will remain under inflationary pressure in future periods.

Disruptions in global supply chains, initiated by the outbreak of COVID-19 pandemic and further compounded by the armed conflict in Ukraine, remain an issue on a worldwide scale. The continuation of this phenomenon and a prolonged reduction in the supply of components in Asian markets could translate into supply delays and higher prices for imported equipment offered to our customers and components used by us in our operations and investment activities.

Situation on the pay TV market in Poland

Our revenue from subscription fees depends on the number of our customers and their loyalty, the pricing of our services and the penetration rate of pay TV in Poland, which we consider to be a saturated market. The high level of competition and the dynamically evolving market environment (including consolidation processes on the cable TV market as well as the continued convergence of mobile and fixed-line services) impact promotional offerings addressed to our new customers. In addition, due to high competition, we continuously invest in customer retention programs and building the loyalty of our customers.

We believe that at present our programming packages constitute an attractive value-for-money offer on the Polish pay TV market. Moreover, we invest in new, attractive and unique content. This gives us a chance to attract a significant portion of migrating customers to our platform. What is more, we offer pay TV services as part of our integrated offer, which has a positive impact of the level of loyalty of our customer base and contributes to maintaining a low churn rate.

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. This market is still underdeveloped in Poland as compared to Western Europe or the United States and in our opinion has significant growth prospects, especially in light of the improving quality of fixed broadband links. The launch of services by global players, such as Netflix, Amazon Prime, NENT or Disney, is proof that Poland is considered an attractive market. The situation caused by the COVID-19 pandemic has deepened the existing trend of consuming film content at leisure and on various devices. In view of the above, we systematically develop our VOD and online television services and applications.

At the same time, in recent months, there has been a very noticeable trend in Poland to increase prices for pay-TV services, which is a natural consequence of the distinctly rising costs of purchasing and producing in-house content. Retail price increases apply to basically all technologies - from traditional satellite platforms and cable offerings, through IPTV offerings, to VOD and OTT platforms. This trend may translate favorably into ARPU growth, while at the same time, in the face of the coming recession, it may cause a part of customers to be inclined to limit their parallel use of more forms of access to paid content.

Development of the advertising market in Poland

A significant part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on our TV channels. Demand for advertising airtime is highly correlated with the macroeconomic situation, which was particularly noticeable during the unexpected slowdown caused by the first phase of the coronavirus pandemic. We expect that the development of the TV advertising market in the coming quarters

and years will be influenced by the decelerating national GDP growth rate, which, according to OECD forecasts, may remain under pressure in 2022-2023 as a result of, among others, the armed conflict in Ukraine, high inflation translating into an impoverishment of the society and the persisting COVID-19 pandemic.

In our opinion, television will remain an effective advertising medium and we believe there is still growth potential for TV advertising in Poland in the long term given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets. It is worth noting that despite the growing importance of new media, it is forecasted that television will remain an attractive and popular pastime thanks to, among others, new technical opportunities and given that television remains a widely available and affordable source of entertainment for the whole family.

The value of the national advertising market is also affected by improvements in audience measurement processes. Starting from September 1, 2021 market research firm Nielsen started to publish data concerning monitoring television viewership on traditional TV sets expanded with data for out of home (OOH) television viewing. We have started to sell and settle advertising campaigns based on viewership including OOH data since September 2021 through our media house Polsat Media Biuro Reklamy. We are of the opinion that including the out of home viewing data in viewership data for each TV station may translate favorably into the value of the advertising market in Poland and thus on our advertising revenue.

Starting from January 2022, our advertising office Biuro Reklamy Polsat Media decided to replace the current age group used for sales settlements, 16-49, with a broader target group, 16-59. This change was justified by the results of published research, which indicates that people from older age groups remain professionally active for longer and are active consumers, which makes them an attractive target group for advertisers. A similar trend, consisting in expanding commercial age groups, is also observed in other European markets. The 16-59 year olds make up ca. 51% of the TV audience in Poland. In our opinion, the inclusion of the age group of 16-59 year olds in the advertising sales calculation may positively affect the value of the advertising market in Poland and, consequently, our advertising revenues.

At the same time, it should be noted that the value of the TV advertising market will be temporarily negatively affected by the refarming of the 700 MHz bandwidth finalized in the second quarter of 2022, which resulted in a change in the frequency and broadcasting standard of terrestrial TV stations from DVB-T to DVB-T2. The ability to receive terrestrial TV in the new standard requires a TV set with appropriate parameters. Owners of older-type TV sets, i.e. nearly 1 million viewers in Poland according to the survey of Krajowy Instytut Mediów from September 2022, will be able to use terrestrial TV, and thus will be a potential target group for advertisers, only after replacing the receiver or purchasing a new set-top box. As a result of an administrative decision, in the refarming process unequal treatment was given to commercial broadcasters, who had to switch to the new DVB-T2 broadcasting standard countrywide by the end of June 2022, and public broadcaster TVP, who can broadcast in the old DVB-T standard until the end of 2023. In the case of Polsat Plus Group, channels with limited access to digital terrestrial television include Polsat, TV4, TV6, Super Polsat, Eska TV, Polo TV and Fokus TV. The above described decisions have been adversely affecting our Group's market share.

The Group intends to oppose these measures, which in our view treat all commercial broadcasters in a discriminatory manner, and to demand adequate compensation and the earliest possible switchover of TVP channels to the broadcasting standard applicable to the other broadcasters.

Prospects of the online advertising market are positive. According to the IAB AdEx report for 2021, online advertising expenditures in Poland increased at a rate of 20% YoY and reached the value of PLN 6.2 billion. This is mainly the result of a rebound after the reported pandemic advertising market collapse in 2020. The two main segments of the online advertising market in which we are present, i.e., display and video, were responsible for 47% of total expenditures on the online advertising market and their total value increased by

22% YoY. We believe that following the acquisition of Interia.pl Group and thus gaining a leading position on the online advertising market we will be one of the beneficiaries of the development of these promising segments of the advertising market in the following periods.

