

- In Q1'22 **Polsat Plus Group's** revenue remained at the level of **PLN 2,987m**. Excluding the impact of reduced interconnection settlements resulting from the MTR/FTR regulation, **total revenue increased by 3.1% YoY**. The level of total revenues was mainly influenced by:
 - Increase in **retail revenue** as a result of the successful execution of our strategy aimed at building customer value, which is reflected in high dynamics of ARPU growth, as well as the consolidation of the results of Premium Mobile since July 2021.
 - Lower **wholesale revenue** principally due to the gradual reduction of regulatory MTR and FTR rates for terminating traffic in our network by other operators. Moreover, as a result of taking control over Premium Mobile, in H2'21, wholesale revenue generated on transactions with this company was eliminated on consolidation. Furthermore, owing to the war in Ukraine our revenue from TV advertising and sponsoring did not did not post the expected growth in Q1'22.
- In Q1'22 **Polsat Plus Group's** costs amounted to **PLN 2,634m** and increased YoY by 8.3%. Their level was mainly influenced by the following factors:
 - Higher **technical costs and cost of settlements with telecommunication operators** mostly due to the recognition of costs resulting from the agreement on using the mobile infrastructure sold to Cellnex Poland as well as higher electricity costs that remain under strong inflationary pressure. The increase in this cost category was partially mitigated by lower costs of interconnection settlements related to the reduction of MTR/FTR rates.
 - **Depreciation, amortization, impairment and liquidation costs** decreased mainly due to the disposal of our subsidiary Polkomtel Infrastruktura.
 - Increase in **content cost** mainly as a result of higher costs of internal production, amortization of sports rights and amortization of film licenses. Higher costs reflect our decision to allocate larger budgets to increase the attractiveness of our TV channels' programming, as well as an increase in film broadcasting costs.
 - Increase in **distribution, marketing, customer relation management and retention costs** as a result of, among others, higher distribution and logistics costs related to our activities on the photovoltaics market, as well as additional costs of promotional offers for our customers which were based on a cash-back mechanism. Consolidation of Premium Mobile costs was an additional factor contributing to higher costs in this category.
- **Revenue from advertising and sponsorship** of TV Polsat Group increased by **0.6% YoY** in Q1'22, to PLN 273m, while the whole market recorded a 0.5% increase. As a result, our share in the TV advertising and sponsorship market reached 28.4%.
- **Adjusted EBITDA of Polsat Plus Group, excl. NetCo result and costs of supporting Ukraine¹** amounting to **PLN 801m**, and recorded a decrease by 11.8% YoY, with adjusted EBITDA margin of **26.8%**. The main factors behind the decline include the unexpected elimination of advertising revenue growth as a result of the Russian invasion and inflationary pressure translating in particular into higher costs of electricity.
- **EBIT** of Polsat Plus Group **amounted to PLN 320m**.
- **Finance costs, net** increased by 34.5% YoY to the level of **PLN 77m**. This increase was caused, among others, by higher costs of servicing the Group's debt following the gradual increase of interest rates by the NBP, which was partially mitigated by the favorable revaluation of our hedging instruments (IRS).
- **Net profit** of the Group decreased by 45.5% YoY, reaching the level of **PLN 213m**.

¹ EBITDA excl. EBITDA of NetCo (PLN 175.3m) in Q1'21 and costs of supporting Ukraine (PLN 34.1m) in Q1'22

- **Adjusted FCF after interest** amounted to **PLN 160m** in Q1'22 (**PLN 1,249m** in the twelve-month period, posting a 13.3% decrease compared to Q4'21). The FCF result was driven by an increase in OPEX and interest costs, the first investments under *Strategy 2023+*, as well as a reduction in trade liabilities.
- The main bank covenant – total net debt/EBITDA LTM in Q1'22 **reached the low level of 1.07x**.
- **Key performance indicators in Q1'22:**
 - The **contract B2C customer base** amounted to **6,012K**.
 - **ARPU per B2C contract customer** amounted to **PLN 69.8** in Q1'22, **growing YoY by 3.9%** compared to PLN 67.2 in Q1'21. The increase in ARPU resulted from the consistent building of the value of the existing customer base.
 - RGU saturation of **2.23** per B2C contract customer with an upward trend.
 - **Low churn ratio of 6.8%** per annum.
 - **Growth** of the total base of **contract services for B2C customers** by **207K** YoY (1.6%):
 - Increase by **373K** (6.4%) YoY of **mobile telephony** RGUs thanks to the successful implementation of our strategy of cross-selling and focusing on customer satisfaction, as well as the acquisition of Premium Mobile.
 - The **pay TV** RGU base recording a decrease by **167K** (-3.1%) YoY, mainly due to the repositioning of pricing and change in the strategy of offering our online services.
 - The number of **Internet** RGUs remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications network – a consequence of our investments, exemplified by the rapid roll-out of the 5G network and the gradual modernization of our fixed-line network.
 - **Continuation of the multiplay strategy**
 - Consistent implementation of our multiplay strategy results in a **stable increase in the number of customers of bundled services by 73K YoY**.
 - The total number of customers using bundled offers reached the level of **2.46m** at the end of Q1'22.
 - The share of customers using multiplay packages reached 41.0%.
 - The number of RGUs owned by customers of bundled services increased to 7.36m.
 - **Low churn (6.8%)** mainly thanks to our multiplay strategy.
 - **Growing base and growing ARPU of prepaid services**
 - Rapid acceleration 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.
 - **Increase in ARPU (+10.3% YoY)** thanks to changes in our mobile offering and TV offering (price repositioning of the Polsat Box Go streaming service). We also observe a growing willingness of our customers to choose bundled solutions instead of offers based on the *pay-as-you-go* model.
 - **High base and stable ARPU of B2B customers**
 - Polsat Plus Group serves 68.9K B2B customers, successfully upholding the size of this base.

