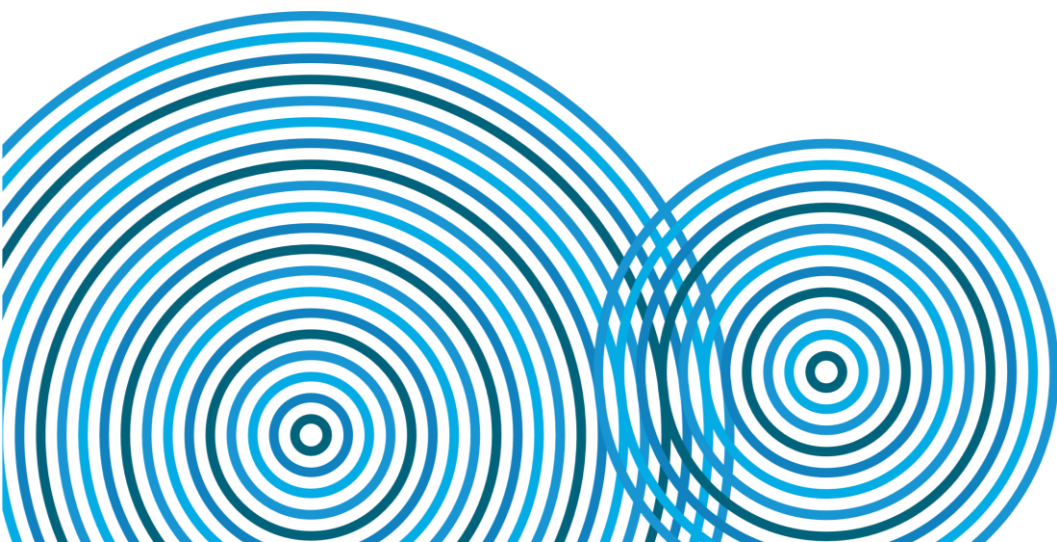


# **Cyfrowy Polsat S.A.**

**Interim Condensed Financial Statements  
for the 9 months ended 30 September 2022**

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



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## Approval of the interim condensed financial statements

On 14 November 2022, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed financial statements of Cyfrowy Polsat S.A. prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, which include:

### Interim Income Statement for the period

from 1 January 2022 to 30 September 2022 showing a net profit for the period of: PLN 1,207.3

### Interim Statement of Comprehensive Income for the period

from 1 January 2022 to 30 September 2022 showing a total comprehensive income for the period of: PLN 1,229.5

### Interim Balance Sheet as at

30 September 2022 showing total assets and total equity and liabilities of: PLN 16,530.1

### Interim Cash Flow Statement for the period

from 1 January 2022 to 30 September 2022 showing a net decrease in cash and cash equivalents amounting to: PLN 1,128.7

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

from 1 January 2022 to 30 September 2022 showing an increase in equity of: PLN 174.8

### Notes to the Interim Condensed Financial Statements

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

**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

**Agnieszka  
Szatan**  
Chief Accountant

## Interim Income Statement

|  |      | for the 3 months ended         |                                | for the 9 months ended         |                                |
|--|------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | Note | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited |
| Revenue  | 7    | 593.3                          | 603.5                          | 1,788.7                        | 1,831.4                        |
| Operating costs                                      | 8    | (524.6)                        | (517.0)                        | (1,513.3)                      | (1,515.0)                      |
| Other operating income/(costs), net                  |      | 0.3                            | (0.6)                          | 0.5                            | (6.4)                          |
| <b>Profit from operating activities</b>              |      | <b>69.0</b>                    | <b>85.9</b>                    | <b>275.9</b>                   | <b>310.0</b>                   |
| Gain on investment activities, net                   | 9    | 144.1                          | 3,799.6                        | 1,144.8                        | 4,033.6                        |
| Finance costs, net                                   | 10   | (64.0)                         | (23.2)                         | (175.7)                        | (68.1)                         |
| <b>Gross profit for the period</b>                   |      | <b>149.1</b>                   | <b>3,862.3</b>                 | <b>1,245.0</b>                 | <b>4,275.5</b>                 |
| Income tax   |      | (26.4)                         | (674.5)                        | (37.7)                         | (717.9)                        |
| <b>Net profit for the period</b>                     |      | <b>122.7</b>                   | <b>3,187.8</b>                 | <b>1,207.3</b>                 | <b>3,557.6</b>                 |
| <b>Basic and diluted earnings per share (in PLN)</b> |      | <b>0.22</b>                    | <b>4.98</b>                    | <b>2.16</b>                    | <b>5.56</b>                    |

## Interim Statement of Comprehensive Income

|   | Note | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|---|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   |      | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| <b>Net profit for the period</b>                                      |      | <b>122.7</b>                      | <b>3,187.8</b>                    | <b>1,207.3</b>                    | <b>3,557.6</b>                    |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |      |                                   |                                   |                                   |                                   |
| Valuation of hedging instruments                                      | 12   | (3.6)                             | 2.2                               | 22.2                              | 7.0                               |
| <b>Other comprehensive income/(loss), net of tax</b>                  |      | <b>(3.6)</b>                      | <b>2.2</b>                        | <b>22.2</b>                       | <b>7.0</b>                        |
| <b>Total comprehensive income for the period</b>                      |      | <b>119.1</b>                      | <b>3,190.0</b>                    | <b>1,229.5</b>                    | <b>3,564.6</b>                    |

## Interim Balance Sheet - Assets

|  | Note | 30 September 2022<br>unaudited | 31 December 2021 |
|--|------|--------------------------------|------------------|
| Reception equipment                              |      | 328.3                          | 332.5            |
| Other property, plant and equipment              |      | 165.0                          | 122.9            |
| Goodwill   |      | 197.0                          | 197.0            |
| Other intangible assets                          |      | 106.4                          | 96.4             |
| Right-of-use assets                              |      | 16.4                           | 19.0             |
| Investment property                              |      | 37.3                           | 34.3             |
| Shares in subsidiaries and associates, includes: | 18   | 12,966.7                       | 12,410.3         |
| <i>shares in associates</i>                      |      | 1,707.9                        | 1,749.9          |
| Non-current deferred distribution fees           |      | 17.8                           | 17.1             |
| Other non-current assets, includes:              |      | 682.4                          | 446.5            |
| <i>derivative instruments</i>                    |      | 14.6                           | 4.1              |
| <b>Total non-current assets</b>                  |      | <b>14,517.3</b>                | <b>13,676.0</b>  |
| Contract assets                                  |      | 101.6                          | 121.1            |
| Inventories                                      |      | 118.3                          | 65.1             |
| Trade and other receivables                      | 15   | 878.9                          | 288.3            |
| Current deferred distribution fees               |      | 55.4                           | 63.7             |
| Other current assets includes:                   |      | 52.5                           | 27.1             |
| <i>derivative instruments</i>                    |      | 24.4                           | 9.3              |
| Cash and cash equivalents                        |      | 806.1                          | 1,934.8          |
| <b>Total current assets</b>                      |      | <b>2,012.8</b>                 | <b>2,500.1</b>   |
| <b>Total assets</b>                              |      | <b>16,530.1</b>                | <b>16,176.1</b>  |