Growing importance of convergent services and consolidation trends

Convergence of services is one of the strongest trends both on the Polish media and telecommunications market and worldwide. Operators develop their bundled offerings in response to changing preferences of customers, who seek media and telecommunications services provided at competitive prices by a single operator under a single contract, a single invoice and a single fee. Given the high saturation of the pay TV and mobile telephony markets, bundled services play an increasingly important role in maintaining the existing customer base.

In the wake of the increasing importance of convergence and bearing in mind the significant level of fragmentation of the broadband access market, it can be expected that the future shape of the Polish telecommunications and media market will be substantially impacted by consolidation trends which have been visible for a long time on more developed foreign markets, where mobile and fixed-line operators merge with content providers.

The acquisition of a controlling stake in the fixed-line operator Netia by Polsat Plus Group in 2018 can serve as an example of such consolidation in Poland. Thanks to this acquisition we combined within our Group all assets necessary to provide fully convergent services, which facilitates better adjustment of the offering to customers' needs and more effective cost management.

Our immediate competitive environment is also undergoing changes in ownership and partnerships that will shape the markets in which we operate.

Orange Polska. In July 2021, Orange Polska together with Dutch pension fund APG Group established a company Światłowód Inwestycje in order to develop a fiber optic network, mostly in areas with a low or medium level of competition. By the end of 2021, there were approximately 0.8 million households within the reach of Światłowód Inwestycje and in the coming years the operator intends to expand the reach of its network to a total of 2.4 million households. We are of the opinion that the construction of an open fiber optic network by Światłowód Inwestycje may create a chance for certain telecommunication or pay TV operators to strengthen their convergent offers.

In June 2021, Orange Polska entered into cooperation with Tauron thanks to which it plans to cover ultimately over 200 thousand households in southern Poland with the fiber optic network rolled out by Tauron on the basis of its power line grid. Earlier Orange signed cooperation agreements with other wholesale operators, including Inea and Nexera. Orange informed that as at the end of the third quarter of 2022 its services provided via fiber optic network were available to ca. 6.8 million households, including both services offered via the operator's own networks as well as the networks available to Orange Polska through cooperation with other operators.

T-Mobile Polska. In July 2018, T-Mobile Polska and Orange Polska signed an agreement based on which T-Mobile provides broadband services to its customers through part of Orange's fiber optic network. Through this collaboration T-Mobile rolled out a convergent service offering for residential customers in mid-2019. Since 2020 the operator has also been providing convergent services relying on access to fiber optic networks of Nexera and Inea.

P4. In 2019, P4, the operator of Play network, signed an agreement with Vectra, a cable TV operator, based on which it provides fixed-line broadband Internet access starting from April 2020. Moreover, P4 acquired 3S S.A., an operator who owns a fiber optic network spanning approximately 3.8 thousand kilometers in the region of Upper Silesia and six data center clusters. The transaction supported the migration of Play's

transmission network connecting its base stations, to a technology based on fiber optic communications which, according to the operator, was related to the implementation of the 5G standard. In August 2020, P4 finalized the acquisition of Virgin Mobile Polska, a virtual operator (MVNO) operating on Play's infrastructure.

In November 2020, Iliad, a French telecommunications group, took control over P4. Iliad declared at that time that it intended to focus on developing convergent services in Poland, which was reflected in the acquisition of the cable operator UPC Polska in April 2022. Both companies provide jointly around 17 million services in Poland.

In June 2022, P4 entered into a preliminary agreement with French fund InfraVia Capital Partners, under which the fund is to acquire a 50% stake in P4's subsidiary operating as FibreForce. In September 2022, the European Commission approved the acquisition of joint control of FibreForce by the above entities. By the end of 2022, P4 plans to transfer to FibreForce the broadband infrastructure of UPC Polska, covering more than 3.7 million households. In addition, FibreForce intends to build more than 2 million new fiber connections. According to P4's announcement, FibreForce will make its network infrastructure available to other telecom operators under an open and non-discriminatory access model.

Cable network operators. The fragmented Polish cable network market, which comprises around 300 operators, is undergoing consolidation. An example of the process is the acquisition by Vectra, the no. 2 operator in terms of size, of Multimedia Polska, the no. 3 cable player on the market in 2020. UOKiK issued its consent to the merger conditional on the sale of parts of the network together with the customer base in eight cities, where the two companies' shares were the biggest, hence it can be expected that the above mentioned transaction will offer an opportunity for other players to acquire parts of the infrastructure with a view to developing their own convergent offers.

The Polish cable network market saw similar acquisitions but on a smaller scale, executed by, among others, Orange, Vectra and Netia. In particular, in 2019-2022 Netia acquired four local cable network players. We expect that the consolidation trends on the cable network market will continue in the years to come.

Changes in pricing of mobile services

An important trend visible since 2019 in the Polish mobile telephony market is the gradual introduction by all major telecommunication operators of modifications to their retail services pricelists which in particular consist in increasing monthly fees in exchange for higher data transmission packages (the more-for-more pricing strategy), cancelling selected low-end tariff plans or increasing rates for connections made above package limits. These changes are associated, among others, with increased demand for data transmission, low level of prices of telecommunication services in Poland, inflationary pressure on costs of telecommunication activities and a shift in strategies of certain operators towards greater than in the past focus on building customer value and fostering revenue and profitability connected, among others, with the planned investments in 5G network construction.