- Successively expanded offer of communication and ICT services enables us to maintain ARPU from our B2B customers at a high level of PLN 1.4K monthly.

Financial results of Polsat Plus Group

in mPLN	Q1'22	YoY change	Market consensus ²	Difference
Revenue, incl.:	2,987	0%	2,966	0.7%
- Retail revenue	1,722	+4%	n/a	n/a
- Wholesale revenue	813	-8%	n/a	n/a
- Sale of equipment	337	+1%	n/a	n/a
- Other revenue	115	+5%	n/a	n/a
Operating costs, incl.:	2,634	+8%	n/a	n/a
- Technical costs and cost of settlements with telecommunication operators	810	+30%	n/a	n/a
- Depreciation, amortization, impairment and liquidation	446	-14%	n/a	n/a
- Cost of equipment sold	278	0%	n/a	n/a
- Content costs	474	+13%	n/a	n/a
- Distribution, marketing, customer relation management and retention costs	251	+10%	n/a	n/a
- Salaries and employee-related costs	245	+3%	n/a	n/a
- Cost of debt collection services and bad debt allowance and receivables written off	25	-17%	n/a	n/a
- Other costs	106	+14%	n/a	n/a
EBITDA adjusted, <i>excl. NetCo result and costs of supporting Ukraine³</i>	801	-12%	n/a	n/a
EBITDA adjusted margin <i>excl. NetCo result and costs of supporting Ukraine⁴</i>	26.8%	-3.6pp	n/a	n/a
EBITDA	767	-29%	791	-3.3%
EBITDA margin	25.7%	-10.5pp	26.7%	-1.0pp
EBIT	320	-43%	332	-3.4%
Net profit	213	-46%	189	+12.5%

² Based on estimates prepared by: Barclays, BM mBanku, DM BOŚ, ERSTE, Ipopema, Trigon, Pekao, PKO BP, Santander, Wood&Co

^{3,4} EBITDA excl. EBITDA of NetCo (PLN 175.3m) in Q1'21 and costs of supporting Ukraine (PLN 34.1m) in Q1'22

B2C and B2B services segment

	Q1		
	2022	2021	YoY change
B2C AND B2B SERVICES SEGMENT¹			
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.	13,379	13,172	1.6%
Pay TV	5,177	5,344	-3.1%
Mobile telephony	6,205	5,832	6.4%
Internet	1,998	1,996	0.1%
Number of B2C customers (EOP) [thous.]	6,012	5,962	0.8%
ARPU per B2C ⁽³⁾ customer [PLN]	69.8	67.2	3.9%
Churn in B2C ⁽⁴⁾ subsegment	6.8%	7.1%	-
RGU saturation per one B2C customer	2.23	2.21	0.9%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], including:	2,832	2,736	3.5%
Pay TV	129	225	-42.6%
Mobile telephony	2,666	2,458	8.5%
Internet	37	53	-30.6%
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.2	15.6	10.3%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	68.9	68.8	0.1%
ARPU per B2B ⁽³⁾ customer [PLN]	1,392	1,404	-0.8%

(1) Customer – a 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 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 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 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 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.