## Interim Balance Sheet - Equity and Liabilities

|   | Note | 30 September 2022<br>unaudited | 31 December 2021 |
|---|------|--------------------------------|------------------|
| Share capital                                 | 11   | 25.6                           | 25.6             |
| Share premium                                 | 11   | 7,174.0                        | 7,174.0          |
| Other reserves                                |      | 2,945.8                        | 2,923.8          |
| Retained earnings                             |      | 4,174.5                        | 3,628.0          |
| Treasury shares                               |      | (2,854.7)                      | (2,461.0)        |
| <b>Total equity</b>                           |      | <b>11,465.2</b>                | <b>11,290.4</b>  |
| Loans and borrowings                          | 13   | 1,114.9                        | 1,230.7          |
| Issued bonds                                  | 14   | 1,910.3                        | 1,942.1          |
| Lease liabilities                             |      | 14.0                           | 16.5             |
| Deferred tax liabilities                      |      | 40.7                           | 80.7             |
| Other non-current liabilities and provisions  |      | 1.8                            | 2.1              |
| <b>Total non-current liabilities</b>          |      | <b>3,081.7</b>                 | <b>3,272.1</b>   |
| Loans and borrowings                          | 13   | 236.3                          | 193.8            |
| Issued bonds                                  | 14   | 159.9                          | 66.4             |
| Lease liabilities                             |      | 3.6                            | 3.7              |
| Contract liabilities                          |      | 233.9                          | 233.9            |
| Trade and other payables                      |      | 641.5                          | 463.3            |
| Liability to shareholders related to dividend |      | 660.8                          | -                |
| Income tax liability                          |      | 43.7                           | 649.1            |
| Deposits for equipment                        |      | 3.5                            | 3.4              |
| <b>Total current liabilities</b>              |      | <b>1,983.2</b>                 | <b>1,613.6</b>   |
| <b>Total liabilities</b>                      |      | <b>5,064.9</b>                 | <b>4,885.7</b>   |
| <b>Total equity and liabilities</b>           |      | <b>16,530.1</b>                | <b>16,176.1</b>  |

## Interim Cash Flow Statement

|  | Note | for the 9 months ended         |                                |
|--|------|--------------------------------|--------------------------------|
|  |      | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited |
| <b>Net profit</b>  |      | <b>1,207.3</b>                 | <b>3,557.6</b>                 |
| <b>Adjustments for:</b>                                      |      | <b>(771.3)</b>                 | <b>(3,186.6)</b>               |
| Depreciation, amortization, impairment and liquidation       | 8    | 130.6                          | 141.9                          |
| Interest expense   |      | 127.8                          | 55.6                           |
| Change in inventories  |      | (53.2)                         | (7.6)                          |
| Change in receivables and other assets                       |      | (42.3)                         | 5.9                            |
| Change in liabilities and provisions                         |      | 186.0                          | (15.1)                         |
| Change in contract assets                                    |      | 19.5                           | 28.7                           |
| Change in contract liabilities                               |      | -                              | (6.1)                          |
| Income tax   |      | 37.7                           | 717.9                          |
| Net increase in reception equipment                          |      | (96.0)                         | (91.1)                         |
| Dividends income and share in the profits of partnerships    | 9    | (989.0)                        | (1,047.6)                      |
| Gain on sale of shares in subsidiary/associate               | 9    | (100.0)                        | (2,976.4)                      |
| Valuation of hedging instruments                             |      | 27.4                           | 8.7                            |
| Other adjustments  |      | (19.8)                         | (1.4)                          |
| <b>Cash from operating activities</b>                        |      | <b>436.0</b>                   | <b>371.0</b>                   |
| Income tax paid  |      | (688.4)                        | (67.3)                         |
| Interest received from operating activities                  |      | 13.4                           | 0.2                            |
| <b>Net cash used in/from operating activities</b>            |      | <b>(239.0)</b>                 | <b>303.9</b>                   |
| Received dividends and shares in the profits of partnerships |      | 851.8                          | 214.5                          |
| Acquisition of shares in subsidiary and associates           | 18   | (582.6)                        | (1,285.1)                      |
| Capital increase in an associate                             | 18   | (473.8)                        | -                              |
| Acquisition of property, plant and equipment                 |      | (64.3)                         | (8.6)                          |
| Acquisition of intangible assets                             |      | (29.1)                         | (17.5)                         |
| Proceeds from sale of shares in subsidiary/associate         | 18   | 600.0                          | 5,269.5                        |
| Loans granted  |      | (653.3)                        | (483.3)                        |
| Loans repaid   |      | 29.2                           | 37.7                           |
| Interest on loans repaid                                     |      | 7.3                            | 1.6                            |
| Other inflows  |      | 8.3                            | 6.1                            |
| <b>Net cash used in/from investing activities</b>            |      | <b>(306.5)</b>                 | <b>3,734.9</b>                 |



|  | Note | for the 9 months ended         |                                |
|--|------|--------------------------------|--------------------------------|
|  |      | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited |
| Loans inflows  | 13   | -                              | 1,665.0                        |
| Repayment of loans and borrowings  | 13   | (117.0)                        | (743.0)                        |
| Payment of interest on loans, borrowings, bonds and commissions <sup>(1)</sup> |      | (64.9)                         | (55.6)                         |
| Dividend paid  |      | -                              | (671.5)                        |
| Acquisition of treasury shares <sup>(2)</sup>                                  |      | (393.9)                        | -                              |
| Other outflows   |      | (7.4)                          | (9.2)                          |
| <b>Net cash used in/from financing activities</b>                              |      | <b>(583.2)</b>                 | <b>185.7</b>                   |
| <b>Net decrease in cash and cash equivalents</b>                               |      | <b>(1,128.7)</b>               | <b>4,224.5</b>                 |
| <b>Cash and cash equivalents at the beginning of period</b>                    |      | <b>1,934.8</b>                 | <b>835.4</b>                   |
| Effect of exchange rate fluctuations on cash and cash equivalents              |      | -                              | -                              |
| <b>Cash and cash equivalents at the end of period</b>                          |      | <b>806.1</b>                   | <b>5,059.9</b>                 |

<sup>(1)</sup> Includes impact of IRS instruments and amount paid for costs related to the new financing