The gradual launch of 5G networks enables operators to apply different prices to offers based on the latest technology, which ensures a definitely higher comfort of using mobile services. 5G technology will allow to obtain speeds which ultimately can exceed 1 Gb/s while minimizing latency. At the same time, it will ensure a significantly larger capacity of newly built networks, translating into a higher number of end-user equipment which can simultaneously use data transmission in a comfortable manner. However, intensive usage of 5G technology will require larger data packages, which may be offered in higher-end tariff plan proposals.

In 2021, Plus introduced new 5G pricelists, addressed to both individual and business customers, which offered larger data packages at higher subscription fee thresholds (more-for-more strategy). Changes of a similar nature, aimed at moving customers who use 5G services up the pricing ladder, are also being implemented by other operators. In our view, these changes reflect both the increasing demand for higher data packages and growing customer acceptance for paying more for services offered in the most advanced technological standards.

In parallel, the strong inflationary pressure that is being experienced in the Polish market in 2022 is reflected in the observed adjustments of price lists for selected telecommunications operators' retail customers. For example, Orange Polska and T-Mobile Polska have announced that they had begun to introduce indexation clauses in their contracts with customers, which will allow service prices to be raised in the future due to increasing inflation. In October 2022, Orange Polska raised subscription thresholds in mobile voice tariffs for contract customers in line with its more-for-more strategy while withdrawing the cheapest tariffs from its offerings. The individual MNO operators are also introducing higher subscriptions after the primary 24-month contract period.

We expect that the above mentioned changes, in connection with increasing demand for transfer in mobile devices and persisting popularity of remote working and learning, shall translate favorably into the growth of the Polish telecommunication market in the medium and long-term.

Demand for data transmission on smartphones

In Poland, the popularity of smartphones has been dynamically growing. Currently, smartphones have almost completely replaced traditional handsets in our sales mix. Concurrently, there is an increasing interest in more technologically advanced devices, which ensure much better user experience. In particular, this is the case for smartphones supporting 5G technology, the price of which has been rapidly reduced from initially high levels and now these devices are available at affordable prices.

The growing popularity of smartphones is reflected in increasing demand for data transmission in the small screen equipment segment. According to estimates presented in the Ericsson Mobility Report of June 2022, the scale of data transmission in the Central and Eastern Europe region, to which Poland is classified, will increase from 10 GB per month in 2021 to 32 GB per month in 2027, driven also by the increasing popularity of 5G technology. We expect that the growing popularity, availability and technological advancement of smartphones combined with improving quality parameters of mobile data transmission and the constantly expanded offer of applications and content for customers shall continue to be the driving factor behind growing demand for data transmission services.

Development of 5G technology in Poland

In accordance with the European Digital Single Market strategy and guidelines of the European Commission, in 2020 there should have been a fifth generation (5G) telecommunication network operating in at least one city of each EU Member State. According to EU expectations, Member States should have wide network coverage in 5G technology by 2025.

The frequencies from the 700 MHz, 3.4-3.8 GHz and 26 GHz bandwidths have been designated for the purposes of development of 5G networks in Europe. At present, the processes of spectrum allocation, depending on availability, are ongoing in respective European states.

In Poland, the process of frequency allocation in the 3.6-3.8 GHz band for the construction of 5G networks has been halted. In 2020, the Office of Electronic Communications cancelled the frequency allocation process that had been initiated at that time. As at the date of publication of this Report, no details are known about the form, timing or conditions of distribution, including coverage parameters and price, of frequencies in the 3.4-3.8 GHz band. The detailed conditions of this process will have a significant impact on the financial results, in particular cash flows, and the operating activities of our Group.

Due to the suspension of the process of assigning frequencies in the 3.6-3.8 GHz band, intended ultimately for the construction of 5G networks in Poland, four major mobile operators in Poland made respective decisions to start the roll-out of commercial 5G networks in selected Polish cities using own spectrum resources (a dedicated 2600 MHz TDD band in the case of Plus and 2100 MHz bands in the case of Play, T-Mobile Polska and Orange Polska).

Plus uses the MIMO 4x4 and QAM256 technologies on its band, enabling data transmission speed of up to 600 Mbps. The commercial start of Plus 5G network took place on May 11, 2020 and in the initial phase network roll-out covered major Polish cities. As at the end of 2021, Plus 5G network comprised over 3,000 base stations covering more than 19 million people in over 800 locations which gives us a significant competitive advantage.

Precise information regarding the distribution and use of frequencies in the 700 MHz band is also lacking. In 2019, a concept was developed to implement 5G technology based on the 700 MHz band to build a unified infrastructure that would cover the entire territory of Poland. This concept assumed the cooperation of mobile operators and the State Treasury in the form of a company called #Polskie5G. As of the date of publication of this Report, the final conditions or deadlines for the distribution of the 700 MHz band in Poland are not known.

Regarding the 26 GHz spectrum, in July 2020 UKE conducted consultations with market representatives on the utilization of the spectrum from the 26 GHz band as well as of the spectrum from other millimeter frequency bands. According to operators, who took part in the consultations, frequency allocations in the 26 GHz band should be made in 2022- 2023 at the earliest, i.e., when greater availability of end-user equipment operating in this band is expected. As of the date of publication of this Report, however, no plans are known regarding the timing of distribution of frequencies in the 26 GHz band.

4.4.2. Factors related to the operations of the Group

Growing importance of integrated services

Growing interest in integrated services, observed among our customers, provides us with the possibility to generate growth of average revenue per customer. We carefully follow the evolution of consumption patterns and our customers' expectations and strive to meet their growing needs by combining our pay TV, broadband access and mobile telephony services into attractive packages, complementing them with products and services outside our core activity. We are aspiring that our services meet the needs of every customer and are available everywhere. That is why we constantly work on expanding our offering and enter new distribution markets for our services.

