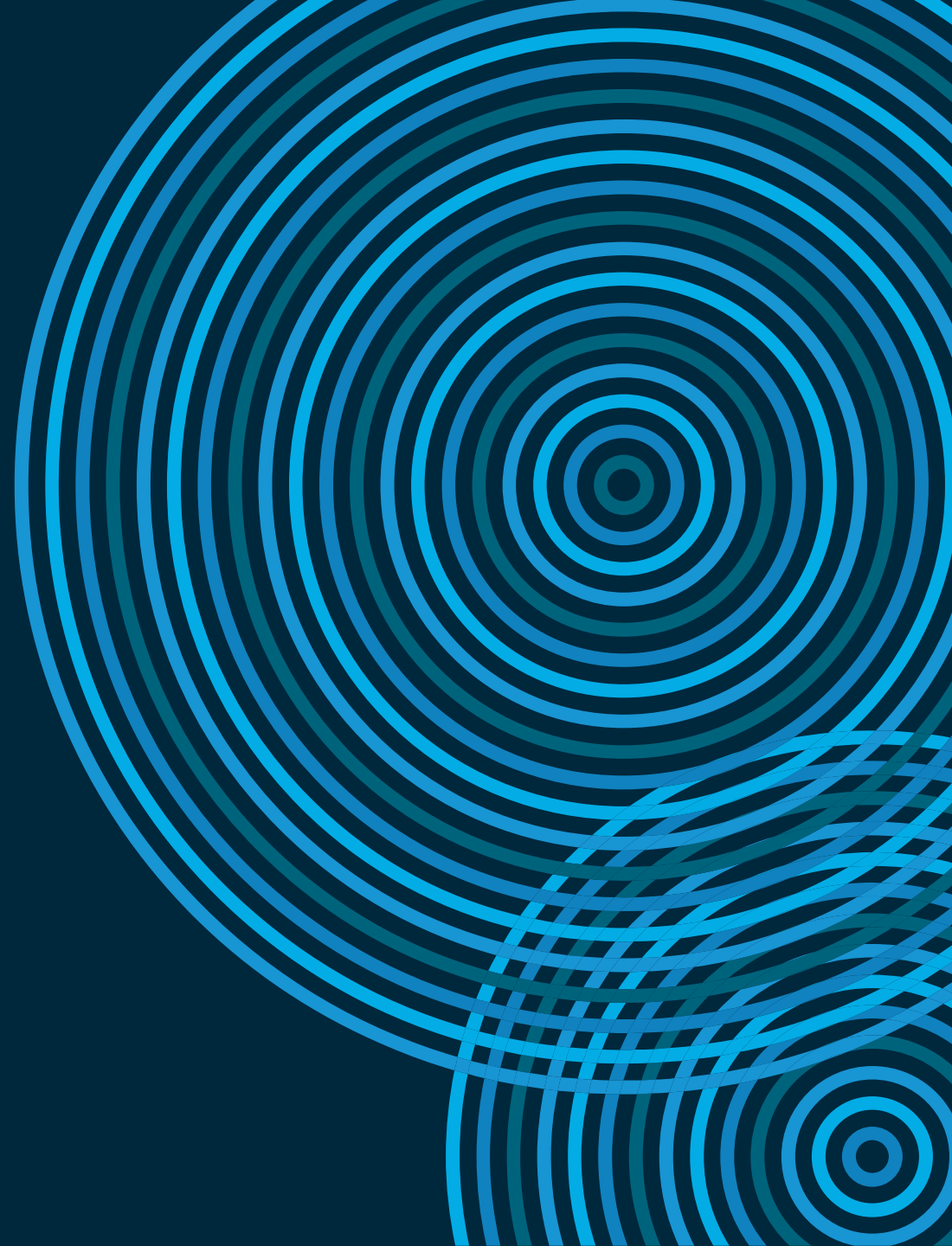


# Financial results Q2'23

17 August 2023



# Disclaimer

This presentation may include forward-looking statements, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. The actual results may be materially different from those expressed or implied by such forward-looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this presentation.

We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this presentation.

# Speakers



**MIROSŁAW BŁASZCZYK**  
PRESIDENT OF THE MGMT BOARD



**MACIEJ STEC**  
VICE-PRESIDENT FOR STRATEGY



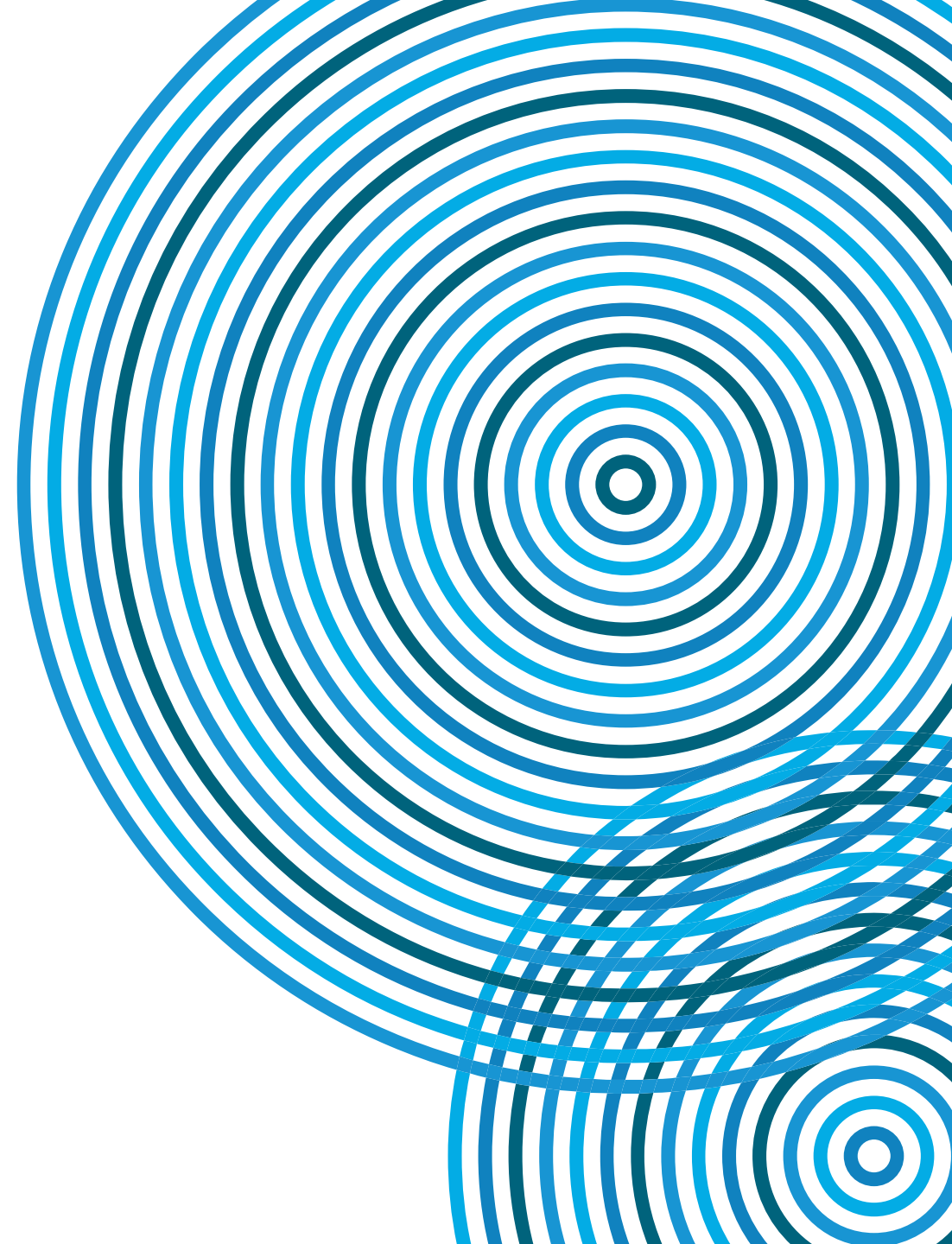
**KATARZYNA OSTAP-TOMANN**  
CFO



**STANISŁAW JANOWSKI**  
PRESIDENT, TELEWIZJA POLSAT

# Agenda

1. Key events in Q2'23
2. Operating results
3. Financial results
4. Summary and Q&A



# Key events in Q2'23

**Mirosław Błaszczuk**

*President of the Management Board, Cyfrowy Polsat*





# Key events in Q2'23

- Despite the difficult market situation, we posted growing ARPU in all customer segments: B2C, B2B and prepaid, and churn remains at a low level
- We are building our position in the media segment through the acquisition of naEKRANIE.pl and 3 4FUN TV channels
- We acquired a controlling stake in PAK-PCE and starting from Q3'2023 we will consolidate the clean energy segment
- We launched test production at our wind farms in Miłosław and Kazimierz Biskupi
- We built the first hydrogen station in Warsaw and obtained all permits necessary for its launch
- We are expanding our operations in the B2B photovoltaic micro-installation market - we signed a contract for photovoltaic installations on 750 roofs of the DINO store chain
- We acquired a stake in Pantanomo as part of the continuation of our strategy in the real estate segment
- Fitch Ratings assigned a new rating of BB with a stable outlook to Polsat Plus Group



# Operating results



# Media segment: TV and online



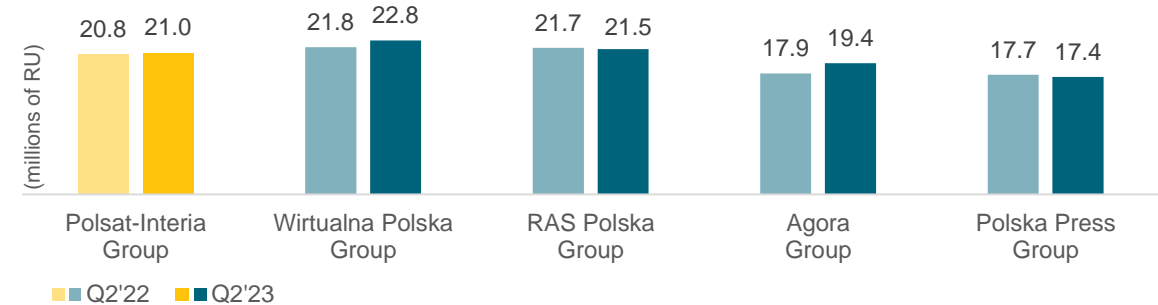
**Stanisław Janowski**  
*President of the Management Board, Telewizja Polsat*