<sup>(2)</sup> Includes payment for costs related to the acquisition of treasury shares

## Interim Statement of Changes in Equity for the 9 months ended 30 September 2022

|  | Share<br>capital | Share<br>premium | Other<br>reserves | Retained<br>earnings <sup>(1)</sup> | Treasury<br>shares | Total<br>Equity |
|--|------------------|------------------|-------------------|-------------------------------------|--------------------|-----------------|
| <b>Balance as at 1 January 2022</b>              | <b>25.6</b>      | <b>7,174.0</b>   | <b>2,923.8</b>    | <b>3,628.0</b>                      | <b>(2,461.0)</b>   | <b>11,290.4</b> |
| Dividend approved                                | -                | -                | -                 | (660.8)                             | -                  | <b>(660.8)</b>  |
| Acquisition of treasury shares                   | -                | -                | (0.2)             | -                                   | (393.7)            | <b>(393.9)</b>  |
| Total comprehensive income                       | -                | -                | 22.2              | 1,207.3                             | -                  | <b>1,229.5</b>  |
| <i>Hedge valuation reserve</i>                   | -                | -                | 22.2              | -                                   | -                  | <b>22.2</b>     |
| <i>Net profit for the period</i>                 | -                | -                | -                 | 1,207.3                             | -                  | <b>1,207.3</b>  |
| <b>Balance as at 30 September 2022 unaudited</b> | <b>25.6</b>      | <b>7,174.0</b>   | <b>2,945.8</b>    | <b>4,174.5</b>                      | <b>(2,854.7)</b>   | <b>11,465.2</b> |

<sup>(1)</sup>In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. The capital excluded from distribution amounts to PLN 8.5 as at 30 September 2022.

## Interim Statement of Changes in Equity for the 9 months ended 30 September 2021

|  | Share<br>capital | Share<br>premium | Other<br>reserves | Retained<br>earnings <sup>(1)</sup> | Total<br>Equity |
|--|------------------|------------------|-------------------|-------------------------------------|-----------------|
| <b>Balance as at 1 January 2021</b>              | <b>25.6</b>      | <b>7,174.0</b>   | <b>(8.5)</b>      | <b>3,719.6</b>                      | <b>10,910.7</b> |
| Dividend approved                                | -                | -                | -                 | (767.5)                             | <b>(767.5)</b>  |
| Total comprehensive income                       | -                | -                | 7.0               | 3,557.6                             | <b>3,564.6</b>  |
| <i>Hedge valuation reserve</i>                   | -                | -                | 7.0               | -                                   | <b>7.0</b>      |
| <i>Net profit for the period</i>                 | -                | -                | -                 | 3,557.6                             | <b>3,557.6</b>  |
| <b>Balance as at 30 September 2021 unaudited</b> | <b>25.6</b>      | <b>7,174.0</b>   | <b>(1.5)</b>      | <b>6,509.7</b>                      | <b>13,707.8</b> |

<sup>(1)</sup>In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. The capital excluded from distribution amounts to PLN 8.5 as at 30 September 2021.

## Notes to the Interim Condensed Financial Statements

### General information

#### 1. The Company

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

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

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

The Company is the Parent Company of Cyfrowy Polsat S.A. Capital Group (the 'Group'). As at 30 September 2022 the Group encompasses the Company, Polkomtel Sp. z o.o. and its subsidiaries and joint ventures, Telewizja Polsat Sp. z o.o. and its subsidiaries and joint ventures, Netia S.A. and its subsidiaries, INFO-TV-FM Sp. z o.o., Interphone Service Sp. z o.o., Teleaudio Dwa Sp. z o.o. Sp.k., Netshare Media Group Sp. z o.o., CPSPV1 Sp. z o.o., CPSPV2 Sp. z o.o., Orsen Holding Limited and its subsidiaries, Esoleo Sp. z o.o. and its subsidiaries, Stork 5 Sp. z o.o. and its subsidiary, BCAST Sp. z o.o., Plus Finanse Sp. z o.o., Vindix S.A. and its subsidiaries and Port Praski Sp. z o.o. and its subsidiaries.

#### 2. Composition of the Management Board of the Company

- |                          |   |
|--------------------------|---|
| • Mirosław Błaszczuk     | President of the Management Board,      |
| • Maciej Stec            | Vice-President of the Management Board, |
| • Jacek Felczykowski     | Member of the Management Board,         |
| • Aneta Jaskólska        | Member of the Management Board,         |
| • Agnieszka Odorowicz    | Member of the Management Board,         |
| • Katarzyna Ostap-Tomann | Member of the Management Board.         |

#### 3. Composition of the Supervisory Board of the Company

- |                     |   |
|---------------------|---|
| • Zygmunt Solorz    | Chairman of the Supervisory Board,      |
| • Marek Kapuściński | Vice-Chairman of the Supervisory Board, |
| • Józef Birka       | Member of the Supervisory Board,        |
| • Jarosław Grzesiak | Member of the Supervisory Board,        |
| • Marek Grzybowski  | Member of the Supervisory Board,        |
| • Alojzy Nowak      | Member of the Supervisory Board,        |
| • Tobiasz Solorz    | Member of the Supervisory Board,        |
| • Tomasz Szelaąg    | Member of the Supervisory Board,        |
| • Piotr Żak         | Member of the Supervisory Board.        |

## 4. Basis of preparation of the interim condensed financial statements

### Statement of compliance

These interim condensed financial statements for the 9 months ended 30 September 2022 have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the EU. These interim condensed financial statements should be read together with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS EU). These interim condensed financial statements have been prepared on a going concern basis.

The Company as the Parent company prepared the interim condensed consolidated financial statements (approved on 14 November 2022). These interim condensed financial statements should be read together with the interim condensed consolidated financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2022.

During the nine-month period ended 30 September 2022 the following became effective:

- a) Amendments to IFRS 3 Business Combinations,
- b) Amendments to IAS 16 Property, Plant and Equipment,
- c) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets,
- d) Annual Improvements 2018-2020 – the amendments contain explanations and clarify the guidelines for recognition and measurement: IFRS 1 "Adoption of International Financial Reporting Standards for the first time," IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and examples to illustrate IFRS 16 "Leases".

Amendments and interpretations that apply for the first time in 2022 do not have a material impact on the interim condensed financial statements of the Company.

Standards published but not yet effective:

- a) IFRS 17 Insurance Contracts and Amendments to IFRS 17,
- b) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current,
- c) Amendments to IAS 1 Presentation of Financial Statements and IFRS Board guidelines - Disclosure of Accounting policies,
- d) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- e) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

## 5. Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved for publication by the Management Board on 14 November 2022.

### Explanatory notes

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

Revenue is not directly subject to any seasonal trend.