Thanks to the acquisition of Netia we have strengthened of our market position in integrated services. We have expanded our portfolio with a wide range of fixed-line products and services, in particular with fixed-line broadband Internet offered, among others, in fiber optic technologies. Netia provides its services via its own access network with approximately 3.2 million homes passed, out of which, as at the end of September 2022, over 2 million were within the reach of broadband Internet with transmission speed of 1 Gbps. Netia's own network is supported by an extensive, nationwide backbone infrastructure. Thanks to the cooperation with wholesale partners, i.e. Orange Polska, Nexera, Fiberhost and Tauron this potential has been further strengthened. As a result Polsat Plus Group can already offer fixed broadband access services in fiber optic technologies at nearly 6 million address points.

Our bundled services offers, addressed both to our individual and business customers, enable our customers to combine products in a flexible way and benefit from attractive discounts. The possibility of selling additional products and services (cross-selling) to our customer base has a positive impact both on our stream of revenue and the level of ARPU per contract customer, and contributes to increasing the loyalty of customers, who use our bundled services.

Furthermore, we offer a broad range of complementary services to every basic service. We combine our traditional pay TV services provided in the satellite and Internet (OTT, IPTV) technologies with VOD, PPV, Multiroom and online video services. We propose optional value added services (VAS) to our Internet access and mobile telephony services, which include, among others, entertainment, music, news, localization or insurance services.

Effective use of the potential in the area of provision of integrated services and value added services to our customers, both through up-selling of single products and value added services, as well as through the sale of bundled offers and cross-selling, may significantly increase the number of services used by each individual customer, thus increasing average revenue per customer (ARPU) and concurrently maintaining the churn ratio on a low level.

Strengthening of our market position in online advertising

Thanks to the strategic acquisition of Interia.pl Group in July 2020 we significantly strengthened our position on the dynamically growing Internet and online advertising market.

The Internet portal 'Interia.pl,' which belongs to the Group, is one of the largest horizontal portals in Poland and combines electronic mail, thematic services and mobile apps which generate income from many revenue streams. The average monthly number of users of the websites and applications of the combined Polsat-Interia media group amounts to 21 million, and the average monthly number of page views reaches 2 billion.

Following the acquisition of Interia.pl Group we have gained an additional channel for distribution and monetization of the content produced by Telewizja Polsat's channels. We achieve cost optimization thanks to the insourcing of online marketing campaigns for the brands from Polsat Plus Group's portfolio. Moreover, we have increased efficiency of sales of advertising space by Interia.pl Group thanks to its integration, from October 2020, with our media house Polsat Media Biuro Reklamy. As a result of these actions, we quickly achieved the synergies we assumed, which translated directly into the financial results obtained by Interia.pl Group.

Entering the market for energy production from low- and zero-emission sources

The Polish energy sector is currently at the threshold of a transformation involving the need to replace coal in the national electricity generation mix with clean, renewable energy sources and building energy independence in view of geopolitical challenges. An important driving force behind the changes in the Polish energy sector is the growing awareness, both in Poland and at a global level, of the need to combat climate change as well as the consistent climate policy of the European Union, which, on the one hand, offers significant support for the development of renewable energy sources, and on the other hand, strongly limits the possibilities of financing investments based on conventional fuels. Geopolitical uncertainty caused by the war in Ukraine and Russia's aggressive energy policy are additional factors justifying the need for Poland to seek alternative energy sources.

We believe that Poland's energy transformation towards clean, zero- and low-emission energy constitutes an excellent moment for new players to enter this promising market and creates new development opportunities for Polsat Plus Group. We believe that solar and wind power plants as well as stable low-emission sources, such as biomass turbines, will dynamically gain in importance. At the same time we believe that from the perspective of strengthening the energy independence of Europe and Poland a step into the future is already necessary, towards an economy and society based on green hydrogen. In our opinion, hydrogen technology will be important in reducing greenhouse gas emissions on a global scale due to its wide applications in industry, transport and power generation.

In December 2021, we expanded our strategy to include a new business pillar based on clean energy production. Between 2022 and 2026, we want to invest ca. PLN 5 billion to achieve about 1,000 MW of installed clean energy production capacity and ca. PLN 0.5 billion to build the full value chain of the economy based on the fuel of the future, that is hydrogen. In particular, we intend to invest in projects related to the production of energy from photovoltaics, biomass, wind farms and thermal waste treatment. We also want to invest in the future by building a complete value chain of a green hydrogen-based economy, which may contribute significantly to the reduction of harmful substance emissions (including CO₂). Furthermore, we

want to actively analyze the possibilities of investing in other prospective sources of energy such as off-shore wind farms.

According to our estimates, our investment plan will contribute to the reduction of greenhouse gas emissions by over 2 million tons of CO₂ equivalent per year, while creating an additional recurring EBITDA stream of PLN 500-600 million per year by 2026 (estimates based on energy prices in 2021). Furthermore, by operating on the clean energy market, we will be able to manage energy costs, especially in the telecommunication area, in a more optimal way, which is particularly important in light of record high energy prices in Poland.

Entering the B2C and B2B photovoltaic market

Addressing our customers' demand for cheap and clean energy, in July 2020 we started to offer photovoltaic installations to our individual and business customers under the brand 'ESOLEO'. The installations are sold by Esoleo, a company belonging to Polsat Plus Group which has extensive experience on the photovoltaic market in Poland. The 'ESOLEO' offer is available across Poland in our points of sale and provides a complete solution and customer care in photovoltaic installations including assembly and technical support. The entire investment is executed in the "turn-key" model, including preparation of all required documents and a notification of the installation filed with the power grid on behalf of the customer. In the scope of the cooperation with 'ESOLEO' the customer may receive a loan for the investment under special offers prepared by banks.