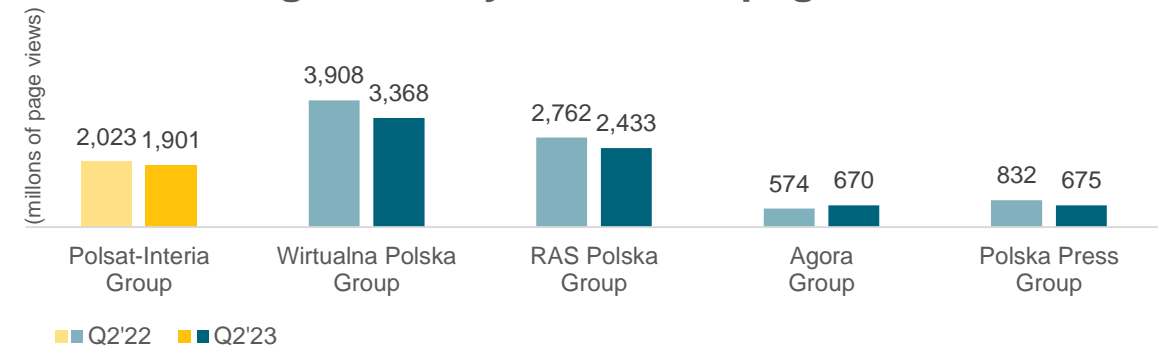
# We are effectively building our position in the market of Internet portals

- We are a leading Internet publisher in Poland thanks to the acquisition of Interia.pl
- Our leading position in the online media:
  - 21.0 m users and
  - 1.9 bn page views
- We are expanding in the Internet portals market – we have acquired the **naEKRANIE.pl** website

Average monthly number of users



Average monthly number of page views

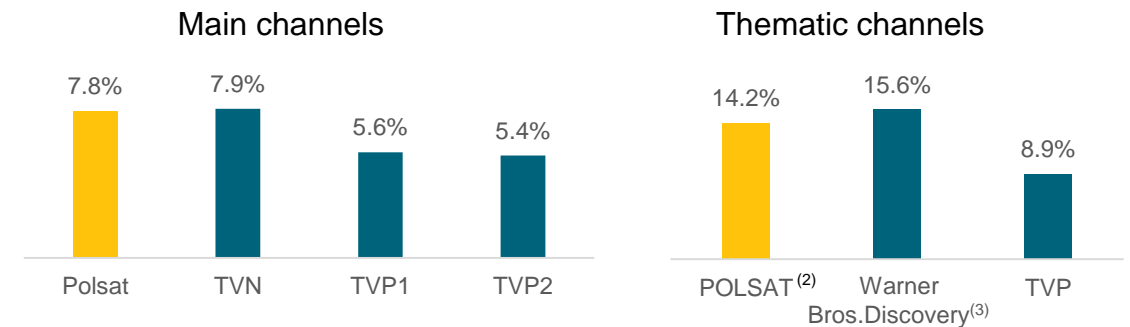


Source: Mediapanel, number of users – real users (RU) indicator, number of page views indicator

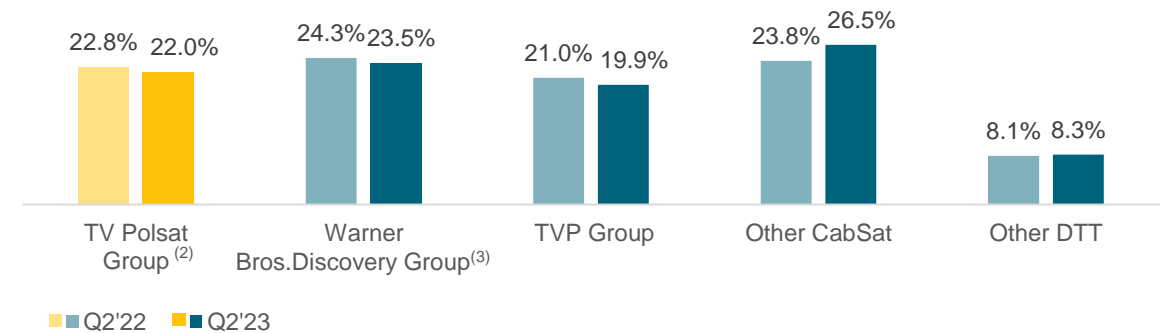
# Viewership of our channels in Q2'23

- Good viewership results of TV Polsat Group channels in Q2'23 despite the negative impact of refarming to the DVB-T2 standard
- We are expanding our portfolio to 42 channels – in August we acquired 3 new TV channels: 4FUN.TV, 4FUN DANCE, 4FUN KIDS

## Audience shares



## Dynamics of audience share results



Source: NAM, All 16-59, all day, SHR%, including Live+2<sup>(1)</sup> as well as TV audience out of home (OOH – out of home viewing), internal analyses

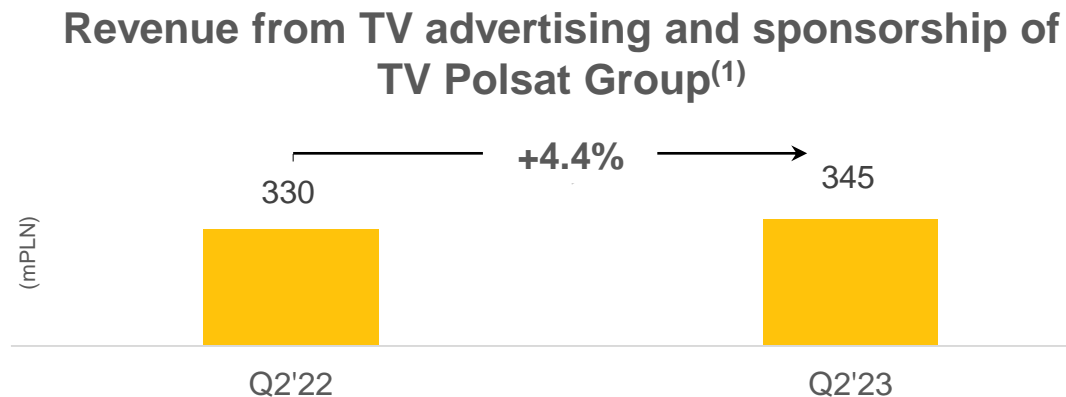
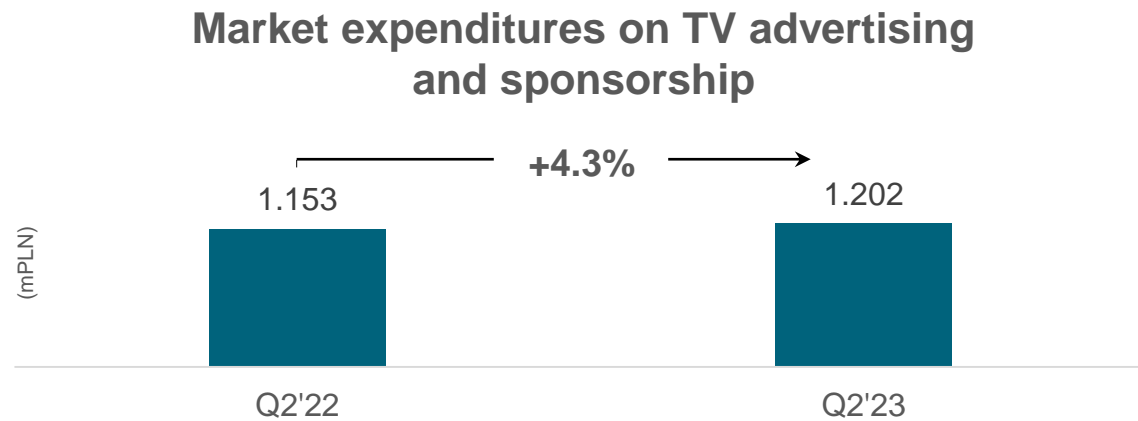
Note: (1) Audience shares include both live broadcasting and broadcasting during 2 consecutive days (i.e. Time Shifted Viewing)

(2) Excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam (Q2'23), CI Polsat, Polsat Comedy Central Extra

(3) The group was established on April 8, 2022 as a result of the merger of WarnerMedia and Discovery, data before that period refer to channels belonging to the Discovery Group

# Position in the advertising market in Q2'23

- Dynamics of advertising and sponsorship revenues of TV Polsat Group in line with the market trend
- As a result, our share in the TV advertising and sponsorship market amounted to 28.7%



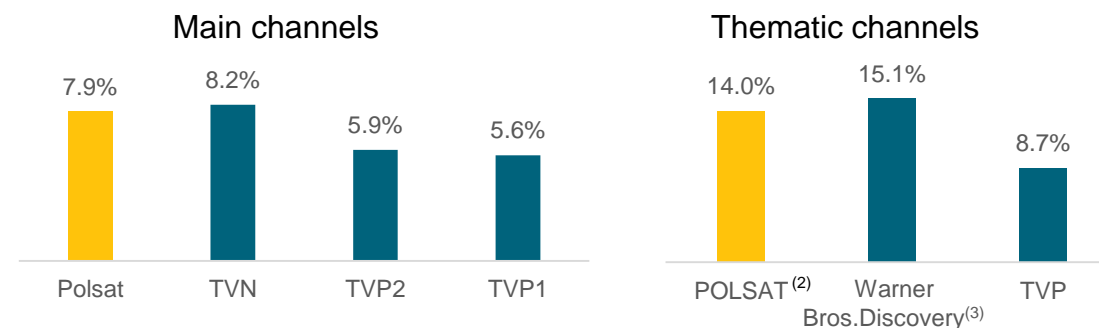
Source: market: Publicis Groupe, spot advertising and sponsorship; TV Polsat Group: internal data

Note: (1) Revenue from TV advertising and sponsorship of TV Polsat Group's channels