## 7. Revenue

|                   | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|-------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                   | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| Retail revenue    | 545.8                             | 557.6                             | 1,642.1                           | 1,683.2                           |
| Wholesale revenue | 20.9                              | 24.6                              | 63.6                              | 79.4                              |
| Sale of equipment | 5.3                               | 3.7                               | 22.3                              | 16.3                              |
| Other revenue     | 21.3                              | 17.6                              | 60.7                              | 52.5                              |
| <b>Total</b>      | <b>593.3</b>                      | <b>603.5</b>                      | <b>1,788.7</b>                    | <b>1,831.4</b>                    |

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

## 8. Operating costs

|  | Note | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|--|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |      | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| Content costs  |      | 225.1                             | 194.1                             | 633.4                             | 595.1                             |
| Technical costs and costs of settlements with telecommunication operators        |      | 116.2                             | 122.0                             | 348.8                             | 368.8                             |
| Distribution, marketing, customer relation management and retention costs        |      | 71.9                              | 80.1                              | 209.3                             | 227.3                             |
| Depreciation, amortization, impairment and liquidation                           |      | 43.2                              | 51.7                              | 130.6                             | 141.9                             |
| Salaries and employee-related costs  | a)   | 33.6                              | 28.4                              | 100.4                             | 90.1                              |
| Cost of equipment sold   |      | 2.8                               | 2.4                               | 14.8                              | 13.6                              |
| Cost of debt collection services, bad debt allowance and receivables written off |      | 0.8                               | 2.6                               | 2.2                               | 7.6                               |
| Other costs  |      | 31.0                              | 35.7                              | 73.8                              | 70.6                              |
| <b>Total</b>   |      | <b>524.6</b>                      | <b>517.0</b>                      | <b>1,513.3</b>                    | <b>1,515.0</b>                    |

## a) Salaries and employee-related costs

|                               | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                               | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| Salaries                      | 27.9                              | 23.9                              | 82.7                              | 74.9                              |
| Social security contributions | 4.6                               | 3.6                               | 14.3                              | 12.0                              |
| Other employee-related costs  | 1.1                               | 0.9                               | 3.4                               | 3.2                               |
| <b>Total</b>                  | <b>33.6</b>                       | <b>28.4</b>                       | <b>100.4</b>                      | <b>90.1</b>                       |

## 9. Gain on investment activities, net

|  | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| Dividends  | 1.4                               | 806.0                             | 945.4                             | 1,004.9                           |
| Share in the profits of partnerships             | 14.0                              | 11.1                              | 43.6                              | 42.7                              |
| Gain on sale of shares in a subsidiary/associate | 100.0                             | 2,976.4                           | 100.0                             | 2,976.4                           |
| Other  | 28.7                              | 6.1                               | 55.8                              | 9.6                               |
| <b>Total</b>                                     | <b>144.1</b>                      | <b>3,799.6</b>                    | <b>1,144.8</b>                    | <b>4,033.6</b>                    |

## 10. Finance costs, net

|  | for the 3 months ended            |                                   | for the 9 months ended            |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited | 30 September<br>2022<br>unaudited | 30 September<br>2021<br>unaudited |
| Interest expense on loans and borrowings         | 26.1                              | 8.9                               | 70.1                              | 26.0                              |
| Interest expense on issued bonds                 | 42.5                              | 10.4                              | 111.1                             | 30.9                              |
| Valuation and realization of hedging instruments | (6.6)                             | 1.4                               | (11.5)                            | 4.1                               |
| Guarantee fees                                   | 1.5                               | 2.1                               | 4.7                               | 5.9                               |
| Bank and other charges                           | 0.5                               | 0.4                               | 1.3                               | 1.2                               |
| <b>Total</b>                                     | <b>64.0</b>                       | <b>23.2</b>                       | <b>175.7</b>                      | <b>68.1</b>                       |

## 11. Equity

### Share capital

Presented below is the structure of the Company's share capital as at 30 September 2022 and 31 December 2021:

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

\* not in millions

The shareholders' structure as at 30 September 2022 was as follows:

|  | Number of shares * | Nominal value of shares | % of share capital held | Number of votes *  | % of voting rights |
|--|--------------------|-------------------------|-------------------------|--------------------|--------------------|
| Zygmunt Solorz, through                            | 396,802,022        | 15.9                    | 62.04%                  | 576,219,523        | 70.36%             |
| TiVi Foundation, including through:                | 386,745,257        | 15.5                    | 60.47%                  | 566,162,758        | 69.13%             |
| <i>Reddev Investments Ltd., including through:</i> | 386,745,247        | 15.5                    | 60.47%                  | 566,162,738        | 69.13%             |
| <i>Cyfrowy Polsat S.A.</i> <sup>1</sup>            | 88,842,485         | 3.6                     | 13.89%                  | 88,842,485         | 10.85%             |
| Tobias Solorz <sup>2</sup>                         | 5,607,609          | 0.2                     | 0.88%                   | 5,607,609          | 0.68%              |
| ToBe Investments Group Ltd.                        | 4,449,156          | 0.2                     | 0.70%                   | 4,449,156          | 0.54%              |
| Nationale-Nederlanden PTE                          | 41,066,962         | 1.6                     | 6.42%                   | 41,066,962         | 5.02%              |
| Others   | 201,677,032        | 8.1                     | 31.53%                  | 201,677,032        | 24.63%             |
| <b>Total</b>                                       | <b>639,546,016</b> | <b>25.6</b>             | <b>100%</b>             | <b>818,963,517</b> | <b>100%</b>        |

\* not in millions

<sup>1</sup> The acquired own shares under the share buy-back program announced on 16 November 2021. According to Art. 364 Section 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights from the own shares.

<sup>2</sup> Person is under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

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

|   | Number of shares * | Nominal value of shares | % of share capital held | Number of votes *  | % of voting rights |
|---|--------------------|-------------------------|-------------------------|--------------------|--------------------|
| Zygmunt Solorz, through                             | 387,506,625        | 15.5                    | 60.59%                  | 566,924,126        | 69.22%             |
| TiVi Foundation, including through:                 | 353,348,370        | 14.1                    | 55.25%                  | 532,765,871        | 65.05%             |
| <i>Reddev Investments Ltd.</i> , including through: | 353,348,360        | 14.1                    | 55.25%                  | 532,765,851        | 65.05%             |
| <i>Cyfrowy Polsat S.A.</i> <sup>1</sup>             | 71,174,126         | 2.8                     | 11.13%                  | 71,174,126         | 8.69%              |
| Embud 2 Sp. z o.o. S.K.A.                           | 32,005,867         | 1.3                     | 5.00%                   | 32,005,867         | 3.91%              |
| Tipeca Consulting Limited <sup>2</sup>              | 2,152,388          | 0.1                     | 0.34%                   | 2,152,388          | 0.26%              |
| Nationale-Nederlanden PTE                           | 41,066,962         | 1.6                     | 6.42%                   | 41,066,962         | 5.02%              |
| Others  | 210,972,429        | 8.5                     | 32.99%                  | 210,972,429        | 25.76%             |
| <b>Total</b>  | <b>639,546,016</b> | <b>25.6</b>             | <b>100%</b>             | <b>818,963,517</b> | <b>100%</b>        |

\* not in millions

<sup>1</sup> The acquired own shares under the share buyback program announced on 16 November 2021. According to Art. 364 Section 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights from the own shares.