ESOLEO is also active in the B2B sector, executing photovoltaic installations for, among others, the chain of stores DINO Polska. As part of its B2B activities, ESOLEO, as consortium leader with ZE PAK S.A., completed the construction of the largest photovoltaic farm in Poland generating 70 MWp of power. The Brudzew solar plant was constructed on a plot covering 100 ha, on reclaimed lands which were previously exploited by the Adamów lignite mine in the eastern Wielkopolska region. The investment was completed in August 2021. The Polsat Plus Group purchased the entire volume of energy produced by the Brudzew farm under the long-term power purchase agreement, which lowers our cost of electricity while reducing the Group's carbon footprint.

We believe that growing popularity and knowledge about photovoltaic installations among our customers, combined with the renowned solution that we offer, will contribute to the generation of a new significant revenue stream for our Group in the coming years and at the same time contribute to a more sustainable energy production model.

Demand for data transmission and 5G services

In three quarters of 2022, our customers transferred ca. 1,475 PB of data as compared to 1,093 PB transferred in the same period of 2021, which represents a 13% growth YoY. To meet the rapidly growing consumption of data transmission while maintaining the highest quality of our services, we continue to develop our telecommunication network. In particular, having reached the level of coverage of nearly 100% of the population with our LTE and HSPA/HSPA+ network, we focused on expanding the capacity of our telecommunication network and extending the footprint of the 5G technology, which at the end of 2021 covered over 19 million people in over 800 locations.

The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. This approach offers balance between data transmission speed (up to 600 Mbps) and coverage (i.e. wide availability), while maintaining the highest quality of both parameters. In the future, as the 5G network develops, the current use of the 2.6 GHz band will guarantee better land mass coverage than when using the 3.4-3.8 GHz bands only and it will enable us to maintain a competitive edge during subsequent stages of 5G network roll-out by offering the possibility of aggregating 5G frequency bands.

In early 2021, we introduced new 5G tariff plans addressed to both individual and business customers, which offered larger data packages compared to 4G tariff plans at higher prices with a minimum subscription fee threshold set at PLN 60 (premium positioning strategy). In turn, in August 2021, 5G was offered to all Plus new customers or customers extending their existing contract based on new tariff proposals (more-for-more strategy). We believe that the 5G technology is associated with demand for larger data packages and thus supports customer migration to higher tariffs and building customer value.

Development of streaming platforms

Our Internet services and applications Polsat Box Go, Polsat Go and Netia Go strengthen our position as an aggregator and distributor of content and ensure an important competitive advantage. We continue to develop our services using our experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues. The distinguishing element of our platforms is the unique, local content produced by TV Polsat.

Mobile video traffic is the fastest growing segment of global mobile data traffic. Bearing this in mind, we believe that online television will make an increasingly significant element of our business in the future. Therefore, we pay attention to providing users of our video services with a wide variety of attractive content. In particular, the coronavirus epidemic and the accompanying lockdowns contributed to higher interest of customers in online television offer, especially with regard to sports events, film and series content as well as entertainment shows. We think that such a trend will continue in the future and that we will benefit from it thanks to investments in the development of this segment of our operations.

Investment in increasing the attractiveness of offered content and monetization of sports rights

We offer the biggest and most versatile portfolio of TV channels on the Polish market, which places us in the leading position in terms of viewership among private television groups in Poland and translates into our share in the advertising market. TV Polsat Plus Group channels' portfolio consists of 39 own channels. Moreover, there is a group of 6 cooperating channels which are related with Polsat Plus Group either by capital or joint broadcasting projects. The portfolio of our thematic channels includes general entertainment, music, sports, news, lifestyle, movie and children's channels. Our direct production covers mainly news programs, documentaries, shows and series based on international formats as well as own concepts. Moreover, we have contracts with major film studios which provide access to a wide selection of the most attractive films and series. In June 2022, we entered into cooperation with Disney+ and were the only pay-TV and telecommunication service provider in Poland to include Disney+ productions in our packages when it entered the Polish market.

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Our offer is exceptionally attractive for fans of football and volleyball. For football fans we offer, among others, broadcasts of qualifiers to the UEFA European Championships or the FIFA World Championships as well as the football Nations League. Additionally, we own rights to the world's most popular football club competitions – the UEFA Champions League. For volleyball fans we offer the biggest and most prestigious volleyball tournaments – the men's and women's World Volleyball Championships, exciting games of the volleyball Nations League, the men's and women's Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and the volleyball CEV Champions League. We also offer boxing and mixed martial arts galas (UFC, FEN and Babilon MMA), Wimbledon and ATP 1000 and 500 tournaments, and many others.

Following the acquisition of a controlling stake in the Polish company Eleven Sports Network in 2018, we gained access to attractive sports rights which are sold as program packages to pay TV operators active on the Polish market, as well as directly to customers through OTT applications (among others, ELEVEN SPORTS and Polsat Box Go). This premium sports content includes Spanish La Liga Santander, Italian Serie A, the English Emirates FA Cup, French Ligue 1 Uber Eats, German DFB-Pokal, Portuguese Liga Portugal, Belgian Jupiler Pro League, Formula 1® and speedway races of the Polish PGE Ekstraliga and Swedish Bauhaus-Ligan. Since November 2017, the Eleven Sports 1 channel has been available in 4K technology -

viewers can watch selected events in their native UHD quality, e.g. Formula 1® races or selected La Liga Santander matches. Unique content represents an important element that builds the value of our pay TV offering.

In parallel, we also seek to monetize TV channels from our portfolio by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenues we generate in the media segment.

