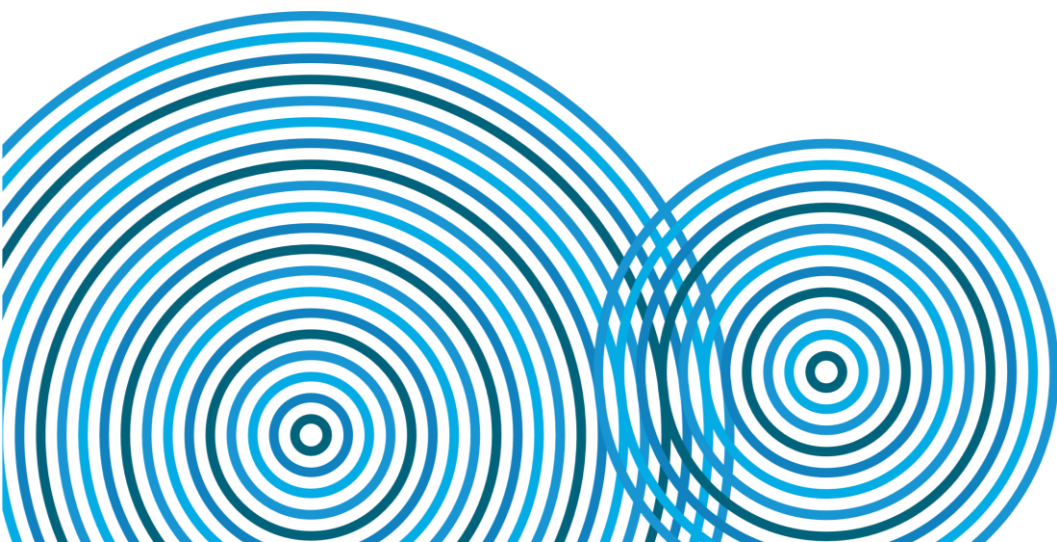


## **Cyfrowy Polsat S.A.**

**Interim Condensed Financial Statements  
for the 9 months ended 30 September 2021**

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



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## Approval of the interim condensed financial statements

On 9 November 2021, 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 2021 to 30 September 2021 showing a net profit for the period of: PLN 3,557.6

### Interim Statement of Comprehensive Income for the period

from 1 January 2021 to 30 September 2021 showing a total comprehensive income for the period of: PLN 3,564.6

### Interim Balance Sheet as at

30 September 2021 showing total assets and total equity and liabilities of: PLN 20,032.7

### Interim Cash Flow Statement for the period

from 1 January 2021 to 30 September 2021 showing a net increase in cash and cash equivalents amounting to: PLN 4,224.5

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

from 1 January 2021 to 30 September 2021 showing an increase in equity of: PLN 2,797.1

### Notes to the Interim Condensed Financial Statements

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

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**Mirosław  
Błaszczak**  
President of the  
Management Board

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

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**Jacek  
Felczykowski**  
Member of the  
Management Board

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**Aneta  
Jaskólska**  
Member of the  
Management Board

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**Agnieszka  
Odorowicz**  
Member of the  
Management Board

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

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**Agnieszka  
Szatan**  
Chief Accountant

## Interim Income Statement

		for the 3 months ended		for the 9 months ended	
	Note	30 September 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Revenue	7	603.5	594.8	1,831.4	1,772.1
Operating costs	8	(517.0)	(469.7)	(1,515.0)	(1,435.6)
Other operating income/(costs), net		(0.6)	(3.7)	(6.4)	(3.1)
<b>Profit from operating activities</b>		<b>85.9</b>	<b>121.4</b>	<b>310.0</b>	<b>333.4</b>
Gain on investment activities, net	10	3,799.6	21.4	4,033.6	102.5
Finance costs, net	11	(23.2)	(22.0)	(68.1)	(67.3)
<b>Gross profit for the period</b>		<b>3,862.3</b>	<b>120.8</b>	<b>4,275.5</b>	<b>368.6</b>
Income tax		(674.5)	(23.3)	(717.9)	(63.4)
<b>Net profit for the period</b>		<b>3,187.8</b>	<b>97.5</b>	<b>3,557.6</b>	<b>305.2</b>
<b>Basic and diluted earnings per share (in PLN)</b>		<b>4.98</b>	<b>0.16</b>	<b>5.56</b>	<b>0.48</b>