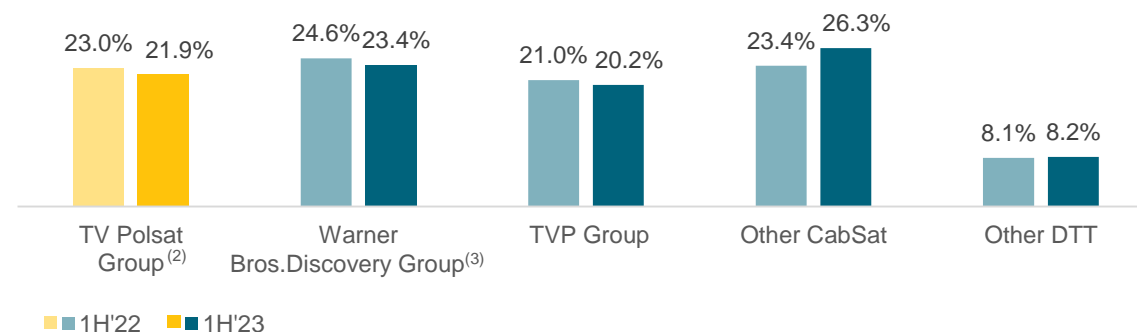
# Viewership of our channels in 1H'23

- Good viewership results of TV Polsat Group channels in 1H'23 despite the negative impact of refarming to the DVB-T2 standard

## Audience shares



## Dynamics of audience share results



Source: NAM, All 16-59, all day, SHR%, including Live+2<sup>(1)</sup> as well as TV audience out of home (OOH – out of home viewing), internal analyses

Note: (1) Audience shares include both live broadcasting and broadcasting during 2 consecutive days (i.e. Time Shifted Viewing)

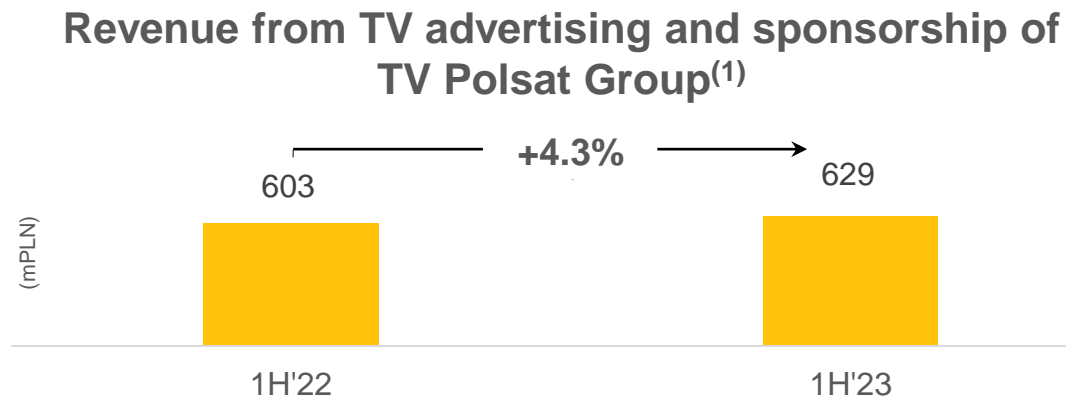
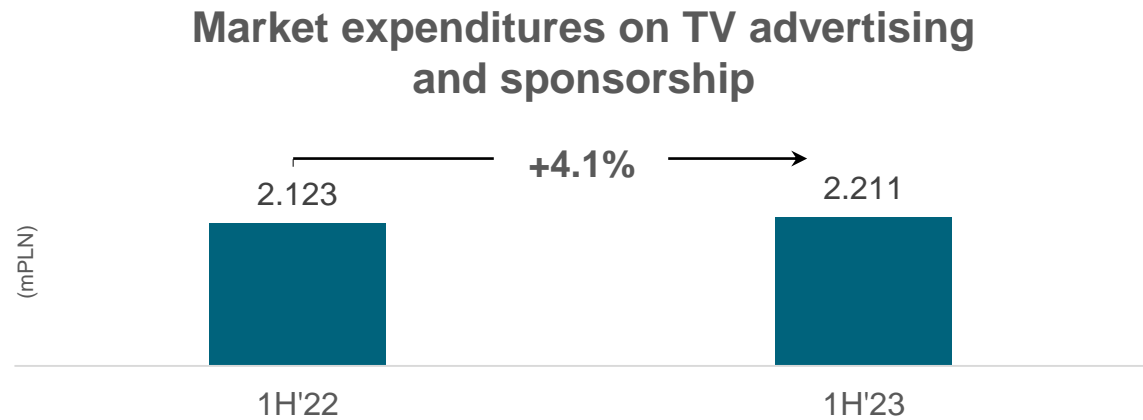
(2) Excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam (until 14 Feb.23), CI Polsat, Polsat Comedy Central Extra

(3) The group was established on April 8, 2022 as a result of the merger of WarnerMedia and Discovery, data before that period refer to channels belonging to the Discovery Group



# Position in the advertising market in 1H'23

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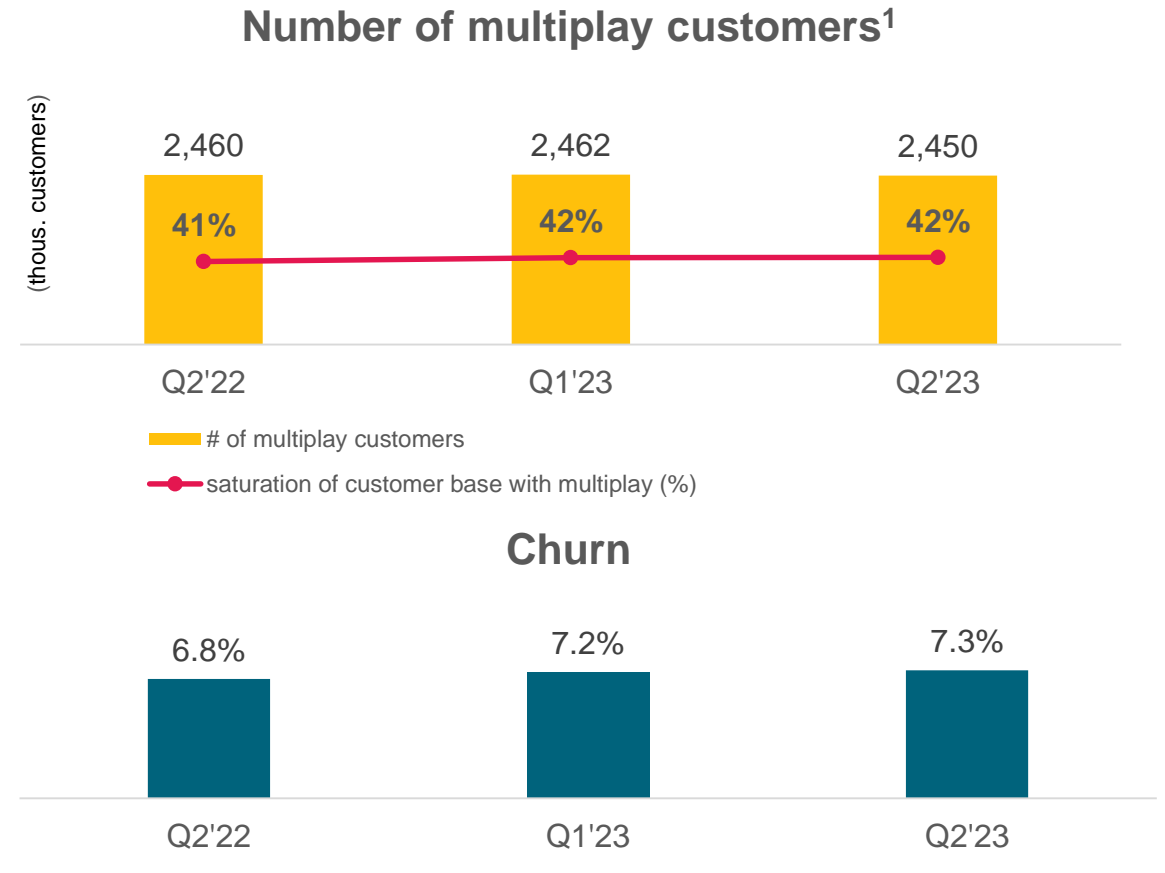
# B2C and B2B services segment



**Maciej Stec**  
*Vice President of the Management Board, Cyfrowy Polsat*

# We maintain a high base of multiplay customers

- High base of multiplay customers despite challenging market conditions
- As a result of the consistent implementation of the multiplay strategy, 2.45m of our customers use the multiplay offer – this represents 42% of our customer base
- The number of RGUs owned by these customers amounts to 7.39m
- Consistently low churn – mainly due to our multiplay strategy

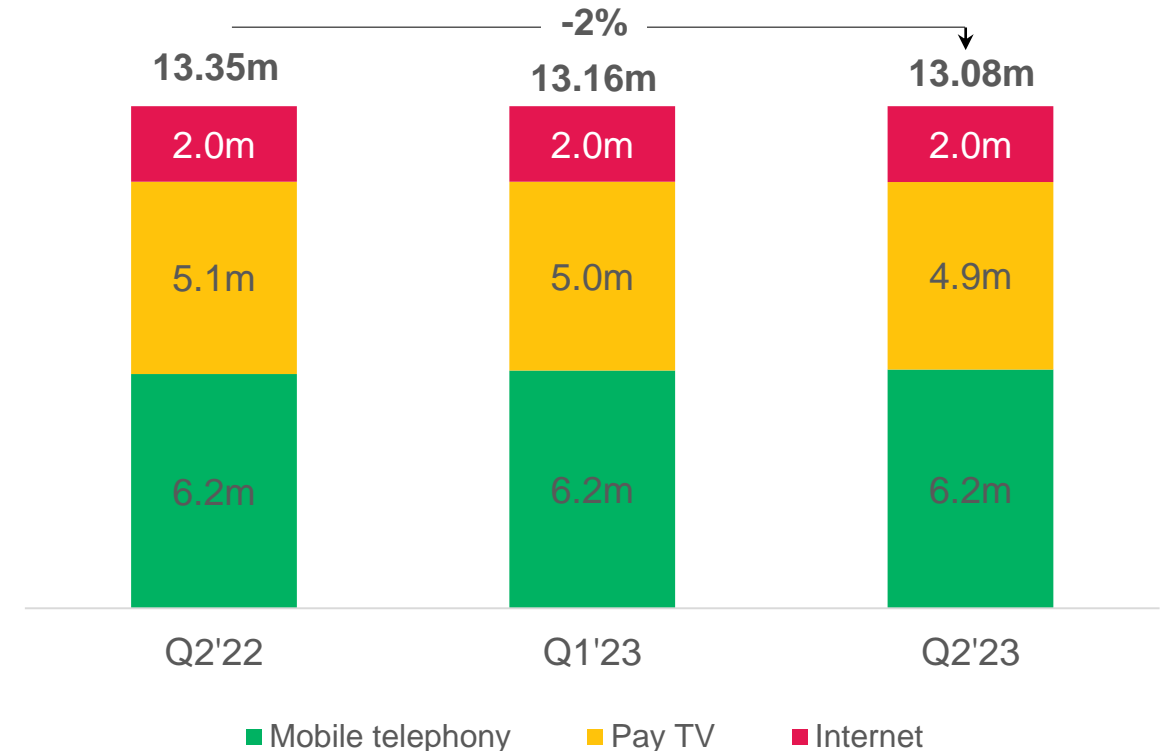


Note: (1) including customers of bundled services from Netia Group and Premium Mobile