4.4.3. Factors related to the regulatory environment

Cap interconnect rates for termination of calls in mobile (MTR) and fixed-line (FTR) networks

The provisions of the European Code of Electronic Communication assume further regulation of MTRs and FTRs. In line with the provisions of this directive, in 2020 the European Commission issued a delegated act specifying the highest levels of MTRs and FTRs that can be applied by operators in the European Union. Ultimately, the cap rates are to amount to 0.2 euro cents per minute for MTRs and 0.07 euro cents per minute for FTRs. The delegated act adopted by the European Commission provides for a transition period with a time schedule for reducing the rates in order to reach their assumed level in January 2024 for MTRs and January 2022 for FTRs, respectively. The time schedule for reducing the rates came into force on July 1, 2021 and is presented in the table below.

[EUR or PLN per minute]	Cap rates for termination of calls in other operators' networks in the EU from:			
	July 1, 2021 to December 31, 2021	January 1, 2022	January 1, 2023	January 1, 2024
Mobile termination rate (MTR)	EUR 0.007	EUR 0.0055	EUR 0.004	EUR 0.002
Fixed termination rate (FTR)	PLN 0.005	EUR 0.0007	EUR 0.0007	EUR 0.0007

The gradual reduction of the MTR and FTR rates implemented by the EU will impact the results of Polsat Plus Group in the next years. In particular, the above mentioned regulation translates into a decrease of wholesale revenue from interconnection settlements, both mobile and fixed-line, and a decrease of interconnection costs which are recognized in our technical costs. Due to the fact that the levels of outgoing and incoming traffic in interconnection settlements are similar we expect the impact of the regulation on Polsat Plus Group's EBITDA result to remain relatively neutral.

Implementation of the European Code of Electronic Communication to national legislation

In accordance with Directive (EU) of the European Parliament and of the Council 2018/1972 (the European Code of Electronic Communication), all EU Member States were obligated to implement the provisions of the above mentioned directive to their national legislation by December 21, 2020. At present, legislative works are ongoing on the preparation of a draft act Electronic Communication Code and a draft act Regulations introducing the act Electronic Communication Code, which together are to implement the European Code of Electronic Communication into the Polish law order and replace the currently binding Telecommunications Law act. The implementation of the Electronic Communication Code may potentially have a significant impact on the results of our operations. The scope of the new legislation is currently subject to internal analyses.

Extension of the currently binding Roam Like at Home (RLAH) regulation by another 10 years

In April 2022, the regulation of the European Parliament and of the Council was published which prolonged the currently binding Roam Like At Home principle (regarding roaming costs while travelling on the territory of the European Union) for another 10 years, i.e. until 2032.

The regulation also introduced further reductions of the maximum wholesale rates for interconnection settlements for voice call and text messages (in July 2022 and January 2023) and for Internet usage (in July 2022 and then every January in the years 2023-2027). The new price caps are, respectively:

- 0.022 EUR and 0.019 EUR per minute of an outbound voice calls;
- 0.004 EUR and 0.003 EUR per text message;
- 2 EUR, 1.8 EUR, 1.55 EUR, 1.3 EUR, 1.1. EUR and 1 EUR per 1 GB of data transmission.

The regulation also introduces obligations for operators with regard to providing connections to emergency numbers and premium rates services as well as quality of services in regulated roaming.

Draft amendment to the National Cybersecurity Act

The government is conducting legislative work on a draft amendment to the National Cybersecurity Act which introduces into the legal order, among others, solutions allowing for an administrative decision to recognize a hardware or software supplier as a high-risk vendor. The draft amendment provides that, i.a., telecommunication companies will not be allowed to implement for use any hardware or software provided by a vendor who has been classified, by means of a relevant decision, as a high risk vendor. The hardware and the software covered by such a decision but implemented prior to the decision's date will have to be phased out within seven years of the decision's publication date, however, if the decision covers any telecommunication hardware or software which supports any functions that are considered critical from the point of view of security of the network and the services (listed in the attachment to the act), then the deadline for phasing out such hardware or software will be five years. The minister responsible for IT will have the authority to issue decisions recognizing a given vendor as a high risk vendor.

Continued cooperation with some of our external suppliers is important to us in order to maintain our operations without disruption. Should any of the largest telecommunications suppliers be considered a high risk vendor and consequently excluded from the supply chain, market competitiveness may be reduced and prices of telecommunication equipment may rise. Furthermore, imposing an obligation on telecommunication operators to replace telecommunication equipment or software delivered by a supplier considered as a high risk vendor may lead to high costs of replacing such network equipment and, as a result, adversely affect the costs and pace of construction and modernization of a given operator's telecommunication network.

Other significant solutions provided for in the draft act include provisions concerning the operator of the strategic security network, the competences of the Government's Representative for Cybersecurity in the field of issuing warnings and orders on behalf of the minister responsible for information technology, creation of a legal framework for the functioning of the national cybersecurity system certification scheme, as well as numerous changes to the existing cybersecurity system. Moreover, the draft act provides for the addition of a chapter to the National Cybersecurity Act with provisions imposing new obligations on telecommunication companies to ensure the continuity of the provision of electronic communication services or the provision of a telecommunications network, including, for example, the obligation to report to the newly created CSIRT Telco (i.e., Computer Security Incident Response Team) instances of major telecommunications incidents.

The planned amendments may be of material importance from the standpoint of telecommunication operations in Poland since a substantial part of the planned regulations entail new obligations and requirements for telecommunication companies.