- **Contract services for B2C customers:**

- The total number of B2C customers to whom we provided contract services as at the end of Q1'22 was 6,012K (+0.8% YoY). The main reason behind the increase of the contract customer base was the consolidation of the results of Premium Mobile, a company acquired in the beginning of July 2021. Simultaneously, the process of further merging of contracts under one common contract for the household continued, which is reflected in the growing RGU saturation per customer ratio (increase by 0.9% YoY to 2.23 RGU per customer).
- The number of contract services for B2C customers provided by us increased by 207K (+1.6%) YoY, to 13,379K as at the end of Q1'22.
- The number of provided mobile telephony services to B2C customers increased by 373K YoY (+6.4%), reaching the level of 6,205K as at the end of Q1'22. This result was achieved mainly thanks to the successful implementation of our strategy of cross-

selling and focus on customer satisfaction, which translated into a low churn ratio. An additional factor contributing to the growth in the analyzed period was the acquisition of Premium Mobile.

- The number of pay TV services provided to B2C customers amounted to 5,177K as at the end of Q1'22 and recorded a decrease by 167K (-3.1% YoY), mainly due to the repositioning of pricing and change in the strategy of offering our online services, as well as the lower number of provided satellite TV services. This decrease was partially compensated by the increasing number of TV services offered in online technologies (IPTV/OTT).
- The number of mobile broadband services amounted to 1,998K RGUs as at the end of Q1'22 and remained stable. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications network – a consequence of our investments, exemplified by the rapid roll-out of the 5G network and the gradual modernization of our fixed-line network.
- In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract customer through cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, which has a positive impact on ARPU per contract customer. **In Q1'22, average revenue per B2C customer increased by 3.9% YoY to PLN 69.8.**
- Our churn rate remained at a low level of 6.8% in the twelve-month period ended March 31, 2022.
- Our bundled services offer, based on a mechanism of offering attractive rebates 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 B2C customer ratio and ARPU per B2C customer. At the end of Q1'22 already 2,462K customers were using our bundled services, which constitutes an increase by 73K customers, or 3.1%, YoY. This means that the saturation of our contract customer base with multiplay services was at the level of 41.0% at the end of Q1'22. This group of customers had a total of 7,355K RGUs, that is by 237K, or 3.3%, more than in Q1'21.
- **Prepaid services:**
 - The number of prepaid services provided by us as at the end of Q1'22 increased by 96K, or 3.5% YoY and amounted to 2,832K. The hike 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. The scale of our mobile telephony customer base was also favorably impacted in the reported period by the consolidation of the results of Premium Mobile.
 - **In Q1'22, average revenue per prepaid RGU (prepaid ARPU) increased by 10.3% YoY to PLN 17.2.** The changes in our mobile offering and TV offering (price repositioning of the Polsat Box Go streaming service) contributed positively to the increase in prepaid APRU. We also observe a growing willingness of our 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 Q1'22 was 68.9K** (+0.1% 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 stable level of **ARPU from B2B customers**, which reached **PLN 1,392** per month on average in Q1'22 (-0.8% YoY).

Media segment: television and online

	Q1		
	2022	2021	YoY change
TELEVISION			
Audience share⁽¹⁾, including:	23.19%	24.40%	-1.21pp
POLSAT (main channel)	8.32%	9.22%	-0.90pp
Other channels	14.87%	15.18%	-0.31pp
Advertising market share⁽²⁾	28.4%	28.4%	0.0pp
Market expenditures on TV advertising and sponsorship⁽³⁾ [mPLN]	960	956	+0.5%
Revenue from advertising and sponsorship of TV Polsat Group⁽⁴⁾ [mPLN]	273	271	+0.6%
ONLINE: POLSAT-INTERIA GROUP⁽⁵⁾			
Average monthly number of users [millions]	21.2	20.2	+5.0%
Average monthly number of page views [millions]	2,170	1,739	+24.8%

¹ NAM, All 16-59, all day, SHR%, including Live+2⁽¹⁾, starting from September 2021 incl. the TV audience out of home (OOH – out of home viewing), internal analyses

² Our estimates based on Publicis Groupe data

³ Publicis Groupe, preliminary data, spot advertising and sponsorship

⁴ Revenue from advertising and sponsorship of TV Polsat Group according to Publicis Groupe definition

⁵ Source: Mediapanel, number of users – real users (RU) indicator

Television

- Our main channel is the viewership leader in the commercial group.
- **Revenue from advertising and sponsorship** of TV Polsat Group increased by **0.6%** YoY in Q1'22, to PLN 273m, while the whole market recorded a 0.5% increase. As a result, our share in the TV advertising and sponsorship market reached 28.4%.

Online

- The average monthly number of users of Polsat-Interia Group websites and applications reached 21.2 million in Q1'22 (+5.0% YoY).
- The average monthly number of page views of Polsat-Interia Group websites reached 2.2 billion in Q1'22 (+24.8% YoY).