## Interim Statement of Comprehensive Income

	Note	for the 3 months ended		for the 9 months ended	
		30 September 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
<b>Net profit for the period</b>		<b>3,187.8</b>	<b>97.5</b>	<b>3,557.6</b>	<b>305.2</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Valuation of hedging instruments	12	2.2	(0.2)	7.0	(8.9)
<b>Other comprehensive income/(loss), net of tax</b>		<b>2.2</b>	<b>(0.2)</b>	<b>7.0</b>	<b>(8.9)</b>
<b>Total comprehensive income for the period</b>		<b>3,190.0</b>	<b>97.3</b>	<b>3,564.6</b>	<b>296.3</b>

## Interim Balance Sheet - Assets

	Note	30 September 2021 unaudited	31 December 2020
Reception equipment		329.8	343.1
Other property, plant and equipment		108.0	112.8
Goodwill		197.0	197.0
Brands		-	7.8
Other intangible assets		84.7	72.1
Right-of-use assets		20.0	23.0
Investment property		34.8	36.4
Shares in subsidiaries and associates, includes:	18	12,420.8	13,428.8
<i>shares in associates</i>		1,760.2	1,260.2
Non-current deferred distribution fees		20.3	26.5
Other non-current assets, includes:		433.4	87.1
<i>derivative instruments</i>		0.6	-
<b>Total non-current assets</b>		<b>13,648.8</b>	<b>14,334.6</b>
Contract assets		131.5	160.2
Inventories		54.3	46.7
Trade and other receivables		1,053.4	118.7
Current deferred distribution fees		62.9	64.2
Other current assets		21.9	16.1
Cash and cash equivalents		5,059.9	835.4
<b>Total current assets</b>		<b>6,383.9</b>	<b>1,241.3</b>
<b>Total assets</b>		<b>20,032.7</b>	<b>15,575.9</b>

## Interim Balance Sheet - Equity and Liabilities

	Note	30 September 2021 unaudited	31 December 2020
Share capital	11	25.6	25.6
Share premium	11	7,174.0	7,174.0
Other reserves		(1.5)	(8.5)
Retained earnings		6,509.7	3,719.6
<b>Total equity</b>		<b>13,707.8</b>	<b>10,910.7</b>
Loans and borrowings	13	1,279.7	1,387.1
Issued bonds	14	1,960.6	1,959.2
Lease liabilities		17.2	19.9
Deferred tax liabilities		85.3	84.6
Other non-current liabilities and provisions, includes:		1.6	6.3
<i>derivative instruments</i>		-	4.7
<b>Total non-current liabilities</b>		<b>3,344.4</b>	<b>3,457.1</b>
Loans and borrowings	13	1,174.6	140.9
Issued bonds	14	39.2	38.7
Lease liabilities		3.7	3.7
Contract liabilities		240.0	246.1
Trade and other payables, includes:		349.8	353.3
<i>derivative instruments</i>		2.1	5.5
Liability to shareholders related to dividend		511.7	415.7
Income tax liability		658.1	6.4
Deposits for equipment		3.4	3.3
<b>Total current liabilities</b>		<b>2,980.5</b>	<b>1,208.1</b>
<b>Total liabilities</b>		<b>6,324.9</b>	<b>4,665.2</b>
<b>Total equity and liabilities</b>		<b>20,032.7</b>	<b>15,575.9</b>

## Interim Cash Flow Statement

		for the 9 months ended	
	Note	30 September 2021 unaudited	30 September 2020 unaudited
<b>Net profit</b>		<b>3,557.6</b>	<b>305.2</b>
<b>Adjustments for:</b>		<b>(3,186.6)</b>	<b>144.0</b>
Depreciation, amortization, impairment and liquidation	8	141.9	128.8
Interest expense		55.6	64.3
Change in inventories		(7.6)	22.7
Change in receivables and other assets		5.9	71.0
Change in liabilities and provisions		(15.1)	11.2
Change in contract assets		28.7	26.7
Change in contract liabilities		(6.1)	1.8
Income tax		717.9	63.4
Net increase in reception equipment		(91.1)	(130.9)
Dividends income and share in the profits of partnerships	9	(1,047.6)	(100.0)
Gain on sale of shares in a subsidiary	9	(2,976.4)	-
Cumulative catch-up resulting from modification of the loan agreement		-	(7.4)
Other adjustments		7.3	(7.6)
<b>Cash from operating activities</b>		<b>371.0</b>	<b>449.2</b>
Income tax paid		(67.3)	(92.2)
Interest received from operating activities		0.2	1.9
<b>Net cash from operating activities</b>		<b>303.9</b>	<b>358.9</b>
Received dividends and shares in the profits of partnerships		214.5	93.9
Acquisition of shares in subsidiaries and associates	18	(1,285.1)	(25.8)
Acquisition of property, plant and equipment		(8.6)	(17.0)
Acquisition of intangible assets		(17.5)	(21.0)
Proceeds from sale of shares in a subsidiary	18	5,269.5	-
Loans granted		(483.3)	(73.1)
Loans repaid		37.7	0.2
Interest on loans repaid		1.6	-
Other inflows		6.1	5.2
<b>Net cash from investing activities</b>		<b>3,734.9</b>	<b>(37.6)</b>