Draft law on combating abuse of electronic communications

In June 2022, the government began legislative work on a draft act on combating abuse of electronic communications. The draft law defines and prohibits abuse of electronic communications, penalizing activities such as the generation of artificial traffic, smishing, CLI spoofing and unauthorized change of address

information. The intention of the bill drafters is to create a legal environment in which it will be possible for state authorities and services to prosecute perpetrators of abuse, while at the same time giving telecommunications companies a legal basis for combating abuse in electronic communications. On the other hand, the proposed act imposes an obligation on telecommunications entrepreneurs to take proportionate technical and organizational measures to prevent and combat abuse of electronic communications, including an obligation to block smishing messages that fall into the pattern developed by NASK's CSIRT and an obligation to combat CLI spoofing, including an obligation to block calls initiated using a number included in the list of numbers used exclusively to receive calls, maintained by the President of UKE. Some of the obligations to be imposed on telecommunications companies will be implemented under the threat of a fine from the UKE President.

The proposed regulations may be of material importance from the standpoint of telecommunication operations in Poland since they entail new obligations and requirements for telecommunication companies.

Draft law on protecting minors from accessing inappropriate content on the Internet

In October 2022, legislative work began on a draft law on the protection of minors from access to inappropriate content on the Internet. The draft law requires Internet providers to ensure that subscribers can use a service to restrict access to pornographic content on the Internet (without defining pornographic content), with such a service to be free, effective and easy for the subscriber to use. In addition, the proposed law imposes an obligation on Internet providers to propose and promote the free service to subscribers, disclosure obligations related to posting a series of information on the website, and an obligation to submit an annual report to the minister responsible for digitization on the activities undertaken in connection with the provision of the service limiting access to pornographic content on the Internet and activities promoting its use. The proposed regulations give the minister in charge of digitization the ability to impose administrative fines on Internet providers for failure to comply with their obligations under the law, in an amount of up to 3% of revenue.

The proposed regulations may be of material importance from the standpoint of telecommunication operations in Poland since they entail new obligations and requirements for Internet providers.

4.4.4. Financial factors

Exchange rates fluctuations

The Polish zloty (PLN) is our functional and reporting currency. Our revenue is primarily denominated in PLN, whereas a portion of our expenses and capital expenditures is denominated in foreign currencies.

Foreign exchange rate fluctuations have historically affected the level of our operating costs, finance costs, as well as the profit or loss on investing activities, and are expected to do so in the future. In particular, our exposure to foreign exchange rate fluctuations stems from our foreign currency payments made in different areas of our operations. These include, among others, payments for license fees, transponder capacity, purchase of content and equipment, or international roaming and interconnect agreements.

We have no control over how exchange rates change in the future, and consequently foreign exchange rate fluctuations will continue to affect (positively or negatively) our operations and financial results. Considering our open exposure to currency exchange risk, we have in place a market risk management policy and use, *inter alia*, natural hedging and hedging transactions.

Interest rate fluctuations

Market interest rate fluctuations do not impact our revenue directly, but they affect our cash flows from operating activities through the amount of interest on current bank accounts and deposits, and also cash flows from financing activities through the Group's costs of servicing debt. In particular, our liabilities under the SFA and our liabilities under the Series B Bonds Terms and the Series C Bonds Terms are calculated based on variable WIBOR interest rates subject to periodical changes, increased by a relevant margin.

The Group maintains certain hedging positions, the goal of which is to reduce our exposure to interest rate risk arising from variable rate interest payments. We systematically analyze interest rate risk on an on-going basis, including refinancing and risk hedging scenarios, which are used to estimate the impact of specific interest rate fluctuations on our financial result.

Since the beginning of 2022, the NBP has been steadily raising the reference interest rate in the face of persistently high inflation. The interest rate increases will translate into a significant increase in our interest expenses in the upcoming periods.

Fluctuations in interest rates could limit our ability to meet our current obligations and could have a material effect, both positive and negative, on our results of operations, financial condition and prospects.

Mirosław Błaszczyk
President of the Management Board

Maciej Stec
Vice President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, November 14, 2022

Glossary

Term	Definition
Amendment, Restatement and Consolidation Deed	Agreement concluded on September 21, 2015 between the Company, Polkomtel, Telewizja Polsat, Cyfrowy Polsat Trade Marks, Polsat License Ltd. and Polsat Media Biuro Reklamy, Eileme 2, Eileme 3, Eileme 4, Plus TM Management, TM Rental, Plus TM Group and a consortium of Polish and foreign financing institutions, amending and consolidating the CP SFA and the PLK SFA.
B2B	Business to Business, a transaction between businesses.
B2C	Business to Consumer, a transaction between a business and a consumer.
CP Revolving Facility Loan	The revolving facility loan of up to PLN 300 million, issued under the CP Senior Facilities Agreement, with the maturity date of September 30, 2024.
CP Senior Facilities Agreement, CP SFA	The Senior Facilities Agreement of September 21, 2015 between the Company, Telewizja Polsat, CPTM, Polsat License Ltd. and Polsat Media Biuro Reklamy, and a syndicate of Polish and foreign banks, covering the CP Term Facility Loan and the CP Revolving Facility Loan.
CP Term Facility Loan	The term facility loan of up to PLN 1.2 billion, issued under the CP Senior Facilities Agreement of September 21, 2015, with the maturity date of September 30, 2024.
PLK Revolving Facility Loan	The revolving facility loan of up to PLN 700 million, issued under the PLK Senior Facilities Agreement of September 21, 2015, with the maturity date of September 30, 2024.
PLK Senior Facilities Agreement, PLK SFA	The Senior Facilities Agreement of September 21, 2015 between Polkomtel, Eileme 2, Eileme 3, Eileme 4, Plus TM Management, TM Rental and Plus TM Group and a syndicate of Polish and foreign financial institutions, covering the PLK Term Facility Loan and the PLK Revolving Facility Loan.
PLK Term Facility Loan	The term facility loan of up to PLN 10,300 million, issued under the PLK Senior Facilities Agreement of September 21, 2015, with the maturity date of September 30, 2024.
Second Amendment and Restatement Deed	Agreement concluded on March 2, 2018 between the Company and UniCredit Bank AG, London Branch, amending and consolidating the CP SFA and the PLK SFA and amending the Amendment, Restatement and Consolidation Deed.
Senior Facilities Agreement, SFA	CP SFA of September 21, 2015 as amended by the Amendment, Restatement and Consolidation Deed of September 21, 2015, the Second Amendment and Restatement Deed of March 2, 2018 and the Third Amendment and Restatement Deed of April 27, 2020.
Series B Bonds	Dematerialized, interest-bearing, senior and unsecured Series B bearer bonds with the total nominal value of PLN 1 billion and the nominal value of PLN 1,000 each, issued pursuant to the Resolution of the Management Board of the Company No. 01/29/01/2020 dated January 29, 2020.
Series C Bonds	Dematerialized, interest-bearing, senior and unsecured Series C bearer bonds with the total nominal value of PLN 1 billion and the nominal value of PLN 1,000 each, issued pursuant to the Resolution of the Management Board of the Company No. 1/25/03/2019 dated March 25, 2019.
Third Amendment and Restatement Deed	Agreement concluded on April 27, 2020 between the Company and UniCredit Bank AG, London Branch, amending the SFA along with the Amendment, Restatement and Consolidation Deed and the Second Amendment, Restatement and Consolidation Deed.