# We provide 13.1m services to contract B2C customers

- We maintain a high, stable number of mobile telephony and Internet access services
- At the same time – in line with our earlier statements – the number of provided pay TV services declined, which is mainly the outcome of our decision on price repositioning and changing the strategy of offering our video online services
- This decline was partially compensated for by a growing number of TV services provided over the Internet (IPTV/OTT)

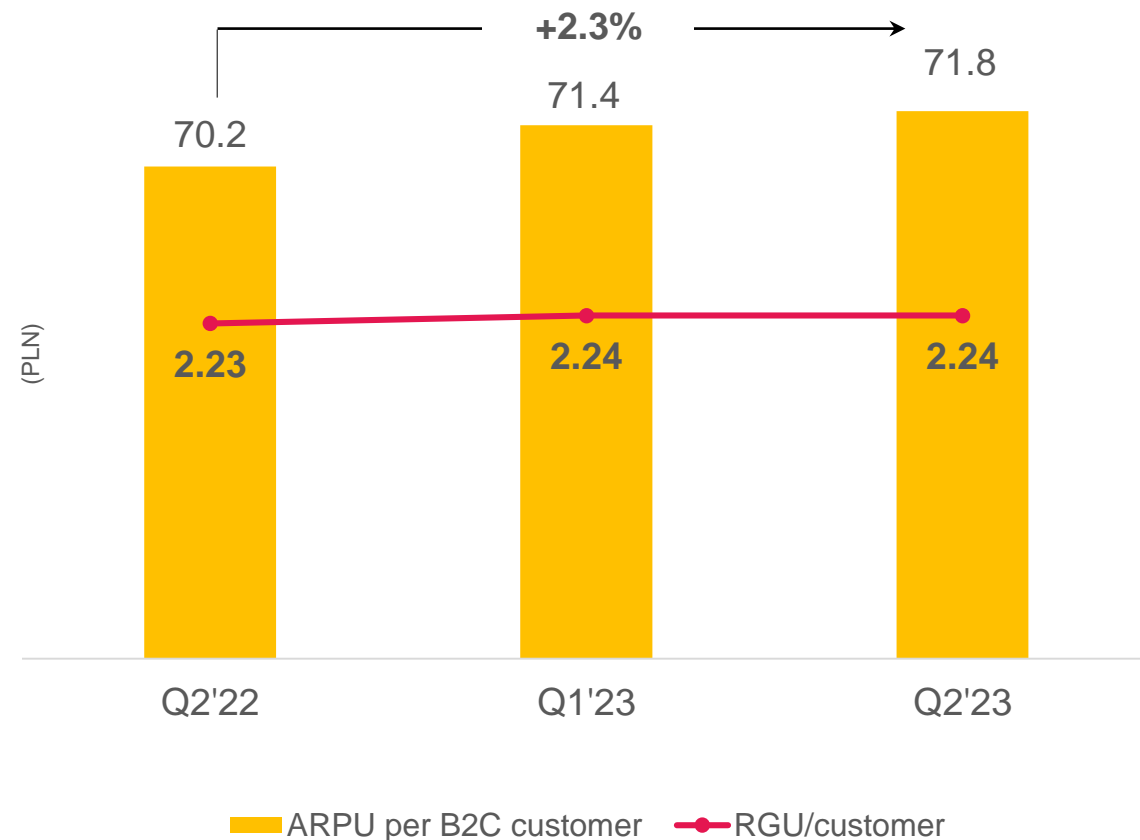
Number of RGUs in the B2C contract segment





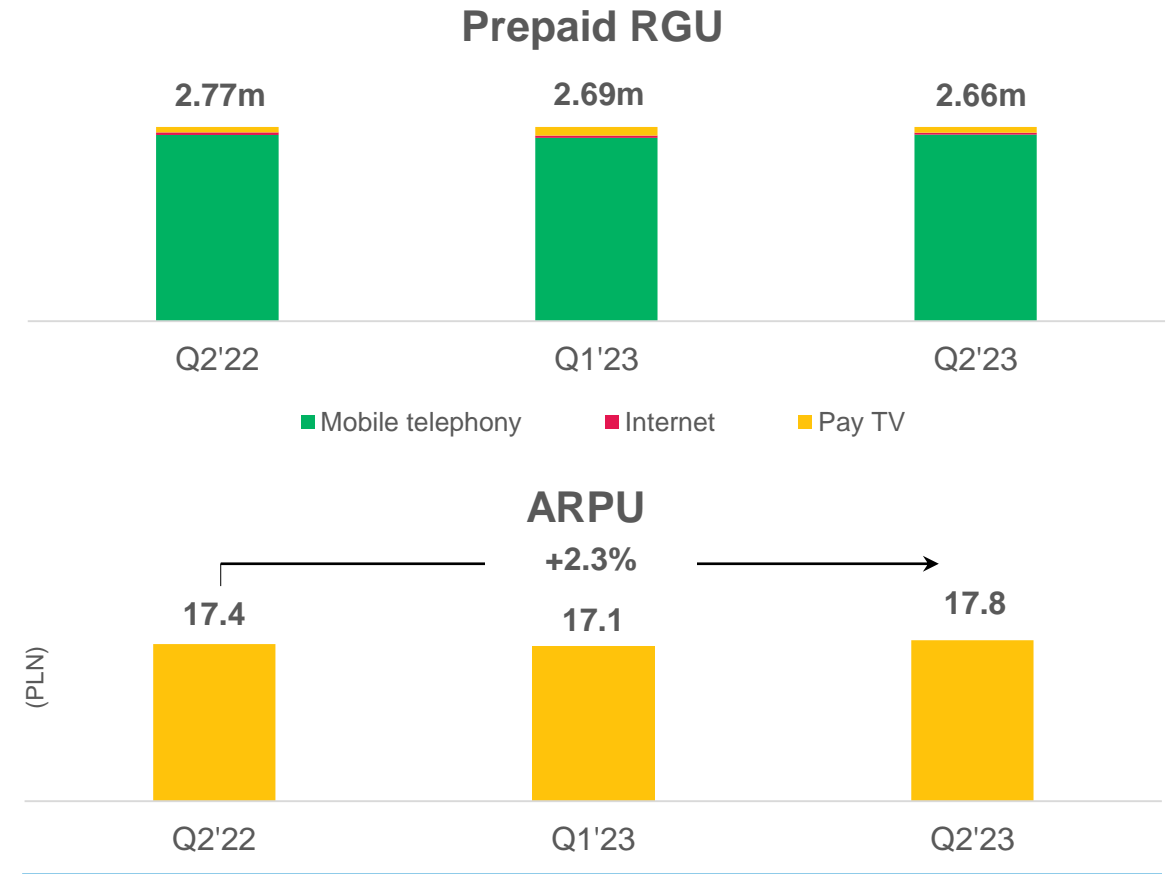
# ARPU growth in B2C thanks to the consistent implementation of our multiplay strategy and popularization of 5G tariffs

- 2.3% YoY increase in ARPU results from the consistent building of the value of the existing customer base despite unfavorable market conditions
- Effective upselling of products as part of our multiplay strategy continues to be reflected in the high RGU saturation per customer ratio



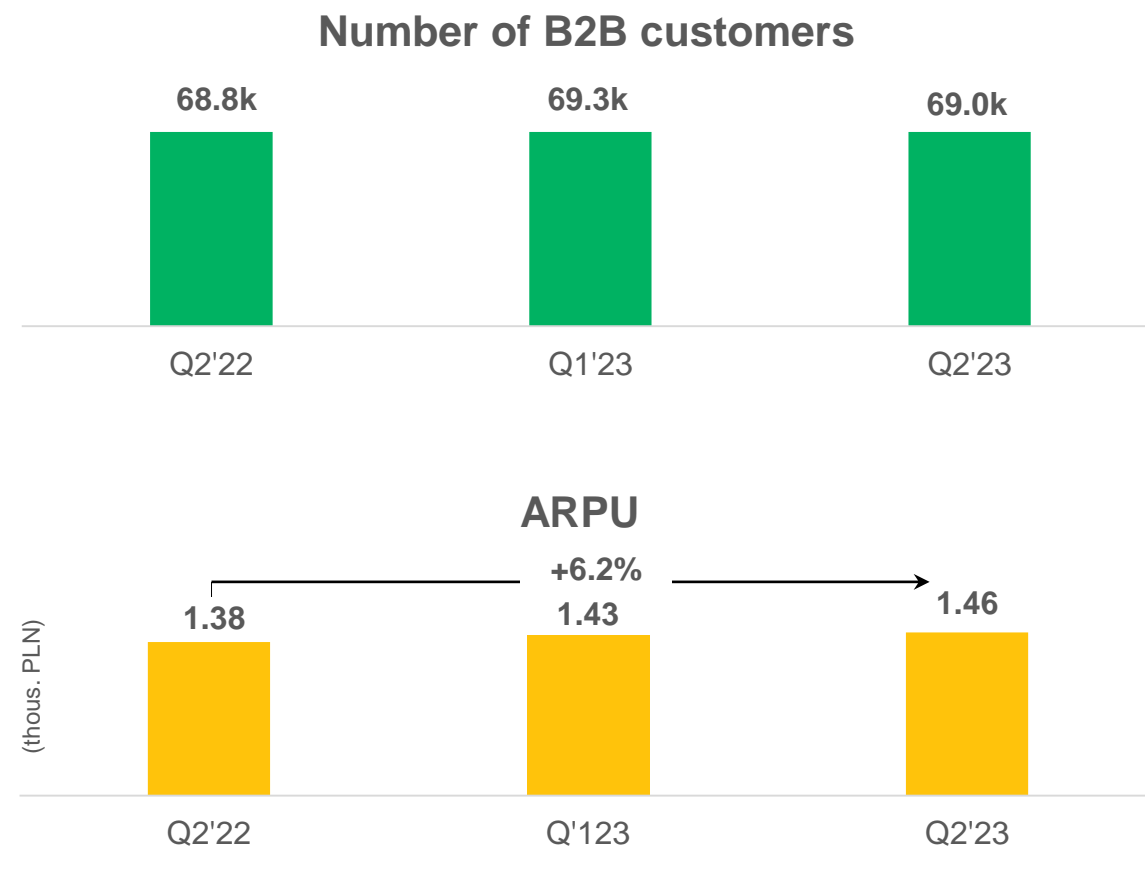
# High base and growing ARPU of prepaid services