	Note	for the 9 months ended	
		30 September 2021 unaudited	30 September 2020 unaudited
Bonds issue	14	-	1,000.0
Loans inflows	13	1,665.0	-
Repayment of loans and borrowings	13	(743.0)	(454.4)
Payment of interest on loans, borrowings, bonds and commissions <sup>(1)</sup>		(55.6)	(75.7)
Dividend paid		(671.5)	-
Other outflows		(9.2)	(7.1)
<b>Net cash from financing activities</b>		<b>185.7</b>	<b>462.8</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,224.5</b>	<b>784.1</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>835.4</b>	<b>142.1</b>
Effect of exchange rate fluctuations on cash and cash equivalents		-	-
<b>Cash and cash equivalents at the end of period</b>		<b>5,059.9</b>	<b>926.2</b>

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

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

	Share capital	Share premium	Other reserves	Retained earnings <sup>(1)</sup>	Total Equity
<b>Balance as at 1 January 2021</b>	<b>25.6</b>	<b>7,174.0</b>	<b>(8.5)</b>	<b>3,719.6</b>	<b>10,910.7</b>
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.

## Interim Statement of Changes in Equity for the 9 months ended 30 September 2020

	Share capital	Share premium	Other reserves	Retained earnings <sup>(1)</sup>	Total Equity
<b>Balance as at 1 January 2020</b>	<b>25.6</b>	<b>7,174.0</b>	<b>(0.2)</b>	<b>3,954.1</b>	<b>11,153.5</b>
Dividend approved	-	-	-	(639.5)	<b>(639.5)</b>
Total comprehensive income	-	-	(8.9)	305.2	<b>296.3</b>
<i>Hedge valuation reserve</i>	-	-	(8.9)	-	<b>(8.9)</b>
<i>Net profit for the period</i>	-	-	-	305.2	<b>305.2</b>
<b>Balance as at 30 September 2020 unaudited</b>	<b>25.6</b>	<b>7,174.0</b>	<b>(9.1)</b>	<b>3,619.8</b>	<b>10,810.3</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 2020.

## 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 2021, the Group encompasses the Company, Polkomtel Sp. z o.o. and its subsidiaries, 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, TVO Sp. z o.o., Mese Sp. z o.o., Esoleo Sp. z o.o. and its subsidiaries and BCAST Sp. z o.o.

#### 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

Composition of the Supervisory Board from 24 June 2021:

- |                     |   |
|---------------------|---|
| • 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.        |

#### Composition of the Supervisory Board to 24 June 2021:

- Marek Kapuściński Chairman of the Supervisory Board,
- Józef Birka Member of the Supervisory Board,
- Marek Grzybowski Member of the Supervisory Board,
- Robert Gwiazdowski Member of the Supervisory Board,
- Aleksander Myszkowski Member of the Supervisory Board,
- Leszek Rekša Member of the Supervisory Board,
- Tomasz Szela Member of the Supervisory Board,
- Paweł Ziółkowski 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 2021 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 2020, 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 9 November 2021). 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 2020, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2021.

During the nine-month period ended 30 September 2021 the following became effective:

- a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform,
- b) Amendment to IFRS 16 – Covid-19-Related Rent Concessions.

Amendments and interpretations that apply for the first time in 2021 do not have a material impact on the interim condensed financial statements of the Company.

Standards published but not yet 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"
- e) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- f) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

- g) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- h) 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 9 November 2021.