Technical terms

Term	Definition
2G	Second-generation cellular telecommunications networks commercially launched on the GSM standard in Europe.
3G	Third-generation cellular telecommunications networks that allow simultaneous use of voice and data services.
4G	Fourth-generation cellular telecommunications networks.
5G	Fifth-generation cellular telecommunications networks.
ARPU per B2C/B2B customer	Average monthly revenue per B2C/B2B Customer generated in a given settlement period.
ARPU per prepaid RGU	Average monthly revenue per prepaid RGU generated in a given settlement period.
Base transceiver station	(or: relay station / base station / BTS / transmitter / nodeB / eNodeB) – a device equipped with an antenna transceiver which connects a mobile terminal (e.g., mobile phone or mobile router) with a transmission part of a telecommunications network. A base station uses a single technology (2G, 3G or LTE) on a separate carrier (a frequency block from a separate bandwidth). A base station shall not be mistaken with a site.
Catch-up TV	Services providing access to view selected programming content for a certain period after it was broadcast. Cyfrowy Polsat provides such services from 2011.
Churn	Termination of the contract with B2C Customer by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.
Converged (integrated) services	A package of two or more services from our pay TV, mobile telecommunications and broadband Internet access offering, provided under a single contract and for a single subscription fee.
Customer	Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model. A customer is identified by a unique ID number (PESEL, NIP or REGON).
DTH	Satellite pay TV services provided by us in Poland from 2001.
DTT	Digital Terrestrial Television.
DVB-T	Digital Video Broadcasting – Terrestrial technology.
DVB-T2	Digital Video Broadcasting – Terrestrial Second Generation.
ERP	A family of IT systems supporting enterprise management or shared operation of a group of collaborating enterprises through data collection and enabling transactions on the collected data (enterprise resource planning).
FTR	A wholesale charge for call termination in another operator's fixed-line telecommunications network (Fixed Termination Rate).
GRP	A rating point defined as the overall number of persons viewing a given advertising spot over a specific time, expressed as a percentage share of the target group. In Poland, one GRP equals 0.2 million residents in the primary target group for advertisers aged 16-49 (Gross Rating Point).

Term	Definition
HSPA/HSPA+	Radio data transmission technology for wireless networks, increasing the capacity of the UMTS network (High Speed Packet Access/High Speed Packet Access Plus). It also covers the HSPA+ Dual Carrier technology (Evolved High Speed Packet Access Dual Carrier). It supports transmission speeds of up to 42 Mbps for download and up to 5.7 Mbps for upload.
IPTV	Technology enabling transfer of a television signal over IP broadband networks (Internet Protocol Television).
LTE	Long Term Evolution - a standard for high-speed, wireless data transmission also referred to as 4G. Based on a carrier bandwidth limited to a maximum of 20MHz it supports data transmission speed of up to 150 Mbps (downlink, using MIMO 2x2 antennas).
LTE Advanced	Subsequence standard for high-speed, wireless data transmission of the fourth generation (4G). Through carrier aggregation from different bandwidths (a total of up to 100 MHz) it allows to significantly increase maximum data transmission speed up to 3 Gbps (downlink, using MIMO 8x8 antennas).
MIMO	Multiple Input Multiple Output, a method for multiplying the capacity of a wireless network using multiple transmit and receive antennas.
MTR	A wholesale charge for call termination in another operator's mobile telecommunications network (Mobile Termination Rate).
MUX, Multiplex	A package of TV and radio channels and additional services, simultaneously transmitted digitally to the user over a single frequency channel.
ODU-IDU	Outdoor Unit Indoor Unit, a proprietary solution of Polsat Plus Group based on a set comprising an external LTE modem (ODU) and an indoor WiFi router (IDU), which increases effective coverage and improve the quality of the LTE signal.
PPV	Services providing paid access to selected TV content (pay-per-view).
real users	An estimated number of persons who visit a website or open an Internet application at least once in a given month (Real Users).
RGU (Revenue Generating Unit)	Single, active and generating retail revenue service of pay TV in all types of access technology, mobile and fixed-line Internet Access or mobile telephony provided in contract or prepaid model.
Site	(or: mast/tower/roof construction) – a single steel construction located in a separated geographical region which allows to install one or a number of base stations in order to provide radio signal to mobile terminals of end-users within that region.
Usage definition (90-day for prepaid RGU)	Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. In the case of free of charge Internet access services provided by Aero 2, the Internet prepaid RGUs were calculated based on only those SIM cards, which used data transmission services under paid packages within the last 90 days.