- Stable base of prepaid services
- The YoY decrease in the number of provided prepaid mobile telephony services is related to a high reference point due to the support provided to refugees from Ukraine in 1H'23 in the form of distribution of free starters enabling free communication
- Increase in ARPU by 2.3% YoY

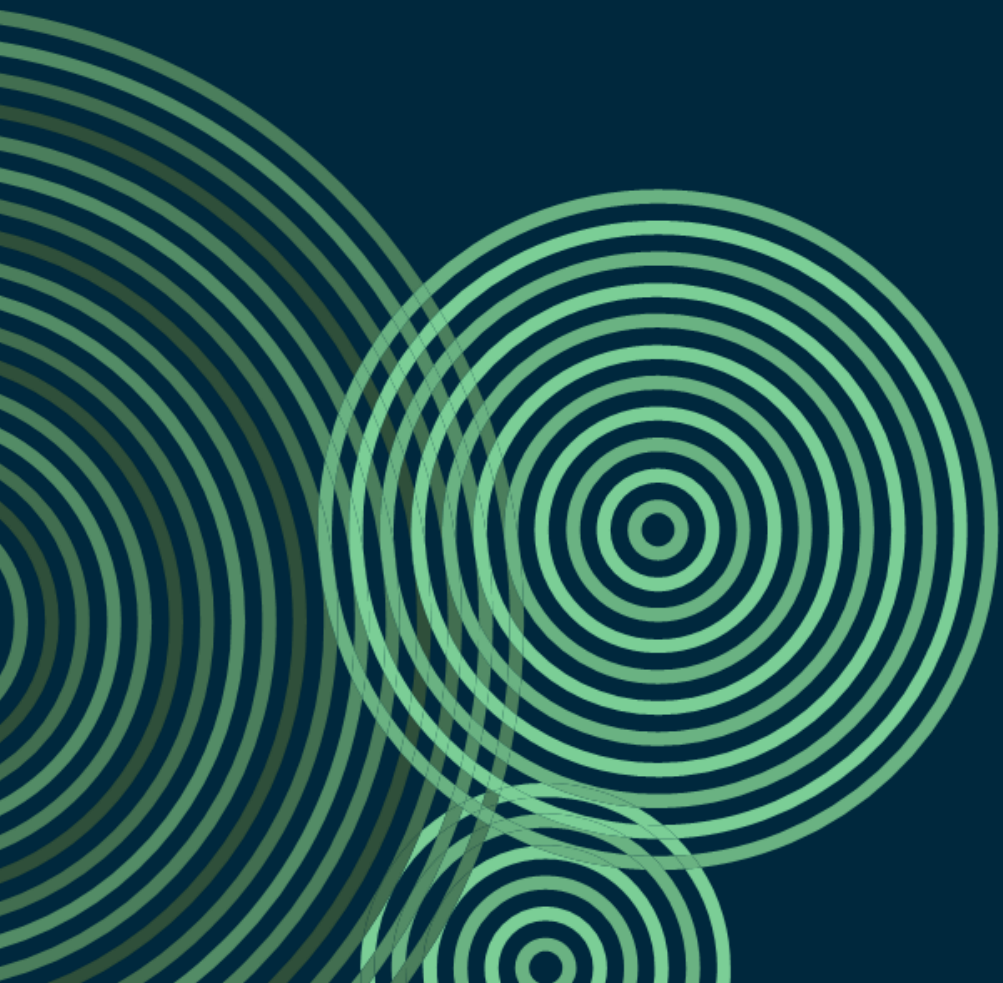


# Stable base and growing ARPU of B2B customers

- We serve 69 thous. B2B customers, successfully maintaining the scale of this base
- Successively expanded offer of communication and ICT services enables us to increase ARPU from our B2B customers to the level of nearly PLN 1.5 thous. monthly (+6.2% r/r)



# Clean energy segment



**Maciej Stec**

*Vice President of the Management Board, Cyfrowy Polsat*



# We want to become a leading producer of clean, green energy and green hydrogen

## Goal #1:

We want to become a leading producer of clean, green energy



## Goal #2:

We want to become a leading producer of green hydrogen



# We are dynamically implementing strategic initiatives related to the production of clean energy



## ENERGY FROM BIOMASS 100 MW

### → Block #1

Installed capacity: **55 MW**  
Output: **350-400 GWh**

### → Block #2

Installed capacity: **50 MW**  
Output: **350-400 GWh**



## SOLAR ENERGY 280 MW

### → Brudzew

Installed capacity: **70 MWp**  
Output: **78 GWh** in 2022

### → Cambria/Brudzew

Installed capacity: **12.4 MWp** / Output: **13 GWh**  
Launch date: **Q3'23**

### → Przykona (cooperation with ZE PAK)

Installed capacity: **ca. 260 MWp** / Output: **ca. 250GWh**  
Launch date: **15 months** after securing all permits



## ON-SHORE WIND ENERGY >296 MW

### → Miłosław

Installed capacity: **9.6 MW** / Output: **38 GWh**  
Launch date: **technical startup/Q3'23**

### → Kazimierz Biskupi

Installed capacity: **17.5 MW** / Output: **60 GWh**  
Launch date: **Q3'23**

### → Człuchów

Installed capacity: **72.6 MW** / Output: **230 GWh**  
Launch date: **Q2'24**

### → Przyrów

Installed capacity: **50.4 MW** / Output: **105 GWh**  
Launch date: **Q3'24**

### → Drzeżewo 1-4

Installed capacity: **138.6 MW** / Output: **ca. 410 GWh**  
Launch date: **Q4'25**

### → Dobra

Installed capacity: **7.8 MW** / Output: **24 GWh**  
Launch date: **Q3'25**



## ENERGY FROM WASTE PROCESSING

### → Rybnik

Signed letter of intent  
Launch date: **2026**

Installed capacity in green energy: ca. 330 MW in 2024 and ca. 740 MW in 2025

# We are building the full value chain of an economy based on green hydrogen



## GREEN HYDROGEN PRODUCTION

- **First 2.5 MW electrolyzer** from Cummins

Launch date: **Q3'23**

Output: **1000 kg H<sub>2</sub> daily**

- **Purchase of the second electrolyzer** from Cummins

Delivery: **2024**

Output: **1000 kg H<sub>2</sub> daily**

- We have developed a prototype of the first **Polish 0.5 MW electrolyzer**

Completion: **Q3'23**

Output: **200 kg H<sub>2</sub> daily**



## STORAGE AND TRANSPORT

- **Hydrogen trailer with capacity of 371 kg**

**In use**

- **5 hydrogen trailers with capacity of 1024 kg**

**In use**

- **4 hydrogen trailers with capacity of 1024 kg**

Delivery: **end of 2023**



## GREEN HYDROGEN DISTRIBUTION

- **H<sub>2</sub> refueling station in Warsaw**

**We have all the permits**

- **H<sub>2</sub> refueling station in Rybnik**

Launch date: **Q3'23**

- **Construction of H<sub>2</sub> stations in Gdansk and Gdynia**

Launch date: **Q4'23/Q1'24**

- **PLN 20m subsidy from NFOŚ** for the construction of H<sub>2</sub> stations in Rybnik, Gdańsk, Wrocław, Gdynia and Lublin



## PRODUCTS FOR END-USERS

- **We won the tender for the delivery of 20 NesoBuses to Rybnik**

Execution: **Q3-Q4'23**

- **We are submitting bids in tenders** in Gdańsk, Metropolis GZM, Wałbrzych and Świdnik

- **Hydrogen bus factory** in Świdnik

Launch date: **Q3'23**

Production: **>100 buses per year**



- **150 H<sub>2</sub> cars** are in use in Polsat Plus Group's car fleet



# We are dynamically executing our *Strategy 2023+* in the green energy and green hydrogen segment



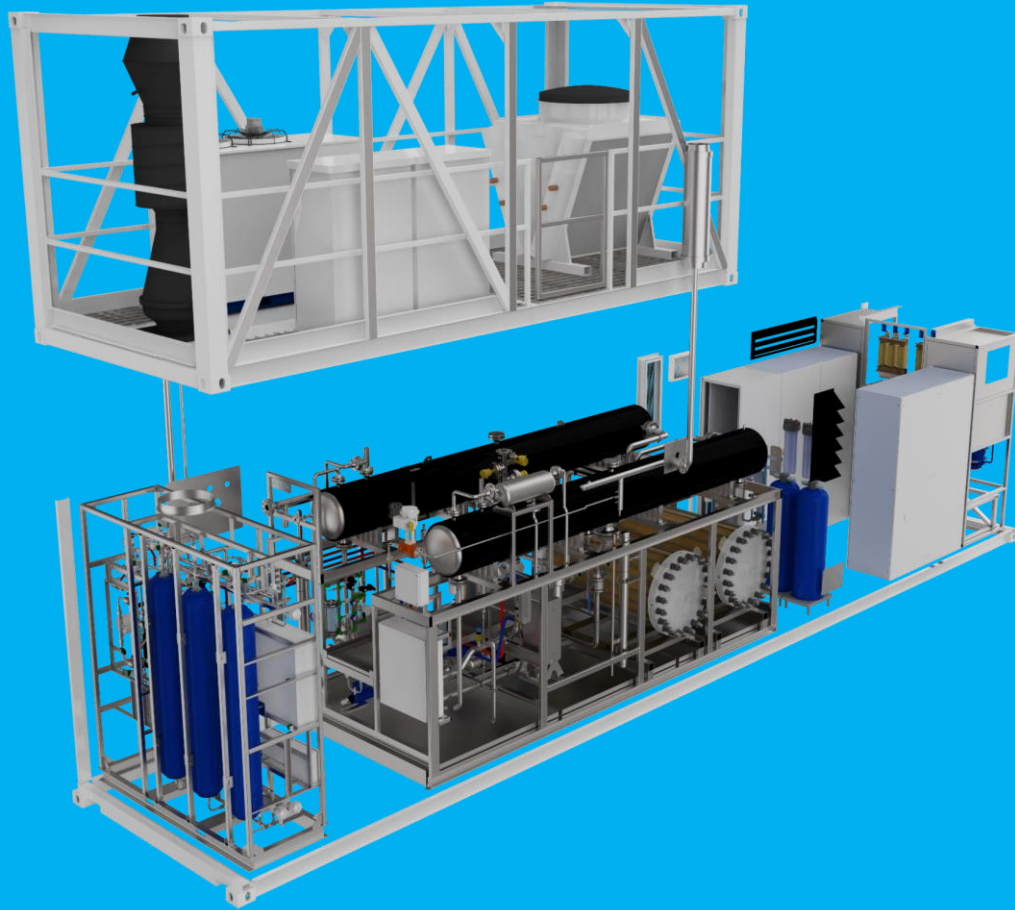
Production of the first NesoBuses for Rybnik