<sup>2</sup> Entity is under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

## Share premium

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

## Retained earnings

On 23 June 2022 the Annual General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2021. In accordance with the provisions of the resolution, part of the net profit in the amount of PLN 660.8 is allocated to the payment of dividends, the remaining part of the net profit in the amount of PLN 2,945.1 is allocated to reserve capital. The dividend day was scheduled for 20 September 2022 and the dividend payout shall be made on 15 December 2022.

## Other reserves

As at 30 September 2022 other reserves included mainly the reserve capital created for the purposes of the share buy-back program in the amount of PLN 2,914.8.

## Treasury shares

As at 30 September 2022 treasury shares include a total of 88,842,485 (not in millions) own shares, representing in total 13.89% of the share capital of the Company and entitling to exercise 88,842,485 (not in millions) votes at the general meeting of the Company, constituting 10.85% of the total number of votes at the general meeting of the Company.

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

More information about the acquisition of treasury shares is provided in Note 18.



## 12. Hedge valuation reserve

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

|   | 2022        | 2021         |
|---|-------------|--------------|
| <b>Balance as at 1 January</b>              | <b>9.0</b>  | <b>(8.3)</b> |
| Valuation of cash flow hedges               | 27.4        | 8.7          |
| Deferred tax                                | (5.2)       | (1.7)        |
| <b>Change for the period</b>                | <b>22.2</b> | <b>7.0</b>   |
| <b>Balance as at 30 September unaudited</b> | <b>31.2</b> | <b>(1.3)</b> |

## 13. Loans and borrowings

|                        | 30 September 2022<br>unaudited | 31 December 2021 |
|------------------------|--------------------------------|------------------|
| Short-term liabilities | 236.3                          | 193.8            |
| Long-term liabilities  | 1,114.9                        | 1,230.7          |
| <b>Total</b>           | <b>1,351.2</b>                 | <b>1,424.5</b>   |

### Change in loans and borrowings liabilities:

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Balance as at 1 January</b>              | <b>1,424.5</b> | <b>1,528.0</b> |
| Revolving facility loan                     | -              | 1,665.0        |
| Repayment of capital                        | (117.0)        | (743.0)        |
| Repayment of interest and commissions       | (26.4)         | (21.9)         |
| Interest and commissions accrued            | 70.1           | 26.2           |
| <b>Balance as at 30 September unaudited</b> | <b>1,351.2</b> | <b>2,454.3</b> |

## 14. Issued Bonds

|                        | 30 September 2022<br>unaudited | 31 December 2021 |
|------------------------|--------------------------------|------------------|
| Short-term liabilities | 159.9                          | 66.4             |
| Long-term liabilities  | 1,910.3                        | 1,942.1          |
| <b>Total</b>           | <b>2,070.2</b>                 | <b>2,008.5</b>   |

Change in issued bonds:

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Balance as at 1 January</b>              | <b>2,008.5</b> | <b>1,997.9</b> |
| Repayment of interest and commissions       | (49.3)         | (29.0)         |
| Interest accrued and commissions            | 111.0          | 30.9           |
| <b>Balance as at 30 September unaudited</b> | <b>2,070.2</b> | <b>1,999.8</b> |

## 15. Transactions with related parties

### RECEIVABLES

|  | 30 September 2022<br>unaudited | 31 December 2021 |
|--|--------------------------------|------------------|
| Subsidiaries   | 218.2                          | 92.2             |
| Joint ventures and associates  | 1.9                            | 0.2              |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 0.6                            | 0.3              |
| <b>Total</b>   | <b>220.7</b>                   | <b>92.7</b>      |

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

### OTHER ASSETS

|  | 30 September 2022<br>unaudited | 31 December 2021 |
|--|--------------------------------|------------------|
| Subsidiaries   | 16.5                           | 11.1             |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 1.3                            | -                |
| <b>Total</b>   | <b>17.8</b>                    | <b>11.1</b>      |

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

### LIABILITIES

|  | 30 September 2022<br>unaudited | 31 December 2021 |
|--|--------------------------------|------------------|
| Subsidiaries   | 367.4                          | 138.7            |
| Joint ventures and associates  | 5.7                            | 4.6              |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 373.7                          | 23.2             |
| <b>Total</b>   | <b>746.8</b>                   | <b>166.5</b>     |

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

## LOANS GRANTED

|  | 30 September 2022<br>unaudited | 31 December 2021 |
|--|--------------------------------|------------------|
| Subsidiaries   | 720.6                          | 538.8            |
| Joint ventures and associates  | 499.6                          | -                |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | -                              | 18.0             |
| <b>Total</b>   | <b>1,220.2</b>                 | <b>556.8</b>     |

Loans granted as at 30 September 2022 mainly include loans to PAK-Polska Czysta Energia Sp. z o.o., Netia S.A., Esoleo Sp. z o.o. and Pak-Volt S.A.

## REVENUES

|  | for the 9 months ended         |                                |
|--|--------------------------------|--------------------------------|
|  | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited |
| Subsidiaries   | 91.5                           | 109.2                          |
| Joint ventures and associates  | 0.1                            | -                              |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 1.1                            | 1.1                            |
| <b>Total</b>   | <b>92.7</b>                    | <b>110.3</b>                   |

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

## EXPENSES

|  | for the 9 months ended         |                                |
|--|--------------------------------|--------------------------------|
|  | 30 September 2022<br>unaudited | 30 September 2021<br>unaudited |
| Subsidiaries   | 530.3                          | 532.4                          |
| Joint ventures and associates  | 4.0                            | 1.6                            |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 17.6                           | 17.2                           |
| <b>Total</b>   | <b>551.9</b>                   | <b>551.2</b>                   |

The most significant transactions include data transfer services.

The Company also pays license fees for broadcasting Telewizja Polsat's programs, commissions on sales, and incurs programming fees, expenses for IT services, property rental

costs, advertising production and telecommunication services with respect to the Company's customer call center.