## 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 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Retail revenue	557.6	545.6	1,683.2	1,629.3
Wholesale revenue	24.6	27.0	79.4	77.6
Sale of equipment	3.7	4.8	16.3	14.2
Other revenue	17.6	17.4	52.5	51.0
<b>Total</b>	<b>603.5</b>	<b>594.8</b>	<b>1,831.4</b>	<b>1,772.1</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 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Content costs		194.1	191.8	595.1	568.9
Technical costs and costs of settlements with telecommunication operators		122.0	113.6	368.8	355.5
Distribution, marketing, customer relation management and retention costs		80.1	75.4	227.3	229.1
Depreciation, amortization, impairment and liquidation		51.7	44.7	141.9	128.8
Salaries and employee-related costs	a)	28.4	27.3	90.1	83.4
Cost of equipment sold		2.4	3.4	13.6	12.0
Cost of debt collection services, bad debt allowance and receivables written off		2.6	(3.0)	7.6	5.1
Other costs		35.7	16.5	70.6	52.8
<b>Total</b>		<b>517.0</b>	<b>469.7</b>	<b>1,515.0</b>	<b>1,435.6</b>

### a) Salaries and employee-related costs

	for the 3 months ended		for the 9 months ended	
	30 September 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Salaries	23.9	23.1	74.9	69.4
Social security contributions	3.6	3.4	12.0	11.4
Other employee-related costs	0.9	0.8	3.2	2.6
<b>Total</b>	<b>28.4</b>	<b>27.3</b>	<b>90.1</b>	<b>83.4</b>

## 9. Gain on investment activities, net

	for the 3 months ended		for the 9 months ended	
	30 September 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Dividends	806.0	8.9	1,004.9	65.7
Share in the profits of partnerships	11.1	11.6	42.7	34.3
Gain on sale of shares in a subsidiary	2,976.4	-	2,976.4	-
Other	6.1	0.9	9.6	2.5
<b>Total</b>	<b>3,799.6</b>	<b>21.4</b>	<b>4,033.6</b>	<b>102.5</b>

## 10. Finance costs, net

	for the 3 months ended		for the 9 months ended	
	30 September 2021 unaudited	30 September 2020 unaudited	30 September 2021 unaudited	30 September 2020 unaudited
Interest expense on loans and borrowings	8.9	8.7	26.0	33.1
Interest expense on issued bonds	10.4	10.4	30.9	33.6
Cumulative catch-up	-	-	-	(7.4)
Valuation and realization of hedging instruments	1.4	0.5	4.1	0.8
Guarantee fees	2.1	2.0	5.9	6.2
Bank and other charges	0.4	0.4	1.2	1.0
<b>Total</b>	<b>23.2</b>	<b>22.0</b>	<b>68.1</b>	<b>67.3</b>

## 11. Equity

### Share capital

Presented below is the structure of the Company's share capital as at 30 September 2021 and 31 December 2020:

Share series	Number of shares *	Nominal value of shares	Type of shares
Series A	2,500,000	0.1	preference shares (2 voting rights)
Series B	2,500,000	0.1	preference shares (2 voting rights)
Series C	7,500,000	0.3	preference shares (2 voting rights)
Series D	166,917,501	6.7	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 2021 was as follows:

	Number of shares *	Nominal value of shares	% of share capital held	Number of votes *	% of voting rights
TiVi Foundation <sup>2</sup> , including through:	309,574,244	12.4	48.41%	474,351,799	57.92%
Reddev Investments Ltd. <sup>1</sup>	309,574,234	12.4	48.41%	474,351,779	57.92%
Embud 2 Sp. z o.o. S.K.A. <sup>2</sup>	64,011,733	2.6	10.01%	64,011,733	7.82%
Tipeca Consulting Limited <sup>3</sup>	2,152,388	0.1	0.34%	2,152,388	0.26%
Others	263,807,651	10.5	41.25%	278,447,597	34.00%
<b>Total</b>	<b>639,546,016</b>	<b>25.6</b>	<b>100%</b>	<b>818,963,517</b>	<b>100%</b>

\* not in millions

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

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

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

The shareholders' structure as at 31 December 2020 was as follows:

	Number of shares *	Nominal value of shares	% of share capital held	Number of votes *	% of voting rights
TiVi Foundation <sup>2</sup> , including through:	298,080,297	11.9	46.61%	457,797,808	55.90%
Reddev Investments Ltd. <sup>1</sup>	298,080,287	11.9	46.61%	457,797,788	55.90%
Embud 2 Sp. z o.o. S.K.A. <sup>2</sup>	64,011,733	2.6	10.01%	64,011,733	7.82%
Tipeca Consulting Limited <sup>3</sup>	2,152,388	0.1	0.34%	2,152,388	0.26%
Others	275,301,598	11.0	43.05%	295,001,588	36.02%
<b>Total</b>	<b>639,546,016</b>	<b>25.6</b>	<b>100%</b>	<b>818,963,517</b>	<b>100%</b>

\* not in millions

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

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

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

## Share premium

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

## 12. Hedge valuation reserve

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

	2021	2020
<b>Balance as at 1 January</b>	<b>(8.3)</b>	<b>(0.2)</b>
Valuation of cash flow hedges	8.7	(11.0)
Deferred tax	(1.7)	2.1
<b>Change for the period</b>	<b>7.0</b>	<b>(8.9)</b>
<b>Balance as at 30 September unaudited</b>	<b>(1.3)</b>	<b>(9.1)</b>



### 13. Loans and borrowings

	30 September 2021 unaudited	31 December 2020
Short-term liabilities	1,174.6	140.9
Long-term liabilities	1,279.7	1,387.1
<b>Total</b>	<b>2,454.3</b>	<b>1,528.0</b>

Change in loans and borrowings liabilities:

	2021	2020
<b>Balance as at 1 January</b>	<b>1,528.0</b>	<b>1,993.3</b>
Revolving facility loan	1,665.0	-
Repayment of capital	(743.0)	(454.4)
Repayment of interest and commissions	(21.9)	(37.6)
Cumulative catch-up	-	(7.4)
Interest accrued	26.2	32.8
<b>Balance as at 30 September unaudited</b>	<b>2,454.3</b>	<b>1,526.7</b>

### 14. Issued Bonds

	30 September 2021 unaudited	31 December 2020
Short-term liabilities	39.2	38.7
Long-term liabilities	1,960.6	1,959.2
<b>Total</b>	<b>1,999.8</b>	<b>1,997.9</b>

Change in issued bonds:

	2021	2020
<b>Balance as at 1 January</b>	<b>1,997.9</b>	<b>1,004.0</b>
Bonds issue	-	1,000.0
Repayment of interest and commissions	(29.0)	(36.7)
Interest accrued and commissions	30.9	32.6
<b>Balance as at 30 September unaudited</b>	<b>1,999.8</b>	<b>1,999.9</b>

## 15. Transactions with related parties

### RECEIVABLES

	30 September 2021 unaudited	31 December 2020
Subsidiaries	873.0	46.5
Joint ventures and associates	0.2	0.3
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	0.1	0.5
<b>Total</b>	<b>873.3</b>	<b>47.3</b>

A significant portion of receivables is represented by receivables related to dividend, 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 2021 unaudited	31 December 2020
Subsidiaries	10.9	8.5
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	0.4	0.6
<b>Total</b>	<b>11.3</b>	<b>9.1</b>

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

### LIABILITIES

	30 September 2021 unaudited	31 December 2020
Subsidiaries	101.7	97.0
Joint ventures and associates	1.2	1.4
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	318.0	255.6
<b>Total</b>	<b>420.9</b>	<b>354.0</b>

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

## LOANS GRANTED

	30 September 2021 unaudited	31 December 2020
Subsidiaries	538.9	94.4
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	7.0	-
<b>Total</b>	<b>545.9</b>	<b>94.4</b>

## REVENUES

	for the 9 months ended	
	30 September 2021 unaudited	30 September 2020 unaudited
Subsidiaries	109.2	97.4
Joint ventures and associates	-	2.2
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.	1.1	1.8
<b>Total</b>	<b>110.3</b>	<b>101.4</b>

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

## EXPENSES

	for the 9 months ended	
	30 September 2021 unaudited	30 September 2020 unaudited
Subsidiaries	532.4	531.1
Joint ventures and associates	1.6	4.4
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	17.2	16.8
<b>Total</b>	<b>551.2</b>	<b>552.3</b>

The most significant transactions include data transfer services.