H<sub>2</sub> compressor | Electrolyser



# We are dynamically executing our *Strategy 2023+* in the green energy and green hydrogen segment



Prototype of our Polish electrolyser



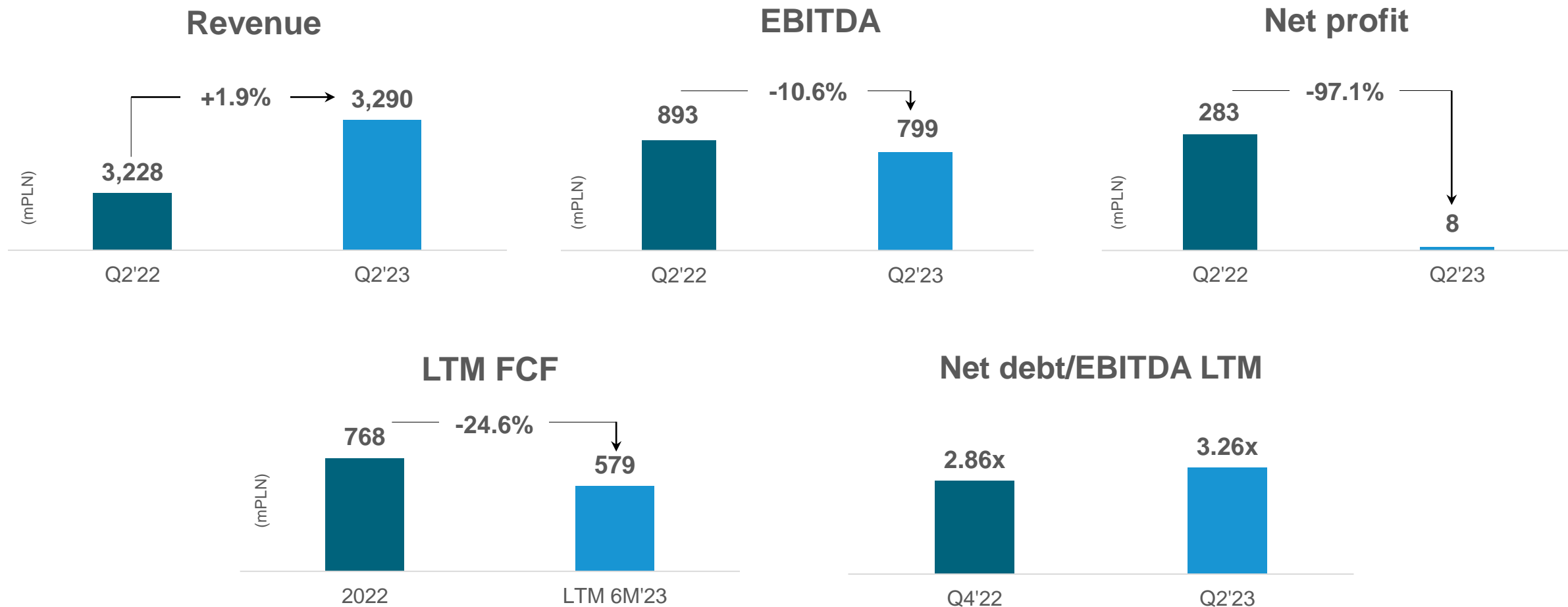


# Financial results

**Katarzyna Ostap-Tomann**  
*CFO, Cyfrowy Polsat*



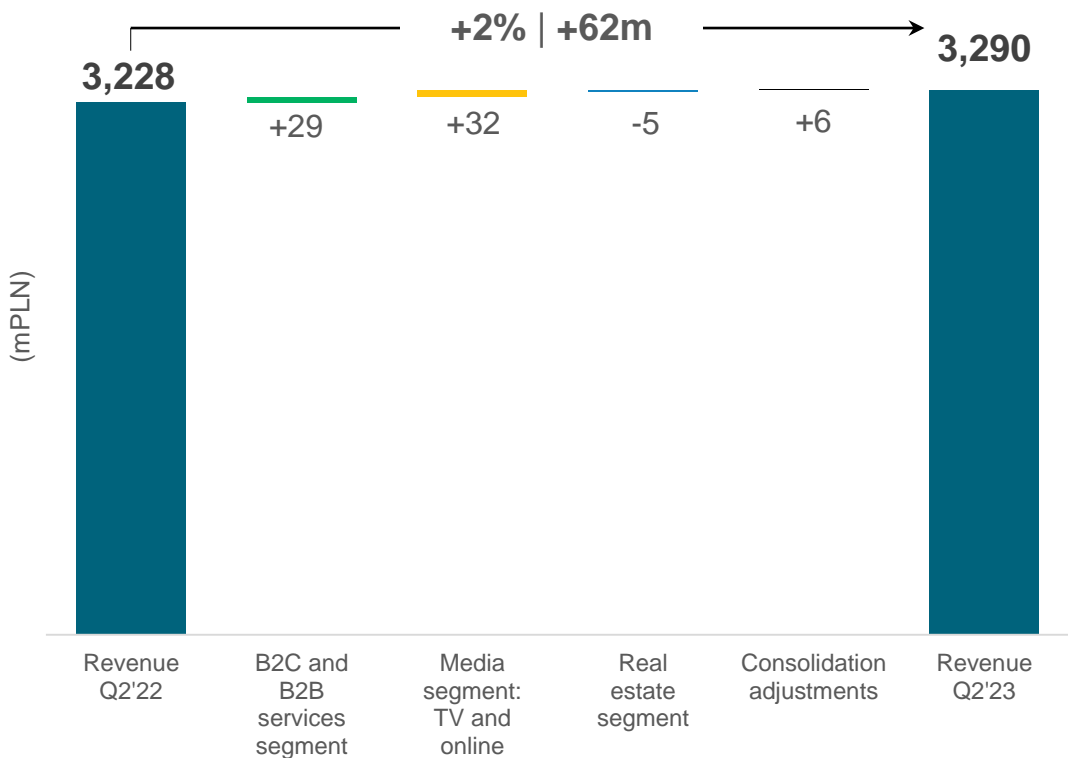
# Results of the Group in Q2'23



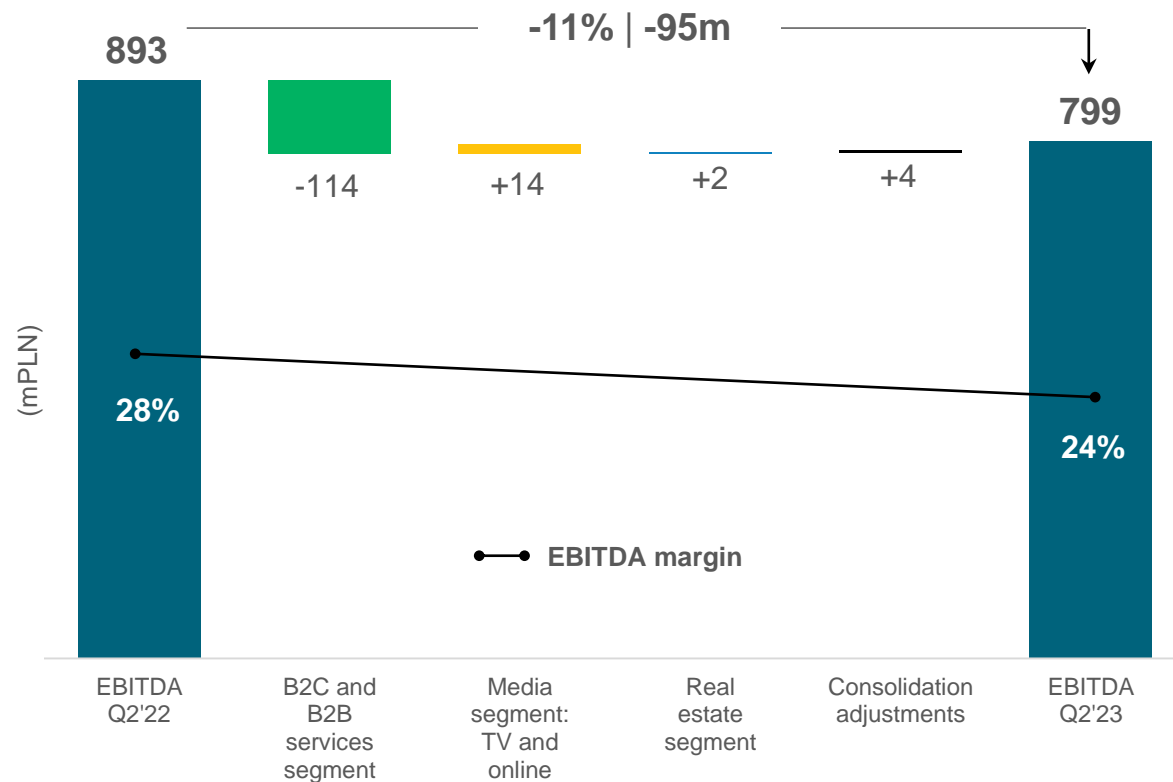
Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