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

|  | for the 9 months ended |                   |
|--|------------------------|-------------------|
|  | 30 September 2022      | 30 September 2021 |
|  | unaudited              | unaudited         |
| Subsidiaries   | 948.4                  | 1,000.7           |
| Joint ventures and associates  | 72.1                   | 59.2              |
| Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A. | 607.2                  | (0.4)             |
| <b>Total</b>   | <b>1,627.7</b>         | <b>1,059.5</b>    |

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

### FINANCE COSTS

|              | for the 9 months ended |                   |
|--------------|------------------------|-------------------|
|              | 30 September 2022      | 30 September 2021 |
|              | unaudited              | unaudited         |
| Subsidiaries | 4.7                    | 5.9               |
| <b>Total</b> | <b>4.7</b>             | <b>5.9</b>        |

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

### Other notes

#### 16. Litigations

Management believes that the provisions for litigations as at 30 September 2022 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Company's financial situation. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Company's Management such disclosure could prejudice the outcome of the pending cases.

On 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations were allegedly infringing collective consumer interests by presenting advertising slogans, which in the opinion of the authorities were misleading and suggested that the LTE data transmission will not be limited. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 5.3. The Company appealed to SOKiK against the decision. On 7 August 2019 the court dismissed the appeal of the Company. The Company appealed against the decision. Pursuant to the Court of Appeals verdict from 11 March 2021, the Company paid a penalty of PLN 5.3 on 26 March 2021. On 24 June 2021 the Company filed a cassation appeal to the Supreme Court. On 12 January

2022, the Supreme Court accepted the Company's cassation appeal for consideration. On 31 May 2022 Company's cassation appeal was dismissed.

On 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 4.4. The Company appealed to SOKiK against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Company appealed against the decision. On 31 December 2020 the Company's appeal was dismissed. On 14 January 2021 the Company paid the penalty. The Company submitted a cassation appeal to the Supreme Court. On 20 April 2022, the Supreme Court accepted the Company's cassation appeal for consideration.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and by giving 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. The company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court dismissed the Company's appeal in its entirety. The Company submit a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on 21 October 2022. The announcement of the judgment was postponed until 21 November 2022.

### Other proceedings

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

By lawsuit, delivered to the Company on 16 December 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 20 August 2009 to 20 August 2019. In the claim for payment, SAWP claims PLN 153.3 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 16 March 2022, the hearing was postponed without a deadline.

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

## 17. Risk and fair value

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

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements. These interim condensed financial statements should be read in conjunction with the Company's annual financial statements for the year ended as at 31 December 2021. There have been no significant changes in any risk management policies since the end of year 2021.

### Fair value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (e.g. prices) or indirectly,

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Presented below are fair values and carrying amounts of financial instruments not measured in fair value.

|   | Category according to IFRS 9 | Level of the fair value hierarchy | 30 September 2022<br>unaudited |                  | 31 December 2021 |                  |
|---|------------------------------|-----------------------------------|--------------------------------|------------------|------------------|------------------|
|   |                              |                                   | Fair value                     | Carrying amount  | Fair value       | Carrying amount  |
| Loans granted                                   | A                            | 2                                 | 1,189.5                        | 1,220.5          | 537.4            | 557.2            |
| Trade and other receivables                     | A                            | *                                 | 262.0                          | 262.0            | 137.8            | 137.8            |
| Cash and cash equivalents                       | A                            | *                                 | 806.1                          | 806.1            | 1,934.8          | 1,934.8          |
| Loans and borrowings                            | B                            | 2                                 | (1,309.3)                      | (1,351.2)        | (1,414.5)        | (1,424.5)        |
| Issued bonds                                    | B                            | 1                                 | (1,977.5)                      | (2,070.2)        | (2,045.5)        | (2,008.5)        |
| Lease liabilities                               | B                            | 2                                 | (17.6)                         | (17.6)           | (20.2)           | (20.2)           |
| Accruals  | B                            | *                                 | (443.9)                        | (443.9)          | (213.0)          | (213.0)          |
| Liabilities to shareholders related to dividend | B                            | 2                                 | (660.8)                        | (660.8)          | -                | -                |
| Trade and other payables and deposits           | B                            | *                                 | (156.6)                        | (156.6)          | (218.9)          | (218.9)          |
| <b>Total</b>                                    |                              |                                   | <b>(2,308.1)</b>               | <b>(2,411.7)</b> | <b>(1,302.1)</b> | <b>(1,255.3)</b> |
| Unrecognized gain/(loss)                        |                              |                                   |                                | <b>103.6</b>     |                  | <b>(46.8)</b>    |

A – assets subsequently measured at amortised cost

B – liabilities subsequently measured at amortised cost

\* It is assumed that the fair value of these financial assets and liabilities is equal to their nominal value, therefore no evaluation methods were used in order to calculate their fair value.

When determining the fair value of loans granted, forecasted cash flows from the reporting date to assumed dates of repayments of the loans were analyzed. The discount rate for each payment was calculated as an applicable WIBOR or EURIBOR interest rate plus a margin regarding the credit risk.

Trade and other receivables, accruals and trade and other payables and deposits comprise mainly receivables and payables which will be settled no later than at the end of the first month after the reporting date. It was therefore assumed that the effect of their valuation, taking the effect of time value of money into account, would approximately be equal to their nominal value.

As at 30 September 2022 and 31 December 2021 loans and borrowings comprised term facility loan. The discount rate for each payment was calculated as a sum of implied WIBOR interest rate and a margin regarding the Company's credit risk. When determining the fair value of senior facility as at 30 September 2022 and 31 December 2021, forecasted cash flows from the reporting date to 30 September 2024 (assumed date of repayment of the loan obtained in 2015, changed in 2018 and changed in 2020) and to 31 March 2025 (assumed date of repayment of the additional loan obtained in 2019 and changed in 2020).

The fair value of bonds as at 30 September 2022 and 31 December 2021 is calculated based on the last bid price as at the balance sheet date as quoted on the Catalyst market.

As at 30 September 2022 the Company held the following financial instruments measured at fair value:

#### ASSETS MEASURED AT FAIR VALUE

|                                       | 30 September 2022<br>unaudited | Level 1 | Level 2     | Level 3 |
|---------------------------------------|--------------------------------|---------|-------------|---------|
| <b>Hedging derivative instruments</b> |                                |         |             |         |
| IRS                                   |                                | -       | 39.0        | -       |
| <b>Total</b>                          |                                | -       | <b>39.0</b> | -       |

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

#### ASSETS MEASURED AT FAIR VALUE

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

The fair value of interest rate swaps is determined using financial instruments valuation models, based on generally published interest rates. Fair value of derivatives is determined based on the discounted future cash flows from transactions, calculated based on the difference between the forward price and the transaction price.