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

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

	for the 9 months ended	
	30 September 2021	30 September 2021
	unaudited	unaudited
Subsidiaries	1,000.7	50.3
Joint ventures and associates	59.2	57.2
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.	(0.4)	(2.1)
<b>Total</b>	<b>1,059.5</b>	<b>105.4</b>

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

## FINANCE COSTS

	for the 9 months ended	
	30 September 2021	30 September 2021
	unaudited	unaudited
Subsidiaries	5.9	6.2
<b>Total</b>	<b>5.9</b>	<b>6.2</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 2021 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 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations were allegedly infringing collective consumer interests by presenting sale offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 4.4. The Company appealed to SOKiK against the decision. On 14 October 2019 SOKiK dismissed

the appeal. The Company appealed against the decision. On 31 December 2020 the Company's appeal was dismissed. On 14 January 2021 the Company paid the penalty. The Company submit a cassation appeal to the Supreme Court.

### Other proceedings

On 28 April 2017, Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On 10 January 2018 the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The last hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, included the mediator's position summarizing the course of mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. The next hearing is scheduled for 11 May 2022.

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 date of next hearing is scheduled for 16 March 2022.

Other significant proceedings described in the financial statements for the year ended 31 December 2020 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 2020. There have been no significant changes in any risk management policies since the end of year 2020.

### 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 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 2021 unaudited		31 December 2020	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	543.0	546.6	95.9	95.2
Trade and other receivables	A	*	918.4	918.4	105.7	105.7
Cash and cash equivalents	A	*	5,059.9	5,059.9	835.4	835.4
Loans and borrowings	B	2	(2,454.7)	(2,454.3)	(1,542.9)	(1,528.0)
Issued bonds	B	1	(2,037.3)	(1,999.8)	(2,023.1)	(1,997.9)
Lease liabilities	B	2	(20.9)	(20.9)	(23.6)	(23.6)
Accruals	B	*	(179.9)	(179.9)	(179.2)	(179.2)
Liabilities to shareholders related to dividend	B	2	(511.7)	(511.7)	(415.7)	(415.7)
Trade and other payables and deposits	B	*	(141.2)	(141.2)	(142.0)	(142.0)
<b>Total</b>			<b>1,175.6</b>	<b>1,217.1</b>	<b>(3,289.5)</b>	<b>(3,250.1)</b>
Unrecognized loss				<b>(41.5)</b>		<b>(39.4)</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 2021 loans and borrowings comprised term and revolving facility loan. As at 31 December 2020 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 2021 and 31 December 2020, 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 2021 and 31 December 2020 is calculated based on the last bid price as at the balance sheet date as quoted on the Catalyst market.

As at 30 September 2021 the Company held the following financial instruments measured at fair value:

#### ASSETS MEASURED AT FAIR VALUE

	30 September 2021 unaudited	Level 1	Level 2	Level 3
<b>Hedging derivative instruments</b>				
IRS		-	0.6	-
<b>Total</b>		-	<b>0.6</b>	-

#### LIABILITIES MEASURED AT FAIR VALUE

	30 September 2021 unaudited	Level 1	Level 2	Level 3
<b>Hedging derivative instruments</b>				
IRS		-	(2.1)	-
<b>Total</b>		-	<b>(2.1)</b>	-

As at 31 December 2020 the Company held the following financial instruments measured at fair value:

#### LIABILITIES MEASURED AT FAIR VALUE

	31 December 2020	Level 1	Level 2	Level 3
<b>Hedging derivative instruments</b>				
IRS		-	(10.2)	-
<b>Total</b>		-	<b>(10.2)</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

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

On 23 December 2020, the Company announced a tender offer for 114,173,459 (not in millions) shares issued by Netia S.A., entitling to 114,173,459 (not in million) votes at Netia's general meeting, representing ca. 34.02% of Netia's share capital and ca. 34.02% of the total number of votes at Netia's general meeting. The share price in the tender offer was set at PLN 4.80 (not in millions) per Netia's share.

As a result of the tender offer, on 8 March 2021 the Company acquired 84,868 (not in millions) Netia's shares for the amount of PLN 0.4, representing ca. 0.0253% of its share capital and carrying the right to ca. 0.0253% of total votes at Netia's general meeting and held, as at that date, in total 221,489,753 (not in millions) Netia's shares representing ca. 66.0024% of its share capital and carrying the right to ca. 66.0024% of total votes at Netia's general meeting. Due to the fact that the share price of PLN 4.80 (not in millions) set in the tender offer was lower than the price for which the Company acquired Netia's shares in transactions described

below, the Company made additional payment in September 2021 to Netia's shares sellers in the tender offer announced on 23 December 2020 in the amount of PLN 0.2.