# Revenue and EBITDA – change drivers

## Revenue



## EBITDA

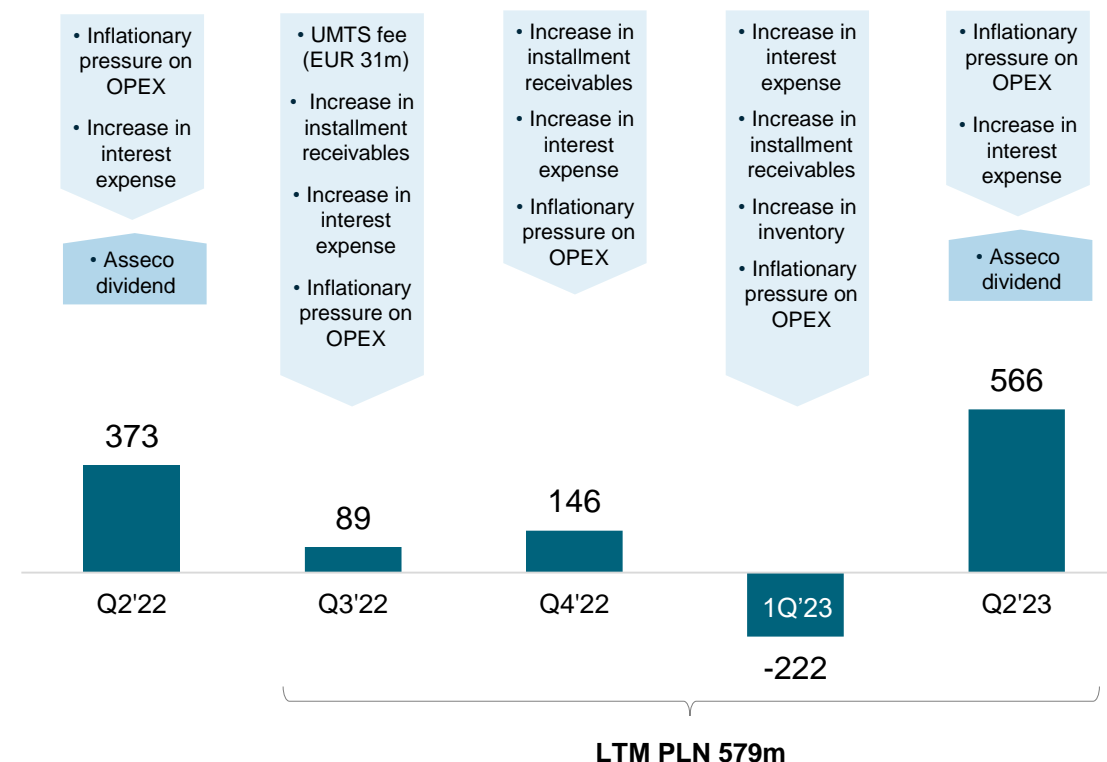


Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

# We generated a solid stream of FCF despite pressure from high interest rates and inflation

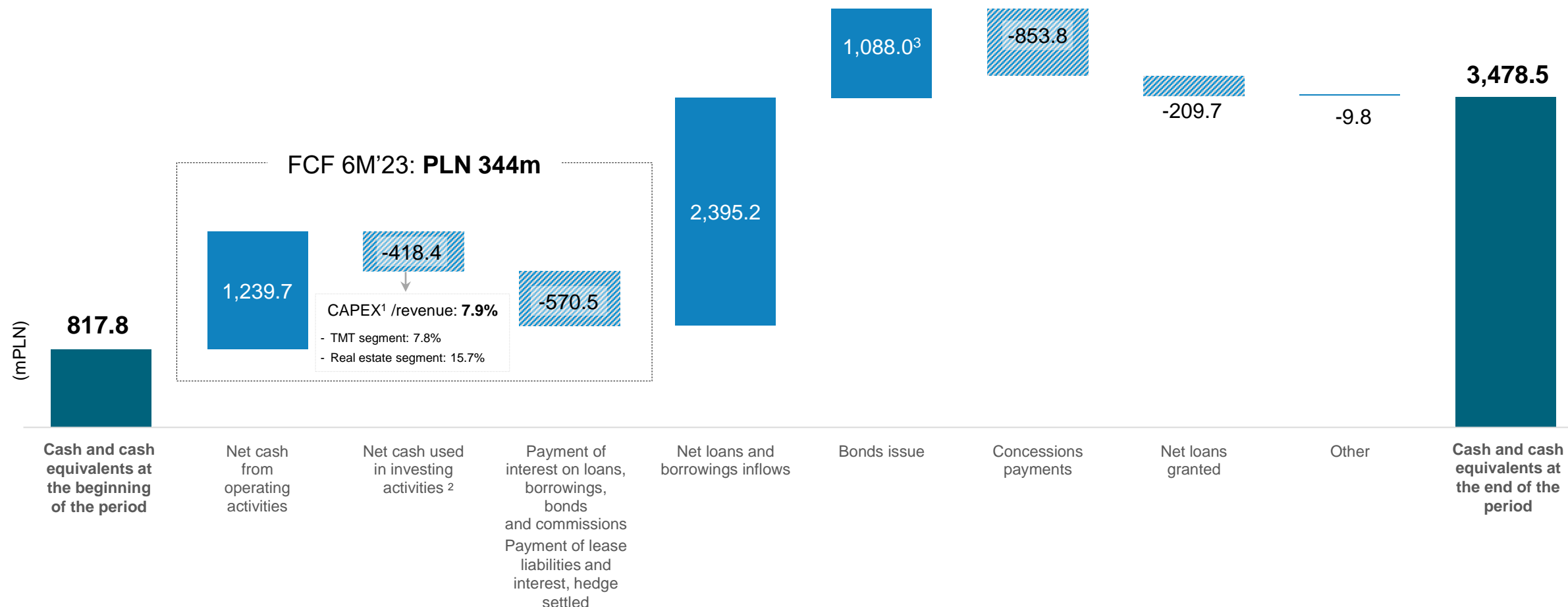
mPLN	Q2'23	6M'23
Net cash from operating activities	940	1,240
Net cash from/used in investing activities	-271	-1,482
Payment of interest on loans, borrowings, bonds and hedging instrument effect	-266	-453
Payment of lease liabilities and interest	-54	-118
<b>FCF after interest</b>	<b>349</b>	<b>-813</b>
Net loans granted	126	210
One-off payment for telecommunications licenses	0	847
Impact of bond early redemption	0	10
One-off refinancing costs	91	91
<b>Adjusted FCF after interest</b>	<b>566</b>	<b>344</b>

## Adjusted FCF after interest



Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

# Debt refinancing ensures high cash levels



# The Group's debt

## mPLN

	Carrying amount as at 30 June 2023
SFA (PLN and EUR Tranche)	9,446
Revolving Credit Facility (RCF)	1,004
Bonds (Series B, C and D)	3,284
Leasing and other	517
<b>Gross debt</b>	<b>14,251</b>
Cash and cash equivalents <sup>1</sup>	(3,466)
<b>Net debt</b>	<b>10,785</b>
EBITDA LTM <sup>2</sup>	3,306
<b>Total net debt / EBITDA LTM</b>	<b>3.26x</b>
Weighted average interest cost <sup>3</sup>	9.5%

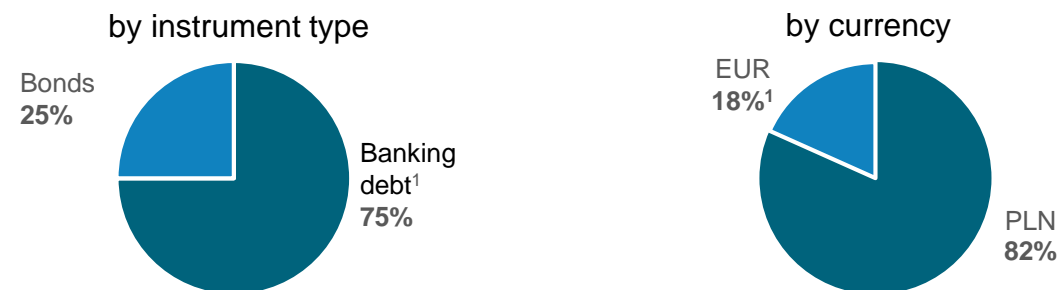
<sup>1</sup> This item comprises cash and cash equivalents

<sup>2</sup> EBITDA LTM adjusted in accordance with the requirements of the facility agreement

<sup>3</sup> Prospective average weighted interest cost of the SFA (including the Revolving Credit Facility) and the Series B, Series C and Series D Bonds, excluding hedging instruments, as at June 30, 2023 assuming WIBOR 1M of 6.86%, WIBOR 6M of 6.95% and EURIBOR 1M of 3.40%

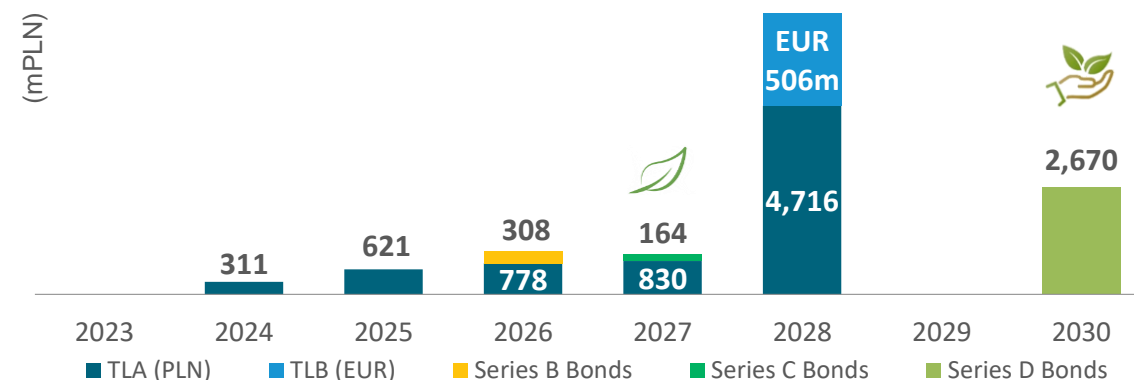
## Debt structure

as at 30 June 2023



## Debt maturing profile

as at 30 June 2023



Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

Nota: (1) The EUR tranche in the amount of EUR 506 million has been converted into PLN at a rate of PLN 4.4503 per EUR 1.00



# Summary & Q&A



**Mirosław Błaszczuk**  
*President of the Management Board, Cyfrowy Polsat*



# Summary

- We are consistently implementing our multiplay strategy, which is reflected in growing ARPU and low churn
- We recorded excellent financial results in the media segment – revenue grew by 5% and EBITDA grew by 10%
- We successfully refinanced the Group's debt in a difficult debt market and raised funds for investments under our *Strategy 2023+*
- We have already granted net loans in the amount of PLN 585 million for the development of projects in the clean energy segment
- We are building a complete value chain based on green hydrogen - from production, through logistics and distribution, to use in everyday life
- We are consistently and dynamically implementing our *Strategy 2023+* in the area of Clean Energy, thus investing in the future of Polsat Plus Group