## 18. Important agreements and events

[Preliminary share purchase agreement concerning PAK-Polska Czysta Energia Sp. z o.o. with annexes and transfer of an organized part of the enterprise of Elektrownia Konin to PAK-PCE Biopaliwa i Wodór Sp. z o.o.](#)

On 20 December 2021 Cyfrowy Polsat entered into a preliminary agreement with ZE PAK S.A. ("ZE PAK") concerning the Company's purchase of shares in PAK-Polska Czysta Energia Sp. z o.o. ("PAK-PCE"), representing 67% of PAK-PCE's share capital ("Agreement").

The agreement concerning shares in PAK-PCE also provides for an additional ZE PAK obligation, to be performed after the date of sale of shares in PAK-PCE being the subject to the Agreement. The whole biomass-based electricity generation business conducted in Elektrownia Konin will be spun-off from the ZE PAK enterprise as an organized part of the enterprise ("Elektrownia Konin OPE"). ZE PAK agreed to contribute the Elektrownia Konin OPE to PAK-PCE (after the Company acquires shares in PAK-PCE) as in-kind contribution. In consideration for this in-kind contribution, PAK-PCE will issue shares to ZE PAK and ZE PAK agrees to sell to the Company 67% of those shares.

The total price for shares in PAK-PCE and the new PAK-PCE shares to be issued in relation to the in-kind contribution in the form of Elektrownia Konin OPE, according to the Agreement, was to be PLN 800.5.

The closing of the transaction pursuant to the Agreement is contingent on the satisfaction of the following conditions precedent:

- the Company being satisfied with the results of a documentation review, including specifically the legal and tax documents of PAK-PCE and its subsidiaries,
- the Company obtaining the Supervisory Board's approval for completing the transactions pursuant to the Agreement.

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

Pursuant to the Agreement, all the conditions precedent have been reserved for the benefit of the Company, therefore the Company may decide to proceed with the closing, despite a condition precedent not having been fulfilled in whole or in part and, should the transactions to which the additional conditions refer not be completed, may accordingly reduce the base price.

Pursuant to the Agreement, the Company may terminate it with immediate effect, if:

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

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

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

- change the long-stop date set for the fulfillment of all conditions precedent set out in the Agreement; and
- provide for a down payment that the Company will make to ZE PAK S.A. against the purchase price of shares in PAK-Polska Czysta Energia Sp. z o.o. in the amount not exceeding a total of PLN 800.5, subject to adjustments related to the working capital settlements provided for in the Agreement ("Down Payment").

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



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

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

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

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

On 30 June 2022 the Company signed an annex ("Annex 2") to the preliminary share purchase agreement concerning PAK-Polska Czysta Energia Sp. z o.o., representing 67% of the share capital of PAK-Polska Czysta Energia sp. z o.o., executed on 20 December 2021 between the Company and ZE PAK S.A. Annex 2 was concluded, in particular, in connection with the non-fulfillment of one of the conditions precedent of the Agreement (concerning the contribution of claims of PAK-PCE's subsidiaries to PAK-PCE) and change in the manner and sequence of legal actions performed under the Agreement.

The Parties decided, among other things, to change the manner and timing of the transfer of Elektrownia Konin OPE to the group of PAK-PCE's subsidiaries, which was included in the Agreement as an additional obligation.

As a result of several legal transactions, the Company acquired 49% of shares in the share capital of PAK-PCE Biopaliwa i Wodór Sp. z o.o. This involved an outflow of a total amount of PLN 478.7, including PLN 473.8 in connection with an increase in share capital of PAK-PCE Biopaliwa i Wodór Sp. z o.o. The funds from the share capital increase were allocated to the acquisition of Elektrownia Konin OPE from ZE PAK.

On 16 May 2022 ZE PAK and PAK-PCE Biopaliwa i Wodór Sp. z o.o. executed an agreement under which the ownership of Elektrownia Konin OPE was to be transferred to PAK-PCE Biopaliwa i Wodór Sp. z o.o. The transaction was completed on 1 July 2022.

Under the Agreement amended by Annex 2 the Parties are obliged to execute the promised agreement provided that:

- the Elektrownia Konin OPE transfer is completed, and
- all shares in the share capital of PAK-PCE Biopaliwa i Wodór Sp. z o.o. held by the Parties as at 27 June 2022 are contributed to cover the increase in the share capital of PAK-PCE.

The capital increase in PAK-Polska Czysta Energia Sp. z o.o. was registered on 27 July 2022. As a result, Cyfrowy Polsat holds 40.41% shares in PAK-Polska Czysta Energia Sp. z o.o.

The subject of the final agreement ("Final Agreement") will be shares in PAK-PCE representing approximately 26.6% of the share capital of PAK-PCE. With the shares previously acquired and subscribed (including the contribution of shares held by the Company in PAK-PCE Biopaliwa i Wodór Sp. z o.o. to PAK-PCE), following the performance of the Final Agreement, the Company will hold approximately 67% of shares in the share capital of PAK-PCE, as originally intended in the Agreement dated 20 December 2021, and Elektrownia Konin OPE will be wholly-owned by the PAK-PCE group.

Pursuant to Annex 2, the price for the shares in PAK-PCE acquired under the Final Agreement will be revised.

The original price specified in the Agreement, will be:

- reduced due to non-fulfillment of one of the conditions precedent set forth in the Agreement (related to the contribution of claims of PAK-PCE's subsidiaries to PAK-PCE)
- reduced by the amount of a non-permitted leakage specified in the Agreement, if any, and
- increased by interest accrued for the period commencing on the Locked Box date and ending on the date of the cash contribution made by the Company on account of the share capital increase in PAK-PCE Biopaliwa i Wodów Sp. z o.o., i.e. 13 May 2022, according to an average interest rate for deposits with banks keeping current bank accounts for ZE PAK, for the period the most approximate to the specified period; and
- increased by the amount resulting from the transactions effected by the Parties and concerning Elektrownia Konin OPE.

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

On 27 June 2022, the Company's Supervisory Board approved the execution of Annex 2.

The Final Agreement was to be concluded by the Parties by 30 September 2022.

On 26 September 2022 the Company signed an annex ("Annex 3") to the preliminary purchase agreement concerning the shares in PAK-Polska Czysta Energia Sp. z o.o., representing 67% of the share capital of PAK-Polska Czysta Energia Sp. z o.o., executed on 20 December 2021 between the Company and ZE PAK S.A.

The subject of Annex 3 is to change the long-stop date by which all conditions precedent of the Agreement should be fulfilled, which will be moved from 30 September 2022 to 5 January 2023.

### Acquisition of shares in Port Praski Sp. z o.o. and conclusion of a preliminary share purchase agreement for Pantanomo Limited with an annex.

On 20 December 2021 Cyfrowy Polsat entered into the following agreements with related entities ("Agreements"):

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

The base purchase price for shares in Port Praski was set at PLN 572.2 and for shares in Pantanomo at PLN 307.2.