In April 2021, as a result of concluding on the regulated market of the Warsaw Stock Exchange a number of block trade transactions the Company acquired 11,405,739 (not in millions) Netia's shares for the amount of PLN 65.8, representing ca. 3.40% of total votes at Netia's general meeting. After the change in share Cyfrowy Polsat held directly 232,895,492 (not in millions) Netia's shares representing ca. 69.40% of its share capital and carrying the right to ca. 69.40% of total votes at Netia's general meeting.

On 19 May 2021, the Company acquired 58,714 (not in millions) Netia's shares for the amount of PLN 0.3, representing ca. 0.02% of total votes at Netia's general meeting. After the change in share Cyfrowy Polsat held directly 232,954,206 (not in millions) Netia's shares representing ca. 69.42% of its share capital and carrying the right to ca. 69.42% of total votes at Netia's general meeting.

On 23 June 2021, the Company acquired 16,332,115 (not in millions) Netia's shares for the amount of PLN 114.4, representing ca. 4.87% of total votes at Netia's general meeting. After the change in share Cyfrowy Polsat held directly 249,286,321 (not in millions) Netia's shares representing ca. 74.29% of its share capital and carrying the right to ca. 74.29% of total votes at Netia's general meeting.

On 6 July 2021, the Company acquired 78,989,066 (not in millions) Netia's shares for the amount of PLN 552.9, representing ca. 23.54% of total votes at Netia's general meeting. After the change in share Cyfrowy Polsat held directly 328,275,387 (not in millions) Netia's shares representing ca. 97.82% of its share capital and carrying the right to ca. 97.82% of total votes at Netia's general meeting.

On 6 August 2021, the Company acquired 7,298,980 (not in millions) Netia's shares for the amount of PLN 51.1, representing ca. 2.18% of total votes at Netia's general meeting. After the change in share Cyfrowy Polsat holds directly 335,574,367 (not in millions) Netia's shares representing ca. 99.999% of its share capital and carrying the right to ca. 99.999% of total votes at Netia's general meeting. The Company applied to the Management Board of Netia for the registration in the name of Cyfrowy Polsat of 3,977 (not in millions) ordinary bearer shares of Netia, which were not dematerialized and the binding force of which expired by law on 1 March 2021.

### Execution of sale agreement for shares in subsidiary

On 26 February 2021 Company and its Subsidiary Polkomtel Sp. z o. o. (together "Sellers") concluded a conditional sale agreement ("Sale Agreement") of shares in Polkomtel Infrastruktura Sp. z o. o. ("Polkomtel Infrastruktura"), currently Towerlink Poland Sp. z o.o.

According to the Sale Agreement, Company agreed to sell all shares held representing 74.98% of the share capital of Polkomtel Infrastruktura for the price of PLN 5,302.1, while Polkomtel Sp. z o. o. agreed to sell shares representing 25.01% of the share capital for the price of PLN 1,768.2. The sale price was to be reduced by certain payments made by Polkomtel Infrastruktura to Group entities as well as by the amount of so-called profitability uplift related to master service agreement and increased by the interest accruing at 6% per annum.

The completion of the transaction was conditional on the fulfillment of the following conditions precedent: the buyer must obtain consent of the President of the Office of Competition and Consumer Protection for the concentration and the Sellers must obtain consents required under the financing documentation of the Sellers, as well as conditional or unconditional



release of security interests encumbering the Shares. On 9 June 2021 the President of the Office of Competition and Consumer Protection gave consent for concentration.

The Sale Agreement was completed on 8 July 2021. The cash inflows related to the transaction amounted to PLN 5.3 billion (not in millions).

Upon completion the transaction, Group's entities (Polkomtel Sp. z o.o. and Aero 2 Sp. z o.o., the Company's subsidiaries) concluded a framework service agreement with Towerlink governing Towerlink's further cooperation with the Group. Detailed information in respect to the framework service agreement is presented in the interim condensed consolidated financial statements for the 9 months ended 30 September 2021.