# Q&A

# Additional information



# Results of the segment of B2C and B2B services

mPLN	Q2'23	YoY change
Revenue	2,700	1%
Operating costs <sup>(1)</sup>	2,048	6%
EBITDA	635	-15%
EBITDA margin	23.5%	-4.6pp

- Increase in revenue supported by very strong sales of equipment and revenue generated from activities on the photovoltaics market
- Inflationary pressure and increase in electricity costs are the main drivers behind the increase in operating costs

Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

Note: (1) Costs excl. depreciation, amortization, impairment and liquidation

# Results of the media segment

mPLN	Q2'23	YoY change
Revenue	639	5%
Operating costs <sup>(1)</sup>	483	4%
EBITDA	157	10%
EBITDA margin	24.5%	1.0pp

Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

Note: (1) Costs excl. depreciation, amortization, impairment and liquidation

- Revenue under the positive impact of growing revenue from advertising and from cable/satellite operators
- Content production is our competitive edge therefore we continue to invest in attractive programming, including premium sports, new TV series as well as attractive season scheduling which is reflected in a higher cost base

# Results of the real estate segment

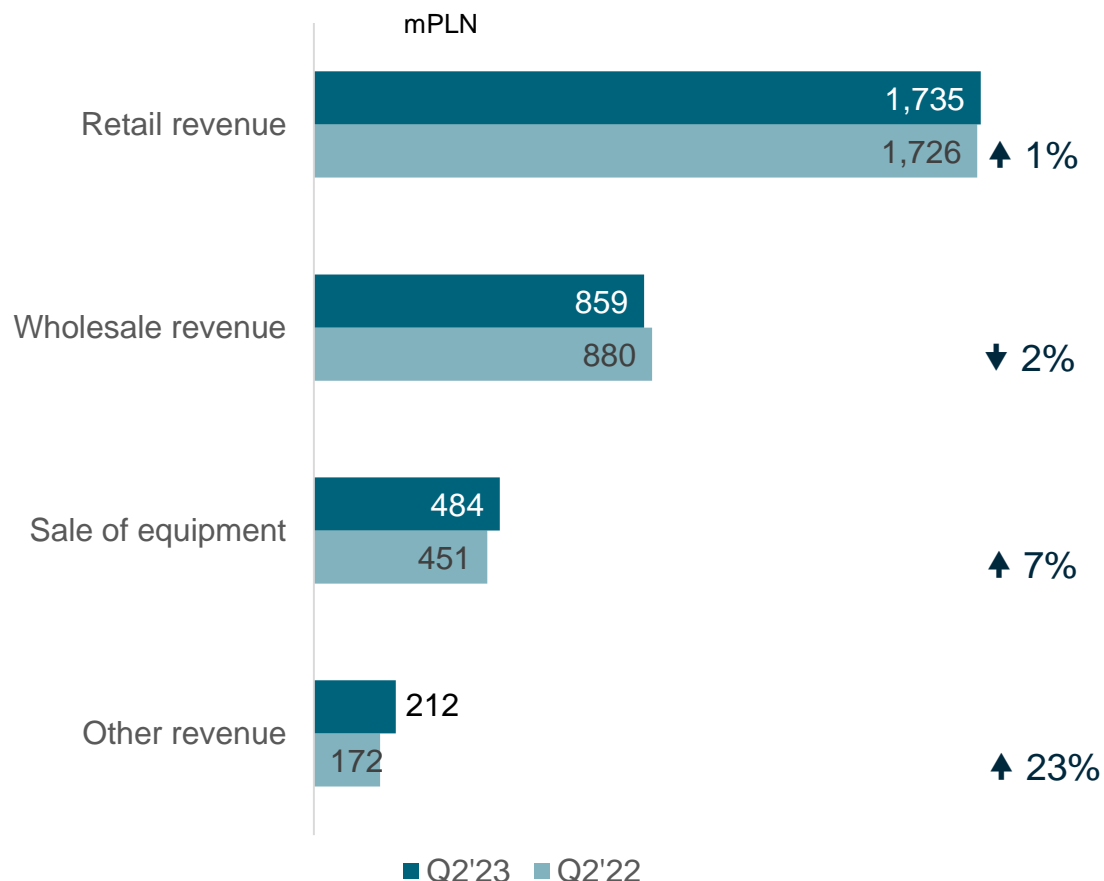
mPLN	Q2'23	YoY change
Revenue	39	-12%
Operating costs <sup>(1)</sup>	35	-19%
EBITDA	6	62%
EBITDA margin	15.4%	7.0pp

Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

Note: (1) Costs excl. depreciation, amortization, impairment and liquidation

- The real estate segment mainly focuses on construction projects but it also includes sale, rental and management of own and leased property
- The sale of apartments in a new investment stage in Port Praski is underway. We also have an inventory of apartments that are ready for sale and we are working on construction projects for Polsat Plus Group companies
- Further real estate development projects are planned in the mid-term

# Revenue structure

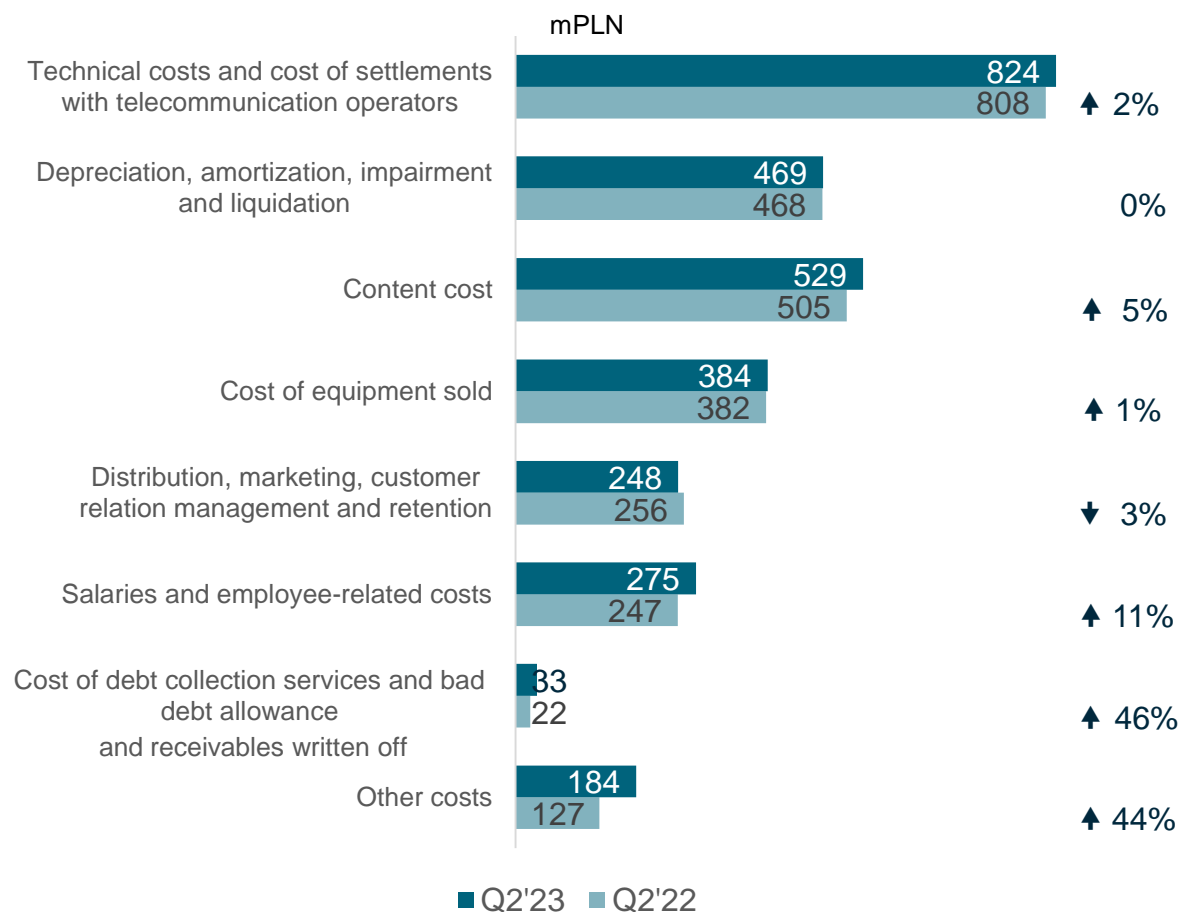


- Lower **wholesale revenue** results from the decrease in interconnection revenue, due to the gradual regulatory reduction of MTR rates, which was compensated to a significant extent by higher advertising and sponsorship revenue as well as higher revenue from cable and satellite operators.
- Higher revenue from **sale of equipment** principally as a result of an increased share of more expensive smartphone models in the sales mix
- Higher **other revenue** primarily due to higher revenues from operations on the photovoltaics market, increasing interest revenue from sales in the installment plan model and higher revenue from rental of premises

Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses



# Operating costs structure



- Increase in **technical costs and cost of settlements with telecommunication operators** caused mainly by higher network maintenance costs due to higher costs of electricity and the valorization of rental contracts. This increase was largely offset by lower costs of interconnect settlements due to the successive regulatory reduction of MTR rates
- Increase in **content cost** mainly as a result of higher costs of internal production and investments aimed at increasing the attractiveness of our TV channels' programming and pay TV packages
- Increase in **salaries and employee-related costs** mainly due to increased headcount and continuing inflationary pressure
- Increase in **other costs** related mostly to the recognition of higher costs of operations in the photovoltaics market

Source: Consolidated financial statements for the 6-month period ended 30 June 2023 and internal analyses

# Glossary

<b>RGU (Revenue Generating Unit)</b>	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.
<b>Customer</b>	A natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in the contract model. A customer is identified by a unique national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON).
<b>ARPU per B2C/B2B customer</b>	Average monthly revenue per customer generated in a given settlement period.
<b>ARPU per prepaid RGU</b>	Average monthly revenue per prepaid RGU generated in a given settlement period.
<b>Churn</b>	<p>Termination of the contract with a B2C customer by means of a termination notice, collections or other activities resulting in the situation that after the termination of the contract the customer does not have any active services provided in the contract model.</p> <p>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.</p>
<b>Usage definition (90-day for prepaid RGU)</b>	Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.

# Investor Relations

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<https://grupapolsatplus.pl>