The closing of the transactions pursuant to the Agreements was contingent on the satisfaction of the conditions precedent, which were reserved for the benefit of the Company.

On 1 April 2022 the Company entered into the final share purchase agreement with Embud 2 spółka z ograniczoną odpowiedzialnością S.K.A., whereby the Company acquired 1,070,000 (not in millions) shares in Port Praski Sp. z o.o., representing approximately 66.94% of the share capital and carrying 66.94% of the votes at the shareholders' meeting of Port Praski. The purchase price for the shares in Port Praski Sp. z o.o. was set at PLN 553.7.

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

Pursuant to the Annex, the Company and Tobe Investments Group Limited ("Parties") agreed to postpone closing date of the Transaction, which was to be agreed by the Parties in writing and could not be later than 31 May 2022.

As the closing date of the Transaction has not been set by the Parties for 31 May 2022 or any other date before 31 May 2022 the preliminary share purchase agreement for Pantanomo Limited has expired.

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

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

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

On 2 February 2022 Cyfrowy Polsat acquired 99.00% shares in Plus Finanse Sp. z o.o. As a result of the transaction the Company holds 100% of shares in Plus Finanse Sp. z o.o.

#### Acquisition of the Company's own treasury shares

On 16 May 2022 the Management Board of the Company, acting under the authorization granted by the Extraordinary General Meeting of the Company dated 16 November 2021, decided to proceed with the buy-back of the Company's own treasury shares through the announcement by Cyfrowy Polsat S.A. together with Reddev Investments Limited and Tobe Investments Group Limited of an invitation to submit offers to sell own treasury shares. The invitation included the purchase of no more than 35,000,000 (not in millions) ordinary bearer shares issued by the Company, representing no more than 5.47% of the share capital of the Company and carrying the right to no more than 4.27% of votes at the general meeting of the Company. The proposed purchase price for the own treasury shares under the invitation was set at PLN 22.28 (not in millions) per share.

On 25 May 2022 the Management Board of Cyfrowy Polsat S.A. decided that the Company will acquire 13,067,138 (not in millions) ordinary bearer shares issued by the Company, representing approximately 2.04% of the share capital of the Company and carrying the right to approximately 1.60% of votes at the general meeting of the Company, from Embud 2 spółka z ograniczoną odpowiedzialnością S.K.A. (Company's related entity) at a price not exceeding PLN 22.28 (not in millions) per share.

As a result of the settlement of transactions carried out on 25 May 2022 (acquisition from the announced invitation for shareholders to submit offers to sell the Company's own treasury

shares) and on 26 May 2022 (acquisition of own treasury shares from Embud 2 spółka z ograniczoną odpowiedzialnością S.K.A.), Cyfrowy Polsat S.A. acquired a total of 17,668,359 (not in millions) ordinary bearer shares in the Company, representing 2.76% of the share capital of the Company and carrying the right to 17,668,359 (not in millions) votes at the general meeting of the Company, which is equivalent to 2.16% of votes at the general meeting of the Company.

Before the transactions were settled, the Company held a total of 71,174,126 (not in millions) own treasury shares, representing in total 11.13% of the share capital of the Company and carrying the right to 71,174,126 (not in millions) votes at the general meeting of the Company, which is equivalent to 8.69% of votes at the general meeting of the Company.

After the settlement of transactions, the Company holds 88,842,485 (not in millions) own treasury shares, representing in total 13.89% of the share capital of the Company and carrying the right to 88,842,485 (not in millions) votes at the general meeting of the Company, which is equivalent to 10.85% of votes at the general meeting of the Company.

### Sale of shares in Modivo S.A.

On 26 September 2022 the Company entered into the agreement with Embud 2 Sp. z o.o. S.K.A. (Company's related entity) for the sale of shares in Modivo S.A. The total sale price amounted to PLN 600.

### Decision of the Head of the Małopolska Tax Office in Cracow

On 15 February 2018 the Head of the Małopolska Tax Office in Cracow ("Tax Office") issued the decision assessing the tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 increased by interest on tax arrears.

In the issued decision the Tax Office contested the Company's right to an exemption from the obligation to withhold income tax on certain interest payments in 2012. The Company appealed against the decision of the Tax Authority on the basis of acquired opinions issued by renowned entities. The Company has not created any provisions encumbering its financial results.

On 10 July 2018 the Tax Office upheld the previous decision dated 15 February 2018. The Company does not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of 21 February 2019. The Company does not agree with this decision and filed a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on 17 August 2022.

The Tax Office control activities in the aforesaid matter were in progress in relation to 2013 and 2014.

The Head of the Małopolska Tax Office in Cracow issued a decision on 19 July 2019 in respect to the year 2013. The decision assessed the Company's tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 increased by interest on tax arrears. The Company appealed against the decision, but on 14 February 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 15 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The date of the hearing has not been set. The Company has not created any provisions encumbering its financial results.

The Head of the Małopolska Tax Office in Cracow issued a decision on 20 September 2019 in respect to the year 2014. The decision assessed the Company's tax liability from uncollected withholding corporate income tax in 2014 in the amount of PLN 1.7 increased by

interest on tax arrears. The Company appealed against the decision of the Tax Authority. In a second instance decision issued on 8 June 2020, the Tax Authority fully maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 20 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The date of the hearing has not been set. The Company has not created any provisions encumbering its financial results.

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

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

## 19. Other disclosures

### Security relating to loans and borrowings

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

### Other securities

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

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

Total amount of capital commitments resulting from agreements on property construction and improvements was PLN 31.1 as at 30 September 2022 (PLN 77.2 as at 31 December 2021). Additionally the amount of deliveries and services committed to under agreements for the purchases of licences and software was PLN 0.0 as at 30 September 2022 (PLN 0.3 as at 31 December 2021).

### Future contractual obligations

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

|                      | 30 September 2022<br>unaudited | 31 December 2021 |
|----------------------|--------------------------------|------------------|
| within one year      | 126.4                          | 122.1            |
| between 1 to 5 years | 284.3                          | 366.2            |
| <b>Total</b>         | <b>410.7</b>                   | <b>488.3</b>     |

## 20. Events subsequent to the reporting date

In the period until the approval of these interim condensed consolidated financial statements there were no material events after the reporting date other than those disclosed in the notes to the interim condensed consolidated financial statements.

## 21. Judgments, financial estimates and assumptions

The preparation of interim condensed financial statements in conformity with IFRS EU requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and costs. Estimates and underlying assumptions are based on historical data and other factors considered as reliable under the circumstances, and their results provide grounds for an assessment of the carrying amounts of assets and liabilities which cannot be based directly on any other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Detailed description of the judgements, accounting estimates and assumptions is presented in the annual financial statements.