#### Acquisition of shares in eObuwie.pl S.A.

On 31 March 2021 Management Board decided to acquire 10% of the share of eObuwie.pl S.A. within the scope of a pre-IPO investment for a consideration of PLN 500. As a result of the above, on 31 March 2021 the Company signed a preliminary agreement regarding acquisition of shares and a shareholders' agreement regulating, among others, the future corporate governance principles of eObuwie.pl S.A. This agreement had a conditional nature, in particular the seller was obligated to obtain relevant consents of banks financing the operating activities of entities from the seller's capital group as well as the consent of the general shareholders meeting of eObuwie.pl S.A. for the sale of company's shares.

The Company completed transaction of acquisition of 10% of the shares in eObuwie.pl S.A. on 22 June 2021.

#### Acquisition of shares in PLCOM Sp. z o.o.

On 23 April 2021 the Company acquired 10% shares in PLCOM Sp. z o.o. for the amount of PLN 500 (not in millions). On 31 May 2021 company's name change to Exion Hydrogen Polskie Elektrolizery Sp. z o.o. was registered.

#### Distribution of profit and dividend payment

On 24 June 2021 the Annual General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2020 and a part of the profits earned in the previous years for a dividend payout. In accordance with the provisions of the resolution, the dividend amounted to PLN 767.5. The dividend day was scheduled for 15 September 2021 and the dividend payout shall be made in two tranches as follows:

- Tranche I: PLN 255.8 on 28 September 2021,
- Tranche II: PLN 511.7 on 10 December 2021.

#### Loan agreement

On 23 July 2021 Cyfrowy Polsat concluded the loan agreement with Netia S.A. On the basis of the loan agreement Cyfrowy Polsat paid out to Netia S.A. on 26 July 2021 and 29 July 2021 two tranches of the loan in a total amount of PLN 348.5.

#### A tender offer for the sale of the shares in the Company

On 28 September 2021 the Company, in agreement with its parent entities, announced a tender offer for the sale of 263,807,651 (not in millions) shares, issued by Cyfrowy Polsat S.A. representing in total approximately 41.24% of the share capital of the Company and carrying

the right to 278,447,597 (not in millions) votes at the general meeting of the Company, which is equivalent to approximately 34.00% votes at the general meeting of the Company.

Cyfrowy Polsat intends to acquire in the tender offer no more than 82,904,517 (not in millions) own shares. The tender offer price was set at PLN 35.00 (not in millions) per share.

The shares in the Company will be acquired under the tender offer under the condition that the Company's general meeting adopts a resolution authorizing the Management Board to acquire own shares and create a capital reserve for the purposes of the own shares buy-back program in an amount of at least PLN 2,910.

The Extraordinary General Meeting of the Company has been convened for 16 November 2021. The expected settlement date for the share purchase transaction is 24 November 2021.

### Estimated impact of COVID-19 coronavirus disease pandemic on the operations and financial prospects of the Group

Immediately upon the introduction by the Polish government of the state of emergency due to an epidemics, in effect from 13 March 2020, Cyfrowy Polsat Group took actions to assure business continuity and reduce the negative impact of the pandemic on its operations. The priorities mainly included ensuring safety of the employees as well as guaranteeing high quality of services provided to the customers of the Group's companies.

In the Management Board's view, the Company and Group's core business is relatively resistant to the adverse impact of the pandemic, maintains a high level of liquidity and generates positive cash flows. Accordingly, no factors indicating impairment of the Company's assets were identified. More information in respect to the estimated impact is presented in the Management Report in note 4.4.1.

The ultimate impact that the COVID-19 coronavirus pandemic may have on the Company's, as well as the entire Cyfrowy Polsat Group's operations and financial situation is impossible to foresee at present and depends on numerous factors which are beyond the Group's control and which include, among others, the duration of the pandemic and its further development as well as further potential measures that the Polish government may adopt.

## 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 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 73.3 as at 30 September 2021 (PLN 0.2 as at 31 December 2020). Additionally the amount of deliveries and services committed to under agreements for the purchases of licences and software was PLN 0.3 as at 30 September 2021 (PLN 0.3 as at 31 December 2020).

## Future contractual obligations

As at 30 September 2021 and 31 December 2020 the Company had future liabilities due to transponder capacity agreements. The table below presents future payments (total):

	30 September 2021 unaudited	31 December 2020
within one year	123.0	122.5
between 1 to 5 years	399.6	489.9
<b>Total</b>	<b>522.6</b>	<b>612.4</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.